

ANNUAL REPORT 2019/2020



WWHS

West
Wimmera
Health
Service



WEST WIMMERA HEALTH SERVICE

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TABLE OF CONTENTS

- 02** A Joint Message from our Board
Chair and Chief Executive Office
- 04** About West Wimmera Health Service
- 09** Organisational Structure
- 12** Our Strategic Priorities
- 18** Occupational Health & Safety
- 20** Financial Results
- 24** Compliance with Legislation
- 25** Statement of Priorities
- 36** Attestations
- 38** Disclosure Index
- 40** Audited Financial Statements

A JOINT MESSAGE FROM OUR BOARD CHAIR AND CHIEF EXECUTIVE OFFICER

Welcome to the West Wimmera Health Service 2019-2020 Annual Report wherein we provide an account of our performance over the past twelve months. What an unusual year it has been!

In mid-July 2020, we were pleased to reopen the Nhill Hospital operating theatre after closure for 18 months to complete a reconfiguration of the theatre's central sterile supply department. The project addressed various infection control risks and completed necessary modifications to ensure compliance with new mandatory safety and quality standards. Community members and visiting specialists were grateful to recommence surgical care, providing local access for key elective surgery procedures.

The Service welcomed the new set of Aged Care Quality Standards from July 2019. We are proud of the work undertaken by our aged care and quality teams to ensure that we continue to provide high quality and safe services across the aged care continuum. Our three aged care facilities in Natimuk undertook accreditation in September 2019 with each assessed as being fully compliant with all eight standards.

With the first positive tests of COVID-19 on Australian soil in late January 2020, the world in health as we knew it was about to change dramatically. The coronavirus pandemic is our greatest health challenge in the past century in terms of severity and length of impact. The Service responded promptly to all requirements relating to the imminent threat posed by COVID-19. An internal Coronavirus Response Team was established and continues to meet regularly to ensure all key personnel remain up to date with current advice and planning.

Our overall approach to COVID-19 has been conservative as we are aware that having many shared acute hospital and aged care facilities presents a significant extra risk if COVID-19 was to become prevalent in our communities.

The period of lockdown for aged care residents has been considerable, with visiting ceased for lengthy periods and restrictions made when visiting has been allowed. Additional activity staff were rostered to our aged care facilities to ensure that residents still enjoyed a full social schedule and our staff have made every endeavour to facilitate telephone and online communication with loved ones.

To assist in the region wide response to COVID-19 the Service agreed to accommodate patients from Wimmera Health Care Group's (WHCG's) Wyuna sub-acute rehabilitation facility in the Nhill Hospital to enable WHCG to set up a dedicated Coronavirus care facility in Horsham. This initiative freed up much needed capacity at WHCG and provided our Nhill based nursing and allied health staff with a welcome opportunity to expand their practice.

The need to establish and maintain clear and regular communication with our communities during the COVID-19 pandemic led to the commencement of the West Wimmera Health Service Community Newsletter in April 2020. Distributed to all households in the catchment area bi-monthly, this publication has provided readers with insights into services, stories and important health information. The feedback has been extremely positive and we look forward to continuing this innovation long after COVID-19 has gone.

Financially, we recorded an operating surplus for the year of \$0.068 million based on operating income of \$45.984 million.

At the financial year end we held some \$13.047 million of cash and investments. This was higher than expected due to the postponement of a number of capital projects due to COVID-19.

We said goodbye and thank you to Henry Banh and Therese Allen for their much valued contribution as Board Directors and we welcomed their replacements Neville Yeomans and Michelle Coutts.

Thank you to all of our Board Directors for their ongoing dedication and commitment to the Service and also to Jim Fletcher, Delegate of the Minister for Health, who continued to provide wise counsel and guidance for another year.

To our many volunteers that support the Service thank you. We appreciate your understanding in these challenging times and look forward to you being able to recommence your full engagement with us soon.

And to our aged care residents, their families and friends, we are immensely grateful for your patience and forbearance particularly in relation to the unprecedented visiting restrictions we were required to adopt in our defence against the coronavirus.

Finally, we cannot overstate our gratitude to our employees and our admiration for how they have responded to COVID-19. The changes and demands all staff members have been required to embrace for the safety of our patients, residents and themselves throughout the pandemic has been nothing short of extraordinary. They have risen to the challenge with minimal fuss and carried themselves with professionalism and a smile on their face at all times.

In accordance with the Financial Management Act 1994, we are pleased to present the Report of Operations for West Wimmera Health Service for the year ending 30 June 2020.



Anne Rogers
Board Chair



Ritchie Dodds
Chief Executive Officer

Nhill,
21 October 2020

Nhill,
21 October 2020

MANNER OF ESTABLISHMENT AND 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 Jenny Mikakos MP, Minister for Health, Minister for Ambulance Services and Martin Foley MP, Minister for Mental Health.

OUR VALUES

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.



TOTAL CARE

Delivering care that is safe, effective and person-centred, always.



SAFETY

Providing a safe workplace and services free from avoidable harm.



UNITY

Working well together in a great place to work.



ACCOUNTABILITY

Doing the right thing by our stakeholders and ourselves.



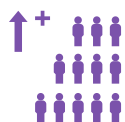
INNOVATION

Using our imagination - if there's a better way we will find it.

OUR COMMUNITY

West Wimmera Health Service provides health and community care services to people within the following four local government areas:

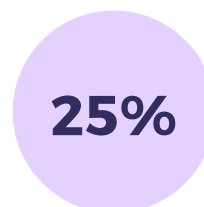
- Hindmarsh
- West Wimmera
- Yarriambiack
- Horsham Rural City



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 our 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.



**APPROXIMATELY 25%
OF OUR POPULATION IS
OVER THE AGE OF 65.**



Our catchment covers
25,000 sq km!



OUR SERVICES

AGED CARE SERVICES

- Residential Aged Care
- Commonwealth Home Support
- Home Care Packages

CONTACT

To make an appointment or arrange access to our services please contact our friendly receptionist on (03) 5391 4222.

COMMUNITY SERVICES

- Asthma Education
- Cancer Resource Nurse
- Cancer Support Group
- Cardiac Rehabilitation
- Centrelink
- Community Health
- Continence Education
- Diabetes Education
- Dietetics
- District Nursing
- Endocrinology telehealth clinics
- Falls and balance groups
- Gentle exercise groups
- Health Promotion
- Healthy Lifestyle groups
- Initial Needs Coordination
- Interpreting services (Karen)
- Maternal and Child Health
- Occupational Therapy
- Physiotherapy
- Podiatry
- Quit smoking education
- Refugee Health Nurse
- Social Work
- Social Support Groups
- Speech Pathology
- Well Women's Health Clinic

CLINICAL SERVICES

- Acute hospital care
- Audiology
- 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
- Urgent care

DENTAL SERVICES

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

COMMUNITY PROGRAMS

- Community and Women's Health Program (C&WH)
- GP Management Care Plan
- Domiciliary Care
- Home and Community Care (HACC)
- Hospital in the Home (HITH)
- National Disability Insurance Scheme (NDIS)
- Post-Acute Care (PAC)
- Chronic Conditions Models of Care
- Transport Accident Commission (TAC)
- WorkCover

OUR FACILITIES

NHILL

Nhill Hospital
Nhill Urgent Care
Mira – Allied and Community Health
Nhill Dental Clinic
Cooinda Disability Service
Iona Residential Aged Care

JEPARIT

Jeparit Hospital
Jeparit Primary Care and Community Care
Jeparit Residential Aged Care

KANIVA

Kaniva Hospital
Kaniva Primary and Community Care
Kaniva Residential Aged Care

RAINBOW

Rainbow Hospital
Rainbow Primary Care and Community Care
Rainbow Residential Aged Care

RUPANYUP

Rupanyup Hospital
Rupanyup Primary Care and Community Care
Rupanyup Residential Aged Care

NATIMUK

Natimuk Residential Aged Care

GOROKE

Goroke Community Health Centre

MINYIP

Minyip Community Health Centre

MURTOA

Murtoa Community Health Centre

Cooinda
Queen Street
Nhill Victoria 3418
T (03) 5391 1095

Goroke
Natimuk Road
Goroke Vic 3412
T (03) 5363 2200

Jeparit
2 Charles Street
Jeparit Vic 3423
T (03) 5396 5500

Kaniva
7 Farmers Street
Kaniva Vic 3419
T (03) 5392 7000

Minyip
23-25 Church Street
Minyip Vic 3392
T (03) 5363 1200

Murtoa
28 Marma Street
Murtoa Vic 3490
T (03) 5363 0400

Natimuk
6 Schurmann Street
Natimuk Vic 3409
T (03) 5363 4400

Nhill
43-51 Nelson Street
Nhill Vic 3418
T (03) 5391 4222

Rainbow
2 Swinbourne Ave
Rainbow Vic 3424
T (03) 5396 3300

Rupanyup
89 Cromie Street
Rupanyup Vic 3388
T (03) 5385 5700

WHO ARE WE

46

AVERAGE AGE OF OUR EMPLOYEES

10

OUR EMPLOYEES AVERAGE YEARS OF SERVICE

91%

PERCENTAGE OF OUR EMPLOYEES WHO THINK WWHHS IS A GOOD OR A GREAT PLACE TO WORK

576

NUMBER OF PEOPLE WE EMPLOY

Table 1: Workforce Data

Hospitals labour category	JUNE current month FTE		Average monthly FTE	
	2019	2020	2019	2020
Nursing	156.4	163.1	164.6	163.7
Administration and Clerical	58.0	63.9	57.5	63.7
Medical Support	0.7	1.8	0.8	2.1
Hotel and Allied Services	140.2	132.6	146.2	139.3
Medical Officers	.4	.4	.4	.4
Hospital Medical Officers	0.0	0.0	0.0	0.0
Sessional Clinicians	0.0	0.0	0.0	0.0
Ancillary Staff (Allied Health)	34.2	27.3	33.7	28.3

OUR ORGANISATION

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 2020, the Service's Board was comprised of the following members:

BOARD OF DIRECTORS

- Mrs Anne Rogers**
President
- Ms Leonie Clarke**
Vice President
- Mrs Therese Allen**
(until 11 December 2019)
- Mr Henry Banh**
(until 11 December 2019)
- Mrs Katherine Colbert**
- Mrs Michelle Coutts**
(from 9 September 2019)
- Mr John Millington**
- Mr Lloyd Milgate**
- Prof Neville Yeomans**
(from 9 September 2019)
- Mr Jim Fletcher**
Delegate of the Minister for Health

FINANCE AND AUDIT COMMITTEE

- Mrs Anne Rogers**
President
- Mr Lloyd Milgate**
Committee Chair
- Mrs Katherine Colbert**
- Mr John Millington**
- Mr Maurice Stewart**
External Independent Member

QUALITY AND SAFETY GOVERNANCE COMMITTEE

- Mrs Anne Rogers**
President
- Ms Leonie Clarke**
Vice President, Committee Chair
- Mrs Therese Allen**
(until 11 December 2019)
- Mr Henry Banh**
(until 11 December 2019)
- Mrs Michelle Coutts**
(from 9 September 2019)
- Prof Neville Yeomans**
(from 9 September 2019)
- Mr Lloyd Milgate**
- Mr Kieran Loughran**
Community Representative
(from 7 Aug 2019)

PROJECT CONTROL GROUP

- Mrs Katherine Colbert**
Committee Chair
- Mr John Millington**

EXECUTIVE COMMITTEE

- Mrs Anne Rogers**
President
- Ms Leonie Clarke**
Vice President
- Mrs Therese Allen**
(until 11 December 2019)
- 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

CHIEF EXECUTIVE OFFICER

Mr Ritchie Dodds

BCom., CA, FFin., MBA, GAICD

Mr Dodds is responsible for the overall management of the operations of the health service.

FINANCE AND ADMINISTRATION

Ms Janette Lakin

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

Responsible for Finance, Payroll, Financial Asset Management, Supply Chain Management, Corporate Governance and Administration functions across all areas of the Service.

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.

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.

BUSINESS AND STRATEGY

Mrs Melanie Albrecht

LLB, BIS, MHA, MBA, GAICD

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

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.

COMMUNITY HEALTH

Ms Alex Hall

B. App. Sc. Speech Pathology, Grad Dip. Neurosciences

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.

**Empower our
communities to
live their best life**

**Invest in
population
health**

**Harness
technology and
innovation**

**Strengthen our
workforce
capacity**

**Build
partnerships for
healthier
communities**

OUR STRATEGIC PRIORITIES

EMPOWER OUR COMMUNITIES TO LIVE THEIR BEST LIFE

'See How We Can Help You See' Fundraising Campaign

West Wimmera Health Service is excited to launch its inaugural annual equipment fundraising campaign, which this year is titled "See how we can help you see".

The Service is focusing on raising funds to replace equipment that is used in its ophthalmology (eye) surgery service. Ophthalmology provides numerous invaluable sight saving and enhancing treatments which is of particular importance given the relatively large travel distances involved in obtaining such treatment from alternative providers located well outside of our catchment area.

The item of equipment we need to replace is known as an optical biometer, it costs \$70,000, and is used to measure various key elements of the eye as well as detecting potential problems requiring further investigation.

At the beginning of June 2020, the service was excited to launch our West Wimmera Health Service fundraising website.

Our marketing team invested in a new domain, wwhsdonate.net.au, and enlisted the help of a website designer. Together with this designer, our vision came to life.

The new website included a donate button and an electronic payment portal. A donate button and fundraising tab was also included on our West Wimmera Health Service main website that linked in with the fundraising webpage and payment portal. With the help of the community, we aim to reach our goal of \$70,000 by early 2021.

Ask Me 3

The implementation of the Ask Me 3 program at West Wimmera Health Service ensures patients have a better understanding of their health condition and are empowered to stay healthy. Ask Me 3 is a simple program designed by the Institute of Healthcare Improvement. The program aims to increase patients' confidence to ask clinicians questions during appointments. It does this by providing the following prompting questions:

- What is my main problem?
- What do I need to do?
- Why is it important for me to do this?

The implementation of this program has resulted in improved communication between our patients and clinicians, confirming patients understand and follow through on instructions provided by clinicians.

West Wimmera Health Service welcomes a new menu

On 29 June 2020, the Service implemented a new menu for our patients and residents across our hospital and aged care facilities. Patients and residents will receive meals based on a 5-week rotation, offering options that are nutritious and delicious.

