



Ballarat **Health** Services

Annual Report
2019 | 2020

Our mission

To deliver quality care to the communities we service by providing safe, accessible and integrated health services resulting in positive experiences and outcomes.

Our Patients: It is our commitment to make sure that we provide positive patient experiences; that users of our health service feel their needs are met and that they are effectively supported.

Our staff, students and service partners: A positive workplace culture strengthens the communities we service and supports quality, safe, accessible and integrated health service delivery.

Our Community: The broader community is an integral component of our desire to deliver positive experiences and outcomes for all.

Our vision

Excellence in Care

Our Patients / Our Staff / Our Community

Our Vision statement sets out the future that we want to create and places our patients, our staff and our community as equal high priority areas for the focus of our care.

Our Vision is to transform Ballarat Health Services into a world-class health care provider that offers the best possible patient care, an engaged workforce, effective leadership, and a strong connection to the community and region.

Our Vision is to establish a positive workplace culture and to build a workforce that is engaged, empowered and skilled to meet our future challenges.

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Overview

Ballarat Health Services is the main public referral health service to a catchment population of around 250,000 people across the Grampians region and has been providing quality care for more than 160 years.

Ballarat Health Services delivers care across all settings: in hospital and increasingly in the community and people's homes. It is the largest public provider of residential aged care in Australia. Additionally, Ballarat Health Services is the main teaching, training and research provider in the region and does this through affiliations with several universities and teaching institutions.

Ballarat Health Services is the largest employer in Ballarat, which has a population of over 100,000 people. Our workforce is a key strength of our organisation and the broader community.

For the period 1 July 2019 to 30 June 2020 Ballarat Health Services was accountable, through its Board of Directors, to the Hon. Jenny Mikakos, Minister for Health and Minister for Ambulance Services, as well as to the Hon Martin Foley MLA, Minister for Mental Health and the Hon Luke Donnellan, Minister for Child protection and Minister for Disability, Ageing and Carers.

COVID-19 Health Service impact

The State of Victoria declared a state of emergency on 16 March 2020 in response to the COVID-19 pandemic. As a consequence of this, Ballarat Health Services deferred actions of some Statement of Priorities initiatives to focus resources and energy toward the pandemic.

This has led to some initiatives being either partly achieved or delayed. Where this is the case, those initiatives are marked and their status indicated.

Report of Operations

Chair and CEO's report towards BHS2022

The year 2020 will be remembered as a time of significant and unprecedented challenges, as the world battled the coronavirus pandemic, COVID-19. In the months from March to June 2020, Ballarat Health Services' agile response and commitment to our region served us well. During that period there were 11 positive COVID-19 cases in the Ballarat Local Government Area, with 4 patients cared for at the Ballarat Base Hospital, and 55 patients cared for throughout the region through our Hospital in the Home program. We recorded no fatalities, and transmission was contained rapidly whenever a case appeared.

Ballarat Health Services' community leadership role, from community education and support, through to testing and in-patient care solidified the standing of Ballarat Health Services at a time of great uncertainty.

We are very proud of the skill, dedication and flexibility shown by our staff, and the support and trust received from patients and families during this time. While there was fear and uncertainty, there was also great collaboration and support.

World-class healthcare

It is important to acknowledge that the successful response to the virus in our facilities was born out of many years – indeed decades – of dedication to providing compassionate, reliable, world-class healthcare. It was not a matter of luck. Our clinical teams and infectious disease specialists comprise highly skilled staff, who were able to advise leaders on an organisation-wide response in a coordinated and timely manner. An outbreak in one of our nursing homes was quickly and safely managed, due in large part to the clinical skills of our nursing home staff.

Prior to our response to the pandemic, our focus on providing quality healthcare to our region through every life-stage was demonstrated through numerous projects and initiatives aimed at enabling our growing and ageing population to be cared for in their community. The pandemic has accelerated many exciting new patient and staff care initiatives that will be the cornerstone of our services for many years to come.

Highlights from this period include:

- COVID response: dedicated staff managing the many risks and concerns related to transmission, and maintaining access despite challenging conditions
- Development within the Emergency Department of a respiratory zone as part of our COVID response
- Commencement of a Carer's Wellbeing Partnership - Carer Gateway
- Establishment of the Hospital Outreach Post-suicide Engagement (HOPE) program
- Introduction of Neuropsychology consulting within Residential Aged Care
- Ballarat for Kids (B4K) - a coalition of more than 20 Ballarat organisations working together with parents and carers to create a city where every child can thrive
- Kindergarten, primary school, and youth homeless dental education programs
- Education into schools via Ballarat CASA programs 'Respectful Relationships' and 'Consent and the law'
- Appointment of a specialist family violence advisor
- Recruitment and training of expert staff in response to legalisation of Voluntary Assisted Dying
- Implementation of a clinical documentation improvement program to improve patient information flows
- The development of BHS@Home, a program to fast-track the delivery of community-based patient care
- Opening of the mental health PARC facility (Grampians Prevention and Recovery Centre)
- Recruitment of Psychiatry Registrars with the intention of developing a Psychiatry training program.
- Reduction in the use of community treatment orders for Mental Health Service clients, which is pleasingly below than the state-wide benchmark.
- Recruitment of paediatric emergency physicians in the Emergency Department
- Delivery of the Physician Training Program that resulted in a 100% pass rate for the Royal Australian College of Physicians (RACP) exams, alongside fully recruiting to advanced training positions in general medicine, cardiology, infectious diseases, neurology, renal, respiratory, and haematology. A significant expansion in terms of training capacity, success rates, and recruitment and retention of Medical Registrars.
- Opened a new medical ward (3S) to enhance access to care for patients
- Development of a Symptom and Urgent Review Clinic (SURC) for oncology patients, which includes pathways for treating side-effects directly via the Ballarat Regional Integrated Cancer Centre (BRICC), rather than via Emergency Departments
- Enabled the implementation of chemotherapy services close to home for Maryborough residents, who were previously having to travel to Ballarat for consultations
- Broader and expanded Gastroenterology Services
- Development of a Diabetic Foot Clinic
- Expansion in haematology capacity, which has allowed not just for an increased outpatient service, but also an inpatient service for both malignant and non-malignant haematological conditions, resulting in the development of a haematology team.
- Re-established of plastic and reconstructive surgery services, with the appointment of an experienced plastic surgeon.
- The development of a daytime emergency surgery service with dedicated consultant surgeons
- A 'same day' total joint replacement service has commenced.

For more, please go to bhs.org.au/year-in-review

Our staff

A key aspect of our BHS2022 strategy is a commitment to improving staff culture, recruitment and development. Our commitment to this was realised with:

- the commencement of the new Executive Director People and Culture, Claire Woods in August 2019
- launch of a new HR Management system Mercury in September 2019
- mandatory values-based behaviours Know Better, Be Better training for all staff
- celebration of our staff during BHS Together week in November

BHS Together week is an occasion to acknowledge individuals and teams who have demonstrated excellence across our values, research, education and innovation. During the rest of the year staff successes, organisational improvements and changes, and health and wellbeing resources are shared via a weekly staff e-newsletter Pulse.

Your Health

Supporting our community to make informed choices about their health, with the aim of reducing preventable illness and disease is central to our health promotion and community services under the banner of Your Health. Prior to social distancing requirements, Ballarat Health Services enjoyed regular opportunities to invite the community onsite to increase awareness of health concerns. Once gatherings were no longer possible, creative, collaborative digital communications were developed. Of note:

- Launch of a new website bhs.org.au
- The Men's Health bhs.org.au/mens-health webpage
- Collaboration with local Council and industry, including Be Kind Ballarat
- 2019 NAIDOC Week and Launch of the Medicinal Garden
- Healthy Choice Vending machine launch
- Teddy Bear Hospital event

Our Community

An important role within our region and our community is supporting smaller health services to continue collaborative work on governance, workforce and education. We were delighted to share our work as the lead teaching, training and research provider in the region through our partnerships with several local and national higher education providers, TAFEs and registered training organisations. In addition to being able to further the development of our healthcare staff, our partnerships also enable us the opportunity for collaborative research.

Our 250 volunteers adapted to limitations brought about by COVID-19 and continue to provide compassionate care and support where possible across our services. We were delighted to recognise their dedication with CEO-awarded service recognition certificates, which were sent to every volunteer.

The fundraising team raised \$1.2 million with the support of community events, bequests, our two major annual appeals (EOFY and Christmas), and successful applications to trusts and foundations. We continue to be overwhelmed by the community's generosity - both in cash and in-kind - which demonstrates the value of the health service to the community. As always, we pay special thanks to members of the Ballarat Health Services Foundation Council, a volunteer community-run organisation which has increased its funds under management to \$5 million, and continues to invest and manage Foundation funds with substantial year-on-year growth.

Planning for the Base Hospital redevelopment has progressed over the last 12 months and we eagerly await State Government announcement to formally commence project delivery. Whilst the pandemic has created slight project delays, a positive outcome is it also enabled staff the opportunity to rethink infrastructure needs based on our lived experience, as we seek to build upon the innovations we implemented this year. Remarkable new ways of operating are now embedded in our health service and give rise to how we can continue to progressively provide care into the future.

We have one year remaining on our strategic plan, BHS2022, and are confident we are able to continue to work towards achieving the goals laid out in that plan, whilst also looking to the coming period of growth and change as we continue to adapt to the developing demand and complex needs of our community.

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



Natalie Reiter
Chair, Board of Directors



Dale Fraser
Chief Executive Officer

Date: 20 October 2020

Employment and conduct principles

Ballarat Health Services is committed to providing a safe and healthy environment for staff, patients, residents, visitors, volunteers and contractors at all sites.

Occupational Health and Safety reporting

Occupational violence category	2019-20
Workplace accepted claims with an occupational violence cause per 100 FTE	0.20
Number of accepted Workcover claims with lost time injury with an occupational violence cause per 1,000,000 hours worked	1.01
Number of occupational violence incidents reported	1,556
Number of occupational violence incidents reported per 100 FTE	52.21
Percentage of occupational violence incidents resulting in a staff injury, illness or condition	8.22%

Occupational hazards / incidents	2017-18	2018-19	2019-20
Number of reported hazards/incidents per 100 FTE	77.16	81.81	80.16
Number of 'lost time' standard claims per 100 FTE	1.11	1.34	1.61
Average cost per claim	\$6,221	\$15,562	\$65,778

Workforce data

Labour category	June Current Month FTE		June YTD FTE	
	2020	2019	2020	2019
Nursing	1329	1316	1309	1278
Administration and clerical	508	524	510	526
Medical support	136	134	134	134
Hotel and allied services	504	494	504	508
Medial Officer	43	41	42	41
Hospital Medical Officers	192	181	186	176
Sessional Clinicians	66	58	61	59
Allied health	242	242	235	238
Total	3020	2990	2981	2960

Environmental performance

Ballarat Health Services includes all emissions from, or relating to, the buildings (as listed below).

Excluded from this list are Business Unit related activities, specifically Safety Link and many small accommodation related sites.

Base Hospital	Drummond St Ballarat
Queen Elizabeth Centre	Ascot St Ballarat
Midlands Site	Norman St Ballarat
Wendouree Site	Gillies St Wendouree
Sebastopol Site	Morgan St Sebastopol
Eureka Site	Balmoral Court Ballarat
Eureka Linen	Lonsdale St Ballarat
Other Sites	Combination of several small sites

Ballarat Health Services continue to recycle, working closely with local industries McCallum industries and Ballarat Regional Industries to achieve recycling outcomes across: food waste, cardboard, paper, printer cartridges, P.V.C., Steri Gard wraps, batteries, blue Huck Towels, glass, plastic, and cans (co-mingle recycling).

Recycling volumes have remained consistent, noting the overall volume of all waste is up by 27.6 tones:

- 2018/2019 at 37.15%
- 2019/2020 at 37.18%

Clinical waste is up slightly by 1.36 tonne and recycling is up by 10.58 tonnes.

	2019/20	2018/19
Gas (GJ)	113,104	105,893
Electricity (kWh)	17,070,974	17,571,357
Petrol for vehicles (kL)	101	301
Diesel for vehicles (kL)	36	101
Stationary diesel (kL)	23	71
Scope 1 Emissions CO ₂ -e (Tonnes)	6218	5930
Scope 2 Emissions CO ₂ -e (Tonnes)	17412	18801
Total Emissions CO ₂ -e (Tonnes)	23630	24732
Water (KL)	162736	167043
Recycling (kg)	326,817	316,231
General Waste (kg)	426,622	410,963
Clinical Waste (kg)	125,409	124,044

Financial performance

Ballarat Health Services was able to achieve a break-even operating position, and continues to focus on generating operating efficiencies and maximising revenue.

\$'000	2020	2019	2018	2017	2016
Total revenue	541,403	514,164	482,708	469,216	439,978
Total expenses	(551,229)	(539,548)	(499,063)	(481,718)	(445,723)
Net result from transactions	(9,826)	(25,384)	(16,355)	(12,502)	(5,745)
Total other economic flows	(2,240)	(4,063)	(610)	1,789	(1,292)
Net result	(12,066)	(29,447)	(16,965)	(10,713)	(7,037)
*Operating result	52	(4,243)	310	63	310
Total assets	515,867	517,110	427,238	419,986	420,557
Total liabilities	201,160	186,473	160,398	140,013	129,871
Net assets/Total equity	314,707	330,637	266,840	279,973	290,686

Net result from transactions

Reconciliation between the Net Result from Transactions to the Operating Result as agreed in the Statement of Priorities.

\$'000	2020
Net operating result	52
Capital purpose income	25,033
COVID-19 State Supply Arrangements	432
– Assets received free of charge or for nil consideration under the State Supply	(360)
– State supply items consumed up to 30 June 2020	
Expenditure for capital purpose	(1,263)
Depreciation and amortisation	(33,572)
Financial costs (other)	(147)
Net result from transactions	(9,826)

Board of Directors as at 30 June 2020

Chair



Natalie Reiter*

BBus (Marketing) BA
(Psychology) MBA
Director since 2016
Term of appointment
01.07.19 - 30.06.22

Director



Jane Poletti

LLB, BSc, MMgt (Strategic
Foresight), GAICD
Director since 2019
Term of appointment
01.07.19 - 30.06.22

Director



Simon Bond*

GradCertTech
GradDipInfoTech MACS CP
MAICD
Director since 2017
Term of appointment
01.07.17 - 30.06.20

Director



David Anderson*

B Comm, M Comm
(Finance), FHFMA, GAICD
Director since 2019
Term of appointment
01.07.19 - 30.06.22

Director



Prof. Penelope Paliadelis

RN BNurs MNurs(Hons) PhD
(UNE), MACN
Director since 2017
Term of appointment
01.07.17 - 30.06.20

Director



Dr. Peter Lynch*

M.B.B.S.(Melbourne),
M.H.A.(U.N.S.W.),
G.A.I.C.D., F.R.A.C.P.
Director since 2018
Term of appointment
01.07.18 - 30.06.21

Director



Cora Trevarthen*

PostGrad Dip (Public
History, Heritage), GAICD
Director since 2019
Term of appointment
01.07.19 - 30.06.22

Director and Deputy Chair



David Miller

DipCmmtyStud
Director since 2015
Term of appointment
01.07.18 - 30.06.21

Biographies are available at
<http://www.bhs.org.au/about-us/the-board>

*Member of Finance Audit & Risk Committee

Organisational chart



Directorate areas of responsibility outlined on following page.

Directorate areas of responsibility

Medical	Nursing and Midwifery
<ul style="list-style-type: none"> • Medical Leadership, Management and Administration • Medico – Legal • Professional Medical Standards & Credentialing • Medical Education and Welfare • University Partnership • Research & Research Ethics • Mortuary • Pharmacy • Infection Prevention and Control • General Practice Liaison • Health Resource Stewardship • Population Health • Ballarat Innovation and Research Collaboration for Health • Regional Medical Leadership 	<ul style="list-style-type: none"> • Nursing & Midwifery • Professional Nursing & Midwifery Standards • Centre for Education & Training – Nursing & Midwifery • Research – Nursing & Midwifery • Centre for Safety & Innovation • Regional Clinical Governance • University Partnerships • Central Allocations Unit • Library Services
Acute Operations	Aged Operations
<ul style="list-style-type: none"> • Acute Outpatient Services • Surgical Services • Mental Health Services • Women & Children’s Services • Access & Operations Services • General & Speciality Medicine Services • Grampians Integrated Cancer Services • Junior Medical Workforce 	<ul style="list-style-type: none"> • Residential Care Services • Sub-acute Services • Residential in-reach • Aged Care Research Team
Resources and Planning	Primary and Community Care
<ul style="list-style-type: none"> • Finance • Contracts & Tendering • Payroll & Salary Packaging • Supply • Radiography & Diagnostic Services • Breastscreen • Information Technology (incl. IT Alliance) • Decision Support • Health Information Services • Clinical Information Services • Patient Services / Switchboard • Eureka Linen • BHS Catering 	<ul style="list-style-type: none"> • Allied Health • Community Programs • Dental • State-Wide Equipment Program • Centre Against Sexual Assault • Preventative Health • Safety Link
	People and Culture
	<ul style="list-style-type: none"> • Employee Engagement • Human Resources • Organisation Development • Industrial/Employee Relations • Health, Safety & Wellbeing • Communications • Spiritual care • Volunteering • Fundraising
	Redevelopment and Infrastructure
	<ul style="list-style-type: none"> • Engineering & Infrastructure • Capital Projects & Planning • Environmental Services

Strategic priorities - Health 2040

Ballarat Health Services Strategic Plan 2017–2022 is available online at [Strategic Plan 2017-2022 | Ballarat Health Services](#)

In 2019–20 Ballarat Health Services contributed to the achievement of the Government's commitments within *Health 2040: Advancing health, access and care* by:

Better health	
Goals	Strategies
<ul style="list-style-type: none"> ▪ A system geared to prevention, as much as treatment ▪ Everyone understands their own health and risks ▪ Illness is detected and managed early ▪ Healthy neighbourhoods and communities encourage healthy lifestyles 	<ul style="list-style-type: none"> ▪ Reduce State-wide risks ▪ Build healthy neighbourhoods ▪ Help people to stay healthy ▪ Target health gaps
Deliverables	

Participation in the Prevention Lab, Stage 2

Ballarat Health Services had a representative (Community Co-ordinator) as part of the Prevention Lab leadership group in mid-2019 to assist in establishing relationships across the Central Highlands region. The Prevention Lab leadership team collaborated with the Ballarat Health Services led 'Ballarat4kids' project to improve the lives of children living in Ballarat. Ballarat Health Services' work associated with the prevention lab has completed, and we are now awaiting the final Prevention lab report, which will outline successes and outcomes.

