Benalla HEALTH

2018-2019
Annual Report

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FRONT COVER
Ceramic Mural, courtesy Rural City of Benalla

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PART 1

2018-2019
Report of Operations

Disclosure Index

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

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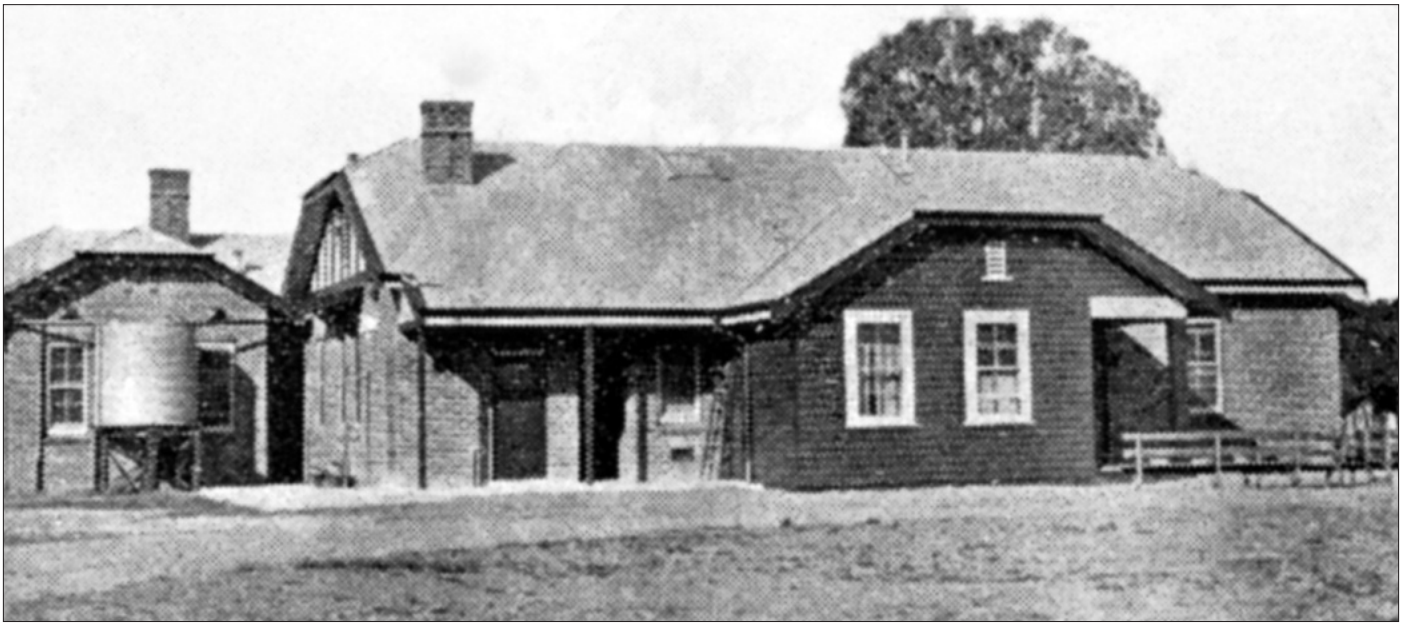
History

A ten bed Bush Nursing hospital was opened in 1935 and within the following decade an additional five beds were added. In 1953 the hospital was incorporated as a Public Hospital and is registered as a Schedule 1 Public Hospital within the meaning of the *Health Services Act (No 49 of 1988)*. By 1992 the Hospital complex included 69 acute beds, a 30 bed Nursing Home and a Community Health Service. The 24 bed John Lindell Wing was closed in 1994 following the completion of a 30 bed private nursing home in Benalla. The Wing re-opened in 1998 as a 12 bed Day Stay Procedure Unit. In 2001 the Surgical/Midwifery Wing was extensively renovated. The Michael Long Education Centre was completed in late 2009.



The 1935 Nursing Hospital which contained 6 ward beds, 4 emergency beds, an x-ray plant and operating theature. The buliding cost approximately 4,000 pounds to build.

Registered Objectives

The objectives of the Hospital are to:

1. Organise and provide health care services in the Benalla district and, in particular hospital based services, including services provided jointly with other agencies in accordance with the Health Services Act, 1988, and all existing or future relevant Acts and Regulations;

2. Utilise appropriate physical and personal resources, knowledge and available technologies to promote health and to prevent, treat and alleviate disease, disability, injury and suffering so far as is possible in the prevailing conditions;

3. Set and achieve standards consistent with prevailing principles of quality patient care and community health needs;

4. Foster continuing improvement in standards through education, research and training and;

5. Manage and maintain a Community Health Service which will provide facilities, personnel and services to achieve the following aims:

    - promoting health awareness;

    - improving health standards;

    - fostering awareness and prevention of illness and disability;

    - supporting persons in their home environment; and

    - rehabilitation.

Board Chair and Chief Executive Officer's Report

On behalf of the Board of Management and all staff we are pleased to present the 2018-19 Annual Report for Benalla Health. The achievements of Benalla Health during the 2018-19 year, outlined in this report, would not have been possible without the dedicated commitment of all staff, the medical workforce and our esteemed volunteers.

We would like to publically acknowledge the leadership of the Board of Management. The time that all members devote to their important stewardship role is sincerely appreciated. One of our respected Board members, Catherine Ross who served on the Board for 2 1/2 years retired this year and we thank her for her contributions during this time.