Our Catering team and qualified Dietitians and Speech Pathologists, have played a pivotal role in assessing that every meal is tasty yet nutritionally balanced, and can be modified to meet the ongoing needs of our patients and residents.

The creation of the menu was initially driven by patient and resident feedback. It was important for WWHS to take into consideration what foods patients and residents enjoyed and disliked as well as options they wished to include.

As part of our continuous improvement process, the Service has commenced a Food Service and Quality Committee. This committee will review and evaluate the progress of our menu. It will also be responsible for addressing a broad range of areas relating to our food service, such as nutritional adequacy of meals, meal variety, mealtime environment and quality and safety.

Snappy Seconds closes its doors

Nhill's second-hand retail business, Snappy Seconds closed its door for the last time on 30 November 2019.

The retail business, known locally as Snappy's, has been owned and operated by West Wimmera Health Service as an Australian Disability Enterprise since the year 2000. Snappy's originally resided in two different locations in Nhill's MacPherson Street, before relocating to its current location in Victoria Street.

Since the roll out of the National Disability Insurance Scheme (NDIS) participants are able to access a wider variety of programs. The Service explored other options for the succession of Snappy's, however ultimately the decision was made as the best viable option when considering the long term fiscal challenges of the business.

The core objectives of the Snappy's formation have been to empower and give choice to people with barriers to employment and to provide services and programs to promote life skills and training to participants. Our disability services remain a priority for the communities we service and we continue to focus on these intentions for all of our participants.

Our Infrastructure Upgrades Continue

The Ray and Violet Marshman Community Rehabilitation Centre at Nhill Hospital was proudly completed this year with final construction stages of the hydrotherapy pool and community gymnasium finished. We look forward to the COVID-19 restrictions easing to enable these new areas to be utilised in their full capacity.

Works commenced on a number of key infrastructure projects including:

- Security Upgrade which incorporates access control and CCTV,
- Fire Detection Upgrade incorporating fire detection panel upgrades at various sites,
- Nhill Hospital Switchboard and Generator Upgrade.

Due to COVID-19 restrictions and precautionary processes put in place to ensure the safety of our patients and residents these capital projects have been delayed as contractors have had restricted access to our facilities.

The Nhill Hospital Kitchen redevelopment and the Nhill Hospital Fire Hydrant project continued in the design phases and we look forward to progressing them in the coming year.

INVEST IN POPULATION HEALTH

Health Promotion Team embrace a new COVID-19 normal

The first full year of operations under the new model of Health Promotion activity was completed in 2019/20. The service expanded the Health Promotion team and recruited two new staff members. Together, the team developed a plan based on active community engagement, developing platforms for a more traditional preventative health delivery, while adding elements of community and individual empowerment.

The team has conducted a number of projects including the Community Health and Well-being Grants and Cafe Health. These two innovative projects have been highly successful. They have engaged the disengaged and have encouraged healthy behaviours across our communities in new and exciting ways.

The Health Promotion Team faced extra challenges, and embraced opportunities, brought by COVID-19. The team, while still building new practices, projects, professional partnerships and community relationships, was able to respond immediately and effectively. All existing community-facing work came to an abrupt halt in March and required the use of modern technology to continue.

A new regional response forum, 'The COVID-19 Connections and Enduring Engagement' (CCEE) consisting of a community coalition was initiated and facilitated by the Health Promotion team. A large-scale community survey was developed and distributed by the group in the first weeks of isolation restrictions. The survey is an important piece of work that will inform the provision of service delivery with a clear insight into community needs well into COVID-19 recovery.

BUILD PARTNERSHIPS FOR HEALTHIER COMMUNITIES

Expansion of Community Advisory Committees

Understanding community priorities is of utmost importance to West Wimmera Health Service and our Community Advisory Committees (CACs) play a key role in community engagement.

In addition to the longstanding Minyip, Murtoa and Rupanyup CACs, the Service was pleased to commence new CACs in Kaniva and Nhill in the 2019-20 period. The CACs comprised of community members that had expressed interest in representing their community and providing input into the delivery and design of our health services.

The CACs meet to identify key issues affecting their local communities and provide a conduit between the health service and communities for information sharing.

Unfortunately the COVID-19 impact postponed face-to-face CAC meetings. As restrictions continued, consultation of the members occurred via survey. The survey indicated that members preferred to use an online platform for future CAC meetings until restrictions ease. This will commence early in the next financial year. The expansion of our CAC model to all nine communities will continue in the year ahead when face-to-face meetings will provide more opportunity to engage with community members.

Communicating with our Karen Population

West Wimmera Health Service has a culturally diverse population throughout our catchment. To ensure engagement and cultural needs of at risk minority groups in our community are met, the inclusion of Sino-Tibetan translated material for our Karen community members have been utilised.

Our Refugee Health Nurse and Translator ensures all published information is correct and relevant.

Our new bi-monthly community newsletters include a translated insert in each edition to inform and engage the Karen community.

The use of translated Facebook videos to provide COVID-19 information was well received and shared widely across the platform.

WWHS is proud to provide inclusive services and information to our catchment.

STRENGTHEN OUR WORKFORCE CAPACITY

Developing Leaders

In committing to developing our staff, 11 of our employees participated in further education with Sunitafe to complete an Advanced Diploma of Leadership & Management during 2019-20.

Nine staff successfully completed a Certificate III in Individual Support and many have embraced new opportunities made available in our service.

Supporting Career Development

We recognise that as recruitment and retention of skilled staff becomes more challenging due to our rural and remote location, it is important to upskill staff to ensure our workforce remains appropriately skilled. To further assist in this process in October 2019 we welcomed a new role of Training Officer/Careers Advisor. This position is responsible for providing essential training and assessment activities for our employees as well as supporting these staff to progress through opportunities in line with their chosen career path.

Positive Workplace Culture Pledge

In May 2020 the Board and Executive Team of West Wimmera Health Service were proud to commit to the Positive Workplace Culture Pledge.

POSITIVE WORKPLACE CULTURE PLEDGE

Who is making the commitment?

The Board of West Wimmera Health Service and the Executive Team.

What are we committing to?

We commit to:

- building a workplace with a positive culture that is completely free from bullying, harassment and discrimination
- preventing and responding to inappropriate behaviour
- fair and respectful treatment of others as equals
- supporting a diverse and inclusive workforce
- calling out inappropriate behaviour, minimising risks and responding well to incidents

Why are we making the commitment?

Because:

- all staff should feel safe and supported at work
- we care for our people
- our workplace should be a positive and respectful place

How are we going to make this commitment?

Expectations of leaders

We expect that our leaders will:

- model our organisation's values in their own behaviour
- give our staff the opportunity to learn
- strive to achieve and maintain a workplace culture that is respectful and safe, in which everyone treats each other fairly and reasonably
- ensure that our staff have the right tools and resources to perform their roles safely and effectively
- not tolerate unacceptable behaviour
- be approachable and responsive
- address allegations of bullying, harassment and discrimination sensitively, fairly and promptly
- take action on all risks to the health and wellbeing of our staff

Organisation-wide expectations of all staff

Across our organisation, our staff will:

- treat each other with respect
- listen and speak courteously to each other
- encourage one another
- acknowledge that others' experiences and perspectives are valuable
- speak out against unacceptable behaviour, and support our colleagues to do the same

HARNESS TECHNOLOGY AND INNOVATION

Embracing Telehealth

The impacts of COVID-19 highlighted the importance of technology in maintaining access to clinicians during periods of lockdown and restriction.

Telehealth works by allowing the clinician to see and hear their patient through a computer, smartphone, tablet or something similar.

At the Service we use a secure platform called HealthDirect: Videocall. Patients can seek treatment through telehealth without the worry of their personal information being accessed without their permission. Telehealth has allowed our practitioners to provide safe continuous care to our communities throughout the COVID-19 pandemic.

Advancements in Medication Management

The introduction of the MedMobile electronic medication management program is conducted throughout our Service.

Medication management is one of the Clinical Division's most commonly reported incident. Missed signatures are the largest subgroup of incidents which often leads to confusion about whether or not the patient has received their medication.

The increased risk of missed medication led our service to review and improve our process by making use of the new technology available to us.

MedMobile, an application offered through iCare enables staff to view and capture medication administrative information at the point of care via a mobile device.

This 100% electronic system allows staff to communicate directly with the pharmacist and pharmacy supplying the medication allowing for quick and accurate medication changes. Whilst still in the evaluation phase the benefits are already being noted by clinicians.

It has been an unprecedented year across the world with the COVID-19 pandemic significantly affecting all aspects of our work, family and social connections.

The operations of our Service have altered in a fundamental manner. Whilst we are still in the midst of the COVID-19 pandemic and the new post COVID-19 normal is yet to be determined, it is clear that Service operations will never been the same.

The Service rapidly responded to the threat of the virus and developed a Coronavirus Response Team, comprising of staff from all departments to implement a risk response based on effective and timely communication.

Infection control has been a key defence in the spread of COVID-19 and the skills and expertise of our Infection Control Coordinator have been highly sought after not only internally, but also by various organisations in our catchment.

A COVID-19 Outbreak Management Plan was developed and trialled through a mock exercise to ensure preparedness for an outbreak in one of our valuable bed based facilities. This exercise was extremely value to identify the complexities that would impact a small rural facility.

Collaboration with Wimmera Health Care Group (WHCG) resulted in the Service taking on the care of sub-acute rehabilitation type patients from WHCG to assist in the conversion of WHCG's Wyuna ward into a COVID-19 dedicated care facility.

We are extremely grateful for the support we have received throughout the pandemic including that from the Victorian Department of Health and Human Services, the Australian Government Department of Health and particularly so Ballarat Health Services.

The Service has developed a local contact tracing team, which in the event of a positive COVID-19 result, would operate under the guidance of Ballarat Health Services to ensure timely contact of people that may have been in contact with the infectious person.

Out of this crisis will come many opportunities to improve and the Service will look to our communities to develop ideas in conjunction with our customers to meet their post COVID-19 needs.

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 2.91 occupational violence incidents occurred each month, with the events predominantly being caused by residents with dementia or other cognitive impairment.

West Wimmera Health Service did not experience any WorkCover claims where the injury was caused by occupational violence.

The following table provides an overview of the Service's Occupational Violence outcomes for the 2019-20 financial year.

Table 2: Occupational Violence Statistics

Occupational violence statistics	2019-20
Workcover accepted claims with an occupational violence cause per 100 FTE.	0
Number of accepted Workcover claims with lost time injury with an occupational violence cause per 1,000,000 hours worked.	0
Number of occupational violence incidents reported.	35
Number of occupational violence incidents reported per 100 FTE.	8.78
Percentage of occupational violence incidents resulting in a staff injury, illness or condition.	2.85%

Definitions of occupational violence

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. Incidents of all severity rating 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 2019-20.

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.

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.

The average cost per claim has increased from the previous year. This can be attributed to an increase in claims, the injury type of accepted claims and nature of requirements of the claim combined with outstanding claims from the prior year.

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



Table 3: Occupational Health and Safety Data

Occupational health and safety statistics	2019-20	2018-19	2017-18
The number of reported hazards/incidents for the year per 100 FTE.	59.38	51.53	52.73
The number of 'lost time' standard WorkCover claims for the year per 100 FTE.	2.57	1.79	1.99
The average cost per WorkCover claim for the year ('000).	\$136,742	\$50,044	\$20,822

FINANCIAL RESULTS

REPORT FROM THE CHIEF FINANCIAL OFFICER

West Wimmera Health Service reports a net operating surplus of \$67,801 before capital and specific items against a budget surplus of \$39,096. Our organisation is committed to providing safe person-centred care to the communities we serve across four local government areas and nine campuses. This year's result was impacted by the following significant factors.

Prior to COVID-19, this year commenced with the reintroduction of level 2 and 3 surgical services from the Nhill Hospital operating theatre which was closed throughout the previous financial year for refurbishment. This welcome development re-established the local provision of various services vital to the health and wellbeing of our community, including ophthalmology, orthopaedics, dental and general surgery.

Residential aged care has continued its gradual improvement in occupancy rates throughout the year, with aged care monies held in trust increasing from \$8.73m to \$10.57m. Other service developments included the engagement of services from the Royal Flying Doctor Service providing Dentists for two to three days per month.

The use of telehealth for clinical and non-clinical purposes also increased significantly in the second half of the year primarily due COVID-19 restrictions preventing most forms of face to face contact over this period.

Our largest recurring investment is in our employees of which even in difficult times we have recruited, supported and developed over 576 staff with an annual expenditure of \$36.45m.

Investment and ongoing upkeep of facilities saw the Mira Rehabilitation Center open with a heated pool, operational gym and dedicated physiotherapy rooms to support the wider region with rehabilitation.

Other investments for ongoing operational functionality included the Nhill emergency power backup generator and electrical switchboard, the Rupanyup Fire Hydrant upgrade and commencement of the Solar PV project across four sites.

Further capital projects include refurbishment of our Rainbow, Natimuk, Kaniva and Rupanyup facilities all of which are marked for completion in the coming financial year. In total \$1.38m was invested in capital projects this year.

The state of emergency and the pandemic affected West Wimmera Health Service in numerous ways including the full lockdown of all residential type facilities, procurement constraints with limited and restricted supply of some products and many staff being required to work from home.

WWHS acknowledges the various COVID-19 related funding programs that contributed significantly to its full year operating result, as well as assisting in the retention of frontline aged care staff.

Going forward, actual economic events and conditions in the future may be different from the reporting date. As responses by government continue to evolve, WWHS recognises that it is difficult to reliably estimate with any degree of certainty the potential impact of the pandemic after the reporting date.

WWHS will continue to provide services to its communities within the conditions and confines of its operations and its future financial performance and position.

