ANNUAL REPORT
2019 - 2020

STAWELL REGIONAL HEALTH

STAWELL
REGIONAL HEALTH

Stawell Regional Health Vision

"Caring for Our Community"

Stawell Regional Health Mission

In partnership with our community, Stawell Regional Health will deliver high quality care and improve health outcomes by providing safe, accessible and integrated services.

Strategic Priorities to achieve our Vision

1. Develop a customer centred culture emphasising quality and safety

2. Deliver financially sustainable services

3. Engage our community in SRH activities and services

4. To maintain and enhance SRH service delivery and operating capacity

    a. Attract, develop and retain staff
    b. Maintain and renew infrastructure and technology
    c. Build and maintain collaborative relationships and partnerships

Contents

Our Profile

Established in 1859 and located in Stawell, 236kms north-west of Melbourne and 24kms from the Grampians National Park, we serve a diverse population of close to 12,000 across the Northern Grampians Shire.

Stawell Regional Health's commitment to providing quality health care to all communities in the district and beyond has not faltered over its almost 160 years of operation.

Our acute facilities include an Inpatient Ward, Day Procedure Unit, Operating Theatre, Oncology Day Centre, Urgent Care Centre and co-located Helipad. We also provide on-site Pharmacy, Medical Imaging and Superficial x-ray treatment for certain skin cancers in partnership with Austin Health.

Stawell Regional Health has a state-of-the-art Community Rehabilitation Centre and offers a range of Community and Allied Health Services including District Nursing, Social Support Group, Memory Support Nurse, Post- Acute Care, Diabetes Education, Dietetics, Exercise Physiology, Speech Pathology, Physiotherapy, Occupational Therapy, Podiatry, Social Work and Integrated Health Promotion.

Located in the hospital precinct, Macpherson Smith Residential Care provides high quality aged care for our community. Stawell Regional Health also operates the Stawell Medical Centre general practice. Our services are provided by a committed and caring team of highly respected nursing, medical allied health and support staff together with our local general practitioners and visiting medical officers.

Our services are further supplemented by the long-standing, generous support of our volunteers and local community fundraising groups.

How to contact us:

27 – 29 Sloane Street, Stawell VIC 3380
PO Box 800 Stawell VIC 3380
03 5358 8500 info@srh.org.au www.srh.org.au

Board Chair Report

What may surprise readers of our Annual Report, is that while all of us are feeling the effects of 2020 and what pleases me most to report, is that our team here at SRH have been outstanding!

Leadership from our Executive team have driven an exceptional response to the COVID-19 crisis and our team on the ground, those on the frontline, responded. It has not been an easy year, far from it. I am most pleased with the way our team have reacted, strengthened, responded and all the while maintained the Community CARE we hold so dear, that makes me write with such pride and honour to be Chair at Stawell Regional Health.

We began our new financial year with the appointment of Catherine (Kate) Pryde as our CEO. Kate had been our Director of Clinical and Aged Care Services, and prior to that Director of Operations. Kate stood out as our leading candidate from a strong field of applicants, and it was a pleasure to offer her the role as our Chief Executive Officer. From there, Kate has joined with our Executive team in Ian Martin, Trudi Dunmore, Ceri Hugo and Rhys Duncan, to ensure Stawell Regional Health goes from strength to strength. Our team are truly part of our community.

A large piece of work upgrading systems to support air quality throughout the Health service was undertaken, alongside work to upgrade our operating theatre. These significant refurbishments were essential to ensure we could run our service at an optimum.

The Community will also notice new additions as they drive by Macpherson Smith Residential Care, which are new en-suite bathrooms. These were the first stage of work to be undertaken at MSRC and we look forward to further enhancements and improvements to the external areas of our facility in the coming year.

All the aforementioned works were funded by successful grant applications to the Rural Health Infrastructure Fund. Beyond the COVID-19 response, Stawell Regional Health will be launching our new Strategic Plan.

From a Community session to our Board and Executive workshops, we believe we have a well-considered document that we can provide Strategy to the future of Stawell Regional Health. I welcome any further Community responses to the plan, and invite anyone interested to participate in a practical role.

To finalise our year, we welcomed new Board Directors to Stawell Regional Health. David Gittins, Laura Mahoney, John Pringle and Mara Richards and we farewelled Arun Thomas. Jessica Cass, Megh Thakkar, Eman Alsulami and I remain, and together we look forward to bringing the future of Stawell Regional Health to the community of Stawell and surrounds together.

We again thank the Stawell Regional Health Foundation who this year supplied funds to purchase theatre lights in our refurbished Operating Theatre. We are so grateful to the groups who continue to support Stawell Regional Health in fundraising efforts.

The Stawell Hospital Auxiliary and Y-Zetts have been affected by the COVID-19 shutdowns, yet their support as always is encouraging and heartfelt. Also to the Stawell Sprockets, who have also been unable to undertake their sponsored riding, yet continue in their valiant efforts to train and hope to be back on the road as a group soon.

Rhian Jones

Responsible Bodies Declaration

In accordance with the Financial Management Act 1994, I am pleased to present the report of operations for Stawell Regional Health Service for the year ending 30 June 2020.

Rhian Jones
Board Chair
Stawell
28 September 2020

Objectives, Functions, Powers and Duties of Stawell Regional Health

Stawell Regional Health is a public hospital established under the Health Services Act 1988. We provide public health and ancillary services as authorised under the Act, and operate residential care services under the Aged Care Act 1997.

The Board of Management provides strategic direction to the hospital and services. The Board is comprised of members of the community appointed by the Minister for Health under the Health Services Act. The Chief Executive Officer determines how services are delivered.

Stawell Regional Health was accountable, through its Board of Management, to Jenny Mikakos, Minister for Health, Minister for Ambulance Services and Minister for the Coordination of Health and Human Service COVID-19, Deputy Leader of the Government and Martin Foley MLA, Minister for Mental Health and Minister for Housing, Disability and Ageing.

The Year in Review

Our People

First and foremost, we acknowledge the staff at SRH that have ensured our service has continued to deliver healthcare to the community upholding our values of compassion, accountability, respect and excellence. In a year that has provided significant challenges the staff at SRH have responded with agility and innovation, adapting their care models to optimise our service delivery throughout the year and through the COVID-19 pandemic.

This year our staff have been a key focus of our strategy, investing heavily in programs that support a positive work place culture, free from bullying, harassment and violence. We have committed to providing education, skill development and professional development opportunities that support all of our staff in career progression and leadership development. We have expanded our student placements, graduate placements, apprenticeships, certificate training and post graduate support providing expansive experiential opportunities with the intent of promoting rural healthcare as a career of choice.

Our Services

We have continued to improve our infrastructure and amenity with a significant upgrade of our theatre suite which included new air handling units and extension to house our state-of-the-art sterilising units and new theatre lights funded by the Hospital Foundation. Planning commenced for the upgrade of our residential care facility that will provide safe and independent access to an extensive outdoor area designed on the principles of dementia care and we have continued on with our bathroom upgrades building on en-suites to the resident rooms. The hospital auxiliary has provided support for our “improved dining experience” project, for the residents of MSRC through the funding of dining room modifications.

Our Urgent Care Centre has been furnished with a new cardiac monitoring system and high flow oxygen delivery units thanks to the generous donations of the Stawell Lions Club and the Y-Zetts respectively.

This year we participated in the Western PHN pilot project in partnership with Deakin University, which is researching the effectiveness and patient experience of telemedicine for after hour presentations. Telehealth was also successfully introduced to support our extensive outpatient and rehabilitative services, expanding our community reach.

Stawell Medical Centre also successfully introduced a telehealth model to ensure ongoing and safe GP access during the pandemic response.

Ensuring our services are accessible to all members of our community is one of our highest priorities and to this end we have been working closely with our LGBTIQ community, and support agencies, to ensure SRH is providing a service that is considered safe and welcoming for all. We also appointed a Consumer Engagement Manager to work with our community to ensure the community has a voice in crafting the services we deliver and how we deliver them.

Our Partners

Regional and local partnership are critical in optimising the health and wellbeing of our community and have been key to the success limiting the impact of the COVID-19 pandemic in the Northern Grampians. This year SRH, in partnership with key service providers, participated in the all of community response to COVID-19 under the banner “in it together”. Through this program the community was provided with shared information, education,

healthcare and community support services along with local rapid response units for *en masse* COVID-19 testing and contact tracing.

This year our Murray to Moyne team (The Stawell Sprockets) trained and exceeded their last years fund raising efforts. Regrettably they didn't get to ride and we thank the community for supporting the hospital and honouring their sponsorships of the team and the riders despite the cancellation of the event.

Our partnership with the Men's Shed continues in support of the health and wellbeing of men.

Our Future

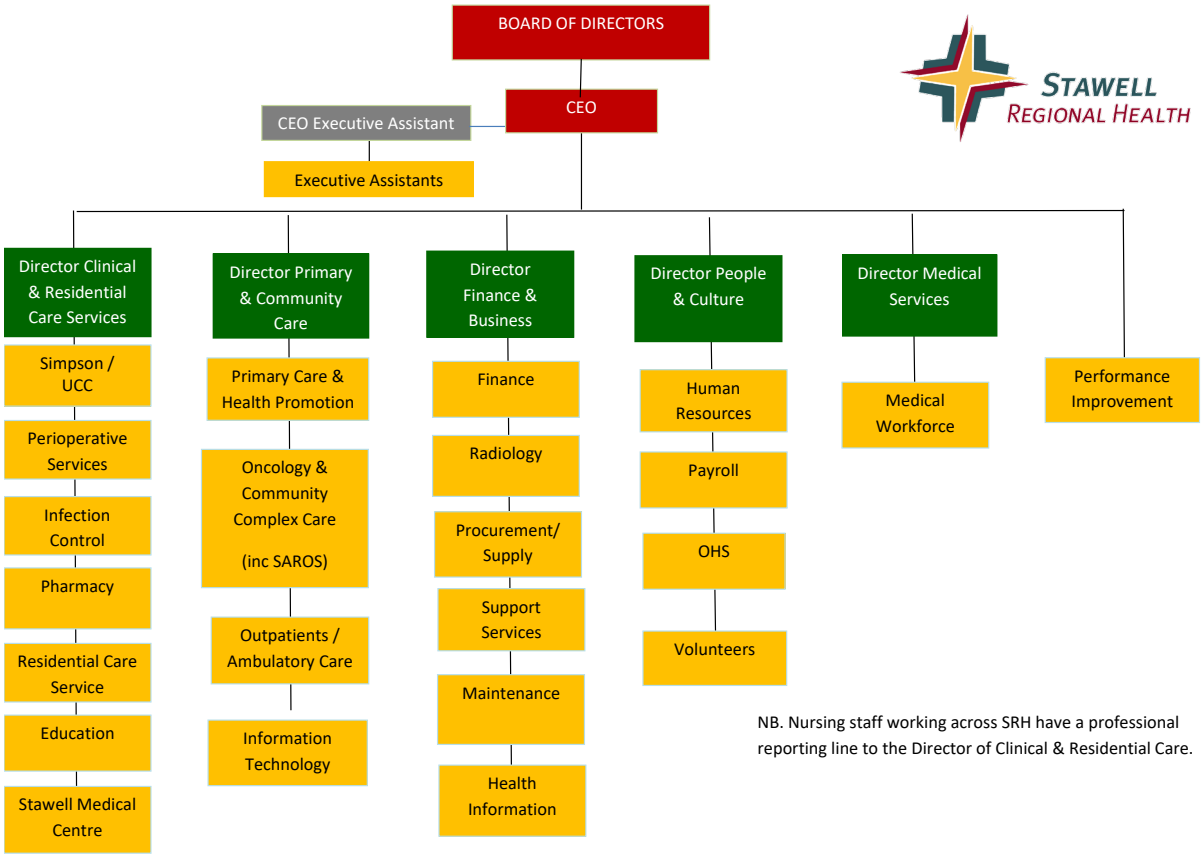
Throughout this year SRH developed and launched its 2020 – 2023 strategic plan "***Growing Healthy Together".*** This plan will now guide us through the ensuing three years with five key priorities:

- The provision of exceptional experiences for our patients, consumers and residents
- A workplace were our staff, volunteers and partners can thrive
- The provision of excellent integrated care that ensures access to health services the community needs
- A service that delivers on expectations through good governance and
- Service delivery that ensures sustainability through attentive financial and resource administration.

Our Community

Our gratitude goes to the community that we serve for their patience, understanding and many shows of support for the efforts of the health service in these challenging times.

Organisational Structure



NB. Nursing staff working across SRH have a professional reporting line to the Director of Clinical & Residential Care.

Board of Directors and Executive Team

Board of Directors

Rhian Jones Board Chair*
Appointed 20 November 2013

Eman Alsulami
Appointed 12 June 2019

Meghraj Thakker*
Appointed 1 July 2019

Jessica Cass Deputy Chair
Appointed 1 July 2016

Arun Thomas*
Appointed 1 July 2017
Retired 30 June 2020

Cheryl Woolard*
Appointed 1 July 2018
Resigned 2020

*Denotes membership on the Audit and Risk Committee.

Audit and Risk Committee

Independent Members:

Lynne Jensz (independent chair)
Resigned 24 October 2019

Warren Groves (independent member)
Resigned 23 December 2019

Executives

Kate Pryde
Chief Executive Officer
Appointed November 2019

Trudi Dunmore
Director of Clinical and Residential Care

Rhys Duncan
Director of Primary and Community Care

Ceri Hugo
Director of People and Culture

Ian Martin
Director of Finance and Business

Workforce Data

Hospital workforce data

Hospitals labour category	JUNE current month FTE		Average Monthly FTE	
	2019 (Restated)	2020	2019 (Restated)	2020
Nursing	75.53	76.33	75.17	76.38
Administration & Clerical	42.60	43.07	42.39	43.1
Medical Support	7.15	7.25	7.11	7.25
Hotel & Allied Services	29.44	29.77	29.29	29.79
Medical Officers	2.58	2.59	2.54	2.59
Hospital Medical Officers	0	0	0	0
Sessional Clinicians	0	0	0	0
Ancillary Staff (Allied Health)	18.90	19.12	18.81	19.13

Occupational Health & Safety

Staff are encouraged to report incidents through the Victorian Health Incident Management System (VHIMS). The incidents that are reported are reviewed by the Occupational Health and Safety Committee on a bi-monthly basis, with a key focus on identifying areas which may require controls and support to maintain staff and patient safety and wellbeing in the workplace.

Occupational Health and Safety incidents entered into the VHIMS system by staff for 2019-2020 financial year have increased slightly to the previous financial year.

Occupational Health & Safety Incidents by Severity

Occupational Health and Safety Statistics	2019-2020	2018-2019	2017-2018
The number of reported hazards/incidents for the year per 100 FTE	56.6	55.3	56.1
The number of 'lost time' standard WorkCover claims for the year per 100 FTE	2.1	1.6	1.8
The average cost per WorkCover claim for the year ('000)	$41	$2	$32

Occupational Violence

Occupational Violence remains an issue in the health care sector. Stawell Regional Health continues to be actively involved in reducing the risk to employees from Occupational Violence.

Occupational Violence Statistics

	2019-2020
Workcover accepted claims with an occupational violence cause per 100 FTE.	0
Number of accepted Workcover claims with lost time injury with an occupational violence cause per 1,000,000 hours worked.	0
Number of occupational violence incidents reported.	21
Number of occupational violence incidents reported per 100 FTE.	11.33
Percentage of occupational violence incidents resulting in a staff injury, illness or condition.	0

Financial Overview

In 2019-20 Stawell Regional Health's financial performance saw a dramatic improvement against budget whilst continuing to deliver high quality services to the community within an extremely challenging environment.

For the 2019-20 financial year Stawell Regional Health delivered a Consolidated Operating surplus of $145K against a budgeted deficit of $1.89m. This is compared to a Consolidated Operating deficit of $292K in the previous financial year.

The impact of COVID-19 saw increased expenditure throughout the organisation as we implemented a number of key changes designed to keep our staff, consumers and community safe. This included the implementation of a new Respiratory Assessment Clinic, undertaking high volume swabbing as part of the governments testing 'blitz', increased barrier protection, and increased use of personal protective equipment (PPE) and other infection control measures.

As activity dropped in response to State and Federal directives, Stawell Regional Health also experienced foregone income, particularly on areas such as Radiology, Social Support activity, and Residential Aged Care. As we implemented measures to ensure continued access to these services across our community there were again increased costs.

