STAWELL
REGIONAL HEALTH

ANNUAL REPORT

2018
2019

Stawell Regional Health Values

In 2019 Stawell Regional Health undertook to review its values. This was a significant project carried out through the People and Culture Committee with consultation across the organisation. Our new values can be seen below:

Community

Our community speaks to those we serve, those we work alongside, those we partner with and those we are accountable to.

Compassion

We are kind and considerate in our care for others.

Accountability

We each take personal responsibility for our decisions and actions.

Respect

We value how people are different and diverse.

Excellence

We continually strive to deliver quality, efficient, and evidence-based services.

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, Pathology Medical Imaging and Superficial x-ray treatment for some 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, McPherson Smith Residential Aged 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.

Vision
Caring for our Community

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 Direction

1. Service – Deliver innovative community focused and responsive health service provision for the future
2. Sustainability – Ensure a sustainable future for Stawell Regional Health
3. Partnerships – Develop and enhance strategic partnerships to strengthen service access and service integration
4. Community – Foster an informed and involved community

How to contact us

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Vic 3380

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www.srh.org.au

Board Chair Report

An important part of the Board's work in the 2018-19 year has been to diligently and systematically strengthen the foundations of good governance which will support the Board and the organisation for into the future. This work culminated at the end of the 2019 financial year with the commencement of the strategic planning process where we have invited the community to participate through sharing their perspective and insights. We are proud to know that the community have a range of opportunities to help shape the future of health care in their local community and beyond.

We were delighted to enter a partnership with Austin Hospital to provide Stawell Austin Radiation Oncology Service, (SAROS) to deliver radiation therapy to treat skin cancers that have formed on or just below the surface of the skin. The new x-ray therapy equipment, funded by the Victorian Government and installed at Stawell Regional Health means that patients in our community have access to the highest quality and safest radiotherapy treatment that they need, closer to home.

Consumer Engagement is another area where we have invested considerable time to better partner with our consumers. This work includes the development of a consumer representative handbook and position description to further support consumer representatives in their roles and the establishment of the Partnering with Consumers committee which will meet later in 2019 once consumer representatives have been recruited.

We are pleased to have been included as part of a Primary Health Care Network Regional Urgent Care Centre Telehealth Program. This pilot strengthens medical services in our Urgent Care Centre when there is no-one site doctor available, patients will have access to medical care through the use of telehealth.

The Board was pleased to appoint Libby Fifis as CEO after several months in the acting role. Libby has demonstrated her commitment to ensuring that all members of the community including rural, isolated and diverse community members have access to high quality health services. Libby leads the Executive Team consisting of Ian Martin, Kate Pryde, Ceri Hugo, Rhys Duncan and Amir Rahimi who replaced Rick Lowen as Director of Medical Services.

This year we farewelled Ross Hatton who completed his term as Board Director with Stawell Regional Health. Ross has been a great supporter of Stawell Regional Health and a very effective Board member over the past 11 years. We thank him for his hard work and dedication.

We also thank Katrina Adams, Peter Mees and Carol Adams who resigned from the Board in 2019. We look forward to welcoming our new Board members in 2019-20.

We are indebted to the people who continue to raise money for Stawell Regional Health including the Stawell Regional Health Foundation, Stawell Hospital Auxiliary, Y-Zetts and Stawell Sprockets.

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 2019.

Rhian Jones
Board Chair
Stawell
30th August 2019

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 The Honourable Jill Hennessy MLA, Minster for Health and Minister for Ambulance Services from 1st July 2018 until the 29th November 2018 and Jenny Mikakos, Minister for Health from 29th November 2019 and Martin Foley MLA, Minister for Mental Health and Minister for Housing, Disability and Ageing.

The Year in Review

Partnerships

Caring for the health of our community requires collaboration and co-operation. Our partnership with the Northern Grampians Shire supports us to implement strategies from the Northern Grampians Shire Municipal Public Health and Wellbeing Plan. As part of this plan we held Active in April events to encourage community members to become more active.

We partnered with Ballarat Health Services, Federation University, Ballarat Regional Integrated Cancer Centre and Grampians Integrated Cancer Services to implement the Prehabilitation pilot which will commence in the second half of 2019.

In May 2019, in partnership with Austin Hospital, we introduced Stawell Austin Radiation Oncology Service (SAROS). This service gives patients access to radiation therapy treatment to treat some skin cancers and will reduce the need for people living in Western Victoria to travel to Melbourne or Ballarat for treatment.

We were thrilled to see the Stawell Hospital Auxiliary presented with the Northern Grampians Shire Event of the Year on Australia Day 2019 for their work organising and presenting a very successful fundraiser – Historic Homestead Tour.

Inclusion

Stawell Regional Health's commitment to ensuring equal access to care for all people saw the development of a draft disability action plan. The plan contains a range of strategies to improve accessibility to health services, consumer information and staff awareness. In consultation with people living with disability, we will focus on implementing priority actions during 2019 2020. Stawell Regional Health also held a community forum to receive feedback from the local LGBTIQ community regarding improving access to services.

People and Culture

Stawell Regional Health appointed a People and Culture Committee made up of staff representatives from across the organisation to strengthen employee engagement and participation. The People and Culture Committee promotes a culture that drives high quality care and ensures that there are systems in place to support and protect a skilled, competent and proactive workforce. The Committee has been involved in a range of activities including the development and monitoring of the action plan from the results of the 2018 People Matter Survey, review of Stawell Regional Health values, development of a contemporary reward and recognition policy, the development of a suite of health and wellbeing services/resources that staff can access and input into the design of staff common areas.

Capital Works

In addition to the $2.2m funding we received from the Regional Health Infrastructure Fund in 2018 we have received $294k to help upgrade our IT infrastructure through installation of new fibre optic cabling and replacement of outdated switches. We have also secured funding of

$912k, to install a state of the art patient communication system with sophisticated and technologically advanced functionalities. Work on these projects will proceed throughout the coming year along with continued work relating to last year's funding which has seen the installation of a new steriliser and two new chillers to strengthen continuity of service.

Meeting the needs of older community members

Stawell Regional Health led a community based Aged Care Expo at the Stawell Town Hall. We partnered with other local aged care providers to deliver workshops on topics including Advanced Care Directives, Staying Strong, Dementia and availability of services.

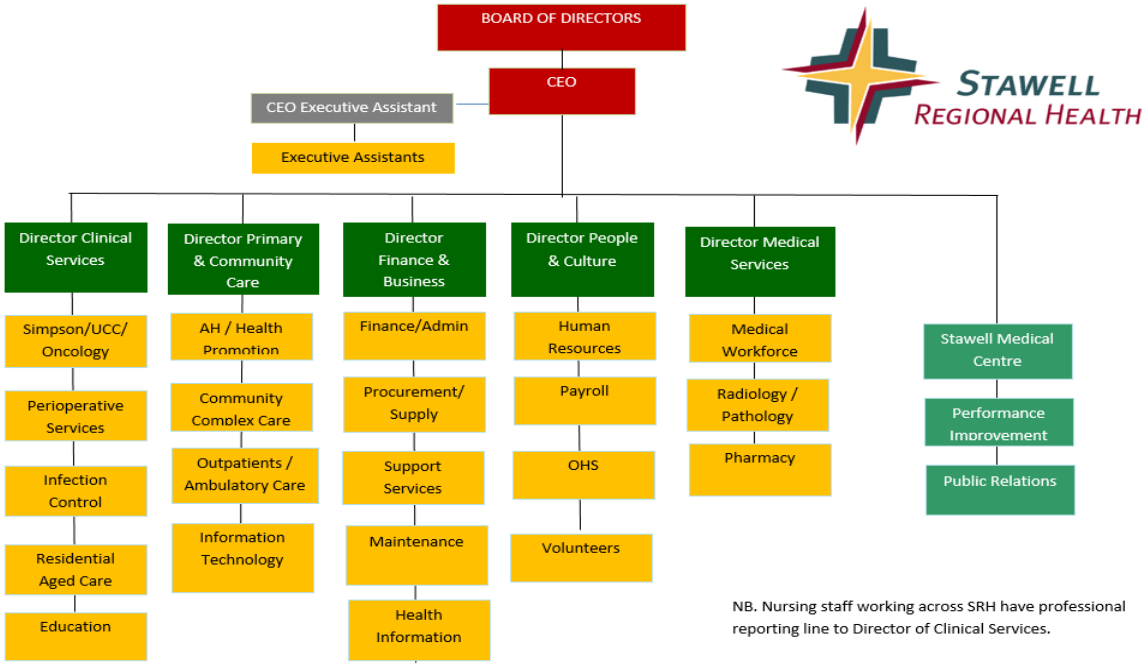
We also partnered with local community organisations for a yarn bombing event at Cato Park to raise awareness of Elder Abuse.

We piloted our Mobile Social Support Program with community members from Landsborough and district. The pilot aimed to increase access to care in the more remote areas of our community and target the health gaps associated with social isolation for people living in rural communities.

Mobile Support Group outing to visit the art silos

Organisational Structure

Stawell Regional Health Organisational Chart



SRH Organisational Chart – February 2019

Board of Directors and Executive Team

Board of Directors

Rhian Jones Board Chair*
Appointed 20th November 2013

Jessica Cass Deputy Chair
Appointed 1st July 2016

Ross Hatton Director*
Appointed 1st July 2008
Retired 30th June 2019

Arun Thomas Director
Appointed 1st July 2017

Peter Mees Director*
Appointed 1st July 2017
Resigned 2nd April 2019

Katrina Adams Director
Appointed 1st July 2018
Resigned 30th June 2019

Cheryl Woolard Director*
Appointed 1st July 2018

Carol Adams Director
Appointed 1st July 2018
Resigned 2nd April 2019

*Denotes membership on the audit and risk committee.

