STAWELL
REGIONAL HEALTH

ANNUAL REPORT 2020 - 2021

Our Strategic Response

Growing Healthy Together Strategic Plan 2020-2023

In addition to the continued delivery of existing programs and services, Stawell Regional Health has identified a range of strategic opportunities that have informed the Growing Healthy Together Plan.

Our priorities are

Exceptional Experiences

We will listen to, involve and activate our patients, consumers and their families in everything we do.

Inspired People

We will inspire a workplace where staff, volunteers and partners can thrive and contributions are valued.

Excellence in Integrated Care

We will work with our health partners and local communities to ensure access to the health services our community needs.

Sustainable Service Delivery

We will aim to ensure sustainable resources through attentive financial and resource administration.

A Well-Governed Organisation

We will meet our communities, partners and Governments expectations and requirements through good governance.

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Our Profile

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

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

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

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

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

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

How to contact us:

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

Stawell Regional Health proudly acknowledges the Traditional Custodians of the land on which our health service operates, the Wotjobaluk, Jaadwa, Jadawadjali, Wergaia and Jupagalk peoples. We pay our respects to their Elders past, present and emerging.

Our Values

The SRH Executive and Leadership Team continue to work on embedding our values across the health service to promote a positive workplace culture.

Community Care

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

Compassion

We are kind and considerate in our care for others.

Accountability

We each take personal responsibility for our decisions and actions.

Respect

We value how people are different and diverse.

Excellence

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

Growing Healthy Together

Stawell Regional Health

Board Chair and Chief Executive Officer Report

"On behalf of the staff and Board of Directors we are pleased to present the Stawell Regional Health Annual report for 2020-2021"

Rhian Jones – Board Chair Kate Pryde – CEO

This year has been a true testament to the resilience and adaptability of our health service. Despite the challenges presented during the COVID pandemic the entire staff group have adapted, adjusted and redesigned our service in order to independently provide our community with a local, quality COVID response. At the same time SRH achieved many of the strategic priorities outlined in the newly launched 2020-2023 Strategic Plan – *Growing Healthy Together*.

We have achieved this with the unprecedented level of partnership across our region and within our community. Some of the key achievements against our strategic plan include:

Inspired People - *creating a workplace where staff, volunteers and partners can thrive and contributions are valued*

This year saw our largest investment in non-clinical skill development with over twenty of our support and non-clinical staff enrolling in certificate III and IV training programs, including four apprenticeships. With the ever present COVID challenges SRH introduced an organisational wide Health and Wellbeing program that is supported by a dedicated full time, on site Health and Wellbeing (H&W) Coordinator. The H&W Coordinator role is important in ensuring our workforce has real time access to mental health support and initiatives that assist staff in managing their sense of wellbeing. The H&W Coordinator role supports staff referral onto appropriate specialists' services when required, which include, but is not limited to, family violence support, grief and loss intervention, counselling and other talk therapies and supports the development and implementation of onsite wellbeing programs. Our Food Services team also successfully implemented the state compliant healthy choices menu plans that ensure all staff, patients and residents have access to healthy food options.

Excellence in integrated Care – working with our health partners and local communities to ensure access the health services our community needs

In response to ever-increasing community demand SRH expanded several Allied Health services such as physiotherapy, podiatry, speech pathology and introduced new multidisciplinary programs for people living with diabetes. The Primary and Community Services teams showed great ingenuity in rapidly transitioning many of their rehabilitation and community-based services to a virtual platform during COVID to ensure our community did not go without these important programs. Our Social Support Group program also transitioned to a virtual program to keep out most vulnerable and socially isolated community safe and connected.

To ensure that SRH provides our region with a contemporary and responsive residential care facility SRH partnered with Dementia Australia to redesign of their resident care model

(BIRCH program). This initiative involves staff from all disciplines and is co-designed with residents and their families. Supporting this project is the planning of significant amenities refurbishment and a large-scale dementia designed landscape project.

In partnership with Grampian Community Health we continue to develop our awareness and response role to domestic violence also ensuring we meet the legislative requirements in this

Exceptional Experiences - listening and involving our patients, residents and consumer in everything we do

April 2021 marked our inaugural meeting of our Consumer Engagement Committee (partnering with Consumers), which identified a two-fold focus from the Committee's perspective: the consumer experience on the premises with finding their way (carpark to reception areas, Urgent Care access and the path from the main reception to the theatre entrance), as well as the need to be more active in the social media space aimed at engaging with harder to reach groups. We also appointed independent consumers onto our Audit and Risk and Quality and Safety sub board committees.

Throughout the year we have celebrated the diversity of our community and continued our work to ensure all our community members are able to access our health services with a sense of acceptance and safety. We welcomed our Aboriginal health liaison officer to support and guide us in ensuring we can deliver health services to our Aboriginal and Torres Strait islander community in a culturally safe and respectful manner.

SRH partnered with Ballarat Health Services to employ a Disability Liaison Officer to support people living with disability in the Stawell and boarder Grampians region to access safe and inclusive healthcare services that cater to their needs.

In February we launched our largest community consultation project to support our future planning. Through this process we engaged with over 10% of our community in order to gain insight into the communities wants and needs now and into the future.

While it has been another challenging year for our team at Stawell Regional Health we have been greatly heartened by the continual generosity from our community – through donations, messages of thanks and acts of kindness our community has kept us going and inspired us to dig deep and give our best.

Responsible Bodies Declaration

In accordance with the Financial Management Act 1994, I am pleased to present the report of operations for Stawell Regional Health Service for the year ending 30 June 2021.

Rhian Jones
Board Chair
Stawell
27 September 2021

Objectives, Functions, Powers and Duties of Stawell Regional Health

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

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

Stawell Regional Health was accountable from 1 July 2020 to 30 June 2021 through its Board of Management, to –

(1 July 2020 to 26 September 2020)
Jenny Mikakos MP, Minister for Health and Minister for Ambulance Services

(*26 Sept 2020 to 30 June 2021)*
The Hon Martin Foley, Minister for Health and Minister for Ambulance Services, Minister for Equality

(1 July 2020 to 29 September 2020)
The Hon Martin Foley MP the Minister for Mental Health, Minister for Equality

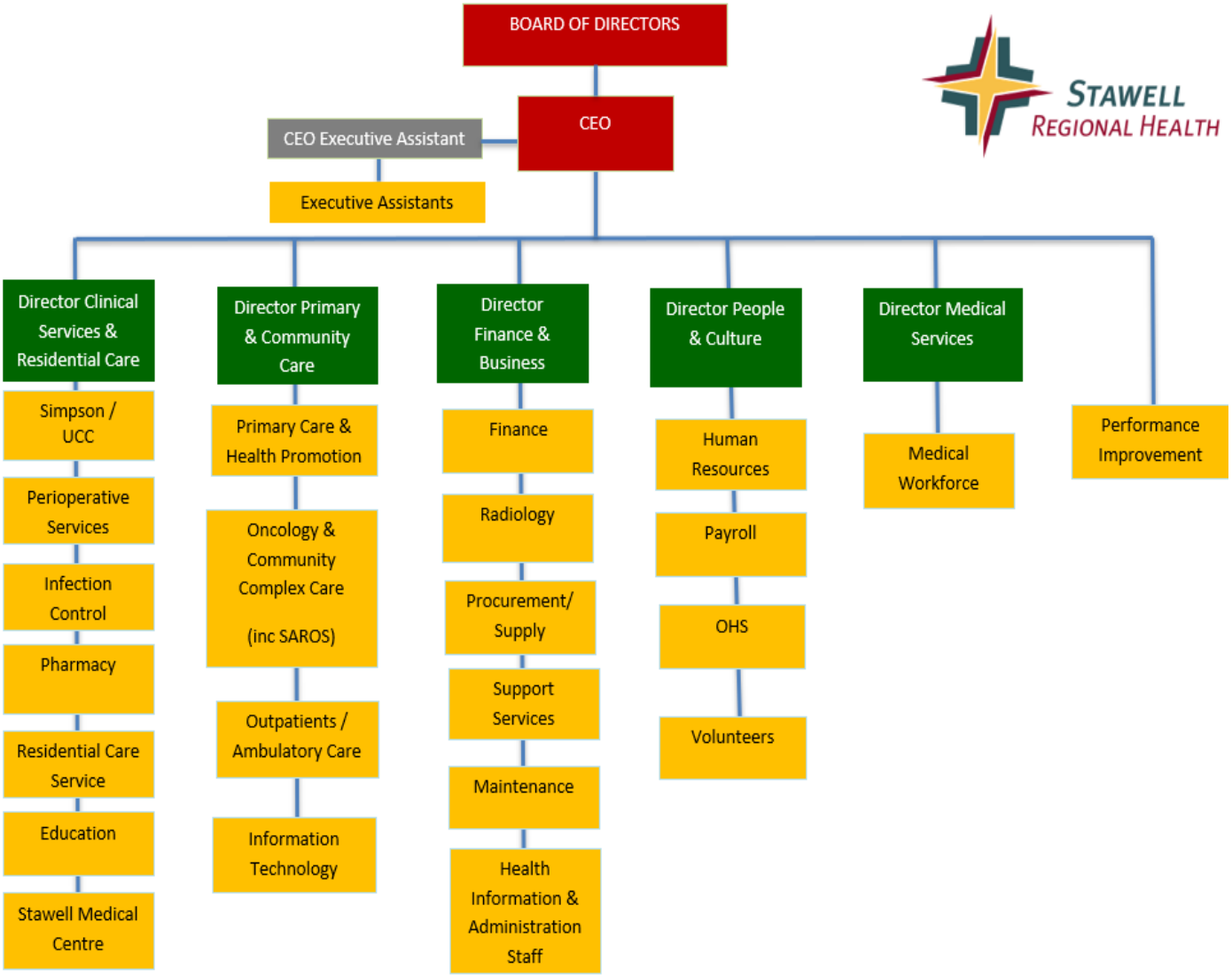
(29 September 2021 to 30 June 2021)
The Hon James Merlino MP The Minister for Mental Health

Board of Directors and Executive Team

** Denotes membership – Audit and Risk Committee Meeting

Independent Members: Jodi Ford and Erik Nijboer

Organisational Structure



Workforce Data

Hospital workforce data

Hospitals labour category	JUNE current month FTE		Average Monthly FTE	
	2021	2020	2021	2020
Nursing	84.05	76.33	80.90	76.38
Administration & Clerical	46.12	43.07	44.39	43.1
Medical Support	7.63	7.25	7.35	7.25
Hotel & Allied Services	33.48	29.77	32.22	29.79
Medical Officers	3.32	2.59	3.20	2.59
Hospital Medical Officers	0	0	0	0
Sessional Clinicians	0	0	0	0
Ancillary Staff (Allied Health)	18.93	19.12	18.22	19.13

Occupational Health & Safety

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

Occupational Health & Safety Incidents by Severity

Occupational Health and Safety Statistics	2020-2021	2019-2020	2018-2019
The number of reported hazards/incidents for the year per 100 FTE	59	56.6	55.3
The number of 'lost time' standard WorkCover claims for the year per 100 FTE	5.1	2.1	1.6
The average cost per WorkCover claim for the year ('000)	$75	$41	$2

Occupational Violence

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

Occupational Violence Statistics

	2020-2021
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.	51
Number of occupational violence incidents reported per 100 FTE.	30.1
Percentage of occupational violence incidents resulting in a staff injury, illness or condition.	0

Financial Overview

In 2020-21 Stawell Regional Health achieved its strategic objective of maintaining a financially sustainable organisation through efficient use of limited resources and success in a number of key grant applications.

For the 2020-21 financial year Stawell Regional Health delivered a Consolidated Operating surplus of $12k against a budgeted deficit of $0.48M. This is compared to a Consolidated Operating surplus of $145K in the previous financial year.

Stawell Regional Health's ongoing response to COVID-19 throughout 2020-21 continued to impact financial performance through reduced income and increased expenditure. $1.2m of funding was provided to Stawell Regional Health to help offset this impact. Further sustainability funding has allowed us to achieve a parent operating result of break-even as shown in the table below.

Staff expenditure again saw an increase of approximately 8% which far outweighs any indexation linked to main grant funding. Performance against our acute activity saw us end the year at 94% of target which is a considerable achievement given the fluid COVID environment and the challenges this brings.

Despite the financial pressures Stawell Regional Health remained committed to its strategic plan of 'Growing Healthy Together' and to improved outcomes for its consumers.

Our Capital works program received a much-needed boost as we were successful in a number of key grant applications. This included funding to replace end of life medical equipment and engineering infrastructure. This funding will ensure we are able to continue to provide high quality, safe care to our community and that our staff are able to operate within a safe and healthy environment.

Work continues on previously funded projects including the implementation of a new nurse call and duress system, IT and Engineering infrastructure works, Residential Care solar panel installation and works to ensure our Theatre is compliant with national standards.

There were further grant funding successes in the areas of staff wellbeing and mental health and COVID response initiatives.

Capital Works Funding Secured		
Funding Stream	Details	$ 000's
Medical Equipment Replacement Program 20-21	Ultrasound unit	310
COVID -19 Response Program	Reconfiguration and upgrade of air handling units	1,160
Department of Health Amenities Funding	Staff amenities and outdoor break areas	143
Residential Care - Enhancing Telehealth & Resident Communication Grant 20-21	Video and telecommunication devices to enhance resident communication and telehealth opportunities	22
Residential Care - Community Kitchen Garden Grants 20-21	Create kitchen garden to establish 'garden to plate' concept	45
Total		**1,680**

$1.4M of assets were commissioned within the year 2020-21.

Stawell Regional Health would also like to express our extreme gratitude to all individuals and organisations who supported the Health Service through various donations, fundraising and bequeaths.

In 2020-21 consolidated operating activities for the year resulted in a net cash inflow of $3.9M with $620K being invested in Capital Assets. Overall, consolidated cash holdings increased by $3.4M for the year with total cash on hand amounting to $9.7M at 30 June 2021 compared to $6.3M at the end of the previous year.

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

Performance Indicators

Financial Information (consolidated)	**2021 $000**	**2020 $000**	**2019 $000**	**2018 $000**	**2017 $000**
Operating Result *	12	145	(119)	(1,128)	(226)
Total revenue	34,235	32,171	31,399	27,295	27,351
Total expenses	35,983	33,033	31,616	30,250	29,296
Net result from transactions	(1,748)	(863)	(217)	(2,955)	(1,945)
Total other economic flows	142	(37)	(109)	(66)	(49)
Net result	(1,606)	(900)	(326)	(1,135)	(232)
Total Assets	52,342	50,670	50,268	33,281	34,408
Total liabilities	11,242	8,332	7,031	6,043	5,716
Net assets/Total equity	41,100	42,338	43,237	27,238	28,692

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

Reconciliation between the Net Result from Transactions to the Statement of Priorities and Operating Result

	2020-2021
	$000
Net operating result* (parent entity)	0
Capital purpose income.	738
Specific Income	143
COVID 19 State Supply arrangements -Assets received free of charge or for nil consideration under the State Supply	219
State Supply Items consumed up to 30 June 2021	(219)
Expenditure for capital purposes	(3)
Assets provided free of charge	0
Assets received free of charge	0
Depreciation and amortisation	(2,656)
Doubtful debts	30
Net result from transactions (consolidated).	(1,748)

Consultancies Information

Details of consultancies (under $10,000)

In 2020-21, there were eight consultancies where the total fees payable to the consultants were less than $10,000. The total expenditure incurred during 2020-21 in relation to these consultancies is $29,274 (excl. GST).