The Board set a Statement of Priorities (SoP) in agreement with the Department of Health and Human Services. The SoP was aligned with Benalla Health's strategic objectives and the Department's policy directions. The outcomes of the SoP are highlighted later on in this report.

The Staff Excellence Awards were presented at the Annual General Meeting, which was held on the 12th November 2018. The following staff members were nominated by their peers and received due recognition for their superb performance during the 2017-18 financial year:

- **Geoffrey Draper (Chief Physiotherapist) and Lorene Currie (Acute Ward ANUM)** Award for Excellence in Leadership
- **Kathryn McQualter (Dietitian)** - Award for Excellence in Innovation and Sustainability
- **Alison Burton (MEW) and Angela Lawrence (Chief Pharmacist)** - Award for Excellence in Consumer Care and Engagement
- **Geraldine Horsburgh (Admin) and Lindsay Nicolson (Housekeeping)** - Award for Excellence in Quality Service

Pictured L-R: Alison Burton, Angela Lawrence, Geraldine Horsburgh, Lindsay Nicholson, Lorene Currie, Kathryn McQualter and Geoffrey Draper

Benalla Health in partnership with the local community demonstrated once again its enduring commitment to reducing family violence in our community. The 9th Annual 'March against Violence' was held on White Ribbon Day on the 22nd November 2018. Much needed rain had an impact on attendance however; the two young men from Benalla P-12 did a wonderful job presenting the event.

An enjoyable Christmas breakfast was held for all staff and volunteers on the 20th December 2018 with the event being well attended. This is just one way in which we can publically recognise our highly valued staff and thank them for all their hard work during the year.

We provided a range of acute inpatient, obstetric and surgical services and remain committed to continuing to provide these services into the future. We once again achieved our acute and community health activity targets and this is a reflection of the dedication of our loyal staff.

Our partnership with Goulburn Valley Health remains strong and we completed over 400 eye surgeries from their surgical waitlist. Patient satisfaction with this service is very high, which is a credit to the surgeons, and our theatre and day procedure staff.

A sustained and concerted effort has resulted in our maternity services being strengthened. We are extremely pleased to report that our bookings have remained steady. Positive feedback has been received from women and their families regarding the outstanding professional care that continues to be provided by our dedicated midwives and general practitioners. The Board has declared its ongoing support for this very important community service.

The financial year ended with an operating surplus, which was achieved by all staff expending a considerable amount of effort to ensure that a high standard of care was delivered within an environment of fiscal restraint.

Four valued staff members attended the Studer Conference in Sydney on 14th and 15th May. Positive feedback was received with staff keen to implement more Studer initiatives to improve the health outcomes of our community.

We also supported Trish Winzer to participate in the Alpine Valleys Community Leadership Program. All in attendance enjoyed her graduation evening, which was held on the 23rd May 2019.

The preliminary planning phase for the major capital works program for Morrie Evans Wing commenced in December 2017. Browns Wangaratta commenced building works in March 2018. The anticipated end date for the building works was April 2019. The building program was managed very well with the works being completed on budget and virtually on time.

Exterior of Morrie Evans Wing

Unfortunately legislative changes that came into force during the building phase affected our ability to obtain a timely occupancy permit. This resulted in the residents being unable to move back into the new building during this financial year. This was an extremely disappointing outcome for a project that has been very successful in every other way. We are very much looking forward to continuing to provide exceptional aged care in a home like environment, which facilitates resident dignity and privacy. Our community deserves nothing less than this. At the time of writing it is anticipated that residents will move into the new building in July 2019.

We have zero tolerance for occupational violence and we are committed to ensuring that our staff, patients, their loved ones, visitors and volunteers are protected. To this end we have continued to complete significant security upgrades throughout the health service.

Our impact on our environment is decreasing each year. We take great pride in the outcomes we have achieved which are highlighted later on in this report.

Major pieces of capital equipment were purchased throughout the year and included:

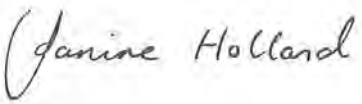
- Floorline beds x10
- UCC Patient Monitors
- 26” LED Surgical Display
- Theatre Drug Safe
- Pharmacy Scanners x2
- Hoverjack – Patient Lift System
- Ozil Torsional Phaco Handpiece
- Sumex Drill
- Gastroscopes x2

We receive regular feedback from patients through the Victorian Health Care Experience Survey. The results are impressive and indicate that patients who receive care at Benalla Health continue to be very pleased with the care they receive. Our results remain above the State average and this confirms the excellent care that is consistently provided by our dedicated staff.

As in previous years, Benalla Health received terrific support from the Benalla and District Memorial Hospital Auxiliary, Community groups and individuals who generously donated their time and money to support the health service to deliver a broad range of high calibre services. The respectful assistance provided to staff from our esteemed volunteers and the extra equipment we purchased through donations is greatly appreciated. We genuinely thank everyone for all their sustained efforts.

We would lastly like to publicly recognise and sincerely thank the Department of Health and Human Services, Board members, our valued staff, medical officers, partner organisations and our committed volunteers who have continued to willingly assist us to provide high quality health services to the community we are privileged to serve.

Board Chair



Janine Holland
Chief Executive Officer

In accordance with the Financial Management Act 1994, I am pleased to present the report of operations for Benalla Health for the year ending 30th June 2019.