Executive Team

Libby Fifis
Chief Executive Officer

Kate Pryde
Director of Clinical & Aged Care Services

Rhys Duncan
Director of Primary and Community Care

Ian Martin
Director of Finance and Business

Ceri Hugo
Director of People and Culture

Amir Rahimi
Director of Medical Services


Libby Fifis CEO

Audit and Risk Committee

Independent Members:

Lynne Jensz (independent chair)

Warren Groves (independent member)

*Board Members

Workforce Data

Labour Category

Hospitals Labour Category	JUNE current month FTE		Average Monthly FTE	
	2018	2019	2018	2019
Nursing	78	79.48	77.47	77.85
Administration & Clerical	40	44.51	41.87	42.89
Medical Support	9.2	8.68	7.89	8.25
Hotel & Allied Services	31.6	31.59	28.94	31.51
Medical Officers	1.2	2.43	2.58	1.89
Hospital Medical Officers	0	0	0	0
Sessional Clinicians	0.2	0	0.15	0.27
Ancillary staff (Allied Health)	19.8	19.67	18.41	19.79

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 2018-2019 financial year have increased slightly to the previous financial year.

Occupational Health & Safety Incidents by Severity

Severity 2018-2019	Number of Incidents	Percentage
4 No Harm	58	56%
3 Mild	43	42%
2 Moderate	2	2%

Degree of harm comparison by department 2018-2019

Occupational Health & Safety Incidents	Number of Severity 4	Number of Severity 3	Number of Severity 2	2018-19
Administration	2			2
Maintenance	1	1		2
Medical Imaging	1	1		2
MSRC	29	15	1	45
Oncology	2			2
Perioperative & Pre-Admission	7	4	1	12
Pharmacy	1			1
Primary & Community Care	3	4		7
Simpson Ward	5	7		12
SMC	2	2		4
Supply		1		1
Support Services (Food & Environmental)	1	6		7
UCC	4	2		6
				103

Occupational Health and Safety Statistics

	2017-18	2018-19
Number of reported hazards/incidents per 100 FTE	56.1	55.3
Number of lost time standard claims for the year per 100 FTE	1.8	1.6
Average cost per claim	$32,536	$2,097
Fatalities	0	0

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.

In light of the increased incidents of Occupational Violence, the Code Grey policy, which is an emergency response initiated by staff for immediate assistance with a current incident, was reviewed to ensure Code Grey standards for the management of occupational violence are incorporated, for both clinical and non-clinical incidents.

Training of staff in the 'Management of Clinical Aggression', (MOCA) continues to be a focus point. This training includes awareness around factors contributing to violence and aggression, de-escalation techniques, harm minimisation and breakaway techniques for the entire staff compliment, with additional restraint techniques for direct care employees which are only utilised when all other avenues have been exhausted. For the 2018-2019 financial year a total of 186 employees were trained including 86 non-direct care and 100 direct care employees.

There has been an increase of reported occupational violence incidents for 2018-2019 in comparison to the reported incidents for 2017-2018. Employees are encouraged during Corporate Orientation and Management of Clinical Aggression training to report all incidents of occupational violence and aggression, the increase attributed to this training and awareness.

Occupational Violence Statistics

	2017-18	2018-19
1. WorkCover accepted claims with an occupational violence cause per 100 FTE	0	0.53
2. Number of accepted WorkCover claims with lost time injury with an occupational violence cause per 1,000,000 hours worked	0	3.05
3. Number of OV incidents reported	26	32
4. Number of OV incidents reported per 100 FTE	14.44	17.2
5. Percentage of OV incidents resulting in staff injury, illness or condition	42%	12.5%

Financial Overview

In 2018/2019 Stawell Regional Health remained committed to the mission of delivering high quality services to the community.

Provision of available services has continued to be enhanced and expanded with the purchase of advanced medical equipment and partnerships with other organisations. Despite operating within a challenging funding environment with escalating costs in all areas of health service provision the financial performance was well above that expected.

For the 2019 financial year Stawell Regional Health delivered a Consolidated Operating deficit of $292K compared to a Consolidated Operating deficit of $1.1M in the previous financial year.

The health service continues to be challenged by higher than inflation workforce and medical supply costs coupled with shortages in key local skilled staff. To continue to provide high quality care for the community the necessary engagement of locum medical staff has continued with the associated higher operating costs.

For the 2019 financial year our focus was on maximising income and reducing expenditure whilst continuing to deliver high quality care. Various financial improvement initiatives were introduced which saw our operating revenue grow by $2.15M (8.0%) whilst controlling our operating expenditure growth to $1.1M (3.9%).

Staffing costs have increased by $186K (<1%) on the previous year (2018) which is a significant improvement to the $1.2M (6%) increase from 2017 to 2018. These expenses totalling $20.9M have been controlled despite increased costs in relation to additional locum medical staff and annual wage increases. Careful management of our staff cost base throughout the year has resulted in significant efficiencies and savings being achieved. There was no use of agency nursing staff throughout the year which has contributed to the reduction in staff costs in real terms.

Fee for Service and Medical and Surgical costs were considerably higher than expected as a result of increased activity and the supply and demand environment in which we operate. All other non-staff costs were within expected levels.

Capital Purpose Income was higher than the previous year at $2.1M compared to $0.16M in 2018. This was as a result of our Regional Health Infrastructure Funding coming in throughout the year.

In 2019 consolidated operating activities for the year resulted in a net cash inflow of $1.4M with $2M being invested in Capital Assets. Overall, consolidated cash holdings decreased by $0.4M for the year with total cash on hand amounting to $4.5M at 30th June 2019 compared to $4.8M at the end of the previous year.

Total cash includes funds held in trust which are now included in the cash flow statement, but does not include $1.7M of Stawell Regional Health Foundation's fixed term investments.

The Hospital Auxiliary, with the help of local businessman, Peter Carey, raised funds for a new Oncology Fridge through The Historic Homestead Tour Fundraiser which was awarded the Northern Grampians Shire Event of the Year.

Performance Indicators

Key Performance Indicator	2019 $000	2018 $000	2017 $000	2016 $000	2015 $000
Total Revenue	31,399	27,295	27,351	27,072	25,473
Total Expenses	31,725	30,250	29,296	27,542	26,478
Net result from transactions	(326)	(2,955)	(1,945)	(470)	(1,005)
Total other economic flows	(109)	(66)	(49)	(68)	N/A
Net result	(243)	(1,135)	(232)	273	23
Total assets	50,268	33,281	34,408	36,197	35,737
Total liabilities	7,031	6,043	5,716	5,560	4,630
Net assets/Total equity	43,237	27,238	28,692	30,637	31,107

Financial Summary - Parent Entity

	2019 $000	**2018 $000**	**2017 $000**	**2016 $000**	**2015 $000**
Net Operating Result*	**(292)**	**(1,128)**	**(226)**	**277**	**27**
Capital and Specific Items					
Specific Income	2,260	251	386	1,206	726
Expenditure for Capital Purposes	-	(13)	(279)	(7)	-
Depreciation and Amortisation	(2,234)	(1,901)	(1,844)	(1,993)	(1,945)
Net from Transactions	**(266)**	**(2,791)**	**(1,963)**	**(517)**	**(1,192)**

* The *Net operating result* is the result which the health service is monitored against in its *Statement of Prio*rities

Consultancies information

Details of consultancies (under $10,000)

In 2018-19, there were five consultancies where the total fees payable to the consultants were less than $10,000. The total expenditure incurred during 2018-19 in relation to these consultancies is $27,325 (excl. GST).

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

In 2018-19, there were two consultancies where the total fees payable to the consultants were $10,000 or greater. The total expenditure incurred during 2018-19 in relation to these consultancies is $73,935 (excl. GST).
Details of individual consultancies can be viewed at srh.org.au.

(Excludes GST) ($ thousand)

Consultant	**Purpose of consultancy**	**Start Date**	**End Date**	**Total Approved Project Fee**		**Expenditure 2018-19**	**Future Expenditure**
Humphreys Group	Board Governance	Sep 18	Jun 19	$48K		$32K	$16K
Paxton Partners	Business Unit Options Assessment	Feb19	Apr19	$42K		$42K	-

Information and communication technology (ICT) expenditure (FRD 22H 5.17)

The total ICT expenditure incurred during 2018-19 is $1.16M excluding GST with the details shown below:

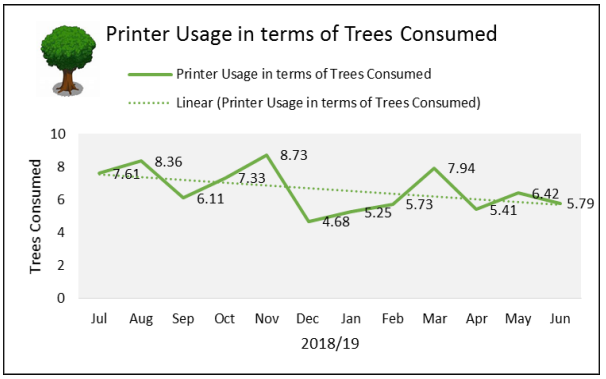
Business as Usual ICT expenditure	**Non Business as Usual (non BAU) ICT Expenditure**		
Total (excluding GST)	Total = Operating Expenditure and Capital Expenditure Excluding GST (a)+(b)	Operational Expenditure (excluding GST) (a)	Capital Expenditure (excluding GST) (b)
$0.54M	$ 0.62M	$ 0.54M	$ 0.08M

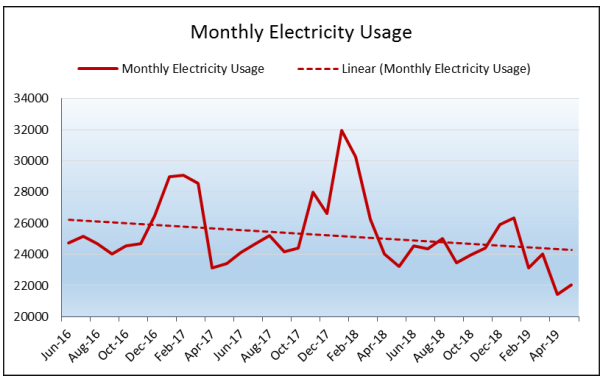
Stawell Regional Health's Environmental Performance

We take our environmental sustainability responsibilities very seriously and have implemented a number of initiatives and measures to reduce the impact we have on the environment from daily operations. Two key areas of focus have been to work towards reducing printing and electricity usage. Whilst the charts demonstrate a trending down in both these areas over the relevant periods we are committed to further improving performance through workforce education and the use of innovative ideas.