Scoping of Mobile Health Check Services to prevent presentations to Emergency Department

This initiative is based on the introduction of a volunteer program led by Ballarat Health Services in alignment with the Soup Bus. The team will be made up of staff from medical, nursing, social work, mental health, and an oral hygienist who will collectively provide access and equity in care outside of the walls of Ballarat Health Services, to socially disadvantaged members of the Ballarat Community.

Collaboration and guidance was undertaken with St Vincent's Hospital Sydney to ensure that a sustainable model has been developed. Position Descriptions for identified roles have been completed and recruitment commenced. Due to the impact of the COVID-19 pandemic the focus of this group has been redirected to support the Soup Bus in its own operations, as well as by providing PPE equipment for distribution to the community. The aim is to operationalise this initiative as soon as it is safe to do so and work continues to access appropriate equipment and consumables through Ballarat Health Services fundraising activities.

Development and implementation of a Very Intensive Patient Project.

The Very Intensive Patient (VIP) project was renamed Potentially Avoidable Visits to Emergency (PAVE) project to remove any potential stigma being associated to the patients identified.

A PAVE working group was convened and identified patients for inclusion in this project who have attended the Ballarat Health Services Emergency Department greater than five (5) times in the previous twelve (12) months without a resulting admission to the hospital. In total this accounted for more than six-thousand (6,000) presentations to the Emergency Department within a twelve-month period.

A representative PAVE cohort was determined; those patients presenting with non-cardiac related chest pain who have a mortality rate similar to those with cardiac chest pain. A research proposal was developed and approved through the Ballarat Health Services Ethics Committee to interview the clinicians and identified PAVE cohort. Interviews were conducted with fourteen (14) Ballarat Health Services' healthcare staff associated with the PAVE cohort and invitations have been issued to patients identified as suitable. Upon completion of interviews, literature reviews and data analysis in 2020 – 2021, an intervention will be developed, implemented and evaluated.

Develop the framework and implement quarterly regional mortality and morbidity (M&M) review committees, building on the principles of the Grampians Maternity M&M Committee.

Commencing with perioperative M&M committee in September 2019, urgent care M&M review in early 2020 and end of life M&M review before end of June 2020.

A Perioperative Mortality & Morbidity Committee Terms of Reference was developed and approved and meetings commenced in September 2019 with the goal being to hold these on a quarterly basis. The recommendations that were raised at this meeting are disseminated to all CEOs and their nominated key contacts.

Urgent Care Mortality and Morbidity Committee planning progressed, with the completion of the Terms of Reference and work being undertaken to identify a Chair and appoint an external reviewer.

Regional Morbidity and Mortality Frameworks are now in place for:

- Perioperative Services
- Good Death (Palliative Care)
- Urgent Care Centres

External Peer reviewers have now been identified for Good Death and Urgent Care Mortality and Morbidity Committees.

Due to the challenges presented as a result of COVID-19, time pressures and availability of clinicians has meant these two Committees are yet to initiate their first forum.

An external peer reviewer is still to be recruited for the Perioperative Services Mortality and Morbidity Committee as Ballarat Health Services' Director of Surgery will cease being the peer reviewer. There has been a recommendation for the partnering health services to ensure that the surgeons whose cases are being discussed are offered the chance to prepare and present the case, and should be in the room or accessible on an appropriate virtual platform when the case is discussed.

Cases presented can be cases of concern, or cases where the outcomes have been excellent. Either scenario is beneficial to the meeting participants if there are lessons to learn.

Better access

Goals

- Care is always being there when people need it
- Better access to care in the home and community
- People are connected to the full range of care and support they need
- Equal access to care

Strategies

- Plan and invest
- Unlock innovation
- Provide easier access
- Ensure fair access

Deliverables

Specialist Outpatients Clinic

Implement an improved specialist outpatient clinic booking service and system, ensuring improved accessibility, efficiency and accountability in the utilisation of specialist outpatient appointments.

The implementation of the referral management system in Ballarat Health Services' Outpatient Clinics is underway. There has been some delay as a result of the COVID-19 pandemic response, however progress is still being achieved. With growth from the Department of Health and Human Services, clinic activity has increased by approximately 40% over the past 48 months.

Changing the model of care for our elderly patients

Extend the Geriatric Evaluation Management services across Acute, Sub Acute and Geriatric Evaluation Management in the Home to meet the needs of the ageing population.

Expansion of the Geriatric Evaluation Management (GEM) Services across Acute, Sub Acute and in Home have been achieved. Geriatric Evaluation Management on Acute continues to achieve positive outcomes for patients who may not have previously received geriatric assessment prior to going home. Currently 22% of GEM on Acute patients transfer to Subacute for more intensive geriatric rehabilitation.

In order to meet the needs of the ageing population in our community, alternative models of care were further developed across a variety of settings. GEM care is now provided across three settings - Acute site, Subacute QEC and expansion of GEM in the Home Program (GITH).

Overall, the GEM patient activity across Acute, Subacute and in Home has been impacted by decreased occupancy on Acute due to COVID-19. The activity is monitored daily and new referral pathways are being considered as part of the COVID-19 planning work.

Better care

Goals

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

Strategies

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

Deliverables

Regional Director Medical Services Model

Develop a Regional Director Medical Services model to ensure sustainable alignment between resources available to support the unique work of rural and regional directors of medical services and the key tasks required by health services.

Work continues towards the development of a recommended model of sustaining a trained expert team of Medical Executives/ Directors of Medical Services across the Grampians region.

Deferred focus of the Grampians Region Executive Medical Leaders (GREMLs) group to support our health services in preparation for, and response to, COVID-19 has resulted in delays of this initiative. However, progress continues in developing a sustainable model for medical leadership.

In April 2020, the Ballarat Health Services' Chief Medical Officer participated in the Grampians CEO Medical Leadership Sustainability Working Group to determine next steps regarding a preferred model for the Grampians-wide approach. The GREMLs met twice in May and again in June to propose a range of models which were then subject to survey and feedback. The twelve (12) month timeframe to achieve and implement the model has been disrupted by COVID-19 however, work has progressed and this work will be concluded in the 2020 -2021 year.

Model of Care for Paediatric Patients

Develop and implement a patient-centred, accessible and sustainable multi-disciplinary model of care for paediatric medical and surgical patients to streamline the process for paediatric admissions from the emergency department.

Paediatric Day Medical Unit (PDMU) has been implemented, and at this stage remains specifically focused upon paediatric unit patients. Due to the COVID-19 pandemic further expansion to include other disciplines including surgery remain strategic priorities but have been deferred to 2020 - 2021.

Specific priorities for 2019–20

In 2019–20 Ballarat Health Services contributed to the achievement of the Government's priorities by:

Supporting the mental health system

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

Deliverables

Implement strategies to enhance timely access and care to mental health services including:

Developing new patient flow systems to improve access to mental health beds and reduce demand in the Emergency Department.

The Prevention and Recovery Care (PARC) development with an opening in early 2020/21. There has been some delay related to COVID-19 pandemic response however the service will assist significantly once operationalised.

Developing referral pathways and improve liaison to enhance working partnerships with GPs/ private providers/ Primary Health Networks.

A Commonwealth funded collaborative partnership coordinated by the Primary Health Networks is underway across the Western Region. Whilst delayed by COVID-19, the project continues with input from Grampians, Barwon and Southwest Area Mental Health Services. The project is focused upon the 'missing middle', which refers to those clients that require more care and treatment/support than can reasonably be provide by GPs, however traditionally not reaching the threshold of acuity for intervention by tertiary-level Area Mental Health Services.

Review of community outreach services to provide choice to the consumer of contemporary, evidenced-based mental health care and work with Primary Health Networks and other local providers to provide mental health awareness campaigns.

Ballarat Health Services' mental health service has developed an enhanced community recovery service that provides an intensive outreach program for people who are in the early stages of relapse, whom are not able to access PARC, or require more intensive psychosocial support but can remain at home. This program is in addition to the current case management services that are offered by Ballarat Health Services. This model also re-enforces that the consumers are the directors of their care, and that mental health services work in partnership with the consumers. This model covers all domains of their life including physical health, education, employment, social and citizenship. This model requires a stronger partnership with primary health providers, private providers and Primary Health Networks.

The Enhanced Community Recovery Service has been impacted by COVID-19 however, the implementation of the service remains in progress and recruitment continues.

Addressing occupational violence

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

Implement the Department of Health and Human Services' security training principles to address identified security risks.

Deliverables

Implement short and medium-term controls that address the risks identified in the Ballarat Health Services full security assessment. Develop comprehensive plans for longer term improvements.

The Department of Health and Human Services' security training principles are being implemented in conjunction with a broader organisational review of our approach to addressing organisational violence. The focus is on improving local responses to aggression and prioritising employee safety.

Alternative training options continue to be explored with a full review of the training materials relating to management of aggression. The approach to training has been revised and a program of consultation is underway across the organisation.

Continue to provide management of clinical aggression training for all at-risk staff every two years, and for low-risk staff as part of induction programs.

The model of training delivery has been adapted as part of the COVID-19 response. A series of online videos have been produced to support the need for training to continue while face-to-face training is limited. The information in these materials supplement ongoing work in relation to responding to occupational violence at the local level. The new model of training delivery and associated materials are currently being circulated for broad consultation with stakeholders.

Addressing bullying and harassment

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

Implement the Department of Health and Human Services' *Framework for promoting a positive workplace culture: preventing bullying, harassment and discrimination* and *workplace culture and bullying, harassment and discrimination training: guiding principles for Victorian health services*.

Deliverables

Implement the Department of Health and Human Services' framework for promoting a positive workplace culture: preventing bullying, harassment and discrimination and workplace culture and bullying, harassment and discrimination training: guiding principles for Victorian health services by 30 November 2019.

A gap analysis between the current interventions and the Department of Health and Human Services' framework has been completed and interventions updated to incorporate this framework. The guiding principles inform new initiatives.

Ensure that a minimum of 70% of staff attend in-person values-based behaviour training and communicate the requirement for staff to attend this training every three years.

Values-based behaviour compliance has increased to 78.3% with the identification of suitable alternatives during the COVID-19 response. The emphasis in the coming months will be on identifying sustainable methods for continuous compliance that incorporates a range of delivery options.

Provide further formal processes to address identified issues with bullying and harassment including development of measures in relation to the conduct of independent investigations and targeted interventions at a working group level to identify and address undesirable behaviours.

A review of the staff complaints process by an external auditor has identified a number of areas for improvement. Work has commenced on the implementation of recommendations received from this review.

The recommendations include development of a range of processes and tools to support addressing issues identified by complaints, and additional training provided for managers, people and culture and contact officers.

Revision of the policy procedure, and development of the supporting tools by an external provider is in progress with an implementation plan drafted for post COVID-19.

Refresh and promote the contact officer program to provide impartial support to staff in a confidential manner and to assist them in understanding grievance and other related internal processes.

A review in Mental Health Services by an external consultant resulted in a number of recommendations in relation to the refreshing of the Contact Officer program. These recommendations are being incorporated and a refinement of the Contact Officer Program is underway.

Supporting vulnerable patients

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

Deliverables

Mobile Health

This initiative is underway and will assist in providing access to those most disadvantaged in our community. Partnering with the Ballarat Soup Bus to deliver this initiative.

People at the Centre of Care Committee (NSQHS Standard 2)

Gap analysis undertaken and subsequent action plan development to assist in addressing these strategies.

Aboriginal and/or Torres Strait Islander Taskforce meet quarterly to develop actions to address health needs and gaps in service provision.

The Gap analysis within Standard 2 has been completed and working groups have been established to complete each task. Implement Year 2 of the Communities of Kindness model of care in residential aged care, and provide an evaluation of the model.

The Communities of Kindness project continues across residential aged care with diagnostic activity completed and each home having defined 'person centred care' in collaboration with staff, residents and families. Each care home is now piloting improvement strategies. A Manager workshop was held in February 2020 to review progress of the project to date and plan the next phase.

The project interim report is under development, however work associated with the Communities of Kindness model of care has been impacted due to COVID-19. The finalisation of the project interim report has been deferred to 2020 – 2021.

Supporting aboriginal cultural safety

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

Deliverables

85% of all staff successfully complete cultural safety training.

As at 31 December 2019, 82% of all Ballarat Health Services team members have undertaken culturally safety training.

In addition to Ballarat Health Services' own cultural insight training being undertaken, Ballarat Health Services managers received Cultural Insight training from a Traditional Owner, Bonnie Chew, conducted over two full days at both the Ballarat Base Hospital site, and at the Queen Elizabeth Centre.

Due to COVID-19, face-to-face Cultural insight training has ceased. An online module has been developed as an interim measure and is now in use. Planning to extend this e-learning module to include Ballarat Aboriginal Elders discussing their own experiences with Health Services is underway.

At this time, we are unable to record numbers of Ballarat Health Services staff viewing online e-learning module (this measure is in development). Based on previous face-to-face attendance and other strategies (including e-learning modules), over 80% of Ballarat Health Services staff have completed Cultural Awareness training.

Ballarat Health Services will continue to work with Aboriginal health liaison officers and the Ballarat and District Aboriginal Co-operative (BADAC) to identify and implement specific strategies to create a culturally safe environment.

As part of NAIDOC celebrations, Ballarat Health Services have redesigned the garden in the Gardiner-Pittard foyer to only have native Australian plants with a focus on their medicinal properties. The opening of the new Garden and the NAIDOC week celebrations were shared with the BADAC.

Ballarat Health Services have recently employed a second female Aboriginal Hospital Liaison Officer (AHLO).

The Aboriginal Health Liaison Officer's office has been relocated to a larger space within Ballarat Health Services to accommodate more family / community members.

A Ballarat Health Services Grand Round was undertaken on Wednesday 11th March, entitled "Respect for All"; identifying unconscious bias.

Quarterly meetings continue with the BADAC. The focus of these meetings has been on the development of a Reconciliation Action Plan.

Ballarat Health Services is currently working through a 'pulse' survey on cultural safety to determine current gaps in our frameworks.

A working group will be developed in regard to Aboriginal health funding changes to support ongoing cultural safety initiatives.

Addressing family violence

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

Deliverables

Collaborate with regional health services and external stakeholders to continue implementation of the Strengthening Hospital Responses to Family Violence initiative, including:

Evaluation of existing family violence interventions

A recast budget has seen a change to structure of the existing Ballarat Health Services' Strengthening Hospitals' Response to Family Violence (SHRFV) team.

From July 2020 the team will consist of a Regional Manager Family Violence at .8EFT and a Regional Engagement Coordinator at .6EFT. Both positions are currently being recruited to, and this has been communicated to the regional partners.

Data collection completed for the SAFE Audit and the SAFE Team will now follow up with all health services on the outcome and actions from the audit.

MARAM Framework – although the alignment has been postponed the SHRFV Team at Ballarat Health Services has commenced work to support alignment, namely mapping of roles to responsibilities and a review of the current SHRFV Advisory Committee. The Royal Women's Hospital will be making resources available to support MARAM Alignment and the updated SHRFV Toolkit will be MARAM aligned.

It is Ballarat Health Services' intention to continue this work locally and across the region in preparation for being prescribed under the framework. Supported regional services have been advised of the update.

The Terms of Reference for the new revised advisory committee have been completed and endorsed, and will now be known as the Family Violence Steering Committee.

Devise an implementation plan for the Specialist Family Violence Advisor in Mental Health.

Recruitment of a Mental Health Specialist Family Violence Advisor has been completed.