Louise Armstrong
Board Chair
29th August 2019

Corporate Governance - Board

The Organisation is governed by a Board appointed by the Governor-in-Council upon the recommendation of the Ministers for Health, Ministers for Ambulance Services, The Hon. Jill Hennessy MP and Jenny Mikakos MP.

The functions of the Board as determined by the Health Services Act 1988 are to:

- Oversee and manage the Organisation; and
- Ensure the services provided by the Organisation comply with the requirements of the Act and the aims of the Organisation.

Governance by the Board is achieved through:

- Strategic planning - to ensure the visionary direction of the Organisation is focused and aligned to the Mission Statement;
- Effective management by the Chief Executive Officer – the Board performs an annual performance appraisal and sets realistic goals; the Chief Executive Officer is responsible for managing the Organisation at an operational level;
- Funding of service agreements – the Board endorses plans, strategies and budgets and ensures annual agreements reflect accurate, achievable and desirable outcomes; the Board monitors the performance of the Organisation through appropriate budgetary processes;
- Local policy setting; and
- By-Laws and Operational Practices – these are reviewed regularly by the Board.

Board Committees

Audit Committee

The Committee receives and makes recommendations relating to internal and external audit reports and ensures compliance with any matters raised by the Auditor General's office. The Committee meets four times per year.

Appointments Committee

The Committee has the important role of assessing medical and dental practitioners and recommending their scope of practice within Benalla Health. The Committee meets four times per year.

Medical Consultative Committee

The Committee provides a forum for local medical practitioners to meet with the Board to discuss common issues. The Committee meets as required.

Quality and Safety Committee

The Quality and Safety Committee provides clinical governance leadership, monitors the delivery of care, quality improvement and risk management (both clinical and non-clinical) throughout the Organisation. The Committee meets monthly.

Community Advisory Committee

The Committee provides direction and leadership in relation to the integration of consumer care and community views across all levels of health service planning, development and operations. The Committee meets bimonthly.

Pecuniary Interest

Members of the Board of Management are required at each meeting to declare any pecuniary interest which might give rise to a conflict of interest. The Board has developed a Policy and Code of Conduct which clarifies the responsibilities of Board Members.

Responsible Ministers during the Financial Year: 1 July 2018 to 29 November 2018

The Hon. Jill Hennessy MP
Minister for Health
Minister for Ambulance Services

Martin Foley MP
Minister for Housing, Disability and Ageing
Minister for Mental Health

29 November 2018 to 30 June 2019

The Hon. Luke Donnellan MP
Minister for Child Protection
Minister for Disability, Ageing and Carers

Martin Foley MP
Minister for Mental Health

Jenny Mikakos MP
Minister for Health
Minister for Ambulance Services

Auditors
RSD Chartered Accountants, Agents for the Auditor General.

Banker
National Australia Bank.

Solicitors
HDC Legal.

Government Policy

Health Service Boards are responsible to the Minister for setting the strategic directions of rural public healthcare agencies within the framework of Government policy. They are accountable for ensuring that rural public healthcare agencies:

- Are effectively and efficiently managed;
- Provide high quality care and service delivery;
- Meet the needs of the community; and
- Meet financial and non-financial performance targets.

The Government is committed to ensuring that there is strong governance and accountability of the Board for the performance of the Organisation and delivery of health services. Each rural public healthcare agency needs a balanced Board, which has the right mix of relevant skills, knowledge, attributes and expertise to be effective and achieve its objectives. This includes skills and expertise relating to the governance of health services, and an ability to represent the views of the Community.

Board of Management

CHAIR
Louise Armstrong
BInfoTech (InfoSys), GCertMgt (ProfPrac), GAICD
Committee Membership
- Appointments (Chair)
- Audit

Louise has a background in information technology and training and was responsible for the overall management of a successful, award-winning small business for many years. She is currently doing some work for a local accounting firm, consulting in veterinary practice management in the region and overseeing the management of the family farm. Louise has lived most of her life in Benalla and has been involved in many community groups over the years, particularly Benalla Support Group for Children with Special Needs and Goomalibee Landcare. She is currently Chair of Benalla Business Network.

TREASURER
David Elford
AAPI CPV, BAppSci (Val), DipAcc
Committee Membership
- Audit (Chair)
- Community Advisory (Chair)

David is a property valuer conducting a broad range of property valuations with the Opteon property group, previously known as HMC Valuations. David covers an area extending throughout Northern and North East Victoria, the Goulburn Valley as well as southern and western NSW. He is a member of the Australian Institute of Company Directors. Prior to this, he was a farmer and professional wool classer in the Benalla district. David has played an active role in a number of community groups over the years and enjoys spending time with his family on his small farm.

VICE CHAIR
Kim Scanlon
Dip Teaching (Primary), Grad Dip Outdoor Education GAICD
Committee Membership
- Medical Consultative

With a career working in education, community development and leadership development roles, Kim is currently designing and coordinating a state-wide leadership program for the Department of Environment, Water Land and Planning. Formerly the Executive Officer of Alpine Valleys Community Leadership, over the last eight years Kim contributed to the development of hundreds of emerging community leaders from across North East Victoria. She has also worked in Community development roles for State and Local Government and is mostly known for her management of 15 Mile Creek Camp on behalf of the Education Department. For more than 20 years Kim has served on a variety of community Boards, including the Rotary Club of Benalla, the Benalla Young Sportsperson Trust and Winton Wetlands Committee of Management. Kim's personal interests include gardening, community activities and snow skiing.