The impact of the installation of solar panels in January of this year can clearly be seen as grid electricity consumption falls from that period.

Further work is being carried out in the areas of recycling, waste reduction and offsetting carbon emissions.





Disclosures required Under Legislation

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 2018-19 financial year was $28.90 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 2018-19 Stawell Regional Health received 18 requests, of which 16 were processed and granted in full and 2 which were withdrawn.

Compliance with the 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.

Protected 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.

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.

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.

Local Jobs First Act 2003 – FRD 25D

In 2018 2019 there were no contracts requiring disclosure under the Local Jobs First Policy.

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, services provided, and expenditure committed for each engagement.

Summary of Services

Primary Care
- Audiology (visiting)
- Community Health Nursing
- Continence Physiotherapy
- Diabetes
- Education
- Exercise Physiology
- Multidisciplinary Rehabilitation
- National Disability Insurance Scheme (NDIS)
- Nutrition & Dietetics
- Health Promotion
- Occupational Therapy
- Outreach
- Allied Health /Community Services to outlying communities
- Support for Budja Budja Aboriginal Co-Operative Health Service Halls Gap
- Physiotherapy
- Podiatry
- Social Work
- Speech Pathology

Community Services
- Social Support Group
- District Nursing Service
- Hospital in the Home'
- Post-Acute Care
- Transition Care Program – Community Based
- Hospital Admission Risk Program (HARP)

Medical Imaging
- X-ray
- CT
- Ultrasound

Residential Aged Care
- Macpherson Smith Residential Care
- Aged Care Assessment Service

Cinical Specialties
- General
- Endoscopy
- Gynaecology
- Cardiology
- Ear, Nose and Throat
- Urology
- Orthopaedics
- Ophthalmology
- Medical Oncology
- Paediatrics
- Rheumatology
- Radiation Oncology
- Stawell Austin Radiation Oncology Service

Surgical and Anaesthetic Services
- Pre Admission Clinic
- Day Procedure Unit
- Operating Suite / Sterilising Department

Acute Care
- Day Oncology Unit
- Inpatient Care
- Urgent Care Centre
- Transition Care Program – Bed Based

Pathology Services
- Australian Clinical Laboratories

Stawell Medical Centre
- General Practice

Attestations

Financial Management Compliance attestation – SD 5.1.4

I Rhian Jones on behalf of the Responsible Body, certify that Stawell Regional Health has complied with the applicable Standing Directions 2018 made under the Financial Management Act 1994 and Instructions.

Rhian Jones
Responsible Officer
Stawell Regional Health
30th August 2019

Data Integrity

I Libby Fifis 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.

Libby Fifis
Accountable Officer
Stawell Regional Health
30th August 2019

Conflict of Interest

I, Libby Fifis 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.

Libby Fifis
Accountable Officer
Stawell Regional Health
30th August 2019

Integrity, fraud and corruption

I Libby Fifis 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.

Libby Fifis
Accountable Officer
Stawell Regional Health
30th August 2019

Compliance with Health Purchasing Victoria (HPV) Health Purchasing Policies

I, Libby Fifis certify that Stawell Regional Health has put in place appropriate internal controls and processes to ensure that it has complied with all requirements set out in the HPV Health Purchasing Policies including mandatory HPV collective agreements as required by the Health Services Act 1988 (Vic) and has critically reviewed these controls and processes during the year.

Libby Fifis
Accountable Officer
Stawell Regional Health
30th August 2019

Part A Strategic Priorities

2018/2019 Stawell Regional Health - Statement of Priorities

Goals	Strategies	Health Service Deliverables	Progress
Better Health A system geared to prevention as much as treatment Everyone understands their own health and risks Illness is detected and managed early Healthy neighbourhoods and communities encourage healthy lifestyles	**Better Health** Reduce state-wide risks Build healthy neighbourhoods Help people to stay healthy Target health gaps	Partner with Northern Grampians Shire and Grampians Community Health to implement the year two strategies from the Northern Grampians Shire Municipal Health and Well Being plan.	Stawell Regional Health has partnered with the Northern Grampians Shire to implement strategies from the Northern Grampians Shire Municipal Public Health and Wellbeing Plan. The plan focuses on prevention by addressing healthy eating and active living, and builds healthy neighbourhoods. Areas completed include Active April Implementation, reduction of sugary drinks partnership initiative
		Partner with Ballarat Health Services, Deakin University, Federation University, Ballarat Regional Integrated Cancer Centre, and Grampians Integrated Cancer Service to pilot and study pre-operative exercise training (or Prehabilitation) for people undergoing cancer surgery in the Grampians region.	Stawell Regional Health has partnered with Ballarat Health Services, Federation University, Ballarat Regional Integrated Cancer Centre and Grampians Integrated Cancer Services to implement the Prehabilitation pilot. The pilot studies the benefits of exercise prior to cancer surgery and helps people stay health over the course of their cancer treatment. The pilot start date has been delayed and is due to commence July 2019.

Goals	Strategies	Health Service Deliverables	Progress
		Contribute to building healthier neighbourhoods through the provision of a series of community forums on Well-Ageing by 31 August 2018.	Stawell Regional Health held a total of four well ageing sessions for the community during July/August. With multiple consumers attending. Feedback for the sessions has been overwhelmingly positive and further sessions have been planned for the Annual Community Calendar in 2019.
Better Access Care is always there when people need it More access to care in the home and community People are connected to the full range of care and support they need There is equal access to care	**Better Access** Plan and invest Unlock innovation Provide easier access Ensure fair access	Expand the provision of the Social Support Group service to key rural communities outside the local township.	Stawell Regional Health expanded its Social Support Program to outlying rural communities as part of the Mobile Social Support group pilot. The pilot increases access to care in the community and is an innovative approach that targets the health gaps associated with social isolation for people living in rural communities.
		Review the Urgent Care Model of service to improve consistency of access to consumers and sustainability for the health service	Stawell Regional Health has undertaken an Urgent Care review including consultation with GP's with a proposed Urgent Care Centre based medical staffing model and associated increase in nursing staff. We have strengthened our capability assessment and response protocol to ensure standardised assessment and early planning for times of unplanned reduced capability. We are part of a regional Urgent Care Centre Telehealth program pilot that will commence in August 2019.

Goals	Strategies	Health Service Deliverables	Progress
Better Care Target zero avoidable harm Healthcare that focusses on outcomes Patients and carers are active partners in care Care fits together around people's needs	**Better Care** Put quality first Join up care Partner with patients Strengthen the workforce Embed evidence Ensure equal care	Participate in regional Clinical Governance project that will build capability to identify and address Clinical Governance gaps within the health service and allow for the identification of regional strategies for inclusion an improvement plan by May 2019.	The Grampians Regional CEO Working Group – Clinical Governance, committed to undertaking a gap analysis of individual capability against the Victorian Clinical Governance Framework. This effective tool mapped clinical governance capability of individual health services and the Grampians region collectively. The analysis identified opportunities for region-wide clinical governance activities that could benefit all health services, in addition to health service level quality activities, while leveraging the economies of scale. All Grampians region health services participated in the peer review audit. The Clinical Governance Gap Analysis report was completed and tabled at the June 2019 Working Group meeting. The report identified 18 recommendations for clinical governance improvements. These recommendations have been identified as potential priorities for 2019-2020 Statement of Priorities.

Goals	Strategies	Health Service Deliverables	Progress
		Review, strengthen and contemporise the organisations Consumer Engagement strategy through consultation with consumer advocates and partnering with local community members.	This year, Stawell Regional Health has undertaken the foundation work to strengthen our Consumer Engagement efforts. We have developed a consumer representative handbook and position description to further support consumer representatives in their roles. We have also sourced external education for oncoming consumer representatives. Our Partnering with Consumers committee is planned for commencement later this year following recruitment of consumer representatives. Further, the SRH Board has committed to two domains from Safer Care Victoria's Partnering with Consumers Framework for the organisation to progress over the next 12 months.
Specific 2018-19 priorities (mandatory)	**Disability Action Plans** Draft disability action plans are completed in 2018-19.	Submit a draft disability action plan to the department by 30 June 2019. The draft plan will outline the approach to full implementation within three years of publication.	Stawell Regional Health is committed to ensuring there is equal access to care for all people. In partnership with the community Stawell Regional Health has developed a draft disability action plan to provide easier access to our services for people living with disability.

Goals	Strategies	Health Service Deliverables	Progress
	Volunteer engagement Ensure that the health service executives have appropriate measures to engage and recognise volunteers	Review Volunteer Policies to ensure measures for engaging and recognising volunteers are strengthened and implemented.	Stawell Regional Health has developed a Reward and Recognition Framework which incorporates volunteers and recognises not only their service to the organisation but also achievements throughout the year. Volunteers are also nominated in the Minister for Health Volunteer Awards and further recognised in annual appreciation ceremonies. Streamlining of volunteer appointment and on-boarding has also been reviewed. Volunteer engagement will continue to be a focus point for the health service during the next twelve months.
Specific 2018-19 priorities (mandatory)		Implement the organisation's CEO led People and Culture committee to improve organisational culture, workforce engagement and employee well-being.	Stawell Regional Health established the People and Culture committee in August 2018. The committee membership consists of staff from across the organisation and is chaired by the CEO. The committee promotes a culture that drives high quality care and facilities effective employee engagement and participation.
		With the support of the People and Culture Committee, develop an action plan to address the 2018 People Matters responses.	The Stawell Regional Health People and Culture Committee were crucial in the development of the People Matters Survey action plan which aimed to address areas of improvement from the 2018 survey.

Goals	Strategies	Health Service Deliverables	Progress
	Bullying and harassment Actively promote positive workplace behaviours and encourage reporting. Utilise staff surveys, incident reporting data, outcomes of investigations and claims to regularly monitor and identify risks related to bullying and harassment, in particular include as a regular item in Board and Executive meetings. Appropriately investigate all reports of bullying and harassment and ensure there is a feedback mechanism to staff involved and the broader health service staff.	Review the organisation's Bullying and Harassment Policy to ensure the inclusion of appropriate strategies for reporting and investigating reports of Bullying and Harassment and associated feedback mechanisms to staff.	Stawell Regional Health, with the endorsement of the People & Culture Committee has reviewed and implemented a new Bullying and Harassment Policy. Additionally an added emphasis on Bullying and Harassment has been included in staff orientation.
Specific 2018-19 priorities (mandatory)		Work with the Grampians region Occupational Health and Safety Committee to design and implement training for staff in occupational	Stawell Regional Health has strengthened its local Occupational violence and aggression training in line with the Grampians region package. We will continue to refine our e- learning offering over the next 12 months.