The Mental Health Specialist Family Violence Advisor has developed a draft document to support the Grampians Area Mental Health Services alignment to the Multi-Agency Risk Assessment and Management (MARAM) Framework, and this is currently out for stakeholder consultation.

A comprehensive work plan has been developed and actions are being progressed. Consideration is being given to visibility of forms in software systems to support documentation.

Embed strategies in the Family Violence Communications Plan to promote participation in the workforce census.

Workforce Census has been promoted through Ballarat Health Services' various internal communications platforms – website, newsletter, Family Violence SharePoint page and posters in clinical areas.

Implementing disability action plans

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

Deliverables

Implement the Disability Action Plan across all Ballarat Health Services sites and provide a final copy of the Disability Action Plan to the Department of Health and Human Services.

Ballarat Health Services has presented the Disability Action Plan to the Community Advisory Committee and has commenced implementation of the plan across a number of sites within the organisation. Recruitment of a Disability Liaison Officer has occurred to further support the implementation on the plan.

Supporting environmental sustainability

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

Deliverables

Installation of LED lights in two residential facilities.

Ballarat Health Services received a \$550K emissions reduction loan which is focused upon improvements in energy efficiency through the installation of solar and the installation of LED lighting systems throughout our facilities.

The installation of LED lights at Eureka Village has been completed.

Due to COVID-19 the work at Geoffrey Cutter Centre for LED light installation remains on hold. This is in line with Infrastructure activities during a pandemic, Health Technical Advice (HTA 2020-002 issued by the Victorian Health and Human Services Building Authority). Teams are working together to review continuation of works when appropriate.

Installation of solar energy 55kw system.

The Solar Panels at the Queen Elizabeth Centre have been installed, tested and commissioned.

Continue to educate on the importance of sustainability with a reduction in waste, with greater than 38% of waste being removed from waste, to being recycled.

Ballarat Health Services continue to educate staff and community on the importance of environmental sustainability and recycling.

The key to reducing the amount of waste produced and sent to land fill is separating our different waste streams. We continue to recycle paper, cardboard, cans, plastics, PVC, (Worm Farm) food waste, Steri Gard (Theatre), printer cartridges, batteries and Huck towels. In quarter four the result for Ballarat Health Services recycling was 38%, thus achievement of target and a slight increase from the previous quarter result of 37.17%

Part B: Performance priorities

High quality and safe care		
Key performance measure	Target	Result
Accreditation		
Compliance with the Aged Care Standards	Full compliance	Achieved
Infection prevention and control		
Compliance with the Hand Hygiene* Australia program	83%	86%
Percentage of healthcare workers immunised for influenza	84%	85%
Patient experience		
Victorian Healthcare Experience Survey – percentage of positive patient experience – Quarter 1	95%	93%
Victorian Healthcare Experience Survey – percentage of positive patient experience – Quarter 2	95%	93%
Victorian Healthcare Experience Survey – percentage of positive patient experience – Quarter 3	95%	93%
Victorian Healthcare Experience Survey – percentage of very positive responses to questions on discharge care– Quarter 1	75%	71%
Victorian Healthcare Experience Survey – percentage of very positive responses to questions on discharge care– Quarter 2	75%	78%
Victorian Healthcare Experience Survey – percentage of very positive responses to questions on discharge care– Quarter 3	75%	80%
Victorian Healthcare Experience Survey – patient’s perception of cleanliness – Quarter 1	70%	77%
Victorian Healthcare Experience Survey – patient’s perception of cleanliness – Quarter 2	70%	78%
Victorian Healthcare Experience Survey – patient’s perception of cleanliness – Quarter 3	70%	77%
Healthcare associated infections (HAI's)		
Rate of patients with surgical site infection	No outliers	Achieved
Rate of patients with ICU central-line-associated bloodstream infection (CLABSI)	Nil	Achieved
Rate of patients with SAB ¹ per 10,000 occupied bed days	≤ 1	Achieved

¹ SAB is Staphylococcus Aureus Bacteraemia

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

High quality and safe care, continued...

Key performance measure	Target	Result
Adverse events		
Sentinel events – root cause analysis (RCA) reporting	All RCA reports submitted within 30 business days	Not Achieved
Unplanned readmission hip replacement	Annual rate ≤ 2.5%	Achieved
Mental Health		
Percentage of adult acute mental health inpatients who are readmitted within 28 days of discharge	14%	12%
Rate of seclusion events relating to an adult acute mental health admission	≤ 15/1,000	19
Rate of seclusion events relating to an aged acute mental health admission	≤ 15/1,000	6
Percentage of adult acute mental health inpatients who have a post-discharge follow-up within seven days	80%	96%
Percentage of aged acute mental health inpatients who have a post-discharge follow-up within seven days	80%	92%
Maternity and Newborn		
Rate of singleton term infants without birth anomalies with APGAR score <7 to 5 minutes	≤ 1.4%	1.4%
Rate of severe foetal growth restriction (FGR) in singleton pregnancy undelivered by 40 weeks	≤ 28.6%	22.7%
Proportion of urgent maternity patients referred for obstetric care to a level 4, 5 or 6 maternity service who were booked for a specialist clinic appointment within 30 days of accepted referral	100%	100%
Continuing Care		
Functional independence gain from an episode of rehabilitation admission to discharge relative to length of stay	≥ 0.645	0.928

Strong governance, leadership and culture

Key performance measure	Target	Result
Organisational culture		
People matter survey - percentage of staff with an overall positive response to safety and culture questions	80%	88%
People matter survey – percentage of staff with a positive response to the question, “I am encouraged by my colleagues to report any patient safety concerns I may have”	80%	95%
People matter survey – percentage of staff with a positive response to the question, “Patient care errors are handled appropriately in my work area”	80%	93%
People matter survey – percentage of staff with a positive response to the question, “My suggestions about patient safety would be acted upon if I expressed them to my manager”	80%	90%
People matter survey – percentage of staff with a positive response to the question, “The culture in my work area makes it easy to learn from the errors of others”	80%	85%
People matter survey – percentage of staff with a positive response to the question, “Management is driving us to be a safety-centred organisation”	80%	88%
People matter survey – percentage of staff with a positive response to the question, “This health service does a good job of training new and existing staff”	80%	77%
People matter survey – percentage of staff with a positive response to the question, “Trainees in my discipline are adequately supervised”	80%	82%
People matter survey – percentage of staff with a positive response to the question, “I would recommend a friend or relative to be treated as a patient here”	80%	90%

Timely access to care		
Key performance measure	Target	Result
Emergency care		
Percentage of patients transferred from ambulance to emergency department within 40 minutes	90%	77%
Percentage of Triage Category 1 emergency patients seen immediately	100%	100%
Percentage of Triage Category 1 to 5 emergency patients seen within clinically recommended time	80%	57%
Percentage of emergency patients with a length of stay in the emergency department of less than four hours	81%	62%
Number of patients with a length of stay in the emergency department greater than 24 hours	0	4
Elective surgery		
Percentage of urgency category 1 elective surgery patients admitted within 30 days	100%	100%
Percentage of urgency category 1,2 and 3 elective surgery patients admitted within clinically recommended time	94%	89%
Percentage of patients on the waiting list who have waited longer than clinically recommended time for their respective triage category	5% or 15% proportional improvement from prior year	34%
Number of patients on the elective surgery waiting list ²	1,090*	1,085
Number of hospital-initiated postponements per 100 scheduled elective surgery admissions	≤ 7 /100	4.8
Number of patients admitted from the elective surgery waiting list	5,200	4,459
*Target adjusted after signing of Statement of Priorities. Original target 1,150		
Specialist clinics		
Percentage of urgent patients referred by a GP or external specialist who attended a first appointment within 30 days	100%	85%
Percentage of routine patients referred by GP or external specialist who attended a first appointment within 365 days	90%	91%

² the target shown is the number of patients on the elective surgery waiting list as at 30 June 2020

Effective financial management

Key performance measure	Target	Result
Operating result (\$m)	0.00	0.05
Average number of days to pay trade creditors	60 days	28 days
Average number of days to receive patient fee debtors	60 days	19 days
Public and Private WIES ³ activity performance to target	100%	92%
Adjusted current asset ratio	0.7 or 3% improvement from health service base target	0.58
Forecast number of days available cash (based on end of year forecast)	14 days	8.0 days
Actual number of days available cash, measured on the last day of each month.	14 days	8.0 days
Variance between forecast and actual Net result from transactions (NRFT) for the current financial year ending 30 June.	Variance ≤ \$250,000	Not Achieved

³ WIES is a Weighted Inlier Equivalent Separation

Part C: Activity and funding

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

The *Policy and funding guidelines* are available at <https://www2.health.vic.gov.au/about/policy-and-funding-guidelines>

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

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

Funding type	2019–2020 Activity achievement
Acute Admitted	
WIES Public	26,838
WIES Private	4,463
WIES DVA	168
WIES TAC	149
Acute Non-Admitted	
Home Enteral Nutrition – Service Contacts	553
Specialist Clinics – Public- Service Contacts	66,667
Subacute & Non-Acute Admitted	
Subacute WIES - Rehabilitation Public	480
Subacute WIES - Rehabilitation Private	155
Subacute WIES - GEM Public	633
Subacute WIES - GEM Private	120
Subacute WIES - Palliative Care Public	205
Subacute WIES - Palliative Care Private	64
Subacute WIES - DVA	32
Transition Care - Bed days	9,192
Transition Care - Home days	8,027
Subacute Non-Admitted	
Health Independence Program - Public	41583
Aged Care	
Residential Aged Care	140,350
HACC	11,107
Mental Health and Drug Services	
Mental Health Ambulatory	61,612
Mental Health Inpatient - Available bed days	14,610
Mental Health Inpatient - Secure Unit	4,381
Mental Health Residential	7,305
Mental Health Service System Capacity	1
Mental Health Subacute	3,655
Primary Health	
Community Health / Primary Care Programs	8,363

Application of merit and equity

We are an equal opportunity employer and ensure open competition in recruitment, selection, transfer and promotion.

Employment decisions are based on merit and without consideration of gender, marital status, age, pregnancy, disability, race, religious or political beliefs or activities, or on the grounds of being a parent, childless or in a de facto relationship.

Our people are treated fairly and reasonably and provided with redress against any unfair or unreasonable treatment.

Ex-gratia Payments

There were no ex-gratia payments during 2019-2020.

Freedom of Information Requests

Ballarat Health Services complies with the Victorian Freedom of Information Act 1982 (FOI). Since 2015 we have received the following number of requests.

2015-2016: 488 2016-2017: 607 2017-2018: 688 2018-2019: 663 2019-2020: 705

Building Act 1993

Ballarat Health Services complies with building standards and regulations. All buildings constructed after July 1994 have been designed to conform to the Building Act 1993 and its regulations, as well as to meet our statutory regulations that relate to health and safety matters.

All buildings have been issued with occupancy permits and all building practitioners engaged by BALLARAT HEALTH SERVICES are required to produce evidence of current registration on commencing a project, as well as evidence that their registered status will be maintained throughout the year.

Consultancies

In 2019-20 there were four consultancies where the total fees payable to the consultant was \$10,000 or greater.

The total expenditure incurred during 2019-20 in relation to these consultancies was \$149,675 excl GST with the details shown below:

Consultant	Purpose of Consultancy	Start date	End date	(ex GST) \$'000		
				Total approved project fee	Expenditure 2019-20	Future Expenditure
Freer Thinking	Strategic Planning - Mental Health	Aug-19	Dec-19	61	61	-
Ngamuru Advisory Pty Ltd	Regional Consultation for Victorian Cancer Plan	Sep-19	Nov-19	46	46	-
9 to 5 Dynamics Pty Ltd	Regional Consultation for Victorian Cancer Plan	Aug-19	Aug-19	13	13	-
Aspex Consulting Pty Ltd	Due Diligence Review	May-19	Jun-19	27	27	-

In 2019-20, there were three consultancies where the total fees payable to the consultant was less than \$10,000. The total expenditure incurred during 2019-20 in relation to these consultancies was \$11,000 excl GST.

National Competition Policy

Ballarat Health Services complied with all government policies regarding competitive neutrality with respect to all tender applications.

Public Interest Disclosure Act 2012

Ballarat Health Services had no disclosures notified to the IBAC under section 21(2) of the Public Interest Disclosure Act 2012 in the past financial year.

Contracts

Ballarat Health Service complies with the requirements of the Local Jobs First Act disclosures and wherever practicable and fiscally responsible will make every endeavour to purchase locally. In 2019 - 2020 there were no contracts requiring disclosure under the Local Jobs First Policy. The Health Service has a robust policy to encourage the training and employment of members of the local community.

Carers Recognition Act

The Carers Recognition Act 2012 promotes and values the role of people in care relationships and formally recognises the contribution that carers and people in care relationships make to the social and economic fabric of the Victorian community. Ballarat Health Services recognises carers make a substantial contribution to the wellbeing of the Ballarat and regional community.

Ballarat Health Service has taken all practicable measures to comply with its obligations under the Act.

Ballarat Health Service has promoted the principles of the Act to people in care relationships who receive our services and to the wider community by distributing printed material about the Act at community events or service points.

Ballarat Health Service has taken all practicable measures to consider the carer relationships principles set out in the Act when setting policies and providing services by reviewing our employment policies such as flexible working arrangements and leave provisions to ensure these comply with the statement of principles in the Act.

Information and Communication Technology (ICT) expenditure 2019 - 20

The total ICT expenditure incurred during 2019-20 is \$10,589,385 (excluding GST) with the details shown below:

ICT Expenditure			
Business as Usual (BAU)	Non-Business as Usual (non- BAU)	Operating Expenditure	Capital Expenditure
\$7,527,031	\$3,062,354	\$474,029 (ex GST)	\$2,588,325 (ex GST)

Car Parking Fees

Ballarat Health Services complies with the Department of Health and Human Services hospital circular on car parking fees effective 1 February 2016 and details of car parking fees and concession benefits can be viewed at <https://www.bhs.org.au/for-patients-families-friends/parking/>

Safe Patient Care Act 2015

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

The Ballarat Health Services and St John of God Ballarat Hospital Human Research Ethics Committee

The Ballarat Health Services and St John of God Ballarat Hospital Human Research Ethics Committee is a duly constituted Ethics Committee under the guidelines of the NHMRC, responsible for approving, overseeing and monitoring the conduct and performance of research in both institutions and partners throughout the Grampians Regions.

Financial Management Compliance attestation – SD 5.1.4

I, Natalie Reiter, on behalf of the Responsible Body, certify that Ballarat Health Services has no Material Compliance Deficiency with respect to the applicable Standing Directions 2018 under the Financial Management Act 1994 and Instructions.



Natalie Reiter
Chair, Board of Directors
Ballarat Health Services
26 August 2020

Data integrity

I, Dale Fraser, certify that Ballarat Health Services has put in place appropriate internal controls and processes to ensure that reported data accurately reflects actual performance. Ballarat Health Services has critically reviewed these controls and processes during the year.



Dale Fraser
Chief Executive Officer
Ballarat Health Services
26 August 2020

Conflict of interest

I, Dale Fraser, certify that Ballarat Health Services has put in place appropriate internal controls and processes to ensure that it 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 Ballarat Health Services 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.



Dale Fraser
Chief Executive Officer
Ballarat Health Services
26 August 2020

Integrity, fraud and corruption

I, Dale Fraser, certify that Ballarat Health Services has put in place appropriate internal controls and processes to ensure that integrity, fraud and corruption risks have been reviewed and addressed at Ballarat Health Services during the year.



Dale Fraser
Chief Executive Officer
Ballarat Health Services
26 August 2020

Disclosure index

The annual report of the Ballarat Health Services is prepared in accordance with all relevant Victorian legislation. This index has been prepared to facilitate identification of the Department of Health and Human Services' compliance with statutory disclosure requirements.