The above financial pressures were offset to a large degree by savings made against the non-delivery of Theatre activity and repurposing of $1.8m of State Grant. Additional funding was received from the Commonwealth in relation to our Residential Aged Care facility to the value of $38k.

Our Capital program continued throughout the year with works being carried out on our Theatre Air Handling Units, power infrastructure, and replacement of half our PC and laptop fleet. Further work has also commenced to replace our Nurse Call and duress systems and ICT infrastructure over the coming year. SRH were also successful in securing significant refurbishment funding for our Residential Care facility and work is planned to upgrade a number of areas within this facility throughout the coming year.

In 2019-20 consolidated operating activities for the year resulted in a net cash inflow of $1.6M with $1M being invested in Capital Assets. Overall, consolidated cash holdings increased by $1.8M for the year with total cash on hand amounting to $6.3M at 30th June 2020 compared to $4.5M at the end of the previous year. $0.7m of this related to receipt of accommodation bonds and $0.4m to donations and bequeaths.

Total cash detailed on the cashflow statement does not include $1.7M of Stawell Regional Health Foundation's fixed term investments.

Performance Indicators

Financial Information

	2020 $000	2019 $000	2018 $000	2017 $000	2016 $000
Operating Result (consolidated)	145	(119)	(1,128)	(226)	277
Total revenue	32,171	31,399	27,295	27,351	27,072
Total expenses	33,606	31,616	30,250	29,296	27,542
Net result from transactions	(1,435)	(217)	(2,955)	(1,945)	(470)
Total other economic flows	(37)	(109)	(66)	(49)	(68)
Net result	(1,472)	(326)	(1,135)	(232)	273
Total Assets	50,097	50,268	33,281	34,408	36,197
Total liabilities	8,332	7,031	6,043	5,716	5,560
Net assets/Total equity	41,765	43,237	27,238	28,692	30,637

Reconciliation of Net Result from Transactions and Operating Result (Parent Entity)

	2019-2020 $000
Net operating result* (parent entity)	169
Capital purpose income.	1,563
Depreciation and amortisation.	(3,143)
Net result for Foundation	(24)
Net result from transactions (consolidated).	(1,435)

*The Operating result is the result for which the health service is monitored in its Statement of Priorities.

Consultancies Information

Details of consultancies (under $10,000)

In 2019-20, there were six consultancies where the total fees payable to the consultants were less than $10,000. The total expenditure incurred during 2019-20 in relation to these consultancies is $12,974 (excl. GST).

Details of consultancies (valued at $10,000 or greater)

In 2019-20, there were three consultancies where the total fees payable to the consultants were $10,000 or greater. The total expenditure incurred during 2019-20 in relation to these consultancies is $72,264 (excl. GST).

Details of individual consultancies can be viewed online at srh.org.au.

Consultant	Purpose of consultancy	Start date	End date	Total approved project fee (ex GST)	Expenditure 2019-2020 (inc GST)	Future expenditure (ex GST)
Studer Group	Organisational culture and leadership program	Jul19	Jun20	$47K	$47K	-
The Aligned Group health	Strategic Planning	Aug19	Aug19	$10k	$10k	-
WISE Workplace Consultants	Workplace consultancy	Jun20	Jun20	$15k	$15k	-

Information and communication technology (ICT) expenditure

The total ICT expenditure incurred during 2019-2020 is $1.44m (excluding GST) with the details shown below:

Business as usual (BAU) ICT expenditure	**Non – Business as Usual (non-BAU) ICT expenditure**		
Total (excluding GST)	Total = Operational expenditure and Capital Expenditure (excluding GST)	Operational expenditure (excluding GST)	Capital expenditure (excluding GST)
$0.66m	$0.78m	$0.55m	$ 0.23m

Freedom of Information Act 1982

Stawell Regional Health is subject to the Freedom of Information Act 1982 which provides applicants the opportunity to request information. Information on Freedom of Information is included in patient information brochures. The legislated application fee for the 2019-2020 financial year was $29.60 per application, and the processing fee included a search fee of $20 per hour or part thereof, and a photocopying fee of 20 cents per A4 page. Exemptions may apply that relate to privacy of patients and third parties.

In 2019-2020 Stawell Regional Health received 18 valid requests, of which 16 were processed and granted in full and two which were withdrawn.

Building Act 1993

Building Standards and Condition Assessments

Stawell Regional Health complies with the Building Act 1993. Fire audits and risk assessments are undertaken by consultant fire engineers in compliance with the Department of Health Fire Risk Management Engineering Guidelines Series 7. Recommendations from the fire audits and risk assessments are actioned in conjunction with the Department of Health and Human Services to maintain a high degree of fire safety. All bed-based facilities are audited at intervals of a maximum of five years. Stawell Regional Health was last audited on 9 September 2016 by ARUP Fire (Fire Engineers) and Brian Sherwell & Associates (Building Surveyor). A plan is in place to guide and prioritise actions arising from these reviews.

Public Interest Disclosure Act 2012

Stawell Regional Health is committed to the aims and objectives of the Protected Disclosure Act 2012 (the Act). Stawell Regional Health Service addresses this through leadership and management, including raising awareness of the act and educating staff.

Stawell Regional Health has a policy available to all staff. There has been no notification through the reporting period.

Statement on National Competition Policy

Stawell Regional Health is committed to compliance with the National Competition Policy, including compliance with the requirements of the policy statement ‘Competitive Neutrality Policy Victoria’, and any subsequent reforms.

Carers Recognition Act 2012

Stawell Regional Health has taken measures to ensure awareness and understanding of care relationship principles, in line with Section 11 of the Carer's Recognition Act 2012.

Local Jobs Act 2003

In 2019-2020 there were no contracts requiring disclosure under the Local Jobs First Policy.

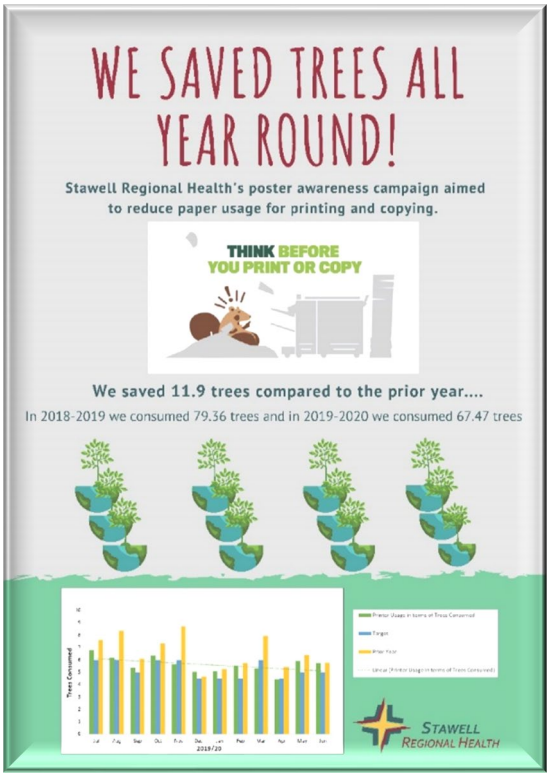
Safe Patient Care Act 2015

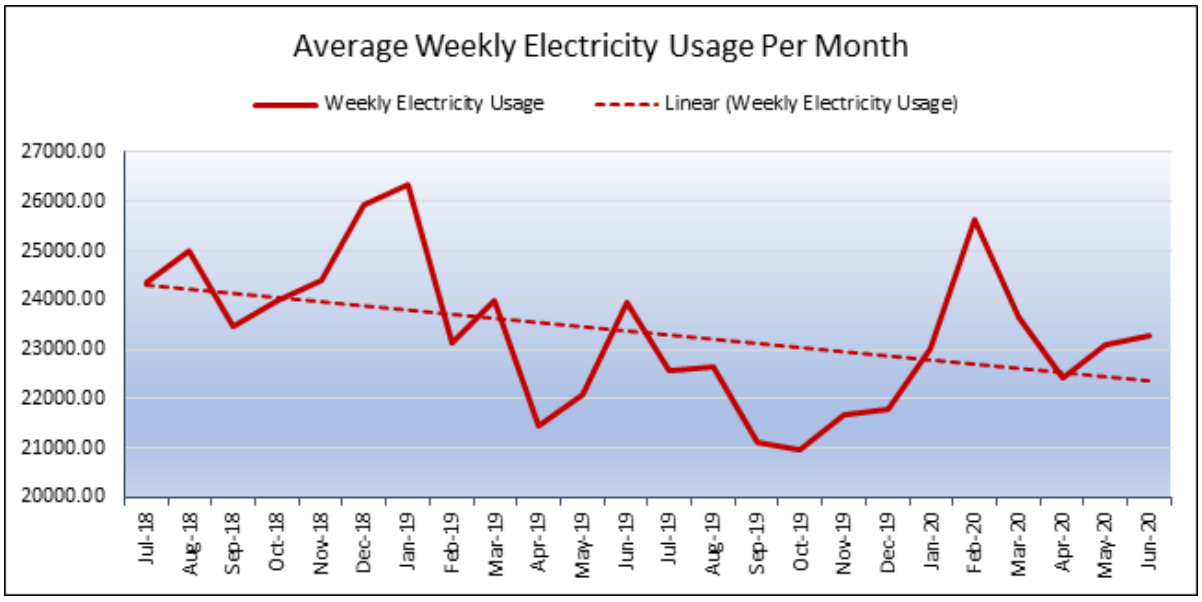
Stawell Regional Health has no matters to report in relation to its obligations under section 40 of the Safe Patient Care Act 2015.

Environmental Performance

Stawell Regional Health continues to take measures to reduce our carbon footprint and improve our environmental sustainability through a number of different initiatives. The reduction to printing programme that commenced the previous year continues to show a decline in the equivalent number of trees consumed and was part of a submission made through 'The Biggest Science Experiment'.

Power consumption also continues to decline despite additional equipment being run as part of increased service delivery. Applications have been submitted for additional solar panels at our Residential Care facility to build on the success at our main building and take advantage of this renewable resource.





Waste – Clinical general recycled

Current initiatives being worked on are e-waste, oxygen mask recycling and improvements to the segregation of our recyclable waste.

Additional information available on request

Details in respect of the items listed below have been retained by Stawell Regional Health and are available to the relevant Ministers, Members of Parliament and the public on request (subject to the freedom of information requirements, if applicable):

- Declarations of pecuniary interests have been duly completed by all relevant officers;
- Details of shares held by senior officers as nominee or held beneficially;
- Details of publications produced by the entity about itself and how these can be obtained;
- Details of changes in prices, fees, charges, rates and levies charged by the Health Service;
- Details of any major external reviews carried out on the Health Service;
- 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;
- Details of overseas visits undertaken including a summary of the objectives and outcomes of each visit;
- 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;
- Details of assessments and measures undertaken to improve the occupational health and safety of employees;
- A 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;
- 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;
- Details of all consultancies and contractors including consultants/contractors engaged, service provided, and expenditure committed for each agreement.

Attestations and Declarations

Financial Management Compliance attestation – SD5.1.4

I, Rhian Jones, on behalf of the Responsible Body, certify that Stawell Regional Health has no Material Compliance Deficiency with respect to the applicable Standing Directions under the Financial Management Act 1994 and Instructions.

Rhian Jones
Responsible Officer
Stawell Regional Health
28/09/2020

Data Integrity

I, Kate Pryde, certify that Stawell Regional Health has put in place appropriate internal controls and processes to ensure that reported data accurately reflects actual performance. Stawell Regional Health has critically reviewed these controls and processes during the year.

Kate Pryde
Accountable Officer
Stawell Regional Health
28/09/2020

Conflict of Interest

I, Kate Pryde, certify that Stawell Regional Health has put in place appropriate internal controls and processes to ensure that it has complied with the requirements of hospital circular 07/2017 Compliance reporting in health portfolio entities (Revised) and has implemented a 'Conflict of Interest' policy consistent with the minimum accountabilities required by the VPSC. Declaration of private interest forms have been completed by all executive staff within Stawell Regional Health and members of the board, and all declared conflicts have been addressed and are being managed. Conflict of interest is a standard agenda item for declaration and documenting at each executive board meeting.

Kate Pryde
Accountable Officer
Stawell Regional Health
28/09/2020

Integrity, fraud and corruption

I, Kate Pryde, certify that Stawell Regional Health has put in place appropriate internal controls and processes to ensure that Integrity, fraud and corruption risks have been reviewed and addressed at Stawell Regional Health during the year.

Kate Pryde
Accountable Officer
Stawell Regional Health
28/09/2020

Disclosure Index

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

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Other relevant reporting directives

Attestations

Other reporting requirements

Part A Strategic Priorities

Strategic priorities – Health 2040

In 2019–20 Stawell Regional Health will contribute to the achievement of the Government's commitments within *Health 2040: Advancing health, access and care* by:

Better Health

Goals:	Strategies:
A system geared to prevention as much as treatment	Reduce State-wide Risks
Everyone understands their own health and risks	Build Healthy Neighbourhoods
Illness is detected and managed early	Help people to stay healthy
Healthy neighbourhoods and communities encourage healthy lifestyles	Target health gaps

Deliverable:

- Partner with Northern Grampians Shire Council to implement Year 3 strategies from the Municipal Public Health and Well Being Plan.

Outcome:

The organisational wide healthy eating program and policy for staff, visitors' residents and patients was fully implemented in February 2020.

The partnership developed and distributed the community breastfeeding resource pack to local community businesses and organisations to enable them to support breast feeding mothers within our community.

Participation in the Central Highlands Prevention lab informed the development of the Integrated Prevention Hub pilot, which SRH has commenced with our local partners.

The Prevention Hub utilises the Design Thinking framework to collaboratively address preventative health issues in the Northern Grampians Shire.

Deliverable:

- Identify and implement evidenced based strategies to improve understanding of and response to people with dementia for patients, residents and clients in our community.

Outcome:

The Board to floor dementia awareness initiative, dining with dementia, was delivered in October in partnership with Dementia Australia. Attended by representatives across the organisation, including board members and non-clinicians, participants had the opportunity to gain insight into challenges confronted by people impacted by dementia through this virtual reality platform.

Six nurse graduates and four senior nurses are currently enrolled in the Care of the Older Person post graduate study program (COOPS). This post graduate program is due to be completed November 2020. Clinicians completing this course progress to a Graduate Certificate in Clinical Nursing (Gerontology).

A further six clinicians are currently undertaking SRH's pilot study program – Dementia Learning@Home a flexible learning solution to support professionals increase their clinical knowledge in their home in their own time.

SRH partnered with Dementia Australia to deliver the BIRCH program to redesign the model of residential care, incorporating dementia design and dementia specific care. The initial project planning meeting was held in January 2020 with the onsite focus groups to commence March 2020. Due to the SRH COVID-19 response and the lockdown of the residential care facility this work has been temporarily suspended.

Better Access

Goals:	Strategies:
Care is always being there when people need it Better access to care in the home and community People are connected to the full range of care and support they need Equal access to care	Plan and invest Unlock innovation Provide easier access Ensure fair access

Deliverable:

- Participate in the emergency doctor urgent care project funded by the Primary Health Network.

Outcome:

In October 2019 SRH successfully implemented the Western Victorian PHN after-hours telehealth pilot project and has actively participated in all research components of the project.

SRH currently accesses the Urgent Care Centre telehealth service from 2200 hrs through to 0600 hrs each night, with a medical officer remaining on call should they be required to attend. Data to date indicates that SRH access the service 22 to 24 times per month. The final evaluation of the pilot project is due December 2020.

This project has been **uninterrupted during the COVID-19** response.

Deliverable:

- Market and promote the Stawell-Austin Radiation Oncology Service (SAROS) to the local community. The SAROS service uses the latest radiation therapy to treat people in the Grampians and surrounding regions with skin cancer and some non-cancerous skin conditions.

Outcome:

The SAROS Steering committee was formed in September 2019. The SAROS marketing plan was developed in consultation with the Austin communication group and monitored via the SAROS steering committee. Prior to the COVID-19 response the service was delivering to capacity, with referrals from Stawell, Ararat and the broader regional areas.

SAROS **ceased all operations** Friday March 27th as part of the **COVID-19 response**

This service has been **temporarily suspended** due to the **COVID-19** response.