Goals	Strategies	Health Service Deliverables	Progress
	Occupational violence Ensure all staff who have contact with patients and visitors have undertaken core occupational violence training annually. Ensure the department's occupational violence and aggression training principles are implemented	violence and aggression that reflects the unique environment of rural health and the principles of the department	
		Ensure 100% of staff undertake Management of Clinical Aggression Training by 30 June 2019.	Stawell Regional Health has achieved a 95% compliance with permanent staff attendance at MOCA, (Management of Clinical Aggression) training

Goals	Strategies	Health Service Deliverables	Progress
Specific 2018-19 priorities (mandatory)	**Environmental Sustainability** Actively contribute to the development of the Victorian Government's policy to be net zero carbon by 2050 and improve environmental sustainability by identifying and implementing projects, including workforce education, to reduce material environmental impacts with particular consideration of procurement and waste management, and publicly reporting environmental performance data, including measureable targets related to reduction of clinical, sharps and landfill waste, water and energy use and improved recycling.	Commence environmental performance reporting against key measures	Stawell Regional Health has initiated a number of projects throughout the year to help reduce the environmental impact of our daily operations. These include the use of renewable energy through the installation of solar panels on the roof of our main building, an LED light replacement programme, water flow restrictors on all outlets and the use of biodegradable straws throughout the organisation. Energy consumption is reported through the Environmental Management committee and periodic audits are conducted in areas such as electricity consumption and clinical waste. Staff training and awareness sessions have begun and the Environmental Management committee is building on recycling opportunities currently available by continuing a programme of recycling initiatives to be held throughout the coming year. Stawell Regional Health staff will also form part of the evaluation panel for the Health Purchasing Victoria waste management services tender.
		Implement strategies to reduce paper and printer cartridge usage.	Stawell Regional Health has implemented various initiatives to help reduce the volume of printed material. These include: • electronic filing systems to hold and access committee papers, • the use of 'Follow Me' printing which allows for printing at any networked

Goals	Strategies	Health Service Deliverables	Progress
			device only when the operator is present and; • a considerable reduction in the quantity of paper required following the implementation of an electronic rostering system. Stawell Regional Health's Environmental Management committee monitor printer usage and will continue to roll out further initiatives to further reduce printing wherever possible.
	Lesbian, Gay, Bi-sexual, Transgender, Intersex and Queer (LGBTIQ) Develop and promulgate service level policies and protocols, in partnership with LGBTI communities, to avoid discrimination against LGBTI patients, ensure appropriate data collection, and actively promote rights to free expression of gender and sexuality in Healthcare settings.	Partner with Grampians Region LGBTIQ network to develop and implement strategies from the Rainbow Tick Guide.	Stawell Regional Health has partnered with the Grampians Region LGBTIQ network to develop and implement strategies that support LGBTIQ inclusiveness and ensure care fits together around the needs of the LGBTIQ community. The plan was developed in partnership with our consumers and promotes equal access to care for the LGBTIQ community.

Part B Performance Priorities

High quality and safe care

Key Performance Indicator	Target	Result
Accreditation		
Accreditation against the National Safety and Quality Health Service Standards	Accredited	Achieved
Compliance with the Commonwealth's Aged Care Accreditation Standards	Accredited	Achieved
Infection prevention and Control		
Compliance with the Hand Hygiene Australia program	80%	94.5%
Percentage of healthcare workers immunised for influenza	80%	92%
Patient Experience		
Victorian Healthcare Experience Survey – data submission	Full compliance	Full compliance
Victorian Healthcare Experience Survey – percentage of positive patient experience – Quarter 1	95% positive experience	96.1%
Victorian Healthcare Experience Survey – percentage of positive patient experience responses – Quarter 2	95% positive experience	98.1%
Victorian Healthcare Experience Survey – percentage of positive patient experience responses – Quarter 3	95% positive experience	97.2%
Victorian Healthcare Experience Survey – percentage of very positive responses to questions on discharge care – Quarter 1	75% positive experience	84.2%
Victorian Healthcare Experience Survey – percentage of very positive responses to questions on discharge care – Quarter 2	75% positive experience	94.3%
Victorian Healthcare Experience Survey – percentage of very positive responses to questions on discharge care – Quarter 3	75% positive experience	93.3%
Victorian Healthcare Experience Survey – patients perception of cleanliness – Quarter 1	70% positive experience	91.2%
Victorian Healthcare Experience Survey – patients perception of cleanliness – Quarter 2	70% positive experience	92.7%
Victorian Healthcare Experience Survey – patients perception of cleanliness – Quarter 3	70% positive experience	94.6%
Sentinel Events Root Cause Analysis, (RCA) Reporting		
Sentinel Events	All RCA reports submitted within 30 business days	1 sentinel event. Report granted extension; was submitted 5 days late due to external surgeon required for review

Strong Governance, Leadership and Culture

People Matters Survey*

Key Performance Indicator	Target	Result *
Organisational Culture		
People matter survey - percentage of staff with an overall positive response to safety and culture questions	80%	79%
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%	93%
People matter survey – percentage of staff with a positive response to the question, “Patient care errors are handled appropriately in my work area”	80%	88%
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%	88%
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%	72%
People matter survey – percentage of staff with a positive response to the question, “Management is driving us to be a safety-centred organisation”	80%	86%
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%	54%
People matter survey – percentage of staff with a positive response to the question, “Trainees in my discipline are adequately supervised”	80%	65%
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%	81%

*significant strategies have been adopted throughout the 2018 2019 year and April 2019 results show marked improvements.

Effective financial management

Key Performance Indicator	Target	Result
Finance		
Operating result ($m)	-0.85	-0.29
Average number of days to paying trade creditors	60 days	54 days
Average number of days to receiving patient fee debtors	60 days	14 days
Public and Private WIES[1] activity performance to target	100%	98.3%
Adjusted current asset ratio	0.7 or 3% improvement from base	1.54
Forecast number of days a health service can maintain its operations with unrestricted available cash (based on end of year forecast)	14 days	49.3 days
Actual number of days a health service can maintain its operations with unrestricted available cash, measured on the last day of each month.	14 days	49.3 days
Measures the accuracy of forecasting the Net result from transactions (NRFT) for the current financial year ending 30 June.	Variance ≤ $250,000	$25K

[1] WIES is a Weighted Inlier Equivalent Separation

Part C Activities and Funding

Funding Type	2018 – 2019 Activity Achievement
Acute Admitted	
WIES Public	1,675
WIES Private	463
WIES DVA	36
WIES TAC	7
Acute Non-Admitted	
Home Enteral Nutrition	57
Specialist Clinics	1,920
Sub-Acute & Non-Acute Admitted	
Maintenance	12
Health Independence Program - Public	8,979
Aged Care	
Residential Aged Care	10,093
HACC	916
Primary Health	
Community Health / Primary Care	8,909
Other	
Health Workforce	4 Graduate Nurses

Disclosure Index

The annual report of 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.

Legislation	Requirement	Page Reference
Ministerial Directions		
Report of Operations		
Charter and Purpose		
FRD 22H	Manner of establishment and the relevant Ministers	4
FRD 22H	Purpose, functions, powers and duties	4
FRD 22H	Nature and range of services provided	17
FRD 22H	Activities, programs and achievements for the reporting period	5
FRD 22H	Significant changes in key initiatives and expectations for the future	11
Management and structure		
FRD 22H	Organisational structure	7
FRD 22H	Workforce data/ employment and conduct principles	9
FRD 22H	Occupational Health and Safety	10
Financial Information		
FRD 22H	Summary of the financial results for the year	12
FRD 22H	Significant changes in financial position during the year	11
FRD 22H	Operational and budgetary objectives and performance against objectives	12
FRD 22H	Subsequent events	12
FRD 22H	Details of consultancies under $10,000	12
FRD 22H	Details of consultancies over $10,000	12

FRD 22H	Disclosure of ICT expenditure	13

Legislation

FRD 22H	Application and operation of *Freedom of Information Act 1982*	15
FRD 22H	Compliance with building and maintenance provisions of *Building Act 1993*	15
FRD 22H	Application and operation of *Protected Disclosure 2012*	15
FRD 22H	Statement on National Competition Policy	15
FRD 22H	Application and operation of *Carers Recognition Act 2012*	15
FRD 22H	Summary of the entity's environmental performance	14
FRD 22H	Additional information available on request	16

Other relevant reporting directives

FRD 25D	Local Jobs First Act	15
S.D. 5.1.4	Financial Management Compliance attestation	18
SD 5.2.3	Declaration in report of operations	4

Attestations

	Attestation on Data Integrity	18
	Attestation on managing Conflicts of Interest	18
	Attestation on Integrity, fraud and corruption	19

Other reporting requirements		
	Reporting of outcomes from Statement of Priorities 2018–19	20
	Occupational Violence reporting	10
	Reporting of compliance Health Purchasing Victoria policy	19
	Reporting obligations under the *Safe Patient Care Act 2015*	15

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 Standing Direction 5.2 of the Financial Management Act 1994, applicable Financial Reporting Directions, Australian Accounting Standards including Interpretations, and other mandatory professional reporting requirements.

We further state that, in our opinion, the information set out in the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement and accompanying notes, presents fairly the financial transactions during the year ended 30 June 2019 and the financial position of Stawell Regional Health and the Consolidated entity (SRH Foundation) as at 30 June 2019.

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	Libby Fifis	Ian Martin
Chair Board of Management	**Chief Executive Officer**	**Chief Finance & Accounting Officer**
Stawell	Stawell	Stawell
30-Aug-19	30-Aug-19	30-Aug-19

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 2019
- 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 2019 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.

