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ANNUAL
REPORT

WWHS

WEST WIMMERA HEALTH SERVICE

WWHS

WEST WIMMERA HEALTH SERVICE

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A MESSAGE FROM THE BOARD CHAIR

Welcome to the West Wimmera Health Service 2018-2019 Annual Report wherein we provide an account of our performance over the past twelve months.

There are many factors associated with operating a high performing health service on an ongoing basis and we are confident that this report will provide the reader with a sound understanding of the latest chapter in our journey to provide safe, effective and person-centred care, always.

It was some 18 months ago that the decision was taken to temporarily close the Nhill Hospital operating theatre after a number of higher than tolerable infection control type risks were identified. With the assistance of a $1.2m grant from the Department of Health and Human Services (DHHS) we embarked on the works required to reconfigure the theatre's central sterile supply department in a way that would also ensure full compliance with the soon to be mandatory safety and quality related standards. This project was all but complete at the end of the period under review and we are most grateful for the patience and understanding shown by our community, visiting specialists and employees during the time of closure.

From January 2019 the second edition of the National Safety and Quality Health Service (NSQHS) Standards came into effect. The primary aims of the NSQHS Standards are to protect the public from harm and to improve the quality of health service provision. The Service continues to review and update its systems and processes to ensure full compliance with the Standards at all times and so that those we serve can continue to be assured of safe and high quality healthcare.

The Service's operations will also become subject to a new set of Aged Care Quality Standards from July 2019. Significant work has been undertaken to bring our systems and processes into line with the revised standards and we are confident that future compliance assessments will confirm the high level of care we provide across the aged care continuum.

In March 2019 we paid tribute to the late Ron Rosewall by opening the Ron Rosewall Sensory Garden at the Jeparit Hospital. The creation of the garden was a joint initiative with the Lions Club of Jeparit and will remain as an enduring acknowledgement of Ron's long term and wide-ranging contribution to the local community.

During the year we invited a recently discharged patient to provide direct, in person feedback to our Board of Directors. The first of its kind, this exercise provided invaluable insight into this person's experience of our care. A clear message that came through is that often it's the 'little things' that can have the biggest impact on how our consumers rate their WWHS experience.

We continued to increase our formal level of engagement with the communities we serve with the introduction of a Consumer Advisory Committee at Kaniva. This committee is a two-way conduit between the Service and the Kaniva community and will only enhance our responsiveness to community needs. Similar committees are in the process of being established for our remaining sites.

Financially, we recorded an operating surplus for the year of $24k meaning we spent all but this amount of the $42.55 million in operating income we received throughout the year. At financial year end we held some $4.8 million of cash and investments. While a reasonably high amount, a significant portion of this figure is expected to be utilised over the coming twelve months to complete a number of capital projects currently underway.

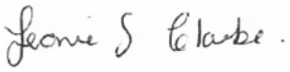
I thank my fellow board directors for their ongoing and invaluable support over the last twelve months and more generally throughout my six years as President, which have now concluded. I am also profoundly grateful for the wise guidance and support provided by Jim Fletcher, Delegate of the

Minister for Health to our Board. WWHS has faced many challenges in recent times and, in an era of seemingly ever growing regulatory compliance combined with an increasingly challenging financial environment, the dedication and commitment of all of our board directors has been instrumental in our progress toward achieving our strategic objectives.

And finally, to our staff. Our employees, volunteers and contracted service providers are at the heart of everything we do. Put simply, West Wimmera Health Service is only as strong and effective as the people who make it so, day in, day out. And we know that safe and high quality healthcare can only be provided by a workforce that is physically and psychologically safe, well supported and able to speak up when something's not right. That is why we will continue to put our people first and do everything we reasonably can to help them do their job safely and effectively.

I congratulate our incoming President, Anne Rogers, on her appointment and wish her every success.

In accordance with the Financial Management Act 1994, I am pleased to present the Report of Operations for West Wimmera Health Service for the year ending 30 June 2019.



Leonie Clarke | **Board Member**
Nhill, 3 September 2019

MANNER OF ESTABLISHMENT & THE RELEVANT MINISTERS

West Wimmera Health Service is established as a public health service under the Health Services Act 1988 (The Act) and subsequent amendments and delivers health services to nine communities in the Grampians Region of the Victorian Department of Health and Human Services.

The relevant Ministers are The Honourable Jill Hennessy MP, Minister for Health, Minister for Ambulance Services (1 July 2018 to 29 November 2018), Jenny Mikakos MP, Minister for Health, Minister for Ambulance Services (29 November 2018 to 30 June 2019), and Martin Foley MP, Minister for Mental Health.

OUR VISION

To establish and maintain a high quality and responsive health service through the pursuit of excellence and effective use of innovation and technology.

OUR MISSION

West Wimmera Health Service is committed to the delivery of health, welfare and disability services which are compassionate, responsive, accessible and accountable to individual and community needs, and which result in quality outcomes for the people of the West and Southern Wimmera and the Southern Mallee.

OUR VALUES

- **S**trong Leadership and Management
- **A** Safe Environment
- **F**inding Ways to Continuously Improve
- **E**ffective Management of the Environment
- **R**esponsive Partnerships with our Consumers

OUR COMMUNITY

West Wimmera Health Service provides health and community care services to people with the following four LGAs:

- Hindmarsh
- West Wimmera
- Yarriambiack
- Horsham Rural City

The population in our catchment area can be largely characterised by decreasing population growth, with a very high proportion of the population being 40 years and over and a very low proportion of Indigenous population.

Although traditionally persons born in other countries have made up a very low percentage of the population in out catchment area, Nhill in particular has seen a substantial increase in this demographic cohort in recent times. This has been largely due to the settlement of Karen refugees, who now make up some 10% of the population in Nhill.

OUR FACILITIES

GOROKE	Goroke Community Health Centre
NHILL	Nhill Hospital Nhill Urgent Care Iona Residential Aged Care Coointa Disability Service Nhill Dental Clinic Mira – Allied and Community Health
KANIVA	Kaniva Hospital Kaniva Primary Care Kaniva Residential Aged Care
JEPARIT	Jeparit Hospital Jeparit Primary Care Jeparit Residential Aged Care
RUPANYUP	Rupanyup Hospital Rupanyup Primary Care Rupanyup Nursing Home
NATIMUK	Natimuk Residential Aged Care
MINYIP	Minyip Community Health Centre
RAINBOW	Rainbow Hospital Rainbow Primary Care Rainbow Residential Aged Care
MURTOA	Murtoa Community Health Centre

OUR SERVICES

AGED CARE

- Aged care assessment
- Aged residential homes
- Commonwealth Home Support Program
- Home Care Packages

CLINICAL

- Acute hospital care
- Audiology
- Central sterilising services
- Dialysis
- Domiciliary
- Midwifery
- ENT surgery
- General surgery
- Geriatrician
- Immunisations
- Infection control
- Medical imaging (CT scanning, X-ray, ultrasound, dental orthopantomogram)
- Ophthalmic surgery
- Optometry
- Oral surgery
- Orthopaedic surgery
- Palliative care
- Pathology
- Pharmacy
- Urgent care
- Visiting Cardiac Specialist

PRIMARY AND PREVENTATIVE HEALTH

- Asthma Education
- Cancer Resource Nurse
- Cancer Support Group
- Cardiac Rehabilitation
- Community Health Nurse
- Continence Education
- Diabetes Education
- Diabetes Support Group
- Dietetics
- District Nursing
- Endocrinology telehealth clinics
- Falls and balance groups
- Gentle exercise groups
- Healthy eating and cooking groups
- Health Promotion
- Initial Needs Coordination

PRIMARY AND PREVENTATIVE HEALTH

- Interpreting services (Karen)
- Massage Therapy
- Maternal and Child Health
- Occupational Therapy
- Physiotherapy
- Podiatry
- Pregnant and new mothers exercise group
- Quit smoking education
- Refugee Health Nurse
- Social Work and Welfare
- Social Support Groups
- Speech Pathology
- Well Women's Health Clinic
- Youth Mental Health First Aid

COMMUNITY CARE

- Centrelink
- Community catering
- Meals on Wheels

DISABILITY

- Community access
- Community inclusion
- Exercise programs
- Respite
- Supported employment
- Vocational training

DENTAL SERVICES

- General dentistry
- Mobile clinic
- Oral health education and promotion
- Oral health and hygiene therapy
- Oral surgery

COMMUNITY PROGRAMS

- Hospital in the Home (HITH)
- National Respite for Carers Program (NRCP)
- Post-Acute Care (PAC)
- Home and Community Care (HACC)
- Community and Women's Health Program (C&WH)
- Enhanced Primary Care Program (EPC)
- Commonwealth Home Support Program (CHSP)
- National Disability Insurance Scheme (NDIS)

OUR ORGANISATION

BOARD OF DIRECTORS

Ms Leonie Clarke
President

Mrs Anne Rogers
Vice President

Mrs Therese Allen

Mr Henry Banh
(From 10 October 2018)

Mrs Katherine Colbert

Mr John Millington

Mr Lloyd Milgate

Mr Jim Fletcher
Delegate of the Minister for Health

FINANCE AND AUDIT COMMITEE

Mrs Anne Rogers
Committee Chair

Ms Leonie Clarke
President

Mrs Katherine Colbert

Mr John Millington

Mrs Janine Grover
External Independent Member
(1 July 2018 to 22 October 2018)

Mr Maurice Stewart
External Independent Member
(22 October 2018 to 30 June 2019)

QUALITY AND SAFETY GOVERNANCE COMMITTEE

Ms Leonie Clarke
President

Mrs Anne Rogers
Vice President

Mrs Therese Allen

Mr Henry Banh
(*From 10 October 2018)*

Mr Lloyd Milgate

PROJECT CONTROL GROUP

Mrs Katherine Colbert

Mr John Millington

EXECUTIVE COMMITTEE

Ms Leonie Clarke
President

Mrs Anne Rogers
Vice President

Mrs Therese Allen

Mr John Millington

OUR ORGANISATION

EXECUTIVE DIRECTORS

Chief Executive Officer
Ritchie Dodds

Executive Director
Business and Strategy
Melanie Albrecht

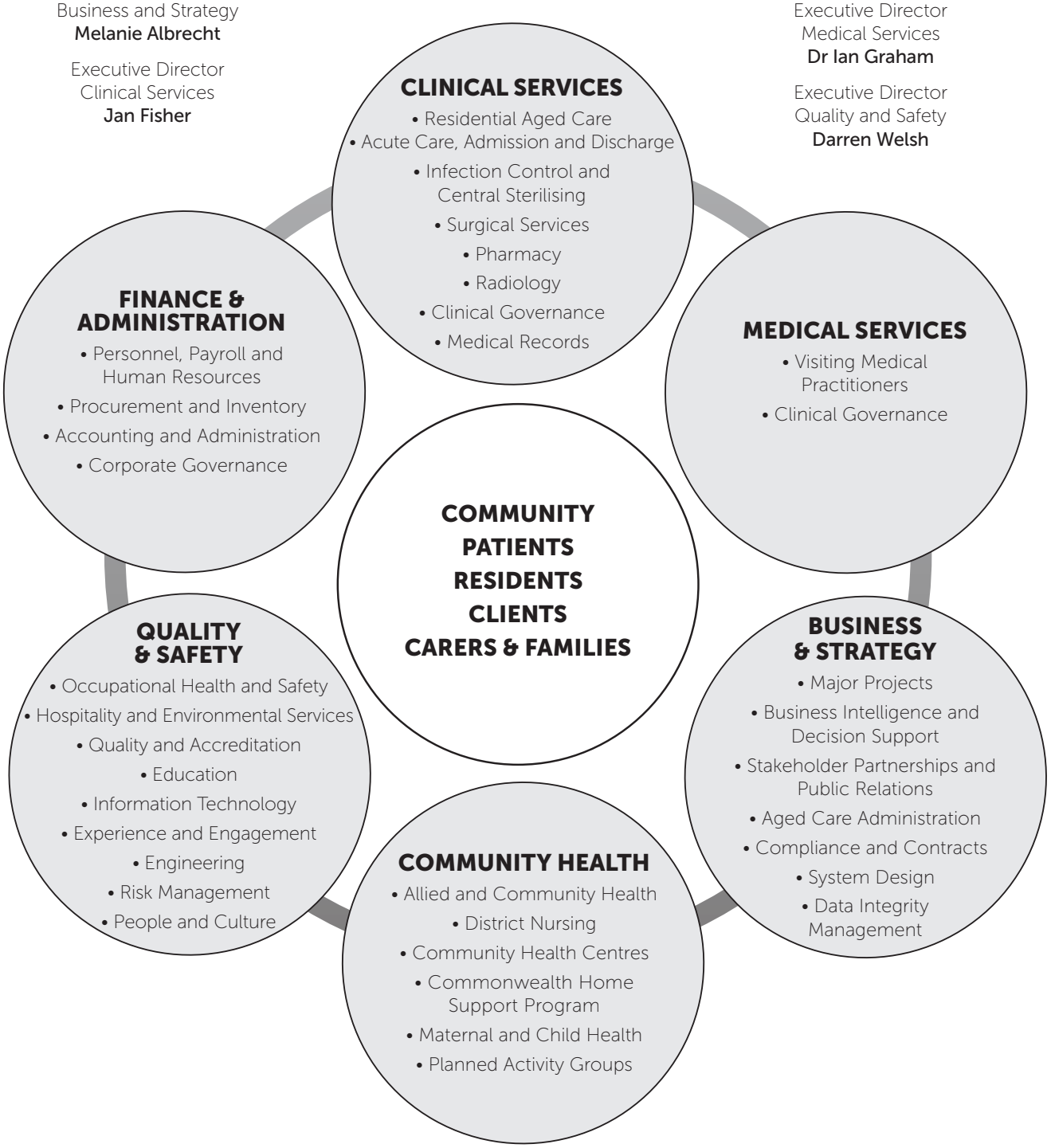
Executive Director
Clinical Services
Jan Fisher

Executive Director
Community Health
Alex Hall

Executive Director
Finance and Administration
Janette Lakin

Executive Director
Medical Services
Dr Ian Graham

Executive Director
Quality and Safety
Darren Welsh



CORPORATE GOVERNANCE

BOARD OF DIRECTORS

The Board of Directors ("the Board") of West Wimmera Health Service is responsible to the Minister for Health who in turn is accountable to Parliament for our performance as a health service. Boards are appointed, and may be removed, by the Governor in Council.