Better Care

Goals:	Strategies:
Targeting zero avoidable harm	Put quality First
Healthcare that focusses on outcomes	Join up care
Patients and carers are active partners in care	Partner with patients
Care fits together around people's needs	Strengthen the workforce
	Embed evidence
	Ensure equal care

Deliverable:

- Stawell Regional Health will work with the Grampians region and contribute to the establishment and running of Mortality and Morbidity reviews in 2019–20. A perioperative Mortality and Morbidity clinic will commence in September and be held four time in the year. An urgent care Mortality and Morbidity review will be held in early 2020 and an end of life Mortality and Morbidity review will be held before the end of June 2020.

Outcome:

SRH actively participates in the regional Surgical Morbidity & Mortality with the SRH CEO serving as the Chair of the surgical Mortality and Morbidity. SRH has provided multiple case studies for review by the committee and have clinicians in attendance at each meeting to date.

The Urgent Care Centre Mortality and Morbidity was scheduled to commence in March 2020 however, due to the reallocation of BHS resources due to the **COVID-19 response**, this **has been delayed**.

Deliverable:

- In partnership with the Grampians Integrated Cancer Service (GICS), implement the chemotherapy e-prescribing project to reduce avoidable harm.

Outcome:

The regional project manager was appointed via BHS and commenced work in December.

The SRH working group has been convened and commenced work with the regional project manager to commence project implementation planning.

This project has been **temporarily suspended** due to the **COVID-19** response.

Deliverable:

- To support a strengthened clinical workforce, Stawell Regional Health will facilitate a regional after hour's urgent care skills development program.

Outcome

The 3R's of afterhours care education program (the right care at the right time, in the right place) commenced in November 2019. Forty participants from four regional healthcare services attend the innovative program. Participant feedback to date has been incredibly positive with over 95% of practitioners indicating the content is highly relevant to their practice and report increased levels of knowledge and confidence.

The 3R's program was suspended in March as a result of the COVID-19 response. Five of the nine modules had been delivered up to the point of suspension. The program was reinstated in August and is now delivered via a virtual platform and scheduled for completion December 2020.

Specific priorities for 2019–20

In 2019–20 Stawell Regional Health will contribute to the achievement of the Government's priorities by:

Supporting the Mental Health System

Improve service access to mental health treatment to address the physical and mental health needs of consumers.

Deliverable:

- Stawell Regional Health will review and strengthen the use of mental health and suicide screening tools to monitor mental health deterioration and guide clinical decision making.

Outcome:

Policy review and update has been completed for Acute and Community programs and new policies have been developed and published. These include mental health escalation and suicide escalation management with support from Ballarat Mental Health and Grampians Area Mental Health.

Transition Care Program admission criteria and screening tools have been reviewed and now include mental health risk prompts.

Mental health is now included as part of the newly developed admission and discharge risk screening tool. A mental health assessment tool has been developed and is in trial.

Addressing Occupational Violence

Foster an organisational wide occupational health and safety risk management approach, including identifying security risks and implementing controls, with a focus on prevention and improved reporting and consultation.

Implement the department's security training principles to address identified security risks.

Deliverable:

- Taking a risk management approach to review and strengthen Stawell Regional Health's emergency response to occupational violence and based on the findings from the 2018 organisational risk assessment, Stawell Regional Health will establish and train an in-hours emergency response team.

Outcome:

A team of 15 staff members were selected and commenced training in August 2019 to be responders to both planned grey and code grey incidents. The team was subsequently deployed to respond to a number of incidents.

Current Code grey response and ongoing training have been **modified** due to the **COVID-19 response**. SRH, in consultation with Victoria Police, are utilising a 000-code response system until further notice.

SRH maintains a risk approach to planned Code Grey's and the internal team provide the necessary support where they are able to manage it with their current training and confidence levels.

Addressing Bullying and Harassment

Actively promote positive workplace behaviours, encourage reporting and action on all reports.

Implement the department's *Framework for promoting a positive workplace culture: preventing bullying, harassment and discrimination* and *Workplace culture and bullying, harassment and discrimination training: guiding principles for Victorian health services*.

Deliverable:

- Stawell Regional Health will work towards the full implementation of the Framework for promoting a positive workplace culture: preventing bullying, harassment and discrimination and associated principles by 30 November 2019 to support a culture free from harassment, discrimination and bullying.

Outcome:

The DHHS *Know Better Be Better* (KBBB) campaign was launched in January 2020 with Board endorsement of the SRH pledge and the CEO communications sent. Across January and February, the prescribed campaign was distributed via the intranet, staff newsletter and staff forum, with posters at key touch points in the organisation. The *Know Better Be Better* campaign logo is now incorporated onto our staff newsletter banner.

Bullying and Harassment training that provides staff with an awareness of how to identify, address and escalate bullying and harassment behaviours in a timely and appropriate manner has become an annual mandatory requirement, effective 1 July 2020.

The SRH above the line and below the line behaviours campaign introduced all staff and visiting specialist to the expected behaviours required of everyone. 100% of staff have received and acknowledged the behaviour set and senior leadership has undertaken training to support them in providing behavioural feedback and counselling to address below the line behaviour if and when required.

A Board endorsed, independent review into workplace culture has been undertaken regarding bullying in certain areas of the organisation. The report is due September 2020.

Supporting Vulnerable Patients

Partner with patients to develop strategies that build capability within the organisation to address the health needs of communities and consumers at risk of poor access to health care.

Deliverable:

- Stawell Regional Health will continue to partner with the local LGBTIQ community to implement actions from the Stawell Regional Health LGBTIQ action plan, specifically to:

- develop and implement a training plan for staff on LGBTIQ cultural safety; and
- implement LGBTIQ inclusive symbolism and gender inclusive displays at all points of service access.

Outcome:

An LGBTIQ Project lead was appointed and is supported by three voluntary LQBTIQA champions from across the organisation.

SRH has Representation on Grampians Region LGBTIQ network, which promotes LGBTIQ inclusiveness in the local area, including community wide promotion of the IDAHOBIT day in May 2020 with SRH taking a lead role in the development of a Rainbow Tick crossing at request of local LGBTIQ community. Work has continued uninterrupted due to the adoption of virtual meetings during the COVID-19 response.

LGBTIQ symbolism is being rolled out on key SRH communications including the Inclusion of the rainbow flag on SRH communications, and Rainbow Flag pins worn by staff.

SRH coordinated the first regional representation at the February Midsummer Pride March in Melbourne, supporting four regional healthcare care services and their community to share the message, 'We Support You at regional health services.'

SRH Executive and Board recognise that some members of the LGBTIQ community move away from regional and rural areas because they do not feel safe to be themselves. This was another opportunity to stand with our LGBTIQ community and show our commitment partnership and access to safe and equitable and health care for all.

Leading events and continuous partnership including active participation of Executive staff has been termed 'transformative' by local LGBTIQ community members and was highlighted in the Health Victoria government publication.

Supporting Aboriginal Cultural Safety

Improve the health outcomes of Aboriginal and Torres Strait Islander people by establishing culturally safe practices across all parts of the organisation to recognise and respect Aboriginal culture and deliver services that meet the needs, expectations and rights of Aboriginal patients, their families, and Aboriginal staff.

Deliverable:

- Stawell Regional Health will implement compulsory Aboriginal and Torres Strait Islander cultural security training for all clinical staff.

Outcome:

Stawell Regional Health has mandated cultural security training for all staff and has worked with in collaboration with the Department of Health and Human Services and our regional healthcare partners to develop the Aboriginal Cultural Awareness eLearning Package for Victorian Health Services.

Stawell Regional Health has Executive representation on the Grampians Pyrenees Aboriginal Health Sub Committee to develop and strengthen collaboration initiatives between SRH, our partners and the local Aboriginal Community.

Key initiatives shared cultural security training and exposure for students, joint student placements between the local Aboriginal Controlled Health Organisation – Budja Budja Aboriginal Cooperative and SRH, and strengthening admission and discharge processes for Aboriginal clients.

Work has continued uninterrupted due to the adoption of virtual meetings during the COVID-19 response.

The recently released ATSI cultural safety framework has been received from the Health Ministers Office and is currently being reviewed within the context of this action item.

Addressing Family Violence

Strengthen responses to family violence in line with the *Multiagency Risk Assessment and Risk Management Framework* (MARAM) and assist the government in understanding workforce capabilities by championing participation in the census of workforces that intersect with family violence.

Deliverable:

- Stawell Regional Health will continue to collaborate with regional health services and external stakeholders in the implementation of the strengthening hospital responses to family violence initiative, including the following:
    - Whole of health service training, and
    - Strengthening referral pathways for specialist family violence services.

Outcome:

Whole of health service training continues including the development of the 'train the trainer' program. Training includes education on redeveloped referral pathways to specialist services. This training program has been interrupted during the COVID-19 response, virtual training methods have been considered.

An increase in bulletins and staff awareness has been introduced in response to anticipated increase in family violence during the COVID-19 response. Additional support via Grampians Community Health, family support unit has been engaged and focussed on providing senior leadership with skills in managing and discussing family issues.

Review and redevelopment of policy and procedure reflecting referral pathways to specialist family violence services is complete.

Promotion of Workplace Support Program and Contact Officer roles completed leading to an increase in staff accessing the Workplace Support Program is complete.

SRH participated in the System Audit Family Violence Evaluation (SAFE) project in collaboration with The Women's to assess the value and impact of the Strengthening Hospital Responses to Family Violence (SHRFV) program.

Implementing Disability Action Plans

Continue to build upon last year's action by ensuring implementation and embedding of a disability action plan which seeks to reduce barriers, promote inclusion and change attitudes and practices to improve the quality of care and employment opportunities for people with disability.

Deliverable:

- Stawell Regional Health will continue to partner with people with disabilities to determine priority actions for implementation from the Stawell Regional Health disability action plan and provide the final disability action plan to Department of Health and Human Services by 30 December 2019.

Outcome:

Establishment of partnership opportunities between local health services and agencies such as the Primary Care Partnership and Grampians Community health to support a shared approach to increasing accessibility for people with disability.

Unsuccessful application for the Information Linkages and Capacity Building Grant to support Disability Action Plan implementation. SRH continues to monitor for funding opportunities. Final disability action plan near completion. Progress with partnering **to establish a realistic plan has been** interrupted by the COVID-19 response.

Supporting Environmental Sustainability

Contribute to improving the environmental sustainability of the health system by identifying and implementing projects and/or processes to reduce carbon emissions.

Deliverable:

- Continue to identify new initiatives to implement throughout the year. Staff and community engagement strategies including the reporting of new initiatives against performance indicators will strengthen environmental sustainability awareness.

Outcome:

The environmental committee has focused on exploring means of reducing waste through the implementation of organisational based recycling efforts. A review of the current recycling options was undertaken and a plan was developed to implemented recycling stations across the organisation.

A pilot project of recycling bin banks commenced in August 2019 supporting the recycling of e-waste, batteries, and co-mingled recycling. The pilot assessed the suitability and useability of the bin banks with a recommendation to proceed with the initiative. Full implementation of this project has been interrupted by the COVID-19 response.

Paper wastage was another key initiative focused on the reduction of printing. This project delivered reductions above the key target set delivering up to 50% reduction in paper usage and was shared with our community through a submission in the Biggest Science Experiment Expo.

Grant funding has been sought to support the installation of additional solar panels at the residential care facility to reduce energy consumption and CO2e.

Part B Performance Priorities

High quality and safe care

Key performance measure	Target	Result
Accreditation		
Compliance with the Aged Care Standards	Full compliance	Achieved
Infection prevention and control		
Compliance with the Hand Hygiene Australia program*	83%	93%
Percentage of healthcare workers immunised for influenza**	84%	81%
Patient experience		
Victorian healthcare Experience Survey – data submission	Full compliance	Full compliance
Victorian healthcare Experience Survey – percentage of positive patient experience – Quarter 1	95%	98%
Victorian healthcare Experience Survey – percentage of positive patient experience responses – Quarter 2	95%	97%
Victorian healthcare Experience Survey – percentage of positive patient experience responses – Quarter 3	95%	100%
Victorian healthcare Experience Survey – percentage of very positive responses to questions on discharge care – Quarter 1	75%	94%
Victorian healthcare Experience Survey - percentage of very positive responses to questions on discharge care – Quarter 2	75%	90%
Victorian healthcare Experience Survey - percentage of very positive responses to questions on discharge care – Quarter 3	75%	93%
Victorian healthcare Experience Survey – patient perception of cleanliness – Quarter 1	70%	92%
Victorian healthcare Experience Survey - patient perception of cleanliness – Quarter 2	70%	96%
Victorian healthcare Experience Survey- patient perception of cleanliness – Quarter 3	70%	93%
Adverse Events		
Sentinel events – root cause analysis (RCA) reporting	All RCA reports submitted within 30 business days	Achieved

* Hand hygiene – Quarter 4 data is not available due to COVID-19. Result based on available data.

** Immunisation result indicated is from the immunisation period conducted between 15 April to 2 August 2019, with improvements subsequently made by the health service to their immunisation processes in 2020 which has seen a significant increase in uptake by staff.

Strong Governance, Leadership and Culture

People Matters Survey

Key Performance Measure	Target	Result
Organisational Culture		
People matter survey - percentage of staff with an overall positive response to safety and culture questions	80%	90%
People matter survey – percentage of staff with a positive response to the question, "I am encouraged by my colleagues to report any patient safety concerns I may have"	80%	96%
People matter survey – percentage of staff with a positive response to the question, "Patient care errors are handled appropriately in my work area"	80%	95%
People matter survey – percentage of staff with a positive response to the question, "My suggestions about patient safety would be acted upon if I expressed them to my manager"	80%	92%
People matter survey – percentage of staff with a positive response to the question, "The culture in my work area makes it easy to learn from the errors of others"	80%	90%
People matter survey – percentage of staff with a positive response to the question, "Management is driving us to be a safety-centred organisation"	80%	94%
People matter survey – percentage of staff with a positive response to the question, "This health service does a good job of training new and existing staff"	80%	80%
People matter survey – percentage of staff with a positive response to the question, "Trainees in my discipline are adequately supervised"	80%	81%
People matter survey – percentage of staff with a positive response to the question, "I would recommend a friend or relative to be treated as a patient here"	80%	90%

Effective Financial Management

Key Performance Measure	Target	2019-2020
Operating result ($m)	-1.90	0.15
Average number of days to pay trade creditors	60 days	48
Average number of days to receive patient fee debtors	60 days	9
Public and Private WIES activity performance to target	100%	84%
Adjusted current asset ratio	0.7 or 3% improvement from health base target	1.60
Forecast number of days available cash (based on end of year forecast)	14 days	16.5
Actual number of days available cash, measured on the last day of each month.	14 days	16.5
Variance between forecast and actual Net result from transactions (NRFT) for the current financial year ending 30 June.	Variance < $250,000	$1,127,000

Part C Activity and Funding

Activity Reporting

Funding type	2019-2020 Activity achievement
Acute Admitted	
Acute WIES	1,785
WIES DVA	31
WIES TAC	2
Acute Non-Admitted	
Home Enteral Nutrition	57
Specialist Clinics	2,745
Subacute & Non-Acute Admitted	
Maintenance Public	14
Subacute Non-Admitted	
Health Independence Program – Public	9,182
Aged Care	
Residential Aged Care	8,841
HACC	2,615
Mental Health and Drug Services	
Mental Health Residential	2,191
Primary Health	
Community Health/Primary Care Programs	8,909

Stawell Regional Health

Board member's, accountable officer's and chief finance & accounting officer's declaration

The attached financial statements for Stawell Regional Health and the Consolidated entity (SRH Foundation) have been prepared in accordance with Direction 5.2 of the Standing Directions of the Assistant Treasurer under 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 2020 and the financial position of Stawell Regional Health and the Consolidated entity (SRH Foundation) as at 30 June 2020.

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

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

Rhian Jones
Chair Board of Management

Stawell
28-Sep-2020

Kate Pryde
Chief Executive Officer

Stawell
28-Sep-2020

Ian Martin
Chief Finance & Accounting Officer

Stawell
28-Sep-2020

Independent Auditor's Report

Victorian Auditor-General's Office

To the Board of Stawell Regional Health

Opinion

I have audited the consolidated financial report of Stawell Regional Health (the health service) and its controlled entities (together the consolidated entity), which comprises the:

- consolidated entity and health service balance sheets as at 30 June 2020
- consolidated entity and health service comprehensive operating statements for the year then ended
- consolidated entity and health service statements of changes in equity for the year then ended
- consolidated entity and health service cash flow statements for the year then ended
- notes to the financial statements, including significant accounting policies
- board member's, accountable officer's and chief finance & accounting officer's declaration.