Table 4: Income Statement - Financial Year Ending 30 June 2020

	2020	2019	2018	2017	2016
	\$000	\$000	\$000	\$000	\$000
OPERATING RESULT*	68	24	128	4	518
Total revenue	45,984	45,448	43,941	44,788	38,552
Total expenses	(50,977)	(47,192)	(47,400)	(46,092)	(39,633)
Net result from transactions	(4,993)	(1,744)	(3,459)	(1,304)	(1,081)
Total other economic flows	(186)	(654)	(1)	223	
Net result	(5,179)	(2,398)	(3,460)	(1,081)	(1,081)
Total assets	92,910	95,253	80,142	83,827	75,753
Total liabilities	(25,166)	(22,330)	(21,958)	(22,243)	(17,572)
Net assets/Total equity	67,745	72,923	58,184	61,584	58,181

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

Table 5: Reconciliation of Net Result from Transactions and Operating Result

	2019-20
	\$000
Net operating result *	68
Capital purpose income	1,638
Specific income	
COVID 19 State Supply Arrangements - Assets received free of charge or for nil consideration under the State Supply	3
State supply items consumed up to 30 June 2020	(3)
Assets provided free of charge	
Assets received free of charge	
Expenditure for capital purpose	(688)
Depreciation and amortisation	(5,942)
Impairment of non-financial assets	
Finance costs (other)	(69)
Net result from transactions	(4,993)

CONSULTANCIES INFORMATION

Details of consultancies (under \$10,000)

In 2019-20 there were four consultants with expenditure less than \$10,000. Total expenditure incurred during this year in relation to these consultants is \$11,150 (GST exclusive). The services provided were relating to review of Services' claiming under the Aged Care Funding Instrument (ACFI), review of infrastructure condition and application reports.

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

There were no consultancies engaged for services over \$10,000 for this reporting period.

INFORMATION & COMMUNICATION TECHNOLOGY (ICT) EXPENDITURE

The Service's total Information and Communication Technology (ICT) expenditure incurred during 2019-20 is \$1,558,716 (excluding GST) with the details shown below:

Table 6: ICT Expenditure

Business as usual (BAU) ICT expenditure	Non-Business as usual (non-BAU) ICT expenditure		
	Total=Operational expenditure and Capital Expenditure (excluding GST)	Operational expenditure (excluding GST)	Capital expenditure (excluding GST)
\$1,423,930	\$134,785	\$0	\$134,785

ENVIRONMENTAL PERFORMANCE AND SUSTAINABILITY

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

Electricity

West Wimmera Health Service's electricity consumption during 2019-20 had a minor increase with a total energy use of 3,063,990 kWh (an increase of 4% on the previous year). The Nhill Hospital Theatre was operational from 1 July 2019 after being closed in the 2018-19 year and the Mira redevelopment was completed which contributed to the increase in electricity usage.

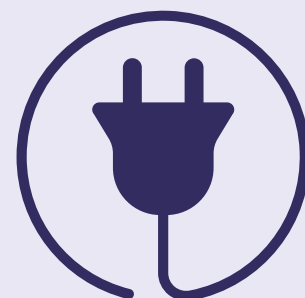
The Service is to install new solar panels to Kaniva, Nhill, Jeparit and Rainbow Hospitals in 2020-21 as part of the Victorian Health and Human Services Building Authority, Regional Health Solar Program. This project is expected to produce substantial long term electricity savings.

Water

Over the last 12 months, the Service has decreased its water consumption by 26,505 kl (16%). The decrease in water usage appears to have been a result of reduced services due to COVID-19.

LPG

Liquid Petroleum Gas (LPG) usage decreased in the last 12 months by 8% or 10,577 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.



4% increase



16% decrease



8% decrease

COMPLIANCE WITH LEGISLATION

Freedom of Information Act 1982

The West Wimmera Health Service Freedom of Information Officer received 19 requests for information under the Freedom of Information Act (1982) during the 2019-20 financial year, an increase of 7 from the previous financial year.

19 requests were received:

- 6 cases were personal requests
- 13 cases were non-personal requests

Of the requests received:

- 6 cases were granted in full
- 13 cases were not proceeded with by the applicant
- 0 cases where no documents/medical records were available



All applications were received from or on 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 requested. 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 - \$29.60 (non-refundable unless the fee is waived);
- Search Fee - \$21.70 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 2019-20 there was one project that was completed with a certificate of occupancy issued.

Public Interest Disclosure Act 2012

West Wimmera Health Service is committed to the objectives of the Public Interest Disclosure Act 2012 (the Act) and addresses this through the application of its Public Interest 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 2019-20 the Service was not advised of any Public Interest 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).

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.

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.

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 duly 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 Health Service;
- (e) Details of any major external reviews carried out on the Health Service;
- (f) Details of major research and development activities undertaken by the Health Service that are not otherwise covered either in the report of operations or in a document that contains the financial statements and report of operations;
- (g) Details of overseas visits undertaken including a summary of the objectives and outcomes of each visit;
- (h) Details of major promotional, public relations and marketing activities undertaken by the Health Service to develop community awareness of the Health Service and its services;
- (i) Details of assessments and measures undertaken to improve the occupational health and safety of employees;
- (j) A general statement on industrial relations within the Health Service and details of time lost through industrial accidents and disputes, which is not otherwise detailed in the report of operations;
- (k) A list of major committees sponsored by the Health Service, the purposes of each committee and the extent to which those purposes have been achieved;
- (l) Details of all consultancies and contractors including consultants/contractors engaged, services provided, and expenditure committed for each engagement.

STATEMENT OF PRIORITIES

PART A

Strategic Priorities - Health 2040

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

Better Health

Goals: 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	Strategies: Reduce Statewide Risks Build Healthy Neighbourhoods Help people to stay healthy Target health gaps
--	---

Deliverables:

- Implement a 'lead from within' staff education program throughout the four Wimmera local government areas to create awareness of the importance of the conditions in which people are born, grow, live, work and age and the impact on overall health.
- Rural Northwest Health, Edenhope and District Memorial Hospital and West Wimmera Health Service will undertake a joint service planning approach and together with data from Wimmera Health Care Group service plan identify shared strategic opportunities to improve the overall health and wellbeing of our communities.

Outcomes:

- The West Wimmera Health Service Health Promotion team have created a 'lead from within' staff education program which incorporates six key messages, to educate staff on the impacts of social and environmental conditions of health promotion outcomes. The project's rollout has been impacted by COVID-19 and will occur in 2020/21.
- The Service will participate in the Department of Health and Human Services 'locality planning' processes for future health system design and service planning when rolled out to the Grampians region.

Better Access

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

- Implement a best practice Community Health Intake Model that will support better and timely access to services for vulnerable population groups.
- Promote the after-hour's service, aimed to reduce pressure on acute and emergency departments in the sub region, by drawing on patient experiences.

Outcomes:

- A best practice Intake Model was developed, with an increase of Intake EFT from 0.8 to 1.4 across the nine West Wimmera Health Service sites. The new Intake Workers commenced in February 2020 implementing the first stage of the new model, with full rollout of the model to occur in August 2020.
- Promotion of the after-hour's services, utilising fictional patient stories has commenced but the project has been extended to November 2020 due to the impact of COVID-19.

Better Care

Goals:

Targeting zero avoidable harm
Healthcare that focusses on outcomes
Patients and carers are active partners in care
Care fits together around people's needs

Strategies:

Put quality First
Join up care
Partner with patients
Strengthen the workforce
Embed evidence
Ensure equal care

Deliverables:

- Finalise the Grampians region clinical governance audit and associated action plan and support the implementation of the agreed actions to ensure best practice clinical governance throughout the Grampians region.
- Implement systems and processes to support participation in the My Emergency Doctor urgent care project funded by the Primary Health Network.

Outcomes:

- West Wimmera Health Service participated in the finalisation of the Grampians region clinical governance audit and associated action plan. The Service is progressing actions identified in this process to ensure best practice clinical governance.
- Since the SOP priorities were determined, the Service has contracted Rural Doctors to provide Medical Practitioner coverage to the Nhill and Kaniva Hospitals, and Rahim Medical to provide coverage to Rupanyup, Minyip and Murtoa facilities. This experienced and comprehensive medical coverage removes the immediate need for the My Emergency Doctor urgent care model.

Specific Priorities for 2019-20

In 2019–20 West Wimmera Health Service will contribute to the achievement of the Government's priorities by:

Supporting the Mental Health System

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

Deliverable:

- Review and evaluate the effectiveness of the rural outreach worker program support and service navigation advice in the Wimmera Southern Mallee catchment.

Outcome:

- An evaluation report of the Rural Outreach Worker Program support and service was submitted to highlight the demand and success of this program. An additional \$396,000 funding has been committed to the program for the 2020/21 year.

Addressing Occupational Violence

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

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

Deliverable:

- Work collaboratively with the Smart Rural Research Team partners to deliver training on the key security principles and address identified security risks.

Outcome:

- West Wimmera Health Service has worked collaboratively with the Smart Rural Research Team partners during the year, to continue implementation of the occupational violence project. Management of Clinical Aggression (MOCA) training in alignment with DHHS security training principles has been rolled out to staff in People and Culture Training days during 2020.

Addressing Bullying and Harassment

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

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

Deliverable:

- Complete a gap analysis against the department's framework by for promoting a positive workplace culture and develop an action plan to implement identified gaps by 30 November 2019 to strengthen our positive workplace culture.

Outcome:

- West Wimmera Health Service Board of Directors were proud to endorse the West Wimmera Health Service Workplace Culture Pledge at the May 2020 meeting,

committing to building a workplace with a positive culture in alignment with the Department's framework.

Supporting Vulnerable Patients

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

Deliverable:

- Partner with Ballarat Community Health to implement the Loddon Campaspe multicultural services 'Healthy parents. Happy kids' initiative to increase the skills of parents and to raise awareness about family violence with the local Karen community.

Outcome:

- West Wimmera Health Service was proud to partner with Ballarat Community Health to rollout the five week "Healthy parents. Happy kids" program to members of the local Karen community. The program focused on ensuring people are informed of advocacy services to assist with health and wellbeing matters, including family violence.

Supporting Aboriginal Cultural Safety

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

Deliverable:

- Formalise an arrangement with the Goolum Goolum Aboriginal Cooperative to establish opportunities to work collaboratively together for improving health outcomes and access for Aboriginal people.

Outcome:

- In collaboration with the Wimmera Southern Mallee Health Alliance, a representative of the Alliance meet with Goolum Goolum representatives to discuss the signing of a Memorandum of Understanding. The arrangement was unable to be finalised due to COVID-19 but it is anticipated that the MOU will be signed early in the new financial year.

Addressing Family Violence

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

Deliverables:

- Wimmera Southern Mallee Health Alliance partners shall work collaboratively across the sub region to ensure that tools, training, referral pathways, policies and procedures align with the multiagency risk assessment and risk management framework.
 - Continuing with implementation of systems and processes with stakeholders
 - Continuing to roll out training and education as appropriate
 - Ensuring that the implementation plan is understood and promulgated to all stakeholders.

Outcomes:

- The Wimmera Southern Mallee Health Alliance appointed a project worker to support all agencies with the implementation of policies and processes in alignment with the Strengthening Hospitals Response to Family Violence (SHRFV) guidelines. West Wimmera Health Service has been active with communications in relation to family violence distributing posters, media communications and staff education.

Implementing Disability Action Plans

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

Deliverable:

- Develop and implement strategies to enhance customer and carer awareness of the types of services available to people utilising their National Disability Insurance Scheme funding to increase access to locally available services as identified in the West Wimmera Health Service disability action plan and provide a copy of the disability action plan to the department by 30 December 2019.

Outcome:

- West Wimmera Health Service launched our Diversity plan in February 2020 to our communities. Identifying six diverse groups which the Service actively seeks to support, people with disability are a key focus of the plan. As a NDIS provider, West Wimmera Health Service promotes opportunities in our catchment for people with NDIS funding, to obtain local service delivery.

Supporting Environmental Sustainability

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

Deliverables:

- In collaboration with Health Purchasing Victoria achieve installation of solar panels at the Nhill, Kaniva, Jeparit and Rainbow campuses to significantly reduce carbon emissions.
- Implement a sustainable recycling program across all health service facilities to ensure an increase recycling materials and e-waste.

Outcomes:

- West Wimmera Health Service has worked closely with Health Purchasing Victoria and the successful tenderer to progress the solar panel project during the year. Roof placement was finalised with installation expected in late 2020.
- An e-waste collection program, food waste composting and recyclable IV bags were some of the highlights of our sustainable recycling program in 2020.

PERFORMANCE PRIORITIES

PART B

The *Victorian Health Services Performance monitoring framework* outlines the Government's approach to overseeing the performance of Victorian health services.

Changes to the key performance measures in 2019–20 strengthen the focus on high quality and safe care, organisational culture, patient experience and access and timeliness in line with Ministerial and departmental priorities.

Further information is available at www2.health.vic.gov.au/hospitals-and-health-services/funding-performance-accountability

High quality and safe care

Key performance measure	Target	Results
Accreditation		
Compliance with the Aged Care Standards	Full compliance	Achieved
Infection prevention and control		
Compliance with the Hand Hygiene Australia program	83%	89.6%
Percentage of healthcare workers immunised for influenza	84%	93%
Patient experience		
Victorian Healthcare Experience Survey – percentage of positive patient experience – Quarter 1	95%	Full compliance*
Victorian Healthcare Experience Survey – percentage of positive patient experience – Quarter 2	95%	Full compliance*
Victorian Healthcare Experience Survey – percentage of positive patient experience – Quarter 3	95%	Full compliance*
Victorian Healthcare Experience Survey – percentage of very positive responses to questions on discharge care– Quarter 1	75%	Full compliance*
Victorian Healthcare Experience Survey – percentage of very positive responses to questions on discharge care– Quarter 2	75%	Full compliance*
Victorian Healthcare Experience Survey – percentage of very positive responses to questions on discharge care– Quarter 3	75%	Full compliance*
Victorian Healthcare Experience Survey – patient's perception of cleanliness – Quarter 1	70%	Full compliance*
Victorian Healthcare Experience Survey – patient's perception of cleanliness – Quarter 2	70%	Full compliance*
Victorian Healthcare Experience Survey – patient's 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.