Legislation	Requirement	Page Reference
Ministerial Directions		
Report of operations		
<i>Charter and purpose</i>		
FRD 22H	Manner of establishment and the relevant Ministers	4
FRD 22H	Purpose, functions, powers and duties	4-7
FRD 22H	Nature and range of services provided	13
FRD 22H	Activities, programs and achievements for the reporting period	4-7
FRD 22H	Significant changes in key initiatives and expectations for the future	4-7
<i>Management and structure</i>		
FRD 22H	Organisational structure	12
FRD 22H	Workforce data/ employment and conduct principles	8
FRD 22H	Occupational Health and Safety	8
<i>Financial information</i>		
FRD 22H	Summary of the financial results for the year	10
FRD 22H	Significant changes in financial position during the year	10
FRD 22H	Operational and budgetary objectives and performance against objectives	25-29
FRD 22H	Subsequent events	76
FRD 22H	Details of consultancies under \$10,000	31
FRD 22H	Details of consultancies over \$10,000	31
FRD 22H	Disclosure of ICT expenditure	32
<i>Legislation</i>		
FRD 22H	Application and operation of <i>Freedom of Information Act 1982</i>	31
FRD 22H	Compliance with building and maintenance provisions of <i>Building Act 1993</i>	31
FRD 22H	Application and operation of <i>Public Interest Disclosure Act 2012</i>	31
FRD 22H	Statement on National Competition Policy	31
FRD 22H	Application and operation of <i>Carers Recognition Act 2012</i>	32
FRD 22H	Summary of the entity's environmental performance	9
FRD 22H	Additional information available on request	35
Other relevant reporting directives		
FRD 25D	Local Jobs First Act disclosures	32
SD 5.1.4	Financial Management Compliance attestation	33
SD 5.2.3	Declaration in report of operations	7
Attestations		
	Attestation on Data Integrity	33
	Attestation on managing Conflicts of Interest	33
	Attestation on Integrity, fraud and corruption	33
Other reporting requirements		
▪	Reporting of outcomes from Statement of Priorities 2019-20	10
▪	Occupational Violence reporting	8
▪	Reporting obligations under the <i>Safe Patient Care Act 2015</i>	32
▪	Reporting of compliance regarding Car Parking Fees	32

Additional information

Consistent with FRD 22H (Section 5.19), the items listed below have been retained by Ballarat Health Services and are available to the relevant Ministers, Members of Parliament and the public on request (subject to the freedom of information requirements, if applicable):

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

BALLARAT HEALTH SERVICES

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

We certify that the attached financial statements for Ballarat Health Services have been prepared in accordance with Standing Direction 5.2 of the Standing Directions of the Assistant Treasurer under the *Financial Management Act 1994*, applicable *Financial Reporting Directions*, *Australian Accounting Standards*, *Australian Accounting Interpretations* and other mandatory professional reporting requirements.

We further state that, in our opinion, the information set out in the Comprehensive Operating Statement, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and accompanying notes, presents fairly the financial transactions during the year ended 30 June 2020 and the financial position of Ballarat Health Services at 30 June 2020.

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

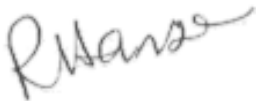
We authorise the attached financial statements for issue on this day.



Ms Natalie Reiter
Chair
Board of Directors



Mr Dale Fraser
Chief Executive Officer



Mr Rod Hansen
Chief Finance and Accounting Officer

Dated the 26th day of August, 2020 at Ballarat

Independent Auditor's Report

To the Board of Ballarat Health Services

<p>Opinion</p>	<p>I have audited the financial report of Ballarat Health Services (the health service) which comprises the:</p> <ul style="list-style-type: none"> • balance sheet as at 30 June 2020 • comprehensive operating statement for the year then ended • statement of changes in equity for the year then ended • cash flow statement for the year then ended • notes to the financial statements, including significant accounting policies • board member's, accountable officer's and chief finance and accounting officer's declaration. <p>In my opinion the financial report presents fairly, in all material respects, the financial position of the health service as at 30 June 2020 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 7 of the <i>Financial Management Act 1994</i> and applicable Australian Accounting Standards.</p>
<p>Basis for Opinion</p>	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the health service in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
<p>Board's responsibilities for the financial report</p>	<p>The Board of the health service is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the <i>Financial Management Act 1994</i>, and for such internal control as the Board determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.</p> <p>In preparing the financial report, the Board is responsible for assessing the health service's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.</p>

Auditor's responsibilities for the audit of the financial report

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

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

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

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

MELBOURNE
4 September 2020



Travis Derricott
as delegate for the Auditor-General of Victoria

**BALLARAT HEALTH SERVICES
COMPREHENSIVE OPERATING STATEMENT FOR THE YEAR ENDED 30 JUNE 2020**

	Note	2020 \$000	2019 \$000
Income from Transactions			
Operating Activities	2.1	540,180	512,242
Non-Operating Activities	2.1	1,223	1,922
Total Income from Transactions		541,403	514,164
Expenses from Transactions			
Employee Expenses	3.1	(376,536)	(351,210)
Supplies and Consumables	3.1	(95,376)	(116,381)
Finance Expenses	3.1	(147)	(1)
Other Administrative Expenses	3.1	(22,617)	(21,836)
Other Operating Expenses	3.1	(22,981)	(22,320)
Depreciation and Amortisation	3.1	(33,572)	(27,800)
Total Expenses from Transactions		(551,229)	(539,548)
Net Result from Transactions - Net Operating Balance		(9,826)	(25,384)
Other Economic Flows Included in Net Result			
Net Gain on Non-Financial Assets	3.2	242	295
Net (Losses) on Financial Instruments	3.2	(1,041)	(241)
Other (Losses) from Other Economic Flows	3.2	(1,441)	(4,117)
Total Other Economic Flows Included in Net Result		(2,240)	(4,063)
Net Result for the Year		(12,066)	(29,447)
Other Comprehensive Income			
Items that will not be reclassified to Net Result			
Changes in Asset Revaluation Surplus	8.1(a)	-	93,244
Comprehensive Result for the Year		(12,066)	63,797

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

BALLARAT HEALTH SERVICES BALANCE SHEET AS AT 30 JUNE 2020

	Note	2020 \$000	2019 \$000
ASSETS			
Current Assets			
Cash and Cash Equivalents	6.2	48,475	11,443
Receivables	5.1	13,973	37,880
Inventory	4.6	1,992	1,407
Prepayments	5.2	2,805	2,892
Investments and Other Financial Assets	4.1	20,680	22,857
Total Current Assets		87,925	76,479
Non-Current Assets			
Receivables	5.1	21,790	17,036
Property, Plant and Equipment	4.3	404,885	417,901
Intangible Assets	4.5	1,267	2,293
Investments and Other Financial Assets	4.1	-	3,400
Total Non-Current Assets		427,942	440,631
Total Assets		515,867	517,110
LIABILITIES			
Current Liabilities			
Employee Benefits	3.4	76,829	68,533
Payables	5.4	57,967	61,187
Borrowings	6.1	707	30
Other Liabilities	5.3	41,401	40,974
Total Current Liabilities		176,904	170,724
Non-Current Liabilities			
Employee Benefits	3.4	18,269	15,568
Borrowings	6.1	5,988	181
Total Non-Current Liabilities		24,257	15,749
Total Liabilities		201,160	186,473
Net Assets		314,707	330,637
EQUITY			
Restricted Specific Purpose Reserve	8.1	462	490
Asset Revaluation Reserve	8.1	271,203	271,203
Contributed Capital	8.1	157,940	155,997
Accumulated Deficits		(114,898)	(97,053)
Total Equity		314,707	330,637

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

BALLARAT HEALTH SERVICES STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2020

	Note	Property, Plant & Equipment Revaluation Surplus \$000	Restricted Specific Purpose Surplus \$000	Contributed Capital \$000	Accumulated Deficits \$000	Total \$000
Balance as at 1 July 2018		177,959	512	155,997	(67,628)	266,840
Net Result for the Year		-	-	-	(29,447)	(29,447)
Other Comprehensive Income for the Year	8.1	93,244	-	-	-	93,244
Transfer to Accumulated Surplus	8.1	-	(22)	-	22	-
Balance as at 30 June 2019		271,203	490	155,997	(97,053)	330,637
Effect of adoption of AASB 15, 16 and 1058	8.9	-	-	-	(5,807)	(5,807)
Restated Balance at 1 July 2019		271,203	490	155,997	(102,860)	324,830
Net Result for the Year		-	-	-	(12,066)	(12,066)
Other Comprehensive Income for the Year	8.1	-	-	-	-	-
Transfer to Contributed Capital		-	-	1,943	-	1,943
Transfer to Accumulated Surplus	8.1	-	(28)	-	28	-
Balance as at 30 June 2020		271,203	462	157,940	(114,898)	314,707

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

BALLARAT HEALTH SERVICES CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020 \$000 Inflows/ (Outflows)	2019 \$000 Inflows/ (Outflows)
Cash Flows from Operating Activities			
Receipts			
Operating Grants from Government - State		381,832	339,186
Operating Grants from Government - Commonwealth		81,501	81,101
Capital Grants from Government - State		16,967	5,247
Capital Grants from Government - Commonwealth		1,159	1,459
Proceeds from Donations		148	231
Capital Proceeds from Donations and Bequests		1,081	616
Patient & Resident Fees		25,252	25,911
Interest and Dividends Received		1,222	1,851
GST Received from ATO		11,864	11,069
Other		42,537	38,499
Total Receipts		563,563	505,170
Payments			
Employee Expenses Paid		(356,033)	(338,255)
Supplies & Consumables		(112,874)	(121,581)
Capital Expense		(1,263)	(706)
GST Paid to ATO		(3,231)	(3,166)
Other Payments		(47,724)	(40,572)
Total Payments		(521,125)	(504,280)
Net Cash Inflows from Operating Activities	8.2	42,438	890
Cash Flows from Investing Activities			
Purchase of Non-Financial Assets		(12,033)	(8,526)
Purchase of Financial Assets		-	(654)
Proceeds from Disposal of Financial Assets		5,600	4,000
Proceeds from Disposal of Non-Financial Assets		289	334
Net Cash (Outflows) from Investing Activities		(6,144)	(4,846)
Cash Flows from Financing Activities			
Proceeds from Borrowings		76	216
Repayment of Borrowings		(899)	(5)
Receipt of Government Contribution		1,942	-
Receipt of Accommodation Deposits		15,006	13,540
Repayment of Accommodation Deposits		(15,387)	(12,738)
Net Cash Inflows / (Outflows) from Financing Activities		738	1,013
Net Increase / (Decrease) in Cash and Cash Equivalents Held		37,032	(2,943)
Cash and Cash Equivalents at Beginning of Financial Year		11,443	14,386
Cash and Cash Equivalents at End of Year	6.2	48,475	11,443

This statement should be read in conjunction with the accompanying note

Note 1: Summary of Significant Accounting Policies

The annual financial statements represent the audited general-purpose financial statements for Ballarat Health Services for the period ending 30 June 2020. The report provides users with information about the Health Services' stewardship of resources entrusted to it.

(a) Statement of Compliance

These financial statements are general purpose financial statements which have been prepared in accordance with the *Financial Management Act 1994* and applicable AASBs which include interpretations issued by the Australian Accounting Standards Board (AASB) and other mandatory requirements. The AASs include Australian equivalents to International Financial Reporting Standards. They are presented in a manner consistent with the requirements of AASB 101 *Presentation of Financial Statements*.

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

Ballarat Health Services is a not-for-profit entity and therefore applies the additional Australian paragraphs applicable to not-for-profit health services under the AASBs.

The annual financial statements were authorised for issue by the Board of Directors of Ballarat Health Services on 26 August 2020.

(b) Reporting Entity

The financial statements include all of the controlled activities of Ballarat Health Services.

Its principal address is: Drummond St North Ballarat, Victoria, 3350

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

Objectives and Funding

Ballarat Health Services overall objective is to deliver quality care to the communities we serve by providing safe, accessible and integrated health services resulting in positive experiences and outcomes as well as improve the quality of life to Victorians.

Ballarat Health Services is predominantly funded by accrual-based grant funding for the provision of outputs.

(c) Basis of Accounting Preparation and Measurement

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substances of the underlying transactions or other events are reported.

The accounting policies set out below have been applied in preparing the financial statements for the year ended 30 June 2020 and the comparative information presented in these financial statements for the year ended 30 June 2019.

These financial statements are prepared on a going concern basis (refer to Note 8.8 Economic Dependency).

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

The financial statements, except for cash flow information, have been prepared using the accrual basis of accounting. Under the accrual basis, items are recognised as assets, liabilities, equity, income or expenses when they satisfy the definition and recognition criteria for those items, that is they are recognised in the reporting period to which they relate, regardless of when cash is received or paid.

Judgements, estimates and assumptions are required to be made about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on professional judgements derived from historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

Revisions to accounting estimates are recognised in the period in which the estimate is revised and also in future periods that are affected by the revision. Judgments and assumptions made by management in the application of AASBs that have significant effects on the financial statements and estimates relate to:

- Employee benefit provisions are based on likely tenure of existing staff, patterns of leave claims, future salary movements and future discount rates (refer to Note 3.4 Employee Benefits in the Balance Sheet); and
- The fair value of land, buildings and plant and equipment (refer to Note 4.3 Property, Plant and Equipment).

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

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

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

For further details refer to Note 2.1 Funding delivery of our services, Note 3.1 Expenses from Transactions, Note 4.1 Investments and Other Financial Assets, and Note 4.3 Property, plant and equipment.

Note 1: Summary of Significant Accounting Policies (Continued)

(d) Principles of Consolidation

Ballarat Health Services does not have any consolidated reporting entities.

Inter-Segment Transactions

Transactions between segments within Ballarat Health Services have been eliminated to reflect the extent of Ballarat Health Services operations as a group.

Joint Operations

Interests in the jointly controlled operations of Grampians Rural Health Alliance are not consolidated by Ballarat Health Services but are accounted for in accordance with the policy outlined in Note 4.2 Jointly Controlled Operations.

(e) Rounding

All amounts shown in the financial statements are expressed to the nearest thousand dollars unless stated otherwise. Minor discrepancies in the tables between totals and sum of components are due to rounding.

(f) Comparatives

Where applicable, the comparable figures have been restated to align with the presentation in the current year. Figures have been restated at Notes 2.1, Note 3.1 and Note 7.1.

(g) Goods and Services Tax (GST)

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

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

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

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

Note 2: Funding Delivery of our Services

The hospital's overall objective is to deliver programs and services that support and enhance the wellbeing of all Victorians. To enable the hospital to fulfil its objective it receives accrual-based grant funding for the provision of outputs.

The hospital also receives income from the supply of services.

Note 2.1(a): Income from Transactions

	Note	Total 2020 \$000	Total 2019 \$000
Government Grants (State) - Operating ¹		373,258	338,057
Government Grants (Commonwealth) - Operating		69,209	93,031
Government Grants (State) - Capital		20,979	5,710
Government Grants (Commonwealth) - Capital		943	943
Other Capital Purpose Income		1,987	25
Patient and Resident Fees		17,941	18,682
Commercial Activities	2.1b	36,014	37,504
Assets Received Free of Charge or for Nominal Consideration		1,671	875
Other Revenue from Operating Activities		18,177	17,415
Total Income from Operating Activities		540,180	512,242
Revenue from Non-Operating Activities			
Capital Interest and Dividends		22	71
Other Interest & Dividends		1,201	1,851
Total Income from Non-Operating Activities	2.1c	1,223	1,922
Total Income from Transactions		541,403	514,164

¹ Government Grant (State) - Operating includes funding of \$17.2M which was spent due to the impacts of COVID-19. Commercial activities represent business activities which Ballarat Health Services enters into to support their operations.

Impact of COVID-19 on Revenue and Income

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

Government Grants

Income from grants to construct capital projects is recognised when (or as) Ballarat Health Services satisfies its obligations under the transfer. This aligns with Ballarat Health Services obligation to construct the asset. The progressive percentage costs incurred is used to recognise income because this most closely reflects the construction's progress as costs are incurred as the works are done.

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

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

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

As a result of the transitional impacts of adopting AASB 15 and AASB 1058, a portion of the grant revenue has been deferred. If the grant income is accounted for in accordance with AASB 15, the deferred grant revenue has been recognised in contract liabilities whereas grant revenue in relation to the construction of capital assets which the health service controls has been recognised in accordance with AASB 1058 and recognised as deferred grant revenue (refer note 5.4).

Note 2.1(a): Income from Transactions (Continued)

Performance Obligations

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

- Activity Based Funding (ABF) paid as WIES case mix;
- Mental Health contact hours;
- Sub-Acute WIES; and
- Other one-off grants if funding conditions contain enforceable and sufficiently specific performance obligations.

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

The performance obligations have been selected as they align with funding conditions set out in the Policy and funding guidelines issued by the DHHS.

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

Previous Accounting Policy for 30 June 2019

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

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

For non-reciprocal grants, Ballarat Health Services recognises revenue when the grant is received.

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

Patient and Resident Fees

Patient and resident fees are recognised as revenue as performance obligations are satisfied, when the service is completed; and over time when the patient or resident simultaneously receives and consumes the service as it is provided. Where the performance obligations are satisfied but not yet billed, a contract asset is recorded.

There has been no change in the recognition of revenue from patient and resident fees as a result of the adoption of AASB 15.

Revenue from Commercial Activities

Revenue from commercial activities are recognised when, or as, the performance obligations for the services to the customers are satisfied. Where the performance obligations are satisfied but not yet billed, a receivable is recorded.

There has been no change in the recognition of revenue from commercial activities as a result of the adoption of AASB 15 or AASB 16.

Note 2.1(b): Fair Value of Assets and Services Received Free of Charge or for Nominal Consideration

	2020 \$000	2019 \$000
Cash Donations and Gifts	1,239	875
Inventory	432	-
Total Fair Value of Assets and Services Received Free of Charge or for Nominal Consideration	1,671	875

Fair Value of Assets Received Free of Charge or for Nominal Consideration

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

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

Donations

Donations and bequests are recognised as revenue when received. If donations are for a specific purpose, they may be appropriated to a surplus, such as the specific restricted purposes surplus.