Other Information

The Board of the health service are responsible for the Other Information, which comprises the information in the health service's annual report for the year ended 30 June 2019, 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.

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.

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
4 September 2019

Travis Derricott
as delegate for the Auditor-General of Victoria

Stawell Regional Health
Comprehensive operating statement
For the Financial Year Ended 30 June 2019

	Note	Parent 2019 $'000	Parent 2018 $'000	Consolidated 2019 $'000	Consolidated 2018 $'000
Income from Transactions					
Operating Activities	2.1	31,257	27,129	31,257	27,129
Non-operating Activities	2.1	89	257	142	166
Total Income from Transactions		**31,346**	**27,386**	**31,399**	**27,295**
Expenses from Transactions					
Employee Expenses	3.1	(20,916)	(20,730)	(20,916)	(20,730)
Supplies and Consumables	3.1	(5,102)	(4,397)	(5,102)	(3,628)
Depreciation and Amortisation	4.4	(2,234)	(1,901)	(2,234)	(1,901)
Other Operating Expenses	3.1	(3,360)	(3,142)	(3,360)	(3,912)
Other Non-operating Expenses	3.1	-	(7)	(4)	(13)
Total Expenses from Transactions		**(31,612)**	**(30,177)**	**(31,616)**	**(30,184)**
Net Result from Transactions - Net Operating Balance		**(266)**	**(2,791)**	**(217)**	**(2,889)**
Other Economic Flows included in Net Result					
Net Gain /(Loss) on Sale of Non-Financial Assets	3.2	2	(35)	2	(35)
Other Gain/(Loss) from Other Economic Flows	3.2	(111)	(31)	(111)	(31)
Total Other Economic Flows included in Net Result		**(109)**	**(66)**	**(109)**	**(66)**
Net Result for the Year		**(375)**	**(2,857)**	**(326)**	**(2,955)**
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	1,501	16,325	1,501
Total Other Comprehensive Income		**16,325**	**1,501**	**16,325**	**1,501**
Comprehensive result for the year		**15,950**	**(1,356)**	**15,999**	**(1,454)**

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

Stawell Regional Health
Balance Sheet
As at 30 June 2019

	Note	Parent 2019 $'000	Parent 2018 $'000	Consolidated 2019 $'000	Consolidated 2018 $'000
Current assets					
Cash and Cash Equivalents	6.1	4,452	4,667	4,460	4,830
Receivables	5.1	759	631	780	645
Investments and Other Financial Assets	4.1	-	-	1,733	1,520
Prepayments and Other Non-Financial Assets		652	192	652	192
Total current assets		**5,863**	**5,490**	**7,625**	**7,187**
Non-current assets					
Receivables	5.1	245	143	257	143
Property, Plant & Equipment	4.2	41,734	25,638	41,734	25,638
Intangible Assets	4.3	652	313	652	313
Total non-current assets		42,631	**26,094**	42,643	**26,094**
TOTAL ASSETS		**48,494**	**31,584**	**50,268**	**33,281**
Current liabilities					
Payables	5.2	2,122	1,945	2,154	1,949
Provisions	3.4	3,442	2,994	3,442	2,994
Other current liabilities	5.3	690	422	690	422
Total current liabilities		**6,254**	**5,361**	**6,286**	**5,365**
Non-current liabilities					
Provisions	3.4	745	678	745	678
Total non-current liabilities		**745**	**678**	**745**	**678**
TOTAL LIABILITIES		**6,999**	**6,039**	**7,031**	**6,043**
NET ASSETS		**41,495**	**25,545**	**43,237**	**27,238**
EQUITY					
Property, plant & equipment revaluation surplus	4.2 (f)	31,712	15,387	31,712	15,387
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 surpluses/(deficits)		(2,393)	(2,018)	(651)	(325)
TOTAL EQUITY		**41,495**	**25,545**	**43,237**	**27,238**
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 2019

Consolidated	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 2017		**13,886**	**500**	**1,989**	**9,345**	**2,972**	**28,692**
Net result for the year		-	**-**	-	-	(2,955)	(2,955)
Transfer (to) from accumulated surplus				342	-	(342)	-
Other comprehensive income for the year		1,501	-	-	-	-	1,501
Balance at 30 June 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**

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 2017		**13,886**	**500**	**1,989**	**9,345**	**1,181**	**26,901**
Net result for the year		-	-	-	-	(2,857)	(2,857)
Transfer (to) from accumulated surplus		-		342	-	(342)	-
Other comprehensive income for the year		1,501	-	-	-	-	1,501
Balance at 30 June 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**

This Statement should be read in conjunction with the accompanying notes

Stawell Regional Health
Cash Flow Statement
For the Financial Year Ended 30 June 2019

	Note	Parent 2019 $'000	Parent 2018 $'000	Consolidated 2019 $'000	Consolidated 2018 $'000
Cash Flows from Operating Activities					
Operating Grants from Government		22,096	20,385	22,096	20,385
Capital Grants from Government		2,092	220	2,092	220
Patient and Resident Fees Received		4,841	4,684	4,841	4,684
Donations and Bequests Received		79	65	85	221
GST Received from/(paid to) ATO		37	(93)	37	(93)
Interest and Investment Income Received		96	125	142	166
Other Receipts		800	1,731	800	1,731
Total Receipts		**30,041**	**27,117**	**30,093**	**27,314**
Employee Expenses Paid		(20,945)	(20,499)	(20,945)	(20,499)
Payments for Supplies & Consumables		(4,668)	(4,613)	(4,668)	(4,613)
Payments for Medical Indemnity Insurance		(263)	(253)	(263)	(253)
Payments for Repairs and Maintenance		(494)	(551)	(494)	(551)
Finance Costs		(1)	-	(1)	-
Payments for Share of Rural Health Alliance		(77)	19	(77)	19
Other Payments		(2,250)	(2,178)	(2,254)	(2,185)
Total Payments		**(28,698)**	**(28,075)**	**(28,702)**	**(28,082)**
Net Cash Flows from/(used in) Operating Activities	8.1	**1,343**	**(958)**	**1,391**	**(768)**
Cash Flows from Investing Activities					
Purchase of Investments		-	-	-	(1,520)
Purchase of Non-Financial Assets		(2,034)	(1,081)	(2,034)	(1,369)
Proceeds from Disposal of Non-Financial Assets		9	16	9	16
Net Cash Flows from/(used in) Investing Activities		**(2,025)**	**(1,065)**	**(2,025)**	**(2,873)**
Cash Flows from Financing Activities					
Receipt of Accommodation Bonds		351	387	351	387
Prepayment of Accommodation Bonds		(87)		(87)	
Net Cash flows from /(Used in) Financing Activities		**264**	**387**	**264**	**387**
Net Increase/(Decrease) in Cash and Cash Equivalents Held		**(418)**	**(1,636)**	**(370)**	**(3,254)**
Cash and Cash Equivalents at Beginning of Financial Year		**4,670**	**6,306**	**4,830**	**8,084**
Cash and Cash Equivalents at End of Year	6.1	**4,252**	**4,670**	**4,460**	**4,830**

This Statement should be read in conjunction with the accompanying notes

Basis of presentation

The financial statements are prepared in accordance with Australian Accounting Standards and relevant FRDs.

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 period ending 30 June 2019. 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.

The annual financial statements were authorised for issue by the Board of Stawell Regional Health on 30 August 2019.

(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 2019, and the comparative information presented in these financial statements for the year ended 30 June 2018.

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);
- Superannuation expense (refer to Note 3.5 Superannuation); and

- 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).

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 2019. 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 Jointly Controlled Operation 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.

(g) Comparatives

Where appropriate, the comparative figures have been restated to align with the presentation in the current year. Figures have been restated in Notes 2.1, 3.1, 3.3 and 5.2.

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 Income from Transactions

Note 2.1: Income from Transactions

	Consolidated Total 2019 $'000	Consolidated Total 2018 $'000
Government Grants - Operating	22,392	20,407
Government Grants - Capital	2,092	119
Other Capital purpose income (including capital donations)	44	35
Patient & Resident Fees	1,794	1,530
Commercial Activities [1]	3,142	3,455
Other Revenue from Operating Activities (including non-capital donations)	1,387	1,153
Grampians Rural Health Alliance	406	430
Total Income from Operating Activities	**31,257**	**27,129**
Capital Interest	46	41
Other Interest	96	125
Total Income from Non-Operating Activities	**142**	**166**
Total Income from Transactions	**31,399**	**27,295**

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

Note 2.1: Income from Transactions (Continued)

Revenue Recognition

Income is recognised in accordance with AASB 118 Revenue and is recognised as to the extent that it is probable that the economic benefits will flow to Stawell Regional Health and the income can be reliably measured at fair value. Unearned income at reporting date is reported as income received in advance.
Amounts disclosed as revenue are where applicable, net of returns, allowances and duties and taxes.

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

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

The Department of Health and Human Services 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.

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

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
- Public Private Partnership (PPP) lease and service payments are paid directly to the PPP consortium. Revenue and the matching expense are recognised in accordance with the nature and timing of the monthly or quarterly service payments made by the Department of Health and Human Services.

Patient and Resident Fees

Patient fees are recognised as revenue on an accrual basis.

Private Practice Fees

Private practice fees are recognised as revenue at the time invoices are raised, and include recoupments from private practice for the use of hospital facilities.

Revenue from commercial activities

Revenue from commercial activities such as diagnostic imaging are recognised on an accrual basis.

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.

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.

Dividend Revenue

Dividend revenue is recognised when the right to receive payment is established. Dividends represent the income arising from Stawell Regional Health and its controlled entities' investments in financial assets.