As at 30 June 2019, the Service's Board was comprised of the following members:

Ms Leonie Clarke *President*

Mrs Anne Rogers *Vice President*

Mrs Therese Allen

Mr Henry Banh *(From 10 October 2018)*

Mrs Katherine Colbert

Mr John Millington

Mr Lloyd Milgate

Mr Jim Fletcher *Delegate of the Minister for Health*

FINANCE AND AUDIT COMMITTEE

Mrs Anne Rogers *Committee Chair*

Ms Leonie Clarke *President*

Mrs Katherine Colbert

Mr John Millington

Mrs Janine Grover *External Independent Member (1 July 2018 to 22 October 2018)*

Mr Maurice Stewart *External Independent Member (22 October 2018 to 30 June 2019)*

CHIEF EXECUTIVE OFFICER

Mr Ritchie Dodds

BCom., CA, FFin., MBA, GAICD

Appointed to the role in March 2018, Mr Dodds is responsible for the overall management of the operations of the health service.

EXECUTIVE DIRECTORS

BUSINESS AND STRATEGY

Mrs Melanie Albrecht

LLB, BIS, MHA, MBA, GAICD

Responsible for management of Aged Care Administration, Major Projects, Compliance and Contracts, Business Intelligence and Decision Support, Stakeholder Partnerships, Public Relations, Data Integrity Management and System Design.

CLINICAL SERVICES

Mrs Jan Fisher

RN, Adv. Dip Bus. Mgt

Responsible for Clinical Services including Acute Care, Residential Aged Care Services, Surgical Services, Pharmacy, Radiology, Infection Control, Medical Records, Clinical Governance, and Aged Care Assessment Services for all sites.

COMMUNITY HEALTH

Ms Alex Hall

B. App. Sc. Speech Pathology

Responsible for Allied and Community Health, Dental, District Nursing, Social Support Groups, Community Health Centres, Home Care Packages, NDIS and TAC Programs, Refugee Health and Interpreter Services, Maternal and Child Health, and Health Promotion activities across all areas of the Service.

FINANCE AND ADMINISTRATION

Ms Janette Lakin

B. Comm., CPA, Dip. VET, AFA

Responsible for Finance, Payroll, Procurement and Inventory, Corporate Governance and Administration functions across all areas of the Service.

EXECUTIVE DIRECTORS [Continued]

MEDICAL SERVICES

Dr Ian Graham

MB, BS, M. Health Planning, FRACMA,
Cert. Essential Skills in Medical Education (AMME)

Responsible for credentialing, appointment, scope of practice and performance management of Visiting Medical Practitioners.

QUALITY AND SAFETY

Mr Darren Welsh

RN, BN, GDip (Admin. Mgt), GCertOHS, GDipOHS

Responsible for Hospitality and Environmental Services, Education, Quality Systems, Accreditation, Occupational Health and Safety, Risk Management, Engineering, People and Culture, Education, Information Technology, Security and Customer Experience and Engagement across the organisation.

PROJECTS & INITIATIVES

EMPOWER OUR COMMUNITIES TO LIVE THEIR BEST LIFE

DIVERSITY ACTION PLAN

During 2018-19, the Service's Diversity Action Plan was developed and formally approved. This Plan sets out a Diversity Framework for the Service, and is designed to help the organisation to address health inequity and disadvantage across six priority areas:

- Rural and Remote
- Disability
- LGBTI
- Dementia and Cognitive Decline
- Refugee Community; and
- Aboriginal and Torres Strait Islander Community.

The actions outlined in the Plan were developed through consultation with a variety of local groups and consumers by reviewing relevant research and based on the results of audits already conducted through other internal programs.

MARKETING STRATEGY

In December 2018, the Board of Directors approved the Service's inaugural Marketing Strategy, developed to provide an overarching analysis of West Wimmera Health Service's current and potential future customers, the needs of those customers and their behaviours, and in alignment with the Service's strategic plan, health promotion plan and overall business goals.

The Strategy supports how the Service will deliver its business and strategic goals by setting out a planned and consistent approach to how we will promote and innovate access to health information; increase the awareness of, and access to, our services; and engage our community with clear and relevant communications. It also recognises the importance of understanding the impact of health literacy on our customers' ability to access, understand, appraise, retrieve and use health information and services to make decisions about their health.

AGED CARE HEALTH AND WELLBEING EXPO

Together with Hindmarsh Shire Council and Wimmera Primary Care Partnership, the Service hosted a Health and Wellness Expo on 27 June 2019.

The Expo was an opportunity to showcase locally available services across health and local

PROJECTS & INITIATIVES [Continued]

government that can help people to stay in their home for as long as safely possible. The aim of the day was to engage, inform and empower members of the community to take control of their future and stay happy and healthy at home.

The event was attended by over 200 people from across the West Wimmera Health Service catchment, who gathered to hear from 15 presenters and visit 30 information stalls. A highlight of the day was event MC, Robert "Dipper" DiPierdomenico.

INVEST IN POPULATION HEALTH

HEALTH PROMOTION TEAM HITS THE GROUND

Actioning West Wimmera Health Service's commitment to increasing its focus on Health Promotion, a Health Promotion Manager was appointed in February 2019.

The role was developed to work across the Service and with regional partners to lead the planning, design and implementation of a new approach to health promotion.

In April 2019 a Health Promotion Officer was appointed to join the Service's new dedicated Health Promotion Team. The Service plans to expand the team with a further two staff members in the 2019/20 period.

BUILD PARTNERSHIPS FOR HEALTHIER COMMUNITIES

INTRODUCTION OF STAKEHOLDER ENGAGEMENT AND PUBLIC PARTICIPATION STRATEGY

At the Board of Directors June 2019 meeting, the Service's Stakeholder Engagement and Public Participation Strategy was approved. The Strategy, entitled 'Connecting and Collaborating for Healthy Communities, Healthy Lives', is the first of its kind to be formally developed for West Wimmera Health Service.

The need for such a document was identified through a review of current practice, discussions with those working in the engagement and participation space, and via research into industry best practice.

The Strategy was developed in conjunction with and informed by evidence-based best practice for stakeholder engagement as well as a review of current organisational practices. The Department of Health and Human Services' Public Participation Framework, and Stakeholder Engagement Toolkit have been key documents used in drafting West Wimmera Health Service's Strategy.

During the second half of 2019, the Strategy will be published throughout the Service and beyond. The Strategy and its actions will play an important part in ensuring the Service continues to meet the needs of those we serve in a way they value and that best suits them.

EXPANSION OF COMMUNITY ADVISORY COMMITTEES

At the start of the 2018-19 financial year, West Wimmera Health Service had one current Community Advisory Committee (CAC), operating in Minyip, Murtoa and Rupanyup. This CAC was established under the former Dunmunkle Health Services, continuing after amalgamation.

There was a desire to expand the CAC model across the remainder of the Service, in order to ensure there is a diverse representation and input into the delivery and design of services from all of our nine communities.

In 2018-19, the Board of Directors agreed that the Service would expand its advisory committee model to facilitate a total of five CACs to represent the nine communities of West Wimmera Health Service.

The expansion of the CAC model has begun with a roll out across the Service in stages, to manage resources in the setup of each new committee. As of June 2019, there has been a membership for new Committees in Kaniva and in Nhill. In 2019/2020, the

two remaining Committees for Jeparit and Rainbow, and Goroke and Natimuk will be established.

RON ROSEWALL MEMORIAL GARDEN

The Ron Rosewall Sensory Garden was officially opened in March 2019, to pay tribute to, and remember, the late Ron Rosewall.

Ron, a long-serving member of the West Wimmera Health Service's Board of Directors, and a passionate advocate and volunteer in his community, was honoured with the opening of the 'Ron Rosewall Sensory Garden' at the Jeparit Hospital.

The creation of the garden was a joint initiative of the Lions Club of Jeparit and the health service, as a fitting tribute to a dedicated and beloved member of the local community.

The sensory garden has a mechanical and motor vehicle theme, designed to be interactive for the residents and patients at the Jeparit Nursing Home to enjoy and reflective of Ron's love for cars.

COMMUNITY PRESENTATION TO BOARD OF DIRECTORS

In its part to be as responsive as possible to the communities it services, in March 2019, the Services' Board of Directors invited along a member of the community who had been a patient in Nhill Hospital in recent months to speak about her experience.

In a first for the Service, the purpose of the exercise was for the Board to hear firsthand about the care provided in the eyes of a patient. The only request that was made of the community member was that she recount to the Board her experience, good, not so good or otherwise and answer any questions the Board might have.

The former patient reported an overwhelmingly positive interaction with the Service inclusive of all of the staff she interacted with.

One phrase the patient mentioned several times was that it was the "little things" that made all the difference.

The guest presentation also identified an opportunity for improvement in the Service's discharge process.

HARNESS TECHNOLOGY AND INNOVATION

CLOSING THE GAP WITH TELEHEALTH

ActWest Wimmera Health Service undertook several telehealth projects in 2018-19, with the objective to help deliver access to health specialists and services as close to home as possible for its rural communities and thereby helping to close the gap associated with the large distances often travelled.

A key action has been to incorporate an online portal, using the platform Healthdirect Video Call, on the Service's website to simplify access for both staff and patients to book and undertake telehealth appointments. Along with the implementation of the software, there has been a large body of work in relation to policy and process development.

The Wimmera Southern Mallee Health Alliance (WSMHA) Telehealth Innovation Project commenced in late 2018. Access to specialist Wound Nurses was identified as a key area where telehealth could be used for improved assessment and monitoring as well as peer to peer support and education on wound management, using telehealth to assist in managing chronic and complex wounds and reduce transfers and readmissions, along with both patient and clinician travel across the Wimmera.

The project has built on the success of the Wimmera Cancer Telehealthcare Project.

Training staff from across the WSMHA to access this Wound Telehealth service began in March and Wound Service Pathways have been built and tested.

A NEW HOME FOR THE PHYSIOTHERAPY TEAM

The Service's Physiotherapy department moved into their brand new space in April 2019 located in The Ray and Violet Marshman Community Rehabilitation Centre at the Nhill Hospital. The opening of the Physiotherapy space for staff and patients is the first completion milestone for the project.

The hydrotherapy pool and community gymnasium are the two final areas of the Centre nearing completion and we anticipate they will be opened in late 2019.

PROJECTS & INITIATIVES [Continued]

NHILL HOSPITAL OPERATING THEATRE READY TO REOPEN

Renovation works to West Wimmera Health Service's Nhill Hospital operating theatre were completed in June 2019, with the theatre ready to recommence service in July 2019.

The theatre closed in December 2017 after it became apparent that various works were needed to maintain an acceptably safe level of infection control. The closure also allowed the health service to reconfigure the theatre's layout to ensure it will fully comply with the relevant Australian Standard, which will be mandatory from 2021.

A $1.2m grant from the Department of Health and Human Services has primarily funded the refurbishment of the theatre suite, with Locks Constructions of Horsham being the principal contractor.

STRENGTHEN OUR WORKFORCE CAPACITY

VALUES PROJECT

West Wimmera Health Service embarked on a review of its Staff Values during 2018-19, taking a collaborative approach with staff across the organisation.

The Values Project undertook to engage with staff, Managers and the Board of Directors via a number of mediums, to allow abundant opportunity for people to have their say as a part of the conversation.

Feedback from the first phase of consultation was collated and workshopped with members of the Service's People and Culture Working Group, Management Team and Executive Directors. A list of common themes has been refined to eight overarching key themes and opened to all staff for voting and comment. Results from this consultation will inform the final values, to be completed and implemented early in the 2019-20 financial year.

DEVELOPING LEADERS

In efforts to continue to engage and empower the leaders and future leaders of the organisation, West Wimmera Health Service committed in 2018-19 for members of staff to take part in two innovative leadership programs, delivered in partnership with the Wimmera Southern Mallee Health Alliance (WSMHA).

The Future Leaders Development Program has had four staff from across mid-level management roles complete a series of workshops with colleagues from the WSMHA health services. The leadership program is now in its second iteration, with eight more staff from the Service due to graduate in October 2019. Funding has also been sought and granted to extend the program with another two groups to receive the training in late 2019 and early 2020.

The Executive Directors each took part in the Leadership Team Coaching Program during the year, as part of a Safer Care Victoria Pilot Project. The Executive team joined with other executive members of the Wimmera Southern Mallee Health Alliance to undertake 6 six days of leadership training in 2018-19. The program included strengths profiles and 360 degree reviews at both an organisational level and sub-regional level, along with group and individual coaching. There will be a final session delivered in October 2019 to wrap up learning and development from the previous year.

CULTURAL AWARENESS TRAINING

West Wimmera Health Service partnered with the Wimmera Primary Care Partnership in 2018 and 2019 to facilitate two Aboriginal Cultural Awareness workshops.

The workshops offered attendees from the management, administration, allied and community health workforce an interesting and informative insight into local Aboriginal peoples in the Wimmera and Southern Mallee region, helping people to better understand their plight and walk

alongside them in the journey of reconciliation while learning together.

The workshops were delivered following an organisation cultural competency audit, which was an initiative of, and funded by the Department of Health and Human Services Koolin Balit funded program, Towards Cultural Security and delivered by Wimmera Primary Care Partnership.

BUILDING STAFF NETWORK GROUPS

Throughout the year, staff from across a range of work designations and locations have come together to form working networks aimed at supporting each other, sharing ideas and information, and learning from across our entire organisation.

Three new networks established under this model include:

- IT Support Group;
- Receptionist and Administration Team; and
- Aged Care Activity Staff Network.