Inventory

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

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

Note 2.1(b): Fair Value of Assets and Services Received Free of Charge or for Nominal Consideration (Continued)

Voluntary Services

Contributions in the form of services are only recognised when a fair value can be reliably determined, and the services would be purchased if not donated. Ballarat Health Services does not depend on volunteers to deliver its services.

Non-Cash Contributions from the Department of Health & Human Services

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

- The Victorian Managed Insurance Authority non-medical indemnity insurance payments are recognised as revenue following advice from the Department of Health and Human Services;
- Long Service Leave (LSL) revenue is recognised upon finalisation of movements in LSL liability in line with the long service leave funding arrangements set out in the relevant Department of Health and Human Services Hospital Circular.

Performance Obligations and Revenue Recognition Policies

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

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

Consideration received in advance of recognising the associated revenue from the customer is recorded as a contract liability (Note 5.4b). Where the performance obligations is satisfied but not yet billed, a contract asset is recorded.

Note 2.1(c): Non-Operating Income

	2020 \$000	2019 \$000
Dividends Received from Investments	762	1,130
Interest Income	461	792
Total Non-Operating Income	1,223	1,922

Interest Income

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

Dividend Income

Dividend revenue is recognised when the right to receive payment is established. Dividends represent the income arising from Ballarat Health Services investments in financial assets.

Note 3: The Cost of Delivering Services

This section provides an account of the expenses incurred by the hospital in delivering services and outputs.

In Section 2, the funds that enable the provision of services were disclosed and in this note the cost associated with provision of services are recorded.

Structure

- 3.1: Expenses from Transactions
- 3.2: Other Economic Flows
- 3.3: Analysis of Expense and Revenue by Special Purpose Funds
- 3.4: Employee Benefits in the Balance Sheet
- 3.5: Superannuation

Note 3.1: Expenses from Transactions

	Note	2020 \$000	2019 \$000
Employee Expenses			
Salaries and Wages		294,991	273,434
On-Costs		70,524	68,516
Agency Expenses		6,728	4,403
Workcover Premium		4,293	4,857
Total Employee Expenses		376,536	351,210
Supplies and Consumables			
Drug Supplies		19,540	18,363
Medical and Surgical Supplies		68,006	91,153
Pathology Supplies		3,290	2,610
Other Supplies and Consumables		4,540	4,255
Total Supplies and Consumables		95,376	116,381
Finance Costs			
Interest Charges		147	1
Total Finance Costs		147	1
Other Administrative Expenses			
Other Administrative Expenses		22,617	21,836
Total Other Administrative Expenses		22,617	21,836
Other Operating Expenses			
Fuel, Light, Power and Water		5,311	5,408
Repairs and Maintenance		10,504	10,805
Medical Indemnity Insurance		5,481	5,401
Expenses Related to Short Term Leases		419	-
Expenses Related to Leases of Low Value Assets		3	- 706
Expenditure for Capital Purpose		1,263	
Total Other Operating Expenses		22,981	22,320
Total Operating Expenses		517,657	511,748
Depreciation and Amortisation	4.4	33,572	27,800
Total Depreciation and Amortisation		33,572	27,800
Total Expenses from Transactions		551,229	539,548

Impact of COVID-19 on Expenses

As indicated at Note 1, Ballarat Health Services daily activities were impacted by the pandemic. This resulted in direct and indirect costs being incurred, including:

- The contracting of additional clinical staff as a result of restructured operating models;
- Increased training activities for clinical staff;
- Payments associated with the maintenance of casual staff;
- Increased pathology costs incurred in testing for COVID; and
- Increased visitor and patient screening measures.

Expense Recognition

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

Cost of Goods Sold

Costs of goods sold are recognised when the sale of an item occurs by transferring the cost or value of the item/s from inventories.

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; and
- Work cover premium.

Supplies and Consumables

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

Finance Costs

Finance costs include:

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

Note 3.1: Expenses from Transactions (Continued)

Other Operating Expenses

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

- Fuel, light and power;
- Repairs and maintenance;
- Other administrative expenses; and
- Expenditure for capital purposes (represents expenditure related to the purchase of assets that are below the capitalisation threshold of \$2,000). The Department of Health and Human Services also makes certain payments on behalf of Ballarat Health Services. 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 considerations.

Operating Lease Payments

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

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

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

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

Note 3.2: Other Economic Flows

	2020 \$000	2019 \$000
Net Gain/(Loss) on Sale of Non-Financial Assets		
Net Gain on Disposal of Property, Plant and Equipment	242	295
Total Net Gain on Sale of Non-Financial Assets	242	295
Net Gain/(Loss) on Financial Instruments at Fair Value		
Allowance for impairment losses of contractual receivables	(194)	(29)
Other (Losses) from Other Economic Flows	(847)	(212)
Total Net (Loss) on Financial Instruments at Fair Value	(1,041)	(241)
Other Gains/(Losses) from Other Economic Flows		
Net Loss arising from Revaluation of Long Service Liability	(1,441)	(4,117)
Total Other (Losses) from Other Economic Flows	(1,441)	(4,117)
Total Other Losses from Economic Flows	(2,240)	(4,063)

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; and
- Reclassified amounts relating to available-for-sale financial instruments from reserves to net result due to a disposal or de-recognition 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 4.3 Property, plant and equipment);
- Net gain/(loss) on disposal of non-financial assets; and
- Any gain or loss on the disposal of non-financial assets is recognised at the date of disposal.

Net Gain/(Loss) on Financial Instruments at Fair Value

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

- Realised and unrealised gains and losses from revaluation of financial instruments at fair value;
- Impairment and reversal of impairment for financial instruments at amortised cost (Refer to Note 4.1 Investments and other Financial Assets); and
- Disposals of financial assets and de-recognition of financial liabilities.

Other Gains/(Losses) from Other Economic Flows

Other gains/(losses) include:

- The revaluation of the present value of the Long Service Leave liability due to changes in the bond rate movements, inflation rate movements and the impact of changes of probability factors; and
- Transfer of amounts from the reserves to accumulated surplus or net result due to disposal or de-recognition or reclassification.

Note 3.3: Analysis of Expense and Revenue by Special Purpose Funds

	Expense		Revenue	
	2020 \$000	2019 \$000	2020 \$000	2019 \$000
Commercial Activities				
Safety Link	6,317	6,514	5,958	5,958
Eureka Linen	4,775	4,637	5,790	5,694
Catering	9,755	9,517	10,338	9,715
Radiology	19,984	19,775	19,545	19,926
Commercial Activities Total	40,831	40,443	41,631	41,293
Other Activities				
Education Services	3,396	3,383	3,068	3,014
Breastscreen	1,521	1,557	1,693	1,631
Grampians Integrated Cancer Service	1,378	1,481	1,378	1,482
Grampians Rural Health Alliance	1,358	1,128	1,363	1,195
Dental Teaching Clinic	992	1,364	1,187	1,403
Accommodation	819	811	1,451	1,474
Private Practice	766	429	3,314	3,027
IMS Research	664	528	952	1,079
Car Park	308	337	855	929
Salary Packaging	221	155	2,005	1,974
Print Shop	187	190	275	310
Midwifery	21	208	25	161
Other	2,774	130	2,780	3,364
Other Activities Total	14,405	11,701	20,346	21,043
Total	55,236	52,144	61,977	62,336

Note 3.4: Employee Benefits in the Balance Sheet

	2020 \$000	2019 \$000
Current Provisions		
Employee Benefits		
Annual Leave		
- Unconditional and expected to be settled wholly within 12 months	21,377	19,138
- Unconditional and expected to be settled wholly after 12 months	3,676	3,222
Long Service Leave		
- Unconditional and expected to be settled wholly within 12 months	6,924	6,177
- Unconditional and expected to be settled wholly after 12 months	35,207	31,345
Other		
- Accrued Days Off	616	597
Provisions related to Employee Benefit On-Costs		
- Unconditional and expected to be settled wholly within 12 months	3,935	3,520
- Unconditional and expected to be settled wholly after 12 months	5,006	4,449
Other		
- Accrued Days Off	88	85
Total Current	76,829	68,533
Non-Current Provisions		
Conditional Long Service Leave	16,207	13,810
Provisions related to Employee Benefit On-Costs	2,062	1,758
Total Non-Current	18,269	15,568
Total Provisions	95,098	84,101

(a): Employee Benefits and Related On-Costs

	2020 \$000	2019 \$000
Current		
Unconditional Long Service Leave	47,492	42,297
Annual Leave	28,633	25,554
Accrued Days Off	704	682
Total Current	76,829	68,533
Non-Current		
Conditional Long Service Leave	18,269	15,568
Total Non-Current	18,269	15,568
Total Employee Benefits and Related On-Costs	95,098	84,101

(b): Movement in On-Costs Provision

	2020 \$000	2019 \$000
Opening Balance	9,812	
Additional provisions recognised	1,146	1,520
Unwinding of discount and effect of changes in discount rate	133	214
Balance at end of year	11,091	9,812

Note 3.4: Employee Benefits in the Balance Sheet (Continued)

Provisions

Provisions are recognised when Ballarat Health Services 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. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows, using a discount rate that reflects the time value of money and risks specific to the provision.

Employee Benefits

This provision arises for benefits accruing to employees in respect of accrued days off, annual leave and Long Service Leave (LSL) for services rendered to the reporting date.

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 Ballarat Health Services does not have an unconditional right to defer settlements of these liabilities.

Depending on the expectation of the timing of settlement, liabilities for annual leave and accrued days off are measured at:

- Nominal value - if Ballarat Health Services expects to wholly settle within 12 months; or
- Present value - if Ballarat Health Services does not expect to wholly settle within 12 months.

Long Service Leave (LSL)

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 Ballarat Health Services 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 Ballarat Health Services expects to wholly settle within 12 months; or
- Present value - if Ballarat Health Services does not expect to wholly settle within 12 months.

Conditional LSL is disclosed as a non-current liability. Any gain or loss following 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

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

Note 3.5: Superannuation

	Paid Contribution		Contribution Outstanding	
	2020 \$000	2019 \$000	2020 \$000	2019 \$000
Defined Benefit Plans (i):				
First State Super	1,255	1,295	113	105
Defined Contribution Plans:				
First State Super	15,040	14,583	1,237	1,233
Hesta	6,594	6,220	586	544
Emergency Services Scheme	465	470	44	38
Other	3,207	2,347	298	153
Total	26,561	24,915	2,278	2,073

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

Employees of Ballarat Health Services are entitled to receive superannuation benefits and Ballarat Health Services contributes to both the defined benefit and defined contribution plans. The defined benefit plans provide benefits based on years of service and final average salary.

Superannuation contributions paid or payable for the reporting period are included as part of employee benefits in the Comprehensive Operating Statement for Ballarat Health Services.

Defined Contribution 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 3.5: Superannuation (Continued)

Defined Benefit Superannuation Plans

The amount charged to the Comprehensive Operating Statement in respect of defined benefit superannuation plans represents the contributions made by Ballarat Health Services to the superannuation plans in respect of the services of current Ballarat Health Services 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.

Ballarat Health Services does not recognise any unfunded defined benefit liability in respect of the plans because the hospital 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 disclose 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 Ballarat Health Services.

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

Note 4: Key Assets to Support Service Delivery

The hospital 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: Jointly Controlled Operations and Assets
- 4.3: Property, Plant and Equipment
- 4.4: Depreciation and Amortisation
- 4.5: Intangible Assets
- 4.6: Inventories

Note 4.1: Investments and Other Financial Assets

	Operating Fund	Operating Fund	Specific Purpose Fund	Specific Purpose Fund	Trust Fund	Trust Fund	Total	Total
	2020	2019	2020	2019	2020	2019	2020	2019
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Current								
Equities	503	769	-	-	-	-	503	769
Central Banking System	-	-	-	-	-	-	-	-
Floating Rate Notes > 3 Months	-	-	-	-	3,400	5,600	3,400	5,600
Managed Investment Schemes (VFMC)	-	-	461	489	14,585	14,433	15,046	14,922
Grampians Rural Health Alliance	-	-	1,731	1,566	-	-	1,731	1,566
Total Current	503	769	2,192	2,055	17,985	20,033	20,680	22,857
Non-Current								
Floating Rate Notes > 12 Months	-	-	-	-	-	3,400	-	3,400
Total Non-Current	-	-	-	-	-	3,400	-	3,400
Total	503	769	2,192	2,055	17,985	23,433	20,680	26,257
Represented by:								
Health Service Investments	503	769	461	489	-	-	964	1,258
Monies Held in Trust	-	-	-	-	-	-	-	-
- Accommodation Bonds	-	-	-	-	17,498	22,502	17,498	22,502
- Patient Monies	-	-	-	-	139	672	139	672
- State Wide Equipment Program	-	-	-	-	64	79	64	79
- Grampians Integrated Cancer Services	-	-	-	-	284	180	284	180
Grampians Rural Health Alliance	-	-	1,731	1,566	-	-	1,731	1,566
Total	503	769	2,192	2,055	17,985	23,433	20,680	26,257

Investment Recognition

Investments are recognised and derecognised on trade date where purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned and are initially measured at fair value, net of transaction costs.

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

Ballarat Health Services investments must comply with the Standing Direction 3.7.2 - Treasury Management, including Central Banking System.

The impacts of COVID-19 are being felt all around the world. Performance of the financial markets may continue to fluctuate and impact the fair value of investments and other financial assets in future reporting periods.

Impairment of Financial Assets

At the end of each reporting period, Ballarat Health Services assesses whether there is objective evidence that a financial asset or group of financial assets are impaired. Objective evidence includes financial difficulties of the debtor, default payments, debts which are more than 60 days overdue and changes in debtor credit ratings. All financial instrument assets, except those measured at fair value through the profit and loss, are subject to annual review for impairment.

Where the fair value of an investment in an equity instrument at balance date has reduced by 20 percent or more than its cost price or where its fair value has been less than its cost price for a period of 12 or more months, the financial asset is treated as impaired.

In order to determine an appropriate fair value as at 30 June 2020 for its portfolio of financial assets, Ballarat Health Services used the market value of investments held provided by the portfolio managers.

The above valuation process was used to quantify the level of impairment (if any) on the portfolio of financial assets as at year end.

Note 4.2: Jointly Controlled Operations and Assets

Ballarat Health Services has an interest in a Jointly Controlled Operation. The Jointly Controlled Operation is Grampians Rural Health Alliance. Details of operations are listed as follows:

In June 2008, the Department of Health issued circular number 17/2008, which outlines government requirements for the operation of rural health Information and Communication Technology (ICT) alliances. The policy outlines the accepted governance model for the operation of the ICT alliances.

The policy requires public hospitals, public health services and multipurpose services which are declared or established under the Health Services Act 1988, to enter into the alliance for the region in which they operate, in accordance with a Joint Operation Agreement. Consistent with this policy, the Grampians Rural Health Alliance came into effect on 9th of December 2008.

	2020 \$000	2019 \$000
Revenue	1,494	1,219
Expenses	(1,585)	(1,280)
Net Result	(91)	(61)
Assets	1,731	1,566
Liabilities	(402)	(155)
Net Assets	1,329	1,411
Equity	1,329	1,411
Ownership Interest	19.35%	19.22%

Investments in Joint Operations

In respect of any interest in joint operations, Ballarat Health Services recognises in the financial statements:

- Its assets including its share of any assets held jointly
- Any liabilities including its share of liabilities that it had incurred
- Its revenue from the sale of its share of the output from the joint operation
- Its share of the revenue from the sale of the of the output by the operation
- Its expenses including its share of any expenses incurred jointly

Contingent Liabilities and Capital Commitments

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

Note 4.3: Property, Plant and Equipment

(a): Gross Carrying Amount and Accumulated Depreciation

	Gross Cost Valuation	Accumulated Dep'n	Written Down Value	Written Down Value
	2020 \$000	2020 \$000	2020 \$000	2019 \$000
Land at Fair Value	32,415	-	32,415	32,415
Under Construction at Cost	7,423	-	7,423	3,464
Buildings at Fair Value	357,205	24,024	333,181	356,929
Buildings - Right of Use	6,000	613	5,387	-
Plant and Equipment at Fair Value	21,436	10,851	10,585	8,743
Medical Equipment at Fair Value	34,528	24,529	9,999	9,935
Computers and Communications at Fair Value	5,894	4,787	1,107	1,514
Furniture and Fittings at Fair Value	1,416	1,123	293	391
Personal Alarm Call Systems at Fair Value	5,284	3,367	1,917	2,563
Linen Stock at Fair Value	1,784	983	801	798
Motor Vehicles at Fair Value	2,986	2,370	616	938
Right of Use - Plant, Equipment and Vehicles	1,365	204	1,161	-
Leased Assets	-	-	-	211
Total Property, Plant and Equipment	477,736	72,851	404,885	417,901

Note 4.3: Property, Plant and Equipment (Continued)

(b): Reconciliations of the Carrying Amount of each Class of Assets

Reconciliations of the carrying amounts of each class of assets for the entity at the beginning and end of the previous and current financial year is set out below.