Board of Management (cont.)

VICE CHAIR
Lisa Marta
BPharm, MPS, AACPA
Committee Membership
- Quality and Safety (Chair)

Lisa is a pharmacist with over 30 years' experience in community and hospital pharmacy. Lisa is a partner in a local community pharmacy, with her husband Gareth. They moved to Benalla in 1995 and have 3 children. During this time Lisa has been involved in several community groups. In her spare times she enjoys tennis, craft and travel.

Anne Cahill Lambert AM
HA, MPubAdmin, FCHSM, CHM
Committee Membership
- Appointments
- Community Advisory
- Quality and Safety

Anne's career has seen her as a successful and highly regarded Board member, chair and CEO at a local, national and international level. She has been an enthusiastic contributor to the work of Commonwealth and jurisdictional governments through government Tribunal and committee work and non-government organisations, particularly in the health sector. Anne is committed to good governance and transparency of process and this continues to be her research interest. Following serious illness, Anne also spends considerable time advocating for equity in access to health services especially for patients from rural, regional and remote Australia.

Catherine Ross
Bachelor of Applied Science Agribusiness
Committee Membership
- Audit

Catherine has worked in the major hazard industry for 15 years for a multinational company at both a corporate and facility level. Prior to this she worked in the food industry in North Western Victoria after graduating from Melbourne University – Dookie Campus. In her current role as Health, Safety and Environment Manager at a local major hazard facility she leads a team of dedicated professionals who are responsible for facilitating aspects such as compliance, prevention programs, health promotion, sustainability programs, emergency management, work/non-work related injury management and is responsible for the ongoing environmental and safety management system certifications. Catherine has one son, has been a member on a local School Council Committee and also operates a beef production business in the Stewarton area. Catherine resigned from the Board in January 2019.

Board of Management (cont.)

Tammy Smith
BSW, ADIPMGMT
Committee Membership
- Community Advisory
- Quality and Safety

Tammy is a 2017 Graduate of the Alpine Valleys Community Leadership Program and has a range of Committee experience. Tammy is focused on utilising her skills for the betterment of North East Victorian communities. Her involvement includes current Committee membership of the Wangaratta Women in Leadership Group and the ACVL Alumni Sub-Committee. She has worked in both the USA and UK in various social work focused positions. Tammy is currently employed in the role of Respectful Relationships Liaison Officer for the Department of Education and Training. Tammy brings to the Board a strong a background in counselling and support particularly working with persons experiencing family violence and held a role managing the local integrated family violence service sector for a number of years. She has also worked in the area of Disability Client Services and Child Protection with the Department of Health and Human Services.

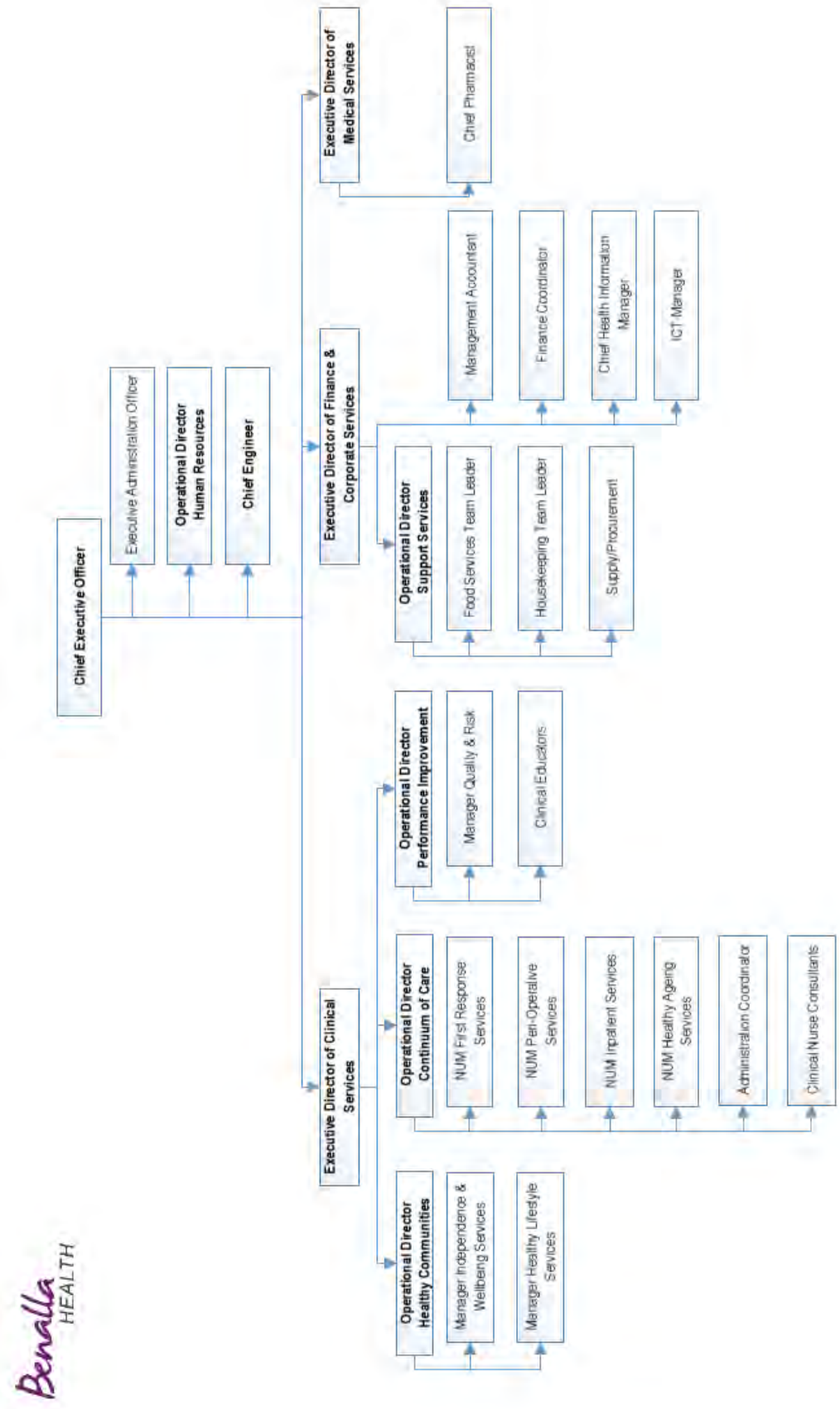
Terry Trounson
ANZIIF (Snr Assoc), DipBus, DipFP, Dip Teaching (Primary)
Committee Membership
- Audit
- Community Advisory