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

In 2020-21, there was one consultancy where the total fees payable to the consultants were $10,000 or greater. The total expenditure incurred during 2020-21 in relation to this consultancy is $44,221 (excl. GST).

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

Consultant	Purpose of consultancy	Start date	End date	Total approved project fee (ex GST)	Expenditure 2019-2020 (inc GST)	Future expenditure (ex GST)
Dementia Australia	Develop a model of care to support residents living with dementia	Feb 2021	Feb 2022	$44,221	$44,221	-

Information and communication technology (ICT) expenditure

The total ICT expenditure incurred during 2020-2021 is $1.61m (excluding GST) with the details shown below:

Business as usual (BAU) ICT expenditure	Non – Business as Usual (non-BAU) ICT expenditure		
Total (excluding GST)	Total- Operational expenditure and Capital Expenditure (excluding GST) (a) + (b)	Operational Expenditure (excluding GST) (a)	Capital Expenditure (excluding GST) (b)
$ 0.81 million	$ 0.8 million	$ 0.69 million	$ 0.11 million

Freedom of Information Act 1982

Stawell Regional Health is subject to the Freedom of Information Act 1982 which provides applicants the opportunity to request information. Information on Freedom of Information is included in patient information brochures. The legislated application fee for the 2020-2021 financial year was $29.60 per application, and the processing fee included a search fee of $20 per hour or part thereof, and a photocopying fee of 20 cents per A4 page. Exemptions may apply that relate to privacy of patients and third parties.

In 2020-2021 Stawell Regional Health received 18 valid requests, of which 17 were processed and granted in full and 1 which was withdrawn.

Building Act 1993

Building Standards and Condition Assessments

Stawell Regional Health complies with the Building Act 1993. Fire audits and risk assessments are undertaken by consultant fire engineers in compliance with the Department of Health Fire Risk Management Engineering Guidelines Series 7. Recommendations from the fire audits and risk assessments are actioned in conjunction with the Department of Health and Human Services to maintain a high degree of fire safety. All bed-based facilities are audited at intervals of a maximum of five years.

Stawell Regional Health was last audited on the 22 June 2021 by ARUP Fire (Fire Engineers) and Brian Sherwell & Associates (Building Surveyor). A plan is in place to guide and prioritise actions arising from these reviews.

Public Interest Disclosure Act 2012

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

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

Statement on National Competition Policy

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

Carers Recognition Act 2012

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

Local Jobs Act 2003

In 2020-2021 there were no contracts requiring disclosure under the Local Jobs First Policy.

Safe Patient Care Act 2015

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

Gender Equality Act 2020

The Victorian Gender Equality Act came into effect on 30 March 2021. It acknowledges that gender equality is a human right and precondition to social justice, it brings significant economic, social and health benefits for Victoria. As a defined entity under the Act, Stawell Regional Health has undertaken a workforce audit as of the 30 June 2021 and conducted a staff survey called the People Matters Survey. The audit and survey findings will identify gender composition at all levels of Stawell Regional Health workforce, gender composition of the Board, gendered work segregation, workplace sexual harassment, improvement opportunities in recruitment and promotion and how leave and work flexibility is accessed by the different genders. The findings be used to develop strategies for a 4-year plan increase gender equity and an inclusive workforce at Stawell Regional

Health and we will report to our progress every two years to the Commission for Gender Equality in the Public Sector.

Aboriginal Cultural Safety Guidelines

Stawell Regional Health has developed an Aboriginal Cultural Safety Plan to enhance the provision of culturally safe care that supports improved health and wellbeing outcomes. The focus of this plan in 2020-21 was:

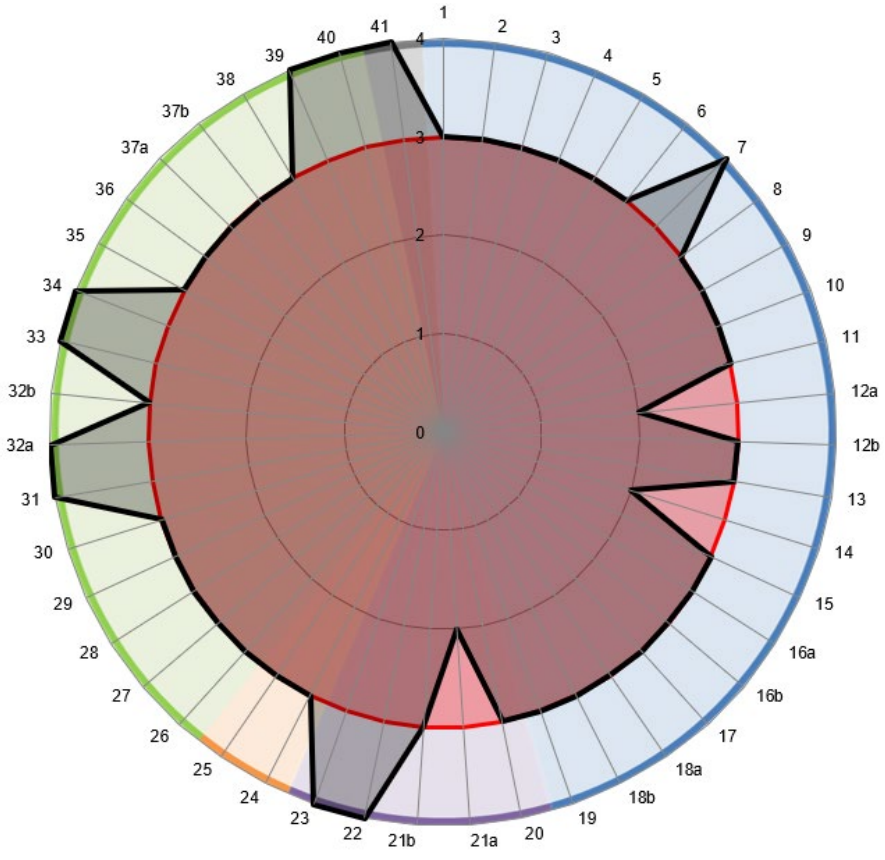
- The employment of an Aboriginal Health Liaison Officer to provide emotional, social and cultural support to Aboriginal and Torres Strait islander patients and their families, and to lead Stawell Regional Health's strategy to enhance culturally safe practice.
- The commitment to training all Stawell Regional Health in culturally safe practice on an annual basis. Senior leadership including the Board of Management, Executive, and the broader Leadership group were the first groups to undertake training.

Asset Management Accountability Framework

The following sections summarise Stawell Regional Health's assessment of maturity against the requirements of the Asset Management Accountability Framework (AMAF). The AMAF is a non-prescriptive, devolved accountability model of asset management that requires compliance with 41 mandatory requirements. These requirements can be found on the Department of Treasury and Finance website: https://www.dtf.vic.gov.au/infrastructure-investment/asset-management-accountability-framework)

The Stawell Reginal Health target maturity rating is 'competence', meaning systems and processes fully in place, consistently applied and systematically meeting the AMAF requirement, including a continuous improvement process to expand system performance above AMAF minimum requirements.

Results:



Target Overall

Legend

Status	Scale
Not Applicable	N/A
Innocence	0
Awareness	1
Developing	2
Competence	3
Optimising	4
Unassessed	U/A

Leadership and Accountability (requirements 1-19)

Stawell Regional Health has met or exceeded its target maturity level under most requirements within this category.

Stawell Regional Health did not comply with some requirements in the areas of allocating asset management responsibility and other requirement. There is no material non-compliance reported in this category. A plan for improvement is in place to improve the Stawell Regional Health maturity rating in these areas.

Planning (requirements 20-23)

Stawell Regional Health has met or exceeded its target maturity level under most requirements within this category.

Stawell Regional Health did not comply with some requirements in the areas of allocating asset management responsibility and other requirement. There is no material non-compliance reported in this category. A plan for improvement is in place to improve the Stawell Regional Health maturity rating in these areas

Acquisition (requirements 24 and 25)

Stawell Regional Health has met or exceeded its target maturity level under most requirements within this category.

Operation (requirements 26-40)

Stawell Regional Health has met or exceeded its target maturity level under most requirements within this category.

Disposal (requirement 41)

Stawell Regional Health has met or exceeded its target maturity level under the requirement within this category.

Environmental Performance

Energy and water performance report
2020-21

Stawell Regional Health

We continue to seek new ways to improve our energy consumption rates and reduce our carbon emissions including further solar panel installations planned for our Residential Care facility and replacement of our heating and hot water systems.

Environmental impacts & energy use

	2018-19	2019-20	2020-21
Energy use			
Electricity (MWh)	1,030.69	956.73	945.89
Natural Gas (gigajoules)	3,347.74	5,473.74	5,742.17
Carbon emissions (thousand tonnes of CO_2e)			
Electricity	1.10	0.98	0.93
Natural Gas	0.17	0.28	0.30
Total emissions	1.28	1.26	1.22
Water use (millions litres)			
Potable Water	3.09	3.51	4.62

Factors influencing environmental impacts

	2018-19	2019-20	2020-21
Floor area (m2)	5,003	5,003	5,003
Separations	3,668	3,076	3,227
In-Patient Bed Days	6,209	5,702	5,699
Aged Care Bed Nights			

Benchmarks | 2020-21

	Average for peer group	SRH value	% above/ below ave.
Carbon emissions			
CO2e(t) per m2	0.33	0.24	-26%
CO2e(t) per OBD	0.11	0.21	87%
CO2e(t) per Seps	0.30	0.38	25%
Water use			
kL per m2	1.93	0.92	-52%
kL per OBD	0.67	0.81	21%
kL per Seps	1.76	1.43	-19%
Expenditure rates			
Total utility spend ($/m2)	68.94	58.26	-15.5%
Elec($/kWh)	0.20	0.20	4.1%
Gas($/gigajoules)	9.61	15.57	62.0%
Additional measures (not included in benchmarking chart)			
Total utility spend ($/Separations)		90.32	
Total utility spend ($/In-Patient Bed Days)		51.14	
Total utility spend ($/Aged Care Bed Nights)			

Additional information available on request

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

- Declarations of pecuniary interests have been duly completed by all relevant officers;
- Details of shares held by senior officers as nominee or held beneficially;
- Details of publications produced by the entity about itself and how these can be obtained;
- Details of changes in prices, fees, charges, rates and levies charged by the Health Service;
- Details of any major external reviews carried out on the Health Service;
- Details of major research and development activities undertaken by the Health Service that are not otherwise covered either in the report of operations or in a document that contains the financial statements and report of operations;
- Details of overseas visits undertaken including a summary of the objectives and outcomes of each visit;
- Details of major promotional, public relations and marketing activities undertaken by the Health Service to develop community awareness of the Health Service and its services;
- Details of assessments and measures undertaken to improve the occupational health and safety of employees;
- A general statement on industrial relations within the Health Service and details of time lost through industrial accidents and disputes, which is not otherwise detailed in the report of operations;
- A list of major committees sponsored by the Health Service, the purposes of each committee and the extent to which those purposes have been achieved;
- Details of all consultancies and contractors including consultants/contractors engaged, service provided, and expenditure committed for each agreement.

Attestations and Declarations

Financial Management Compliance attestation – SD5.1.4

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

Rhian Jones
Responsible Officer
Stawell Regional Health
27 September 2021

Data Integrity

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

Kate Pryde
Accountable Officer
Stawell Regional Health
27 September 2021

Conflict of Interest

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

Kate Pryde
Accountable Officer
Stawell Regional Health
27 September 2021

Integrity, fraud and corruption

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

Kate Pryde
Accountable Officer
Stawell Regional Health
27 September 2021

Disclosure Index

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

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Attestations

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Reporting obligations under the *Safe Patient Care Act 2015*	14

Reporting against the Statement of Priorities

In 2020–2021 Stawell Regional Health assisted with the following state-wide priorities to develop and implement important system reforms, including modernising our health system through redesigned governance; driving system reforms that deliver better population health, high quality care and improved patient outcomes and experiences; and reforming clinical services to ensure we are delivering our community the best value care.

Maintain robust COVID-19 readiness and response, working with the department to ensure rapid response to outbreaks, if and when they occur, which includes providing testing for the community and staff, where necessary and if required. This includes preparing to participate in, and assist with, the implementation of COVID-19 vaccine immunisation program rollout, ensuring the local community's confidence in the program.

Outcome:

SRH actively participates in the region wide cluster response planning process. SRH developed a fully independent health service response to ensure that we have the capacity to deliver immediate and independent COVID response for our community including drive through testing, fully staffed respiratory clinic and internal contact tracing. SRH constructed a purpose-built vaccination clinic in order to deliver a stand-alone vaccination centre to minimise the impact on the broader health service and the regular service deliveries.

In partnership with the Northern Grampians Shire and Grampians Community health we have an all of community response program – in it together. This program supports ongoing community awareness, communication and plans to support an early response to a community-based cluster. Our plans are routinely reviewed to ensure they remain relevant, realistic and compliant with state standards.

In partnership with key community groups and employers we have provided dedicated responses which have included en-mass testing and vaccination of the some of our largest employment group, delivery of specialist vaccination clinics to support the needs of our community members with a disability, our older population and our indigenous community.

Engage with the community to address the needs of patients, especially vulnerable Victorians whose care has been delayed due to the pandemic and provide the necessary "catch-up" care to support them to get back on track.

Outcome:

Oncology: SRH participates in the region wide monitoring and planning of oncology services to optimise ongoing screening and treatment.

The service infrastructure was modified to isolate patients requiring treatment in order to ensure service delivery is maintained throughout various levels of the pandemic response. SRH maintained surgical capacity as permitted under the state guidelines to support diagnostic procedures.

Surgical Services: SRH has maintained surgical capacity as permitted under the state guidelines to support optimal access to surgery. SRH is an active participant in the planning and delivery of the regional " catch up" surgical strategy. .

Primary Health and Allied Health services have increased staff numbers to deliver on current demand and address the wait lists that have resulted from the sporadic closure of some services during the pandemic response

Ongoing telehealth initiatives are in place to support the maintenance of select services in order to avoid ongoing waitlist impacts.

As providers of care, respond to the recommendations of the Royal Commission into Victoria's Mental Health system and the Royal Commission into Aged Care Quality and Safety.

Outcome:

The Mental Health Royal Commission has delivered a total of 74 recommendations to reform the Mental Health system in Victoria. Stawell Regional Health's role is to support primary care access to mental health services for people in our community with mental illness or psychological distress. We will partner with the Grampians Health Service Partnership to ensure an integrated system for our consumers.