	Land	Under Construction	Buildings	Right-of-Use Buildings	Plant and Equipment	Medical Equipment	Computers and Comm'n	Furniture and Fittings	Personal Alarm Call Systems	Linen Stock	Motor Vehicles	Right-of-Use PPE, F & V	Leased Assets	Total
Note	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Balance at 1 July 2018	25,459	4,069	288,254	-	9,053	10,502	1,389	557	2,957	727	976	-	-	343,943
Additions	0	1,897	88	-	609	2,605	614	23	557	363	606	-	216	7,578
Revaluations	6,956	-	86,288	-	-	-	-	-	-	-	-	-	-	93,244
Net transfers between classes	4.5	(2,502)	1,181	-	601	223	288	34	-	-	-	-	-	(175)
Disposals	-	-	-	-	(3)	(5)	-	-	-	-	(32)	-	-	(40)
Depreciation	-	-	(18,882)	-	(1,517)	(3,390)	(777)	(223)	(951)	(292)	(612)	-	(5)	(26,649)
Balance at 30 June 2019	32,415	3,464	356,929	-	8,743	9,935	1,514	391	2,563	798	938	-	211	417,901
Recognition of Right-of-Use Assets on Initial Application of AASB 16	-	-	-	6,000	-	-	-	-	-	-	-	402	(211)	6,191
Adjusted Balance at 1 July 2019	32,415	3,464	356,929	6,000	8,743	9,935	1,514	391	2,563	798	938	402	-	424,092
Additions	-	5,625	86	-	2,150	3,403	174	65	330	331	58	958	-	13,180
Net transfers between classes	4.5	(1,667)	190	-	1,201	168	-	22	-	-	-	-	-	(86)
Disposals	-	-	-	-	(8)	(39)	-	-	-	-	-	-	-	(47)
Depreciation	-	-	(24,024)	(613)	(1,501)	(3,468)	(581)	(185)	(976)	(328)	(380)	(199)	-	(32,255)
Balance at 30 June 2020	32,415	7,423	333,181	5,387	10,585	9,999	1,107	293	1,917	801	616	1,161	-	404,885

Land and Buildings and Leased Assets Carried at Valuation

A full revaluation of Ballarat Health Services land and buildings was performed by the Valuer-General of Victoria (VGV) in May 2019 in accordance with the requirements of Financial Reporting

Direction (FRD) 103H Non-Financial Physical Assets. The valuation, which conforms to Australian Valuation Standards, was determined by reference to the amounts for which assets could be exchanged between knowledgeable willing parties in an arm's length transaction. The effective date of the valuation for both land and buildings was 30 June 2019.

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

The VGV indices, which are based on data to March 2020, indicate an average increase of 9.5% across all land parcels and a 2.5% increase in buildings.

Management regards the VGV indices to be a reliable and relevant data set to form the basis of their estimates. Whilst these indices are applicable at 30 June 2020, the fair value of land and buildings will continue to be subjected to the impacts of COVID-19 in future accounting periods. As the accumulative movement was less than 10% for land and buildings no managerial revaluation was required.

The land and building balances are considered to be sensitive to declining values in the current conditions. To trigger a managerial revaluation a decrease in the land indice of 19.5% and a decrease in the building indice of 12.5% would be required.

Note 4.3: Property, Plant and Equipment (Continued)

(c): Fair Value Measurement Hierarchy for Assets

	Carrying amount as at 30 June 2020	Fair value measurement at end of reporting period using:		
		Level 1	Level 2	Level 3
Land at fair value				
Non-Specialised Land	16,610	-	16,610	-
Specialised Land	15,805	-	-	15,805
Total of Land at fair value	32,415	-	16,610	15,805
Buildings at fair value				
Non-Specialised Buildings	153,386	-	153,386	-
Specialised Buildings	185,182	-	-	185,182
Total of Buildings at fair value	338,568	-	153,386	185,182
Plant, Equipment and Vehicles at fair value				
- Motor Vehicles	616	-	-	616
- Plant and Equipment	10,585	-	-	10,585
- Furniture and Fittings	293	-	-	293
- Medical Equipment	9,999	-	-	9,999
- Computers and Communications	1,107	-	-	1,107
- Personal Alarm Call Systems	1,917	-	-	1,917
- Linen Stock	801	-	-	801
- Right-of-Use - Plant, Equipment and Vehicles	1,161	-	-	1,161
Total of Plant, Equipment and Vehicles at fair value	26,479	-	-	26,479
Total	397,462	-	169,996	227,466

	Carrying amount as at 30 June 2019	Fair value measurement at end of reporting period using:		
		Level 1	Level 2	Level 3
Land at fair value				
Non-Specialised Land	16,610	-	16,610	-
Specialised Land	15,805	-	-	15,805
Total of Land at fair value	32,415	-	16,610	15,805
Buildings at fair value				
Non-Specialised Buildings	155,352	-	155,352	-
Specialised Buildings	201,577	-	-	201,577
Total of Buildings at fair value	356,929	-	155,352	201,577
Plant, Equipment and Vehicles at fair value				
- Motor Vehicles	938	-	-	938
- Plant and Equipment	8,743	-	-	8,743
- Furniture and Fittings	391	-	-	391
- Medical Equipment	9,935	-	-	9,935
- Computers and Communications	1,514	-	-	1,514
- Personal Alarm Call Systems	2,563	-	-	2,563
- Linen Stock	798	-	-	798
- Leased Assets	211	-	-	211
Total of Plant, Equipment and Vehicles at fair value	25,093	-	-	25,093
Total	414,437	-	171,962	242,475

Note 4.3: Property, Plant and Equipment (Continued)

(d): Reconciliation of Level 3 Fair Value

	Land	Buildings	Plant, Equipment and Vehicles
	\$000	\$000	\$000
2020			
Opening Balance	15,805	201,577	25,093
Additions (disposals)	-	54	9,004
Transfers in/ of Level 3	-	-	-
Subtotal	15,805	201,631	34,097
Gains or losses recognised in net result			
- Depreciation	-	(16,449)	(7,618)
Subtotal	-	(16,449)	(7,618)
Closing Balance	15,805	185,182	26,479

	Land	Buildings	Plant, Equipment and Vehicles
	\$000	\$000	\$000
2019			
Opening Balance	12,766	165,848	26,161
Additions (disposals)	- 827	529	6,698
Transfers in/(out) of Level 3	-	919	-
Subtotal	13,593	167,296	32,859
Gains or losses recognised in net result			
- Depreciation	-	(13,655)	(7,766)
Subtotal	-	(13,655)	(7,766)
Items recognised in other comprehensive income			
- Revaluation	2,212	47,936	-
Subtotal	2,212	47,936	-
Closing Balance	15,805	201,577	25,093

Note 4.3(e): Description of Significant Unobservable Inputs

	Valuation technique	Significant unobservable inputs
Specialised Land	Market Approach (i)	Community Service Obligation (CSO) Adjustment
Non-Specialised Land	Market Approach	N/a
Specialised Buildings	Depreciated Replacement Cost	Direct cost per square metre Useful life of specialised buildings
Non-Specialised Buildings	Market Approach	N/a
Plant and Equipment at Fair Value	Depreciated Replacement Cost	Cost Per Unit Useful Life of Plant and Equipment
Medical Equipment at Fair Value	Depreciated Replacement Cost	Cost Per Unit Useful Life of Medical Equipment
Vehicles	Depreciated Replacement Cost	Cost Per Unit Useful Life of Medical Equipment

(i) CSO adjustments of between 5% to 20% were applied to reduce the market approach value for the Health Services specialised land

Initial Recognition

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

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

The initial cost for non-financial physical assets under finance lease is measured at amounts equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease.

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

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

Note 4.3(e): Description of Significant Unobservable Inputs (Continued)

Subsequent Measurement

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

Right-of-use Asset Acquired by Lessees (Under AASB 16 - Leases from 1 July 2019) - Initial Measurement

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

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

Right-of-use Asset - Subsequent Measurement

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

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

Revaluations of Non-Current Physical Assets

Non-current physical assets are measured at fair value and are revalued in accordance with FRD 103H *Non-Current Physical Assets*. This revaluation process normally occurs every five years, based upon the asset's Government Purpose Classification, but may occur more frequently if fair value assessments indicate material changes in values. Independent valuers are used to conduct these scheduled revaluations and any interim revaluations are determined in accordance with the requirements of the FRDs. Revaluation increments or decrements arise from differences between an asset's carrying value and fair value.

Revaluation increments are recognised in 'Other Comprehensive Income' and are credited directly to the asset revaluation surplus, except that, to the extent that an increment reverses a revaluation decrement in respect of that same class of asset previously recognised as an expense in net result, the increment is recognised as income in the net result.

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

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

Revaluation surplus is not transferred to accumulated funds on de-recognition of the relevant asset, except where an asset is transferred via contributed capital.

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

Fair Value Measurement

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

For the purpose of fair value disclosures, Ballarat Health Services 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, Ballarat Health Services 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 Ballarat Health Services 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 significantly to the fair value measurement is unobservable.

Note 4.3(e): Description of Significant Unobservable Inputs (Continued)

Identifying Unobservable Inputs (level 3) fair value measurements

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

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

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

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

In accordance with paragraph AASB 13 *Fair Value Measurement* paragraph 29, Ballarat Health Services can assume the current use of a non-financial physical asset is its HBU unless market or other factors suggest that a different use by market participants would maximise the value of the asset.

Non-Specialised Land and Non-Specialised Buildings

Non-specialised land and non-specialised buildings 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.

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, Ballarat Health Services held Crown Land. The nature of this asset means that there are certain limitations and restrictions imposed on its use and/or disposal that may impact their fair value.

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

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

For Ballarat Health Services, 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 Ballarat Health Services specialised land and specialised buildings was performed by the Valuer-General Victoria. The valuation was performed using the market approach adjusted for CSO. The effective date of the valuation is 30 June 2019.

Vehicles

Ballarat Health Services 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).

Plant and Equipment

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

There were no changes in valuation techniques throughout the period to 30 June 2019. For all assets measured at fair value, the current use is considered the highest and best use.

Note 4.4: Depreciation and Amortisation

	2020 \$000	2019 \$000
Depreciation		
Buildings	24,024	18,882
Right-of-Use Buildings	613	-
Medical Equipment	3,468	3,390
Plant and Equipment	1,501	1,517
Motor Vehicles	380	612
Personal Alarm Call Systems	976	951
Linen Stock	328	292
Computers and Communications	581	777
Furniture and Fittings	185	223
Right-of-Use Plant, Equipment and Vehicles	199	-
Leased Assets	-	5
Total Depreciation	32,255	26,649
Amortisation		
Intangibles	1,317	1,151
Total Amortisation	1,317	1,151
Total Depreciation and Amortisation	33,572	27,800

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 (refer AASB 116 *Property, Plant and Equipment*).

Ballarat Health Services determines the useful lives of assets by consideration of the nature and characteristics of specific assets. The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period, and adjustments made where appropriate.

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

Amortisation

Amortisation is allocated to intangible assets with finite useful lives on a systematic (typically straight line) basis over the assets useful life. Amortisation begins when the asset is available for use, which is when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. The consumption of intangible non-produced assets with finite useful lives is classified as amortisation. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each annual reporting period. In addition, an assessment is made at each reporting date to determine whether there are indicators that the intangible asset concerned is impaired. If so, the assets concerned are tested as to whether their carrying value exceeds their recoverable amount.

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

	2020	2019
Buildings		
- Structure Shell Building Fabric	3-59 years	3-59 years
- Site Engineering Services	3-50 years	3-50 years
- Fit out	3-25 years	3-25 years
- Trunk Reticulated Building Systems	3-30 years	3-30 years
- Right-of-Use	2-15 years	n/a
Plant and Equipment	5-22 years	5-22 years
Medical Equipment	5-10 years	5-10 years
Furniture and Fittings	5 years	5 years
Personal Alert Call Systems	5 years	5 years
Linen	5 years	5 years
Motor Vehicles	3-7 years	3-7 years
Computers and Communications	3-5 years	3-5 years
Leased Assets	3-5 years	3-5 years
Right-of-Use Plant, Equipment and Vehicles	2-5 years	n/a
Intangibles	3 years	3 years

Note 4.5: Intangible Assets

Note 4.5(a): Intangible Assets - Gross Carrying Amount and Accumulated Amortisation

	2020 \$000	2019 \$000
Computer Software	6,475	6,234
Less: Accumulated Amortisation	(5,258)	(3,941)
	1,217	2,293
Intangible Work in Progress	50	-
Total Intangible Assets	1,267	2,293

Note 4.5(b): Intangible Assets - Reconciliation of the Carrying Amount by Class of Asset

	Software \$000	WIP \$000	Total \$000
Balance at 1 July 2018	2,274	-	2,274
Additions	995	-	995
Net transfers between Classes	175	-	175
Amortisation	(1,151)	-	(1,151)
Balance at 1 July 2019	2,293	-	2,293
Additions	156	50	206
Net transfers between Classes	85	-	85
Amortisation	(1,317)	-	(1,317)
Balance at 30 June 2020	1,217	50	1,267

Intangible Assets

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

Intangible assets are initially recognised at cost. Subsequently, intangible assets with finite useful lives are carried at cost less accumulated amortisation and accumulated impairment losses. Costs incurred subsequent to initial acquisition are capitalised when it is expected that additional future economic benefits will flow to Ballarat Health Services.

Purchased intangible assets are initially recognised at cost. When the recognition criteria in AASB 138 *Intangible Assets* is met, internally generated intangible assets are recognised at cost. Subsequently, intangible assets with finite useful lives are carried at cost less accumulated amortisation and accumulated impairment losses. Depreciation and amortisation begins when the asset is available for use, that is, when it is in the location and condition necessary for it to be capable of operating in the manner intended by management.

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

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

Impairment of Intangible Assets

Irrespective of whether there is any indication of impairment, an entity shall also: (a) test an intangible asset with an indefinite useful life or an intangible asset not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test may be performed at any time during an annual period, provided it is performed at the same time every year. Different intangible assets may be tested for impairment at different times. However, if such an intangible asset was initially recognised during the current annual period, that intangible asset shall be tested for impairment before the end of the current annual period.

An entity discloses information on impaired intangible assets in accordance with AASB 136 Impairment of Assets in addition to the information required by AASB 138 Intangible Assets.

Factors that are considered in determining the useful life of an intangible asset include:

- a. the expected usage of the asset by the entity and whether the asset could be managed efficiently by another management team;
- b. typical product life cycles for the asset and public information on estimates of useful lives of similar assets that are used in a similar way;
- c. technical, technological, commercial or other types of obsolescence;
- d. the stability of the industry in which the asset operates and changes in the market demand for the products or services output from the asset;
- e. expected actions by competitors or potential competitors;
- f. the level of maintenance expenditure required to obtain the expected future economic benefits from the asset and the entity's ability and intention to reach such a level;
- g. the period of control over the asset and legal or similar limits on the use of the asset, such as the expiry dates of related leases; and
- h. whether the useful life of the asset is dependent on the useful life of other assets of the entity.

Note 4.6: Inventories

	2020 \$000	2019 \$000
General (at cost)	1,168	942
Pharmaceuticals (at cost)	824	465
Total	1,992	1,407

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

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

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

Cost for all other inventory is measured on the basis of weighted average cost.

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

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: Prepayments
- 5.3: Other Liabilities
- 5.4: Payables and Contract Liabilities

Note 5.1: Receivables and Contract Assets

	Current 2020 \$000	Non-Current 2020 \$000	Total 2020 \$000	Current 2019 \$000	Non-Current 2019 \$000	Total 2019 \$000
Contractual						
Trade Debtors						
- Acute and Sub-Acute Inpatients	979	-	979	1,318	-	1,318
- RAC	267	-	267	487	-	487
- Eureka Linen	314	-	314	283	-	283
- Radiology	142	-	142	181	-	181
- Safety Link	310	-	310	362	-	362
- Sundry	3,941	-	3,941	4,069	-	4,069
Accrued Investment Income	146	-	146	127	-	127
Accrued Revenue Other	3,547	-	3,547	25,805	-	25,805
Deposits Paid	20	-	20	20	-	20
<i>Less: Allowance for impairment losses of contractual receivables</i>						
Trade Debtors	(129)	-	(129)	(131)	-	(131)
Patient Fees	(254)	-	(254)	(136)	-	(136)
Total Contractual	9,283	-	9,283	32,385	-	32,385
Statutory						
GST Receivable	783	-	783	741	-	741
Long Service Leave - Department of Health & Human Services	3,907	21,790	25,697	4,754	17,036	21,790
Total Statutory	4,690	21,790	26,479	5,495	17,036	22,531
Total	13,973	21,790	35,763	37,880	17,036	54,917

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

	2020 \$000	2019 \$000
Balance at Beginning of Year	(266)	(261)
Amounts Written off during the year	86	56
Amounts Received during the year	102	72
Increase/(Decrease) in Allowance Recognised in the Net Result	(305)	(133)
Balance at End of Year	(383)	(266)

Receivables consist of:

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

Statutory receivables do not arise from contracts and are recognised and measured similarly to contractual receivables (except for impairment), but are not classified as financial instruments for disclosure purposes. The health service applies AASB 9 for initial measurement of the statutory receivables and as a result statutory receivable 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.