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

Key performance measure	Target	Results
Adverse events		
Sentinel events – root cause analysis (RCA) reporting	All RCA reports submitted within 30 business days	Achieved

Strong governance, leadership and culture

Key performance measure	Target	Results
Organisational culture		
People matter survey - percentage of staff with an overall positive response to safety and culture questions	80%	93%
People matter survey – percentage of staff with a positive response to the question, “I am encouraged by my colleagues to report any patient safety concerns I may have”	80%	96%
People matter survey – percentage of staff with a positive response to the question, “Patient care errors are handled appropriately in my work area”	80%	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%	94%
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%	93%
People matter survey – percentage of staff with a positive response to the question, “Management is driving us to be a safety-centred organisation”	80%	96%
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%	88%
People matter survey – percentage of staff with a positive response to the question, “Trainees in my discipline are adequately supervised”	80%	88%
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%	93%

Effective financial management

Key performance measure	Target	Results
Operating result (\$m)	0.040	0.068
Average number of days to pay trade creditors	60 days	38.9 days
Average number of days to receive patient fee debtors	60 days	19 days
Adjusted current asset ratio	0.7 or 3% improvement from health service base target	0.83%
Forecast number of days available cash (based on end of year forecast)	14 days	5 days
Actual number of days available cash, measured on the last day of each month.	14 days	5 days
Variance between forecast and actual Net result from transactions (NRFT) for the current financial year ending 30 June.	Variance ≤ \$250,000	Variance ≤ \$250,000

ACTIVITY AND FUNDING

PART C

The performance and financial framework within which state government-funded organisations operate is described in 'Volume 2: Health operations 2019–20 of the *Department of Health and Human Services Policy and funding guidelines 2019*.

The *Policy and funding guidelines* are available at

<https://www2.health.vic.gov.au/about/policy-and-funding-guidelines>

Further information about the Department of Health and Human Services' approach to funding and price setting for specific clinical activities, and funding policy changes is also available at

<https://www2.health.vic.gov.au/hospitals-and-health-services/funding-performance-accountability/pricing-funding-framework/funding-policy>

Funding type	Unit	Activity
Small Rural		
Small Rural Acute		35
Small Rural Primary Health & HACC		
<ul style="list-style-type: none"> Initial Needs Identification 	Service hours	626
<ul style="list-style-type: none"> Nursing 	Service hours	5,873
<ul style="list-style-type: none"> Counselling/Casework 	Service hours	1,211
<ul style="list-style-type: none"> Dietetics 	Service hours	859
<ul style="list-style-type: none"> Occupational Therapy 	Service hours	1,155
<ul style="list-style-type: none"> Physiotherapy 	Service hours	1,563
<ul style="list-style-type: none"> Podiatry 	Service hours	1,845
<ul style="list-style-type: none"> Speech Therapy 	Service hours	616
Small Rural Residential Care	Bed days	43,544

ATTESTATIONS

Financial Management Compliance Attestation – Standing Directions 5.1.4

I, Anne Rogers, on behalf of the West Wimmera Health Service, certify that West Wimmera Health Service has no Material Compliance Deficiency with respect to the applicable Standing Directions under the Financial Management Act 1994 and Instructions.



Anne Rogers Board Chair
West Wimmera Health Service
October 2020

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
October 2020

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
October 2020

ATTESTATIONS

(CONTINUED)

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 addressed 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
October 2020

Disclosure Index

The annual report of the 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		
Charter and purpose		
FRD 22H	Manner of establishment and the relevant Ministers	3
FRD 22H	Purpose, functions, powers and duties	4
FRD 22H	Nature and range of services provided	6
FRD 22H	Activities, programs and achievements for the reporting period	12-17
FRD 22H	Significant changes in key initiatives and expectations for the future	12-17
Management and structure		
FRD 22H	Organisational structure	9
FRD 22H	Workforce data/ employment and conduct principles	8
FRD 22H	Occupational Health and Safety	19
Financial information		
FRD 22H	Summary of the financial results for the year	21
FRD 22H	Significant changes in financial position during the year	20
FRD 22H	Operational and budgetary objectives and performance against objectives	20
FRD 22H	Subsequent events	20
FRD 22H	Details of consultancies under \$10,000	22
FRD 22H	Details of consultancies over \$10,000	22
FRD 22H	Disclosure of ICT expenditure	22
Legislation		
FRD 22H	Application and operation of Freedom of Information Act 1982	24
FRD 22H	Compliance with building and maintenance provisions of Building Act 1993	25
FRD 22H	Application and operation of Public Interest Disclosure Act 2012	25
FRD 22H	Statement on National Competition Policy	25

Legislation	Requirement	Page Reference
FRD 22H	Application and operation of <i>Carers Recognition Act 2012</i>	26
FRD 22H	Summary of the entity's environmental performance	23
FRD 22H	Additional information available on request	26

Other relevant reporting directives

FRD 25D	Local Jobs First Act disclosures	25
SD 5.1.4	Financial Management Compliance attestation	36
SD 5.2.3	Declaration in report of operations	3

Attestations

Attestation on Data Integrity	36
Attestation on managing Conflicts of Interest	37
Attestation on Integrity, fraud and corruption	36

Other reporting requirements

- Reporting of outcomes from Statement of Priorities 2019-20 27-35
- Occupational Violence reporting 18
- Reporting obligations under the *Safe Patient Care Act 2015* 25
- Reporting of compliance regarding Car Parking Fees (if applicable) N/A

AUDITED FINANCIAL REPORT FOR THE FINANCIAL YEAR ENDING 30 JUNE 2020



WWHS

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 2020 and the financial position of West Wimmera Health Service at 30 June 2020.

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

We authorise the attached financial statements for issue on 20 October 2020.



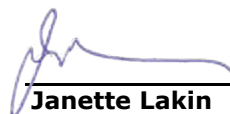
Anne Rogers
Board President

20 October 2020



Ritchie Dodds
Chief Executive Officer

20 October 2020



Janette Lakin
**Chief Finance and
Accounting Officer**

20 October 2020

West Wimmera Health Service
Comprehensive Operating Statement
For the Financial Year Ended 30 June 2020

	Note	2020 \$'000	2019 \$'000
Income from Transactions			
Operating activities	2.1	45,864	45,165
Non-operating activities	2.1	120	283
Total Income from Transactions		45,984	45,448
Expenses from Transactions			
Employee expenses	3.1	(36,601)	(35,150)
Supplies and consumables	3.1	(5,604)	(5,133)
Finance costs	3.1	(69)	(28)
Depreciation	4.2	(5,942)	(4,633)
Other operating expenses	3.1	(2,761)	(2,248)
Total Expenses from Transactions		(50,977)	(47,192)
Net Result from Transactions - Net Operating Balance		(4,993)	(1,744)
Other Economic Flows included in Net Result			
Net gain/(loss) on disposal of non-financial assets	3.2	91	39
Other gains/(losses) from other economic flows	3.2	(207)	(680)
Effect of change in share of joint venture	3.2	(46)	(11)
Adjustments arising from bad and doubtful debts	3.2	(24)	(2)
Total Other Economic Flows included in Net Result		(186)	(654)
Net Result for the Year		(5,179)	(2,398)
Other Comprehensive Income			
Items that will not be reclassified to Net Result			
Changes in property, plant & equipment revaluation surplus	4.1(b)	-	17,137
Total Other Comprehensive Income		-	17,137
Comprehensive result for the year		(5,179)	14,739

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

West Wimmera Health Service

Balance Sheet As at 30 June 2020

	Note	2020 \$'000	2019 \$'000
Current Assets			
Cash and Cash Equivalents	6.1	13,047	12,703
Receivables	5.1	1,806	876
Inventories		212	83
Prepayments		366	304
Total Current Assets		15,431	13,966
Non-Current Assets			
Receivables	5.1	2,714	2,729
Property, Plant & Equipment	4.1	74,765	78,558
Total Non-Current Assets		77,479	81,287
TOTAL ASSETS		92,910	95,253
Current Liabilities			
Payables	5.2	1,764	3,125
Borrowings	6.2	2,004	121
Provisions	3.3	8,584	8,965
Other liabilities	5.3	10,567	8,527
Total Current Liabilities		22,918	20,737
Non-Current Liabilities			
Borrowings	6.2	846	408
Provisions	3.3	1,401	1,185
Total Non-Current Liabilities		2,247	1,593
TOTAL LIABILITIES		25,166	22,330
NET ASSETS		67,744	72,923
EQUITY			
Property, Plant and Equipment Revaluation Surplus	4.1(f)	53,088	53,088
Contributed capital		27,808	27,808
Accumulated deficits		(13,152)	(7,973)
TOTAL EQUITY		67,744	72,923

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 2020

	Property, Plant & Equipment Revaluation Surplus	Contributed Capital	Accumulated Deficits	Total
	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 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
Other comprehensive income for the year	-	-	-	-
Net result for the year	-	-	(5,179)	(5,179)
Balance at 30 June 2020	53,088	27,808	(13,152)	67,744

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

Cash Flow Statement For the Financial Year Ended 30 June 2020

	Note	2020 \$'000	2019 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating grants from government-State		23,649	21,697
Operating grants from government-Commonwealth		2,709	2,595
Capital grants from government-State		471	-
Capital grants from government-Commonwealth		-	2,163
Patient and resident fees received		14,845	16,425
Donations and bequests received		98	80
GST received from/(paid to) ATO		934	973
Interest received		120	283
Other receipts		2,261	1,682
Total Receipts		45,087	45,898
Employee expenses paid		(36,281)	(33,624)
Non salary labour costs		(1,685)	(1,184)
Payments for supplies & consumables		(8,758)	(8,406)
Finance costs		(69)	(28)
Other payments		(160)	-
Total Payments		(46,953)	(43,242)
NET CASH FLOW FROM/(USED) IN OPERATING ACTIVITIES	8.1	(1,866)	2,656
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from disposal of Investments		-	-
Purchase of non-financial assets		(2,053)	(5,261)
Proceeds from disposal of non-financial assets		268	309
NET CASH FLOW FROM/(USED) IN INVESTING ACTIVITIES		(1,785)	(4,952)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings		2,106	-
Repayment of borrowings		(150)	529
Receipt of Accommodation Deposits		5,330	1,310
Repayment of Accommodation Deposits		(3,291)	(2,291)
NET CASH FLOW FROM/(USED) IN FINANCING ACTIVITIES		3,995	(452)
NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS HELD		344	(2,748)
Cash and cash equivalents at beginning of financial year		12,703	15,451
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	6.1	13,047	12,703

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 2020. 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 Australian Accounting Standards (AAS), which include interpretations issued by the Australian Accounting Standards Board (AASB). They are presented in a manner consistent with the requirements of AAS's 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 AAS's.

(b) Reporting Entity

The principal address of West Wimmera Health Service is:
47 Nelson Street
Nhill
Victoria, 3418

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

The financial statements are prepared on a going concern basis (refer to Note 8.9 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 AAS's 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).

Note 1: Summary of Significant Accounting Policies (continued)

Covid 19 Pandemic

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

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

In response, West Wimmera Health Service placed restrictions on non-essential visitors, implemented reduced visitor hours, deferred elective surgery and reduced activity, and implemented work from home arrangements where appropriate.

For further details refer to Note 2.1 Funding delivery of our services, Note 3.1 Expenses from Transactions and Note 4.1 Property, plant and equipment.

Regional areas have generally been less impacted by the pandemic, however the changed conditions continue to provide uncertainty and a reluctance from the community to engage as regularly with the Health Sector. The State Government has recognised the importance of a strong public health system and are providing ongoing support to ensure we remain financially viable and we can continue to support our staff who are at the front line of defence should the pandemic impact our community even more directly going forward.

From a financial perspective, the Health Service expects there will be a negative impact in the following areas:

- Private Patient Revenue due to restrictions on surgical activity.
- Recoveries from clinicians for use of hospital facilities as they have not been able to provide them.
- Recoveries from clients for services normally provided directly, but are no longer able to be provided.
- Activity based funding areas where there is no dispensation or reduced dispensation made available by the provider.
- Specific costs incurred in the prevention of COVID-19.

The following account balances have been considered by Management but we remain satisfied that COVID-19 has not required a change to the judgement and/or assumptions in the disclosure of any balances.

- Fair value of receivable balances
- Fair value of financial assets
- Fair value of non-financial assets
- Impairment of non-financial assets
- Going concern

Goods and Services Tax (GST)

Income, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the Australian Taxation Office (ATO). In this case the GST payable is recognised as part of the cost of acquisition of the asset or as part of the expense.

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

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

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

(d) 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 Grampians 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 Revenue and income that funds the delivery of our services

Note 2.1 (a): Revenue and income that funds the delivery of our services

	2020	2019
	\$'000	\$'000
Government Grants (State) - Operating (i)	23,779	22,081
Government Grants (Commonwealth)- Operating	2,652	2,595
Government Grants (State) - Capital	558	1,620
Government Grants (Commonwealth) - Capital	-	510
Other Capital purpose Income	736	710
Assets received free of charge or for nominal consideration	97	81
Patient and Resident Fees	16,358	15,709
Commercial Activities (ii)	291	482
Other Revenue from Operating Activities (including non-capital donations)	1,393	1,377
Total Income from Operating Activities	45,864	45,165
Capital Interest	87	235
Other Interest	33	48
Total Income from Non-Operating Activities	120	283
Total Income from Transactions	45,984	45,448

(i) Government Grant (State) – Operating includes funding of \$0.3m which was spent due to the impacts of COVID-19.

(ii) Commercial Activities represent business activities which the Service enter into to support their operations.

Impact of COVID-19 on revenue and income

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

Accounting Policies

Income from grants to construct Services assets - as listed, is recognised when the Service satisfies its obligations under the transfer. This aligns with the Service's obligation to construct the asset. The progressive percentage costs incurred is used to recognise income because this most closely reflects the construction's progress as costs are incurred as the works are done.

List of Capital Grants:

- Security Systems Upgrade
- Rainbow Nursing Home refurbishment
- Natimuk Nursing Home refurbishment
- Fire Detection Systems Upgrade
- Nhill Generator and Switchboard
- Nhill Kitchen redevelopment
- Lockwood Special Care Hostel Significant refurbishments
- Grampians Region Solar PV Project
- Jeparit Nurse Call upgrade
- Nhill Fire Hydrant & Sprinkler Upgrade

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

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

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

As a result of the transitional impacts of adopting AASB 15 and AASB 1058, no portion of the grant revenue has been deferred. If the grant income is accounted for in accordance with AASB 15, the deferred grant revenue has been recognised in contract liabilities whereas grant revenue in relation to the construction of capital assets which the health service controls has been recognised in accordance with AASB 1058 and recognised as deferred grant revenue.