Terry has operated a successful franchise business in Wangaratta since 2014. He has a strong background in the provision of financial planning advice and relationship building, with extensive experience in the areas of business analysis, administration, insurance and financial operations. Terry has served on a number of local committees and is currently a Tomorrow Today Foundation sub-committee member and CFA volunteer fire fighter. He is also a motorcycling enthusiast and maintains a keen interest in recreational aviation.

Vikas Wadhwa
MBBS, FRACP, MBA, MPH
Committee Membership
- Appointments
- Audit
- Medical Consultative
- Quality and Safety

Vikas is Clinical Director of Integrated Services and Director of General Medicine (Maroondah Hospital) at Eastern Health with both executive and clinical roles. He is an active member of several expert advisory committees at Eastern Health. Vikas has academic appointments with Deakin and Monash Universities and is an examiner for the RACP as well as university medical undergraduates. He has been with Benalla Health as a board member since 2016 and also has membership of several subcommittees. He is passionate about clinical governance and patient safety.

Organisational Structure



Executive Team

CHIEF EXECUTIVE OFFICER

Janine Holland

RN, RM BHSc, Grad Cert HSM, MPH, ACHSM, GAICD

The Chief Executive Officer is responsible to the Board of Management for the efficient and effective management of the Health Service. Key responsibilities include the development and implementation of operational and strategic planning maximising service efficiency, quality improvement and minimisation of risk. Janine is also an ACHS Assessor.

EXECUTIVE DIRECTOR OF CLINICAL SERVICES

Dr Sue Wilson

RN, Paed Cert, Grad Dip Psych Nsg, BA, BSc, Grad Dip Ed, MEd, PhD, GAICD

The Executive Director of Clinical Services (EDCS) is responsible for all clinical services. The EDCS role encompasses leadership of clinical services, clinical governance, clinical leadership and standards of practice, service and strategic planning, clinical risk management, quality improvement and resource management.

EXECUTIVE DIRECTOR OF MEDICAL SERVICES

Dr Campbell Miller

MBcHB, MBA, FRACMA

As Executive Director of Medical Services (EDMS) Dr Miller ensures all visiting medical officers are credentialed and have appropriate clinician privileges for the Organisation. The EDMS role involves liaison with visiting specialist and GP doctors as well as the provision of senior medical administrative support, advice and guidance to staff on clinical governance, medical service, clinical quality and medico-legal matters.