Ballarat Health Services 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.

Note 5.2: Prepayments

	2020 \$000	2019 \$000
Current		
Prepayments	2,805	2,892
Total	2,805	2,892

Other non-financial assets include prepayments which represent payments in advance of receipt of goods or services or that part of expenditure made in one accounting period covering a term extending beyond that period.

Note 5.3: Other Liabilities

	2020 \$000	2019 \$000
Current		
Monies Held in Trust*		
- Accommodation Deposits (Refundable Entrance Fees)	40,512	39,888
- Patient Monies Held in Trust	139	672
- Grampians Integrated Cancer Service	284	180
- State Wide Equipment Program	64	79
Grampians Rural Health Alliance	402	155
Total Other Liabilities	41,401	40,974
*Monies Held in Trust Represented by:		
Other Financial Assets	20,680	26,257
Cash and Cash Equivalents	20,319	14,563
Total	40,999	40,820

Refundable Accommodation Deposit ('RAD')

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

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

Note 5.4: Payables and Contract Liabilities

	Note	2020 \$000	2019 \$000
Current Contractual			
Trade Creditors and Accrued Expenses		17,214	36,649
Accrued Salary and Wages		18,843	15,969
Salary Packaging		-	584
Contract Liabilities - Income Received in Advance	5.4b	15,881	7,985
Deferred Capital Grant Revenue	5.4a	6,028	-
Total		57,967	61,187

(i) Terms and conditions of amounts payable to the Department of Health & Human Services vary according to the particular agreement with the Department.

Payables consist of:

- Contractual payables which consist predominantly of accounts payable representing liabilities for goods and services provided to Ballarat Health Services prior to the end of the financial year that are unpaid, and arise when Ballarat Health Services becomes obliged to make future payments in respect of the purchase of those goods and services. The normal credit terms are 30 days from the end of the month, in which the invoice was raised; 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.

Note 5.4a: Deferred Capital Grant Revenue

	2020 \$000
Grant Consideration for Capital Works recognised that was included in the Deferred Grant Liability Balance (adjusted for AASB 1058) at the beginning of the year	5,807
Government Grant (State) Consideration for Property, Plant and Equipment Received During the Year	22,143
Government Grant (State) Consideration for Property, Plant and Equipment Recognised During the Year	(21,922)
Closing Balance of Deferred Grant Consideration Received for Capital Works	6,028

Grant consideration was received from the Department of Health and Human Services and the Commonwealth Government for various capital projects and equipment purchases. Grant revenue is recognised progressively as the asset is constructed, since this is the time when Ballarat Health Services satisfies its obligations under the transfer by controlling the asset as and when it is constructed. The progressive percentage costs incurred is used to recognise income because this most closely reflects the progress to completion as costs are incurred as the works are done (see note 2.1). As a result, Ballarat Health Services has deferred recognition of a portion of the capital grant consideration received as a liability for the outstanding obligations.

Note 5.4b: Contract Liabilities

	2020 \$000
Opening Balance Brought Forward from 30 June 2019	7,985
Government Grant (State) Consideration for Sufficiently Specific Performance Obligations Received	421,533
Payments Received for Specific Performance Obligations yet to be Completed	4,673
Government Grant (State) for Sufficiently Specific Performance Obligations Work Recognised where Obligations are met	(406,439)
Revenue Recognised for Specific Performance Obligations where Obligations met	(11,870)
Total Current Contract Liabilities	15,881

Contract liabilities relate to consideration received in advance from customers who have enrolled in training courses and events for the following year and where services are being provided over a specified timeframe. Research funding received that runs over more than one financial year is deferred until specific performance obligations are met.

Note 5.4c: Grant Consideration

	2020 \$000
Revenue recognised from performance obligations satisfied in previous periods	5,841
Transaction price allocated to the remaining performance obligations from contracts with customers to be recognised in: No Longer than one year	9,069

Government grant consideration was received from the Department of Health and Human Services to fund specific programs to service the needs of the community. Grant income is recognised when the relevant services are provided by Ballarat Health Services. The remaining grant revenue is recognised when the service obligations are delivered in the following year.

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

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 and other information related to financing activities of the hospital.

This section includes disclosures of balances that are financial instruments.

Structure

- 6.1: Borrowings
- 6.2: Cash and Cash Equivalents
- 6.3: Commitments

Note 6.1: Borrowings

	2020 \$000	2019 \$000
Current		
Lease Liability	707	30
Total Current Borrowings	707	30
Non-Current		
DHHS Loan	76	- 181
Lease Liability	5,912	
Total Non-Current Liability	5,988	181
Total Borrowings	6,695	211

Maturity analysis of borrowings

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

Defaults and breaches

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

Lease Liabilities

	Minimum Future Lease Payments		Present Value of Minimum Future Lease Payments	
	2020 \$000	2019 \$000	2020 \$000	2019 \$000
Finance Leases				
Repayments in relation to leases are payable as follows:				
Not later than one year	866	37	707	30
Later than 1 year and not later than 5 years	3,231	193	2,794	180
Later than 5 years	3,271	-	3,118	-
Minimum lease payments	7,368	230	6,619	211
Less future finance charges	(749)	(19)	-	-
Total	6,619	211	6,619	211
Included in the financial statements as:				
Current borrowings finance lease liability			707	30
Non-current borrowings finance lease liability			5,912	181
Total			6,619	211

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

Leases

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

Ballarat Health Services Leasing Activities

Ballarat Health Services leases buildings, equipment and motor vehicles. The lease contracts are made for fixed periods between two to fifteen years with some leases containing an option to renew the lease after that date.

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

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to Ballarat Health Services and for which the supplier does not have substantive substitution rights;
- Ballarat Health Services has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract and Ballarat Health Services has the right to direct the use of the identified asset throughout the period of use; and
- Ballarat Health Services has the right to take decisions in respect of 'how and for what purpose' the asset is used throughout the period of use. The policy is applied to contracts entered into, or changed, on or after 1 July 2019.

Note 6.1: Borrowings (Continued)

Separation of Lease and Non-Lease Components

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

Recognition and Measurement of Leases as a Lessee (Under AASB 16 from 1 July 2019) Lease Liability - Initial Measurement

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

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

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

Lease Liability - Subsequent Measurement

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

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

Short-term leases and leases of low value assets

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

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

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

Variable lease payments not included in the measurement of the lease liability. These payments are recognised in the period in which the event or condition that triggers those payments occur.

Presentation of Right-of-use Assets and Lease Liabilities

Ballarat Health Services presents right-of-use assets as 'property plant equipment' unless they meet the definition of investment property, in which case they are disclosed as 'investment property' in the balance sheet. Lease liabilities are presented as 'borrowings' in the balance sheet. Ballarat Health Services currently does not have any investment properties.

Recognition and Measurement of Leases (under AASB 117 until 30 June 2019)

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

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

Leases of property, plant and equipment where Ballarat Health Services as a lessee had substantially all of the risks and rewards of ownership were classified as finance leases. finance leases were initially recognised as assets and liabilities at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payment, each determined at the inception of the lease. The leased asset is accounted for as a non-financial physical asset and depreciated over the shorter of the estimated useful life of the asset or the term of the lease. Minimum finance lease payments were apportioned between the reduction of the outstanding lease liability and the periodic finance expense, which is calculated using the interest rate implicit in the lease and charged directly to the consolidated comprehensive operating statement.

Contingent rentals associated with finance leases were recognised as an expense in the period in which they are incurred.

Assets held under other leases were classified as operating leases and were not recognised in Ballarat Health Services balance sheet. Operating lease payments were recognised as an operating expense in the Statement of Comprehensive Income on a straight-line basis over the lease term.

Borrowings

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

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

Note 6.2: Cash and Cash Equivalents

	2020 \$000	2019 \$000
Cash on Hand (Excluding Monies Held in Trust)	38	24
Cash at Bank (Excluding Monies Held in Trust)	910	916
Cash at Bank - CBS (Excluding Monies Held in Trust)	27,208	-
Cash at Bank - CBS (Monies Held in Trust)	20,319	10,503
Total Cash and Cash Equivalents	48,475	11,443
Represented By		
Cash for Health Services Operations (as per Cash Flow Statement)	48,475	11,443
Total Cash and Cash Equivalents	48,475	11,443

Cash and cash equivalents recognised on the balance sheet comprise of cash on hand and cash at bank, deposits at call and highly liquid investments with an original maturity of 3 months or less, which are held for the purpose of meeting short term cash commitments rather than for investment purposes and are readily convertible to known amounts of cash and 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

	2020 \$000	2019 \$000
Capital Expenditure Commitments		
Land and Buildings	4,955	7,841
Furniture and Fittings	35	47
Medical Equipment	623	660
Computer	124	23
Plant and Equipment	801	456
Intangible Assets	26	142
Total Capital Expenditure Commitments	6,564	9,169
Not later than 1 year	6,564	9,169
Total Capital Expenditure Commitments Payable	6,564	9,169
Operating Expenditure Commitments		
Furniture and Fittings	13	31
Plant and Equipment	575	440
Computer	3,022	1,305
Medical Equipment	3,979	4,896
Other	3,157	897
Total Operating Expenditure Commitments	10,746	7,569
Not later than 1 year	6,275	4,097
Later than 1 year and not later than 5 years	4,347	3,348
Later than 5 years	124	124
Total Operating Expenditure Commitments Payable	10,746	7,569
Non-Cancellable Lease Commitments		
Property	27	3,582
IT Equipment	-	107
Total Non-Cancellable Lease Commitments	27	3,689
Not later than 1 year	27	572
Later than 1 year and not later than 5 years	-	1,803
Later than 5 years	-	1,314
Total Non-Cancellable Lease Commitments	27	3,689
Total Commitments for Expenditure (inclusive of GST)	17,337	20,427
Less GST recoverable from the Australian Tax Office	(1,576)	(1,844)
Total Commitments for Expenditure (exclusive of GST)	15,761	18,583

Capital Commitments of \$3.5m (2019: \$7.8m) are fully funded by DHHS.

Commitments for future expenditure include operating and capital commitments arising from contracts. Major project commitments are fully funded by the Department of Health & Human Services. These commitments are disclosed by way of this note at their nominal value and are inclusive of the GST payable.

Note 7: Risks, Contingencies and Valuation Uncertainties

The hospital 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: Net Gain/(Loss) on Disposal of Non-Financial Assets

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 Ballarat Health Services' 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: Presentations*.

Note 7.1(a) Financial Instruments: Categorisation

	Financial Assets at Amortised Cost	Financial Assets at Fair Value Through Net Result	Financial Liabilities at Amortised Cost	Total
2020	\$000	\$000	\$000	\$000
Financial Assets				
Cash and Cash Equivalents	48,475	-	-	48,475
Receivables	9,283	-	-	9,283
Investments and Other Financial Assets	3,400	17,280	-	20,680
Total Financial Assets(i)	61,158	17,280	-	78,438
Financial Liabilities				
Payables	-	-	36,057	36,057
Borrowings	-	-	6,619	6,619
Accommodation Bonds	-	-	40,512	40,512
Monies Held in Trust	-	-	487	487
Other	-	-	402	402
Total Financial Liabilities(ii)	-	-	84,077	84,077

	Contractual Financial Assets - Loans and Receivables and Cash	Contractual Financial Assets - Available-for- Sale	Contractual Financial Liabilities at Amortised Cost	Total
2019	\$000	\$000	\$000	\$000
Financial Assets				
Cash and Cash Equivalents	11,443	-	-	11,443
Receivables	32,385	-	-	32,385
Investments and Other Financial Assets	9,000	17,257	-	26,257
Total Financial Assets(i)	52,828	17,257	-	70,085
Financial Liabilities				
Payables	-	-	61,187	61,187
Borrowings	-	-	211	211
Accommodation Bonds	-	-	39,888	39,888
Monies Held in Trust	-	-	932	932
Other	-	-	155	155
Total Financial Liabilities(ii)	-	-	102,373	102,373

(i) The total amount of financial assets disclosed here excludes statutory receivables (i.e. GST input tax credit recoverable)

(ii) The total amount of financial liabilities disclosed here excludes statutory payables (i.e. Taxes, DHHS cash advances) and contractual payables (i.e. deferred capital grant revenue and contract liabilities - income in advance)

Categories of Financial Assets under AASB 9 Financial Instruments

Financial assets at amortised cost

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

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

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

Ballarat Health Services recognises the following assets in this category:

- Cash and Cash Equivalents;
- Receivables (excluding statutory receivables);
- Term Deposits; and
- Certain Debt Securities.

Note 7.1(a) Financial Instruments: Categorisation (Continued)

Financial assets at fair value through net result

Equity instruments that are held for trading as well as derivative instruments are classified as fair value through net result. Other financial assets are required to be measured at fair value through net result unless they are measured at amortised cost or fair value through other comprehensive income as explained above.

However, as an exception to those rules above, Ballarat Health Services may, at initial recognition, irrevocably designate financial assets as measured at fair value through net result if doing so eliminates or significantly reduces a measurement or recognition inconsistency ('accounting mismatch') that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Ballarat Health Services recognises listed equity securities as mandatorily measured at fair value through net result and designated all of its managed investment schemes as well as certain 5-year government bonds as fair value through net result.

Categories of Financial Liabilities

Financial Liabilities at Amortised Cost

Financial liabilities at amortised cost are initially recognised on the date they are originated. They are initially measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial instruments are measured at amortised cost with any difference between the initial recognised amount and the redemption value being recognised in profit and loss over the period of the interest-bearing liability, using the effective interest rate method. Ballarat Health Services recognises the following liabilities in this category:

- Payables (excluding statutory payables); and
- Borrowings (including lease liabilities).

Derecognition of Financial Assets

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

- The rights to receive cash flows from the asset have expired; or
- Ballarat Health Services 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 'through' arrangement; or
- Ballarat Health Services 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 Ballarat Health Services has neither transferred nor retained substantially all the risks and rewards or transferred control, the asset is recognised to the extent of Ballarat Health Services 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.

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

Reclassification of Financial Instruments

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

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

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

	Note	Carrying Amount \$000	Nominal Amount \$000	Maturity Dates		
				Less than 1 Month \$000	1-3 Months \$000	3 Months - 1 Year \$000
2020						
Financial Liabilities						
Payables	5.4	36,057	36,057	36,057	-	-
Borrowings	6.1	6,619	6,619	71	142	6,406
Accommodation Bonds	5.3	40,512	40,512	-	-	40,512
Monies Held in Trust	5.3	487	487	-	348	139
Other Liabilities	5.3	402	402	-	-	402
Total Financial Liabilities		84,077	84,077	36,128	490	47,459
2019						
Financial Liabilities						
Payables	5.4	61,187	61,187	61,187	-	-
Borrowings	6.1	211	211	7	14	190
Accommodation Bonds	5.3	39,888	39,888	-	-	39,888
Monies Held in Trust	5.3	932	932	-	259	672
Other Liabilities	5.3	155	155	-	-	155
Total Financial Liabilities		102,373	102,373	61,194	273	40,905

The total amount of financial liabilities disclosed here excludes statutory payables (i.e. Taxes, payables)

Note 7.1(c) Contractual Receivables at Amortised Cost

	Note	< 60 Days \$000	60 Days + \$000	Total \$000
2020				
Expected Loss Rate				
Gross Carrying Amount of Contractual Receivables	5.1	8,914	369	9,283
Loss Allowance		(14)	(369)	(383)
2019				
Expected Loss Rate				
Gross Carrying Amount of Contractual Receivables	5.1	32,189	196	32,385
Loss Allowance		(70)	(196)	(266)

Impairment of Financial Assets under AASB 9 Financial Instruments

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

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

Contractual Receivables at Amortised Cost

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

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

Note 7.1(d) Reconciliation of the Movement in the Loss Allowance for Contractual Receivables

	2020 \$000	2019 \$000
Balance at Beginning of the Year	266	261
Increase in Provision Recognised in the Net Result	304	133
Reversal of Unused Provision Recognised in the Net Result	(187)	(128)
Balance at End of Year	383	266

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

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

Statutory Receivables and Debt Investments at Amortised Cost

Ballarat Health Services non-contractual receivables arising from statutory requirements are not financial instruments. However, they are nevertheless recognised and measured in accordance with AASB 9 Financial Instruments requirements as if those receivables are financial instruments.

Note 7.2: Net Gain/(Loss) on Disposal of Non-Financial Assets

	2020 \$000	2019 \$000
Proceeds from Disposal of Non-Financial Assets		
Plant and Equipment Motor Vehicles	8	1
	281	334
Total Proceeds from Disposal of Non-Financial Assets	289	335
Less: Written Down Value of Non-Financial Assets Sold		
Plant and Equipment	(8)	(3)
Medical Equipment	(39)	(5)
Motor Vehicles	-	(32)
Total Written Down Value of Non-Financial Assets Sold	(47)	(40)
Net Loss on Disposal of Non-Financial Assets	242	295

Disposal of Non-Financial Assets

Any gain or loss on the sale of a non-financial asset is recognised at the date that control of the asset is passed to the buyer and is determined after deducting from the proceeds the carrying value of the asset at the time. Refer to note 8.2 – *Reconciliation of Net Result for the Year to Net Cash Inflow/(Outflow) from Operating Activities*.