Note 2.1 (a): Revenue and income that funds the delivery of our services (continued)

Performance obligations

The types of government grants recognised under AASB 15 Revenue from Contracts with Customers includes:

- Small Rural Health Services - Block grant Activity Based Funding (ABF) paid as WIES casemix
- Commonwealth funding for HACC program
- Commonwealth funding for residential aged care (bed subsidies)
- Primary and Dental Health - Maternal Child and Family Health target based funding.
- other one-off grants if funding conditions contain enforceable and sufficiently specific performance obligations.

The performance obligations for ABF are the number and mix of patients admitted to hospital (casemix) in accordance with levels of activity agreed to with the Department of Health and Human Services (DHHS) in the annual Statement of Priorities (SoP). Revenue is recognised when a patient is discharged and in accordance with the WIES activity for each separation.

For Commonwealth HACC funding, revenue is recognised monthly as the programs are run and the contact visits are being met. The performance obligations have been agreed funding for specific care needs assessments of individuals as determined by the agreed complexities of individuals and the associated costs of achieving adequate levels of care and outcomes.

For Commonwealth bed day subsidies, revenue is recognised monthly based on the actual number of bed days provided and assessed ACFI rates for each resident. The performance obligations around Aged Care funding is the agreed funding for specific care needs assessments of individuals residents as determined by the agreed complexities of individuals and the associated costs of achieving adequate levels of care and outcomes.

The performance obligations for Primary Care funding is a mixture of agreed targets and outcomes. Targets can be a mixture of contacts, cases loads, internally generated targets around funding parameters, externally set targets for outcomes and through acquittal processes.

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

Previous accounting policy for 30 June 2019

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

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

For non-reciprocal grants, the Service recognises revenue when the grant is received.

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

The following are transactions that the Service has determined to be classified as revenue from contracts with customers in accordance with AASB 15. Due to the modified retrospective transition method chosen in applying AASB 15, comparative information has not been restated to reflect the new requirements.

Patient and Resident Fees

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

The performance obligations related to patient fees for services such Allied Health, Community Care and Social Support Programs. These performance obligations have been selected as they align with the terms and conditions of the providing services. Revenue is recognised as these performance obligations are met. West Wimmera Health Service exercises judgement over whether performance obligations related to are met. This is measured by confirmation of service in management systems.

Resident fees are recognised as revenue over time as the Service provides accommodation and care. This is calculated on a daily basis and invoiced monthly.

Commercial activities

Revenue from commercial activities includes items such as Kiosk, Vending machine and Cafeteria sales income.

Performance obligations related to commercial activities are at provision of goods and services. These performance obligations have been selected as they align with the terms and conditions per the contract with the provider of the commercial activities.

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

	2020	2019
	\$'000	\$'000
Cash donations and gifts	70	81
Assets received free of charge under State supply arrangements	27	-
Total Income from Transactions	97	81

In order to meet the State of Victoria's health network supply needs during the COVID-19 pandemic, arrangements were put in place to centralise the purchasing of essential personal protective equipment and essential capital items such as ventilators.

The general principles of the State Supply Arrangement were that Health Purchasing Victoria sourced, secured and agreed terms for the purchase of the products, funded by the department, while Monash Health and the department took delivery, and distributed the products to health services as resources provided free of charge.

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

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

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

Voluntary Services: Contributions in the form of services are only recognised when a fair value can be reliably determined and the services would have been purchased if not donated. The Service does not depend on volunteers to deliver its services.

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.

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

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

- The Victorian Managed Insurance Authority non-medical indemnity insurance payments are recognised as revenue following advice from the Department of Health and Human Services
- Long Service Leave (LSL) revenue is recognised upon finalisation of movements in LSL liability in line with the long service leave funding arrangements set out in the relevant Department of Health and Human Services Hospital Circular
- Public Private Partnership (PPP) lease and service payments are paid directly to the PPP consortium. Revenue and the matching expense are recognised in accordance with the nature and timing of the monthly or quarterly service payments made by the Department of Health and Human Services.
- Fair value of assets and services received free of charge or for nominal consideration

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

Performance obligations and revenue recognition policies

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

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

Consideration received in advance of recognising the associated revenue from the customer is recorded as a contract liability (Note 5.2). Where the performance obligations is satisfied but not yet billed, a contract asset is recorded.

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 included in Net Results
- 3.3: Employee Benefits in the Balance Sheet
- 3.4: Superannuation

Note 3.1: Expenses from Transactions

	2020 \$'000	2019 \$'000
Salaries and Wages	34,419	33,158
Alliance Salaries and Wages	105	86
Agency expenses	210	206
Fee for service medical officer expenses	1,332	1,058
Workcover Premium	535	642
Total Employee Expenses	36,601	35,150
Drug Supplies	115	103
Medical and Surgical Supplies	1,008	773
Diagnostic and Radiology Supplies	27	30
Other Supplies and Consumables	4,454	4,227
Total Supplies and Consumables	5,604	5,133
Finance Costs	69	28
Total Finance Costs	69	28
Fuel, Light, Power and Water	818	855
Repairs and Maintenance	530	547
Maintenance Contracts	317	174
Medical Indemnity Insurance	195	199
Other Administrative Expenses	516	473
Expenditure for Capital Purposes	385	-
Total Other Operating Expenses	2,761	2,248
Total Operating Expenses	45,035	42,559
Depreciation (refer Note 4.2)	5,942	4,633
Total Other Non-Operating Expenses	5,942	4,633
Total Expenses from Transactions	50,977	47,192

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

Impact of COVID-19 on expenses

As indicated at Note 1, the Service's daily activities were impacted by the pandemic. This resulted in direct and indirect costs being incurred, such as increased chemical and linen expenses, technology software and PPE.

Employee expenses

Employee expenses include;

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

Supplies and consumables

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

Finance costs

Finance costs include:

- interest on bank overdrafts and short-term and long-term borrowings (Interest expense is recognised in the period in which it is incurred);
- amortisation of discounts or premiums relating to borrowings;
- amortisation of ancillary costs incurred in connection with the arrangement of borrowings; and
- finance charges in respect of leases which are recognised in accordance with AASB 16 *Leases*.

Finance costs exclude bank charges.

Borrowing costs are interest and other costs incurred by an Health Service in connection with the borrowing.

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 included in Net Results

	2020 \$'000	2019 \$'000
Net gain/(loss) on non-financial assets		
Net gain on disposal of property plant and equipment	91	39
Total net gain/(loss) on non-financial assets	91	39
Net gain/(loss) on financial instruments		
Allowance for impairment losses of contractual receivables	(24)	(2)
Other Gains/(Losses) from Other Economic Flows	-	-
Total net gain/(loss) on financial instruments	(24)	(2)
Share of other economic flows from Joint Operations		
Share of net profits/(losses) of associates, excluding dividends	(46)	(11)
Share of net profits/(losses) of joint entities, excluding dividends	-	-
Total Share of other economic flows from Joint Operations	(46)	(11)
Other gains/(losses) from other economic flows		
Net gain/(loss) arising from revaluation of long service liability	(207)	(680)
Total other gains/(losses) from other economic flows	(207)	(680)
Total other gains/(losses) from Other Economic Flows	(186)	(654)

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

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 4.1 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
- reclassified amounts relating to available-for-sale financial instruments from the reserves to net result due to a disposal or derecognition of the financial instrument. This does not include reclassification between equity accounts due to machinery of government changes or 'other transfers' of assets.

Note 3.3: Employee Benefits in the Balance Sheet

	2020 \$'000	2019 \$'000
Current Provisions		
Employee Benefits ⁽ⁱ⁾		
Accrued Days Off		
- Unconditional and expected to be settled wholly within 12 months ⁽ⁱⁱ⁾	101	97
Annual leave		
- Unconditional and expected to be settled wholly within 12 months ⁽ⁱⁱ⁾	2,030	2,165
- Unconditional and expected to be settled wholly after 12 months ⁽ⁱⁱⁱ⁾	350	367
Long service leave		
- Unconditional and expected to be settled wholly within 12 months ⁽ⁱⁱ⁾	445	468
- Unconditional and expected to be settled wholly after 12 months ⁽ⁱⁱⁱ⁾	4,401	4,516
	7,327	7,613
Provisions related to Employee Benefit On-Costs		
- Unconditional and expected to be settled within 12 months ⁽ⁱⁱ⁾	649	694
- Unconditional and expected to be settled after 12 months ⁽ⁱⁱⁱ⁾	608	658
	1,257	1,352
Total Current Provisions	8,584	8,965
Non-Current Provisions		
Conditional Long Service Leave ⁽ⁱⁱⁱ⁾	1,257	1,056
Provisions related to Employee Benefit On-Costs ⁽ⁱⁱⁱ⁾	144	129
Total Non-Current Provisions	1,401	1,185
Total Provisions	9,985	10,150

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

	2020 \$'000	2019 \$'000
Current Employee Benefits and Related On-Costs		
Annual Leave Entitlements	3,080	3,277
Accrued Days Off	102	97
Unconditional LSL Entitlement	5,402	5,591
Non-Current Employee Benefits		
Conditional Long Service Leave Entitlements	1,401	1,185
Total Employee Benefits and Related On-Costs	9,985	10,150
(b) Movements in On-Cost Provisions		
Balance at start of year	1,481	1,399
Movement provisions recognised	(65)	19
Unwinding of discount and effect of changes in the discount rate	(15)	73
Reduction due to transfer out	-	(10)
Balance at end of year	1,401	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.

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)

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.

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	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Defined benefit plans (i) :				
First State Superannuation Fund	83	90	11	1
Total defined benefit plans	83	90	11	1
Defined contribution plans:				
First State Superannuation Fund	2,796	2,758	301	316
HESTA Superannuation Fund	247	189	37	23
Other	464	406	53	53
Total defined contribution plans	3,507	3,353	391	392
Total	3,590	3,443	402	393

(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 unfunded 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

4.3 Inventories

Note 4.1: Property, Plant and Equipment

(a) Gross carrying amount and accumulated depreciation

	2020 \$'000	2019 \$'000
Land		
Land at Fair Value	1,365	1,365
Total Land	1,365	1,365
Buildings		
Buildings at Fair Value	70,861	65,746
Less Acc'd Depreciation	(4,523)	-
Total Buildings	66,338	65,746
Plant and Equipment		
Plant and Equipment at Fair Value	5,416	4,426
Less Acc'd Depreciation	(3,023)	(2,551)
Total Plant and Equipment	2,393	1,875
Medical Equipment		
Medical Equipment at Fair Value	4,884	4,784
Less Acc'd Depreciation	(3,756)	(3,491)
Total Medical Equipment	1,128	1,293
Computers & Communication Equipment		
Computers & Communication at Fair Value	2,300	2,175
Less Acc'd Depreciation	(1,762)	(1,475)
Total Computers & Communication Equipment	538	700
Motor Vehicles		
Motor Vehicles at Fair Value	1,203	1,604
Less Acc'd Depreciation	(779)	(864)
Total Motor Vehicles	424	740
Furniture and Fittings at fair value		
Furniture and Fittings at Fair Value	2,181	2,097
Less Acc'd Depreciation	(1,782)	(1,695)
Total Furniture and Fittings	399	402
Right of Use (RoU) Assets - Motor Vehicles		
RoU Assets at Fair Value	933	574
Less Acc'd Depreciation	(198)	(46)
Total RoU Assets - Motor Vehicles	735	528
Assets under Construction		
Assets Under Construction at Cost	1,445	5,909
Total Assets under Construction	1,445	5,909
TOTAL	74,765	78,558

Note 4.1: Property, Plant and Equipment (Continued)

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

	Land \$'000	Buildings \$'000	Plant & Equipment \$'000	Medical Equipment \$'000	Computers & Comms \$'000	Motor Vehicles \$'000
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	-	-	-	-
Net Transfers between Classes	-	-	-	-	-	-
Depreciation (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
Additions	-	-	192	100	133	3
Additions / (Disposals) - GRHA	-	-	311	-	-	(2)
Transfer to / from Assets Under Construction	-	5,115	480	-	-	-
Disposals	-	-	-	-	-	(169)
Revaluation Increments/(Decrements)	-	-	-	-	-	-
Depreciation (refer Note 4.2)	-	(4,523)	(465)	(265)	(295)	(148)
Balance at 30 June 2020	1,365	66,338	2,393	1,128	538	424

	Furniture & Fittings \$'000	RoU Assets Motor Vehicles \$'000	Assets Under Construction \$'000	Total \$'000
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
Net Transfers between Classes	-	-	-	-
Depreciation (refer Note 4.2)	(86)	(46)	-	(4,633)
Balance at 30 June 2019	402	528	5,909	78,558
Additions	34	359	1,444	2,265
Additions / (Disposals) - GRHA	-	-	(261)	48
Transfer to / from Assets Under Construction	52	-	(5,647)	-
Disposals	(1)	6	-	(164)
Revaluation Increments/(Decrements)	-	-	-	-
Depreciation (refer Note 4.2)	(88)	(158)	-	(5,942)
Balance at 30 June 2020	399	735	1,445	74,765

Land and buildings

A full revaluation of the Service's land and buildings was performed by the Valuer-General of Victoria (VGV) in May 2019 in accordance with the requirements of Financial Reporting Direction (FRD) 103H Non-Financial Physical Assets. The valuation, which conforms to Australian Valuation Standards, was determined by reference to the amounts for which assets could be exchanged between knowledgeable willing parties in an arm's length transaction. The effective date of the valuation for both land and buildings was 30 June 2019.

In compliance with FRD 103H, in the year ended 30 June 2020, management conducted an annual assessment of the fair value of land and buildings. To facilitate this, management obtained from the Department of Treasury and Finance the VGV indices for the financial year ended 30 June 2020.

The VGV indices, which are based on data to March 2020, indicate an average decrease of 3.44% across all land parcels and a 3% increase in buildings. Management regards the VGV indices to be a reliable and relevant data set to form the basis of their estimates. Whilst these indices are applicable at 30 June 2020, the fair value of land and buildings will continue to be subjected to the impacts of COVID-19 in future accounting periods.

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

The land and building balances are considered to be sensitive to market conditions. To trigger a managerial revaluation a further decrease in the land indice of 6.56% and a further increase in the building indice of 7% would be required.