PEOPLE AND CULTURE TRAINING DAYS – 50% TARGET ACHIEVED

The Service's People and Culture training program celebrated a significant milestone in June 2019, with 50% of our staff completing the training.

The new program was introduced in August 2018, offering a one-day mandatory education session that is tailored to topics and issues that affect employees in their everyday work life.

Topics on the training day include:

- Cultural Change – CEO Address
- Working at WWHS
- Bullying and Harassment
- Management of Clinical Aggression (MOCA), including physical techniques
- Family Violence
- LGBTI Inclusion; and
- Complaints and Compliments.

The remaining 50% of staff, and new employees, will complete the People and Culture training program in 2019/20, with all members of staff to update their training every two years.

WORKFORCE INFORMATION

	JUNE current month FTE*		Average Monthly FTE**	
	2018	2019	2018	2019
Administration and Clerical	55.4	58.4	53.9	57.9
Ancillary Support Services	36.1	34.2	36.5	33.7
Hotel and Allied Services	144.6	140.2	143.6	146.2
Medical Support Services	1.0	0.7	0.7	0.8
Nursing Services	165.4	156.4	167.4	164.6
Totals	**402.5**	**389.9**	**402.1**	**403.2**

Note: FTE = Full Time Equivalent

The above FTE figures exclude overtime nor do they include contracted staff (e.g. Agency nurses, Fee-for-Service Visiting Medical Officers) as they are not regarded as employees for this purpose.

OCCUPATIONAL VIOLENCE

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

Over the 12-month period an average of two OVA incidents occurred each month, with the events predominantly occurring in residential aged care facilities and involving residents with dementia or other cognitive impairment.

WWHS accepted one (1) WorkCover claim where the injury was caused by occupational violence.

The following table provides an overview of the Service's Occupational Violence outcomes for the 2018-19 financial year.

Occupational violence statistics	2018-19
1. Workcover accepted claims with an occupational violence cause per 100 FTE.	0.2564
2. Number of accepted WorkCover claims with lost time injury with an occupational violence cause per 1,000,000 hours worked.	1.6236
3. Number of occupational violence incidents reported.	36
4. Number of occupational violence incidents reported per 100 FTE.	9.2
5. Percentage of occupational violence incidents resulting in a staff injury, illness or condition.	14%

The following definitions apply:

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

Incident – an event or circumstance that could have resulted in, or did result in, harm to an employee. Inci-dents of all severity ratings must be included. Code Grey reporting is not included, however, if an incident occurs during the course of a planned or unplanned Code Grey, the incident must be included.

Accepted WorkCover claims – Accepted WorkCover claims that were lodged in 2018-19.

Lost time – is defined as greater than one day.

Injury, illness or condition – This includes all reported harm as a result of the incident, regardless of whether the employee required time off work or submitted a claim.

FTE figures required in the above table should be calculated consistent with the workforce information FTE calculation.

An Occupational Violence and Aggression action plan has been developed to further reduce the number and severity of such incidents.

OCCUPATIONAL HEALTH AND SAFETY

Monitoring of the Occupational Health and Safety of staff within the Service also occurs through incident analysis and investigation. In addition, the rate of incidents is examined.

(a) the number of reported hazards/incidents for the year per 100 full-time equivalent staff members:

Year	Hazards / Incidents	Hazards / Incidents per 100 FTE employees
2018-2019	201	51.53
2017-2018	212	52.73
2016-2017	202	52.06
2015-2016	161	47.49
2014-2015	134	41.05

(b) the number of 'lost time' standard claims for the year per 100 full-time equivalent staff members:

Year	Lost time claims	Lost time claims per 100 FTE employees	Days lost
2018-2019	7	1.79	485
2017-2018	8	1.99	467
2016-2017	8	2.06	638
2015-2016	7	2.06	333
2014-2015	3	0.92	129

Seven lost time claims occurred within the reporting period. Of note, five staff successfully returned to duty in this time.

Days lost within the reporting period has essentially remained the same compared with the previous year with one less lost time claim. Early intervention and engagement with all treating medical professionals, the injured employee and supervisors has assisted workers to make a safe and sustainable return to work.

(c) the average cost per claim for the year (including payments to date and an estimate of outstanding claim costs as advised by WorkSafe):

Year	Average cost per claim	Estimated outstanding costs
2018-2019	$ 50,044	$ 448,627
2017-2018	$ 20,822	$ 366,840
2016-2017	$ 23,498	$ 187,984
2015-2016	$ 9,132	$ 322,243
2014-2015	$ 16,049	$ 72,146

The average cost per claim has increased from the previous year, as well as the projected estimated costs. This can be attributed to the injury type of accepted claims, nature of requirements of the claim and that also three of the five standard claims being classified as longer term.

No workplace fatalities have been recorded in the last five years.

FINANCIAL RESULTS

Significant changes in financial position during the 2018-19 financial year and factors affecting performance

Over the course of the 2018-2019 financial year the Service's total Cash and Short Term Investments held decreased by some $2.7m. Cash and investments held for the Service's own purposes decreased from $6.55m to $4.77m which was primarily attributable to substantial completion of the of capital works associated with the Ray and Violet Marshman Nhill Community Rehabilitation Centre. Capital type cash outflows of $4.95m were partially offset by net operating cash inflows of $2.66m.

Monies held on behalf of our aged care residents (Refundable Accommodation Deposits) also reduced from $8.9m to $7.9m. These funds decreased as a result of lower refundable accommodation deposits being received by new aged care residents compared to those held by former residents.

The temporary closure of the Nhill Hospital operating theatre during the year resulted in a much lower to budgeted result for private inpatient revenue. However, this was substantially offset by much lower to budgeted results for operating theatre wage costs and associated medical supplies meaning the net financial effect of the temporary closure was not significant.

Operational and budgetary objectives of the Health Service for the 2018-19 financial year and performance against those objectives including significant activities and achievements during the year

The Service's operational objectives for the year were met to a satisfactory extent (refer separate section related to Statement of Priorities).

The Service once again recorded an, albeit relatively small, operating surplus $23.6k. This result was $28.9k less than the budgeted outcome but is commendable considering the ongoing challenging financial environment faced by the Service.

Events subsequent to balance date which may have a significant effect on the operations of the Health Service in subsequent years

NIL

INCOME STATEMENT

Financial Year Ending 30 June

	2019 $'000s	2018 $'000s	2017 $'000s	2016 $'000s	2015 $'000s
Total revenue	45,448	43,941	44,788	38,552	36,048
Total expenses	(47,192)	(47,400)	(46,092)	(39,633)	(38,078)
Net results from transactions	**(1,744)**	**(3,459)**	**(1,304)**	**(1,081)**	**(2,030)**
Total other economic flows	(654)	(1)	223		
Net Result	**(2,398)**	**(3,460)**	**(1,081)**	**(1,081)**	**(2,030)**
Total assets	95,253	80,142	83,827	75,753	73,980
Total liabilities	(22,330)	(21,958)	(22,243)	(17,572)	(14,718)
Net assets / Total equity	**72,923**	**58,184**	**61,584**	**58,181**	**59,262**

Reconciliation between the *Net result from transactions* reported in the model to the *Operating result* as agreed in the Statement of Priorities.

Total income from transactions

Income from transactions

Financial Year Ending 30 June

	2019 $'000s	2018 $'000s	2017 $'000s	2016 $'000s	2015 $'000s
Net Operating Result*	24	128	4	518	103
Capital and Specific Items					
Capital Purpose Income	2,893	956	3,089	2,215	1,602
Specific Income					
Expenditure for Capital Purpose					
Depreciations and Amortisation	(4,633)	(4,522)	(4,361)	(3,785)	(3,729)
Finance costs (other)	(28)	(21)	(36)	(29)	(6)
Net result from transactions	**(1,744)**	**(3,459)**	**(1,304)**	**(1,081)**	**(2,030)**

* The *Net Operating Result* is the result which the health service is monitored against in its *Statement of Priorities*

CONSULTANCIES INFORMATION

Details of consultancies (under $10,000)

In 2018-19, there were three consultancies where the total fees payable to the consultants were less than $10,000, and the total expenditure for the reporting period (exclusive of GST) on these arrangements was $8,400, being for services relating to the review of the Service's claiming under the Aged Care Funding Instrument (ACFI) funding program, pre-audit reviews and the implementation of pharmacy quality and safety standards..

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

In 2018-19, there was one consultancy where the total fees payable to the consultants was $10,000 or greater. The total expenditure incurred during 2018-19 in relation to this consultant was $56,346 (refer below).

Consultant	Purpose of consultancy	Start date	End date	Total approved project fee (excluding GST) $'000	Expenditure 2018-19 (excluding GST) $'000	Future expenditure (excluding GST) $'000
Larter Consulting	Primary Health Programs Review	1 July 2018	1 June 2019	56	11	12

INFORMATION & COMMUNICATION TECHNOLOGY (ICT) EXPENDITURE

The Service's total Information and Communication Technology (ICT) "Business As Usual" expenditure (excluding GST) for the reporting period was $1,611,006. The Service incurred no "Non-Business as Usual" expenditure for the period.

Business As Usual ICT Expenditure $	Non-Business As Usual ICT Expenditure $
1,611,006	0

COMPLIANCE WITH LEGISLATION

FREEDOM OF INFORMATION ACT 1982

As the Freedom of Information Officer of West Wimmera Health Service, the Chief Executive Officer received 12 requests for information under the *Freedom of Information Act (1982)* during the 2018-19 financial year, a decrease of 2 from the previous financial year.

12 requests were received:
- 10 cases were personal requests
- 2 cases were non-personal requests

Of the requests received:
- 10 cases were granted in full
- 2 cases were not proceeded with by the applicant
- 0 cases where no documents/medical records were available.

All applications were received on or behalf of members of the public.

Members of the public may telephone the Service on 03 5391 4222, in the first instance to obtain information on the application process. Applications must be in writing and the required FOI Application form completed and sent to:

The Freedom of Information Officer
West Wimmera Health Service
PO Box 231
NHILL VIC 3418

Applications must clearly describe the documents that are being requesting. If seeking an exemption of the application fee evidence must also be provided by the applicant as to the reasons why.

The following fees apply:
- Application Fee - $28.90 (non-refundable unless the fee is waived);
- Search Fee - $20.00 per hour or part thereof;
- Photocopying - 20 cents per black and white A4 page.

It is important that applicants provide photo identification as to their identity at the time of application

Further information on where members of the public can obtain information about FOI are available at:

FOI Information: *http://www.foi.vic.gov.au/home/*

FOI Costs: *http://www.foi.vic.gov.au/home/costs/*

For detailed requirements of the Freedom of Information Act (1982) please visit: *http://www.foi.vic.gov.au/find/legislation/freedom+of+information+act+1982*

BUILDING ACT 1993

In accordance with the Building Regulations 2006, made under the *Building Act 1993*, all buildings within the Service are classified according to their functions.

West Wimmera Health Service undertakes an extensive Essential Services Maintenance Program to ensure that all regulatory requirements and safety standards in regard to plant and equipment, buildings and fire management systems are maintained.

A comprehensive preventative maintenance program ensures that key infrastructure equipment such as emergency power backup generators, lifting equipment, heating ventilation and cooling systems and fire detection and management systems are maintained at satisfactory levels and available 365 days a year.

Building Permits are obtained for all construction projects where required and Certificates of Occupancy are issued and displayed accordingly.

All builders and contractors involved in building construction are registered practitioners.

In 2018-19 there was one project that was completed with a certificate of occupancy issued.

PROTECTED DISCLOSURE ACT 2012

West Wimmera Health Service is committed to the objectives of the *Protected Disclosure Act 2012* (the Act) and addresses this through the application of its Protected Disclosure Policy.

We recognise the value of transparency and accountability in our administrative and management practices, and support the making of disclosures that reveal corrupt conduct, conduct involving substantial mismanagement of public resources, or conduct involving a substantial risk to public health and safety or the environment.

During 2018-19 the Service was not advised of any Public Disclosures under the Act.

NATIONAL COMPETITION POLICY

All requirements under the National Competition Policy were met, including compliance with the Government's policy statement 'Competitive Neutrality Policy Victoria' and subsequent reforms.

LOCAL JOBS ACT 2003

There were no projects commenced or entered into during the year which required disclosure in accordance with the Local Jobs Act 2003 or the Victorian Industry Participation Policy (VIPP).

CARERS RECOGNITION ACT 2012

West Wimmera Health Service recognises, promotes and values the role of people in care relationships.

We understand the varying needs of those in care relationships and that developing these relationships benefits individual patients, carers and the community as a whole.

All practical measures are taken to ensure that our employees, agents and carers have a clear awareness and understanding of the principles of care relationships as reflected by our commitment to the patient and family centred model of care that encourages carer involvement in the development of care plans, the provision of care and the evaluation of support and assistance for people in care relationships.

SAFE PATIENT CARE ACT 2015

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

ENVIRONMENTAL PERFORMANCE AND SUSTAINABILITY

West Wimmera Health Service aims to efficiently use the scarce energy resources to it whilst meeting the needs of the community it serves.

ELECTRICITY

West Wimmera Health Service continued to make a modest improvement on electricity consumption during 2018-19 with a total energy use of 121,177 kWh (a reduction of 4.21% on the previous year).

This improvement has resulted from a full year effect following the installation of a more efficient heating ventilation and cooling system at the Nhill and Kaniva Hospitals.

The Service is to install new solar panels to Kaniva, Nhill, Jeparit and Rainbow Hospitals in 2019-20 as part of the Victorian Health and Human Services Building Authority, Regional Health Solar Program. This project is expected to produce substantial long term electricity savings.

WATER

Over the last 12 months, the Service has increased its water consumption by 583.31kl (1.34%). The increase in water use is associated with another summer period of almost no rain.