The Royal Commission into Aged Care Quality and Safety was released by the Commonwealth Government on 1 March 2021. The Commonwealth Government announced a budget package of support on 11 May 2021 and at the same time released their full response to the Royal Commission. As providers of Aged Care services, the health service commits to working collaboratively with the Victorian and Commonwealth Governments to respond to the broad range of recommendations to improve outcomes for older Victorians. As a priority, health service will identify and prepare for and comply with changes that come into effect from 1 July 2021."

Develop and foster local health partner relationships to continue delivering collaborative approaches to planning, procurement and service delivery at scale. Including prioritising innovative ways to deliver health care through shared expertise and workforce models, virtual care, co-commissioning services and surgical outpatient reform.

Outcome:

SRH actively participates in multiple trans regional projects through direct partnership or under the auspices of the healthcare partnership initiatives. Such initiatives serve to share and optimise the resources across region providing access to higher e level services

Current programs are focused on:

Shared ability to consider and coordinate rapid prototyping, testing and embedding of existing technologies, initiatives, and adaptations that address the key challenges of delivering healthcare at home across the in rural and regional areas including

- Provision of care in the home for older people
- Delivery of oncology services in the home
- Virtual in-home monitoring systems for people with chronic health issues

Expanded access to pediatric consult services, reducing the need for families to travel to Ballarat or Melbourne

SRH continues to maintain partnership with Austin Health in the delivery and growth of the superficial radiation therapy unit to support regional access to contemporary treatment for skin cancer.

Performance Priorities

High quality and safe care

Key performance measure	Target	Result
Infection prevention and control		
Compliance with the Hand Hygiene Australia program	83%	99%
Percentage of healthcare workers immunised for influenza	92%	86%
Patient experience		
Victorian Healthcare Experience Survey – percentage of positive patient experience	95%	No surveys conducted in 2020-2021
Victorian Healthcare Experience Survey – percentage of very positive patient experience responses to questions on discharge care	75%	No surveys conducted in 2020-2021

Effective Financial Management

Key Performance Measure	Target	2020-2021
Operating result ($m)	($0.48)	$0.01
Average number of days to pay trade creditors	60 days	49 days
Average number of days to receive patient fee debtors	60 days	9 days
Public and Private WIES activity performance to target	100%	93.97%
Adjusted current asset ratio	0.7 or 3% improvement from health base target	1.74
Forecast number of days available cash (based on end of year forecast)	14 days	31.9 days
Actual number of days available cash, measured on the last day of each month.	14 days	31.9 days
Variance between forecast and actual Net result from transactions (NRFT) for the current financial year ending 30 June.	Variance < $250,000	-$3.77m

Activity and Funding

Funding type	2020-2021Activity	
Acute Admitted		
Acute WIES	1971.37	
WIES DVA	24.32	
WIES TAC	4.91	
Acute Non-Admitted		
Home Enteral Nutrition	48	Service Episodes
Specialist Clinics	1617.13	
Subacute & Non-Acute Admitted		
Maintenance Public	12.03	
Subacute Non-Admitted		
Health Independence Program – Public	7970 Service events	
Aged Care		
Residential Aged Care	11,315	Bed days
HACC	418	Service hours
Mental Health and Drug Services		
Mental Health Residential	2190	Bed days
Primary Health		
Community Health/Primary Care Programs	9067	Service hours

Stawell Regional Health

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

The attached financial statements for Stawell Regional Health and the Consolidated entity (SRH Foundation) have been prepared in accordance with Direction 5.2 of the Standing Directions of the Assistant Treasurer under the *Financial Management Act 1994*, applicable Financial Reporting Directions, Australian Accounting Standards including Interpretations, and other mandatory professional reporting requirements.

We further state that, in our opinion, the information set out in the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement and accompanying notes, presents fairly the financial transactions during the year ended 30 June 2021 and the financial position of Stawell Regional Health and the Consolidated entity (SRH Foundation) as at 30 June 2021.

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

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

Rhian Jones
Chair Board of Management

Stawell
27-Sep-2021

Kate Pryde
Chief Executive Officer

Stawell
27-Sep-2021

Ian Martin
Chief Finance & Accounting Officer

Stawell
27-Sep-2021

Independent Auditor's Report

Victorian Auditor-General's Office

To the Board of Stawell Regional Health

Opinion

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

- consolidated entity and health service balance sheets as at 30 June 2021
- consolidated entity and health service comprehensive operating statements for the year then ended
- consolidated entity and health service statements of changes in equity for the year then ended
- consolidated entity and health service cash flow statements for the year then ended
- notes to the financial statements, including significant accounting policies
- board member's, accountable officer's and chief finance & accounting officer's declaration.

In my opinion, the financial report presents fairly, in all material respects, the financial positions of the consolidated entity and the health service as at 30 June 2021 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 7 of the *Financial Management Act 1994* and applicable Australian Accounting Standards.

Basis for Opinion

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

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

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

Board's responsibilities for the financial report

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

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

Other Information

The Board of the health service is responsible for the Other Information, which comprises the information in the health service's annual report for the year ended 30 June 2021, but does not include the financial report and my auditor's report thereon.

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

Auditor's responsibilities for the audit of the financial report

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

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

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

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

MELBOURNE
22 October 2021

Dominika Ryan
as delegate for the Auditor-General of Victoria

Stawell Regional Health
Comprehensive operating statement
For the Financial Year Ended 30 June 2021

	Note	Parent 2021 $'000	Parent (Restated) 2020 $'000	Consolidated 2021 $'000	Consolidated (Restated) 2020 $'000
Income from Transactions					
Operating Activities	2.1	33,928	31,974	33,928	31,974
Non-operating Activities	2.1	276	202	307	197
Total Income from Transactions		**34,204**	**32,176**	**34,235**	**32,171**
Expenses from Transactions					
Employee Expenses	3.1	(23,895)	(21,881)	(23,895)	(21,881)
Supplies and Consumables	3.1	(5,955)	(5,023)	(5,955)	(5,023)
Depreciation and Amortisation	3.1	(2,656)	(2,570)	(2,656)	(2,570)
Other Administrative Expenses	3.1	(2,325)	(2,584)	(2,325)	(2,584)
Other Operating Expenses	3.1	(1,083)	(968)	(1,083)	(968)
Other Non-operating Expenses	3.1	(55)	12	(62)	(7)
Total Expenses from Transactions		**(35,976)**	**(33,013)**	**(35,983)**	**(33,033)**
Net Result from Transactions - Net Operating Balance		**(1,772)**	**(838)**	**(1,748)**	**(863)**
Other Economic Flows included in Net Result					
Net Gain /(Loss) on Sale of Non-Financial Assets	3.4	(5)	3	(5)	3
Net Gain/(loss) on financial instruments	3.4	(30)	-	(30)	-
Other Gain/(Loss) from Other Economic Flows	3.4	177	(40)	177	(40)
Total Other Economic Flows included in Net Result		**142**	**(37)**	**142**	**(37)**
Net Result for the Year		**(1,630)**	**(875)**	**(1,606)**	**(900)**
Other Comprehensive Income					
Items that will not be reclassified to Net Result					
Changes in Property, Plant and Equipment Revaluation Surplus	4.2(b)	368	-	368	-
Total Other Comprehensive Income		**368**	**-**	**368**	**-**
Comprehensive result for the year		**(1,262)**	**(875)**	**(1,238)**	**(900)**

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

Stawell Regional Health
Balance Sheet
As at 30 June 2021

	Note	Parent 2021 $'000	Parent (Restated) 2020 $'000	Consolidated 2021 $'000	Consolidated (Restated) 2020 $'000
Current assets					
Cash and Cash Equivalents	6.2	9,705	6,262	9,708	6,269
Receivables and contract assets	5.1	809	913	812	913
Investments and Other Financial Assets	4.1	-	-	1,740	1,715
Prepayments and Other Non-Financial Assets		637	531	637	531
Inventories		163	149	163	149
Total current assets		**11,314**	**7,855**	**13,060**	**9,577**
Non-current assets					
Receivables and Contract Assets	5.1	249	357	249	357
Property, Plant & Equipment	4.2(a)	38,537	40,121	38,537	40,121
Intangible Assets	4.3	496	615	496	615
Total non-current assets		39,282	**41,093**	39,282	**41,093**
TOTAL ASSETS		**50,596**	**48,948**	**52,342**	**50,670**
Current liabilities					
Payables and contract liabilities	5.2	5,033	2,210	5,037	2,214
Borrowings	6.1	-	100	-	100
Employee benefits	3.2	4,239	3,828	4,239	3,828
Other current liabilities	5.3	1,308	1,462	1,308	1,462
Total current liabilities		**10,580**	**7,600**	**10,584**	**7,604**
Non-current liabilities					
Employee benefits	3.2	658	728	658	728
Total non-current liabilities		**658**	**728**	**658**	**728**
TOTAL LIABILITIES		**11,238**	**8,328**	**11,242**	**8,332**
NET ASSETS		**39,358**	**40,620**	**41,100**	**42,338**
EQUITY					
Property, plant & equipment revaluation surplus	4.2 (f)	32,080	31,712	32,080	31,712
General purpose surplus	SCE	500	500	500	500
Restricted specific purpose surplus	SCE	2,331	2,331	2,331	2,331
Contributed capital	SCE	9,345	9,345	9,345	9,345
Accumulated (deficits)	SCE	(4,898)	(3,268)	(3,156)	(1,550)
TOTAL EQUITY		**39,358**	**40,620**	**41,100**	**42,338**

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

Stawell Regional Health
Statement of Changes in Equity
For the Financial Year Ended 30 June 2021

Consolidated	Note	Property, Plant & Equipment Revaluation Surplus $'000	General Purpose Surplus $'000	Restricted Specific Purpose Surplus $'000	Contributed Capital $'000	Accumulated (Deficits) (Restated) $'000	Total $'000
Balance at 1 July 2019		**31,712**	**500**	**2,331**	**9,345**	**(651)**	**43,237**
Net result for the year (Restated)		-	**-**	-	-	(900)	(900)
Balance at 30 June 2020	1.10	**31,712**	**500**	**2,331**	**9,345**	**(1,551)**	**42,338**
Net result for the year		-	**-**	-	-	(1,606)	(1,606)
Other comprehensive income for the year		368	**-**	-	-	-	368
Balance at 30 June 2021		**32,080**	**500**	**2,331**	**9,345**	**(3,157)**	**41,100**

Parent	Note	Property, Plant & Equipment Revaluation Surplus $'000	General Purpose Surplus $'000	Restricted Specific Purpose Surplus $'000	Contributed Capital $'000	Accumulated Surpluses/ (Deficits) (Restated) $'000	Total $'000
Balance at 1 July 2019		**31,712**	**500**	**2,331**	**9,345**	**(2,393)**	**41,495**
Net result for the year (Restated)		-	-	-	-	(875)	(875)
Balance at 30 June 2020	1.10	**31,712**	**500**	**2,331**	**9,345**	**(3,268)**	**40,620**
Net result for the year		-	-	-	-	(1,630)	(1,630)
Other comprehensive income for the year		368	-	-	-		368
Balance at 30 June 2021		**32,080**	**500**	**2,331**	**9,345**	**(4,898)**	**39,358**

This Statement should be read in conjunction with the accompanying notes

Stawell Regional Health
Cash Flow Statement
For the Financial Year Ended 30 June 2021

	Note	Parent 2021 $'000	Parent 2020 $'000	Consolidated 2021 $'000	Consolidated 2020 $'000
Cash Flows from Operating Activities					
Operating Grants from Government - State		22,714	18,447	22,714	18,447
Operating Grants from Government - Commonwealth		4,563	4,435	4,563	4,435
Capital Grants from Government - State		775	1,141	775	1,141
Patient and Resident Fees Received		6,319	4,907	6,319	4,907
Donations and Bequests Received		9	13	10	13
GST Received from/(paid to) Australian Taxation Office		145	(43)	145	(43)
Interest and Investment Income Received		41	60	41	92
Other Receipts		1,467	1,226	1,467	1,226
Total Receipts		**36,033**	**30,186**	**36,034**	**30,218**
Employee Expenses Paid		(23,736)	(21,761)	(23,736)	(21,761)
Payments for Supplies & Consumables		(5,852)	(5,054)	(5,852)	(5,054)
Payments for Medical Indemnity Insurance		(262)	(261)	(262)	(261)
Payments for Repairs and Maintenance		(691)	(576)	(691)	(576)
Finance Costs		(7)	-	(7)	-
Cash outflow for leases		(192)	(194)	(192)	(194)
Payments for Share of Rural Health Alliance		59	139	59	139
Other Payments		(1,433)	(865)	(1,437)	(974)
Total Payments		**(32,114)**	**(28,572)**	**(32,118)**	**(28,681)**
Net Cash Flows from/(used in) Operating Activities	8.1	**3,919**	**1,614**	**3,916**	**1,537**
Cash Flows from Investing Activities					
Purchase of Non-Financial Assets		(620)	(995)	(620)	(995)
Capital Donations and Bequests Received		38	469	38	422
Proceeds from Disposal of Non-Financial Assets		-	5	-	5
Net Cash Flows from/(used in) Investing Activities		**(582)**	**(521)**	**(582)**	**(568)**
Cash Flows from Financing Activities					
Proceeds from Borrowings		-	100	-	100
Repayment of Borrowings		(100)	-	(100)	-
Receipt of Accommodation deposits		305	1,040	305	1,040
Prepayment of Accommodation deposits		(100)	(300)	(100)	(300)
Net Cash flows from /(Used in) Financing Activities		**105**	**840**	**105**	**840**
Net Increase/(Decrease) in Cash and Cash Equivalents Held		**3,442**	**1,933**	**3,439**	**1,809**
Cash and Cash Equivalents at Beginning of Financial Year		**6,262**	**4,329**	**6,269**	**4,460**
Cash and Cash Equivalents at End of Year	6.2	**9,704**	**6,262**	**9,708**	**6,269**

This Statement should be read in conjunction with the accompanying notes

Note 1: Basis of preparation

Structure

1.1 Basis of preparation of the financial statements
1.2 Impact of COVID-19 pandemic
1.3 Abbreviations and terminology used in the financial statements
1.4 Principles of consolidation
1.5 Joint arrangements
1.6 Key accounting estimates and judgements
1.7 Accounting standards issued but not yet effective
1.8 Goods and Services Tax (GST)
1.9 Reporting entity
1.10 Correction of a prior period error

Note 1: Basis of preparation

These financial statements represent the audited general purpose financial statements for Stawell Regional Health and its controlled entities for the year ended 30 June 2021. The report provides users with information about Stawell Regional Health's stewardship of the resources entrusted to it.

This section explains the basis of preparing the financial statements and identifies the key accounting estimates and judgements.

1.1 Basis of preparation of the financial statements

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, which include interpretations issued by the Australian Accounting Standards Board (AASB). They are presented in a manner consistent with the requirements of AASB 101 Presentation of Financial Statements.

The financial statements also comply with relevant Financial Reporting Directions (FRDs) issued by the Department of Treasury and Finance (DTF), and relevant Standing Directions (SDs) authorised by the Assistant Treasurer.