In my opinion, the financial report presents fairly, in all material respects, the financial positions of the consolidated entity and the health service as at 30 June 2020 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 7 of the *Financial Management Act 1994* and applicable Australian Accounting Standards.

Basis for Opinion

I have conducted my audit in accordance with the *Audit Act 1994* which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report.

My independence is established by the *Constitution Act 1975*. My staff and I are independent of the health service and the consolidated entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Board's responsibilities for the financial report

The Board of the health service is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the *Financial Management Act 1994*, and for such internal control as the Board determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Board is responsible for assessing the health service and the consolidated entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.

Other Information

The Board of the health service is responsible for the Other Information, which comprises the information in the health service's annual report for the year ended 30 June 2020, but does not include the financial report and my auditor's report thereon.

My opinion on the financial report does not cover the Other Information and accordingly, I do not express any form of assurance conclusion on the Other Information. However, in connection with my audit of the financial report, my responsibility is to read the Other Information and in doing so, consider whether it is materially inconsistent with the financial report or the knowledge I obtained during the audit, or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude there is a material misstatement of the Other Information, I am required to report that fact. I have nothing to report in this regard.

Auditor's responsibilities for the audit of the financial report

As required by the *Audit Act 1994,* my responsibility is to express an opinion on the financial report based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit 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 health service and the consolidated entity's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board
- conclude on the appropriateness of the Board's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the health service and the consolidated entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the health service and the consolidated entity to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the health service and consolidated entity to express an opinion on the financial report. I remain responsible for the direction, supervision and performance of the audit of the health service and the consolidated entity. I remain solely responsible for my audit opinion.

I communicate with the Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

MELBOURNE
8 October 2020

Travis Derricott
as delegate for the Auditor-General of Victoria

Stawell Regional Health
Comprehensive operating statement
For the Financial Year Ended 30 June 2020

	Note	Parent 2020 $'000	Parent 2019 $'000	Consolidated 2020 $'000	Consolidated 2019 $'000
Income from Transactions					
Operating Activities	2.1	32,075	31,257	32,075	31,257
Non-operating Activities	2.1	101	89	96	142
Total Income from Transactions		**32,176**	**31,346**	**32,171**	**31,399**
Expenses from Transactions					
Employee Expenses	3.1	(21,881)	(20,916)	(21,881)	(20,916)
Supplies and Consumables	3.1	(5,023)	(5,102)	(5,023)	(5,102)
Depreciation and Amortisation	4.4	(3,143)	(2,234)	(3,143)	(2,234)
Other Operating Expenses	3.1	(3,552)	(3,354)	(3,552)	(3,354)
Other Non-operating Expenses	3.1	12	(6)	(7)	(10)
Total Expenses from Transactions		**(33,587)**	**(31,612)**	**(33,606)**	**(31,616)**
Net Result from Transactions - Net Operating Balance		**(1,411)**	**(266)**	**(1,435)**	**(217)**
Other Economic Flows included in Net Result					
Net Gain /(Loss) on Sale of Non-Financial Assets	3.2	3	2	3	2
Other Gain/(Loss) from Other Economic Flows	3.2	(40)	(111)	(40)	(111)
Total Other Economic Flows included in Net Result		**(37)**	**(109)**	**(37)**	**(109)**
Net Result for the Year		**(1,448)**	**(375)**	**(1,472)**	**(326)**
Other Comprehensive Income					
Items that will not be reclassified to Net Result					
Changes in Property, Plant and Equipment Revaluation Surplus	4.2 (f)	-	16,325	-	16,325
Total Other Comprehensive Income		**-**	**16,325**	**-**	**16,325**
Comprehensive result for the year		**(1,448)**	**15,950**	**(1,472)**	**15,999**

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

Stawell Regional Health
Balance Sheet
As at 30 June 2020

	Note	Parent 2020 $'000	Parent 2019 $'000	Consolidated 2020 $'000	Consolidated 2019 $'000
Current assets					
Cash and Cash Equivalents	6.2	6,262	4,452	6,269	4,460
Receivables	5.1	913	759	913	780
Investments and Other Financial Assets	4.1	-	-	1,715	1,733
Prepayments and Other Non-Financial Assets		531	533	531	533
Inventories		149	119	149	119
Total current assets		**7,855**	**5,863**	**9,577**	**7,625**
Non-current assets					
Receivables	5.1	357	245	357	257
Property, Plant & Equipment	4.2	39,548	41,734	39,548	41,734
Intangible Assets	4.3	615	652	615	652
Total non-current assets		40,520	**42,631**	40,520	**42,643**
TOTAL ASSETS		**48,375**	**48,494**	**50,097**	**50,268**
Current liabilities					
Payables	5.2	2,210	2,122	2,214	2,154
Borrowings	6.1	100		100	
Provisions	3.4	3,828	3,442	3,828	3,442
Other current liabilities	5.3	1,462	690	1,462	690
Total current liabilities		**7,600**	**6,254**	**7,604**	**6,286**
Non-current liabilities					
Provisions	3.4	728	745	728	745
Total non-current liabilities		**728**	**745**	**728**	**745**
TOTAL LIABILITIES		**8,328**	**6,999**	**8,332**	**7,031**
NET ASSETS		**40,047**	**41,495**	**41,765**	**43,237**
EQUITY					
Property, plant & equipment revaluation surplus	4.2 (f)	31,712	31,712	31,712	31,712
General purpose surplus		500	500	500	500
Restricted specific purpose surplus		2,331	2,331	2,331	2,331
Contributed capital		9,345	9,345	9,345	9,345
Accumulated (deficits)		(3,841)	(2,393)	(2,123)	(651)
TOTAL EQUITY		**40,047**	**41,495**	**41,765**	**43,237**
Commitments	6.2				

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

Stawell Regional Health
Statement of Changes in Equity
For the Financial Year Ended 30 June 2020

Consolidated	Note	Property, Plant & Equipment Revaluation Surplus $'000	General Purpose Surplus $'000	Restricted Specific Purpose Surplus $'000	Contributed Capital $'000	Accumulated (Deficits) $'000	Total $'000
Balance at 1 July 2018		**15,387**	**500**	**2,331**	**9,345**	**(325)**	**27,238**
Net result for the year		-	**-**	-	-	(326)	(326)
Other comprehensive income for the year		16,325	-	-	-	-	16,325
Balance at 30 June 2019		**31,712**	**500**	**2,331**	**9,345**	**(651)**	**43,237**
Net result for the year		-	**-**	-	-	(1,472)	(1,472)
Balance at 30 June 2020		**31,712**	**500**	**2,331**	**9,345**	**(2,123)**	**41,765**

Parent	Note	Property, Plant & Equipment Revaluation Surplus $'000	General Purpose Surplus $'000	Restricted Specific Purpose Surplus $'000	Contributed Capital $'000	Accumulated Surpluses/ (Deficits) $'000	Total $'000
Balance at 1 July 2018		**15,387**	**500**	**2,331**	**9,345**	**(2,018)**	**25,545**
Net result for the year		-	-	-	-	(375)	(375)
Other comprehensive income for the year		16,325	-	-	-	-	16,325
Balance at 30 June 2019		**31,712**	**500**	**2,331**	**9,345**	**(2,393)**	**41,495**
Net result for the year		-	-	-	-	(1,448)	(1,448)
Balance at 30 June 2020		**31,712**	**500**	**2,331**	**9,345**	**(3,841)**	**40,047**

This Statement should be read in conjunction with the accompanying notes

Stawell Regional Health
Cash Flow Statement
For the Financial Year Ended 30 June 2020

	Note	Parent 2020 $'000	Parent 2019 $'000	Consolidated 2020 $'000	Consolidated 2019 $'000
Cash Flows from Operating Activities					
Operating Grants from Government - State		18,447	17,640	18,447	17,640
Operating Grants from Government - Commonwealth		4,435	4,456	4,435	4,456
Capital Grants from Government - State		1,141	2,092	1,141	2,092
Patient and Resident Fees Received		4,907	4,841	4,907	4,841
Donations and Bequests Received		13	79	13	85
GST Received from/(paid to) ATO		(43)	37	(43)	37
Interest and Investment Income Received		60	96	92	142
Other Receipts		1,226	800	1,226	800
Total Receipts		**30,186**	**30,041**	**30,218**	**30,093**
Employee Expenses Paid		(21,761)	(20,945)	(21,761)	(20,945)
Payments for Supplies & Consumables		(5,054)	(4,668)	(5,054)	(4,668)
Payments for Medical Indemnity Insurance		(261)	(263)	(261)	(263)
Payments for Repairs and Maintenance		(576)	(494)	(576)	(494)
Finance Costs		-	(1)	-	(1)
Cash outflow for leases		(194)	-	(194)	(202)
Payments for Share of Rural Health Alliance		139	-	139	(77)
Other Payments		(865)	(2,250)	(974)	(2,052)
Total Payments		**(28,572)**	**(28,621)**	**(28,681)**	**(28,702)**
Net Cash Flows from/(used in) Operating Activities	8.1	**1,614**	**1,420**	**1,537**	**1,391**
Cash Flows from Investing Activities					
Purchase of Non-Financial Assets		(995)	(2,034)	(995)	(2,034)
Capital Donations and Bequests Received		469	-	422	-
Other Capital Receipts					
Proceeds from Disposal of Non-Financial Assets		5	9	5	9
Net Cash Flows from/(used in) Investing Activities		**(521)**	**(2,025)**	**(568)**	**(2,025)**
Cash Flows from Financing Activities					
Proceeds from Borrowings		100	-	100	-
Receipt of Accommodation deposits		1,040	351	1,040	351
Prepayment of Accommodation deposits		(300)	(87)	(300)	(87)
Net Cash flows from /(Used in) Financing Activities		**840**	**264**	**840**	**264**
Net Increase/(Decrease) in Cash and Cash Equivalents Held		**1,933**	**(341)**	**1,809**	**(370)**
Cash and Cash Equivalents at Beginning of Financial Year		**4,329**	**4,670**	**4,460**	**4,830**
Cash and Cash Equivalents at End of Year	6.2	**6,262**	**4,329**	**6,269**	**4,460**

This Statement should be read in conjunction with the accompanying notes

Basis of presentation

These financial statements are presented in Australian dollars and the historical cost convention is used unless a different measurement basis is specifically disclosed in the note associated with the item measured on a different basis.

The accrual basis of accounting has been applied in the preparation of these financial statements, whereby assets, liabilities, equity, income and expenses are recognised in the reporting period to which they relate, regardless of when cash is received or paid.

Note 1: Summary of significant accounting policies

These annual financial statements represent the audited general purpose financial statements for Stawell Regional Health and its controlled entity for the year ended 30 June 2020. The report provides users with information about the Health Services' stewardship of resources entrusted to it.

(a) Statement of compliance

These financial statements are general purpose financial statements which have been prepared in accordance with the *Financial Management Act 1994* and applicable AASBs, 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 Assistant Treasurer.

Stawell Regional Health is a not-for profit entity and therefore applies the additional AUS paragraphs applicable to "not-for-profit" Health Services under the AASBs.

(b) Reporting entity

The financial statements include all the controlled activities of Stawell Regional Health.

Its principal address is:
27-29 Sloane Street
Stawell
Victoria 3380.

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

(c) 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 2020, and the comparative information presented in these financial statements for the year ended 30 June 2019.

The financial statements are prepared on a going concern basis (refer to Note 8.10 Economic Dependency).

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

The 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.

Stawell Regional Health operates on a fund accounting basis and maintains three funds: Operating, Specific Purpose and Capital Funds. Stawell Regional Capital and Specific Purpose and Funds include the Stawell Regional Health Foundation Capital funding set aside from the receipt of Bequests.

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.

Judgements, estimates and assumptions are required to be made about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated 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 AABSs 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 4.2 Property, Plant and Equipment);
- Employee benefit provisions are based on likely tenure of existing staff, patterns of leave claims, future salary movements and future discount rates (refer to Note 3.4 Employee Benefits in the Balance Sheet).

A state of emergency was declared in Victoria on 16 March 2020 due to the global coronavirus pandemic, known as COVID-19. A state of disaster was subsequently declared on 2 August 2020.

To contain the spread of the virus and to prioritise the health and safety of our communities various restrictions have been announced and implemented by the state government, which in turn has impacted the manner in which businesses operate, including Stawell Regional Health.

In response, Stawell Regional Health placed restrictions on non-essential visitors, implemented reduced visitor hours, deferred elective surgery and reduced activity, performed COVID-19 testing and implemented work from home arrangements where appropriate.

For further details refer to Note 2.1 Funding delivery of our services and Note 4.2 Property, plant and equipment.

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 Australian Taxation Office (ATO). 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 ATO 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 ATO, are presented as operating cash flow.

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

(d) Principles of consolidation

These statements are presented on a consolidated basis in accordance with AASB 10 *Consolidated Financial Statements*:

The consolidated financial statements of Stawell Regional Health include all reporting entities controlled by Stawell Regional Health as at 30 June 2020. Control exists when Stawell Regional Health has the power to govern the financial and operating policies of a Health Service 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 8.8 Controlled Entities. The parent entity is not shown separately in the notes.

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 entities adopt dissimilar accounting policies and their effect is considered material, adjustments are made to ensure consistent policies are adopted in these financial statements.

Intersegment Transactions

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

(e) Jointly Controlled Operation

Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

In respect of any interest in joint operations, Stawell Regional Health 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 the output from the joint operation; and
- Its expenses, including its share of any expenses incurred jointly.

Stawell Regional Health is a member of the Grampians Rural Health Alliance and retains joint control over the arrangement, which it has classified as a joint operation (refer to Note 8.9 Jointly Controlled Operations).

(f) Equity

Contributed Capital

Consistent with the requirements of AASB 1004 *Contributions*, contributions by owners (that is, contributed capital and its repayment) are treated as equity transactions and, therefore, do not form part of the income and expenses of Stawell Regional Health.

Transfers of net assets arising from administrative restructurings are treated as distributions to or contributions by owners. Transfers of net liabilities arising from administrative restructurings are treated as distributions to owners.

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.

Specific Restricted Purpose Surplus

The Specific Restricted Purpose Surplus is established where Stawell Regional Health Service has possession or title to the funds but has no discretion to amend or vary the restriction and/or condition underlying the funds received.

Note 2: Funding Delivery of Our Services

Stawell Regional Health's overall objective is to provide quality health services that support and enhance the wellbeing of all Victorians.

Stawell Regional Health is predominantly funded by accrual based grant funding for the provision of outputs. The hospital also receives income from the supply of services.

Structure
2.1 (a) Income from Transactions

Note 2.1 (a): Income from Transactions

	Consolidated Total 2020 $'000	Consolidated Total 2019 $'000
Government Grants (State) - Operating [1]	18,447	17,936
Government Grants (Commonwealth) - Operating	4,435	4,456
Government Grants - (State) Capital	1,141	2,092
Capital donations	422	44
Patient & Resident Fees	1,695	1,794
Commercial Activities [2]	3,379	3,142
Assets received free of charge or for nominal consideration	21	76
Other Revenue from Operating Activities (including non-capital donations)	1,986	1,311
Grampians Rural Health Alliance	549	406
Total Income from Operating Activities	**32,075**	**31,257**
Capital Interest	59	46
Other Interest	37	96
Total Income from Non-Operating Activities	**96**	**142**
Total Income from Transactions	**32,171**	**31,399**

Impact of COVID-19 on revenue and income

As indicated at Note 1, Stawell Regional Health's response to the pandemic included the deferral of elective surgeries and reduced activity. This resulted in Stawell Regional Health incurring lost revenue as well as direct and indirect COVID-19 costs. The Department of Health and Human Services provided funding which was spent due to COVID-19 impacts on Stawell Regional Health. The Health Service also received essential personal protective equipment free of charge under the state supply arrangement.

[1] Government Grants (State) - Operating includes funding of $2.49m which was spent due to the impacts of COVID-19.

[2] Commercial activities represent business activities which health service enter into to support their operations.