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 constructed non-financial physical assets includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overheads. The cost of a leasehold improvement is capitalised as an asset and depreciated over the shorter of the remaining term of the lease or the estimated useful life of the improvements.

The initial cost for non-financial physical assets under 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.

Note 4.1: Property, Plant and Equipment (Continued)

Right-of-use asset acquired by lessees (Under AASB 16 – Leases from 1 July 2019) – Initial measurement

The Service recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost which comprises the initial amount of the lease liability adjusted for:

- any lease payments made at or before the commencement date; plus
- any initial direct costs incurred; and
- an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentive received.

Subsequent measurement:

Property, plant and equipment (PPE) as well as right-of-use assets under leases and service concession assets are subsequently measured at fair value less accumulated depreciation and impairment. Fair value is determined with regard to the asset's highest and best use (considering legal or physical restrictions imposed on the asset, public announcements or commitments made in relation to the intended use of the asset) and is summarised on the following page by asset category.

Right-of-use asset – Subsequent measurement

The Service depreciates the right-of-use assets on a straight line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful life of the right-of-use assets are determined on the same basis as property, plant and equipment, other than where the lease term is lower than the otherwise assigned useful life. The right-of-use assets are also subject to revaluation as required by FRD 103H however as at 30 June 2020 right-of-use assets have not been revalued.

In addition, the right-of-use asset is periodically reduced by impairment losses, if any and adjusted for certain remeasurements of the lease liability.

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 Non-Current Physical Assets, the Service's non-current physical assets were assessed to determine whether revaluation of the non-current physical assets was required.

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.

Note 4.1: Property, Plant and Equipment (Continued)

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 *Fair Value Measurement*, paragraph 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

Specialised land includes Crown Land which is measured at fair value with regard to the property's highest and best use after due consideration is made for any legal or physical restrictions imposed on the asset, public announcements or commitments made in relation to the intended use of the asset.

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

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

The market approach is also used for specialised land and specialised buildings although 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 2020.

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)

(c) Fair value measurement hierarchy for assets

Classified in accordance with the fair value hierarchy refer to note 4.1.(a) .

Carrying amount as at 30 June 2020

Land at fair value

Non-specialised land	423
Specialised land	942
Total of land at fair value	1,365

Buildings at fair value

Non-specialised buildings	2,036
Specialised buildings	64,303
Total of building at fair value	66,339

Plant and equipment at fair value

Plant and equipment	2,393
Total of plant and equipment at fair value	2,393

Medical equipment at fair value

Medical equipment	1,128
Total medical equipment at fair value	1,128

Computers and communications at fair value

Computers and communications equipment	538
Total computers and communications equipment at fair value	538

Motor Vehicles at fair value

Motor Vehicles	424
Total Motor Vehicles at fair value	424

Furniture and Fittings at fair value

Furniture and fittings	399
Total furniture and fittings at fair value	399

Total Property, Plant and Equipment

Carrying amount as at 30 June 2020 \$'000	Fair value measurement at end of reporting period using:		
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
423	-	423	-
942	-	-	942
1,365	-	423	942
2,036	-	2,036	-
64,303	-	-	64,303
66,339	-	2,036	64,303
2,393	-	-	2,393
2,393	-	-	2,393
1,128	-	-	1,128
1,128	-	-	1,128
538	-	-	538
538	-	-	538
424	-	-	424
424	-	-	424
399	-	-	399
399	-	-	399
72,586	-	2,459	70,127

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

Carrying amount as at 30 June 2019

Land at fair value

Non-specialised land	423
Specialised land	942
Total of land at fair value	1,365

Buildings at fair value

Non-specialised buildings	2,092
Specialised buildings	63,654
Total of building at fair value	65,746

Plant and equipment at fair value

Plant and equipment	1,875
Total of plant and equipment at fair value	1,875

Medical equipment at fair value

General medical equipment	1,293
Total medical equipment at fair value	1,293

Computers and communications at fair value

Computers and communications equipment	700
Total computers and communications equipment at fair value	700

Motor vehicles at fair value

Motor vehicles	740
Total Motor vehicles at fair value	740

Furniture and Fittings at fair value

Furniture and fittings	402
Total furniture and fittings at fair value	402

Total Property, Plant and Equipment

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
423	-	423	-
942	-	-	942
1,365	-	423	942
2,092	-	2,092	-
63,654	-	-	63,654
65,746	-	2,092	63,654
1,875	-	-	1,875
1,875	-	-	1,875
1,293	-	-	1,293
1,293	-	-	1,293
700	-	-	700
700	-	-	700
740	-	-	740
740	-	-	740
402	-	-	402
402	-	-	402
72,121	-	2,515	69,606

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 2018	558	51,012	1,398	1,391	741	1,232
Additions/(Disposals)	-	-	824	167	250	(228)
Depreciation	-	(3,205)	(347)	(265)	(291)	(264)
Revaluation	384	15,847	-	-	-	-
Closing Balance at 30 June 2019	942	63,654	1,875	1,293	700	740
Additions/(Disposals)	-	5,115	990	100	132	(167)
Depreciation	-	(4,466)	(472)	(265)	(294)	(149)
Revaluations	-	-	-	-	-	-
Balance at 30 June 2020	942	64,303	2,393	1,128	538	424

	Furniture & Fittings \$'000	Totals \$'000
Balance at 1 July 2018	430	56,762
Additions/(Disposals)	56	1,069
Depreciation	(84)	(4,456)
Revaluation	-	16,231
Closing Balance at 30 June 2019	402	69,606
Additions/(Disposals)	84	6,254
Depreciation	(87)	(5,733)
Revaluations	-	-
Balance at 30 June 2020	399	70,127

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
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

	2020 \$'000	2019 \$'000
Property, Plant and Equipment Revaluation Surplus		
Balance at the beginning of the reporting period	53,088	35,951
- Land	-	426
- Buildings	-	16,711
Balance at the end of the reporting period*	53,088	53,088
* Represented by:		
- Land	786	786
- Buildings	52,302	52,302
	53,088	53,088

Note 4.2: Depreciation

	2020	2019
	\$'000	\$'000
Depreciation		
Buildings	4,523	3,334
Plant & Equipment	465	347
Medical Equipment	265	265
Computers & Communication	295	291
Motor Vehicles	148	264
Furniture & Fittings	88	86
ROU Assets-Motor Vehicles	158	46
Total Depreciation	5,942	4,633

Depreciation

All 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.

Right-of use assets are depreciated over the shorter of the asset's useful life and the lease term. Where the Service obtains ownership of the underlying leased asset or if the cost of the right-of-use asset reflects that the entity will exercise a purchase option, the entity depreciates the right-of-use asset over its useful life.

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

	2020	2019
Buildings	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 4.3: Inventories

	2020	2019
	\$'000	\$'000
General Store Supplies	57	54
Pharmacy and Surgical Consumables at cost	155	29
Total Inventory	212	83

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

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 and contract assets

5.2 Payables

5.3 Other liabilities

Note 5.1: Receivables

Note 5.1 (a): Receivables and contract assets

	2020 \$'000	2019 \$'000
CURRENT		
Contractual		
Inter Hospital Debtors	28	-
Trade Debtors	315	248
Sundry Debtors - GRHA	1	18
Patient Fees	406	270
Tenant Bond Monies Held	4	1
Accrued Revenue - Other	299	224
Amounts receivable from governments and agencies	714	-
Less: Allowance for impairment losses of contractual receivables		
- Trade Debtors	7.1. c (5)	(5)
- Patient Fees	7.1. c (2)	(10)
	1,760	746
Statutory		
GST Receivable	46	130
Total Statutory	46	130
TOTAL CURRENT RECEIVABLES	1,806	876
NON CURRENT		
Statutory		
Long Service Leave - Department of Health and Human Services	2,714	2,729
TOTAL NON-CURRENT RECEIVABLES	2,714	2,729
TOTAL RECEIVABLES	4,520	3,605

Note 5.1 (b): Movement in the Allowance for impairment losses of contractual receivables

	2020 \$'000	2019 \$'000
Balance at beginning of year	15	15
Reversal of unused allowance recognised in the net result	(8)	-
Increase in allowance recognised in the net result	-	-
Balance at end of year	7	15

As at 30 June 2020, the Service has contract assets of \$749,592 which is net of an allowance for expected credit losses of \$6,540. This is included the contractual receivable balances presented above.

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

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

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.

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

Note 5.2: Payables

		2020	2019
		\$'000	\$'000
CURRENT			
Contractual			
Trade Creditors (i)		247	805
Trade Creditors - GRHA		53	65
Contract Liabilities - income received in advance	5.2. a	650	471
Accrued Expenses		200	207
Accrued Salaries & Wages		575	1,324
Inter-hospital creditors		39	46
Amounts Payable to Governments and Agencies		-	207
TOTAL PAYABLES -CURRENT		1,764	3,125

Payables Recognition

Payables consist of:

- **Contractual payables** which consist predominantly of accounts payable representing liabilities for goods and services and salaries and wages payable provided to the Service prior to the end of the financial year that are unpaid, and arise when the Service becomes obliged to make future payments in respect of the purchase of those goods and services.

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

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

Grant consideration was received from the following.

Note 5.2 (a) Contract liabilities

	2020
	\$'000
Opening balance brought forward from 30 June 2019	470
Add: Payments received for performance obligations yet to be completed during the period	650
Add: Grant consideration for sufficiently specific performance obligations received during the year	-
Less: Revenue recognised in the reporting period for the completion of a performance obligation	(470)
Less: Grant revenue for sufficiently specific performance obligations works recognised consistent with the performance obligations met during the year	-
Total Contract Liabilities	650
Represented by	
Current contract liabilities	650
Non-current contract liabilities	-

Contract liabilities include consideration received in advance from customers in respect of Department of Health & Human Services, unspent client package funds and Grampians Regional Health Alliance IT JVA.

Invoices are raised once the goods and services are delivered/provided.

Maturity analysis of payables

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

Note 5.3: Other liabilities

		2020	2019
		\$'000	\$'000
CURRENT			
Monies Held in Trust*			
- Patients Monies held in Trust		7	4
- Accommodation Bonds and Refundable		10,557	8,520
Accommodation Deposits			
Other			
- Residential Tenancy Bonds		3	3
Total Current Other Liabilities		10,567	8,527
* Total Monies Held in Trust			
Represented by the following assets:			
Cash Assets		10,567	8,527
TOTAL		10,567	8,527

Accommodation Bonds and Refundable Accommodation Deposits (RAD's)

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

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

Note 5.2: Payables

		2020 \$'000	2019 \$'000
CURRENT			
Contractual			
Trade Creditors (i)		247	805
Trade Creditors - GRHA		53	65
Contract Liabilities - income received in advance	5.2. a	650	471
Accrued Expenses		200	207
Accrued Salaries & Wages		575	1,324
Inter-hospital creditors		39	46
Amounts Payable to Governments and Agencies		-	207
TOTAL PAYABLES -CURRENT		1,764	3,125

Payables Recognition

Payables consist of:

- **Contractual payables** which consist predominantly of accounts payable representing liabilities for goods and services and salaries and wages payable provided to the Service prior to the end of the financial year that are unpaid, and arise when the Service becomes obliged to make future payments in respect of the purchase of those goods and services.

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

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

Grant consideration was received from the following.

Note 5.2 (a) Contract liabilities

	2020 \$'000
Opening balance brought forward from 30 June 2019	470
Add: Payments received for performance obligations yet to be completed during the period	650
Add: Grant consideration for sufficiently specific performance obligations received during the year	-
Less: Revenue recognised in the reporting period for the completion of a performance obligation	(470)
Less: Grant revenue for sufficiently specific performance obligations works recognised consistent with the performance obligations met during the year	-
Total Contract Liabilities	650
Represented by	
Current contract liabilities	650
Non-current contract liabilities	-

Contract liabilities include consideration received in advance from customers in respect of Department of Health & Human Services, unspent client package funds and Grampians Regional Health Alliance IT JVA.

Invoices are raised once the goods and services are delivered/provided.

Maturity analysis of payables

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

Note 5.3: Other liabilities

	2020 \$'000	2019 \$'000
CURRENT		
Monies Held in Trust*		
- Patients Monies held in Trust	7	4
- Accommodation Bonds and Refundable	10,557	8,520
Accommodation Deposits		
Other		
- Residential Tenancy Bonds	3	3
Total Current Other Liabilities	10,567	8,527
* Total Monies Held in Trust		
Represented by the following assets:		
Cash Assets	10,567	8,527
TOTAL	10,567	8,527

Accommodation Bonds and Refundable Accommodation Deposits (RAD's)

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

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

Note 6: How we finance our operations

This section provides information on the sources of finance utilised by the 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 Borrowings
- 6.3 Commitments for expenditure
- 6.4 Non-cash financing and investing activities

Note 6.1: Cash and Cash Equivalents

Cash on hand (excluding Monies held in trust)	3	3
Cash at bank (excluding Monies held in trust)	1,398	795
Cash - GRHA (excluding Monies held in trust)	357	184
Deposits at call - CBS (Monies held in trust) (refer to Note 5.3)	10,567	8,527
Deposits at call (excluding Monies held in trust)	722	3,194
Total Cash and Cash Equivalents	13,047	12,703

	2020 \$'000	2019 \$'000
Cash on hand (excluding Monies held in trust)	3	3
Cash at bank (excluding Monies held in trust)	1,398	795
Cash - GRHA (excluding Monies held in trust)	357	184
Deposits at call - CBS (Monies held in trust) (refer to Note 5.3)	10,567	8,527
Deposits at call (excluding Monies held in trust)	722	3,194
Total Cash and Cash Equivalents	13,047	12,703

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

For Cash Flow Statement presentation purposes, cash and cash equivalents include bank overdrafts, which are included as liabilities on the Balance Sheet. The cash flow statement includes monies held in trust.