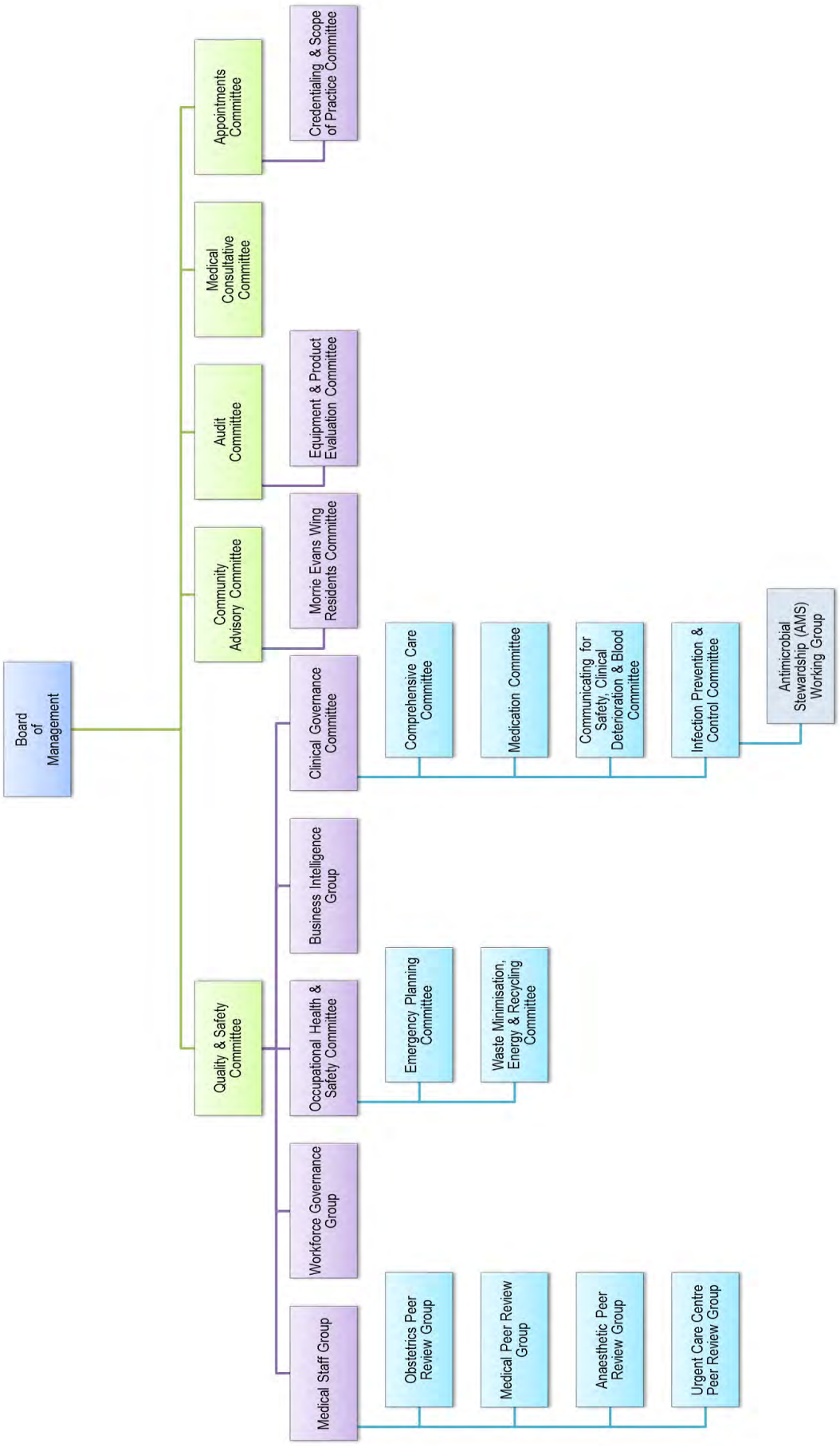
EXECUTIVE DIRECTOR OF FINANCE & CORPORATE SERVICES

Andrew Nitschke

BBus (Accounting), CPA, MBA, GAICD

The Executive Director of Finance & Corporate Services (EDF&CS) is responsible for the finance and administration, ICT, health information, supply, linen and hospitality departments. The EDF&CS provides leadership in the management of financial and corporate support services.

Committee Structure



Five Year Performance

	2019 $000	2018 $000	2017 $000	2016 $000	2015 $000
Operating Result	**244**	**379**	**728**	**1,412**	**584**
Total Revenue	29,209	32,218	28,733	28,400	27,388
Total Expenses	30,654	30,760	29,473	28,260	28,339
Net Result from transactions	**(1,445)**	**1,458**	**(740)**	**140**	**(951)**
Total other economic flows	(136)	7	132	31	-
Net result	**(1,581)**	**1,465**	**(608)**	**171**	**(951)**
Total Assets	47,155	36,653	35,129	37,051	34,797
Total Liabilities	8,240	7,779	7,720	9,034	6,951
Net Assets/Total Equity	**38,915**	**28,874**	**27,409**	**28,017**	**27,846**

SUMMARY OF FINANCIAL RESULTS	2019 $000	2018 $000
Net operating result	**244**	**379**
Capital and specific items		
Capital purpose income	425	3,640
Specific income	0	0
Assets provided free of charge	0	0
Expenditure for capital purpose	33	438
Depreciation and amortisation	2,081	2,121
Impairment of non-financial assets	0	0
Finance costs (other)	0	2
Net result from transactions	**(1,445)**	**1,458**

Consultancies

Details of consultancies (under $10,000)

In 2018-19 there were no consultancies where the total fees payable to the consultants were less than $10,000 (excl. GST).

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

In 2018-19 there were no consultancies where the total fees payable to the consultants were $10,000 (excl. GST) or greater.

Government Advertising

In 2018-19 there was no advertising campaign with total media buy of $100,000 or greater (exclusive of GST).

Information and Communication Technology (ICT)

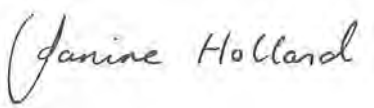
The total ICT expenditure incurred during 2018-19 was $1.095m (excl. GST) with the details shown below:

Business As Usual (BAU) ICT expenditure	Non-Business As Usual (non-BAU) ICT Expenditure		
Total (excluding GST) (million)	Total=Operational expenditure and Capital Expenditure (excluding GST)	Operational expenditure (excluding GST) (million)	Capital expenditure (excluding GST) (million)
$0.98	$0.115	$0	$0.115

Compliance

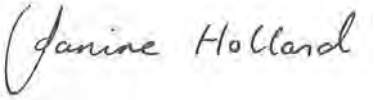
There are a number of specific compliance requirements that health services must meet and declare during the course of operations. Accordingly, the following attestations are made:

Data Integrity
I, Janine Holland, certify that Benalla Health has put in place appropriate internal controls and processes to ensure that reported data accurately reflects actual performance. Benalla Health has critically reviewed these controls and processes during the year.