Health Services	COVID-19 Financial Impact	Excluded Costs	Repurposed grants	Total disclosure in Note 2.1(a)
	$'000	$'000	$'000	$'000
Stawell Regional Health	650	-	1,840	2,490

Revenue Recognition

Income is recognised in accordance with either:

a) contributions by owners, in accordance with AASB 1004;
b) income for not-for-profit entities, in accordance with AASB 1058;
c) revenue or a contract liability arising from a contract with a customer, in accordance with AASB 15;
d) a lease liability in accordance with AASB 16;
e) a financial instrument, in accordance with AASB 9; or
f) a provision, in accordance with AASB 137 *Provisions, Contingent Liabilities and Contingent Assets.*

Note 2.1: Income from Transactions (Continued)

Government Grants

Income from grants that are enforceable and with sufficiently specific performance obligations are accounted for under AASB 15 as revenue from contracts with customers, with revenue recognised as these performance obligations are met.

Income from grants without any sufficiently specific performance obligations, or that are not enforceable, is recognised when Stawell Regional Health has an unconditional right to receive the cash which usually coincides with receipt of cash. On initial recognition of the asset, the Health Service recognises any related contributions by owners, increases in liabilities, decreases in assets, and revenue ('related amounts') in accordance with other Australian Accounting Standards. Related amounts may take the form of:

a) contributions by owners, in accordance with AASB 1004;
b) revenue or a contract liability arising from a contract with a customer, in accordance with AASB 15;
c) a lease liability in accordance with AASB 16;
d) a financial instrument, in accordance with AASB 9; or
e) a provision, in accordance with AASB 137 *Provisions, Contingent Liabilities and Contingent Assets.*

As a result of the transitional impacts of adopting AASB 15 and AASB 1058, a portion of the grant revenue has been deferred. If the grant income is accounted for in accordance with AASB 15, the deferred grant revenue has been recognised in contract liabilities whereas grant revenue in relation to the construction of capital assets which the health service controls has been recognised in accordance with AASB 1058 and recognised as deferred grant revenue (refer note 5.2).

If the grant revenue was accounted for under the previous accounting standard AASB 1004 in 2019-20, the total grant revenue received would have been recognised in full.

Performance obligations

The types of government grants recognised under AASB15 Revenue from Contracts with Customers include:

- Activity Based Funding (ABF) paid as WIES casemix
- Dental program grants
- Other one-off grants if funding conditions contain enforceable and sufficiently specific performance obligations.

The performance obligations for ABF are the number and mix of patients admitted to hospital (casemix) in accordance with levels of activity agreed to with the Department of Health and Human Services (DHHS) in the annual Statement of Priorities (SoP). Revenue is recognised when a patient is discharged and in accordance with the WIES activity for each separation. The performance obligations have been selected as they align with the funding conditions as set out in the Policy and Funding Guidelines issued by the Department of Health and Human Services.

For other grants with performance obligations Stawell Regional Health exercises judgement over whether the performance obligations have been met, on a grant by grant basis.

Previous accounting policy for 30 June 2019

Grant income arises from transactions in which a party provides goods or assets (or extinguishes a liability) to Stawell Regional Health without receiving approximately equal value in return. While grants may result in the provision of some goods or services to the transferring party, they do not provide a claim to receive benefits directly of approximately equal value (and are termed 'non-reciprocal' transfers). Receipt and sacrifice of approximately equal value may occur, but only by coincidence.

Some grants are reciprocal in nature (i.e. equal value is given back by the recipient of the grant to the provider). Stawell Regional Health recognises income when it has satisfied its performance obligations under the terms of the grant.

For non-reciprocal grants, Stawell Regional Health recognises revenue when the grant is received.

Grants can be received as general purpose grants, which refers to grants which are not subject to conditions regarding their use. Alternatively, they may be received as specific purpose grants, which are paid for a particular purpose and/or have conditions attached regarding their use.

Patient and Resident Fees

For WIES funding, revenue is recognised when a patient is discharged and in accordance with the WIES count for each separation. The performance obligations have been selected as they align with the funding conditions as set out in the Policy and Funding Guidelines issued by the Department of Health and Human Services.

Resident fees are recognised as revenue over time as Stawell Regional Health provides accommodation. This is calculated on a daily basis and invoiced monthly.

Commercial Activities

Revenue from commercial activities includes items such as Private Practice Fees, Diagnostic Imaging and Cafe and other activities. Revenue from these activities are recognised when the goods or services have been provided.

Note 2: Continued

Note 2.1 (b): Fair value of assets and services received free of charge or for nominal consideration

	Consolidated Total 2020 $'000	Consolidated Total 2019 $'000
Cash donations and gifts	13	76
Assets received free of charge under State supply arrangements	8	-
Total fair value of assets and services received free of charge or for nominal consideration	**21**	**76**

Contributions of resources provided free of charge or for nominal consideration are recognised at their fair value when the recipient obtains control over the resources, irrespective of whether restrictions or conditions are imposed over the use of the contributions.

The exception to this would be when the resource is received from another government department (or agency) as a consequence of a restructuring of administrative arrangements, in which case such a transfer will be recognised at its carrying value in the transferring department or agency as a capital contribution transfer.

Voluntary Services: 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. Stawell Regional Health does not depend on volunteers to deliver its services.

Non-cash contributions from the Department of Health and Human Services

The Department of Health and Human Services makes some payments on behalf of health services as follows:

- The Victorian Managed Insurance Authority non-medical indemnity insurance payments are 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 long service leave funding arrangements set out in the relevant Department of Health and Human Services Hospital Circular
- 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 amount. Contributions in the form of services are only recognised when a fair value can be reliably determined and the service would have been purchased if not received as a donation.

Performance obligations and revenue recognition policies

Revenue is measured based on the consideration specified in the contract with the customer. Stawell Regional Health recognises revenue when it transfers control of a good or service to the customer i.e. revenue is recognised when, or as, the performance obligations for the sale of goods and services to the customer are satisfied.

- Customers obtain control of the supplies and consumables at a point in time when the goods are delivered to and have been accepted at their premises.
- Income from the sale of goods are recognised when the goods are delivered and have been accepted by the customer at their premises
- Revenue from the rendering of services is recognised at a point in time when the performance obligation is satisfied when the service is completed; and over time when the customer simultaneously receives and consumes the services as it is provided.

Note 2.1 (c): Other income

	Consolidated Total 2020 $'000	Consolidated Total 2019 $'000
Capital interest	59	46
Rental Income	101	109
Other interest	37	96
Total other income	**197**	**251**

Other income is recognised as revenue when received. Other income includes recoveries for salaries and wages and external services provided, and donations and bequests. If donations are for a specific purpose, they may be appropriated to a surplus, such as the specific restricted purpose surplus.

Other income

Other income is recognised as revenue when received. Other income includes recoveries for salaries and wages and external services provided, and donations and bequests. If donations are for a specific purpose, they may be appropriated to a surplus, such as the specific restricted purpose surplus.

Interest Revenue

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

Rental and Lease Income

Rental income is derived from the short term rent of Consulting Suites, Student Accommodation and rent of premises to Clincal Laboratories.

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 lessor

The Health Service holds a lease with Navarre Minerals.

	Consolidated Total 2020 $'000	Consolidated Total 2019 $'000
Non-cancellable operating lease receivables		
Not longer than one year	5	12
Longer than 1 year but not longer than five years	-	
Longer than 5 years	-	
Total	**5**	**12**

Note 3: The Cost of Delivering Our Services

This section provides an account of the expenses incurred by the hospital in delivering services and outputs. In Section 2, the funds that enable the provision of services were disclosed and in this note the cost associated with provision of services are recorded.

Structure
3.1 Expenses from Transactions
3.2 Other Economic Flows
3.3 Analysis of expense and revenue by internally managed and restricted specific purpose funds
3.4 Employee benefits in the Balance Sheet
3.5 Superannuation

Note 3.1: Expenses from Transactions

	Consolidated Total 2020 $'000	Consolidated Total 2019 $'000
Salaries and Wages	16,140	15,066
On-Costs	1,425	1,330
Agency Expenses	1,269	1,437
Fee for Service Medical Officer Expenses	2,768	2,882
Workcover Premium	279	201
Total Employee Expenses	**21,881**	**20,916**
Drug Supplies	1,812	1,722
Medical & Surgical Supplies (including Prosthesis)	1,700	2,056
Other Supplies and Consumables	1,511	1,324
Total Supplies and Consumables	**5,023**	**5,102**
Fuel, Light, Power and Water	417	431
Repairs and Maintenane	172	146
Maintenance Contracts	352	304
Finance Costs	-	1
Expenses related to leases of low value assets	27	27
Other Administrative Expenses	2,584	2,457
Total Other Operating Expenses	**3,552**	**3,366**
Expenditure for Capital Purposes	4	4
Total Non Operating Expenses	**4**	**4**
Depreciation & Amortisation (refer note 4.4)	3,143	2,234
Bad and Doubtful Debt expense	3	(6)
Total Other Non-Operating Expenses	**3,146**	**2,228**
Total Expenses from Transactions	**33,606**	**31,616**

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

Impact of COVID-19 on expenses

As indicated at Note 1 Stawell Regional Health's daily activities were impacted by the pandemic. This resulted in direct and indirect costs being incurred, such as initiating and ongoing running of a Respiratory Assessment Clinic, structural works across the organisation to facilitate improved barriers and Infection Control, and increased pathology testing costs.

Employee Expenses

Employee expenses include:

- Salaries and wages (including fringe benefits tax, leave entitlements, termination payments);
- On-costs;
- Agency expenses;
- Fee for service medical officer expenses;
- Work cover premium.

Note 3.1: Expenses from Transactions (Continued)

Supplies and consumables

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.

Finance costs

Finance costs include:

• interest on bank overdrafts and short-term and long-term borrowings (Interest expense is recognised in the period in which it is incurred);

• amortisation of discounts or premiums relating to borrowings;

• amortisation of ancillary costs incurred in connection with the arrangement of borrowings; and

• finance charges in respect of finance leases which are recognised in accordance with AASB 16 Leases.

Other Operating Expenses

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

- Fuel, light and power
- Repairs and maintenance
- Other administrative expenses
- Expenditure for capital purposes (represents expenditure related to the purchase of assets that are below the capitalisation threshold of $1,000).

The Department of Health and Human Services also makes certain payments on behalf of Stawell Regional Health. These amounts have been brought to account as grants in determining the operating result for the year by recording them as revenue and also recording the related expense.

Non-operating expenses

Other non-operating expenses generally represent expenditure for outside the normal operations such as depreciation and amortisation, and assets and services provided free of charge or for nominal consideration.

Operating lease payments

Operating lease payments up until 30 June 2019 (including contingent rentals) were recognised 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.

From 1 July 2019, the following lease payments are recognised on a straight-line basis:

· Short-term leases – leases with a term less than 12 months; and

· Low value leases – leases with the underlying asset's fair value (when new, regardless of the age of the asset being leased) is no more than $10,000.

Variable lease payments not included in the measurement of the lease liability (i.e. variable lease payments that do not depend on an index or a rate, initially measured using the index or rate as at the commencement date). These payments are recognised in the period in which the event or condition that triggers those payments occur.

Note 3.2: Other Economic Flows

	Consolidated 2020 $'000	Consolidated 2019 $'000
Net gain /(loss) on sale of non-financial assets		
Net gain on disposal of property, plant and equipment	3	2
Total net gain /(loss) on non-financial assets	**3**	**2**
Other gains /(losses) from other economic flows		
Net gain /(loss) arising from revaluation of long service leave liability	(40)	(111)
Total other gains /(losses) from other economic flows	**(40)**	**(111)**
Total gains /(losses) from economic flows	**(37)**	**(109)**

Other economic flows are changes in the volume or value of an asset or liability that do not result from transactions. Other gains/(losses) from other economic flows include the gains or losses from:

- the revaluation of the present value of the long service leave liability due to changes in the bond interest rates;
- reclassified amounts relating to available-for-sale financial instruments from the reserves to net result due to a disposal or derecognition of the financial instrument. This does not include reclassification between equity accounts due to machinery of government changes or 'other transfers' of assets.

Net gain/ (loss) on non-financial assets

Note 3.2: Other Economic Flows (Continued)

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 4.2 Property plant and equipment.)
- 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.

Other gains/ (losses) from other economic flows

Other gains/ (losses) include:
• the revaluation of the present value of the long service leave liability due to changes in the bond rate movements, inflation rate movements and the impact of changes in probability factors; and
• transfer of amounts from the reserves to accumulated surplus or net result due to disposal or derecognition or reclassification.

Inventories

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

Fair Value of Assets, Services 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.

Note 3.3: Analysis of expense and Revenue by internally managed and restricted specific purpose funds

	Expense		Revenue	
	Consolidated 2020 $'000	Consolidated 2019 $'000	Consolidated 2020 $'000	Consolidated 2019 $'000
Commercial Activities				
Private Practice and Other Patient Activities	2,274	2,159	2,119	1,901
Diagnostic Imaging	1,194	1,236	1,092	1,072
Cafeteria	108	89	127	105
Other Activities				
Fundraising and Community Support	57	22	41	64
TOTAL	**3,633**	**3,506**	**3,379**	**3,142**

Note 3.4: Employee benefits in the balance sheet

	Consolidated 2020 $'000	Consolidated 2019 $'000
Current Provisions		
Employee Benefits [(i)]		
Annual leave		
- Unconditional and expected to be settled wholly within 12 months [(ii)]	1,013	1,147
- Unconditional and expected to be settled wholly after 12 months [(iii)]	455	158
Long service leave		
- Unconditional and expected to be settled wholly within 12 months [(ii)]	236	314
- Unconditional and expected to be settled wholly after 12 months [(iii)]	1,572	1,377
Accrued Days Off		
- Unconditional and expected to be settled within 12 months [(ii)]	74	78
- Unconditional and expected to be settled after 12 months [(iii)]		
	3,350	**3,074**
Provisions related to Employee Benefit On-Costs		
- Unconditional and expected to be settled within 12 months [(ii)]	189	203
- Unconditional and expected to be settled after 12 months [(iii)]	289	165
	478	**368**
Total Current Provisions	**3,828**	**3,442**
Non-Current Provisions		
Conditional Long Service Leave Entitlements [(iii)]	637	665
Provisions related to Employee Benefit On-Costs	91	80
Total Non-Current Provisions	**728**	**745**
TOTAL PROVISIONS	**4,556**	**4,187**

Notes:
(i) Provisions for employee benefits consist of amounts for 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

(a) Employee Benefits and Related On-Costs	Consolidated 2020 $'000	Consolidated 2019 $'000
Current Employee Benefits and related on-costs		
Unconditional LSL Entitlement	1,808	1,691
Unconditional Annual Leave Entitlements	1,468	1,305
Non-Current Employee Benefits and related on-costs		
Conditional Long Service Leave Entitlements	637	665
Total Employee Benefits	**3,987**	**3,739**
On-Costs		
Current On-Costs	478	368
Non-Current On-Costs	91	80
Total On-Costs	**569**	**448**
Total Employee Benefits and Related On-Costs	**4,556**	**4,187**

Note 3.4: Employee benefits in the balance sheet (Continued)

(b) Movement in On-Costs Provisions

	Consolidated 2020 $'000	Consolidated 2019 $'000
Balance at start of year	**448**	**352**
Additional provisions recognised	90	141
Unwinding of discount and effect of changes in the discount rate	(3)	(39)
Reduction due to transfer out	(34)	6
Balance at end of year	**569**	**448**

Employee Benefit Recognition

Provision is made for benefits accruing to employees in respect of accrued days off, annual leave and long service leave for services rendered to the reporting date as an expense during the period the services are delivered.

Provisions

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

The amount recognised as a liability is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation.

Annual Leave and Accrued Days Off

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

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

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

Long Service Leave

The liability for LSL is recognised in the provision for employee benefits.

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

The components of this current LSL liability are measured at:

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

Conditional LSL is disclosed as a non-current liability. Any gain or loss followed revaluation of the present value of non-current LSL liability is recognised as a transaction, except to the extent that a gain or loss arises due to changes in estimations e.g. bond rate movements, inflation rate movements and changes in probability factors which are then recognised as other economic flows

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.

On-costs related to employee expense

Provision for on-costs, such as workers compensation and superannuation are recognised separately from provisions for employee benefits.

Note 3.5: Superannuation

	Paid Contribution for the Year		Contribution Outstanding at Year End	
	Consolidated 2020 $'000	Consolidated 2019 $'000	Consolidated 2020 $'000	Consolidated 2019 $'000
Defined benefit plans:[1]				
First State Super	77	68	-	-
				-
Defined contribution plans:				
First State Super	873	882	-	-
HESTA	322	271	-	-
Others	153	147	-	-
Total	1,425	1,368	-	-

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

Employees of the Health Service are entitled to receive superannuation benefits and the Health Services 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.