Note 6.2: Borrowings

CURRENT

Lease Liability (i)	404	121
Advances from government (ii)	1,600	-
Total Current Borrowings	2,004	121

NON CURRENT

Lease Liability (i)	334	408
Advances from government (ii)	512	-
Total Non Current Borrowings	846	408
Total Borrowings	2,850	529

	2020 \$'000	2019 \$'000
CURRENT		
Lease Liability (i)	404	121
Advances from government (ii)	1,600	-
Total Current Borrowings	2,004	121
NON CURRENT		
Lease Liability (i)	334	408
Advances from government (ii)	512	-
Total Non Current Borrowings	846	408
Total Borrowings	2,850	529

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

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

(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) Lease Liabilities

Repayments in relation to lease payable as follows:

Not longer than one year	422	135
Longer than 1 year and not longer than 5 years	339	421
Longer than 5 years	-	-
Minimum lease payments	761	556
Less future finance charges	(23)	(27)
TOTAL	738	529

Included in the financial statements as:

Current borrowings - lease liability	404	121
Non-current borrowings - lease liability	334	408
TOTAL	-	-

	Minimum future lease payments		Present value of minimum future lease payments	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Not longer than one year	422	135	404	121
Longer than 1 year and not longer than 5 years	339	421	334	408
Longer than 5 years	-	-	-	-
Minimum lease payments	761	556	738	529
Less future finance charges	(23)	(27)		
TOTAL	738	529	738	529
Included in the financial statements as:				
Current borrowings - lease liability			404	121
Non-current borrowings - lease liability			334	408
TOTAL	-	-	738	529

The weighted average interest rate implicit in the lease is 3% (2019: 3.25%).

Note 6.2: Borrowings (continued)

Leases

A lease is a right to use an asset for an agreed period of time in exchange for payment. All leases are recognised on the balance sheet, with the exception of low value leases (less than \$10,000 AUD) and short term leases of less than 12 months.

West Wimmera Health Service's leasing activities

West Wimmera Health Service has entered into lease related to motor vehicles.

For any new contracts entered into on or after 1 July 2019, West Wimmera Health Service considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'. To apply this definition West Wimmera Health Service assesses whether the contract meets three key evaluations which are whether:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to West Wimmera Health Service and for which the supplier does not have substantive substitution rights;
- West Wimmera Health Service has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract and West Wimmera Health Service has the right to direct the use of the identified asset throughout the period of use; and
- West Wimmera Health Service has the right to take decisions in respect of 'how and for what purpose' the asset is used throughout the period of use.

This policy is applied to contracts entered into, or changed, on or after 1 July 2019.

Separation of lease and non-lease components

At inception or on reassessment of a contract that contains a lease component, the lessee is required to separate out and account separately for non-lease components within a lease contract and exclude these amounts when determining the lease liability and right-of-use asset amount.

Recognition and measurement of leases as a lessee (under AASB 16 from 1 July 2019)

Lease Liability – initial measurement

The lease liability is initially measured at the present value of the lease payments unpaid at the commencement date, discounted using the interest rate implicit in the lease if that rate is readily determinable or West Wimmera Health Services incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments (including in-substance fixed payments) less any lease incentive receivable;
- variable payments based on an index or rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- payments arising from purchase and termination options reasonably certain to be exercised.

Lease Liability – subsequent measurement

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in-substance fixed payments:

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right of use asset is already reduced to zero.

Short-term leases and leases of low value assets

West Wimmera Health Service has elected to account for short-term leases and leases of low value assets using the practical expedients. Instead of recognising a right of use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight line basis over the lease term.

Presentation of right-of-use assets and lease liabilities

West Wimmera Health Service presents right-of-use assets as 'property plant equipment' unless they meet the definition of investment property, in which case they are disclosed as 'investment property' in the balance sheet. Lease liabilities are presented as 'borrowings' in the balance sheet.

Recognition and measurement of leases (under AASB 117 until 30 June 2019)

In the comparative period, leases of property, plant and equipment were classified as either finance lease or operating leases.

West Wimmera Health Service determined whether an arrangement was or contained a lease based on the substance of the arrangement and required an assessment of whether fulfilment of the arrangement is dependent on the use of the specific asset(s); and the arrangement conveyed a right to use the asset(s).

Leases of property, plant and equipment where West Wimmera Health Service as a lessee had substantially all of the risks and rewards of ownership were classified as finance leases. finance leases were initially recognised as assets and liabilities at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payment, each determined at the inception of the lease. The leased asset is accounted for as a non-financial physical asset and depreciated over the shorter of the estimated useful life of the asset or the term of the lease. Minimum finance lease payments were apportioned between the 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 consolidated comprehensive operating statement.

Note 6.2: Borrowings (continued)

Contingent rentals associated with finance leases were recognised as an expense in the period in which they are incurred. Assets held under other leases were classified as operating leases and were not recognised in West Wimmera Health Services balance sheet. Operating lease payments were recognised as an operating expense in the Statement of Comprehensive Income on a straight-line basis over the lease term.

Operating lease payments up until 30 June 2019 (including contingent rentals) are recognised on a straight line basis over the lease term, except where another systematic basis is more representative of the time pattern of the benefits derived from the use of the leased asset.

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

- Short-term leases – leases with a term less than 12 months; and
- Low value leases – leases with the underlying asset's fair value (when new, regardless of the age of the asset being leased) is no more than \$10,000.

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

Entity as lessee

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 leases are recognised as an expense in the period in which they are incurred.

Borrowings

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

Subsequent to initial recognition, interest bearing borrowings are measured at amortised cost with any difference between the initial recognised amount and the redemption value being recognised in the net result over the period of the borrowing using the effective interest method. Non-interest bearing borrowings are measured at 'fair value through profit or loss'.

Note 6.3: Commitments for expenditure

Capital expenditure commitments

Not later than one year
Later than 1 year and not later than 5 years
Later than 5 years

Total

Operating Expenditure Commitments

Not later than one year
Later than 1 year and not later than 5 years
Later than 5 years

Total Operating Expenditure Commitments

Total Commitments for Expenditure (inclusive of GST)

less GST recoverable from the Australian Tax Office

Total Commitments for Expenditure (exclusive of GST)

	2020 \$'000	2019 \$'000
Capital expenditure commitments		
Not later than one year	1,580	5,608
Later than 1 year and not later than 5 years	-	-
Later than 5 years	-	-
Total	1,580	5,608
Operating Expenditure Commitments		
Not later than one year	-	-
Later than 1 year and not later than 5 years	-	-
Later than 5 years	-	-
Total Operating Expenditure Commitments	-	-
Total Commitments for Expenditure (inclusive of GST)	1,580	5,608
less GST recoverable from the Australian Tax Office	(144)	(510)
Total Commitments for Expenditure (exclusive of GST)	1,437	5,098

Future lease payments are recognised on the balance sheet, refer to Note 6.2 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 6.4: Non-cash financing and investing activities

Assumption of Liabilities
Acquisition of motor vehicles by means of Leases

Total Non-Cash Financing and Investing Activities

	2020 \$'000	2019 \$'000
Assumption of Liabilities		
Acquisition of motor vehicles by means of Leases	359	574
Total Non-Cash Financing and Investing Activities	359	574

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

		Financial assets at amortised cost	Financial liabilities at amortised cost	Total
2020	Note	\$'000	\$'000	\$'000
Contractual Financial Assets				
Cash and cash equivalents	6.1	13,047		13,047
Receivables				
- Trade Debtors	5.1	1,356		1,356
- Patient Fees	5.1	404		404
Other Receivables	5.1	-		-
Total Financial Assets		14,807		14,807
Financial Liabilities				
Payables	5.2		1,114	1,114
Lease - Motor Vehicles	6.2		738	738
Advances from government	6.2		2,112	2,112
Other Financial Liabilities (Refundable Accommodation Deposits)	5.3		10,557	10,557
Other Financial Liabilities	5.3		10	10
Total Financial Liabilities			14,531	14,531
2019				
	Note	\$'000	\$'000	\$'000
Contractual Financial Assets				
Cash and cash equivalents	6.1	12,703		12,703
Receivables				
- Trade Debtors	5.1	486		486
- Patient Fees	5.1	260		260
Other Receivables	5.1	-		-
Total Financial Assets		13,449		13,449
Financial Liabilities				
Payables	5.2		2,654	2,654
Lease - Motor Vehicles	6.2		529	529
Other Financial Liabilities (Refundable Accommodation Deposits)	5.3		8,520	8,520
Other Financial Liabilities	5.3		7	7
Total Financial Liabilities			11,710	11,710

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 and
- receivables (excluding statutory receivables).

Note 7.1: Financial Instruments (continued)

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

The Service retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through' arrangement; or

The Service has transferred its rights to receive cash flows from the asset and either:

- has transferred substantially all the risks and rewards of the asset; or
- has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

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

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

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

Reclassification of financial instruments: Subsequent to initial recognition reclassification of financial liabilities is not permitted. Financial assets are required to be reclassified between fair value through net result, fair value through other comprehensive income and amortised cost when and only when the Service's business model for managing its financial assets has changes such that its previous model would no longer apply.

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.

	2020	Note	Carrying Amount \$'000	Nominal Amount \$'000	Maturity Dates			
					Less than 1 Month \$'000	1-3 Months \$'000	3 months - 1 Year \$'000	1-5 Years
Financial Liabilities								
<i>At amortised cost</i>								
Payables	5.2		1,114	1,114	482	57	63	512
Borrowings	6.2		2,850	2,850	545	67	1,904	334
Other Financial Liabilities (i)								
- Accommodation Deposits	5.3		10,557	10,557	-	-	1,900	8,657
- Other Financial Liabilities	5.3		10	10	-	-	10	-
Total Financial Liabilities			14,531	14,531	1,027	124	3,877	9,503
2019								
Financial Liabilities								
Payables	5.2		2,654	2,654	2,238	178	238	-
Borrowings	6.2		529	529	10	21	90	408
Other Financial Liabilities (i)								
- Accommodation Deposits	5.3		8,520	8,520	-	-	-	8,520
- Other Financial Liabilities	5.3		7	7	3	-	4	-
Total Financial Liabilities			11,710	11,710	2,251	199	332	8,928

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

Note 7.1 (c) Contractual receivables at amortised cost

	1-Jul-19 \$'000	Current	Less than 1 month	1-3 months	3 months -1 year	1-5 years	Total
Expected loss rate		0%	4%	0.08%	9.0%	0%	
Gross carrying amount of contractual receivables		497	106	51	92	-	746
Loss allowance		-	4.4	4.1	6.0	-	14.5

	30-Jun-20 \$'000	Current	Less than 1 month	1-3 months	3 months -1 year	1-5 years	Total
Expected loss rate		0%	0%	1.65%	1.49%	7%	
Gross carrying amount of contractual receivables		1,408	112	40	153	48	1,760
Loss allowance		-	-	0.7	2.3	3.6	6.5

Impairment of financial assets under AASB 9 Financial Instruments

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

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

Contractual receivables at amortised cost

The Service applies AASB 9 Financial Instruments 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 and the closing loss allowance at end of the financial year as disclosed above.

Reconciliation of the movement in the loss allowance for contractual receivables

	Note	2020 \$'000	2019 \$'000
Balance at beginning of the year		15	15
Opening retained earnings adjustment on adoption of AASB 9		-	-
Opening Loss Allowance	5.1	15	15
Modification of contractual cash flows on financial assets		-	-
Increase in provision recognised in the net result		7	-
Reversal of provision of receivables written off during the year as uncollectible		(15)	-
Reversal of unused provision recognised in the net result		-	-
Balance at end of the year	5.1	7	15

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

In prior years, a provision for doubtful debts is recognised when there is objective evidence that the debts may not be collected and bad debts are written off when identified. A provision is made for estimated irrecoverable amounts from the sale of goods when there is objective evidence that an individual receivable is impaired. Bad debts considered as written off by mutual consent.

Statutory receivables and debt investments at amortised cost

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:

	2020 \$'000	2019 \$'000
Contingent Liabilities		
Quantifiable		
Caveat over Property - Kaniva Hostel Units	200	200
Mortgage over Property - Kaniva Hostel Units	265	-
Total Quantifiable Contingent Liabilities	465	200

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 Remuneration of Executives
- 8.4 Related parties
- 8.5 Remuneration of auditors
- 8.6 Interest in GRHA Joint Operation
- 8.7 Changes in accounting policy and revision of estimates
- 8.8 Events occurring after the balance sheet date
- 8.9 Economic Dependency
- 8.10 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

	2020 \$'000	2019 \$'000
Net result for the period	(5,179)	(2,398)
Non-cash movements:		
Depreciation	5,942	4,633
DHHS Non-Cash LSL Revenue	179	307
Net Movement in Financial Lease	359	(45)
Provision for doubtful debts	(8)	-
Net Result for the Year - GRHA	46	(11)
Movements included in investing and financing activities		
Net (gain)/loss from disposal of non financial physical assets	(91)	(39)
Movements in assets and liabilities:		
For the financial year ended 30 June 2020		
(Increase)/decrease in receivables	(878)	(101)
(Increase)/decrease in prepayments	(62)	(54)
Increase/(decrease) in payables	(1,319)	(109)
Increase/(decrease) in provisions	(373)	714
Increase/(decrease) in other liabilities	(359)	(245)
(Increase)/decrease in inventories	(123)	4
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	(1,866)	2,656

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.

Responsible Ministers:

The Honourable Jenny Mikakos, Minister for Health and Minister for Ambulance Services

The Honourable Luke Donnellan, Minister for Child Protection, Minister for Disability, Ageing and Carers

Governing Board Directors:

Mrs Anne Rogers Board President

Mrs Leonie Clarke Board Director

Mr John Millington Board Director

Mr Lloyd Milgate Board Director

Mrs Katherine Colbert Board Director

Ms Michelle Coutts Board Director

Mr Neville Yeomans Board Director

Mrs Therese Allen Board Director

Mr Henry Banh Board Director

Accountable Officers

R Dodds Chief Executive Officer

	Period
The Honourable Jenny Mikakos, Minister for Health and Minister for Ambulance Services	01/07/2019 - 30/06/2020
The Honourable Luke Donnellan, Minister for Child Protection, Minister for Disability, Ageing and Carers	01/07/2019 - 30/06/2020
Mrs Anne Rogers Board President	01/07/2019 - 30/06/2020
Mrs Leonie Clarke Board Director	01/07/2019 - 30/06/2020
Mr John Millington Board Director	01/07/2019 - 30/06/2020
Mr Lloyd Milgate Board Director	01/07/2019 - 30/06/2020
Mrs Katherine Colbert Board Director	01/07/2019 - 30/06/2020
Ms Michelle Coutts Board Director	09/09/2019 - 30/06/2020
Mr Neville Yeomans Board Director	09/09/2019 - 30/06/2020
Mrs Therese Allen Board Director	01/07/2019 - 11/12/2019
Mr Henry Banh Board Director	01/07/2019 - 11/12/2019
R Dodds Chief Executive Officer	01/07/2019 - 30/06/2020

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

Amounts relating to the Governing Board Members and Accountable Officer are disclosed in the Service's financial statements.