Janine Holland, Chief Executive Officer
Accountable Officer
Benalla Health
29th August 2019

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



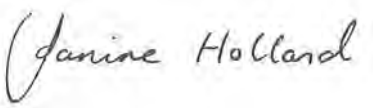
Janine Holland, Chief Executive Officer
Accountable Officer
Benalla Health
29th August 2019

Ministerial Standing Direction 5.1.4 Financial Management

I, Louise Armstrong, on behalf of the Responsible Body certify that Benalla Health has complied with the applicable Standing Directions of the Assistant Treasurer under the Financial Management Act 1994 and instructions.

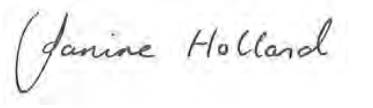
Louise Armstrong, Board Chair
Responsible Officer
Benalla Health
29th August 2019

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



Janine Holland, Chief Executive Officer
Accountable Officer
Benalla Health
29th August 2019

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



Janine Holland, Chief Executive Officer
Accountable Officer
Benalla Health
29th August 2019

Key Financial and Service Performance Reporting

Part A: Strategic Priorities

The Victorian Government's priorities and policy directions are outlined in the Victorian Health Priorities Framework 2012-2022. Benalla Health will contribute to the achievement of the Victorian Government's commitments by:

	Goals	Strategies	Health Service Deliverables	Outcomes
Better Health	A system geared to prevention as much as treatment. Everyone understands their own health and risks. Illness is detected and managed early. Healthy neighbourhoods and communities encourage healthy lifestyles.	• Reduce statewide risks • Build healthy neighbourhoods • Help people to stay healthy • Target health gaps	Benalla Health will continue to collaborate with Northeast Health Wangaratta to ensure full implementation of The Royal Women's Hospital Family Violence Toolkit V2.	**Achieved** Implementation of V2 of The Royal Women's Hospital Family Violence Toolkit is progressing well. There are now 6 eLearning modules related to recognising and responding to family violence available to staff. Face to face training is in place for the leadership team.
			The Koolin Balit Aboriginal Health Cultural Competence Action Plan 2017-2020 will be fully implemented.	**Partially Achieved** Implementation of the Koolin Balit Aboriginal Health Cultural Competence Action Plan 2017-2020 is progressing well. Diversity Action Plan developed and submitted to the Department.

	Goals	Strategies	Health Service Deliverables	Outcomes
Better Access	Care is always there when people need it More access to care in the home and community People are connected to the full range of care and support they need There is equal access to care	• Plan and invest • Unlock innovation • Provide easier access • Ensure fair access	Benalla Health will continue to establish a sustainable National Disability Insurance Scheme service by recruiting existing eligible clients from Benalla Health's current programs and other clients from the community.	**Achieved** The establishment of a sustainable National Disability Insurance Scheme service is progressing. Further work needs to be undertaken with marketing this service to our community. There are also challenges being experienced with the recruitment of allied health staff. Innovative staffing options continue to be explored.
			Benalla Health will continue to partner with Northeast Health Wangaratta to develop and implement a subacute model of care which will facilitate timely referrals into and out of the Thomas Hogan Rehabilitation Centre.	**Partially Achieved** This initiative is progressing slowly and more work is required to develop and implement this sub-acute model of care. Draft service agreement received and is under consideration.
			Benalla Health will strengthen telemedicine links with North East and Border Mental Health Service to ensure that people with mental health issues who present to our Urgent Care Centre and community health programs receive a timely assessment and/ or intervention and appropriate referral.	**Partially Achieved** The partnership with North East and Border Mental Health Service continues to be strengthened however; ongoing issues remain with the unreliability of telemedicine links.

	Goals	Strategies	Health Service Deliverables	Outcomes
Better Care	Target zero avoidable harm Healthcare that focusses on outcomes Patients and carers are active partners in care Care fits together around people's needs	• Put quality first • Join up care • Partner with patients • Strengthen the workforce • Embed evidence • Ensure equal care	Benalla Health, through the leadership of its Community Advisory Committee, will implement a series of Community Engagement Forums.	**Achieved** Three successful community forums conducted with very good attendance on each occasion. Positive feedback obtained through survey evaluations. Confirmation of agreement obtained to host remote Meryula Clinic. An initiative of GV Health with the support of University of Melbourne Rural Clinical School, the Meryula Clinic provides a suite of Nurse Practitioner led sexual and reproductive health services.
			Benalla Health will strengthen its Leadership Capability Framework by developing and implement-ing a Leadership Develop-ment Plan.	**Achieved** Work is progressing well with the development and implementation of a Leadership Development Plan. Skill development focus for 2018/19 has been on individual accountability; individual and organisational performance; and goal and target setting.