Stawell Regional Health is a not-for-profit entity and therefore applies the additional AUS paragraphs applicable to a "not-for-profit" health service under the Australian Accounting Standards. Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Apart from the changes in accounting policies, standards and interpretations as noted below, material accounting policies adopted in the preparation of these financial statements are the same as those adopted in the previous period.

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

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

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

The financial statements are in Australian dollars.
The amounts presented in the financial statements have been rounded to the nearest thousand dollars. Minor discrepancies in tables between totals and sum of components are due to rounding.

The annual financial statements were authorised for issue by the Board of Stawell Regional Health and its controlled entity on 27 September 2021.

Note 1.2 Impact of COVID-19 pandemic

In the previous financial year, a global pandemic caused by the COVID-19 Coronavirus (COVID-19) was declared. To contain the spread of COVID-19 and prioritise the health and safety of our community, Stawell Regional Health was required to comply with various restrictions announced by the Commonwealth and State Governments, which in turn, has continued to impact the way in which Stawell Regional Health operates.

Stawell Regional Health introduced a range of measures in both the prior and current year, including:

- introducing restrictions on non-essential visitors
- greater utilisation of telehealth services
- implementing reduced visitor hours
- deferring elective surgery and reducing activity
- introducing a Respiratory Assessment Centre
- performing COVID-19 testing
- performing COVID-19 Vaccinations
- implementing work from home arrangements where appropriate
- zoning of facilities to reduce potential impact of contamination
- virtual meetings held utilising online technology

As restrictions have eased towards the end of the financial year Stawell Regional Health has been able to revise some measures where appropriate including:

- restrictions eased to allow for on-site meetings
- increased visitor hours
- contractor restrictions eased to allow for progress on capital and other works
- staff zoning restrictions eased

Further information on the impacts of the pandemic are disclosed at:

- Note 2: Funding delivery of our services
- Note 3: The cost of delivering our services
- Note 4: Key assets to support service delivery
- Note 5: Other assets and liabilities
- Note 6: How we finance our operations.

Note 1.3 Abbreviations and terminology used in the financial statements

The following table sets out the common abbreviations used throughout the financial statements:

Reference	Title
AASB	Australian Accounting Standards Board
AASs	Australian Accounting Standards, which include Interpretations
DH	Department of Health
DTF	Department of Treasury and Finance
FMA	Financial Management Act 1994
FRD	Financial Reporting Direction
SD	Standing Direction
VAGO	Victorian Auditor General's Office
WIES	Weighted Inlier Equivalent Separation
SRH	Stawell Regional Health

Note 1.4 Principles of consolidation

The financial statements include the assets and liabilities of Stawell Regional Health and its controlled entities as a whole as at the end of the financial year and the consolidated results and cash flows for the year.

Stawell Regional Health controls the following entities:

- Stawell Regional Health Foundation

Details of the controlled entities are set out in Note 8.8.

An entity is considered to be a controlled entity where Stawell Regional Health has the power to govern the financial and operating policies of an organisation so as to obtain benefits from its activities. In assessing control, potential voting rights that are presently exercisable are taken into account.

Stawell Regional Health consolidate the results of its controlled entities from the date on which the health service gains control until the date the health service ceases to have control. Where dissimilar accounting policies are adopted by entities and their effect is considered material, adjustments are made to ensure consistent policies are adopted in these financial statements.

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

Note 1.5 Joint arrangements

Interests in joint arrangements are accounted for by recognising in Stawell Regional Health's financial statements, its share of assets and liabilities and any revenue and expenses of such joint arrangements.

Stawell Regional Health has the following joint arrangements:

- A 7.33% share in the Grampians rural Health Alliance.

Details of the joint arrangements are set out in Note 8.9.

Note 1.6 Key accounting estimates and judgements

Management make estimates and judgements when preparing the financial statements.

These estimates and judgements are based on historical knowledge and best available current information and assume any reasonable expectation of future events. Actual results may differ.

Revisions to key estimates are recognised in the period in which the estimate is revised and also in future periods that are affected by the revision.

The accounting policies and significant management judgements and estimates used, and any changes thereto, are identified at the beginning of each section where applicable and are disclosed in further detail throughout the accounting policies.

Note 1.7 Accounting standards issued but not yet effective

An assessment of accounting standards and interpretations issued by the AASB that are not yet mandatorily applicable to Stawell Regional Health and their potential impact when adopted in future periods is outlined below:

Standard	Adoption Date	Impact
AASB 17: *Insurance Contracts*	Reporting periods on or after 1 January 2023	Adoption of this standard is not expected to have a material impact.
AASB 2020-1: *Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current*	Reporting periods on or after 1 January 2022.	Adoption of this standard is not expected to have a material impact.
AASB 2020-3: *Amendments to Australian Accounting Standards – Annual Improvements 2018-2020 and Other Amendments*	Reporting periods on or after 1 January 2022.	Adoption of this standard is not expected to have a material impact.
AASB 2020-8: *Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform – Phase 2*	Reporting periods on or after 1 January 2021.	Adoption of this standard is not expected to have a material impact.

There are no other accounting standards and interpretations issued by the AASB that are not yet mandatorily applicable to Stawell Regional Health in future periods.

Note 1.8 Goods and Services Tax (GST)

Income, expenses and assets are recognised net of the amount of GST, except where the GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables in the Balance Sheet are stated inclusive of the amount of GST. 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 included in the Cash Flow Statement on a gross basis, except for the GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the ATO, which are disclosed as operating cash flows.

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

Note 1.9 Reporting Entity
The financial statements include all the controlled activities of Stawell Regional Health.

Its principal address is:

27-29 Sloane Street
Stawell
Victoria 3380.

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

Note 1.10 Correction of a prior period error
Stawell Regional Health has identified a prior period error. This is explained below and has since been adjusted for and the error restated in each of the affected financial statements for the 2020 financial year, as shown in the tables below. A third column balance sheet is not required as the first year impacted was 30 June 2020.

Error in calculation of depreciation on buildings at valuation

As a result of a system error the depreciation charge on buildings at valuation for 30 June 2020 was incorrectly calculated for the parent entity.
The comparatives in the financial statements for 30 June 2020, have been restated to correct this error, the impact for each financial statement line affected for the parent entity is disclosed below.

	PARENT ENTITY			
	For the year ended 30 June 2021 $'000s	**30 June 2020 restated $'000s**	**Impact of correction $'000s**	**30 June 2020 previously stated $'000s**
Comprehensive Operating Statement				
Depreciation and Amortisation	(2,656)	(2,570)	573	(3,143)
Net Result from transactions	(1,772)	(838)	573	(1,411)
Comprehensive Result for the year	**(1,262)**	**(875)**	**573**	**(1,448)**
Balance Sheet				
Property, plant and equipment	38,537	40,121	573	39,548
Total Non-Current assets	39,282	41,093	573	40,520
TOTAL ASSETS	**50,596**	**48,948**	**573**	**48,375**
NET ASSETS	**39,358**	**40,620**	**573**	**40,047**
Accumulated (deficits)	(4,898)	(3,268)	573	(3,841)
TOTAL EQUITY	**39,358**	**40,620**	**573**	**40,047**

Note 2: Funding Delivery of Our Services

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

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

Structure

2.1 Revenue and Income from Transactions
2.2 Fair value of assets and services received free of charge or for nominal consideration
2.3 Other income

Telling the COVID-19 story

Revenue recognised to fund the delivery of our services increased during the financial year which was partially attributable to the COVID-19 Coronavirus pandemic and its impact on our economy and the health of our community.

Activity Based Funding decreased as the level of activity agreed in the Statement of Priorities couldn't be delivered due to reductions in the number of patients being treated at various times throughout the financial year.

This was offset by funding provided by the Department of Health to compensate for reductions in revenue and to cover certain direct and indirect COVID-19 related costs.

Funding provided included:

- Covid-19 grants to fund Covid-19 testing clinics
- State repurpose grants to fund Covid-19 vaccination clinics
- Additional elective surgery funding for the Victorian Government elective surgery blitz program
- Commonwealth Department of Health and Ageing additional and increased MBS Telehealth item numbers for the Stawell Medical Practice

Key judgements and estimates

This section contains the following key judgements and estimates:

Key judgements and estimates	Description
Identifying performance obligations	Stawell Regional Health applies significant judgment when reviewing the terms and conditions of funding agreements and contracts to determine whether they contain sufficiently specific and enforceable performance obligations. If this criteria is met, the contract/funding agreement is treated as a contract with a customer, requiring Stawell Regional Health to recognise revenue as or when the health service transfers promised goods or services to customers. If this criteria is not met, funding is recognised immediately in the net result from operations.
Determining timing of revenue recognition	Stawell Regional Health applies significant judgement to determine when a performance obligation has been satisfied and the transaction price that is to be allocated to each performance obligation. A performance obligation is either satisfied at a point in time or over time.
Determining time of capital grant income recognition	Stawell Regional Health applies significant judgement to determine when its obligation to construct an asset is satisfied. Costs incurred is used to measure the health service's progress as this is deemed to be the most accurate reflection of the stage of completion.

Note 2 (Continued)

Note 2.1: Revenue and Income from Transactions

	Consolidated Total 2021 $'000	Consolidated Total 2020 $'000
Operating activities		
Revenue from contracts with customers		
Government Grants (State) - Operating	16,020	14,958
Government Grants (Commonwealth) - Operating	4,269	4,435
Patient & Resident Fees	1,622	1,695
Commercial Activities [1]	-	-
Total revenue from contracts with customers	**21,911**	**21,088**
Other sources of income		
Government Grants (State) - Operating	5,330	3,489
Government Grants - (State) Capital	690	1,141
Capital donations	48	422
Commercial Activities [1]	3,706	3,379
Assets received free of charge or for nominal consideration	232	21
Other Revenue from Operating Activities (including non-capital donations)	1,348	1,885
Grampians Rural Health Alliance	663	549
Total other sources of income	**12,017**	**10,886**
Total revenue and income from operating activities	**33,928**	**31,974**
Non-operating activities		
Income from other sources		
Capital Interest	25	59
Rental Income	266	101
Other Interest	16	37
Total other sources of income	**307**	**197**
Total income from non-operating activities	**307**	**197**
Total revenue and income from transactions	**34,235**	**32,171**

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

How we recognise revenue and income from transactions

Government operating grants

To recognise revenue, Stawell Regional Health assesses whether there is a contract that is enforceable and has sufficiently specific performance obligations in accordance with AASB 15: Revenue from Contracts with Customers.

When both these conditions are satisfied, the health service:
- Identifies each performance obligation relating to the revenue
- recognises a contract liability for its obligations under the agreement
- recognises revenue as it satisfied its performance obligations, at the time or over time when services are rendered.

Where the contract is not enforceable and/or does not have sufficiently specific performance obligations, in accordance with AASB 1058 - Income for not-for-profit entities, the health service:

- recognises the asset received in accordance with the recognition requirements of other applicable Accounting Standards (for example, AASB 9, AASB 16, AASB 116 and AASB 138)
- recognises related amounts (being contributions by owners, lease liabilities, financial instruments, provisions, revenue or contract liabilities from a contract with a customer), and
- recognises income immediately in profit or loss as the difference between the initial carrying amount of the asset and the related amount.

Note 2.1: Revenue and Income from Transactions (Continued)

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

Government Grants	Performance Obligations
Activity Based Funding (ABF) paid as Weighted Inlier Equivalent Separation (WIES) casemix	The performance obligations for ABF are the number and mix of patients admitted to hospital (defined as 'casemix') in accordance with the levels of activity agreed to, with the Department of Health in the annual Statement of Priorities. Revenue is recognised at a point in time, which is when a patient is discharged, in accordance with the WIES activity when an episode of care for an admitted patient is completed. WIES activity is a cost weight that is adjusted for time spent in hospital, and represents a relative measure of resource use for each episode of care in a diagnosis related group.
Commonwealth operating grants paid for Residential Aged care and the Commonwealth Home Support Program	Commonwealth Aged care grants are paid under the Aged Care Funding Instrument (ACFI) based on each residents care needs. Community Home Support Program (CHSP) is funded on a per client basis for eligible clients.
Integrated Chronic Disease Management Grant	The Integrated Chronic Disease Management program supports chronic disease management services. Stawell Regional Health is required to provide a set number of hours of service delivery. Revenue is recognised over time, as and when the services are delivered.

Non-cash contributions from the Department of Health

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

Supplier	Description
Victorian Managed Insurance Authority	The Department of Health purchases non-medical indemnity insurance for Stawell Regional Health which is paid directly to the Victorian Managed Insurance Authority. To record this contribution, such payments are recognised as income with a matching expense in the net result from transactions.
Department of Health	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 Hospital Circular.

Capital grants

Where Stawell Regional Health receives a capital grant, it recognises a liability for the excess of the initial carrying amount of the financial asset received over any related amounts (being contributions by owners, lease liabilities, financial instruments, provisions, revenue or contract liabilities arising from a contract with a customer) recognised under other Australian Accounting Standards.

Income is recognised progressively as the asset is constructed which aligns with Stawell Regional Health's obligation to construct the asset. The progressive percentage of costs incurred is used to recognise income, as this most accurately reflects the stage of completion.

Patient and Resident Fees

Patient and resident fees are charges that can be levied on patients for some services they receive. Patient and resident fees are recognised at a point in time when the performance obligation, the provision of services, is satisfied, except where the patient and resident fees relate to accommodation charges. Accommodation charges are calculated daily and are recognised over time, to reflect the period accommodation is provided.

Commercial Activities

Revenue from commercial activities includes items such as Private Practice Fees, Diagnostic Imaging and Cafe and other activities. Commercial activity revenue is recognised at a point in time, upon provision of the goods or service to the customer.

Note 2: Continued

Note 2.2: Fair value of assets and services received free of charge or for nominal consideration

	Consolidated Total 2021 $'000	Consolidated Total 2020 $'000
Cash donations and gifts	13	13
Personal protective equipment	219	8
Total fair value of assets and services received free of charge or for nominal consideration	**232**	**21**

How we recognise the fair value of assets and services received free of charge or for nominal consideration

Donations and bequests

Donations and bequests are generally recognised as income upon receipt (which is when Stawell Regional Health usually obtained control of the asset) as they do not contain sufficiently specific and enforceable performance obligations. Where sufficiently specific and enforceable performance obligations exist, revenue is recorded as and when the performance obligation is satisfied.

Personal protective equipment

The purchasing of essential personal protective equipment (PPE) and other essential plant and equipment was centralised.

Generally, the State Supply Arrangement stipulates that Health Purchasing Victoria (trading as HealthShare Victoria) sources, secures and agrees terms for the purchase of PPE. The purchases are funded by the Department of Health, while Monash Health takes delivery and distributes an allocation of the products to health services. Stawell Regional Health received these resources free of charge and recognised them as income.

Contributions

Stawell Regional Health may receive assets for nil or nominal consideration to further its objectives. The assets are recognised at their fair value when Stawell Regional Health obtains control over the asset, irrespective of whether restrictions or conditions are imposed over the use of the contributions.