Defined benefit superannuation plans

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

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

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

The name, details and amounts that have been expensed in relation to the major employee superannuation funds and contributions made by Stawell Regional Health are disclosed above.

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.

Note 4: Key Assets to Support Service Delivery

Stawell Regional Health controls infrastructure and other investments that are utilised in fulfilling its objectives and conducting its activities. They represent the key resources that have been entrusted to the hospital to be utilised for delivery of those outputs.

Structure

4.1 Investments and other financial assets
4.2 Property, plant & equipment
4.3 Intangible assets
4.4 Depreciation and amortisation

Note 4.1: Investments and other financial assets

	Specific Purpose Fund		Consolidated	
	2020 $'000	2019 $'000	2020 $'000	2019 $'000
CURRENT				
Term Deposit (>3 Months)	1,715	1,733	1,715	1,733
TOTAL CURRENT	**1,715**	**1,733**	**1,715**	**1,733**
Represented by:				
Foundation Term Deposit	1,715	1,733	1,715	1,733
Health Service Investments				
TOTAL	**1,715**	**1,733**	**1,715**	**1,733**

Note: For Investments using the equity method please see Note 8.9.

Investment Recognition

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.

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

Stawell Regional Health's investments must comply with Standing Direction 3.7.2 - Treasury Management, including Central Banking System.

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

All financial assets, except for those measured at fair value through the Comprehensive Operating Statement are subject to annual review for impairment.

Derecognition of Financial Assets

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

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

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

Impairment of Financial Assets

At the end of each reporting period, Stawell Regional Health 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 the Comprehensive Income Statement, are subject to annual review for impairment.

Note 4.2: Property, plant & equipment

Initial Recognition

Items of property, plant and equipment are measured initially at cost and subsequently revalued at fair value less accumulated depreciation and impairment loss. 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.

The cost of constructed non-financial physical assets includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overheads. 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.

The initial cost for non-financial physical assets under finance lease (refer to Note 6.1) 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.

Theoretical opportunities that may be available in relation to the asset(s) are not taken into account until it is virtually certain that any restrictions will no longer apply. Therefore, unless otherwise disclosed, the current use of these non-financial physical assets will be their highest and best uses.

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

Revaluations of Non-current Physical Assets

Non-Current physical assets are measured at fair value and are revalued in accordance with FRD 103H Non-current physical assets. This revaluation process normally occurs at least every five years, based upon the asset's Government Purpose Classification but may occur more frequently if fair value assessments indicate material changes in values. Independent valuers are used to conduct these scheduled revaluations and any interim revaluations are determined in accordance with the requirements of the FRDs. Revaluation increments or decrements arise from differences between an asset's carrying value and fair value.
Revaluation increments are recognised in 'other comprehensive income' and are credited directly to the asset revaluation surplus except that, to the extent that an increment reverses a revaluation decrement in respect of that same class of asset previously recognised as an expense in net result, the increment is recognised as income in the net result.

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

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

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

In accordance with FRD 103H Non-Financial Physical Assets Stawell Regional Health's non-current physical assets were assessed to determine whether revaluation of the non-current physical assets was required. This assessment did not identify any significant movements that would require a revaluation.

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

For the purpose of fair value disclosures, Stawell Regional Health has determined classes of assets on the basis of the nature, characteristics and risks of the asset and the level of the fair value hierarchy as explained above.

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

The Valuer-General Victoria (VGV) is Stawell Regional Health's independent valuation agency.

The estimates and underlying assumptions are reviewed on an ongoing basis.

Valuation hierarchy

In determining fair values a number of inputs are used. To increase consistency and comparability in the financial statements, these inputs are categorised into three levels, also known as the fair value hierarchy. The levels are as follows:

- 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; and
- Level 3 – valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

Identifying unobservable inputs (level 3) fair value measurements

Level 3 fair value inputs are unobservable valuation inputs for an asset or liability. These inputs require significant judgement and assumptions in deriving fair value for both financial and non-financial assets.

Unobservable inputs shall be used to measure fair value to the extent that relevant observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date. However, the fair value measurement objective remains the same, i.e., an exit price at the measurement date from the perspective of a market participant that holds the asset or owes the liability. Therefore, unobservable inputs shall reflect the assumptions that market participants would use when pricing the asset or liability, including assumptions about risk.

Consideration of highest and best use (HBU) for non-financial physical assets

Judgements about highest and best use must take into account the characteristics of the assets concerned, including restrictions on the use and disposal of assets arising from the asset's physical nature and any applicable legislative/contractual arrangements.

In accordance with paragraph AASB 13.29, Health Services can assume the current use of a non-financial physical asset is its HBU unless market or other factors suggest that a different use by market participants would maximise the value of the asset.

Non-Specialised Land, Non-Specialised Buildings and Cultural Assets

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

Note 4.2: Property, plant & equipment (continued)

For non-specialised land and non-specialised buildings, an independent valuation was performed by the Valuer-General Victoria to determine the fair value using the market approach. Valuation of the assets was determined by analysing comparable sales and allowing for share, size, topography, location and other relevant factors specific to the asset being valued. An appropriate rate per square metre has been applied to the subject asset. The effective date of the valuation is 30 June 2019.

Specialised land and specialised buildings

Specialised land includes Crown Land which 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

During the reporting period, Stawell Regional Health 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.

The market approach is also used for specialised land and specialised buildings although is adjusted for the community service obligation (CSO) to reflect the specialised nature of the assets being valued. Specialised assets contain significant, unobservable adjustments; therefore these assets are classified as Level 3 under the market based direct comparison approach.
The CSO adjustment is a reflection of the valuer's assessment of the impact of restrictions associated with an asset to the extent that

is also equally applicable to market participants. This approach is in light of the highest and best use consideration required for fair value measurement, and takes into account the use of the asset that is physically possible, legally permissible and financially feasible. As adjustments of CSO are considered as significant unobservable inputs, specialised land would be classified as Level 3 assets.

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

An independent valuation of Stawell Regional Health's specialised land and specialised buildings was performed by the Valuer-General Victoria. The valuation was performed using the market approach adjusted for CSO. The effective date of the valuation is 30 June 2019

Vehicles

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

Plant and equipment

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

There were no changes in valuation techniques throughout the period to 30 June 2020.

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

Note 4.2: Property, plant & equipment (continued)

(a) Gross carrying amount and accumulated depreciation

	Consolidated 2020 $'000	Consolidated 2019 $'000
Land		
Land at Fair Value	1,525	1,525
Less Impairment	-	
Land Improvements at Fair Value	815	815
Less Acc'd Depreciation	(29)	
Total Land at Fair Value	**2,311**	**2,340**
Buildings		
Buildings Under Construction at cost	1,076	1,183
Buildings at Fair Value	35,568	35,244
Less Acc'd Depreciation	(2,398)	-
Total Buildings	**34,246**	**36,427**
Plant and Equipment		
Plant and Equipment at Fair Value	2,515	2,313
Less Acc'd Depreciation	(1,560)	(1,377)
Total Plant and Equipment	**955**	**936**
Motor Vehicles		
Motor Vehicles at Fair Value	581	581
Less Acc'd Depreciation	(513)	(455)
TOTAL MOTOR VEHICLES	**68**	**126**
Medical Equipment		
Medical Equipment at Fair Value	5,512	5,198
Less Acc'd Depreciation	(3,846)	(3,633)
Total Medical Equipment	**1,666**	**1,565**
Jointly Controlled PP&E		
Jointly Controlled PP&E at Fair Value	471	427
Less Acc'd Depreciation	(169)	(87)
Total Jointly Controlled Assets	**302**	**340**
TOTAL	**39,548**	**41,734**

Note 4.2: Property, plant & equipment (continued)

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

Consolidated	Land	Buildings	Plant & Equipment	Motor Vehicles	Medical Equipment	Jointly Controlled PP&E	Assets Under Construction	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Balance at 1 July 2018	**1,400**	**20,354**	**891**	**208**	**1,808**	**271**	**706**	**25,638**
Additions	-	1,024	16		63	112	819	2,034
Disposals	-		(3)		(3)	(23)	-	(29)
Revaluation Increments/(Decrements)	940	15,385			-	-	-	16,325
Net Transfers between Classes	-		342		-	-	(342)	-
Depreciation (Note 4.4)	-	(1,519)	(310)	(82)	(303)	(20)	-	(2,234)
Balance at 30 June 2019	**2,340**	**35,244**	**936**	**126**	**1,565**	**340**	**1,183**	**41,734**
Recognition of right-of-use assets on initial application of AASB 16	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Adjusted Balance at 1 July 2019	**2,340**	**35,244**	**936**	**126**	**1,565**	**340**	**1,183**	**41,734**
Additions		41	199		113	40	455	848
Disposals		-			(2)		-	(2)
Net Transfers between Classes	-	283	5		274	-	(562)	-
Depreciation (Note 4.4)	(29)	(2,398)	(185)	(58)	(284)	(79)	-	(3,032)
Balance at 30 June 2020	**2,311**	**33,170**	**955**	**68**	**1,666**	**302**	**1,076**	**39,548**

(Additions should be at cost and disposals should be at carrying amount).

Land and buildings carried at valuation

A full revaluation of Stawell Regional Health's land and buildings was performed by the Valuer-General of Victoria (VGV) in May 2019 in accordance with the requirements of Financial Reporting Direction (FRD) 103H Non-Financial Physical Assets. 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 effective date of the valuation for both land and buildings was 30 June 2019.

In compliance with FRD 103H, in the year ended 30 June 2020, Stawell Regional Health Service's management conducted an annual assessment of the fair value of land and 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 2020.
The VGV indices, which are based on data to March 2020, indicate an average increase of 8% across all land parcels and a 3% increase in buildings.

Management regards the VGV indices to be a reliable and relevant data set to form the basis of their estimates. Whilst these indices are applicable at 30 June 2020, the fair value of land and buildings will continue to be subjected to the impacts of COVID-19 in future accounting periods.

As the accumulative movement was less than 10% for land and buildings no managerial revaluation was required.

Note 4.2: Property, plant & equipment (continued)

(c) Fair value measurement hierarchy for assets

	Consolidated Carrying Amount	Fair value measurement at end of reporting period using:		
Balance at 30 June 2020		**Level 1 (1)**	**Level 2 (1)**	**Level 3 (1)**
Land at fair value				
Non-specialised land	330	-	330	-
Specialised land	1,981	-	-	1,981
Total of land at fair value	2,311	-	330	1,981
Buildings at fair value				
Non-specialised buildings	464	-	464	-
Specialised buildings	32,706	-	-	32,706
Total of building at fair value	33,170	-	464	32,706
Motor Vehicles at fair value	68	-	68	-
Plant and equipment at fair value	955	-	-	955
Medical equipment at fair value	1,666	-	-	1,666
Jointly controlled equipment at fair value				
Total Jointly controlled equipment at fair value	302	-	-	302
	38,472	**-**	**862**	**37,610**

	Consolidated Carrying Amount	Fair value measurement at end of reporting period using:		
Balance at 30 June 2019		**Level 1 (1)**	**Level 2 (1)**	**Level 3 (1)**
Land at fair value				
Non-specialised land	330	-	330	-
Specialised land	2,010	-	-	2,010
Total of land at fair value	2,340	-	330	2,010
Buildings at fair value				
Non-specialised buildings	501	-	501	-
Specialised buildings	34,743	-	-	34,743
Total of building at fair value	35,244	-	501	34,743
Motor Vehicles at fair value	125	-	125	-
Plant and equipment at fair value	937	-	-	937
Medical equipment at fair value	1,565	-	-	1,565
Jointly controlled equipment at fair value				
Total Jointly controlled equipment at fair value	340	-	-	340
	40,551	**-**	**956**	**39,595**

Note

(i) Classified in accordance with the fair value hierarchy,

There have been no transfers between levels during the period.

Note 4.2: Property, plant & equipment (continued)

(d) Reconciliation of Level 3 Fair Value Measurement [i]

	Land	Buildings	Plant and equipment	Medical equipment
Consolidated				
Balance at 1 July 2019	2,010	34,743	1,277	1,565
Additions/(Disposals)		41	239	111
Transfers in (out) between class		283	(78)	274
Gains or losses recognised in net result				
- Depreciation	(29)	(2,361)	(181)	(284)
Balance at 30 June 2020	**1,981**	**32,706**	**1,257**	**1,666**

There have been no transfers between levels during the period

	Land	Buildings	Plant and equipment	Medical equipment
Consolidated				
Balance at 1 July 2018	1,050	20,249	1,163	1,808
Additions/(Disposals)		1,843	102	60
Transfers in (out) of Level 3		(342)	342	
Gains or losses recognised in net result				
- Depreciation		(1,519)	(330)	(303)
Items recognised in other comprehensive income				
- Revaluation	960	14,512		
Balance at 30 June 2019	**2,010**	**34,743**	**1,277**	**1,565**

(i) Classified in accordance with the fair value hierarchy, refer Note 4.2 (c).

Note 4.2: Property, plant & equipment (continued)

(e) Fair Value Determination

Asset class	Likely valuation approach	Significant inputs (Level 3 only)[(c)]
Non-specialised land	Market approach	N.a.
Specialised Land (Crown / Freehold)	Market approach	Community Service Obligations Adjustments [(c)]
Non-specialised buildings	Market approach	N.a.
Specialised buildings [(a)]	Current replacement cost	- Cost per square metre - Useful life
Vehicles	Market approach	N.a.
Plant and equipment [(a)]	Depreciated replacement cost approach	- Cost per unit - Useful life
Medical Equipment	Depreciated replacement cost approach	- Cost per unit - Useful life

Notes:
(c) CSO adjustment of 20% was applied to reduce the market approach value for Stawell Regional Health's Health Service's specialised land.
There were no changes in valuation techniques throughout the period to 30 June 2020.

Note 4.2: Property, plant & equipment (continued)

(f) Property, Plant and Equipment Revaluation Surplus

	Consolidated 2020 $'000	Consolidated 2019 $'000
Property, Plant & Equipment Revaluation Surplus		
Balance at the beginning of the reporting period	31,712	15,387
Revaluation Increment		
- Buildings	-	15,385
- Land	-	940
- Plant and Equipment	-	-
Balance at the end of the reporting period*	**31,712**	**31,712**
* Represented by:		
- Land	1,747	1,747
- Buildings	29,965	29,965
	31,712	**31,712**

Note 4.3: Intangible Assets

Note 4.3 (a): Intangible assets – Gross carrying amount and accumulated amortisation

	Consolidated 2020 $'000	Consolidated 2019 $'000
Intangible Produced Assets - Software	935	861
Less Accumulated Amortisation	563	452
	372	**409**
Business Goodwill	243	243
	243	**243**
TOTAL INTANGIBLE ASSETS	**615**	**652**

Note 4.3 (b): Intangible assets - Reconciliation of the carrying amount by class of asset

	Computer Software $'000	Business Goodwill $'000	Total $'000
Balance at 1 July 2018	**70**	**243**	**313**
Additions	436	-	436
Amortisation (Note 4.4)	(97)	-	(97)
Balance at 1 July 2019	**409**	**243**	**652**
Additions	74	-	74
Amortisation (note 4.4)	(111)	-	(111)
Balance at 30 June 2020	**372**	**243**	**615**

Intangible assets represent identifiable non-monetary assets without physical substance such as computer software.

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 Health Service.

Note 4.4: Depreciation and Amortisation

	Consolidated 2020 $'000	Consolidated 2019 $'000
Depreciation		
Buildings	2,398	1,519
Land Improvements	29	-
Plant & Equipment	185	213
Medical Equipment	284	303
Motor Vehicles	58	82
Joint Venture Assets	79	20
Total Depreciation	**3,032**	**2,137**
Amortisation		
Intangible Assets	111	97
Total Amortisation	**111**	**97**
Total Depreciation and Amortisation	**3,143**	**2,234**

Depreciation

All infrastructure assets, buildings, plant and equipment and other non-financial physical assets (excluding items under operating leases, assets held for sale, land and investment properties) that have finite useful lives are depreciated. Depreciation is generally calculated on a straight-line basis at rates that allocate the asset's value, less any estimated residual value over its estimated useful life.