LPG

Liquid Petroleum Gas (LPG) usage decreased in the last 12 months by 53% or 74,036 litres. This decrease is attributable to the full year effect of the Service having turned off gas fired boilers following the installation of a new VRV (Variable Refrigerant Volume) system at the Nhill Hospital. The system has allowed for better zoned thermal control of the Hospital and thus greater efficiencies in the management of heating ventilation and cooling.

ADDITIONAL INFORMATION AVAILABLE ON REQUEST

Consistent with FRD 22H (Section 5.19) the Report of Operations confirms that details in respect of the items listed below have been retained by West Wimmera Health Service and are available to the relevant Ministers, Members of Parliament and the public on request (subject to Freedom of Information requirements, if applicable):

(a) Declarations of pecuniary interests have been completed by all relevant officers

(b) Details of shares held by senior officers as nominee or held beneficially;

(c) Details of publications produced by the entity about itself, and how these can be obtained

(d) Details of changes in prices, fees, charges, rates and levies charged by the Service;

(e) Details of any major external reviews carried out on the Service;

(f) Details of major research and development activities undertaken by the Service that are not otherwise covered either in the report of operations or in a document that contains the financial statements and Report of Operations;

(g) Details of any overseas visits undertaken including a summary of the objectives and outcomes of each visit;

(h) Details of major promotional, public relations and marketing activities undertaken by the Service to develop community awareness of the Service and its services;

(i) Details of assessments and measures undertaken to improve the occupational health and safety of employees;

(j) General statement on industrial relations within the Service and details of time lost through industrial accidents and disputes, which is not otherwise detailed in the Report of Operations;

(k) A list of major committees sponsored by the Service, the purposes of each committee and the extent to which those purposes have been achieved;

(l) Details of all consultancies and contractors including consultants/contractors engaged, services provided, and expenditure committed for each engagement.

STATEMENT OF PRIORITIES PART A

Goals	Strategies	Health Service Deliverables	Progress Update
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	Develop and implement a schedule to address high priority population health issues through health checks/ screenings and health promotion activities by June 2019.	Recruitment of a Health Promotion Manager in early 2019 was the first step towards creating a dedicated Health Promotion team. The Health Promotion Team will work collaboratively with local organisations and communities to deliver a new strategic approach to Health Promotion, which looks at the underlying causes of poor health in our rural catchment. This may include social and economic factors which require innovative actions to address. The team will work to actively support and empower local communities to identify the issues that are impacting on their health and to be a part of finding solutions. Our Community Health Team has been involved in many activities throughout the year that focus on prevention of illness through early identification of both physical and mental health problems. We have been a strong presence, providing health checks, screenings and health education at events such as the Agricultural Shows and the Wimmera Southern Mallee Field Days, The Health and Wellness Expo was undoubtedly a highlight of our year. Over 200 community members explored 30 stalls showcasing community health services available and were enthralled by our guest speaker Robert 'Dipper' DiPierdomenico who spoke passionately about mental health issues in particular.
		Work with the Wimmera Southern Mallee Health Alliance member agencies and East Wimmera Health Service to enhance our whole of health service response to family violence, including strengthening local partnerships, improving referral pathways, advocating for support service improvements and enhancing staff competence in being able to recognise, refer and respond appropriately.	West Wimmera Health Service (WWHS) collaborated to run an event with Hindmarsh Shire Council to raise community awareness of family violence and the role we can all play in preventing and responding to concerns. The event - *'Spotlight on Violence Against Women in Rural Communities'* - held on 7 December 2018 and was attended by more than 100 community members, including secondary school students. WWHS also supported a community walk in Kaniva. WWHS is a member of the Wimmera Strengthening Hospitals Responses to Family Violence (SHRFV) Steering Committee. The Committee has developed an action plan to ensure a consistent and collaborative approach to implementing the SHRFV project across the region. WWHS has achieved a number of program deliverables over the past year, including training staff and developing a Family Violence Policy. The Service was proud to join the Women's Health Grampians Communities of Respect and Equality (CoRE) Alliance in 2018.

STATEMENT OF PRIORITIES PART A [Continued]

Goals	Strategies	Health Service Deliverables	Progress Update
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	Undertake a literature review of the demographic trends within the region, specifically the Hindmarsh, West Wimmera, Yarriam-biack and Horsham Rural City catchment areas, to identify the population's potential future health care needs.	The Service, through our key role in the Wimmera Primary Care Partnership, will support the development and roll out of the web-based Wimmera Information Portal. The Portal project is led by Federation University and is a collaboration between social, health and community services in the Wimmera region. The Portal's purpose is to provide access to data on Wimmera population demographics, which is timely and related to relevant health determinants to enable service planning to meet population demands.
		Identify areas for opportunity and collaboration with neighbouring health services to inform service planning.	The Wimmera Southern Mallee Health Alliance engaged a consultant, Paxton Partners, to develop a scoping study to consider potential options for efficiencies relating to the following areas: • Financial services • Information and Communications Technology • Procurement This is the first step in a bid to increase the sharing of resources and knowledge across the sub-region.
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 a regional Clinical Governance project to build capability to identify and address Clinical Governance gaps and allow for the identification of regional strategies for inclusion in an improvement action plan by May 2019.	The Grampians Regional CEO Working Group – Clinical Governance committed to undertaking a gap analysis of each health service's clinical governance capability, having regard to the Victorian Clinical Governance Framework. This analysis, which mapped the clinical governance capability of each organisation and also the Grampians region collectively, identified opportunities for region-wide clinical governance activities that could benefit all health services, in addition to health service level quality activities, while leveraging economies of scale. 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 the 2019-2020 Statement of Priorities.
		Participate in a review of the Grampians Regional Partnership in order to develop a shared vision and identify ongoing shared regional priorities and subsequent action plan by 30 June 2019.	The Grampians Regional CEO Group, as part of the Grampians Regional Partnership, participated in two planning days during the 2018-19 financial year to develop a shared vision and identify ongoing shared regional priorities. The first planning day resulted in the development of a shared vision. This has been used to develop a Partnership Agreement for endorsement by the CEO Group. The second planning day resulted in the endorsement of three regional priorities and a subsequent action plan was developed and shared with the Department as per the Rural and Regional Partnership guidelines. The Grampians Regional Partnership was strengthened with the recruitment and appointment of a dedicated Project Officer who is experienced in clinical project management.

Goals	Strategies	Health Service Deliverables	Progress Update
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	The Board of Directors adopted the West Wimmera Health Service Diversity Plan 2019-20 which incorporates the West Wimmera Health Service Disability Action Plan. West Wimmera Health Service participated in the Victorian Healthcare Association (VHA) Disability Action Plan working group and has implemented all resultant learnings. The key goal ***Improve awareness and access to disability services and develop support networks for our disability and carer communities*** will be our driving deliverable for the coming two years.
	Volunteer engagement Ensure that the health service executives have appropriate measures to engage and recognise volunteers.	Develop a volunteer engagement strategy in collaboration with local shire councils utilising resources and learnings from the volunteer strategy developed and implemented by the City of Greater Bendigo. The strategy will include a robust orientation program and outline how volunteer resources can be shared across organisations within the region. This will include mapping opportunities to better utilise volunteers across the Service to maximise value for customers.	The Service continues to strongly engage with our volunteers with fifty people currently registered as West Wimmera Health Service volunteers. A review of our Volunteer Engagement Strategy resulted in improvements in our volunteer orientation program and more robust 'strengths data' collection for mapping 'best match' volunteer opportunities across the Service. Formal partnerships have been entered with local schools to facilitate the volunteering of students to interact meaningfully with aged care residents and acute patients. This increases residents' and patients' interaction with the community and also provides students with valuable life skills. The success of this project was recognised by being adjudged as the winner of the Connecting Communities section of the regional 2019 Volunteering Recognition Awards, and by its shortlisting in the 2019 Minister for Health Volunteer Awards. Volunteers were also invited to the Service's end of year social function for the first time.

STATEMENT OF PRIORITIES PART A [Continued]

Goals	Strategies	Health Service Deliverables	Progress Update
Specific 2018-19 priorities (mandatory) ctd.	**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.	Commence implementation of Ballarat Health Services 'contact officer' model which provides access to a model of peer support for employees seeking direction in relation to workplace issues. Specifically, the identification and training of the contact officers.	Implementation of a Contact Officer model where peer support is provided to employees is now largely complete. 14 Service staff participated in the Victorian Equal Opportunity and Human Rights Commission training sessions and further training has been provided by Service staff. The Model is expected to be fully operationally early in the new financial year.
		In collaboration with staff and customers develop and implement a set of employee behavioural values to guide expectations for all interactions between customers and staff as well as internally with one another.	West Wimmera Health Service (WWHS) staff have embraced the 'HI THERE' people interface to improve communication in clinical settings. **WWHS People Interface** **H**ello my name is... **I** am a e.g. *registered nurse* **T**imeframe for patient's care **H**ow patient can get help **E**nquire – *any questions?* **R**einforce what's been said **E**xit e.g. *'see you later, take care'*. Staff have been educated on the implementation of these key values which are printed on the back of staff employee ID cards.

Goals	Strategies	Health Service Deliverables	Progress Update
Specific 2018-19 priorities (mandatory) ctd.	**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.	Implement a Management of Clinical Aggression education program specific to different employee designations and areas, implementation of the training program will begin. In the 2018–19 financial year, put 50 per cent of all staff through the program which is in line with the estimate that it will take two years for all staff to complete the 1 day program given current resource availability.	A highlight of the year has been the implementation of People and Culture education days for all Service staff. The ambitious goal of having 50 per cent of staff (some 295 people) attending the education days within the year was achieved! Staff were empowered with knowledge on how to manage clinical aggression from patients and residents particularly those that may be suffering from various mental health conditions. This program will empower staff to support the patient or resident in a manner that also ensures they stay safe. We look forward to the remaining 50 percent of staff, as well as new employees, completing the education day in the year ahead.
	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.	Collaborate with Health Purchasing Victoria to further progress installation of solar panels at the Service's Nhill, Rainbow, Jeparit and Kaniva to be funded by loans agreed to by the Victorian Health and Human Services Building Authority.	West Wimmera Health Service has worked closely with Health Purchasing Victoria (HPV) on the solar panel installation program. A "cluster' tender process was facilitated by HPV and was successful in sourcing a number of prospective solar panel suppliers by the end of the financial year. The installation program will progress into the 2019-20 with its ultimate commissioning expected to substantially reduce the Service's carbon footprint on an ongoing and sustainable basis.
		Undertake an environmental impact review and gap analysis to identify areas where environmental sustainability can be improved. Develop a subsequent action plan	Environmental sustainability was recognised as an important objective of the Wimmera Southern Mallee Health Alliance. An Environmental Sustainability Working group was formed and the group agreed to undertake a common environmental audit, capturing existing efforts and engaging the Department of Health and Human Services for short-term and direction and guidance. A gap analysis highlighted that the Service could improve its carbon footprint by implementing a comprehensive recycling program which was subsequently funded by the Department of Health and Human Services grant of $12,000. We look forward to delivering this program in the 2019-20 year.

STATEMENT OF PRIORITIES PART A [Continued]

Goals	Strategies	Health Service Deliverables	Progress Update
Specific 2018-19 priorities (mandatory) ctd.	**LGBTI** 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.	Conduct a physical analysis of all sites to identify gaps where changes can be made to ensure LGBTI customers feel safe and welcome, and their privacy and confidentiality needs are met.	Using the Rainbow Tick accreditation framework as a guide, the Service undertook a gap analysis as a basis for future work to identify and eliminate LGBTI based discrimination. All forms and policies developed and reviewed are considered through the Rainbow Tick framework lens for LGBTI sensitivity.
		Develop an action plan, involving the community, and implement the strategies/solutions identified in the action plan to progress towards alignment with Rainbow Tick Accreditation.	A key achievement of the progress towards the Rainbow Tick accreditation has been the rollout of an LGBTI education program to over 50 percent of staff through the Service's People and Culture Days. The LGBTI inclusiveness training has been well received by staff and has provided an important perspective to the inequalities that LGBTI customers can face in healthcare related situations.