On initial recognition of the asset, Stawell Regional Health recognises related amounts being contributions by owners, lease liabilities, financial instruments, provisions and revenue or contract liabilities arising from a contract with a customer.

Stawell Regional Health recognises income immediately in the profit or loss as the difference between the initial fair value of the asset and the related amounts.

The exception to this policy is when an asset is received from another government agency or department as a consequence of a restructuring of administrative arrangements, in which case the asset will be recognised at its carrying value in the financial statements of Stawell Regional Health as a capital contribution transfer.

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

Note 2.3: Other income

	Consolidated Total 2021 $'000	Consolidated Total 2020 $'000
Capital interest	25	59
Rental Income	266	101
Other interest	16	37
Total other income	**307**	**197**

Interest Revenue

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

Rental and Lease Income

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

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

The Health Service holds leases with Navarre Minerals and the Royal Flying Doctor Service.

The following table sets out the maturity analysis of undiscounted future lease payments receivable under our operating leases:

	Consolidated Total 2021 $'000	Consolidated Total 2020 $'000
Non-cancellable operating lease receivables		
Not longer than one year	-	5
Longer than 1 year but not longer than five years	-	
Longer than 5 years	-	
Total	**-**	**5**

Note 3: The Cost of Delivering Our Services

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

Structure

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

Telling the COVID-19 story

Expenses incurred to deliver our services increased during the financial year which was partially attributable to the COVID-19 Coronavirus pandemic and its impact on our economy and the health of our community.

Additional costs were incurred to deliver the following additional services:

- Establish facilities within Stawell Regional Health for the treatment of suspected and admitted COVID-19 patients resulting in an increase in employee costs and additional equipment costs.
- Implement COVID-19 safe practices throughout Stawell Regional Health including increased cleaning, increased security, consumption of personal protective equipment provided as resources free of charge.
- Assist with COVID-19 case management, contact tracing and outbreak management contributing to an increase in employment costs and additional consumable costs.
- Establish vaccination clinics to administer vaccines to staff and the community resulting in an increase in
- Ongoing running cost for the Respiratory Assessment Clinic, employee costs, additional equipment purchases and increased consumables cost.
- Increased Infection Control costs.
- Increase in Pathology testing costs

Key judgements and estimates

This section contains the following key judgements and estimates:

Key judgements and estimates	Description
Measuring and classifying employee benefit liabilities	Stawell Regional Health applies significant judgment when measuring and classifying its employee benefit liabilities. Employee benefit liabilities are classified as a current liability if Stawell Regional Health does not have an unconditional right to defer payment beyond 12 months. Annual leave, accrued days off and long service leave entitlements (for staff who have exceeded the minimum vesting period) fall into this category. Employee benefit liabilities are classified as a non-current liability if Stawell Regional Health has a conditional right to defer payment beyond 12 months. Long service leave entitlements (for staff who have not yet exceeded the minimum vesting period) fall into this category. The health service also applies judgement to determine when it expects its employee entitlements to be paid. With reference to historical data, if the health service does not expect entitlements to be paid within 12 months, the entitlement is measured at its present value. All other entitlements are measured at their nominal value.

Note 3: The cost of delivering our services (Continued)

Note 3.1: Expenses from Transactions

	Note	Consolidated Total 2021 $'000	Consolidated Total 2020 $'000
Salaries and Wages		17,441	16,140
On-Costs		1,360	1,425
Agency Expenses		1,480	1,269
Fee for Service Medical Officer Expenses		3,222	2,768
Workcover Premium		392	279
Total employee expenses		**23,895**	**21,881**
Drug Supplies		1,863	1,812
Medical & Surgical Supplies (including Prostheses)		1,462	1,260
Diagnostic & Radiology Supplies		468	440
Other Supplies and Consumables		2,162	1,511
Total supplies and consumables		**5,955**	**5,023**
Finance Costs		7	-
Total finance costs		**7**	**-**
Other administrative expenses		2,325	2,584
Total other administrative expenses		**2,325**	**2,584**
Fuel, Light, Power and Water		421	417
Repairs and Maintenance		241	172
Maintenance Contracts		387	352
Expenses related to leases of low value assets		31	27
Expenditure for Capital Purposes		3	4
Total Other Operating Expenses		**1,083**	**3,556**
Total operating expense		**33,265**	**30,460**
Depreciation & Amortisation	4.4	2,656	2,571
Total depreciation and amortisation		**2,656**	**2,571**
Bad and Doubtful Debt expense		62	3
Total other non-operating expenses		**62**	**3**
Total non-operating expenses		**2,718**	**2,574**
Total Expenses from Transactions		**35,983**	**33,033**

How we recognise expenses from transactions

Expense recognition

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

Employee Expenses

Employee expenses include:

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

Note 3.1: Expenses from Transactions (Continued)

Supplies and consumables

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

Finance costs

Finance costs include:

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

• amortisation of discounts or premiums relating to borrowings;

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

Other Operating Expenses

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

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

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

Non-operating expenses

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

Note 3.2: Employee benefits in the balance sheet

	Consolidated 2021 $'000	Consolidated 2020 $'000
Current provisions		
Annual leave		
- Unconditional and expected to be settled wholly within 12 months [(i)]	973	1,013
- Unconditional and expected to be settled wholly after 12 months [(ii)]	687	455
Long service leave		
- Unconditional and expected to be settled wholly within 12 months [(i)]	165	236
- Unconditional and expected to be settled wholly after 12 months [(ii)]	1,815	1,572
Accrued Days Off		
- Unconditional and expected to be settled within 12 months [(i)]	69	74
	3,709	**3,350**
Provisions related to employee benefit on-costs		
- Unconditional and expected to be settled within 12 months [(i)]	173	189
- Unconditional and expected to be settled after 12 months [(ii)]	357	289
	530	**478**
Total current employee benefits	**4,239**	**3,828**
Non-current provisions		
Conditional Long Service Leave Entitlements [(ii)]	576	637
Provisions related to Employee Benefit On-Costs	82	91
Total Non-current employee benefits	**658**	**728**
Total employee benefits	**4,897**	**4,556**

Notes:
(i) The amounts disclosed are nominal amounts
(ii) The amounts disclosed are discounted to present values

How we recognise employee benefits

Employee Benefit Recognition

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

Provisions

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

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

Annual Leave and Accrued Days Off

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

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

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

Note 3.2: Employee benefits in the balance sheet (Continued)

Long Service Leave

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

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

The components of this current LSL liability are measured at:

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

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

On-costs related to employee expense

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

(a) Employee benefits and related on-costs	**Consolidated 2021 $'000**	**Consolidated 2020 $'000**
Current employee benefits and related on-costs		
Unconditional accrued days off	69	74
Unconditional long service leave entitlement	2,262	2,097
Unconditional annual leave entitlements	1,908	1,657
Total current employee benefits and related on-costs	**4,239**	**3,828**
Conditional long service leave entitlements	658	728
Total non-current employee benefits and related on-costs	**658**	**728**
Total employee benefits and related on-costs	**4,897**	**4,556**
Carrying amount at start of year	**4,556**	**3,918**
Additional provisions recognised	2,119	2,456
Amounts incurred during the year	(1,778)	(1,818)
Carrying amount at start of year	**4,897**	**4,556**

Note 3.3: Superannuation

	Paid Contribution for the Year		Contribution Outstanding at Year End	
	Consolidated 2021 $'000	Consolidated 2020 $'000	Consolidated 2021 $'000	Consolidated 2020 $'000
Defined benefit plans:[1]				
Aware Super	39	77	-	-
Defined contribution plans:				
Aware Super	841	873	-	-
HESTA	369	322	-	-
Others	184	153	-	-
Total	1,433	1,425	-	-

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

How we recognise superannuation

Employees of the Health Service are entitled to receive superannuation benefits and the Health Services contributes to both defined benefit and defined contribution plans.

Defined benefit superannuation plans

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

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

However superannuation contributions paid or payable for the reporting period are included as part of employee benefits in the Comprehensive Operating Statement of Stawell Regional Health.

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

Defined contribution superannuation plans

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

Note 3.4: Other Economic Flows included in net result

	Consolidated 2021 $'000	Consolidated 2020 $'000
Net gain on disposal of property, plant and equipment	(5)	3
Total net gain /(loss) on non-financial assets	**(5)**	**3**
Allowance for impairment losses of contractual receivables	(30)	
Total net gain/(loss) on financial instruments	**(30)**	**-**
Net gain /(loss) arising from revaluation of long service leave liability	177	(40)
Total other gains /(losses) from other economic flows	**177**	**(40)**
Total gains /(losses) from other economic flows	**142**	**(37)**

How we recognise other economic flows

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

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

Net gain/ (loss) on non-financial assets

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

- Revaluation gains/ (losses) of non-financial physical assets (Refer to Note 4.2 Property plant and equipment.)
- Net gain/ (loss) on disposal of non-financial assets
- Any gain or loss on the disposal of non-financial assets is recognised at the date of disposal.

Other gains/ (losses) from other economic flows

Other gains/ (losses) include:

• the revaluation of the present value of the long service leave liability due to changes in the bond rate movements, inflation rate movements and the impact of changes in probability factors; and

• transfer of amounts from the reserves to accumulated surplus or net result due to disposal or derecognition or reclassification.

Note 4: Key Assets to Support Service Delivery

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

Structure

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

Telling the COVID-19 story

The measurement of assets used to support delivery of our services were impacted during the financial year which was partially attributable to the COVID-19 coronavirus pandemic.

Key judgements and estimates

This section contains the following key judgements and estimates:

Key judgements and estimates	Description
Measuring fair value of property, plant and equipment and investment properties	Stawell Regional Health obtains independent valuations for its non-current assets at least once every five years. If an independent valuation has not been undertaken at balance date, the health service estimates possible changes in fair value since the date of the last independent valuation with reference to Valuer-General of Victoria indices. Managerial adjustments are recorded if the assessment concludes a material change in fair value has occurred. Where exceptionally large movements are identified, an interim independent valuation is undertaken.
Estimating useful life and residual value of property, plant and equipment	Stawell Regional Health assigns an estimated useful life to each item of property, plant and equipment, whilst also estimating the residual value of the asset, if any, at the end of the useful life. This is used to calculate depreciation of the asset. The health service reviews the useful life, residual value and depreciation rates of all assets at the end of each financial year and where necessary, records a change in accounting estimate.
Estimating useful life of right-of-use assets	The useful life of each right-of-use asset is typically the respective lease term, except where the health service is reasonably certain to exercise a purchase option contained within the lease (if any), in which case the useful life reverts to the estimated useful life of the underlying asset. Stawell Regional Health applies significant judgement to determine whether or not it is reasonably certain to exercise such purchase options.
Estimating restoration costs at the end of a lease	Where a lease agreement requires Stawell Regional Health to restore a right-of-use asset to its original condition at the end of a lease, the health service estimates the present value of such restoration costs. This cost is included in the measurement of the right-of-use asset, which is depreciated over the relevant lease term.
Estimating the useful life of intangible assets	Stawell Regional Health assigns an estimated useful life to each intangible asset with a finite useful life, which is used to calculate amortisation of the asset.
Identifying indicators of impairment	At the end of each year, Stawell Regional Health assesses impairment by evaluating the conditions and events specific to the health service that may be indicative of impairment triggers. Where an indication exists, the health service tests the asset for impairment. The health service considers a range of information when performing its assessment, including considering: • If an asset's value has declined more than expected based on normal use • If a significant change in technological, market, economic or legal environment which adversely impacts the way the health service uses an asset • If an asset is obsolete or damaged • If the asset has become idle or if there are plans to discontinue or dispose of the asset before the end of its useful life • If the performance of the asset is or will be worse than initially expected. Where an impairment trigger exists, the health services applies significant judgement and estimate to determine the recoverable amount of the asset.

Note 4: Key Assets to Support Service Delivery (Continued)

Note 4.1: Investments and other financial assets

	Specific Purpose Fund		Consolidated	
	2021 $'000	2020 $'000	2021 $'000	2020 $'000
CURRENT				
Term Deposit (>3 Months)	1,740	1,715	1,740	1,715
TOTAL CURRENT	**1,740**	**1,715**	**1,740**	**1,715**
Represented by:				
Foundation Investments	1,740	1,715	1,740	1,715
TOTAL	**1,740**	**1,715**	**1,740**	**1,715**

How we recognise investments and other financial assets

Stawell Regional Health's investments and other financial assets are made in accordance with Standing Direction 3.7.2 - Treasury Management, including the Central Banking System.

Stawell Regional Health manages its investments and other financial assets in accordance with an investment policy approved by the Board.

Investments held by Stawell Regional Health Foundation do not fall in the scope of the Standing Directions as they are not public entity funds (i.e. not controlled by the government). However, such investments are consolidated into Stawell Regional Health's financial statements as Stawell Regional Health has control of Stawell Regional Health Foundation. Refer to Note 8.8 for further information.

Investments are recognised when Stawell Regional Health enters into a contract to either purchase or sell the investment (i.e. when it becomes a party to the contractual provisions to the investment). Investments are initially measured at fair value, net of transaction costs.

Stawell Regional Health classifies its other financial assets between current and non-current assets based on the Board's intention at balance date with respect to the timing of disposal of each asset. Term deposits with original maturity dates of three to twelve months are classified as current, whilst term deposits with original maturity dates in excess of 12 months are classified as non-current.

Stawell Regional Health assesses at each balance sheet date whether a financial asset or group of financial assets is impaired.

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

Note 4.2: Property, plant & equipment

(a) Gross carrying amount and accumulated depreciation

	Consolidated 2021 $'000	Consolidated 2020 $'000
Land		
Land at Fair Value	1,892	1,525
Land Improvements at Fair Value	815	815
Less Acc'd Depreciation	(56)	(29)
Total Land at Fair Value	**2,651**	**2,311**
Buildings		
Buildings Under Construction at fair value	138	1,076
Buildings at Fair Value	35,601	35,568
Less Acc'd Depreciation	(3,643)	(1,825)
Total Buildings	**32,096**	**34,819**
Plant and Equipment		
Plant and Equipment at Fair Value	3,660	2,515
Less Acc'd Depreciation	(1,711)	(1,560)
Total Plant and Equipment	**1,950**	**955**
Motor Vehicles		
Motor Vehicles at Fair Value	581	581
Less Acc'd Depreciation	(554)	(513)
TOTAL MOTOR VEHICLES	**27**	**68**
Medical Equipment		
Medical Equipment at Fair Value	5,650	5,512
Less Acc'd Depreciation	(4,126)	(3,846)
Total Medical Equipment	**1,523**	**1,666**
Jointly Controlled PP&E		
Jointly Controlled PP&E at Fair Value	600	471
Less Acc'd Depreciation	(310)	(169)
Total Jointly Controlled Assets	**290**	**302**
TOTAL PROPERTY PLANT AND EQUIPMENT	**38,537**	**40,121**

Note 4.2: Property, plant & equipment (continued)

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

Consolidated	Note	Land $'000	Buildings $'000	Plant & Equipment $'000	Motor Vehicles $'000	Medical Equipment $'000	Jointly Controlled PP&E $'000	Assets Under Construction $'000	Total $'000
Balance at 1 July 2019		**2,340**	**35,244**	**936**	**126**	**1,565**	**340**	**1,183**	**41,734**
Additions			41	199		113	40	455	848
Disposals						(2)			(2)
Revaluation Increments/(Decrements)									-
Net Transfers between Classes			283	5		274		(562)	-
Depreciation	4.4	(29)	(1,825)	(185)	(58)	(284)	(79)	-	(2,459)
Balance at 30 June 2020	4.1(a)	**2,311**	**33,743**	**955**	**68**	**1,666**	**302**	**1,076**	**40,121**
Additions			33	1,199		182	144	124	1,682
Disposals			-	(4)		(8)	(30)	-	(42)
Revaluation Increments/(Decrements)		367	-			-	-	-	367
Net Transfers between Classes		-		23		(22)	-	(1,063)	(1,062)
Depreciation	4.4	(28)	(1,817)	(223)	(41)	(295)	(126)	-	(2,529)
Balance at 30 June 2021	4.1(a)	**2,650**	**31,959**	**1,950**	**27**	**1,523**	**290**	**138**	**38,537**

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

Land and buildings carried at valuation

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

Note 4.2 (b): Property, plant & equipment (continued)

How we recognise property, plant and equipment

Property, plant and equipment are tangible items that are used by Stawell Regional Health in the supply of goods or services, for rental to others, or for administration purposes, and are expected to be used during more than one financial year.