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 2019 $'000	Consolidated Total 2018 $'000
Salaries and Wages	15,066	14,356
On-Costs	1,330	1,311
Agency Expenses	1,437	1,918
Fee for Service Medical Officer Expenses	2,882	2,951
Workcover Premium	201	194
Total Employee Expenses	**20,916**	**20,730**
Drug Supplies	1,722	1,181
Medical & Surgical Supplies (including Prosthesis)	2,056	1,793
Other Supplies and Consumables	1,324	654
Total Supplies and Consumables	**5,102**	**3,628**
Fuel, Light, Power and Water	431	439
Repairs and Maintenane	146	243
Maintenance Contracts	304	258
Finance Costs	1	-
Other Administrative Expenses	2,478	2,972
Total Other Operating Expenses	**3,360**	**3,912**
Expenditure for Capital Purposes	4	13
Total Non Operating Expenses	**4**	**13**
Depreciation & Amortisation (refer note 4.4)	2,234	1,901
Total Other Non-Operating Expenses	**2,234**	**1,901**
Total Expenses from Transactions	**31,616**	**30,184**

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

Employee Expenses
Employee expenses include:

- Salaries and wages (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 117 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).

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.

Note 3.2: Other Economic Flows

	Consolidated 2019 $'000	Consolidated 2018 $'000
Net gain /(loss) on sale of non-financial assets		
Net gain on disposal of property, plant and equipment	2	(35)
Total net gain /(loss) on non-financial assets	**2**	**(35)**
Other gains /(losses) from other economic flows		
Net gain /(loss) arising from revaluation of long service leave liability	(111)	(31)
Total other gains /(losses) from other economic flows	**(111)**	**(31)**
Total gains /(losses) from economic flows	**(109)**	**(66)**

Net gain/ (loss) on non-financial assets

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

- Revaluation gains/ (losses) of non-financial physical assets (Refer to Note 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.

Note 3.2: Other Economic Flows (Continued)

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.

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

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

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

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 evenue by internally managed and restricted specific purpose funds

	Expense		Revenue	
	Consolidated 2019 $'000	Consolidated 2018 $'000	Consolidated 2019 $'000	Consolidated 2018 $'000
Commercial Activities				
Private Practice and Other Patient Activities	2,159	2,242	1,901	2,102
Diagnostic Imaging	1,236	1,070	1,072	1,028
Cafeteria	89	111	105	130
Other Activities				
Fundraising and Community Support	22	37	64	196
TOTAL	**3,506**	**3,460**	**3,142**	**3,455**

Note 3.4: Employee benefits in the balance sheet

	Consolidated 2019 $'000	Consolidated 2018 $'000
Current Provisions		
Employee Benefits [(i)]		
Annual leave		
- Unconditional and expected to be settled wholly within 12 months [(ii)]	1,147	874
- Unconditional and expected to be settled wholly after 12 months [(iii)]	158	245
Long service leave		
- Unconditional and expected to be settled wholly within 12 months [(ii)]	314	348
- Unconditional and expected to be settled wholly after 12 months [(iii)]	1,377	1,164
Accrued Days Off		
- Unconditional and expected to be settled within 12 months [(ii)]	78	74
	3,074	**2,705**
Provisions related to Employee Benefit On-Costs		
- Unconditional and expected to be settled within 12 months [(ii)]	203	127
- Unconditional and expected to be settled after 12 months [(iii)]	165	162
	368	**289**
Total Current Provisions	**3,442**	**2,994**
Non-Current Provisions		
Conditional Long Service Leave Entitlements [(iii)]	665	615
Provisions related to Employee Benefit On-Costs	80	63
Total Non-Current Provisions	**745**	**678**
TOTAL PROVISIONS	**4,187**	**3,672**

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 2019 $'000	Consolidated 2018 $'000
Current Employee Benefits and related on-costs		
Unconditional LSL Entitlement	1,894	1,653
Unconditional Annual Leave Entitlements	1,461	1,346
Accrued Days Off	87	86
Non-Current Employee Benefits and related on-costs		
Conditional Long Service Leave Entitlements	745	587
Total Employee Benefits	**4,187**	**3,672**
Total Employee Benefits and Related On-Costs	**4,187**	**3,672**

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

(b) Movement in On-Costs Provisions

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

Employee Benefit Recognition

Provision is made for benefits accruing to employees in respect of wages and salaries, 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 2019 $'000	Consolidated 2018 $'000	Consolidated 2019 $'000	Consolidated 2018 $'000
Defined benefit plans:[1]				
First State Super	68	69	-	4
				-
Defined contribution plans:				
First State Super	882	844	-	35
HESTA	271	230	-	9
Others	147	113	-	5
Total	1,368	1,256	-	53

[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	
	2019 $'000	2018 $'000	2019 $'000	2018 $'000
CURRENT				
Financial Assets at Amortised Cost				
Term Deposit (>3 Months)	1,733	1,520	1,733	1,520
TOTAL CURRENT	**1,733**	**1,520**	**1,733**	**1,520**
Represented by:				
Foundation Term Deposit	1,733	1,520	1,733	1,520
TOTAL	**1,733**	**1,520**	**1,733**	**1,520**

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.

Investments are classified as financial assets at amortised cost.

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 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 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 2019.

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 2019 $'000	Consolidated 2018 $'000
Land		
Land at Fair Value	1,525	1,400
Land Improvements at Fair Value	815	-
Total Land	**2,340**	**1,400**
Buildings		
Buildings Under Construction at cost	1,183	706
Buildings at Fair Value	35,244	20,354
Total Buildings	**36,427**	**21,060**
Plant and Equipment		
Plant and Equipment at Fair Value	2,894	2,893
Less Acc'd Depreciation	1,832	1,794
Total Plant and Equipment	**1,062**	**1,099**
Medical Equipment		
Medical Equipment at Fair Value	5,198	5,299
Less Acc'd Depreciation	3,633	3,491
Total Medical Equipment	**1,565**	**1,808**
Jointly Controlled PP&E		
Jointly Controlled PP&E at Fair Value	427	360
Less Acc'd Depreciation	87	89
Total Cultural Assets	**340**	**271**
TOTAL	**41,734**	**25,638**

Note 4.2: Property, plant & equipment (continued)

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

	Land	Buildings	Plant & Equipment	Medical Equipment	Jointly Cont PP&E	Assets Under Construction	Consol'd Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Balance at 1 July 2017	**1,400**	**20,045**	**1,100**	**1,701**	**265**	**209**	**24,720**
Additions	-	-	247	434	32	626	1,339
Disposals	-		(21)	(31)	-	-	(52)
Revaluation Increments/(Decrements)	-	1,501		-	-	-	1,501
Net Transfers between Classes	-	119	21	1	-	(129)	12
Depreciation (Note 4.4)	-	(1,311)	(248)	(297)	(26)	-	(1,882)
Balance at 1 July 2018	**1,400**	**20,354**	**1,099**	**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)	(392)	(303)	(20)		(2,234)
Balance at 30 June 2019	**2,340**	**35,244**	**1,062**	**1,565**	**340**	**1,183**	**41,734**

Land and buildings carried at valuation

The Valuer-General Victoria undertook to re-value all of Stawell Regional Health's owned land and buildings to determine their fair value. The Valuation, which conforms to Australian Valuation Standards, was determined by reference to the amounts for which assets could be exchanged between knowledgeable willing parties in an arms length transaction. The valuation was based on independent assessments. The effective date of the valuation is 30 June 2019.

Note 4.2: Property, plant & equipment (continued)

(c) Fair value measurement hierarchy for assets

Balance at 30 June 2019	Consolidated Carrying Amount	Fair value measurement at end of reporting period using: 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**

Balance at 30 June 2018	Consolidated Carrying Amount	Fair value measurement at end of reporting period using: Level 1 (1)	Level 2 (1)	Level 3 (1)
Land at fair value				
Non-specialised land	350	-	350	-
Specialised land	1,050	-	-	1,050
Total of land at fair value	1,400	-	350	1,050
Buildings at fair value				
Non-specialised buildings	105	-	105	-
Specialised buildings	20,249	-	-	20,249
Total of building at fair value	20,354	-	105	20,249
Motor Vehicles at fair value	207	-	207	-
Plant and equipment at fair value	892	-	-	892
Medical equipment at fair value	1,808	-	-	1,808
Jointly controlled equipment at fair value				
Total Jointly controlled equipment at fair value	271	-	-	271
	24,932	**-**	**662**	**24,270**

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

	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) between class		(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**

There have been no transfers between levels during the period

	Land	Buildings	Plant and equipment	Medical equipment
Consolidated				
Balance at 1 July 2017	1,050	20,149	1,104	1,701
Additions/(Disposals)		626	241	403
Transfers in (out) of Level 3		(10)		1
Gains or losses recognised in net result				
- Depreciation		(1,311)	(182)	(297)
Items recognised in other comprehensive income				
- Revaluation		795		
Balance at 30 June 2018	**1,050**	**20,249**	**1,163**	**1,808**

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)]	Current 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 2019.

Note 4.2: Property, plant & equipment (continued)

(f) Property, Plant and Equipment Revaluation Surplus

	Consolidated 2019 $'000	Consolidated 2018 $'000
Property, Plant & Equipment Revaluation Surplus		
Balance at the beginning of the reporting period	15,387	13,886
Revaluation Increment		
- Buildings	15,385	1,501
- Land	940	-
Balance at the end of the reporting period*	**31,712**	**15,387**
* Represented by:		
- Land	1,747	807
- Buildings	29,965	14,580
	31,712	**15,387**

Note 4.3: Intangible Assets

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

	Consolidated 2019 $'000	Consolidated 2018 $'000
Intangible Produced Assets - Software	861	431
Less Accumulated Amortisation	452	361
	409	**70**
Business Goodwill	243	243
	243	**243**
TOTAL INTANGIBLE ASSETS	**652**	**313**

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 2017	**75**	**243**	**318**
Additions	21	-	21
Disposals	(7)	-	(7)
Amortisation (Note 4.4)	(19)	-	(19)
Balance at 1 July 2018	**70**	**243**	**313**
Additions	436	-	436
Disposals	-	-	-
Amortisation (note 4.4)	(97)	-	(97)
Balance at 30 June 2019	**409**	**243**	**652**

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 2019 $'000	Consolidated 2018 $'000
Depreciation		
Buildings	1,519	1,311
Plant & Equipment	213	156
Medical Equipment	303	297
Motor Vehicles	82	92
Joint Venture Assets	20	26
Total Depreciation	**2,137**	**1,882**
Amortisation		
Intangible Assets	97	19
Total Amortisation	**97**	**19**
Total Depreciation and Amortisation	**2,234**	**1,901**

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.