STATEMENT OF PRIORITIES PART B

HIGH QUALITY AND SAFE CARE

Key performance indicator	Target	2018-19 results
Accreditation		
Accreditation against the National Safety and Quality Health Service Standards	Full compliance	Achieved
Compliance with the Commonwealth's Aged Care Accreditation Standards	Full compliance	Not Achieved*
* West Wimmera Health Service's Iona Digby Harris Home received a 'not met' finding in relation to a section of one of the relevant Standards following an accreditation assessment visit in September 2018. The Service was able to promptly rectify the identified issue to the accreditation agency's satisfaction and has maintained continuous accreditation of its residential aged care facilities at all times.		
Infection prevention and control		
Compliance with the Hand Hygiene Australia program	80%	87.5%
Percentage of healthcare workers immunised for influenza	80%	93%
Patient experience		
Victorian Healthcare Experience Survey - data submission	Full compliance	Achieved
Victorian Healthcare Experience Survey – percentage of positive patient experience responses – Quarter 1	95% positive experience	100%
Victorian Healthcare Experience Survey – percentage of positive patient experience responses – Quarter 2	95% positive experience	100%
Victorian Healthcare Experience Survey – percentage of positive patient experience responses – Quarter 3	95% positive experience	Full Compliance*
Victorian Healthcare Experience Survey – percentage of very positive responses to questions on discharge care - Quarter 1	75% very positive experience	100%
Victorian Healthcare Experience Survey – percentage of very positive responses to questions on discharge care - Quarter 2	75% very positive experience	85.6%
Victorian Healthcare Experience Survey – percentage of very positive responses to questions on discharge care - Quarter 3	75% very positive experience	Full Compliance*
Victorian Healthcare Experience Survey – patients perception of cleanliness - Quarter 1	70%	84.5%
Victorian Healthcare Experience Survey – patients perception of cleanliness - Quarter 2	70%	89.9%
Victorian Healthcare Experience Survey – patients perception of cleanliness - Quarter 3	70%	Full Compliance*
* Less than 42 responses were received for the period due to the relative size of the Health Service		
Adverse events		
Sentinel events – root cause analysis (RCA) reporting	All RCA reports submitted within 30 business days	Achieved

STATEMENT OF PRIORITIES PART B [Continued]

STRONG GOVERNANCE, LEADERSHIP AND CULTURE

Key performance indicator	Target	2018-19 results
Organisational culture		
People matter survey - percentage of staff with an overall positive response to safety and culture questions	80%	94%
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%	97%
People matter survey – percentage of staff with a positive response to the question, "Patient care errors are handled appropriately in my work area"	80%	96%
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%	93%
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%	92%
People matter survey – percentage of staff with a positive response to the question, "Management is driving us to be a safety-centred organisation"	80%	98%
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%	92%
People matter survey – percentage of staff with a positive response to the question, "Trainees in my discipline are adequately supervised"	80%	89%
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%	96%

EFFECTIVE FINANCIAL MANAGEMENT

Key performance indicator	Target	2018-19 results
Finance		
Operating result ($m)	0.05	0.02
Average number of days to paying trade creditors	60 days	47
Average number of days to receiving patient fee debtors	60 days	14
Adjusted current asset ratio	0.7 or 3% improvement from health service base target	0.84
Number of days of available cash	14 days	23 days
Actual number of days a health service can maintain its op-erations with unrestricted available cash, measured on the last day of each month.	14 days	-36 days
Measures the accuracy of forecasting the Net result from transactions (NRFT) for the current financial year ending 30 June.	Variance ≤ $250,000	$170,000

STATEMENT OF PRIORITIES PART C

FUNDING TYPE	ACTIVITY
MENTAL HEALTH AND DRUG SERVICES	
Mental Health Residential	2,184
SMALL RURAL	
Small Rural Acute	56
Small Rural Primary Health & HACC	
• Initial Needs Identification	Service hours – 145
• Nursing	Service hours – 4,652
• Counselling/Casework	Service hours – 1,232
• Dietetics	Service hours – 783
• Occupational Therapy	Service hours – 931
• Physiotherapy	Service hours – 1,579
• Podiatry	Service hours – 2,313
• Speech Therapy	Service hours – 765
Small Rural Residential Care	Bed days – 46,196
Health Workforce	Number of students – 6

ATTESTATIONS

FINANCIAL MANAGEMENT COMPLIANCE ATTESTATION

I, Anne Rogers, on behalf of the Responsible Body, certify that West Wimmera Health Service has complied with the application Standing Directions of the Minister for Finance under the Financial Management Act 1994 and Instructions.

Anne Rogers | **Board President**
West Wimmera Health Service
September 2019

DATA INTEGRITY

I, Ritchie Dodds certify that West Wimmera Health Service has put in place appropriate internal controls and processes to ensure that reported data accurately reflects actual performance.

West Wimmera Health Service has critically reviewed these controls and processes during the year.

Ritchie Dodds | **Chief Executive Officer**
West Wimmera Health Service
September 2019

CONFLICT OF INTEREST

I, Ritchie Dodds, certify that West Wimmera Health Service 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 West Wimmera Health Service and members of the Board, and all declared conflicts have been addresses and are being managed. Conflict of interest is a standard agenda item for declaration and documenting at each executive board meeting.

Ritchie Dodds | **Chief Executive Officer**
West Wimmera Health Service
September 2019

ATTESTATIONS [Continued]

INTEGRITY, FRAUD AND CORRUPTION

I, Ritchie Dodds, certify that West Wimmera Health Service has put in place appropriate internal controls and processes to ensure that Integrity, fraud and corruption risks have been reviewed and addressed at West Wimmera Health Service during the year.

Ritchie Dodds | **Chief Executive Officer**
West Wimmera Health Service
September 2019

COMPLIANCE WITH HEALTH PURCHASING VICTORIA (HPV) HEALTH PURCHASING POLICIES

I, Ritchie Dodds, certify that West Wimmera Health Service 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.

Ritchie Dodds | **Chief Executive Officer**
West Wimmera Health Service
September 2019

DISCLOSURE INDEX

The annual report of West Wimmera Health Service 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		
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WEST WIMMERA HEALTH SERVICE

AUDITED FINANCIAL REPORT FOR THE FINANCIAL YEAR ENDING 30 JUNE 2019

West Wimmera Health Service

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

The attached financial statements for West Wimmera Health Service have been prepared in accordance with Direction 5.2 of the Standing Directions of the Assistant Treasurer under the *Financial Management Act 1994,* applicable Financial Reporting Directions, Australian Accounting Standards including Interpretations, and other mandatory professional reporting requirements.

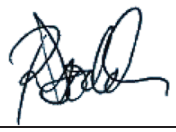
We further state that, in our opinion, the information set out in the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement and accompanying notes, presents fairly the financial transactions during the year ended 30 June 2019 and the financial position of West Wimmera Health Service 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 24 September 2019.

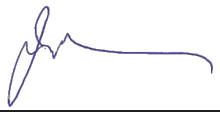
Anne Rogers
Board President

24 September 2019



Ritchie Dodds
Chief Executive Officer

24 September 2019



Janette Lakin
Chief Finance and Accounting Officer

24 September 2019

West Wimmera Health Service

Comprehensive Operating Statement
For the Financial Year Ended 30 June 2019

	Note	2019 $'000	2018 $'000
Income from Transactions			
Operating activities	2.1	45,165	43,609
Non-operating activities	2.1	283	332
Total Income from Transactions		**45,448**	**43,941**
Expenses from Transactions			
Employee expenses	3.1	(35,150)	(34,668)
Supplies and consumables	3.1	(5,133)	(5,679)
Finance costs	3.1	(28)	(21)
Depreciation & Amortisation	4.2	(4,633)	(4,522)
Other operating expenses	3.1	(2,248)	(2,510)
Total Expenses from Transactions		**(47,192)**	**(47,400)**
Net Result from Transactions - Net Operating Balance		**(1,744)**	**(3,459)**
Other Economic Flows included in Net Result			
Net gain/(loss) on disposal of non-financial assets	3.2	39	(10)
Net gain/(loss) on financial instruments at fair value	3.2	(680)	42
Effect of change in share of joint venture	3.2	(11)	(23)
Adjustments arising from bad and doubtful debts	3.2	(2)	(10)
Total Other Economic Flows included in Net Result		**(654)**	**(1)**
Net Result for the Year		**(2,398)**	**(3,460)**
Other Comprehensive Income			
Items that will not be reclassified to Net Result			
Changes in property, plant & equipment revaluation surplus	4.1(b)	17,137	60
Total Other Comprehensive Income		**17,137**	**60**
Comprehensive result for the year		**14,739**	**(3,400)**

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

West Wimmera Health Service

Balance Sheet
As at 30 June 2019

	Note	2019 $'000	2018 $'000
Current Assets			
Cash and Cash Equivalents	6.1	12,703	15,451
Receivables	5.1	876	776
Inventories		83	87
Prepayments and Other Assets		304	250
Total Current Assets		**13,966**	**16,564**
Non-Current Assets			
Receivables	5.1	2,729	2,423
Property, Plant & Equipment	4.1	78,558	61,155
Total Non-Current Assets		**81,287**	**63,578**
TOTAL ASSETS		**95,253**	**80,142**
Current Liabilities			
Payables	5.2	2,447	2,445
Borrowings	6.3	121	-
Provisions	3.3	8,965	8,414
Other liabilities	5.3	9,204	10,078
Total Current Liabilities		**20,737**	**20,937**
Non-Current Liabilities			
Borrowings	6.3	408	-
Provisions	3.3	1,185	1,021
Total Non-Current Liabilities		**1,593**	**1,021**
TOTAL LIABILITIES		**22,330**	**21,958**
NET ASSETS		**72,923**	**58,184**
EQUITY			
Property, Plant and Equipment Revaluation Surplus	4.1(f)	53,088	35,951
Contributed capital		27,808	27,808
Accumulated deficits		(7,973)	(5,575)
TOTAL EQUITY		**72,923**	**58,184**

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

West Wimmera Health Service

Statement of Changes in Equity
For the Financial Year Ended 30 June 2019

	Property, Plant & Equipment Revaluation Surplus	Contributed Capital	Accumulated Deficits	Total
	$'000	$'000	$'000	$'000
Balance at 1 July 2017	**35,891**	**27,808**	**(2,115)**	**61,584**
Other comprehensive income for the year	60	-	-	60
Net result for the year	-	-	(3,460)	(3,460)
Balance at 30 June 2018	**35,951**	**27,808**	**(5,575)**	**58,184**
Other comprehensive income for the year	17,137	-	-	17,137
Net result for the year	-	-	(2,398)	(2,398)
Balance at 30 June 2019	**53,088**	**27,808**	**(7,973)**	**72,923**

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

Cash Flow Statement
For the Financial Year Ended 30 June 2019

	Note	2019 $'000	2018 $'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating grants from government		24,292	24,236
Capital grants from government		2,163	779
Patient and resident fees received		16,425	16,944
Donations and bequests received		80	155
GST received from/(paid to) ATO		973	979
Interest received		283	332
Other receipts		1,682	2,034
Total Receipts		**45,898**	**45,459**
Employee expenses paid		(33,624)	(32,893)
Non salary labour costs		(1,184)	(1,424)
Payments for supplies & consumables		(8,406)	(9,127)
Finance costs		(28)	(21)
Total Payments		**(43,242)**	**(43,465)**
NET CASH FLOW FROM/(USED) IN OPERATING ACTIVITIES	8.1	**2,656**	**1,994**
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from disposal of Investments		-	2,000
Purchase of non-financial assets		(5,261)	(3,506)
Proceeds from disposal of non-financial assets		309	393
NET CASH FLOW FROM/(USED) IN INVESTING ACTIVITIES		**(4,952)**	**(1,113)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of borrowings		529	(65)
Receipt of Accommodation Deposits		1,310	1,737
Repayment of Accommodation Deposits		(2,291)	(2,470)
NET CASH FLOW FROM/(USED) IN FINANCING ACTIVITIES		**(452)**	**(798)**
NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS HELD		**(2,748)**	**83**
Cash and cash equivalents at beginning of financial year		**15,451**	**15,368**
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	6.1	**12,703**	**15,451**

This Statement should be read in conjunction with the accompanying notes

Basis of presentation

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

The accrual basis of accounting has been applied in preparing 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 West Wimmera Health Service "the Service" for the year ended 30 June 2019. The report provides users with information about West Wimmera Health Service's stewardship of resources entrusted to it.

(a) Statement of Compliance

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

West Wimmera Health Service is a not-for-profit entity and therefore applies the additional AUS paragraphs applicable to "not-for-profit" Health Service under the AASBs.

(b) Reporting Entity

The principal address of West Wimmera Health Service is:
47 Nelson Street
Nhill

A description of the nature of the Service'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 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 8.7 Economic Dependency).

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

All amounts in the financial statements have been rounded to the nearest $1,000 unless otherwise stated. Minor discrepancies in tables between totals and sum of components are due to rounding.

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 values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are reviewed on an ongoing basis. The estimates and associated assumptions are based on professional judgements derived from historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

Revisions to accounting estimates are recognised in the period in which the estimate is revised and 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 4.1 Property, Plant and Equipment);
- Defined benefit superannuation expense (refer to Note 3.4 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 3.3 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.

Note 1: Summary of Significant Accounting Policies (continued)

(d) 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 the Service.

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.

(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,the Service recognises in the financial statements:
• its assets, including its share of any assets held jointly;
• any liabilities including its share of liabilities that it had incurred;
• its revenue from the sale of its share of the output from the joint operation;
• its share of the revenue from the sale of the output by the operation; and
• its expenses, including its share of any expenses incurred jointly.
The Service is a member of the Gramprians Regional Health Alliance (GRHA) and retains joint control over the arrangement, which it has classified as a joint operation (refer to note 8.6 Interest in GRHA Joint Operation).

Note 2: Funding delivery of our services

West Wimmera Health Service's overall objective is to provide quality health service and is predominantly funded by accrual based grant funding for the provision of outputs. The Service also receives income from the supply of services.

Structure
2.1 Income from Transactions

Note 2.1: Income from Transactions	2019 $'000	2018 $'000
Government Grants - Operating	24,351	23,935
Government Grants - Capital	2,894	956
Indirect contributions by Department of Health and Human Services*	351	35
Patient and Resident Fees	15,709	16,498
Other Revenue from Operating Activities (including non-capital donations)	1,860	2,185
Total Income from Operating Activities	**45,165**	**43,609**
Other Interest	283	332
Total Income from Non-Operating Activities	**283**	**332**
Total Income from Transactions	**45,448**	**43,941**

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

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 the Health Service and the income can be reliably measured at fair value. Unearned income at reporting date is reported as income received in advance.
Amounts disclosed as revenue are, where applicable, net of returns, allowances, 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 Service gains control of the underlying assets irrespective of whether conditions are imposed on the Service's use of the contributions.

The Department of Health and Human Services makes certain payments on behalf of the Service. 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 Service has a present obligation to repay them and the present obligation can be reliably measured.

Patient and Resident Fees

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

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 donations and bequests, non-property rental, and bad debt reversals. If donations are for a specific purpose, they may be appropriated to a surplus, such as the specific restricted purpose surplus.

Donations and bequests are recognised as revenue when received. If donations are for a special 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 into account the effective yield of the financial asset, which allocates interest over the relevant period.

Note 3: The cost of delivering our services

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

Structure

3.1: Expenses from Transactions
3.2: Other Economic Flows
3.3: Employee Benefits in the Balance Sheet
3.4: Superannuation

Note 3.1: Expenses from Transactions

	2019 $'000	2018 $'000
Salaries and Wages	33,158	32,414
Non Salary Labour Costs	1,350	1,609
Workcover Premium	642	645
Total Employee Expenses	**35,150**	**34,668**
Drug Supplies	103	139
Medical and Surgical Supplies	773	1,114
Diagnostic and Radiology Supplies	30	32
Other Supplies and Consumables	4,227	4,394
Total Supplies and Consumables	**5,133**	**5,679**
Finance Costs	28	21
Total Finance Costs	**28**	**21**
Fuel, Light, Power and Water	855	934
Repairs and Maintenance	721	850
Medical Indemnity Insurance	199	181
Other Administrative Expenses	473	545
Total Other Operating Expenses	**2,248**	**2,510**
Depreciation & Amortisation (refer Note 4.2)	4,633	4,522
Total Other Non-Operating Expenses	**4,633**	**4,522**
Total Expenses from Transactions	**47,192**	**47,400**

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);
- Work cover premium;
- Non salary labour costs (primarily relate to contracted visiting medical officers);

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.