Initial recognition

Items of property, plant and equipment (excluding right-of-use assets) are initially measured at cost. Where an asset is acquired for no or nominal cost, being far below the fair value of the asset, the deemed cost is its fair value at the date of acquisition. Assets transferred as part of an amalgamation/machinery of government change are transferred at their carrying amounts.

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

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

Subsequent measurement

Items of property, plant and equipment (excluding right-of-use assets) are subsequently measured at fair value less accumulated depreciation and impairment losses where applicable.

Fair value is determined with reference 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).

Further information regarding fair value measurement is disclosed below.

Revaluation

Fair value is based on periodic valuations by independent valuers, which normally occur once every five years, based upon the asset's Government Purpose Classification, but may occur more frequently if fair value assessments indicate a material change in fair value has occurred.

Where an independent valuation has not been undertaken at balance date, Stawell Regional Health perform a managerial assessment to estimate possible changes in fair value of land and buildings since the date of the last independent valuation with reference to Valuer-General of Victoria (VGV) indices.

An adjustment is recognised if the assessment concludes that the fair value of land and buildings has changed by 10% or more since the last revaluation (whether that be the most recent independent valuation or managerial valuation). Any estimated change in fair value of less than 10% is deemed immaterial to the financial statements and no adjustment is recorded. Where the assessment indicates there has been an exceptionally material movement in the fair value of land and buildings since the last independent valuation, being equal to or in excess of 40%, Stawell Regional Health would obtain an interim independent valuation prior to the next scheduled independent valuation.

An independent valuation of Stawell Regional Health's property, plant and equipment was performed by the VGV on 30 June 2019. The valuation, which complies with Australian Valuation Standards, was determined by reference to the amount for which assets could be exchanged between knowledgeable willing parties in an arm's length transaction. The managerial assessment performed at 30 June 2021 indicated an overall:

- increase in fair value of land of 24% ($369,050)
- no increase/decrease in fair value of buildings.

As the cumulative movement was greater than 10% for land and buildings since the last revaluation a managerial revaluation adjustment was required as at 30 June 2021.

Revaluation increases (increments) arise when an asset's fair value exceeds its carrying amount. In comparison, revaluation decreases (decrements) arise when an asset's fair value is less than its carrying amount. Revaluation increments and revaluation decrements 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 increments are recognised in 'Other Comprehensive Income' and are credited directly to the asset revaluation reserve, 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, in which case 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 reserve in respect of the same class of property, plant and equipment. Otherwise, the decrement is recognised as an expense in the net result.

The revaluation reserve included in equity in respect of an item of property, plant and equipment may be transferred directly to retained earnings when the asset is derecognised.

Impairment

At the end of each financial year, Stawell Regional Health assesses if there is any indication that an item of property, plant and equipment may be impaired by considering internal and external sources of information. If an indication exists, Stawell Regional Health estimates the recoverable amount of the asset. Where the carrying amount of the asset exceeds its recoverable amount, an impairment loss is recognised. An impairment loss of a revalued asset is treated as a revaluation decrease as noted above.

Stawell Regional Health has concluded that the recoverable amount of property, plant and equipment which are regularly revalued is expected to be materially consistent with the current fair value. As such, there were no indications of property, plant and equipment being impaired at balance date.

Note 4.2: Property, plant & equipment (continued)

(c) Fair value measurement hierarchy for assets

	Note	Consolidated carrying Amount 30 June 2021 $'000	Fair value measurement at end of reporting period using: Level 1 (1) $'000	Level 2 (1) $'000	Level 3 (1) $'000
Non-specialised land		330	-	330	-
Specialised land		2,320	-	-	2,320
Total of land at fair value	4.2(a)	2,650	-	330	2,320
Non-specialised buildings		421	-	421	-
Specialised buildings		31,538	-	-	31,538
Total of building at fair value	4.2(a)	31,959	-	421	31,538
Motor Vehicles at fair value	4.2(a)	27	-	27	-
Plant and equipment at fair value	4.2(a)	1,950	-	-	1,950
Medical equipment at fair value	4.2(a)	1,523	-	-	1,523
Total Jointly controlled equipment at fair value	4.2(a)	290	-	-	290
Total property, plant and equipment at fair value		**38,399**	**-**	**778**	**37,621**

		Consolidated carrying Amount 30 June 2000 $'000	Fair value measurement at end of reporting period using: Level 1 (1) $'000	Level 2 (1) $'000	Level 3 (1) $'000
Non-specialised land		330	-	330	-
Specialised land		1,981	-	-	1,981
Total of land at fair value	4.2(a)	2,311	-	330	1,981
Non-specialised buildings		464	-	464	-
Specialised buildings		33,279	-	-	33,279
Total of building at fair value	4.2(a)	33,743	-	464	33,279
Motor Vehicles at fair value	4.2(a)	68	-	68	-
Plant and equipment at fair value	4.2(a)	955	-	-	955
Medical equipment at fair value	4.2(a)	1,666	-	-	1,666
Total Jointly controlled equipment at fair value	4.2(a)	302	-	-	302
Total property, plant and equipment at fair value		**39,045**	**-**	**862**	**38,183**

Note

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

There have been no transfers between levels during the period.

Note 4.2: Property, plant & equipment (continued)

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

	Note	Land $'000	Buildings $'000	Plant and equipment $'000	Medical equipment $'000	Joint Venture Assets $'000
Consolidated						
Balance at 1 July 2020	4.2(c)	1,891	33,279	955	1,666	302
Additions/(Disposals)	4.2(b)	89	33	1,195	174	114
Transfers in (out) between class	4.2(b)		-	23	(22)	
Gains or losses recognised in net result						
- Depreciation	4.2(b)	(28)	(1,774)	(223)	(295)	(126)
Items recognised in other comprehensive income	4.2(f)	369				
- Revaluation						
Balance at 30 June 2021		**2,320**	**31,538**	**1,950**	**1,523**	**290**

There have been no transfers between levels during the period

	Note	Land $'000	Buildings $'000	Plant and equipment $'000	Medical equipment $'000	Joint Venture Assets $'000
Consolidated						
Balance at 1 July 2019	4.2(c)	2,010	34,743	975	1,565	302
Additions/(Disposals)	4.2(b)		41	239	111	
Transfers in (out) of Level 3	4.2(b)		283	(78)	274	
Gains or losses recognised in net result						
- Depreciation	4.2(b)	(29)	(1,788)	(181)	(284)	
Items recognised in other comprehensive income	4.2(f)					
- Revaluation						
Balance at 30 June 2020		**1,981**	**33,279**	**955**	**1,666**	**302**

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

Note 4.2: Property, plant & equipment (continued)

(e) Fair Value Determination

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

Notes:
(c) CSO adjustment of 20% was applied to reduce the market approach value for Stawell Regional Health's Health Service's specialised land.

There were no changes in valuation techniques throughout the period to 30 June 2021.

How we measure fair value

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

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

In addition, Stawell Regional Health 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 Stawell Regional Health's independent valuation agency.

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

Valuation hierarchy

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

- Level 1 – quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 – valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable and
- Level 3 – valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

Identifying unobservable inputs (level 3) fair value measurements

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

Unobservable inputs 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 AASB 13 Fair Value Measurement paragraph 29, Stawell Regional Health has assumed the current use of a non-financial physical asset is its HBU unless market or other factors suggest that a different use by market participants would maximise the value of the asset.

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.

Non-specialised land, non-specialised buildings and cultural assets

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

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.

Note 4.2: Property, plant & equipment (continued)

Specialised land and specialised buildings

Specialised land includes Crown Land which is measured at fair value with regard to the property's highest and best use after due consideration is made for any legal or physical restrictions imposed on the asset, public announcements or commitments made in relation to the intended use of the asset. Theoretical opportunities that may be available in relation to the assets are not taken into account until it is virtually certain that any restrictions will no longer apply. Therefore, unless otherwise disclosed, the current use of these non-financial physical assets will be their highest and best use.

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

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

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

Vehicles

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

Furniture, fittings, plant and equipment

Furniture, fittings, plant and equipment (including medical equipment, computers and communication equipment) 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 2021.

Note 4.2: Property, plant & equipment (continued)

(f) Property, Plant and Equipment Revaluation Surplus

	Consolidated 2021 $'000	Consolidated 2020 $'000
Property, Plant & Equipment Revaluation Surplus		
Balance at the beginning of the reporting period	31,712	31,712
Revaluation Increment		
- Land	368	-
Balance at the end of the reporting period*	**32,080**	**31,712**
* Represented by:		
- Land	2,115	1,747
- Buildings	29,965	29,965
	32,080	**31,712**

Note 4.3: Intangible Assets

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

	Consolidated 2021 $'000	Consolidated 2020 $'000
Intangible Produced Assets - Software	933	935
Less Accumulated Amortisation	(680)	(563)
	253	**372**
Business Goodwill	243	243
	243	**243**
TOTAL INTANGIBLE ASSETS	**496**	**615**

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

	Note	Computer Software $'000	Business Goodwill $'000	Total $'000
Balance at 1 July 2019		**409**	**243**	**652**
Additions		74	-	74
Amortisation	4.4	(111)	-	(111)
Balance at 1 July 2020	4.3(a)	**372**	**243**	**615**
Additions		7	-	7
Amortisation	4.4	(126)	-	(126)
Balance at 30 June 2021	4.3(a)	**253**	**243**	**496**

How we recognise intangible assets

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

Initial recognition

Purchased intangible assets are initially recognised at cost.

An internally generated intangible asset arising from development (or from the development phase of an internal project) is also recognised at cost if, and only if, all of the following are demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale
- an intention to complete the intangible asset and use or sell it
- the ability to use or sell the intangible asset
- the intangible asset will generate probable future economic benefits
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

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

Subsequent measurement

Intangible assets with finite useful lives are carried at cost less accumulated amortisation and accumulated impairment losses.

Impairment

Intangible assets with indefinite useful lives (and intangible assets not yet available for use) are tested annually for impairment and whenever there is an indication that the asset may be impaired. Intangible assets with finite useful lives are testing for impairment whenever an indication of impairment is identified.

Note 4.4: Depreciation and Amortisation

	Consolidated 2021 $'000	Consolidated 2020 $'000
Depreciation		
Buildings	1,817	1,824
Land Improvements	28	29
Plant & Equipment	223	185
Medical Equipment	295	284
Motor Vehicles	41	58
Joint Venture Assets	126	79
Total Depreciation	**2,529**	**2,459**
Amortisation		
Intangible Assets	126	111
Total Amortisation	**126**	**111**
Total Depreciation and Amortisation	**2,656**	**2,570**

How we recognise depreciation

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

How we recognise amortisation

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

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

	2021	2020
Buildings		
- Structure Shell Building Fabric	45 to 60 years	45 to 60 years
- Site Engineering Services and Central Plant	20 to 30 years	20 to 30 years
Central Plant		
- Fit Out	20 to 30 years	20 to 30 years
- Trunk Reticulated Building systems	30 to 40 years	30 to 40 years
Plant and Equipment	3 to 7 years	3 to 7 years
Medical Equipment	7 to 10 years	7 to 10 years
Computers and Communication	3 to 9 years	3 to 9 years
Furniture and Fittings	10 to 13 years	10 to 13 years
Motor Vehicles	10 years	10 years
Intangible Assets	3 to 4 years	3 to 4 years

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

Note 5: Other assets and liabilities

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

Structure
5.1 Receivables and contract assets
5.2 Payables and contract liabilities
5.3 Other liabilities

Telling the COVID-19 story

Other assets and liabilities used to support the delivery of our services during the financial year were not materially impacted by the COVID-19 coronavirus pandemic.

Key judgements and estimates

This section contains the following key judgements and estimates:

Key judgements and estimates	Description
Estimating the provision for expected credit losses	Stawell Regional Health uses a simplified approach to account for the expected credit loss provision. A provision matrix is used, which considers historical experience, external indicators and forward-looking information to determine expected credit loss rates.
Measuring deferred capital grant income	Where Stawell Regional Health has received funding to construct an identifiable non-financial asset, such funding is recognised as deferred capital grant income until the underlying asset is constructed. Stawell Regional Health applies significant judgement when measuring the deferred capital grant income balance, which references the estimated the stage of completion at the end of each financial year.
Measuring contract liabilities	Stawell Regional Health applies significant judgement to measure its progress towards satisfying a performance obligation as detailed in Note 2. Where a performance obligation is yet to be satisfied, the health service assigns funds to the outstanding obligation and records this as a contract liability until the promised good or service is transferred to the customer.
Recognition of other provisions	Other provisions include Stawell Regional Health’s obligation to restore leased assets to their original condition at the end of a lease term. The health service applies significant judgement and estimate to determine the present value of such restoration costs.