Note 7.3: Contingent Assets and Contingent Liabilities

There were no contingent assets or liabilities as at 30 June 2020 (2019 Nil).

Note 8: Other Disclosures

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

Structure

8.1: Equity

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

8.3: Responsible Persons

8.4: Remuneration of Executives

8.5: Related Parties

8.6: Remuneration of Auditors

8.7: Events Occurring after the Balance Sheet Date 8.8: Economic Dependency

8.8: Changes in Accounting Policy

8.9: AASB's Issued that are not yet effective

Note 8.1: Equity

	2020 \$000	2019 \$000
Asset Revaluation Reserve (i)		
Balance at the beginning of the reporting period	271,203	177,959
Revaluation Increments		
- Land	-	6,956
- Buildings	-	86,288
Balance at the end of the reporting period	271,203	271,203
Represented by:		
- Land	25,111	25,111
- Buildings	246,092	246,092
	271,203	271,203
Restricted Specific Purpose Reserve		
Balance at the beginning of the reporting period	490	512
Transfer to accumulated surplus	(28)	(22)
Balance at the end of the reporting period	462	490
Total Reserves	271,665	271,692

(i) The land and buildings assets revaluation reserve arise on the revaluation of land and buildings.

The above reserves are internally managed Special Purpose Funds, which are used to quarantine Capital Income such as Donations, Capital Grants and Interest Revenue. Once quarantined, this income is used to fund Capital Projects, Refurbishments, Equipment and Education.

(b): Contributed Capital

	2020 \$000	2019 \$000
Balance at the beginning of the reporting period	155,997	155,997
Capital contribution received from the Victorian Government	1,943	-
Balance at the end of the reporting period	157,940	155,997

Contributed Capital

Consistent with Australian Accounting Interpretation 1038 *Contributions by Owners Made to Wholly-Owned Public Sector Entities* and FRD 119A *Contributions by Owners*, appropriations for additions to the net asset base have been designated as contributed capital. Other transfers that are in the nature of contributions or distributions that have been designated as contributed capital are also treated as contributed capital.

Property, Plant and Equipment Revaluation Surplus

The asset revaluation surplus is used to record increments and decrements on the revaluation of non-current physical assets.

Specific Restricted Purpose Surplus

A specific restricted purpose surplus is established where Ballarat Health Services has possession or title to the funds but has no discretion to amend or vary the restriction and/or condition underlying the funds received.

Note 8.2: Reconciliation of Net Result for the Year to Net Cash Inflow/(Outflow) from Operating Activities

	2020 \$000	2019 \$000
Net Result for the Year	(12,066)	(29,447)
Movements included in Investing and Financing Activities		
Net (Gain) on Disposal of Non-Financial Assets	(242)	(295)
Non-Cash Movements		
Depreciation and Amortisation	33,572	27,800
Grampians Rural Health Alliance	91	61
Resources/Assets Received Free of Charge	(5,906)	(538)
Impairment of Investments	847	212
Government Capital Contribution	(1,942)	-
Movement in Finance Leases	899	-
Provision for Doubtful Debts	121	5
Movements in Assets and Liabilities		
Change in operating assets and liabilities		
Increase/(Decrease) in Payables	(3,221)	11,725
Increase in Employee Benefits	10,996	12,263
Increase in Other Liabilities	427	1,875
(Increase)/Decrease in Inventory	(585)	36
(Increase)/Decrease in Monies Held in Trust	381	(802)
(Increase) in Prepayments	(87)	(1,431)
(Increase)/Decrease in Receivables	19,153	(20,574)
Net Cash Inflows from Operating Activities	42,438	890

Note 8.3: Responsible Persons

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

	Period	
Responsible Ministers		
The Honourable Jenny Mikakos, Minister for Health, Minister for Ambulance Services	1/07/2019	30/06/2020
The Honourable Martin Foley, Minister for Mental Health	1/07/2019	30/06/2020
The Honourable Luke Donnellan, Minister for Child Protection, Minister for Disability, Ageing and Carers	1/07/2019	30/06/2020
Governing Boards		
Ms N Reiter - Chair of the Board	01/07/2019	30/06/2020
Mr D Miller - Member of the Board	01/07/2019	30/06/2020
Mr D Anderson - Member of the Board	01/07/2019	30/06/2020
Ms C Trevarthen - Member of the Board	01/07/2019	30/06/2020
Mr S Bond - Member of the Board	01/07/2019	30/06/2020
Professor P Paliadelis - Member of the Board	01/07/2019	30/06/2020
Ms J Poletti - Member of the Board	01/07/2019	30/06/2020
Dr P Lynch - Member of the Board	01/07/2019	30/06/2020
Mr A McPherson - Member of the Board	01/07/2019	29/01/2020
Accountable Officer		
Mr D Fraser - Chief Executive Officer	01/07/2019	30/06/2020

Remuneration of Responsible Persons

The number of Responsible Persons are shown in their relevant income band;

	2020 No.	2019 No.
Income Band		
\$0 - \$9,999	-	1
\$10,000 - \$19,999	1	-
\$20,000 - \$29,999	7	7
\$50,000 - \$59,999	1	-
\$60,000 - \$69,999	-	1
\$400,000 - \$409,999	1	1
Total Numbers	10	10
Total remuneration received or due and receivable by Responsible Persons from the reporting entity amounted to:	656,552	652,468

The Ministers remuneration and allowances is set by the *Parliamentary Salary and Superannuation Act 1968*, and is reported within the Department of Parliamentary Services Financial Report.

Note 8.4: Remuneration of Executives

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

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

Short-term Employee Benefits

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

Post-employment Benefits

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

Other Long-term Benefits

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

Termination Benefits

Termination of employment payments, such as employee leave.

	2020 \$000	2019 \$000
Remuneration of Executive Officers (Excluding KMP)		
Short term employee benefits	1,892	1,770
Post-employment benefits	154	136
Other long-term benefits	51	45
Terminations benefits	-	15
Total Remuneration(a)	2,097	1,966
Total Number of Executive Officers	9	8
Employee Equivalent (AEE)(b)	8	8

(a) The total number of executive officers includes persons who meet the definition of Key Management Personnel (KMP) of Ballarat Health Services under AASB124 Related Parties Disclosures and are also reported within the related parties note disclosure (Note 8.5).

(b) Annualised employee equivalent is based on paid working hours of 38 ordinary hours per week over the 52 weeks for a reporting period. All payments made to Executives are governed by the Government Sector Executive Remuneration Panel (GSERP).

The changes from the previous year reflect GSERP approved pay increases, as well as the payment of accumulated long service leave for a number of Executives.

Note 8.5: 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;
- all cabinet ministers and their close family members; and
- all hospitals and public sector entities that are controlled and consolidated into the whole of state consolidated financial statements. All related party transactions have been entered into on an arm's length basis.

Key Management Personnel

Key management personnel (KMP) of the hospital include the Portfolio Ministers and KMPs as determined by the hospital. 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 financial statements of the Department of Parliamentary Services Financial Report. For information regarding related party transactions of ministers, the register of members interests is publicly available from: www.parliament.vic.gov.au/publications/register of interests. In addition to the Portfolio Ministers Ballarat Health Services has identified the following KMPs.

Board Members

Ms N Reiter - Chair of the Board
Mr D Miller - Member of the Board
Mr D Anderson - Member of the Board
Ms C Trevarthen - Member of the Board
Mr S Bond - Member of the Board
Professor P Paliadelis - Member of the Board
Ms J Poletti - Member of the Board
Dr P Lynch - Member of the Board
Mr A McPherson - Member of the Board

Executive Directors

Mr D Fraser - Chief Executive Officer
Mr R Hansen - Executive Director of Resource and Planning

	2020 \$000	2019 \$000
Compensation		
Short term employee benefits (a)	836	865
Post-employment benefits	59	57
Other long-term benefits	16	16
Total Compensation (b)	911	938

(a) Total remuneration paid to KMPs employed as a contractor during the reporting period through an external service provider has been reported under short-term employee benefits.

(b) Note that KMPs are also reported in the disclosure of remuneration of executive officers (Note 8.3 and Note 8.4).

Significant transactions with government-related entities

Ballarat Health Services received funding from the Department of Health and Human Services of \$400 million (2019: \$350 million).

During the year Ballarat Health Services had the following government-related entity transactions:

- Grants contributing towards the operating costs of Ballarat Health Services totalling \$376 million (2019: \$344 million).
- Grants contributing towards the capital costs of Ballarat Health Services totalling \$24 million (2019: \$6 million). No outstanding Department of Health and Human Services contributions existed at end of year (2019: Nil).

Procurement processes occur on terms and conditions consistent with the Victorian Government Procurement Board requirements. Outside of normal citizen type transactions with the department, there were no related party transactions that involved key management personnel and their close family members. No provision has been required, nor any expense recognised, for impairment of receivables from related parties.

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.

All transactions that have occurred with KMP and their related parties have been trivial or domestic in nature. In this context, transactions are only disclosed when they are considered of interest to users of the financial report in making and evaluating decisions about the allocation of scarce resources.

Note 8.6: Remuneration of Auditors

	2020 \$000	2019 \$000
Audit of the Financial Statement (Victorian Auditor-General's Office)	91	89
Internal Audit	214	132
Total Remuneration of Auditors	305	221

Note 8.7: Events Occurring after the Balance Sheet Date

The COVID-19 pandemic has created unprecedented economic uncertainty. Actual economic events and conditions in the future may be materially different from those estimated by Ballarat Health Services at the reporting date. As responses by government continue to evolve, management recognises that it is difficult to reliably estimate with any degree of certainty the potential impact of the pandemic after the reporting date on Ballarat Health Services, its operations, its future results and financial position. The state of emergency in Victoria was extended on 16 August 2020 until 13 September 2020 and the state of disaster remains in place.

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

Note 8.8: Economic Dependency

Ballarat Health Services is dependent upon the State of Victoria via the Department of Health and Human Services, for the funding of significant proportion of its operations. At the date of this report, the Board of Directors has no reason to believe the Department of Health and Human Services will not continue to support Ballarat Health Services.

Note 8.9: Changes in Accounting Policy

Leases

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

Previously, Ballarat Health Services determined at contract inception whether an arrangement is or contains a lease under AASB 117 and Interpretation 4 - 'Determining whether an arrangement contains a Lease'. Under AASB 16, Ballarat Health Services assesses whether a contract is or contains a lease based on the definition of a lease as explained in note 6.1.

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

Leases Classified as Operating Leases under AASB 117

As a lessee, Ballarat Health Services previously classified leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to Ballarat Health Services. Under AASB 16, Ballarat Health Services recognises right-of-use assets and lease liabilities for all leases except where exemption is availed in respect of short-term and low value leases.

On adoption of AASB 16, Ballarat Health Services recognised lease liabilities in relation to leases which had previously been classified as operating leases under the principles of AASB 117 Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using Ballarat Health Services incremental borrowing rate as of 1 July 2019. On transition, right-of-use assets are measured at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet as at 30 June 2019.

Ballarat Health Services has elected to apply the following practical expedients when applying AASB 16 to leases previously classified as operating leases under AASB 117:

- Applied a single discount rate to a portfolio of leases with similar characteristics;
- Adjusted the right-of-use assets by the amount of AASB 137 onerous contract provision immediately before the date of initial application, as an alternative to an impairment review;
- Applied the exemption not to recognise right-of-use assets and liabilities for leases with less than 12 months of lease term;
- Excluded initial direct costs from measuring the right-of-use asset at the date of initial application; and
- Used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.

For leases that were classified as finance leases under AASB 117, the carrying amount of the right-of-use asset and lease liability at 1 July 2019 are determined as the carrying amount of the lease asset and lease liability under AASB 117 immediately before that date.

Impacts on Financial Statements

On transition to AASB 16, Ballarat Health Services recognised \$6.4M of right-of-use assets and \$6.4M of lease liabilities.

When measuring lease liabilities, Ballarat Health Services discounted lease payments using its incremental borrowing rate at 1 July 2019. The weighted average rate applied is 3.25%.

	1 July 2019
Total Operating lease commitments disclosed at 30 June 2019	6,610
Finance lease liabilities as at 30 June 2019	211
Recognition exemption for:	
Short-term leases	(419)
Lease liabilities recognised at 1 July 2019	6,402

Note 8.9: Changes in Accounting Policy (Continued)

Revenue from Contracts with Customers

In accordance with FRD 121 requirements, Ballarat Health Services has applied the transitional provision of AASB 15, under modified retrospective method. Under this transition method, Ballarat Health Services applied this standard retrospectively only to contracts that are not 'completed contracts' at the date of initial application. No adjustments were required. Comparative information as not been restated.

Note 2.1 Income from Transactions includes details about the transitional application of AASB 15 and how the standard has been applied to revenue transactions.

Income of Not-for-Profit Entities

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

Comparative information has not been restated.

Note 2.1 Income from Transaction includes details about the transitional application of AASB 1058 and how the standard has been applied to revenue transactions. The adoption of AASB 1058 did not have an impact on Other Comprehensive Income and the Statement of Cash Flows for the financial year.

Transition Impact of Financial Statements

This note explains the impact of the adoption of the following new accounting standards for the first time, from 1 July 2019:

- AASB 15 *Revenue from Contracts with Customers*;
- AASB 1058 *Income of Not-for-Profit Entities*; and
- AASB 16 *Leases*.

Impact on Balance Sheet due to the adoption of AASB 15, AASB 1058 and AASB 16 is illustrated with the following reconciliation between the restated carrying amounts at 30 June 2019 and the balances reported under the new accounting standards (AASB 15) at 1 July 2019.

Balance Sheet

	Notes	Balance at 30 June 2019 \$000	Impact of New Accounting Standards AASB 1058 & 16 \$000	Restated Balance at 1 July 2019 \$000
Property, Plant and Equipment	4.3	417,901	6,191	424,092
Total Impact on Assets		417,901	6,191	424,092
Payables	5.4	61,187	5,807	66,994
Borrowings	6.1	211	6,191	6,402
Total Impact on Liabilities		61,398	11,998	73,396
Accumulated Surplus / (Deficits)		(97,053)	(5,807)	(102,860)
Total Impact on Equity		(97,053)	(5,807)	(102,860)

Note 8.10: AASB's Issued that are not yet effective

Certain new Australian Accounting Standards and interpretations have been published that are not mandatory for the 30 June 2020 reporting period. The Department of Treasury and Finance assesses the impact of all new standards and advises Ballarat Health Services of their applicability and early adoption where suitable.

As at 30 June 2020, the following standards and interpretations had been issued by the AASB but were not yet effective. They become effective for the first financial statements for reporting periods, commencing after the stated operative dates as detailed below. Ballarat Health Services has not and does not intend to adopt these standards early.

AASB Compiled Standards

Standard/ Interpretation	Summary	Applicable for annual reporting period beginning on	Impact on Ballarat Health Services financial statements
AASB 17 Insurance Contracts	The new Australian standard seeks to eliminate inconsistencies and weaknesses in existing practices by providing a single principle-based framework to account for all types of insurance contracts, including reissuance contract that an insurer holds. It also provides requirements for presentation and disclosure to enhance comparability between entities. This standard currently does not apply to the not-for-profit public sector entities.	1-Jan-21	Nil impact, standard does not apply to not-for-profit entities.
AASB 2018-7 Amendments to Australian Accounting Standards – Definition of Material	This Standard principally amends AASB 101 Presentation of Financial Statements and AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors. The amendments refine and clarify the definition of material in AASB 101 and its application by improving the wording and aligning the definition across AASB Standards and other publications. The amendments also include some supporting requirements in AASB 101 in the definition to give it more prominence and clarify the explanation accompanying the definition of material.	1-Jan-20	The standard is not expected to have a significant impact on the public sector.
AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non- Current	This Standard amends AASB 101 to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current. A liability is classified as non-current if an entity has the right at the end of the reporting period to defer settlement of the liability for at least 12 months after the reporting period. The meaning of settlement of a liability is also clarified.	1 January 2022. However, ED 301 has been issued with the intention to defer application to 1 January 2023.	The standard is not expected to have a significant impact on the public sector.

AASB Amending Standards

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

Our values

Teamwork

We commit to common goals based on open and honest communication while showing concern and support for all. We are dedicated to working together for common interests and responsibilities.

Respect

We acknowledge everyone's unique strengths and value diversity. We operate in a spirit of co-operation and honour human dignity.

Accountability

We personally commit to delivering our best, taking responsibility for all of our decisions and actions.

Compassion

We treat people with kindness and empathy. We care about our patients, our people and our community.

Contact us

In an emergency contact 000

Switchboard

Base Hospital	03 5320 4000
Queen Elizabeth Centre	03 5320 3700
Mental Health Services	03 5320 4100

Ballarat Base Hospital

1 Drummond Street North, Ballarat

Queen Elizabeth Centre

102 Ascot Street South, Ballarat



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