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 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.

Note 3.1: Expenses from Transactions (continued)

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 the Service. 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.

Note 3.2: Other Economic Flows

	2019 $'000	2018 $'000
Net gain/(loss) on sale of non-financial assets		
Net gain on disposal of property plant and equipment	39	(10)
Total net gain/(loss) on non-financial assets	**39**	**(10)**
Net gain/(loss) on financial instruments at fair value		
Allowance for impairment losses of contractual receivables	(2)	(10)
Total net gain/(loss) on financial instruments at fair value	**(2)**	**(10)**
Share of other economic flows from Joint Operations		
Share of net profits/(losses) of associates, excluding dividends	(11)	(23)
Total Share of other economic flows from Joint Operations	**(11)**	**(23)**
Other gains/(losses) from other economic flows		
Net gain/(loss) arising from revaluation of long service liability	(680)	42
Total other gains/(losses) from other economic flows	**(680)**	**42**
Total other gains/(losses) from economic flows	**(654)**	**(1)**

Other economic flows are changes in the volume or value of an asset or liability that do not result from transactions.

Net gain/ (loss) on non-financial assets

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

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

Net gain/ (loss) on financial instruments at fair value

Net gain/ (loss) on financial instruments at fair value includes:

- realised and unrealised gains and losses from revaluations of financial instruments at fair value;
- impairment and reversal of impairment for financial instruments at amortised cost; and
- disposals of financial assets and derecognition of financial liabilities.

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.

Note 3.3: Employee Benefits in the Balance Sheet	2019 $'000	2018 $'000
Current Provisions		
Employee Benefits (i)		
Accrued Days Off		
- Unconditional and expected to be settled wholly within 12 months (ii)	97	97
Annual leave		
- Unconditional and expected to be settled wholly within 12 months (ii)	2,165	2,141
- Unconditional and expected to be settled wholly after 12 months (iii)	367	365
Long service leave		
- Unconditional and expected to be settled wholly within 12 months (ii)	468	463
- Unconditional and expected to be settled wholly after 12 months (iii)	4,516	4,059
	7,613	**7,125**
Provisions related to Employee Benefit On-Costs		
- Unconditional and expected to be settled within 12 months (ii)	694	687
- Unconditional and expected to be settled after 12 months (iii)	658	602
	1,352	**1,289**
Total Current Provisions	**8,965**	**8,414**
Non-Current Provisions		
Long Service Leave	1,056	911
Provisions related to Employee Benefit On-Costs	129	110
Total Non-Current Provisions	**1,185**	**1,021**
Total Provisions	**10,149**	**9,435**

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

ii The amounts disclosed are nominal amounts.

[iii] The amounts disclosed are discounted to present values.

(a) Employee Benefits and Related On-Costs	2019 $'000	2018 $'000
Current Employee Benefits and Related On-Costs		
Annual Leave Entitlements	3,277	3,244
Accrued Days Off	97	97
Unconditional LSL Entitlement	5,591	5,073
Non-Current Employee Benefits		
Conditional Long Service Leave Entitlements	1,185	1,021
Total Employee Benefits and Related On-Costs	**10,149**	**9,435**

(b) Movements in On-Cost Provisions	
Balance at start of year	**1,399**
Additional provisions recognised	19
'Unwinding of discount and effect of changes in the discount rate	73
Reduction due to transfer out	(10)
Balance at end of year	**1,481**

Employee Benefit Recognition

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

Provisions

Provisions are recognised when the 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.

Employee benefits

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

Annual leave and Accrued days off

Liabilities for annual leave and accrued days off are 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 Service expects to wholly settle within 12 months; or
Present value – if the Service does not expect to wholly settle within 12 months.

Note 3.3: Employee benefits in the balance sheet (continued)

Long service leave (LSL)

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

Unconditional LSL is disclosed in the notes to the financial statements as a current liability, even where the 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 the current LSL liability are measured at:

Nominal value – if the Service expects to wholly settle within 12 months; or
Present value – if the Service 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.

The Service recognises termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy.

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 3.4: Superannuation

	Paid Contributions for the Year		Contributions Outstanding at Year End	
	2019 $'000	2018 $'000	2019 $'000	2018 $'000
Defined benefit plans (i) :				
First State Superannuation Fund	90	100	1	7
Total defined benefit plans	**90**	**100**	**1**	**7**
Defined contribution plans:				
First State Superannuation Fund	2,758	2,835	316	213
HESTA Superannuation Fund	189	174	23	14
Other	406	282	53	25
Total defined contribution plans	**3,353**	**3,291**	**392**	**252**
Total	**3,443**	**3,391**	**393**	**259**

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

Employees of the Service are entitled to receive superannuation benefits and the Service contributes to both defined benefit and defined contribution plans. The defined benefit plans provide 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 Service to the superannuation plans in respect of the services of current 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.

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

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

The Service 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 Service to be utilised for delivery of those outputs.

Structure

4.1 Property, plant & equipment
4.2 Depreciation & Amortisation

Note 4.1: Property, Plant and Equipment

(a) Gross carrying amount and accumulated depreciation	2019 $'000	2018 $'000
Land		
Land at Fair Value	1,365	939
Total Land	**1,365**	**939**
Buildings		
Buildings at Fair Value	65,746	65,464
Less Acc'd Depreciation	-	(13,120)
Total Buildings	**65,746**	**52,344**
Plant and Equipment		
Plant and Equipment at Fair Value	4,426	3,637
Less Acc'd Depreciation	(2,551)	(2,239)
Total Plant and Equipment	**1,875**	**1,398**
Medical Equipment		
Medical Equipment at Fair Value	4,784	4,618
Less Acc'd Depreciation	(3,491)	(3,227)
Total Medical Equipment	**1,293**	**1,391**
Computers & Communication Equipment		
Computers & Communication at Fair Value	2,175	1,969
Less Acc'd Depreciation	(1,475)	(1,228)
Total Computers & Communication Equipment	**700**	**741**
Motor Vehicles		
Motor Vehicles at Fair Value	1,604	2,015
Less Acc'd Depreciation	(864)	(783)
Total Motor Vehicles	**740**	**1,232**
Furniture and Fittings at fair value		
Furniture and Fittings at Fair Value	2,097	2,043
Less Acc'd Depreciation	(1,695)	(1,613)
Total Furniture and Fittings	**402**	**430**
Leased Assets		
Leased Assets at Fair Value	574	**-**
Less Acc'd Depreciation	(46)	**-**
Total Leased Assets	**528**	**-**
Assets under Construction		
Assets Under Construction at Cost	5,909	2,680
Total Assets under Construction	**5,909**	**2,680**
TOTAL	**78,558**	**61,155**

Note 4.1: Property, Plant and Equipment (Continued)

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

	Land	Buildings	Plant & Equipment	Medical Equipment	Computers & Comms	Motor Vehicles
	$'000	$'000	$'000	$'000	$'000	$'000
Balance at 30 June 2017	**886**	**55,638**	**1,705**	**1,065**	**772**	**1,075**
Additions	-	-	347	506	216	910
Additions / (Disposals) - GRHA	-	-	8	-	-	(3)
Transfer to / from Assets Under Construction	-	-	134	81	-	-
Disposals	-	-	(7)	(21)	-	(375)
Revaluation Increments/(Decrements)	53	7	-	-	-	-
Net Transfers between Classes	-	-	(430)	-	-	-
Depreciation & Amortisation (refer Note 4.2)	-	(3,301)	(359)	(240)	(247)	(375)
Balance at 30 June 2018	**939**	**52,344**	**1,398**	**1,391**	**741**	**1,232**
Additions	-	25	195	167	160	42
Additions / (Disposals) - GRHA	-	-	-	-	-	-
Transfer to / from Assets Under Construction	-	-	629	-	90	-
Disposals	-	-	-	-	-	(270)
Revaluation Increments/(Decrements)	426	16,711	-	-	-	-
Depreciation & Amortisation (refer Note 4.2)	-	(3,334)	(347)	(265)	(291)	(264)
Balance at 30 June 2019	**1,365**	**65,746**	**1,875**	**1,293**	**700**	**740**

	Furniture & Fittings	Leased Assets	Assets Under Construction	Total
	$'000	$'000	$'000	$'000
Balance at 30 June 2017	**-**	**-**	**1,373**	**62,514**
Additions	-	-	1,472	**3,451**
Additions / (Disposals) - GRHA	-	-	50	**55**
Transfer to / from Assets Under Construction	-	-	(215)	**-**
Disposals	-	-	-	**(403)**
Revaluation Increments/(Decrements)	-	-	-	**60**
Net Transfers between Classes	430	-	**-**	**-**
Depreciation & Amortisation (refer Note 4.2)	-	-	-	**(4,522)**
Balance at 30 June 2018	**430**	**-**	**2,680**	**61,155**
Additions	58	574	4,080	**5,301**
Additions / (Disposals) - GRHA	-	-	(132)	**(132)**
Transfer to / from Assets Under Construction	-	-	(719)	**-**
Disposals	-	-	-	**(270)**
Revaluation Increments/(Decrements)	-	-	-	**17,137**
Depreciation & Amortisation (refer Note 4.2)	(86)	(46)	-	**(4,633)**
Balance at 30 June 2019	**402**	**528**	**5,909**	**78,558**

Initial recognition

Items of property, plant and equipment, are measured initially at cost and subsequently revalued at fair value less accumulated depreciation and impairment. Where an asset is acquired for no or nominal cost, the cost is its fair value at the date of acquisition. Assets transferred as part of a machinery of government change are transferred at their carrying amount.

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

The initial cost for non-financial physical assets under a finance lease 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 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 de-recognition of the relevant asset, except where an asset is transferred via contributed capital.

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

Note 4.1: Property, Plant and Equipment (Continued)

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

The Valuer-General Victoria (VGV) is the Service'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 are 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, the Service has assumed the current use of a nonfinancial 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 and non-specialised buildings

Non-specialised land and non-specialised buildings are valued using the market approach, whereby assets are compared to recent comparable sales or sales of comparable assets that are considered to have nominal value or no added improvement value.

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

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

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

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

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

Vehicles

The 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 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 amount (depreciated cost).

Plant and Equipment

Plant and equipment (including medical equipment, computers and communication equipment and furniture and fittings) are held at carrying amount (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 amount.

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 4.1: Property, Plant and Equipment (Continued)

Land and buildings carried at valuation

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

(c) Fair value measurement hierarchy for assets

Carrying amount as at 30 June 2019	Carrying amount as at 30 June 2019 $'000	Fair value measurement at end of reporting period using: Level 1 $'000	Level 2 $'000	Level 3 $'000
Land at fair value				
Non-specialised land	423	-	423	-
Specialised land	942	-	-	942
Total of land at fair value	1,365	-	423	942
Buildings at fair value				
Non-specialised buildings	2,092	-	2,092	-
Specialised buildings	63,654	-	-	63,654
Total of building at fair value	65,746	-	2,092	63,654
Plant and equipment at fair value				
Plant and equipment	1,875	-	-	1,875
Total of plant and equipment at fair value	1,875	-	-	1,875
Medical equipment at fair value				
Medical equipment	1,293	-	-	1,293
Total medical equipment at fair value	1,293	-	-	1,293
Computers and communications at fair value				
Computers and communications equipment	700	-	-	700
Total computers and communications equipment at fair value	700	-	-	700
Motor Vehicles at fair value				
Motor Vehicles	740	-	-	740
Total Motor Vehicles at fair value	740	-	-	740
Furniture and Fittings at fair value				
Furniture and fittings	402	-	-	402
Total furniture and fittings at fair value	402	-	-	402
Leased Assets at Fair Value				
Leased Assets	528	-	-	528
Total Leased Assets at Fair Value	528	-	-	528
Total Property, Plant and Equipment	**72,649**	**-**	**2,515**	**70,134**

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

Carrying amount as at 30 June 2018	Carrying amount as at 30 June 2018 $'000	Fair value measurement at end of reporting period using: Level 1 $'000	Level 2 $'000	Level 3 $'000
Land at fair value				
Non-specialised land	381	-	381	-
Specialised land	558	-	-	558
Total of land at fair value	939	-	381	558
Buildings at fair value				
Non-specialised buildings	1,332	-	1,332	-
Specialised buildings	51,012	-	-	51,012
Total of building at fair value	52,344	-	1,332	51,012
Plant and equipment at fair value				
Plant and equipment	1,398	-	-	1,398
Total of plant and equipment at fair value	1,398	-	-	1,398
Medical equipment at fair value				
General medical equipment	1,391	-	-	1,391
Total medical equipment at fair value	1,391	-	-	1,391
Computers and communications at fair value				
Computers and communications equipment	741	-	-	741
Total computers and communications equipment at fair value	741	-	-	741
Motor vehicles at fair value				
Motor vehicles	1,232	-	-	1,232
Total Motor vehicles at fair value	1,232	-	-	1,232
Furniture and Fittings at fair value				
Furniture and fittings	430	-	-	430
Total furniture and fittings at fair value	430	-	-	430
	58,475	**-**	**1,713**	**56,762**

Level 1, 2 and 3 are classified in accordance with the fair value hierarchy.
There have been no transfers between levels during the period.