	2019	2018
Buildings		
- Structure Shell Building Fabric	45 to 60 years	45 to 60 years
- Site Engineering Services and Central Plant	20 to 30 years	20 to 30 years
Central Plant		
- Fit Out	20 to 30 years	20 to 30 years
- Trunk Reticulated Building systems	30 to 40 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.

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
5.2 Payables
5.3 Other liabilities

Note 5.1: Receivables

	Consolidated 2019 $'000	Consolidated 2018 $'000
CURRENT		
Contractual		
Receivables - Grampians Rural Health Alliance	15	18
Trade Debtors	374	239
Patient Fees	185	268
Accrued Investment Income		17
Accrued Revenue	129	69
Less Allowance for impairment losses of contractual receivables		
Trade Debtors	(5)	(2)
Patient Fees	(54)	(63)
	644	**546**
Statutory		
GST Receivable	136	99
	136	**99**
TOTAL CURRENT RECEIVABLES	**780**	**645**
NON CURRENT		
Contractual		
Long Service Leave - Department of Health and Human Services	257	143
TOTAL NON-CURRENT RECEIVABLES	**257**	**143**
TOTAL RECEIVABLES	**1,037**	**788**

(a) Movement in the Allowance for impairment losses of contractual receivables	Consol'd 2019 $'000	Consol'd 2019 $'000
Balance at beginning of year	65	48
Amounts written off during the year	-	(2)
Increase/(decrease) in allowance recognised in net result	(6)	19
Balance at end of year	**59**	**65**

Note 5.1: Receivables (Continued)

Receivables Recognition

Receivables consist of:

- Contractual receivables, which consists of debtors in relation to goods and services and accrued investment income. These 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. Stawell Regional Health 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 assessed in accordance with AASB 9.

- Statutory receivables, which predominantly includes amounts owing from the Victorian Government and Goods and Services Tax (GST) input tax credits recoverable. 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. Stawell Regional Health 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.

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.

Receivables are subject to impairment loss assessment in accordance with AASB 9's expected credit loss model and the impairment loss allowance is increased accordingly with the impairment expenses recognised in the net result an 'other economic flow'. However when it becomes mutually agreed between debtor and creditor that the receivable has become uncollectable, the carrying amount of the receivable needs to be reduced, and a bad debt expense for the write-off recognised in the net result as a transaction. Accordingly at the same time, the amount in the provision together with its related impairment expenses initially recognised as an 'other economic flow' will need to be reversed.

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 2019 $'000	Consolidated 2018 $'000
CURRENT		
Contractual		
Trade Creditors	1,362	1,036
Accrued Salaries and Wages	342	246
Payables - Grampians Rural Health Alliance	52	21
Accrued Expenses	194	319
Revenue in Advance	168	160
Amounts payable to Governments and Agencies		
Department of Health and Ageing	-	29
	2,118	**1,811**
Statutory		
Department of Health and Human Services		
Amounts payable to Government	36	138
	36	**138**
TOTAL CURRENT	**2,154**	**1,949**
TOTAL PAYABLES	**2,154**	**1,949**

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 5.3: Other liabilities

	Consolidated 2019 $'000	Consolidated 2018 $'000
CURRENT		
Monies Held in Trust		
- Patient Monies Held in Trust	20	31
- Accommodation Bonds (Refundable Entrance Fees)	651	387
- Other Monies Held in Trust	19	4
Total Current	**690**	**422**
Total Other Liabilities	**690**	**422**
Total Monies Held in Trust		
Represented by the following assets:		
Cash and Cash Equivalents (refer to Note 6.1)	690	422
TOTAL	**690**	**422**

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 Cash and Cash Equivalents
6.2 Commitments for Expenditure

Note 6.1: Cash and Cash Equivalents

	Consolidated 2019 $'000	Consolidated 2018 $'000
Cash on hand	2	2
Cash at bank	3,621	382
Cash at bank (monies held in trust)	690	22
Term Deposit	-	3,800
Term Deposit (monies held in trust)	-	400
Cash & equivalents Grampians Rural Health Alliance	147	224
Total Cash and Cash Equivalents	**4,460**	**4,830**

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

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

Note 6.2: Commitments for expenditure

(b) Commitments payable

	Consolidated 2019 $'000	Consolidated 2018 $'000
Capital expenditure commitments payable		
Less than 1 year	472	116
Longer than 1 year but not longer than 5 years	-	-
5 years or more	-	-
Total capital expenditure commitments	472	**116**
Lease commitments payable		
Less than 1 year	56	71
Longer than 1 year but not longer than 5 years	19	46
Total lease commitments	**75**	**117**
Total commitments (inclusive of GST)	**547**	**232**
Less GST recoverable from the Australian Tax Office	(55)	(23)
Total commitments (exclusive of GST)	**492**	**209**

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 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			
- Investments in Term Deposit	1,733	-	1,733
Total Financial Assets [(i)]	**6,837**	**-**	**6,837**
Financial Liabilities			
Payables		2,118	2,118
- Monies Held in Trust	-	690	690
Total Financial Liabilities [(ii)]	**-**	**2,808**	**2,808**

Consolidated 2018	Contractual Financial Assets - Loans and Receivables and Cash $'000	Contractual Financial Liabilities at Amortised Cost $'000	Total $'000
Contractual Financial Assets			
Cash and cash equivalents	4,830	-	4,830
Receivables			
- Trade Debtors	239	-	239
- Other Receivables	307	-	307
Other Financial Assets			-
- Term Deposit	1,520	-	1,520
Total Financial Assets [(i)]	**6,896**	**-**	**6,896**
Financial Liabilities			
Payables		1,565	1,565
- Monies Held in Trust	-	422	422
Total Financial Liabilities [(i)]	**-**	**1,987**	**1,987**

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).

From 1 July 2018, Stawell Regional Health applies AASB 9 and classifies all of its financial assets based on the business model form managing the assets and the asset's contractual terms.

Categories of Financial Assets under AASB 9

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)

Categories of financial assets previously under AASB 139

Loans and receivables and cash are financial instrument assets with fixed and determinable payments that are not quoted on an active market. These assets and liabilities are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial measurement, loans and receivables are measured at amortised cost using the effective interest method (and for assets, less any impairment). Stawell Regional Health recognises the following assets in this category:

- cash and deposits
- receivables (excluding statutory receivables)
- term deposits

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.

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

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

Note 7.1: Financial Instruments (Continued)

Note 7.1 (b) Maturity analysis of payables

The following table discloses the contractual maturity analysis for Stawell Regional Health's financial liabilities.

2019	Note	Carrying Amount $'000	Nominal Amount $'000	Maturity Dates: Less than 1 Month $'000	1-3 Months $'000	3 months - 1 Year $'000	1-5 Years $'000
Financial Liabilities							
At amortised cost							
Payables	5.2	2,118	2,118	2,118	-	-	-
Other Liabilities							
- Accommodation Bonds	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**
2018							
Financial Liabilities							
At amortised cost							
Payables	5.2	1,811	1,811	1,811	-	-	-
Other Financial Liabilities (i)							
- Accommodation Bonds	5.3	387	387	-	-	100	287
Monies Held in Trust	5.3	35	35	35	-	-	-
Total Financial Liabilities		**2,233**	**2,233**	**1,846**	**-**	**100**	**287**

(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-18	Current	Less than 1 month	1-3 months	3 months - 1 year	1-5 years	TOTAL
Expected loss rate	6.8%	12.9%	12.9%	12.9%	80.0%	
Gross carrying amount of contractual receivables	**425**	**66**	**94**	**10**	**16**	**611**
Loss Allowance	29	9	12	1	13	64

01-Jul-19	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	**495**	**68**	**108**	**16**	**16**	**703**
Loss Allowance	25	7	12	2	13	59

Impairment of financial assets under AASB - applicable from July 2018

From 1 July 2018, Stawell Regional Health has been recording the allowance for expected credit loss for the relevant financial instruments, replacing AASB 139's incurred loss approach with AASB 9's Expected Credit Loss approach. Subject to AASB 9 impairment assessment include 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 on initial application date of AASB 9 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

	2019	2018
Balance at beginning of year	65	48
Opening retained earnings adjustment on adoption of AASB 9	-	-
Opening Loss Allowance	65	48
Modification of contractual cash flows on financial assets	-	-
Increase in provision recognised in the net result	-	19
Reversal of provision of receivables written off during the year as unrecoverable	-	2
Reversal of unused provision recognised in the net result	6	-
Balance at end of the year	59	65

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 [AASB2016-8.4]

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

At balance sheet date, the Board of Management is unaware of the existence of any financial obligation that may have a material effect on the Balance Sheet as a result of any future event which may or may not happen. (2018-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

	Consolidated 2019 $'000	Consolidated 2018 $'000
Net result for the period	(326)	(2,955)
Non-cash movements:		
Depreciation and amortisation	2,234	1,901
Provision for doubtful debts	-	17
Allowance for impairment losses of contractual receivables	(6)	
Movements included in investing and financing activities		
Net (gain)/loss from disposal of non financial physical assets	(2)	35
Movements in assets and liabilities:		
Change in operating assets and liabilities		
(Increase)/decrease in receivables	(249)	15
(Increase)/decrease in other assets	(526)	22
(Increase)/decrease in Prepayments	(439)	263
(Increase)/decrease in Inventories	(15)	(9)
Increase/(decrease) in payables	205	(337)
Increase/(decrease) in provisions	515	280
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	**1,391**	**(768)**

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 Jill Hennessy, Minister for Health, Minister for Ambulance Services	01/07/2018 - 29/11/2018
The Honourable Jenny Mikakos, Minister for Health, Minister for Ambulance Services	29/11/2018 - 30/06/2019
The Honourable Martin Foley, Minister for Housing, Disability and Ageing	01/07/2018 - 30/06/2019
Governing Board	
R Jones (Board Chair)	1/7/2018 - 30/6/2019
R Hatton	1/7/2018 - 30/6/2019
J Cass	1/7/2018 - 30/6/2019
P Mees	1/7/2018 - 15/2/2019
A Thomas	1/7/2018 - 30/6/2019
A Rhodes	1/7/2018 - 31/7/2018
C Adams	1/8/2018 - 15/2/2019
K Adams	1/11/2018 - 30/6/2019
C Woollard	1/11/2018 - 30/6/2019
Accountable Officers	
L Fifis	1/7/2018 - 30/6/2019

Remuneration of Responsible Persons

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

Income Band	**Consolidated 2019 No.**	**Consolidated 2018 No.**
$0 - $9,999	9	7
$90,000 - $99,999	-	1
$180,000 - $189,999	1	-
$310,000 - $319,999	-	1
Total Numbers	**10**	**9**

	$ '000	**$ '000**
Total remuneration received or due and receivable by Responsible Persons from the reporting entity amounted to:	**$210**	**$407**

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	**2019 $ '000**	**2018 $ '000**
Short-term benefits	418	329
Post-employment benefits	36	29
Other long-term benefits	12	6
Total Remuneration[i]	**466**	**365**
Total Number of Executives	**5**	**5**
Total Annualised Employee Equivalent (AEE)[ii]	**3.4**	**2.8**

[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.