Amortisation

Amortisation is the systematic allocation of the depreciable amount of an asset over its useful life.

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

	2020	2019
Buildings		
- Structure Shell Building Fabric	26 to 45 years	45 to 60 years
- Site Engineering Services and Central Plant	16 to 25 years	20 to 30 years
Central Plant		
- Fit Out	6 to 20 years	20 to 30 years
- Trunk Reticulated Building systems	11 to 20 years	30 to 40 years
Plant and Equipment	3 to 7 years	3 to 7 years
Medical Equipment	7 to 10 years	7 to 10 years
Computers and Communication	3 to 9 years	3 to 9 years
Furniture and Fittings	10 to 13 years	10 to 13 years
Motor Vehicles	10 years	10 years
Intangible Assets	3 to 4 years	3 to 4 years

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

Buildings that have finite useful lives are depreciated. Depreciation is generally calculated on a straight-line basis at rates that allocate the asset's value, less any estimated residual value over its estimated useful life.

The change in remaining useful life for Buildings and central plant, was a result of revaluation of land and buildings completed in 2019. The Valuer is required to reassess the estimated useful life based on the current building conditions. The change in remaining useful life has resulted in an increase in depreciation expense of $908,000 for buildings.

Note 5: Other assets and liabilities

This section sets out those assets and liabilities that arose from the hospital's operations.

Structure
5.1 Receivables and contract assets
5.2 Payables
5.3 Other liabilities

Note 5.1: Receivables and contract assets

	Consolidated 2020 $'000	Consolidated 2019 $'000
CURRENT		
Contractual		
Receivables - Grampians Rural Health Alliance	6	15
Trade Debtors	619	369
Patient Fees	69	185
Accrued Investment Income	10	5
Accrued Revenue	178	129
Less Allowance for impairment losses of contractual receivables		
Trade Debtors	(6)	(5)
Patient Fees	(56)	(54)
	820	**644**
Statutory		
GST Receivable	93	136
	93	**136**
TOTAL CURRENT RECEIVABLES	**913**	**780**
NON CURRENT		
Contractual		
Long Service Leave - Department of Health and Human Services	357	257
TOTAL NON-CURRENT RECEIVABLES	**357**	**257**
TOTAL RECEIVABLES	**1,270**	**1,037**

(a) Movement in the Allowance for impairment losses of contractual receivables	Consol'd 2020 $'000	Consol'd 2019 $'000
Balance at beginning of year	59	65
Amounts written off during the year	-	
Increase/(decrease) in allowance recognised in net result	3	(6)
Balance at end of year	**62**	**59**

Receivables Recognition

Receivables consist of:

Contractual receivables are classified as financial instruments and categorised as 'financial assets at amortised costs'. They are initially recognised at fair value plus any directly attributable transaction costs. The health service holds the contractual receivables with the objective to collect the contractual cash flows and therefore subsequently measured at amortised cost using the effective interest method, less any impairment.

Statutory receivables do not arise from contracts and are recognised and measured similarly to contractual receivables (except for impairment), but are not classified as financial instruments for disclosure purposes. The health service applies AASB 9 for initial measurement of the statutory receivables and as a result statutory receivables are initially recognised at fair value plus any directly attributable transaction cost.

Note 5.1: Receivables (Continued)

Trade debtors are carried at nominal amounts due and are due for settlement within 30 days from the date of recognition.

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.

Stawell Regional Health is not exposed to any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. Trade receivables consist of a large number of customers in various geographical areas. Based on historical information about customer default rates, management consider the credit quality of trade receivables that are not past due or impaired to be good.

Impairment losses of contractual receivables
Refer to Note 7.1 (c) Contractual receivables at amortised costs for Stawell Regional Health's contractual impairment losses.

Note 5.2: Payables

		Consolidated 2020 $'000	Consolidated 2019 $'000
CURRENT			
Contractual			
Trade Creditors		753	1,362
Accrued Salaries and Wages		405	342
Payables - Grampians Rural Health Alliance		140	52
Accrued Expenses		261	194
Revenue in Advance	5.2(a)	193	168
Amounts payable to Governments and Agencies	5.2 (b)	192	-
Department of Health and Ageing		-	-
		1,944	**2,118**
Statutory			
Department of Health and Human Services			
Amounts payable to Government		270	36
		270	**36**
TOTAL CURRENT		**2,214**	**2,154**
TOTAL PAYABLES		**2,214**	**2,154**

Payables consist of:

- contractual payables, classified as financial instruments and measured at amortised cost. Accounts payable represent liabilities for goods and services provided to the Health Service prior to the end of the financial year that are unpaid; and

- statutory payables, that 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 contracts.

The normal credit terms for accounts payable are usually Nett 60 days.

Maturity analysis of payables

Please refer to Note 7.1(b) for them maturity analysis of payables.

Note 5.2 (a) Deferred Revenue

	Consolidated 2020 $'000
Consideration in Advance - Operating Revenue	193
Closing balance of deferred operating consideration received	**193**

Consideration was received in advance from Nursing Home fees in advance, Acute Private Inpatient fees in advance, Rental income received in advance and the Western Victorian PHN sub-regional after hours support program received in advance.

Note 5.2 (b) Contract liabilities

	Consolidated 2020 $'000
Opening balance brought forward from 30 June 2019 adjusted for AASB 15	-
Add: Grant consideration for sufficiently specific performance obligations received during the year	192
Total contract liabilities	**192**
Represented by	
Current contract liabilities	192

Contract liabilities include consideration received in advance from customers in respect of CHSP Grant income for 2020/2021 and Aged Care Income for July 2020. Invoices are raised once the goods and services are delivered/provided.

Note 5.3: Other liabilities

	Consolidated 2020 $'000	Consolidated 2019 $'000
CURRENT		
Monies Held in Trust		
- Patient Monies Held in Trust	55	20
- Accommodation Bonds (Refundable Entrance Fees)	1,391	651
- Other Monies Held in Trust	16	19
Total Current	**1,462**	**690**
Total Other Liabilities	**1,462**	**690**
Total Monies Held in Trust		
Represented by the following assets:		
Cash and Cash Equivalents (refer to Note 6.2)	1,462	690
TOTAL	**1,462**	**690**

Refundable Accommodation Deposit ("RAD")/Accommodation Bond liabilities

RADs/accommodation bonds are non-interest-bearing deposits made by some aged care residents to the Health Service upon admission. These deposits are liabilities which fall due and payable when the resident leaves the home. As there is no unconditional right to defer payment for 12 months, these liabilities are recorded as current liabilities.

RAD/accommodation bond liabilities are recorded at an amount equal to the proceeds received, net of retention and any other amounts deducted from the RAD/accommodation bond in accordance with the Aged Care Act 1997.

Note 6: How we finance our operations

This section provides information on the sources of finance utilised by the hospital during its operations, along with interest expenses (the cost of borrowings) and other information related to financing activities of Stawell Regional Health.

This section includes disclosures of balances that are financial instruments (such as borrowings and cash balances). Note: 7.1 provides additional, specific financial instrument disclosures.

Structure
6.1 Borrowings
6.2 Cash and Cash Equivalents
6.3 Commitments for Expenditure

Note 6.1: Borowings

	Consol'd 2020 $'000	Consol'd 2019 $'000
CURRENT		
Advances from government [(i)]	100	-
Other financial liabilities	-	-
Total Current Borrowings	**100**	**-**
Total Borrowings	**100**	**-**

(i) These are unsecured loans which bear no interest.

(a) Maturity analysis of borrowings
Please refer to Note 7.1 for the ageing analysis of borrowings.

(b) Defaults and breaches

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

Borrowings Recognition

All borrowings are initially recognised at fair value of the consideration received, less directly attributable transaction costs. The measurement basis subsequent to initial recognition depends on whether the Stawell Regional Health has categorised its liability as either 'financial liabilities designated at fair value through profit or loss', or financial liabilities at 'amortised cost'.
Subsequent to initial recognition, interest bearing 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. Non-interest bearing borrowings are measured at 'fair value through profit or loss'.

Note 6.2: Cash and Cash Equivalents

	Consolidated 2020 $'000	Consolidated 2019 $'000
Cash on hand (excluding monies held in trust)	2	2
Cash at bank (excluding monies held in trust)	141	3,621
Cash at bank (monies held in trust)	1,409	690
Cash at bank - CBS (excluding monies held in trust)	4,431	-
Cash & equivalents Grampians Rural Health Alliance	286	147
Total Cash and Cash Equivalents	**6,269**	**4,460**

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.

For cash flow statement presentation purposes, cash and cash equivalents include bank overdrafts, which are included as liabilities on the balance sheet. The cash flow statement includes monies held in trust.

Note 6.3: Commitments for expenditure

	Consolidated 2020 $'000	Consolidated 2019 $'000
Capital expenditure commitments payable		
Less than 1 year	126	472
Longer than 1 year but not longer than 5 years	-	-
5 years or more	-	-
Total capital expenditure commitments	126	**472**
Operating Expenditure commitments payable		
Less than 1 year	-	-
Longer than 1 year but not longer than 5 years	-	-
5 years or more	-	-
Total Operating Expenditure commitments	-	-
Non-cancellable and Short Term low value lease commitments		
Less than 1 year	48	56
Longer than 1 year but not longer than 5 years	-	19
Total Non-cancellable Lease commitments	**48**	**75**
Total commitments for Expenditure (inclusive of GST)	**174**	**547**
Less GST recoverable from the Australian Tax Office	(17)	(55)
TOTAL COMMITMENTS FOR EXPENDITURE (exclusive of GST)	**157**	**492**

Future finance lease payments are recognised on the balance sheet, refer to Note 6.1 Borrowings.

Commitments for future expenditure include operating and capital commitments arising from contracts. These commitments are disclosed by way of a note at their nominal value and are inclusive of the 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.

Note 7: Risks, contingencies and valuation uncertainties

Stawell Regional Health is exposed to risk from its activities and outside factors. In addition, it is often necessary to make judgements and estimates associated with recognition and measurement of items in the financial statements. This section sets out financial instrument specific information, (including exposures to financial risks) as well as those items that are contingent in nature or require a higher level of judgement to be applied, which for the hospital is related mainly to fair value determination.

Structure
7.1 Financial Instruments
7.2 Contingent Assets and Contingent Liabilities

Note 7.1: 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 Stawell Regional Health'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.

Note 7.1 (a) Financial instrument categorisation

Consolidated 2020	Financial Assets at Amortised Cost $'000	Financial Liabilities at Amortised Cost $'000	Total $'000
Contractual Financial Assets			
Cash and cash equivalents	6,269	-	6,269
Receivables			
- Trade Debtors	619	-	619
- Other Receivables	201	-	201
Other Financial Assets			
- Investments in Term Deposit	1,715	-	1,715
- Shares in Other Entities			
Total Financial Assets [i]	**8,804**	**-**	**8,804**
Financial Liabilities			
Payables		1,559	1,559
Borrowings		100	100
Other Financial Liabilities			
- Monies Held in Trust	-	1,462	1,462
- Other			
Total Financial Liabilities [ii]	**-**	**3,121**	**3,121**

Consolidated 2019	Financial Assets at Amortised Cost $'000	Financial Liabilities at Amortised Cost $'000	Total $'000
Contractual Financial Assets			
Cash and cash equivalents	4,460	-	4,460
Receivables			
- Trade Debtors	374	-	374
- Other Receivables	270	-	270
Other Financial Assets			-
- Term Deposit	1,733	-	1,733
Total Financial Assets [i]	**6,837**	**-**	**6,837**
Financial Liabilities			
Payables		2,118	2,118
Borrowings		-	-
- Monies Held in Trust	-	690	690
Total Financial Liabilities [i]	**-**	**2,808**	**2,808**

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

Financial assets at amortised cost

Financial assets are measured at amortised costs if both of the following criteria are met and the assets are not designated as fair value through net result:

- the assets are held by Stawell Regional Health to collect the contractual cash flows, and
- the assets' contractual terms give rise to cash flows that are solely payments of principal and interests.

These assets are initially recognised at fair value plus any directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method less any impairment.

The Health Service recognises the following assets in this category:
- cash and deposits
- receivables (excluding statutory receivables)
- term deposits

Note 7.1: Financial Instruments (continued)

Financial Liabilities at Amortised Cost 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. Stawell Regional Health recognises in this category:

- payables (excluding statutory payables); and
- borrowings (including finance lease liabilities).

Derecognition of financial assets: A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the rights to receive cash flows from the asset have expired.

Derecognition of financial liabilities: A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised as an 'other economic flow' in the comprehensive operating statement.

Note 7.1: Financial Instruments (Continued)

Note 7.1 (b) Maturity analysis of Financial Liabilities at at 30 June

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

				Maturity Dates			
	Note	Carrying Amount	Nominal Amount	Less than 1 Month	1-3 Months	3 months - 1 Year	1-5 Years
2020		$'000	$'000	$'000	$'000	$'000	$'000
Financial Liabilities							
At amortised cost							
Payables	5.2	1,944	1,944	1,944	-	-	-
Borrowings	6.1	100	100			100	-
Other Liabilities							
- Accommodation Deposits	5.3	1,391	1,391	-	-	100	1,291
Monies Held in Trust	5.3	71	71	71	-	-	-
Total Financial Liabilities		**3,506**	**3,506**	**2,015**	**-**	**200**	**1,291**
2019							
Financial Liabilities							
At amortised cost							
Payables	5.2	2,118	2,118	2,118	-	-	-
Borrowings	6.1	-	-			-	
Other Financial Liabilities (i)							
- Accommodation Deposits	5.3	651	651	-	-	100	551
Monies Held in Trust	5.3	39	39	39	-	-	-
Total Financial Liabilities		**2,808**	**2,808**	**2,157**	**-**	**100**	**551**

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

Note 7.1(c): Contractual receivables at amortised cost

01-Jul-19	Note	Current	Less than 1 month	1-3 months	3 months - 1 year	1-5 years	TOTAL
Expected loss rate		5.0%	11.0%	11.0%	11.0%	80.0%	
Gross carrying amount of contractual receivables	5.1	**495**	**68**	**108**	**16**	**16**	**703**
Loss Allowance		25	7	12	2	13	59

01-Jul-20	Note	Current	Less than 1 month	1-3 months	3 months - 1 year	1-5 years	TOTAL
Expected loss rate		3.9%	11.0%	11.0%	11.0%	80.0%	
Gross carrying amount of contractual receivables	5.1	**674**	**68**	**108**	**16**	**16**	**882**
Loss Allowance		28	7	12	2	13	62

Impairment of financial assets under AASB 9 *Financial Instruments*

Stawell Regional Health records the allowance for expected credit loss for the relevant financial instruments, in accordance with AASB 9 Financial Instruments 'Expected Credit Loss' approach. Subject to AASB 9 Financial Instruments, impairment assessment includes the Stawell Regional Health's contractual receivables, statutory receivables and its investment in debt instruments.

Equity instruments are not subject to impairment under AASB 9. Other financial assets mandatorily measured or designated at fair value through net result are not subject to impairment assessment under AASB 9. While cash and cash equivalents are also subject to the impairment requirements of AASB 9, the identified impairment loss was immaterial.

Contractual receivables at amortised cost

Stawell Regional Health applies AASB 9 simplified approach for all contractual receivables to measure expected credit losses using a lifetime expected loss allowance based on the assumptions about risk of default and expected loss rates. Stawell Regional Health has grouped contractual receivables on shared credit risk characteristics and days past due and select the expected credit loss rate based on the Department's past history, existing market conditions, as well as forward looking estimates at the end of the financial year.

On this basis, Stawell Regional Health determines the opening loss allowance and the closing loss allowance at end of the financial year as disclosed above.

Reconciliation of the movement in the loss allowance for contractual receivables

	2020	2019
Balance at beginning of year	59	65
Increase in provision recognised in the net result	3	-
Reversal of unused provision recognised in the net result	-	6
Balance at end of the year	62	59

Credit loss allowance is classified as other economic flows in the net result. Contractual receivables are written off when there is no reasonable expectation of recovery and impairment losses are classified as a transaction expense. Subsequent recoveries of amounts previously written off are credited against the same line item.

In prior years, 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. A provision is made for estimated irrecoverable amounts from the sale of goods when there is objective evidence that an individual receivable is impaired. Bad debts considered as written off by mutual consent.

Statutory receivables and debt investments at amortised cost

Stawell Regional Health's non-contractual receivables arising from statutory requirements are not financial instruments. However, they are nevertheless recognised and measured in accordance with AASB 9 requirements as if those receivables are financial instruments.