Note 8.2: Responsible persons disclosures (continued)

Remuneration of Responsible Persons

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

Income Band	2020 \$'000	2019 \$'000
\$0 - \$9,999	9	8
\$160,000 - \$169,999	-	-
\$210,000 - \$219,999	-	-
\$230,000 - \$239,999	1	1
Total Numbers	10	9

	2020 \$'000	2019 \$'000
Total remuneration received, due and receivable by Responsible Persons from the service amounted to:	272	265

Note 8.3: Remuneration of Executives

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

Remuneration of executive officers (including Key Management Personnel Disclosed in Note 8.2)

	2020 \$'000	2019 \$'000
Short-term employee benefits	938	698
Post-employment benefits	80	62
Other long-term benefits	5	19
Total remuneration (i)	1,023	779
Total number of executive officers	5	5
Total annualised employee equivalent (AEE)	4.8	4.6

(i) The total number of executive officers includes persons who meet the definition of Key Management 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.

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

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.

Remuneration comparison this year includes increases as per contracts and remuneration for a full year including short and other long term benefits. Prior year one executive commence in May 2019.

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 include long service leave, other long-service benefit or deferred compensation.

Termination benefits include termination of employment payments, such as severance packages.

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 its 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 Anne Rogers	Board President
West Wimmera Health Service	Mrs Leonie Clarke	Board Director
West Wimmera Health Service	Ms Michelle Coutts	Board Director
West Wimmera Health Service	Mrs Therese Allen	Board Director
West Wimmera Health Service	Mrs Katherine Colbert	Board Director
West Wimmera Health Service	Mr Henry Banh	Board Director
West Wimmera Health Service	Mr John Millington	Board Director
West Wimmera Health Service	Mr Neville Yeomans	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
West Wimmera Health Service	Mrs Melanie Albrecht	Executive Director Business & Strategy
West Wimmera Health Service	Mrs Jan Fisher	Executive Director Clinical Services
West Wimmera Health Service	Mrs Alex Hall	Executive Director Community Health
West Wimmera Health Service	Mr Darren Welsh	Executive Director Corporate & Quality

Compensation - KMPs

Short-term employee benefits
Post-employment benefits
Other long-term benefits
Total*

	2020 \$'000	2019 \$'000
	1,180	937
	99	81
	16	26
	1,295	1,044

*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 \$24.37 million (2019: \$23.70 million) and a cash advance of \$1.6 million (2019: \$0 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 2020. There were no related party transactions required to be disclosed for the Service Board of Directors, Chief Executive Officer and Executive Directors in 2020.

Other transactions of Responsible Persons and their Related Parties

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

Note 8.5 Remuneration of auditors

	2020 \$'000	2019 \$'000
Victorian Auditor-General's Office		
Audit of financial statements	27	27
	27	27

Note 8.6: Interest in GRHA Joint Operation

Name of Entity	Principal Activity	Country of Incorporation	Ownership Interest		Published Fair Value	
			2020 %	2019 %	2020 \$'000	2019 \$'000
Jointly Controlled Entities						
<i>Grampians Regional Health Alliance IT JVA</i>	Info. Tech. Services	Australia	8.45	7.99	581	586

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.

	2020 \$'000	2019 \$'000
Summarised balance sheet:		
Current assets		
Cash and cash equivalents	357	184
Receivables	8	19
Other current assets	14	23
Total current assets	379	226
Non-Current Assets		
Property, Plant & Equipment	377	425
Total Non-Current Assets	377	425
Total Assets	756	651
Current Liabilities		
Payables	175	65
Total current liabilities	175	65
Total Liabilities	175	65
Equity		
Accumulated Surpluses	581	586
Total Equity	581	586
Summarised operating statement:		
Revenue		
Revenue from operating activities	571	496
Capital revenue	141	25
Total Revenue	712	521
Expenses		
Info. Tech. and Administrative Expenses	521	421
Employee Expenses	105	86
Effect of Change in Share of JVA	34	-
Depreciation & Amortisation	98	25
Total Expenses	758	532
Share of Joint Venture's Other Comprehensive Income		
Dividends received from jointly controlled entities		
Net Result	(46)	(11)

* Figures obtained from the unaudited Grampians Regional Health Alliance IT JVA annual report.

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: Changes in accounting policy and revision of estimates

Changes in accounting policy

Leases

This note explains the impact of the adoption of AASB 16 Leases on the Service's financial statements.

The Service has applied AASB 16 with a date of initial application of 1 July 2019. The Service has elected to apply AASB 16 using the modified retrospective approach, as per the transitional provisions of AASB 16 for all leases for which it is a lessee. The cumulative effect of initial application is recognised in retained earnings as at 1 July 2019. Accordingly, the comparative information presented is not restated and is reported under AASB 117 and related interpretations.

Previously, the Service determined at contract inception whether an arrangement is or contains a lease under AASB 117 and Interpretation 4 – 'Determining whether an arrangement contains a Lease'. Under AASB 16, the Service assesses whether a contract is or contains a lease based on the definition of a lease as explained in note 6.2.

On transition to AASB 16, the Service has elected to apply the practical expedient to grandfather the assessment of which transactions are leases. It applied AASB 16 only to contracts that were previously identified as leases. Contracts that were not identified as leases under AASB 117 and Interpretation 4 were not reassessed for whether there is a lease. Therefore, the definition of a lease under AASB 16 was applied to contracts entered into or changed on or after 1 July 2019.

Leases as a Lessor

The Service is not required to make any adjustments on transition to AASB 16 for leases in which it acts as a lessor. The Service accounted for its leases in accordance with AASB 16 from the date of initial application.

Revenue from Contracts with Customers

In accordance with FRD 121 requirements, the Service has applied the transitional provision of AASB 15, under modified retrospective method with the cumulative effect of initially applying this standard against the opening retained earnings at 1 July 2019. Under this transition method, the Service applied this standard retrospectively only to contracts that are not 'completed contracts' at the date of initial application. The Service has not applied the fair value measurement requirements for right-of-use assets arising from leases with significantly below-market terms and conditions principally to enable the entity to further its objectives as allowed under temporary option under AASB 16 and as mandated by FRD 122.

Comparative information has not been restated.

Note 2.1 – Revenue and income that funds the delivery of our services includes details about the transitional application of AASB 15 and how the standard has been applied to revenue transactions.

Income of Not-for-Profit Entities

In accordance with FRD 122 requirements, the Service has applied the transitional provision of AASB 1058, under modified retrospective method with the cumulative effect of initially applying this standard against the opening retained earnings at 1 July 2019. Under this transition method, the Service applied this standard retrospectively only to contracts and transactions that are not completed contracts at the date of initial application.

Comparative information has not been restated.

Note 2.1.2 – Grants includes details about the transitional application of AASB 1058 and how the standard has been applied to revenue transactions.

The adoption of AASB 1058 did not have an impact on Other comprehensive income and the Statement of Cash flows for the financial year.

Note 8.8: Events Occurring after the Balance Sheet Date

The COVID-19 pandemic has created unprecedented economic uncertainty. Actual economic events and conditions in the future may be materially different from those estimated by the Service at the reporting date. As responses by government continue to evolve, management recognises that it is difficult to reliably estimate with any degree of certainty the potential impact of the pandemic after the reporting date on Service, its operations, its future results and financial position. The state of emergency in Victoria was extended on 11 October 2020 until 8 November 2020 and the state of disaster is still in place.

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

Note 8.9: 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 8.10: AASBs issued that are not yet effective

As at 30 June 2020, the following standards and interpretations had been issued by the AASB but were not yet effective. They become effective for the first financial statements for reporting periods commencing after the stated operative dates as detailed in the table below. 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 2018-7 Amendments to Australian Accounting Standards – Definition of Material	This Standard principally amends AASB 101 Presentation of Financial Statements and AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors. The amendments refine and clarify the definition of material in AASB 101 and its application by improving the wording and aligning the definition across AASB Standards and other publications. The amendments also include some supporting requirements in AASB 101 in the definition to give it more prominence and clarify the explanation accompanying the definition of material.	1 Jan 2020 The standard is not expected to have a significant impact on the West Wimmera Health Service.
AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current	This Standard amends AASB 101 to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current. A liability is classified as non-current if an entity has the right at the end of the reporting period to defer settlement of the liability for at least 12 months after the reporting period. The meaning of settlement of a liability is also clarified.	1 January 2022. However, ED 301 has been issued with the intention to defer application to 1 January 2023. The standard is not expected to have a significant impact on the West Wimmera Health Service.

The following accounting pronouncements are also issued but not effective for the 2019-20 reporting period. At this stage, the preliminary assessment suggests they may have insignificant impacts on public sector reporting.

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

Independent Auditor's Report

To the Board of West Wimmera Health Service

Opinion	<p>I have audited the financial report of West Wimmera Health Service (the health service) which comprises the:</p> <ul style="list-style-type: none"> • balance sheet as at 30 June 2020 • 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. <p>In my opinion the financial report presents fairly, in all material respects, the financial position of the health service as at 30 June 2020 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 7 of the <i>Financial Management Act 1994</i> and applicable Australian Accounting Standards.</p>
Basis for Opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. 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 <i>APES 110 Code of Ethics for Professional Accountants</i> (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.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
Board's responsibilities for the financial report	<p>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 <i>Financial Management Act 1994</i>, 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.</p> <p>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.</p>
Other Information	<p>The Board of the health service is responsible for the Other Information, which comprises the information in the health service's annual report for the year ended 30 June 2020, but does not include the financial report and my auditor's report thereon.</p> <p>My opinion on the financial report does not cover the Other Information and accordingly, I do not express any form of assurance conclusion on the Other Information. However, in connection with my audit of the financial report, my responsibility is to read the Other Information and in doing so, consider whether it is materially inconsistent with the financial report or the knowledge I obtained during the audit, or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude there is a material misstatement of the Other Information, I am required to report that fact. I have nothing to report in this regard.</p>

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:

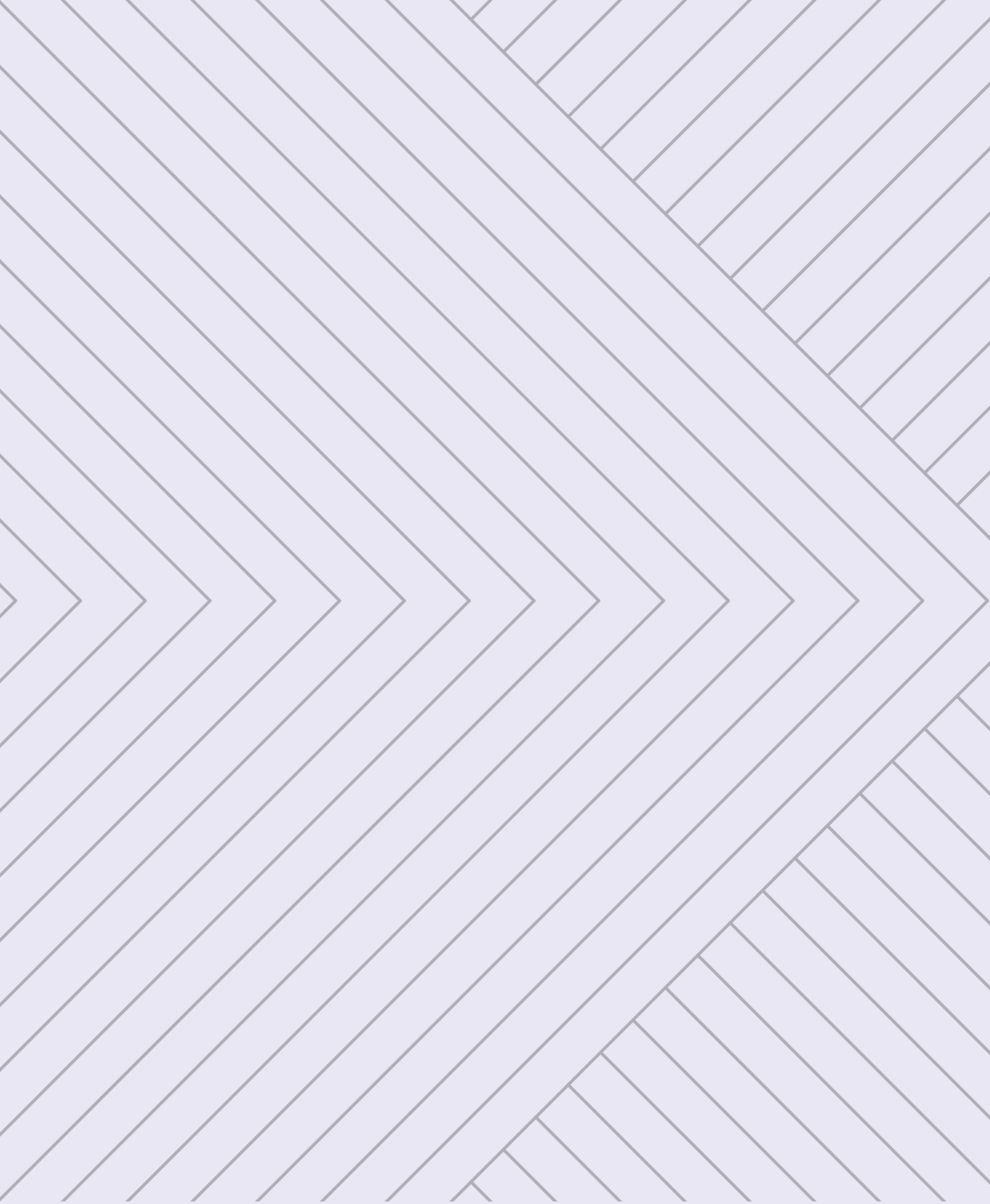
- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material 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
27 October 2020



Travis Derricott
as delegate for the Auditor-General of Victoria



WWHS

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Goroke, Jeparit, Kaniva, Minyip, Murtoa,
Natimuk, Nhill, Rainbow and Rupanyup.



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