Responsible Ministers:	Period
The Honourable Jill Hennessy, Minister for Health, Minister for	01/07/2018 - 29/11/2018
The Honourable Jenny Mikakos, Minister for Health, Minister for	29/11/2018 - 30/06/2019
The Honourable Martin Foley, Minister for Mental Health	01/07/2018 - 30/06/2019
The Honourable Martin Foley, Minister for Housing, Disability and Ageing	01/07/2018 - 29/11/2018
The Honourable Luke Donnellan, Minister for Child Protection, Minister for Disability, Ageing and Carers	29/11/2018 - 30/06/2019

Entity	KMPs	Position Title	
Stawell Regional Health	R Jones	Chair of the Board	1 Jul 18 - 30 Jun 19
Stawell Regional Health	R Hatton	Board member	1 Jul 18 - 30 Jun 19
Stawell Regional Health	J Cass	Board member	1 Jul 18 - 30 Jun 19
Stawell Regional Health	A Thomas	Board member	1 Jul 18 - 30 Jun 19
Stawell Regional Health	K Adams	Board member	1 Nov 18 - 30 Jun 19
Stawell Regional Health	C Woollard	Board member	1 Nov 18 - 30 Jun 19
Stawell Regional Health	P Mees	Board member	1 Jul 18 - 15 Feb 19
Stawell Regional Health	C Adams	Board member	1 Aug 18 - 15 Feb 19
Stawell Regional Health	A Rhodes	Board member	1 Jul 18 - 30 Jul 18
Stawell Regional Health	L Fifis	Chief Executive Officer	1 Jul 18 - 30 Jun 19
Stawell Regional Health	R Wilson	Director of Clinical Services	1 Jul 18 - 28 Oct 18
Stawell Regional Health	K Pryde	Director of Clinical Services	29 Oct 18 - 30 Jun 19
Stawell Regional Health	R Duncan	Director of Primary Care	1 Jul 18 - 30 Jun 19
Stawell Regional Health	I Martin	Chief Finance Officer	1 Jul 18 - 30 Jun 19
Stawell Regional Health	C Hugo	Human Resources Director	4 Feb 19 - 30 Jun 19

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 2019 $'000**	**Consolidated 2018 $'000**
Short-term benefits[i]	608	567
Post-employment benefits	51	48
Other long-term benefits	18	6
Termination Benefits	-	151
Total[ii]	**677**	**772**

[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 $19,732,058 (2018: $17,107,606) and Indirect Contributions of $ 91,452 (2018: $ 80,611).

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 a Victorian Public Financial Corporation.

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 2019.

There were no related party transactions required to be disclosed for Stawell Regional Health Board of Directors, Accountable Officers, and Executive Directors in 2019.

There were no other related party transactions required to be disclosed for Stawell Regional Health Foundation Board of Directors in 2019.

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.

	2019 $'000	2018 $'000
Distribution of funds by Stawell Regional Health Foundation	**-**	**278**

Note 8.5: Remuneration of auditors

	Consolidated 2019 $'000	Consolidated 2018 $'000
Victorian Auditor-General's Office		
Audit of the Financial Statements	18	17
TOTAL RENUMERATION OF AUDITORS	**18**	**17**

Note 8.6: Ex gratia payments

Stawell Regional Health has made the following ex gratia expenses:

	Consolidated 2019 $ '000	Consolidated 2018 $ '000
Compensation for economic loss	13	161
Total ex-gratia expenses	**13**	**161**

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

There have been no events subsequent to balance date that require further disclosure.

Note 8.8: Controlled entities

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

		2018	
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	**2019 $000**	**2018 $000**
Stawell Regional Health Foundation	49	(98)

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**	**2019 %**	**2018 %**
Grampains Rural Health Alliance	Information Systems	6.39	6.38

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.

	2019 $'000 *	2018 $'000 *
Current Assets		
Cash and Cash Equivalents	147	224
Receivables	15	17
Prepayments	19	11
Total Current Assets	**181**	**252**
Non-Current Assets		
Property, Plant and Equipment	427	297
Less Accumulated Depreciation	87	26
Total Non Current Assets	**340**	**271**
Total Assets	**521**	**523**
Current Liabilities		
Payables	52	35
Total Current Liabilities	**52**	**35**
Total Liabilities	**52**	**35**
Total Net Assets	**469**	**488**

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

Revenues		
Operating Activities	390	365
Non Operating Activities	7	8
Total Revenue	**397**	**373**
Expenses		
Employee Expenses	69	99
Other Expenses	306	249
Total Operating Expenses	**375**	**348**
Capital Purpose Income	8	53
Depreciation	51	26
Total Capital and Specific Items	(43)	27
Net Result	**(21)**	**52**

* The financial results included for The Grampians Rural Health Alliance for 2019 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 (2018 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 2019 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 2019, 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 15 Revenue from Contracts with Customers	The core principle of AASB 15 requires an entity to recognise revenue when the entity satisfies a performance obligation by transferring a promised good or service to a customer. Note that amending standard AASB 2015 8 Amendments to Australian Accounting Standards – Effective Date of AASB 15 has deferred the effective date of AASB 15 to annual reporting periods beginning on or after 1 January 2018, instead of 1 January 2017 for Not-for-Profit entities.	1-Jan-19	The changes in revenue recognition requirements in AASB 15 may result in changes to the timing and amount of revenue recorded in the financial statements. Revenue from grants that are provided under an enforceable agreement that have sufficiently specific obligations, will now be deferred and recognised as the performance obligations attached to the grant are satisfied. The assessment has indicated that this may impact the timing of Capital Grant recognition but that it is not possible to quantify at this time.
AASB 2018-4 Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Public-Sector Licensors	AASB 2018-4 amends AASB 15 and AASB 16 to provide guidance for revenue recognition in connection with taxes and Non-IP licences for Not-for-Profit entities.	1-Jan-19	The assessment has indicated that this will have no significant impact on Stawell Regional Health.
AASB 2016-8 Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities	AASB 2016-8 inserts Australian requirements and authoritative implementation guidance for not-for-profit-entities into AASB 9 and AASB 15. This Standard amends AASB 9 and AASB 15 to include requirements to assist not-for-profit entities in applying the respective standards to particular transactions and events.	1-Jan-19	The assessment has indicated that this will have no significant impact on Stawell Regional Health.
AASB 16 Leases	The key changes introduced by AASB 16 include the recognition of most operating leases (which are currently not recognised) on balance sheet.	1 Jan 2019	The assessment has indicated that most operating leases, with the exception of short term and low value leases will come on to the balance sheet and will be recognised as right of use assets with a corresponding lease liability In the operating statement, the operating lease expense will be replaced by depreciation expense of the asset and an interest charge. There will be no change for lessors as the classification of operating and finance leases remains unchanged. It is expected that the operating lease commiments disclosed in Note 6.2 will be recognised on the balance sheet as indicated above. This is not expected to have a material impact for Stawell Regional Health.

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

Standard / Interpretation	Summary	Applicable for annual reporting periods beginning on	Impact on Stawell Regional Health's Financial Statements
AASB 2018-8 Amendments to Australian Accounting Standards – Right of Use Assets of Not-for-Profit entities	This standard amends various other accounting standards to provide an option for not-for-profit entities to not apply the fair value initial measurement requirements to a class or classes of right of use assets arising under leases with significantly below-market terms and conditions principally to enable the entity to further its objectives. This Standard also adds additional disclosure requirements to AASB 16 for not-for-profit entities that elect to apply this option.	1-Jan-19	There will be little or no impact on Stawell Regional Health in relation to these changes
AASB 1058 Income of Not-for-Profit Entities	AASB 1058 will replace the majority of income recognition in relation to government grants and other types of contributions requirements relating to public sector not-for-profit entities, previously in AASB 1004 Contributions. The restructure of administrative arrangement will remain under AASB 1004 and will be restricted to government entities and contributions by owners in a public sector context, AASB 1058 establishes principles for transactions that are not within the scope of AASB 15, where the consideration to acquire an asset is significantly less than fair value to enable not-for-profit entities to further their objective.	*1 Jan 2019*	There will be little or no impact on Stawell Regional Health in relation to these changes
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 Jan 2019*	There will be little or no impact on Stawell Regional Health in relation to these changes

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

Standard / Interpretation	Summary	Applicable for annual reporting periods beginning on	Impact on Stawell Regional Health's Financial Statements

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 2018-19 reporting period (as listed below). In general, these amending standards include editorial and references changes that are expected to have insignificant impacts on public sector reporting.

- AASB 2017-7 *Amendments to Australian Accounting Standards – Long-term Interests in Associates and Joint Ventures*
- AASB 2018-1 *Amendments to Australian Accounting Standards – Annual Improvements 2015 – 2017 Cycle*
- AASB 2018-3 *Amendments to Australian Accounting Standards – Reduced Disclosure Requirements*
- AASB 2018-6 *Amendments to Australian Accounting Standards – Definition of a Business*

Notes:

1. For the current year, given the number of consequential amendments to AASB 9 *Financial Instruments* AASB 15 *Revenue from Contracts with Customers* , and AASB 16 *Leases the* standards/interpretations have been grouped together to provide a more relevant view of the upcoming changes.