Note 7.2: Contingent assets and contingent liabilities

There are no known contingent assets or contingent liabilities for Stawell Regional Health at the date of this report. (2019-Nil).

Note 8: Other disclosures

This section includes additional material disclosures required by accounting standards or otherwise, for the understanding of this financial report.

Structure

Note 8.1: Reconciliation of Net Result for the Year to Net Cash from Operating Activities

	Note	Consolidated 2020 $'000	Consolidated 2019 $'000
Net result for the period		(1,472)	(326)
Non-cash movements:			
Depreciation and amortisation	4.4	3,143	2,234
Resources/assets received free of charge	2.1(b)	8	-
Allowance for impairment losses of contractual receivables	5.1	3	(6)
Movements included in investing and financing activities			
Net (gain)/loss from disposal of non financial physical assets	3.2	(3)	(2)
Movements in assets and liabilities:			
Change in operating assets and liabilities			
(Increase)/decrease in receivables	5.1	(233)	(249)
(Increase)/decrease in other assets		37	(526)
(Increase)/decrease in Prepayments		32	(439)
(Increase)/decrease in Inventories		(30)	(15)
Increase/(decrease) in payables	5.2	60	205
Increase/(decrease) in provisions	3.4	369	515
Increase/(decrease) in other liabilities	5.3	(377)	-
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES		**1,537**	**1,391**

Note 8.2: Responsible persons disclosures

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

	Period
Responsible Ministers:	
The Honourable Jenny Mikakos, Minister for Health and Minister for Ambulance Services	01/07/2019 - 30/06/2020
The Honourable Martin Foley, Minister for Mental Health	01/07/2019 - 30/06/2020
The Honourable Luke Donnellan, Minister for Child Protection, Minister for Disability, Ageing and Carers	01/07/2019 - 30/06/2020
Governing Board	
R Jones (Board Chair)	01/07/2019 - 30/06/2020
J Cass	01/07/2019 - 30/06/2020
M Thakker	01/07/2019 - 30/06/2020
A Thomas	01/07/2019 - 30/06/2020
C Woollard	01/07/2019 - 31/01/2020
E Aalsulami	01/07/2019 - 30/06/2020
Accountable Officers	
L Fifis	1/7/2019 - 15/9/2019
K Pryde	16/9/2019 - 30/6/2020

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

Income Band	**Consolidated 2020 No.**	**Consolidated 2019 No.**
$0 - $9,999	6	8
$30,000 - $39,999	-	1
$40,000 - $49,999	1	-
$130,000 - $139,999	1	-
$180,000 - $189,999	-	1
Total Numbers	**8**	**10**

	$ '000	**$ '000**
Total remuneration received or due and receivable by Responsible Persons from the reporting entity amounted to:	**195**	**210**

Amounts relating to the controlled entities Governing Board Members and Accountable Officer are disclosed in Stawell Regional Health's controlled entities financial statements.

Amounts relating to Responsible Ministers are reported within the Department of Parliamentary Services' Financial Report.

Note 8.3: Remuneration of Executives

The number of executive officers, other than Ministers and Accountable Officers, and their total remuneration during the reporting period are shown in the table below. Total annualised employee equivalent provides a measure of full time equivalent executive officers over the reporting period.

Remuneration of Executive Officers

	Consolidated Total Remuneration	
Remuneration	**2020 $ '000**	**2019 $ '000**
Short-term benefits	542	418
Post-employment benefits	54	36
Other long-term benefits	18	12
Total Remuneration[i]	**614**	**466**
Total Number of Executives	5	**5**
Total Annualised Employee Equivalent (AEE)[ii]	**4.4**	**3.4**

[i] The total number of executive officers includes persons who meet the definition of Key Management Personnel (KMP) of Stawell Regional Health's under AASB 124 Related Party Disclosures and are also reported within Note 8.4 Related Parties.

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

Remuneration comprises employee benefits in all forms of consideration paid, payable or provided in exchange for services rendered, and is disclosed in the following categories:

Short-term Employee Benefits
Salaries and wages, annual leave or sick leave that are usually paid or payable on a regular basis, as well as non-monetary benefits such as allowances and free or subsidised goods or services.

Post-employment Benefits
Pensions and other retirement benefits paid or payable on a discrete basis when employment has ceased.

Other Long-term Benefits
Long service leave, other long-service benefit or deferred compensation.

Termination Benefits
Termination of employment payments, such as severance packages.

Total remuneration payable to executives during the year included additional executive officers and a number of executives who received bonus payments during the year. These bonus payments depend on the terms of individual employment contracts.

Note 8.4: Related Parties

The hospital is a wholly owned and controlled entity of the State of Victoria. Related parties of the hospital include:

. All key management personnel and their close family members;
. Controlled Entities - The Stawell Regional Health Foundation;
. Jointly Controlled Operation - A member of the Grampians Rural Health Alliance Joint Venture;
. Cabinet ministers (where applicable) and their close family members; and
. All hospitals and public sector entities that are controlled and consolidated into the State of Victoria financial statements.

KMPs are those people with the authority and responsibility for planning, directing and controlling the activities of Stawell Regional Health and its controlled entities, directly or indirectly.

The Board of Directors, Accountable Officers and the Executive Directors of Stawell Regional Health and it's controlled entities are deemed to be KMPs.

Entity	KMPs	Position Title	
Stawell Regional Health	R Jones (Board Chair)	Chair of the Board	1 Jul 19 - 30 Jun 20
Stawell Regional Health	J Cass	Board member	1 Jul 19 - 30 Jun 20
Stawell Regional Health	M Thakker	Board member	1 Jul 19 - 30 Jun 20
Stawell Regional Health	A Thomas	Board member	1 Jul 19 - 30 Jun 20
Stawell Regional Health	C Woollard	Board member	1 Jul 19 - 31 Jan 20
Stawell Regional Health	E Aalsulami	Board member	1 Jul 19 - 30 Jun 20
Stawell Regional Health	L Fifis	Chief Executive Officer	1 Jul 19 - 15 Sept 19
Stawell Regional Health	K Pryde	Chief Executive Officer	16 Sept 19 - 30 June 20
Stawell Regional Health	K Pryde	Director of Clinical Services	01 Jul 19 - 15 Sept 19
Stawell Regional Health	T Dunmore	Director of Clinical Services	16 Sept 19 - 30 Jun 20
Stawell Regional Health	R Duncan	Director of Primary Care	1 Jul 19 - 30 Jun 20
Stawell Regional Health	I Martin	Chief Finance Officer	1 Jul 19 - 30 Jun 20
Stawell Regional Health	C Hugo	Human Resources Director	1 Jul 19 - 30 Jun 20

The compensation detailed below excludes the salaries and benefits the Portfolio Ministers receive. The Minister's remuneration and allowances is set by the Parliamentary Salaries and Superannuation Act 1968, and is reported within the Department of Parliamentary Services' Financial Report.

Compensation - KMP's	**Consolidated 2020 $'000**	**Consolidated 2019 $'000**
Short-term benefits[i]	717	608
Post-employment benefits	68	51
Other long-term benefits	23	18
Termination Benefits	-	-
Total[ii]	**808**	**677**

[i] Total remuneration paid to KMPs employed as a contractor during the reporting period through accounts payable has been reported under short-term employee benefits.

[ii] KMPs are also reported in Note 8.2 Responsible Persons or Note 8.3 Remuneration of Executives.

Note 8.4: Related Parties (continued).

Significant Transactions with Government Related Entities

Stawell Regional Health received funding from the Department of Health and Human Services of $19,467,536 (2019: $19,732,058) and Indirect Contributions of $ 120,173 (2019: $ 91,452).

Stawell Regional Health received a loan from the Department of Health and Human Services of $100,000 (2019: $nil). Stawell Regional Health has a Debtor with DHHS for Long Service Leave of $ 356,758 (2019: $ 256,430).

Expenses incurred by Stawell Regional Health in delivering services and outputs are in accordance with Health Purchasing Victoria requirements. Goods and services including procurement, diagnostics, patient meals and multi-site operational support are provided by other Victorian Health Service Providers on commercial terms.

Professional medical indemnity insurance and other insurance products are obtained from the Victorian Managed Insurance Authority.

The Standing Directions of the Assistant Treasurer require Stawell Regional Health to hold cash (in excess of working capital) in accordance with the State's centralised banking arrangements. All borrowings are required to be sourced from Treasury Corporation Victorian unless an exemption has been approved by the Minister for Health and Human Services and the Treasurer.

Transactions with Key Management Personnel and Other Related Parties

Given the breadth and depth of State government activities, related parties transact with the Victorian public sector in a manner consistent with other members of the public e.g. stamp duty and other government fees and charges. Further employment of processes within the Victorian public sector occur on terms and conditions consistent with the Public Administration Act 2004 and Codes of Conduct and Standards issued by the Victorian Public Sector Commission. Procurement processes occur on terms and conditions consistent with the Victorian Government Procurement Board requirements.

Outside of normal citizen type transactions with the Department of Health and Human Services, all other related party transactions that involved KMPs and their close family members have been entered into on an arm's length basis. Transactions are disclosed when they are considered material to the users of the financial report in making and evaluation decisions about the allocation of scare resources.

There were no related party transactions with Cabinet Ministers required to be disclosed in 2020.

Except for the transaction listed below there were no related party transactions required to be disclosed for Stawell Regional Health Board of Directors, Accountable Officers, and Executive Directors in 2020.

Mrs R Jones - Stawell Regional Health Board Chair has a family interest in David O Jones Hardware. The total amount of purchases from David O Jones Hardware for 2019/2020 financial year was $22,957.

There were no other related party transactions required to be disclosed for Stawell Regional Health Foundation Board of Directors in 2020.

Note 8.4: Related Parties (continued).

Controlled Entities Related Party Transactions

Stawell Regional Health Foundation

The transactions between the two entities relate to reimbursements made by Stawell Regional Health Foundation to Stawell Regional Health 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.

	2020 $'000	2019 $'000
Distribution of funds by Stawell Regional Health Foundation	47	-

Note 8.5: Remuneration of auditors

	Consolidated 2020 $'000	Consolidated 2019 $'000
Victorian Auditor-General's Office		
Audit of the Financial Statements	18	18
TOTAL RENUMERATION OF AUDITORS	**18**	**18**

Note 8.6: Ex gratia payments

Stawell Regional Health has made the following ex gratia expenses:

	Consolidated 2020 $ '000	Consolidated 2019 $ '000
Compensation for economic loss	-	13
Total ex-gratia expenses	**-**	**13**

Includes ex-gratia for both individual items and in aggregate that are greater than or equal to $5,000.

Note 8.7: Events Occurring after the Balance Sheet Date

The COVID-19 pandemic has created unprecedented economic uncertainty. Actual economic events and conditions in the future may be materially different from those estimated by Stawell Regional Health at the reporting date. As responses by government continue to evolve, management recognises that it is difficult to reliably estimate with any degree of certainty the potential impact of the pandemic after the reporting date on Stawell Regional Health, its operations, its future results and financial position. The state of emergency in Victoria was extended on 5 September 2020 for a further six months until 16 March 2021 and the state of disaster is still in place.

No other matters or circumstances have arisen since the end of the financial year which significantly affected or may affect the operations of the Health Service, the results of the operations or the state of affairs of Stawell Regional Health in future financial years.

Note 8.8: Controlled entities

		2020	
Name of entity	**Country of incorporation**	**Ownership Interest %**	**Equity Holding**
Stawell Regional Health Foundation	Australia	100%	Limited by Guarantee

		2019	
Name of entity	**Country of incorporation**	**Ownership Interest %**	**Equity Holding**
Stawell Regional Health Foundation	Australia	100%	Limited by Guarantee

CONTROLLED ENTITIES CONTRIBUTION TO THE CONSOLIDATED RESULTS

NET RESULT FOR THE YEAR	**2020 $000**	**2019 $000**
Stawell Regional Health Foundation	(14)	49

Contingent Liabilities and Capital Commitments
There are no known contingent liabilities or capital commitments held by the jointly controlled operations at balance date.

Note 8.9: Jointly Controlled Operations and Assets

		Ownership Interest	
Name of Entity	**Principal Activity**	**2020 %**	**2019 %**
NET RESULT FOR THE YEAR	Information Systems	(4)	(21)
Grampains Rural Health Alliance		6.76%	6.39

Note 8.9: Jointly Controlled Operations and Assets - (Continued)

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

	2020 $'000 *	2019 $'000 *
Current Assets		
Cash and Cash Equivalents	286	147
Receivables	6	15
Prepayments	11	19
Total Current Assets	**303**	**181**
Non-Current Assets		
Property, Plant and Equipment	471	427
Less Accumulated Depreciation	169	87
Total Non Current Assets	**302**	**340**
Total Assets	**605**	**521**
Current Liabilities		
Payables	140	52
Total Current Liabilities	**140**	**52**
Total Liabilities	**140**	**52**
Total Net Assets	**465**	**469**

Stawell Regional Health's interest in revenues and expenses resulting from jointly controlled operations and assets is detailed below:

Revenues		
Operating Activities	467	390
Non Operating Activities	37	7
Total Revenue	**504**	**397**
Expenses		
Employee Expenses	87	69
Other Expenses	388	306
Total Operating Expenses	**475**	**375**
Capital Purpose Income	46	8
Depreciation	79	51
Total Capital and Specific Items	**(33)**	**(43)**
Net Result	**(4)**	**(21)**

* The financial results included for The Grampians Rural Health Alliance for 2020 are unaudited at the date of signing the financial statements.

Contingent Liabilities and Capital Commitments
There are no known contingent assets or liabilities for The Grampians Rural Health Alliance as at the date of this report (2019 Nil).

Note 8.10: Economic Dependency

Stawell Regional Health is dependent on the Department of Health and Human Services for the majority of its revenue used to operate the entity. At the date of this report, the Board of Directors has no reason to believe the Department will not continue to support Stawell Regional Health.

Note 8.11: AASB's Issued that are not yet Effective

Certain new Australian accounting standards have been published that are not mandatory for the 30 June 2020 reporting period. Department of Treasury and Finance assesses the impact of all these new standards and advises Stawell Regional Health of their applicability and early adoption where applicable.

As at 30 June 2020, 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. Stawell Regional Health has not and does not intend to adopt these standards early.

Standard / Interpretation	Summary	Applicable for annual reporting periods beginning on	Impact on Stawell Regional Health's Financial Statements
AASB 2018-7 Amendments to Australian Accounting Standards – Definition of Material	This Standard principally amends AASB 101 Presentation of Financial Statements and AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors. The amendments refine and clarify the definition of material in AASB 101 and its application by improving the wording and aligning the definition across AASB Standards and other publications. The amendments also include some supporting requirements in AASB 101 in the definition to give it more prominence and clarify the explanation accompanying the definition of material.	1 January 2020	The standard is not expected to have a significant impact on the public sector.
AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current	This Standard amends AASB 101 to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current. A liability is classified as non-current if an entity has the right at the end of the reporting period to defer settlement of the liability for at least 12 months after the reporting period. The meaning of settlement of a liability is also clarified.	1 January 2022. However, ED 301 has been issued with the intention to defer application to 1 January 2023.	The standard is not expected to have a significant impact on the public sector.

In addition to the new standards and amendments above, the AASB has issued a list of other amending standards that are not effective for the 2019-20 reporting period (as listed below). In general, these amending standards include editorial and reference changes that are expected to have insignificant impacts on public sector reporting.

- AASB 2018-6 Amendments to Australian Accounting Standards – Definition of a Business.
- AASB 2019-1 Amendments to Australian Accounting Standards – References to the Conceptual Framework.
- AASB 2019-3 Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform.
- AASB 2019-5 Amendments to Australian Accounting Standards – Disclosure of the Effect of New IFRS Standards Not Yet Issued in Australia.
- AASB 2019-4 Amendments to Australian Accounting Standards – Disclosure in Special Purpose Financial Statements of Not-for-Profit Private Sector Entities on Compliance with Recognition and Measurement Requirements.
- AASB 2020-2 Amendments to Australian Accounting Standards – Removal of Special Purpose Financial Statements for Certain For-Profit Private Sector Entities.
- AASB 1060 General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities (Appendix C).
- Conceptual Framework for Financial Reporting.[1]

[1] To be applied by For-Profit private sector entities. Application by other For-Profit entities is optional.