Note 4.1: Property, Plant and Equipment (Continued)

(d) Reconciliation of Level 3 Fair Value measurement*

	Land $'000	Buildings $'000	Plant & equipment $'000	Medical equipment $'000	Computers & Comms. $'000	Motor Vehicles $'000
Balance at 1 July 2017	**531**	**54,303**	**1,275**	**1,065**	**772**	**1,075**
Additions/(Disposals)	-	-	482	566	216	531
Depreciation & Amortisation	-	(3,298)	(359)	(240)	(247)	(374)
Revaluation	27	7	-	-	-	-
Closing Balance at 30 June 2018	**558**	**51,012**	**1,398**	**1,391**	**741**	**1,232**
Additions/(Disposals)	-	-	824	167	250	(228)
Depreciation & Amortisation	-	(3,205)	(347)	(265)	(291)	(264)
Revaluations	384	15,847	-	-	-	-
Balance at 30 June 2019	**942**	**63,654**	**1,875**	**1,293**	**700**	**740**

	Furniture & Fittings $'000	Leased Assets $'000	Totals $'000
Balance at 1 July 2017	**430**	**-**	**59,451**
Additions/(Disposals)	-	-	1,795
Depreciation & Amortisation	-	-	(4,518)
Revaluation	-	-	34
Closing Balance at 30 June 2018	**430**	**-**	**56,762**
Additions/(Disposals)	56	574	1,643
Depreciation & Amortisation	(84)	(46)	(4,502)
Revaluations	-	-	16,231
Balance at 30 June 2019	**402**	**528**	**70,134**

Note:
*Classified in accordance with the fair value hierarchy, refer Note 4.1(c).

(e) Property, plant and equipment fair value determination

Asset class	Likely valuation approach	Significant inputs (Level 3 only)
Non-specialised land	Market approach	N/A
Specialised land (Crown / Freehold)	Market approach	Community Service Obligations Adjustment 20%
Non-specialised buildings	Market approach	N/A
Specialised buildings	Depreciated replacement cost approach	- Cost per square metre - Useful life
Dwellings	Market approach	N/A
	Depreciated replacement cost approach	- Cost per square metre - Useful life
Infrastructure	Depreciated replacement cost approach	- Cost per unit - Useful life
Road, infrastructure and earthworks	Depreciated replacement cost approach	- Cost per square metre - Useful life
Plant and equipment	Depreciated replacement cost approach	- Cost per unit - Useful life
Vehicles	Market approach	N/A
	Depreciated replacement cost approach	- Cost per unit - Useful life

(f): Property, Plant and Equipment Revaluation Surplus

	2019 $'000	2018 $'000
Property, Plant and Equipment Revaluation Surplus		
Balance at the beginning of the reporting period	35,951	35,891
- Land	426	60
- Buildings	16,711	-
Balance at the end of the reporting period*	**53,088**	**35,951**
*** Represented by:**		
- Land	786	359
- Buildings	52,302	35,592
	53,088	**35,951**

Note 4.2: Depreciation & Amortisation

	2019 $'000	2018 $'000
Depreciation		
Buildings	3,334	3,301
Plant & Equipment	347	359
Medical Equipment	265	240
Computers & Communication	291	247
Motor Vehicles	264	375
Furniture & Fittings	86	-
Total Depreciation	**4,587**	**4,522**
Amortisation		
Leased Assets	46	-
Total Amortisation	**46**	**-**
Total Depreciation & Amortisation	**4,633**	**4,522**

Depreciation & Amortisation

All infrastructure assets, buildings, plant and equipment and other non-financial physical assets (excluding items under operating leases and land) 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 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 and amortisation charges are based.

	2019	2018
Buildings	5 to 47 years	5 to 47 years
Plant & Equipment	5 to 10 years	5 to 10 years
Medical Equipment	5 to 10 years	5 to 10 years
Computers and Communication	4 to 10 years	4 to 10 years
Motor Vehicles	5 to 10 years	5 to 10 years
Furniture and Fitting	5 to 10 years	5 to 10 years

Note 5: Other assets and liabilities

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

Structure

5.1 Receivables
5.2 Payables
5.3 Other liabilities

Note 5.1: Receivables

	2019 $'000	2018 $'000
CURRENT		
Contractual		
Trade Debtors	248	274
Sundry Debtors - GRHA	18	23
Patient Fees	270	268
Tenant Bond Monies Held	1	1
Accrued Revenue - Other	224	177
Less: Allowance for impairment losses of contractual receivables		
- Trade Debtors	(5)	(5)
- Patient Fees	(10)	(10)
	746	**728**
Statutory		
GST Receivable	130	48
Total Statutory	**130**	**48**
TOTAL CURRENT RECEIVABLES	**876**	**776**
NON CURRENT		
Statutory		
Long Service Leave - Department of Health and Human Services	2,729	2,423
TOTAL NON-CURRENT RECEIVABLES	**2,729**	**2,423**
TOTAL RECEIVABLES	**3,605**	**3,199**
(a) Movement in the allowance for impairment losses of contractual receivables		
Balance at beginning of year	15	10
Reversal of allowance written off during the year as uncollectable	-	-
Reversal of unused allowance recognised in the net result	-	-
Increase in allowance recognised in the net result	-	5
Balance at end of year	**15**	**15**

Receivables recognition

Receivables consist of:

- contractual receivables, which includes mainly 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 attributed transaction costs. The Service holds the contractual receivables with the objective to collect the contractual cash flows and therefore subsequently measured at amortised cost using the effective interest method, less any impairment.

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

Note 5.1: Receivables (continued)

Receivables recognition

Trade debtors are carried at nominal amounts due and are due for settlement within 30 days from the date of recognition. The Service is not exposed to any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. Trade receivables consist of a large number of customers in various geographical areas. Based on historical information about customer default rates, management consider the credit quality of trade receivables that are not past due or impaired to be good.

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 expense recognised in the net result as an 'other economic flow'. However, when it becomes mutually agreed between debtor and creditor that the receivable has become uncollectible, the carrying amount of the receivable is 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 expense initially recognised as an 'other economic flow' will is reversed.

Impairment losses of contractual receivables

Refer to Note 7.1 Contractual receivables at amortised costs for the Service's contractual impairment losses.

Impairment of financial assets under AASB 9 – applicable from 1 July 2018

From 1 July 2018, the Service 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 Service'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

The Service 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. The Service has grouped contractual receivables on shared credit risk characteristics and days past due and select the expected credit loss rate based on the Service's past history, existing market conditions, as well as forward looking estimates at the end of the financial year.

On this basis, the Service determines the opening loss allowance on initial application date of AASB 9 and the closing loss allowance at end of the financial year as above.

Note 5.2: Payables

	2019	2018
CURRENT	**$'000**	**$'000**
Contractual		
Trade Creditors (i)	805	690
Trade Creditors - GRHA	65	44
Accrued Expenses	207	448
Accrued Salaries & Wages	1,324	1,263
Inter- hospital creditors	46	-
TOTAL PAYABLES -CURRENT	**2,447**	**2,445**

Payables Recognition

Payables consist of:

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

(i) The average credit period is 30 days. Interest is not changed on outstanding invoices.

- statutory payables, such as goods and services tax and fringe benefits tax payables but are not classified as financial instruments because they do not arise from a contract.

Maturity analysis of payables

Please refer to Note 7.1(b) for the ageing analysis of payables

Note 5.3: Other liabilities

	2019	2018
	$'000	**$'000**
CURRENT		
Unearned Revenue	470	566
Monies Held in Trust*		
- Accommodation Bonds and Refundable Accommodation Deposits	8,524	9,505
Other		
- PAYG Tax	207	2
- Residential Tenancy Bonds	3	5
Total Current Other Liabilities	**9,204**	**10,078**
*** Total Monies Held in Trust**		
Represented by the following assets:		
Cash Assets	7,919	8,900
Investment and other financial assets - Land and Buildings	605	605
TOTAL	**8,524**	**9,505**

Accommodation Bonds and Refundable Accommodation Deposits

The liability which arises from refundable accommodation charges and accommodation deposits paid by residents of residential aged care services. The amounts are recognised as a liability when the Service receives the funds.

Note 6: How we finance our operations

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

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
6.3 Borrowings

Note 6.1: Cash and Cash Equivalents

	2019 $'000	2018 $'000
Cash on hand (excluding Monies held in trust)	3	5
Cash at bank (excluding Monies held in trust)	795	1,270
Cash - GRHA (excluding Monies held in trust)	184	274
Deposits at call (Monies held in trust) (refer to Note 5.3)	8,524	9,505
Deposits at call	3,197	4,397
Total Cash and Cash Equivalents	**12,703**	**15,451**

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

Note 6.2: Commitments for expenditure

	2019 $'000	2018 $'000
Capital expenditure commitments		
Not later than one year	5,608	-
Later than 1 year and not later than 5 years	-	-
Later than 5 years	-	-
Total	**5,608**	**-**
Operating Expenditure Commitments		
Cancellable		
Not later than one year	-	8
Later than 1 year and not later than 5 years	-	7
Total Operating Expenditure Commitments	**-**	**15**
Total Commitments for Expenditure (inclusive of GST)	**5,608**	**15**
less GST recoverable from the Australian Tax Office	(510)	(1)
Total Commitments for Expenditure (exclusive of GST)	**5,098**	**14**

Future finance lease payments are recognised on the balance sheet, refer to Note 6.3 Borrowings.

Commitments

Commitments for future expenditure include operating and capital commitments arising from contracts. These commitments are disclosed 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 projects are stated. These future expenditures cease to be disclosed as commitments once the related liabilities are recognised on the Balance Sheet.

Note 6.3: Borrowings

	2019 $'000	2018 $'000
CURRENT		
Finance Lease Liability (i)	121	-
Total Current Borrowings	**121**	**-**
NON CURRENT		
Finance Lease Liability	408	-
Total Non Current Borrowings	**408**	**-**
Total Borrowings	**529**	**-**

(i) Secured by the assets leased. Finance leases are effectively secured as the rights to the leased assets revert to the lessor in the event of default.

Note 6.3: Borrowings (continued)

(a) Maturity analysis of borrowings

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

(b) Defaults and breaches

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

(c) Finance Lease Liabilities

	Minimum future lease payments		Present value of minimum future lease payments	
Finance Leases	**2019 $'000**	**2018 $'000**	**2019 $'000**	**2018 $'000**
Repayments in relation to finance leases are payable as follows:				
Not later than one year	135	-	121	-
Later than 1 year and not later than 5 years	421	-	408	-
Later than 5 years	-	-	-	-
Minimum lease payments	556	-	529	-
Less future finance charges	(27)	-		
TOTAL	**529**	**-**	**529**	**-**
Included in the financial statements as:				
Current borrowings finance lease liability			121	-
Non-current borrowings finance lease liability			408	-
TOTAL	**-**	**-**	**529**	**-**

Lease assets were taken up for the first time 2019.

Borrowings Recognition

A lease is a right to use an asset for an agreed period of time in exchange for payment. Leases are classified at their inception as either operating or finance leases based on the economic substance of the agreement so as to reflect the risks and rewards incidental to ownership. Leases of property, plant and equipment are classified as finance leases whenever the terms of the lease transfers substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases, in the manner described in Note 6.2 Commitments.

Entity as lessee

Finance leases are recognised as assets and liabilities at amounts equal to the fair value of the lease property or, if lower, the present value of the minimum lease payment, each determined at the inception of the lease. The lease assets under the PPP arrangement are accounted for as a non-financial physical asset and is depreciated over the term of the lease plus five years. Minimum lease payments are apportioned between reduction of the outstanding lease liability, and the periodic finance expense which is calculated using the interest rate implicit in the lease, and charged directly to the Comprehensive Operating Statement. Contingent rentals associated with finance leases are recognised as an expense in the period in which they are incurred.

Note 7: Risks, contingencies & valuation uncertainties

The Service 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 Service 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 the Service'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.*

(a) Financial instruments: categorisation

2019	Financial assets at amortised cost $'000	Financial liabilities at amortised cost $'000	Total $'000
Contractual Financial Assets			
Cash and cash equivalents	12,703		12,703
Receivables			
- Trade Debtors	486		486
- Patient Fees	260		260
Total Financial Assets	**13,449**		**13,449**
Financial Liabilities			
Payables		2,447	2,447
Lease - Motor Vehicles		529	529
Other Financial Liabilities (accommodation deposits)		8,524	8,524
Total Financial Liabilities		**11,500**	**11,500**

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	15,451		15,451
Receivables			
- Trade Debtors	470		470
- Patient Fees	258		258
Total Financial Assets	**16,179**		**16,179**
Financial Liabilities			
Payables		2,445	2,445
Other Financial Liabilities (accommodation deposits)		9,505	9,505
Total Financial Liabilities		**11,950**	**11,950**

Categories of financial instruments

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 the Service 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 Service recognises the following assets in this category:

- cash and deposits
- receivables (excluding statutory receivables); and
- 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 Comprehensive Operating Statement over the period of the interest bearing liability, using the effective interest rate method. The Service recognises the following liabilities in this category:

- payables (excluding statutory payables);
- borrowings (including finance lease liabilities); and
- residential aged care accommodation bonds and refundable accommodation deposits

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.

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

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

				Maturity Dates			
2019	**Note**	**Carrying Amount $'000**	**Nominal Amount $'000**	**Less than 1 Month $'000**	**1-3 Months $'000**	**3 months - 1 Year $'000**	**1-5 Years**
Financial Liabilities							
At amortised cost							
Payables	5.2	2,447	2,447	2238	178	31	-
Borrowings	6.3	529	529	10	21	90	408
Other Financial Liabilities (i)							
- Accommomodation Deposits	5.3	8,524	8,524	-	-	8,524	-
Total Financial Liabilities		**11,500**	**11,500**	**2,248**	**199**	**8,645**	**408**
2018							
Financial Liabilities							
Payables	5.2	2,445	2,445	2,284	107	54	-
Borrowings	6.3	-	-	-	-	-	-
Other Financial Liabilities (i)							
- Accommomodation Deposits	5.3	9,505	9,505			9,505	
Total Financial Liabilities		**11,950**	**11,950**	**2,284**	**107**	**9,559**	**-**

Note 7.1 (c) Contractual receivables at amortised cost

1-Jul-18	***Current***	***Less than 1 month***	***1–3 months***	***3 months –1 year***	***1–5 years***	***Total***
Expected loss rate	0%	4%	0	9%	0%	
Gross carrying amount of contractual receivables	506	97	62	78	-	**743**
Loss allowance	**0**	**4.2**	**4**	**7.0**	**0.0**	**15**

30-Jun-19	***Current***	***Less than 1 month***	***1–3 months***	***3 months –1 year***	***1–5 years***	***Total***
Expected loss rate	0%	4%	0	7%	0%	
Gross carrying amount of contractual receivables	512	106	51	92	-	**761**
Loss allowance	**0**	**4.4**	**4**	**6**	**0**	**15**

Reconciliation of the movement in the loss allowance for contractual receivables

Impairment of financial assets: At the end of each reporting period, the 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*.