Note 5: Other assets and liabilities (Continued)

Note 5.1: Receivables and contract assets

		Consolidated 2021 $'000	Consolidated 2020 $'000
Current receivables and contract assets			
Contractual			
Receivables - Grampians Rural Health Alliance		75	6
Trade Debtors		350	619
Patient Fees		144	69
Accrued Investment Income		1	10
Amount receivable from governments and agencies		18	
Accrued Revenue		169	178
Residential property bonds		2	
Less Allowance for impairment losses of contractual receivables			
Trade Debtors		(22)	(6)
Patient Fees		(70)	(56)
Total contractual receivables		**667**	**820**
Statutory			
GST Receivable		145	93
		145	**93**
TOTAL CURRENT RECEIVABLES AND CONTRACT ASSETS		**812**	**913**
Non-current receivables and contract assets			
Contractual			
Long service leave - Department of Health		249	357
TOTAL NON-CURRENT RECEIVABLES AND CONTRACT ASSETS		**249**	**357**
TOTAL RECEIVABLES AND CONTRACT ASSETS		**1,061**	**1,270**

(i) Financial Assets classified as receivables and contract assets (Note 7.1 (a))

Total receivables and contract assets		1,061	1,270
Provision for impairment		92	62
GST Receivable		(145)	(93)
Total Financial Assets	7.1(a)	**1,008**	**1,239**

(a) Movement in the Allowance for impairment losses of contractual receivables	Consol'd 2021 $'000	Consol'd 2020 $'000
Balance at beginning of year	62	59
Increase in allowance recognised in net result	30	3
Balance at end of year	**92**	**62**

Note 5.1: Receivables (Continued)

How we recognise receivables

Receivables consist of:

Contractual receivables, which mostly includes debtors in relation to goods and services. These receivables are classified as financial instruments and categorised as 'financial assets at amortised costs'. They are initially recognised at fair value plus any directly attributable transaction costs. 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, which mostly includes amounts owing from the Victorian Government and Goods and Services Tax (GST) input tax credits that are recoverable. Statutory receivables do not arise from contracts and are recognised and measured similarly to contractual receivables (except for impairment), but are not classified as financial instruments for disclosure purposes. The health service applies AASB 9 for initial measurement of the statutory receivables and as a result statutory receivables are initially recognised at fair value plus any directly attributable transaction cost.

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

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

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

Impairment losses of contractual receivables

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

Note 5.2: Payables and contract liabilities

	Note	Consolidated 2021 $'000	Consolidated 2020 $'000
Current payables and contract liabilities			
Contractual			
Trade Creditors		1,443	753
Accrued Salaries and Wages		631	405
Payables - Grampians Rural Health Alliance		383	140
Accrued Expenses		534	261
Contract liabilities	5.2(a)	2,046	655
Total contractual payables		**5,037**	**2,214**
Statutory			
		-	-
Total statutory payables		**-**	**-**
Total current payables and contract liabilities		**5,037**	**2,214**
Total payables and contract liabilities		**5,037**	**2,214**

[(i)] Financial liabilities classified as payables and contract liabilities (Note 7.1 (a))

Total payables and contract liabilities		5,037	2,214
Contract liabilities		(2,046)	(655)
Total financial liabilities	7.1(a)	**2,991**	**1,559**

How we recognise payables and contract liabilities

Payables consist of:

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

- **Statutory payables**, that are recognised and measured similarly to contractual payables, but are not classified as financial instruments and not included in the category of financial liabilities at amortised cost, because they do not arise from contracts.

The normal credit terms for accounts payable are usually Nett 30 days.

Note 5.2 (a) Contract liabilities

	Consolidated 2021 $'000	Consolidated 2020 $'000
Opening balance of contract liabilities	655	-
Adjustment for initial adoption of AASB 15	-	-
Consideration in Advance - Operating Revenue	123	193
Payments received for performance obligations not yet fulfilled	486	192
Payments by DoH for performance obligations not yet met	1,437	270
Revenue recognised for the completion of a performance obligation	(655)	-
Total contract liabilities	**2,046**	**655**
* Represented by		
Current contract liabilities	2,046	655

How we recognise contract liabilities

Contract liabilities include grant consideration received from the State Government in support of COVID 19, consideration received in advance from customers in respect of regional grants and commonwealth income in advance. Income is recognised once the goods and services are delivered/provided.

The balance of contract liabilities was significantly higher than the previous reporting period due to a reallocation of current year COVID Grants by the Department of Health.

Contract liabilities are derecognised and recorded as revenue when promised goods and services are transferred to the customer. Refer to Note 2.1.

Maturity analysis of payables

Please refer to Note 7.2(b) for the ageing analysis of payables.

Note 5.3: Other liabilities

	Consolidated 2021 $'000	Consolidated 2020 $'000
CURRENT		
Monies Held in Trust		
- Patient Monies Held in Trust	46	55
- Accommodation Bonds (Refundable Entrance Fees)	1,225	1,391
- Other Monies Held in Trust	37	16
Total Current	**1,308**	**1,462**
Total Other Liabilities	**1,308**	**1,462**
Total Monies Held in Trust		
Represented by the following assets:		
Cash and Cash Equivalents (refer to Note 6.2)	1,308	1,462
TOTAL	**1,308**	**1,462**

How we recognise other liabilities

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

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

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

Note 6: How we finance our operations

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

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

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

Telling the COVID-19 story

Our finance and borrowing arrangements were not materially impacted by the COVID-19 coronavirus pandemic because the health service's response was funded by Government.

Key judgements and estimates	Description
Determining if a contract is or contains a lease	Stawell Regional Health applies significant judgement to determine if a contract is or contains a lease by considering if the health service: • has the right-to-use an identified asset • has the right to obtain substantially all economic benefits from the use of the leased asset and • can decide how and for what purpose the asset is used throughout the lease.
Determining if a lease meets the short-term or low value asset lease exemption	Stawell Regional Health applies significant judgement when determining if a lease meets the short-term or low value lease exemption criteria. The health service estimates the fair value of leased assets when new. Where the estimated fair value is less than $10,000, the health service applies the low-value lease exemption. The health service also estimates the lease term with reference to remaining lease term and period that the lease remains enforceable. Where the enforceable lease period is less than 12 months the health service applies the short-term lease exemption.
Discount rate applied to future lease payments	Stawell Regional Health discounts its lease payments using the interest rate implicit in the lease. If this rate cannot be readily determined, which is generally the case for the health service's lease arrangements, Stawell Regional Health uses its incremental borrowing rate, which is the amount the health service would have to pay to borrow funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.
Assessing the lease term	The lease term represents the non-cancellable period of a lease, combined with periods covered by an option to extend or terminate the lease if Stawell Regional Health is reasonably certain to exercise such options. Stawell Regional Health determines the likelihood of exercising such options on a lease-by-lease basis through consideration of various factors including: • If there are significant penalties to terminate (or not extend), the health service is typically reasonably certain to extend (or not terminate) the lease. • If any leasehold improvements are expected to have a significant remaining value, the health service is typically reasonably certain to extend (or not terminate) the lease. • The health service considers historical lease durations and the costs and business disruption to replace such leased assets.

Note 6.1: Borrowings

	Consol'd 2021 $'000	Consol'd 2020 $'000
CURRENT		
Advances from government [(i)]	-	100
Total Current Borrowings	**-**	**100**
Total Borrowings	**-**	**100**

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

How we recognise borrowings

Borrowings refer to interesting bearing liabilities mainly raised from advances from the Treasury Corporation of Victoria (TCV) and other funds raised through lease liabilities, service concession arrangements and other interest-bearing arrangements or non-interest bearing arrangements.

Initial recognition

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

Subsequent measurement

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'.

(a) Maturity analysis of borrowings
Please refer to Note 7.2(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.

Note 6.2: Cash and Cash Equivalents

		Consolidated 2021 $'000	Consolidated 2020 $'000
Cash on hand (excluding monies held in trust)		2	2
Cash at bank (excluding monies held in trust)		470	88
Cash at bank (monies held in trust)		1,308	1,462
Cash at bank - CBS (excluding monies held in trust)		7,535	4,431
Cash & equivalents Grampians Rural Health Alliance		393	286
Total Cash and Cash Equivalents	7.1(a)	**9,708**	**6,269**

How we recognise cash and cash equivalents

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

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

Note 6.3: Commitments for expenditure

	Consolidated 2021 $'000	Consolidated 2020 $'000
Capital expenditure commitments payable		
Less than 1 year		126
Total capital expenditure commitments	-	**126**
Non-cancellable and Short Term low value lease commitments		
Less than 1 year		48
Total Non-cancellable Lease commitments	**-**	**48**
Total commitments for Expenditure (inclusive of GST)	**-**	**174**
Less GST recoverable from the Australian Tax Office	-	(17)
TOTAL COMMITMENTS FOR EXPENDITURE (exclusive of GST)	**-**	**157**

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

How we disclose our commitments

Our commitments relate to expenditure, and short term and low value leases.

Expenditure commitments

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

Note 7: Risks, contingencies and valuation uncertainties

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

Structure
7.1 Financial Instruments
7.2 Financial risk management objectives and policies
7.3 Contingent Assets and Contingent Liabilities

Note 7.1: Financial Instruments

Financial instruments arise out of contractual agreements that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Due to the nature of Stawell Regional Health's activities, certain financial assets and financial liabilities arise under statute rather than a contract. Such financial assets and financial liabilities do not meet the definition of financial instruments in AASB 132 Financial Instruments: Presentation.

Note 7.1 (a) Financial instrument categorisation

Consolidated 30 June 2021	Note	Financial Assets at Amortised Cost $'000	Financial Liabilities at Amortised Cost $'000	Total $'000
Contractual Financial Assets				
Cash and cash equivalents	6.2	9,708		9,708
Receivables and contract assets	5.1	1,008		1,008
Other Financial Assets	4.1	1,740		1,740
Total Financial Assets [(i)]		**12,456**	**-**	**12,456**
Financial Liabilities				
Payables			2,991	2,991
Other Financial Liabilities			1,308	1,308
Total Financial Liabilities [(ii)]		**-**	**4,299**	**4,299**

Consolidated 30 June 2020		Financial Assets at Amortised Cost $'000	Financial Liabilities at Amortised Cost $'000	Total $'000
Contractual Financial Assets				
Cash and cash equivalents	6.2	6,269		6,269
Receivables and contract assets	5.1	1,239		1,239
Other Financial Assets		1,715		1,715
Total Financial Assets [(i)]		**9,223**	**-**	**9,223**
Financial Liabilities				
Payables			1,559	1,559
Borrowings			100	100
Other Financial Liabilities			1,462	1,462
Total Financial Liabilities [(i)]		**-**	**3,121**	**3,121**

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

How we categorise financial instruments

Categories of financial assets

Financial assets are recognised when Stawell Regional Health becomes party to the contractual provisions to the instrument. For financial assets, this is at the date Stawell Regional Health commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments (except for trade receivables) are initially measured at fair value plus transaction costs, except where the instrument is classified at fair value through net result, in which case transaction costs are expensed to profit or loss immediately.

Where available, quoted prices in an active market are used to determine the fair value. In other circumstances, valuation techniques are adopted.

Trade receivables are initially measured at the transaction price if the trade receivables do not contain a significant financing component or if the practical expedient was applied as specified in AASB 15 para 63.

Financial assets at amortised cost

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

- the assets are held by Stawell Regional Health solely to collect the contractual cash flows and
- the assets' contractual terms give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specific dates.

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

Stawell Regional Health recognises the following assets in this category:

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

Note 7.1: Financial Instruments (continued)

Categories of financial liabilities

Financial liabilities are recognised when Stawell Regional Health becomes a party to the contractual provisions to the instrument. Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified at fair value through profit or loss, in which case transaction costs are expensed to profit or loss immediately.

Financial liabilities at amortised cost

Financial liabilities are measured at amortised cost using the effective interest method, where they are not held at fair value through net result.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest expense in net result over the relevant period. The effective interest is the internal rate of return of the financial asset or liability. That is, it is the rate that exactly discounts the estimated future cash flows through the expected life of the instrument to the net carrying amount at initial recognition.

Stawell Regional Health recognises the following liabilities in this category:

- payables (excluding statutory payables and contract liabilities)
- borrowings and
- other liabilities (including monies held in trust).

Offsetting financial instruments

Financial instrument assets and liabilities are offset and the net amount presented in the consolidated balance sheet when, and only when, Stawell Regional Health has a legal right to offset the amounts and intend either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Some master netting arrangements do not result in an offset of balance sheet assets and liabilities. Where Stawell Regional Health does not have a legally enforceable right to offset recognised amounts, because the right to offset is enforceable only on the occurrence of future events such as default, insolvency or bankruptcy, they are reported on a gross basis.

Derecognition of financial assets

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

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

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

A financial asset is required to be reclassified between fair value between amortised cost, fair value through net result and fair value through other comprehensive income when, and only when, Stawell Regional Health's business model for managing its financial assets has changed such that its previous model would no longer apply.

A financial liability reclassification is not permitted.

Note 7.2: Financial risk management objectives and policies

As a whole, Stawell Regional Health's financial risk management program seeks to manage the risks and the associated volatility of its financial performance.

Details of the significant accounting policies and methods adopted, included the criteria for recognition, the basis of measurement, and the basis on which income and expenses are recognised, with respect to each class of financial asset, financial liability and equity instrument above are disclosed throughout the financial statements.

Stawell Regional Health's main financial risks include credit risk, liquidity risk, interest rate risk, foreign currency risk and equity price risk. Stawell Regional Health manages these financial risks in accordance with its financial risk management policy.

Stawell Regional Health uses different methods to measure and manage the different risks to which it is exposed. Primary responsibility for the identification and management of financial risks rests with the Accountable Officer.

Note 7.2 (a) Credit risk

Credit risk refers to the possibility that a borrower will default on its financial obligations as and when they fall due. Stawell Regional Health's exposure to credit risk arises from the potential default of a counter party on their contractual obligations resulting in financial loss to Stawell Regional Health. Credit risk is measured at fair value and is monitored on a regular basis.

In addition, Stawell Regional Health does not engage in hedging for its contractual financial assets and mainly obtains contractual financial assets that are on fixed interest, except for cash and deposits, which are mainly cash at bank. As with the policy for debtors, Stawell Regional Health's policy is to only deal with banks with high credit ratings.

Provision of impairment for contractual financial assets is recognised when there is objective evidence that Stawell Regional Health will not be able to collect a receivable. Objective evidence includes financial difficulties of the debtor, default payments, debtors that are more than 60 days overdue, and changes in debtor credit ratings.

Contract financial assets are written off against the carrying amount when there is no reasonable expectation of recovery. Bad debt written off by mutual consent is classified as a transaction expense. Bad debt written off following a unilateral decision is recognised as other economic flows in the net result.

Except as otherwise detailed in the following table, the carrying amount of contractual financial assets recorded in the financial statements, net of any allowances for losses, represents Stawell Regional Health's maximum exposure to credit risk without taking account of the value of any collateral obtained.

Note 7.2: Financial Instruments (continued)

There has been no material change to Stawell Regional Health's credit risk profile in 2020-21.

Impairment of financial assets under AASB 9

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

Equity instruments are not subject to impairment under AASB 9. Other financial assets mandatorily measured or designated at fair value through net result are not subject to impairment assessment under AASB 9.

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.

Contractual receivables at amortised cost

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

On this basis, Stawell Regional Health determines the closing loss allowance at the end of the financial year as follows:

01-Jul-21	Note	Current	Less than 1 month	1-3 months	3 months - 1 year	1-5 years	TOTAL
Expected loss rate		0.9%	4.1%	47.0%	100.0%	100.0%	
Gross carrying amount of contractual receivables	5.1	**800**	**68**	**108**	**16**	**16**	**1008**
Loss Allowance		9	3	51	16	16	95

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

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

Reconciliation of the movement in the loss allowance for contractual receivables

	2021	2020
Balance at beginning of year	62	59
Increase in provision recognised in the net result	30	3
Balance at end of the year	92	62

Statutory receivables and debt investments at amortised cost

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

Both the statutory receivables and investments in debt instruments are considered to have low credit risk, taking into account the counterparty's credit rating, risk of default and capacity to meet contractual cash flow obligations in the near term. As a result, no loss allowance has been recognised.