	2018 **$'000**	***2017*** **$'000**
Balance at beginning of the year	**15**	**15**
Opening retained earnings adjustment on adoption of AASB 9	**-**	**-**
Opening Loss Allowance	**15**	**15**
Modification of contractual cash flows on financial assets	**-**	**-**
Increase in provision recognised in the net result	**-**	**-**
Reversal of provision of receivables written off during the year as uncollectible	**-**	**-**
Reversal of unused provision recognised in the net result	**-**	**-**
Balance at end of the year	**15**	**15**

Statutory receivables and debt investments at amortised cost

The Service'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

Details of estimates of maximum amounts of Contingent Assets or Contingent Liabilities are as follows:

	2019 $'000	**2018 $'000**
Contingent Liabilities		
Quantifiable		
Caveat over Property - Kaniva Hostel Units	200	200
Total Quantifiable Contingent Liabilities	**200**	**200**

The above amounts are nominal amounts inclusive of GST.

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

Note 8: Other disclosures

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

Structure

8.1 Reconciliation of net result for the year to net cash inflow/(outflow) from operating activities
8.2 Responsible persons disclosures
8.3 Renumeration of Executives
8.4 Related parties
8.5 Remuneration of auditors
8.6 Interest in GRHA Joint Operation
8.7 Economic Dependency
8.8 AASBs issued that are not yet effective

Note 8.1: Reconciliation of Net Result for the Year to Net Cash Inflow/(Outflow) from Operating Activities

	2019 $'000	2018 $'000
Net result for the period	(2,398)	(3,460)
Non-cash movements:		
Depreciation & Amortisation	4,633	4,522
DHHS Non-Cash LSL Revenue	307	(7)
Net Movement in Financial Lease	(45)	-
Provision for doubtful debts	-	(10)
Net Result for the Year - GRHA	(11)	40
Movements included in investing and financing activities		
Net (gain)/loss from disposal of non financial physical assets	(39)	10
Movements in assets and liabilities:		
Change in operating assets and liabilities		
(Increase)/decrease in receivables	(101)	274
(Increase)/decrease in prepayments	(54)	(132)
Increase/(decrease) in payables	(109)	754
Increase/(decrease) in provisions	714	45
Increase/(decrease) in other liabilities	(245)	(38)
(Increase)/decrease in inventories	4	(4)
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	**2,656**	**1,994**

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 and Minister for Ambulance Services		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
Governing Board Directors:		
Mrs Leonie Clarke	Board President	01/07/2018 - 30/06/2019
Mrs Anne Rogers	Board Vice-President	01/07/2018 - 30/06/2019
Mr John Millington	Board Director	01/07/2018 - 30/06/2019
Mrs Therese Allen	Board Director	01/07/2018 - 30/06/2019
Mrs Katherine Colbert	Board Director	01/07/2018 - 30/06/2019
Mrs Alex Hall (resigned 1 August 2018)	Board Director	01/07/2018 - 01/08/2018
Mr Lloyd Milgate	Board Director	01/07/2018 - 30/06/2019
Mr Henry Banh (appointed 31 December 2018)	Board Director	31/12/2018 - 30/06/2019
Accountable Officers		
R Dodds	Chief Executive Officer	01/07/2018 - 30/06/2019

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

Remuneration of Responsible Persons

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

Income Band	2019 $'000	2018 $'000
$0 - $9,999	8	10
$160,000 - $169,999	-	1
$210,000 - $219,999	-	1
$230,000 - $239,999	1	-
Total Numbers	9	12

Total remuneration received, due and receivable by Responsible Persons from the service amounted to $264,816; (2018: $372,002).

Other transactions of Responsbile Persons and their Related Parties

There were no material other transactions with Responsible Persons and their Related Parties.

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 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 include amounts such as wages, salaries, 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 include 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.

Remuneration of executive officers

	2019 $'000	2018 $'000
Short-term employee benefits	698	704
Post-employment benefits	62	63
Other long-term benefits	19	167
Total remuneration	**779**	**934**
Total number of executive officers	5	5
Total annualised employee equivalent (AEE)	4.6	3.61

The total number of executive officers includes persons who meet the defnintion of Key Managment Personnel (KMP) of the entity under AASB 124 *Related Party Disclosures* and are also relevant to the related parties note disclosure (Note 8.4).

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

Note 8.4: Related parties

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

- all key management personnel (KMP) and their close family members;
- all cabinet ministers and their close family members;
- Grampians Rural Health Alliance Information Technology Joint Venture; and
- all hospitals and public sector entities that are controlled and consolidated into the whole of state consolidated financial statements.

KMPs are those people with the authority and responsibility for planning, directing and controlling the activities of the Service and its controlled entities, directly or indirectly. The Board of Directors and the Executive Directors of the Health Service and it's controlled entities are deemed to be KMPs.

The compensation detailed below is reported in $'000 and 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.

Entity	KMPs	Position Title
West Wimmera Health Service	Mrs Leonie Clarke	Board President
West Wimmera Health Service	Mrs Anne Rogers	Board Vice-President
West Wimmera Health Service	Mrs Therese Allen	Board Director
West Wimmera Health Service	Mrs Katherine Colbert	Board Director
West Wimmera Health Service	Mrs Alex Hall	Board Director
West Wimmera Health Service	Mr John Millington	Board Director
West Wimmera Health Service	Mr Lloyd Milgate	Board Director
West Wimmera Health Service	Mr Ritchie Dodds	Chief Executive Officer
West Wimmera Health Service	Mrs Janette Lakin	Executive Director Finance & Administration (09/05/2019 - 30/06/2019)
West Wimmera Health Service	Mrs Melanie Albrecht	Executive Director Business & Strategy
West Wimmera Health Service	Mr Darren Welsh	Executive Director Corporate & Quality
West Wimmera Health Service	Mrs Jan Fisher	Executive Director Clinical Services
West Wimmera Health Service	Mrs Alex Hall	Executive Director Community Health (28/08/2018 - 30/06/19)

Compensation - KMPs	2019 $'000	2018 $'000
Short-term employee benefits	937	1,058
Post-employment benefits	81	81
Other long-term benefits	26	167
Total*	1,044	1,306

*KMPs are also reported in Note 8.2 Responsible Persons or Note 8.3 Remuneration of Executives.

Significant transactions with government related entities

The Service received funding from the Department of Health and Human Services of $23.32 million (2018: $21.44 million).

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

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

The Standing Directions of the Minister for Finance require the Service 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 Service, there were no related party transactions that involved key management personnel, their close family members and their personal business interests. No provision has been required, nor any expense recognised, for impairment of receivables from related parties. 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 the Service Board of Directors, Chief Executive Officer and Executive Directors in 2019.

Note 8.5 Remuneration of auditors

	2019 $'000	2018 $'000
Victorian Auditor-General's Office		
Audit of financial statements	27	26
	27	**26**

Note 8.6: Interest in GRHA Joint Operation

Name of Entity	Principal Activity	Country of Incorp'n	Ownership Interest 2019 %	Ownership Interest 2018 %	Published Fair Value 2019 $'000	Published Fair Value 2018 $'000
Jointly Controlled Entities						
Grampians Regional Health Alliance IT JVA	Info. Tech. Services	Australia	8	7.8	587	597

The Service's interest in the above jointly controlled operations and assets is detailed below. The amounts are included in each relevant category of the financial statements and notes thereto.

	2019 $'000	2018 $'000
Summarised balance sheet:		
Current assets		
Cash and cash equivalents	184	274
Receivables	19	23
Other current assets	23	14
Total current assets	**226**	**311**
Non-Current Assets		
Property, Plant & Equipment	425	330
Total Non-Current Assets	**425**	**330**
Total Assets	**651**	**641**
Current Liabilities		
Payables	64	44
Total current liabilities	**64**	**44**
Total Liabilities	**64**	**44**
Equity		
Accumulated Surpluses	**587**	**597**
Total Equity	**587**	**597**
Summarised operating statement:		
Revenue		
Revenue from operating activities	496	455
Capital revenue	25	67
Total Revenue	**521**	**522**
Expenses		
Info. Tech. and Administrative Expenses	421	300
Employee Expenses	86	125
Effect of Change in Share of JVA	-	23
Depreciation & Amortisation	25	34
Total Expenses	**532**	**482**
Share of Joint Venture's Other Comprehensive Income		
Dividends received from jointly controlled entities		
Net Result	**(11)**	**40**

Contingent Liabilities and Capital Commitments

There are no known contingent liabilities or capital commitments held by the jointly controlled operations at balance date.

Note 8.7: Economic Dependency

The Health Service 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 West Wimmera Health Service.

Note 8.8: AASBs issued that are not yet effective

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. The Service has not and does not intend to adopt these standards early.

Topic	Key requirements	Effective dates and impact on the 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	1 Jan 2019 The assessment has indicated that there will be no significant impact for the Health Service.
AASB 2016-7 Amendments to Australian Accounting Standards – Deferral of AASB 15 for Not-for-Profit Entities	This standard defers the mandatory effective date of AASB 15 for not-for-profit entities from 1 January 2018 to 1 January 2019.	1 Jan 2019 This amending standard will defer the application period of AASB 15 for not-for-profit entities to the 2019-20 reporting period.
AASB 2016-8 Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities	This Standard amends AASB 9 and AASB 15 to include requirements and implementation guidance to assist not-for-profit entities in applying the respective standards to particular transactions and events. The amendments: ☐ require non-contractual receivable arising from statutory requirements (i.e. taxes, rates and fines) to be initially measured and recognised in accordance with AASB 9 as if those receivables are financial instruments; and ☐ clarifies circumstances when a contract with a customer is within the scope of AASB 15	1 Jan 2019 This standard clarifies the application of AASB 15 and AASB 9 in a not-for-profit context. The areas within these standards that are amended for not-for-profit application include: AASB 9 ☐ Statutory receivables are recognised and measured similarly to financial assets ☐ The "customer" does not need to be the recipient of goods and/or services; ☐ The "contract" could include an arrangement entered into under the direction of another party; ☐ Contracts are enforceable if they are enforceable by legal or "equivalent means"; ☐ Contracts do not have to have commercial substance, only economic substance; and ☐ Performance obligations need to be "sufficiently specific" to be able to apply AASB 15 to these transactions.
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 which has an impact on net debt.	1 Jan 19 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. The Service does not have operating leases and this standard will not have any impact.

Note 8.8: AASBs issued that are not yet effective (continued)

AASB 1058 Income of Not for-Profit Entities	This standard will replace AASB 1004 Contributions and 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 objectives. The restructure of administrative arrangement will remain under AASB 1004.	1 Jan 19 The current revenue recognition for grants is to recognise revenue up front upon receipt of the funds. This may change under AASB 1058, as capital grants for the construction of assets will need to be deferred. Income will be recognised over time, upon completion and satisfaction of performance obligations for assets being constructed, or income will be recognised at a point in time for acquisition of assets. The revenue recognition for operating grants will need to be analysed to establish whether the requirements under other applicable standards need to be considered for recognition of liabilities (which will have the effect of deferring the income associated with these grants). Only after that analysis would it be possible to conclude whether there are any changes to operating grants. The impact on current revenue recognition of the changes is the phasing and timing of revenue recorded in the profit and loss statement. As at 30 June 2019 the Health Service has unexpended grant capital commitment of $0.44million, which has been recognised as revenue in the current financial year, these grants would, in the future not be recognised as revenue until expended.

Current reporting period

The following accounting pronouncements are also issued but not effective for the 2017-18 reporting period. At this stage, the preliminary assessment suggests they may have insignificant impacts on public sector reporting.

• AASB 2016-5 Amendments to Australian Accounting Standards – Classification and Measurement of Share-based Payment Transactions

• AASB 2016-6 Amendments to Australian Accounting Standards – Applying AASB 9 Financial Instruments with AASB 4 Insurance Contracts
• AASB 2017-1 Amendments to Australian Accounting Standards – Transfers of Investment Property, Annual Improvements 2014-2016 Cycle and
• AASB 2017-3 Amendments to Australian Accounting Standards – Clarifications to AASB 4
• AASB 2017-4 Amendments to Australian Accounting Standards – Uncertainty over Income Tax Treatments
• AASB 2017-5 Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial
• AASB 2017-6 Amendments to Australian Accounting Standards – Prepayment Features with Negative Compensation
• 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 2018-2 Amendments to Australian Accounting Standards – Plan Amendments, Curtailment or Settlement

Notes:

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

Independent Auditor's Report

Victorian Auditor-General's Office

To the Board of West Wimmera Health Service

Opinion	I have audited the financial report of West Wimmera Health Service (the health service) which comprises the: • balance sheet as at 30 June 2019 • comprehensive operating statement for the year then ended • statement of changes in equity for the year then ended • cash flow statement for the year then ended • notes to the financial statements, including significant accounting policies • board director'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 position of 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 in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.
Board's responsibilities for the financial report	The Board of the health service is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the *Financial Management Act 1994*, and for such internal control as the Board determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error. In preparing the financial report, the Board is responsible for assessing the health service'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'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'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 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.

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
26 September 2019

Travis Derricott
as delegate for the Auditor-General of Victoria

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