Debt investments at fair value through net result

Stawell Regional Health is also exposed to credit risk in relation to debt instruments that are designated at fair value through net result. The maximum exposure at the end of the reporting period is the carrying amount of these investments (2021: $Nil; 2020: $100k).

Note 7.2 (b) Liquidity risk

Liquidity risk arises from being unable to meet financial obligations as they fall due.

Stawell Regional Health is exposed to liquidity risk mainly through the financial liabilities as disclosed in the face of the balance sheet and the amounts related to financial guarantees. The health service manages its liquidity risk by:

- close monitoring of its short-term and long-term borrowings by senior management, including monthly reviews on current and future borrowing levels and requirements
- maintaining an adequate level of uncommitted funds that can be drawn at short notice to meet its short-term obligations
- holding investments and other contractual financial assets that are readily tradeable in the financial markets and
- careful maturity planning of its financial obligations based on forecasts of future cash flows.

Stawell Regional Health's exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment of risk. Cash for unexpected events is generally sourced from liquidation of investments and other financial assets.

Note 7.2 (b): Liquidity risk (Continued)

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

				Maturity Dates			
Consolidated **30 June 2021**	**Note**	**Carrying Amount** **$'000**	**Nominal Amount** **$'000**	**Less than 1 Month** **$'000**	**1-3 Months** **$'000**	**3 months - 1 Year** **$'000**	**1-5 Years** **$'000**
Financial Liabilities							
Payables	5.2	5,037	5,037	5,037			-
Borrowings	6.1	-	-				-
Other Financial Assets - Refundable Accommodation Deposits	5.3	1,225	1,225				1,225
Other Financial Assets - Patient monies held in trust	5.3	83	83	83			83
Total Financial Liabilities		**6,345**	**6,345**	**5,120**	**-**	**-**	**1,308**

				Maturity Dates			
Consolidated **30 June 2020**	**Note**	**Carrying Amount** **$'000**	**Nominal Amount** **$'000**	**Less than 1 Month** **$'000**	**1-3 Months** **$'000**	**3 months - 1 Year** **$'000**	**1-5 Years** **$'000**
Financial Liabilities							
Payables	5.2	2,214	2,214	2,214			
Borrowings	6.1	100	100			100	
Other Financial Assets - Refundable Accommodation Deposits		1,391	1,391			100	1,291
Other Financial Assets - Patient monies held in trust	5.3	71	71	71			
Total Financial Liabilities		**3,776**	**3,776**	**2,285**	**-**	**200**	**1,291**

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

Note 7.2 (c): Market risk

Stawell Regional Health's exposures to market risk are primarily through interest rate risk, foreign currency risk and equity price risk. Objectives, policies and processes used to manage each of these risks are disclosed below.

Sensitivity disclosure analysis and assumptions

Stawell Regional Health's sensitivity to market risk is determined based on the observed range of actual historical data for the preceding five-year period. Stawell Regional Health's fund managers cannot be expected to predict movements in market rates and prices. The following movements are 'reasonably possible' over the next 12 months:

- a change in interest rates of 1% up or down and

Interest rate risk

Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate because of changes in market interest rates. Stawell Regional Health does not hold any interest-bearing financial instruments that are measured at fair value, and therefore has no exposure to fair value interest rate risk.

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Stawell Regional Health has minimal exposure to cash flow interest rate risks through cash and deposits, term deposits and bank overdrafts that are at floating rate.

Note 7.3: Contingent assets and contingent liabilities

There are no known contingent assets or contingent liabilities for Stawell Regional Health at the date of this report. (2020-Nil).

How we measure and disclose contingent assets and contingent liabilities

Contingent assets and contingent liabilities are not recognised in the balance sheet but are disclosed and, if quantifiable, are measured at nominal value.

Contingent assets and liabilities are presented inclusive of GST receivable or payable respectively.

Contingent assets

Contingent assets are possible assets that arise from past events, whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the health service.

These are classified as either quantifiable, where the potential economic benefit is known, or non-quantifiable.

Contingent liabilities

Contingent liabilities are:

- possible obligations that arise from past events, whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the health service or

- present obligations that arise from past events but are not recognised because:
  - It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligations or
  - the amount of the obligations cannot be measured with sufficient reliability.

Contingent liabilities are also classified as either quantifiable or non-quantifiable.

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 flow from operating activities
8.2 Responsible Persons Disclosures
8.3 Remuneration of Executives
8.4 Related Parties
8.5 Remuneration of Auditors
8.6 Events Occurring after the Balance Sheet Date
8.7 Controlled Entities
8.8 Jointly Controlled Operations
8.9 Economic Dependency
8.10 Equity

Telling the COVID-19 story

Our other disclosures were not materially impacted by the COVID-19 Coronavirus pandemic and its impact on our economy and the health of our community.

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

	Note	Consolidated 2021 $'000	Consolidated 2020 $'000
Net result for the period		(1,606)	(900)
Non-cash movements:			
Depreciation and amortisation	4.4	2,656	2,371
Allowance for impairment losses of contractual receivables	5.1	30	3
Net (gain)/loss from disposal of non financial physical assets	3.2	5	(3)
Movements in assets and liabilities:			
Change in operating assets and liabilities			
(Increase)/decrease in receivables	5.1	209	(233)
(Increase)/decrease in other assets		119	37
(Increase)/decrease in Prepayments		(92)	32
(Increase)/decrease in Inventories		(14)	(30)
Increase/(decrease) in payables	5.2	2,823	60
Increase/(decrease) in provisions	3.4	341	369
Increase/(decrease) in other liabilities	5.3	(555)	(169)
NET CASH INFLOW FROM OPERATING ACTIVITIES		**3,916**	**1,537**

Note 8.2: Responsible persons disclosures

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

	Period
The Honourable Martin Foley:	
Minister for Mental Health	01/07/2020 - 29/09/2020
Minister Health	26/09/2020 - 30/06/2021
Minister for Ambulance Services	26/09/2020 - 30/06/2021
Minister for the coordination of Health and Human Services COVID-19	26/09/2020 - 09/11/2020
The Honourable Jenny Mikakos:	
Minister Health	01/07/2020 - 26/09/2020
Minister for Ambulance Services	01/07/2020 - 26/09/2020
Minister for the coordination of Health and Human Services COVID-19	01/07/2020 - 26/09/2020
The Honourable Luke Donnellan:	
Minister for Child Protection	01/07/2020 - 30/06/2021
Minister for Disability, Ageing and Carers	01/07/2020 - 30/06/2021
The Honourable James Merlino	
Minister for Mental Health	29/09/2020 - 30/06/2021
Governing Board	
R Jones (Board Chair)	01/07/2020 - 30/06/2021
J Cass	01/07/2020 - 30/06/2021
M Thakker	01/07/2020 - 30/06/2021
L Mahoney	01/07/2020 - 30/06/2021
D Gittins	01/07/2020 - 30/06/2021
E Aalsulami	01/07/2020 - 30/06/2021
M Richards	01/07/2020 - 30/06/2021
J Pringle	01/07/2020 - 30/06/2021
Accountable Officers	
K Pryde	01/07/2020 - 30/06/2021

Remuneration of Responsible Persons

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

Income Band	**Consolidated 2021 No.**	**Consolidated 2020 No.**
$0 - $9,999	8	6
$40,000 - $49,999	-	1
$130,000 - $139,999	-	1
$230,000 - $239,999	1	-
Total Numbers	**9**	**8**

	$ '000	**$ '000**
Total remuneration received or due and receivable by Responsible Persons from the reporting entity amounted to:	**256**	**195**

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

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

Note 8.3: Remuneration of Executives

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

Remuneration of Executive Officers	**Consolidated Total Remuneration**	
Remuneration	**2021 $ '000**	**2020 $ '000**
Short-term benefits	493	542
Post-employment benefits	45	54
Other long-term benefits	16	18
Total Remuneration[i]	**554**	**614**
Total Number of Executives	4	**5**
Total Annualised Employee Equivalent (AEE)[ii]	**3.8**	**4.4**

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

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

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

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

Post-employment Benefits
Pensions and other retirement benefits (such as superannuation guarantee contributions) paid or payable on a discrete basis when employment has ceased.

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

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

Note 8.4: Related Parties

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

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

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

The Board of Directors and the Executive Directors of the Stawell Regional Health and its controlled entities are deemed to be KMPs. This includes the following:

Entity	KMPs	Position Title	
Stawell Regional Health	R Jones (Board Chair)	Chair of the Board	1 Jul 20 - 30 Jun 21
Stawell Regional Health	J Cass	Board member	1 Jul 20 - 30 Jun 21
Stawell Regional Health	M Thakker	Board member	1 Jul 20 - 30 Jun 21
Stawell Regional Health	E Aalsulami	Board member	1 Jul 20 - 30 Jun 21
Stawell Regional Health	L Mahoney	Board member	1 Jul 20 - 30 Jun 21
Stawell Regional Health	D Gittins	Board member	1 Jul 20 - 30 Jun 21
Stawell Regional Health	M Richards	Board member	1 Jul 20 - 30 Jun 21
Stawell Regional Health	J Pringle	Board member	1 Jul 20 - 30 Jun 21
Stawell Regional Health	K Pryde	Chief Executive Officer	1 Jul 20 - 30 Jun 21
Stawell Regional Health	T Dunmore	Director of Clinical Services	1 Jul 20 - 30 Jun 21
Stawell Regional Health	R Duncan	Director of Primary Care	1 Jul 20 - 30 Jun 21
Stawell Regional Health	I Martin	Chief Finance Officer	1 Jul 20 - 30 Jun 21
Stawell Regional Health	C Hugo	Human Resources Director	1 Jul 20 - 31 Mar 21

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

Compensation - KMP's	**Consolidated 2021 $'000**	**Consolidated 2020 $'000**
Short-term benefits[i]	716	717
Post-employment benefits	73	68
Other long-term benefits	21	23
Termination Benefits	-	-
Total"	**810**	**808**

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

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

Note 8.4: Related Parties (continued).

Significant transactions with government related entities

Stawell Regional Health received funding from the Department of Health and Human Services of $22,918,141 (2020: $19,467,536) and Indirect Contributions of $ 22,300 (2020: $ 120,713). Balances outstanding at 30 June 2021 are nil (2020 $Nil).

Stawell Regional Health has no loans from the Department of Health and Human Services in 2021 (2020: $100,000). Stawell Regional Health has a Debtor with DHHS for Long Service Leave of $249,323 (2020:$356,758).

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

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

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

Transactions with Key Management Personnel and Other Related Parties

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

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

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

Except for the transaction listed below there were no related party transactions required to be disclosed for Stawell Regional Health Board of Directors, Accountable Officers, and Executive Directors in 2021.

Mrs R Jones - Stawell Regional Health Board Chair has a family interest in David O Jones Hardware. The total amount of purchases from David O Jones Hardware for 2020/2021 financial year was $14,122.

There were no other related party transactions required to be disclosed for Stawell Regional Health Foundation Board of Directors in 2021.

Note 8.4: Related Parties (continued).

Controlled Entities Related Party Transactions

Stawell Regional Health Foundation

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

	2021 $'000	2020 $'000
Distribution of funds by Stawell Regional Health Foundation	-	47

Note 8.5: Remuneration of auditors

	Consolidated 2021 $'000	Consolidated 2020 $'000
Victorian Auditor-General's Office		
Audit of the Financial Statements	20	18
TOTAL RENUMERATION OF AUDITORS	**20**	**18**

Note 8.6: Events Occurring after the Balance Sheet Date

The Boards of Ballarat Health Services, Edenhope and District Memorial Hospital, Stawell Regional Health and Wimmera Health Care Group have agreed to propose a voluntary amalgamation to form a new health service. The four Boards have collectively endorsed this proposal for the consideration of the Secretary of the Department of Health. An effective date for the amalgamation would be determined based on approval. If approved, the pro-forma net assets of the amalgamated entity would be approximately $732M with an annual turnover for 30 June 2021 of $459M.

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

Note 8.7: Controlled entities

		2021	
Name of entity	**Country of incorporation**	**Ownership Interest %**	**Equity Holding**
Stawell Regional Health Foundation	Australia	100%	Limited by Guarantee

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

CONTROLLED ENTITIES CONTRIBUTION TO THE CONSOLIDATED RESULTS

NET RESULT FOR THE YEAR	**2021 $000**	**2020 $000**
Stawell Regional Health Foundation	12	(14)

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

Note 8.8: Jointly Controlled Operations and Assets

		Ownership Interest	
Name of Entity	**Principal Activity**	**2021 %**	**2020 %**
NET RESULT FOR THE YEAR	Information Systems	(45)	(4)
Grampians Rural Health Alliance		7.33%	6.76%

Note 8.8: Jointly Controlled Operations and Assets - (Continued)

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

	2021 $'000 *	2020 $'000 *
Current Assets		
Cash and Cash Equivalents	393	286
Receivables	75	6
Prepayments	83	11
Total Current Assets	**551**	**303**
Non-Current Assets		
Property, Plant and Equipment	600	471
Less Accumulated Depreciation	310	169
Total Non Current Assets	**290**	**302**
Total Assets	**841**	**605**
Current Liabilities		
Payables	383	140
Total Current Liabilities	**383**	**140**
Total Liabilities	**383**	**140**
Total Net Assets	**458**	**465**

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

Revenues		
Operating Activities	547	467
Non Operating Activities	76	37
Total Revenue	**623**	**504**
Expenses		
Employee Expenses	110	87
Other Expenses	431	388
Total Operating Expenses	**541**	**475**
Capital Purpose Income		46
Depreciation	127	79
Total Capital and Specific Items	**(127)**	**(33)**
Net Result	**(45)**	**(4)**

* The financial results included for The Grampians Rural Health Alliance for 2021 are unaudited at the date of signing the financial statements.

Contingent Liabilities and Capital Commitments
There are no known contingent assets or liabilities for The Grampians Rural Health Alliance as at the date of this report (2020 Nil).

Note 8.9: Economic Dependency

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

Note 8.10: Equity

Contributed capital

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 Stawell Regional Health.

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

Other transfers that are in the nature of contributions or distributions or that have been designated as contributed capital are also treated as contributed capital.

Financial assets at fair value through comprehensive income revaluation reserve

The financial assets at fair value through other comprehensive income revaluation reserve arises on the revaluation of financial assets (such as equity instruments) measured at fair value through other comprehensive income. Where such a financial asset is sold, that portion of the reserve which relates to that financial asset may be transferred to accumulated surplus/deficit.

Specific restricted purpose reserves

The specific restricted purpose reserve is established where Stawell Regional Health has possession or title to the funds but has no discretion to amend or vary the restriction and/or condition underlying the funds received.