	Goals	Strategies	Health Service Deliverables	Outcomes
Specific 2018-19 Priorities (mandatory)	**Disability Action Plans**	Draft disability action plans are completed in 2018-19.	Benalla Health will submit a draft Disability Action Plan to the department by 30 June 2019. The draft plan will outline the approach to full implementation within three years of publication.	**Achieved** Previous Disability Action Plan finalised. Disability Action Plan 2018-2021 developed. SCOPE accreditation scheduled for second half of 2019.
	Volunteer engagement	Ensure that the health service executives have appropriate measures to engage and recognise volunteers.	Benalla Health's executive team will develop appropriate measures to engage and recognise volunteers and report against these measures at their monthly accountability meetings.	**Achieved** Executive rounding in place with volunteers. Positive feedback received.
	Bullying and harassment	Actively promote positive workplace behaviours and encourage reporting. Utilise staff surveys, incident reporting data, outcomes of investigations and claims to regularly monitor and identify risks related to bullying and harassment, in particular include as a regular item in Board and Executive meetings. Appropriately investigate all reports of bullying and harassment and ensure there is a feedback mechanism to staff involved and the broader health service staff.	Benalla Health will actively promote positive workplace behaviours and encourage reporting of unacceptable behaviours. Information from staff surveys (including People Matter Survey) and Best Practice Clinical Learning Environment, incident reporting data, outcomes of investigations and claims will be used to identify and monitor bullying and harassment risks. Appropriate investigations will be carried out and a feedback mechanism will continue to be maintained for staff involved. Reports will be provided to executive staff and the Board.	**Achieved** Staff response rates of 63% achieved for the People Matter Survey in 2018 and 2019. Rounding continues with staff receiving timely and appropriate recognition. Staff being publically recognised through the new staff newsletter. 'Know Better Be Better' initiative commenced.
	Occupational violence	Ensure all staff who have contact with patients and visitors have undertaken core occupational violence training, annually. Ensure the department's occupational violence and aggression training principles are implemented.	Benalla Health will ensure that all staff who have contact with patients and visitors have undertaken core occupational violence training, annually. The department's occupational violence and aggression training principles will be implemented.	**Achieved** Implementation of the 10-point Occupational Violence and Aggression Action Plan progressing well. Actions monitored at monthly OH&S meetings. Onsite frontline Code Grey and Code Black training held on the 12th and 13th February 2019 with good attendance.

	Goals	Strategies	Health Service Deliverables	Outcomes
Specific 2018-19 Priorities (mandatory)	**Environmental Sustainability**	Actively contribute to the development of the Victorian Government's policy to be net zero carbon by 2050 and improve environmental sustainability by identifying and implementing projects, including workforce education, to reduce material environmental impacts with particular consideration of procurement and waste management, and publicly reporting environmental performance data, including measureable targets related to reduction of clinical, sharps and landfill waste, water and energy use and improved recycling.	Environmental sustainability will be improved by identifying and implementing projects, including workforce education, to reduce material environmental impacts with particular consideration of procurement and waste management. Public reporting of environmental performance data, including measureable targets related to the reduction of clinical, sharps and landfill waste, water and energy use and improved recycling will continue to occur.	**Achieved** Environmental sustainability monitored at Waste Minimisation and Recycling committee meetings. Data reported to the Department and community through the Annual report.

	Goals	Strategies	Health Service Deliverables	Outcomes
Specific 2018-19 Priorities (mandatory)	**LGBTI**	Develop and promulgate service level policies and protocols, in partnership with LGBTI communities, to avoid discrimination against LGBTI patients, ensure appropriate data collection, and actively promote rights to free expression of gender and sexuality in healthcare settings. Where relevant, services should offer leading practice approaches to trans and intersex related interventions.	Benalla Health will undertake a self-assessment against the Rainbow Tick Standards and develop a quality improvement plan to address any gaps in service inclusion.	**Achieved** Regular meetings held with Gateway Health and Northeast Health Wangaratta to progress regional capability and the development of a sub-regional Rainbow Action Plan. Staff member from Benalla Health has commenced Latrobe University Rainbow Accreditation training course. Self-Assessment undertaken as part of training course. Organisational audit against Rainbow Tick Standards completed. Quality improvement plan to address gaps in service inclusion is in place. Preliminary staff survey conducted in third week of June 2019.
			Benalla Health will develop and promulgate service level policies and protocols, to promote and support inclusion of our LGBTI community and to avoid discrimination against LGBTI patients.	**Achieved** Service level policies and protocols completed. Diversity Action Plan developed and submitted to the Department. Benalla Health has accepted a leadership role in the implementation of a suicide post-vention protocol.

Part B: Performance Priorities

High quality and safe care

Key Performance Indicator	2018-19 Target	2018-19 Actual
Accreditation		
Accreditation against the National Safety and Quality Health Service Standards	Accredited	Full compliance
Compliance with the Commonwealth's Aged Care Accreditation Standards	Accredited	Full compliance
Infection prevention and control		
Compliance with the Hand Hygiene Australia program	80%	88.9%
Percentage of healthcare workers immunised for influenza	80%	91%
Patient experience		
Victorian Healthcare Experience Survey – data submission	Full compliance	Full compliance
Victorian Healthcare Experience Survey – positive patient experience – Quarter 1	95%	98.0%
Victorian Healthcare Experience Survey – positive patient experience – Quarter 2	95%	95.6%
Victorian Healthcare Experience Survey – positive patient experience – Quarter 3	95%	97.9%
Victorian Healthcare Experience Survey – discharge care. Quarter 1	75%	89.3%
Victorian Healthcare Experience Survey – discharge care. Quarter 2	75%	89.8%
Victorian Healthcare Experience Survey – discharge care. Quarter 3	75%	91.1%
Victorian Healthcare Experience Survey – patients' perception of cleanliness. Quarter 1	70%	94.6%
Victorian Healthcare Experience Survey – patients' perception of cleanliness. Quarter 2	70%	92.3%
Victorian Healthcare Experience Survey – patients' perception of cleanliness. Quarter 3	70%	91.5%
Adverse events		
Sentinel events root cause analysis (RCA) reporting	All RCA reports submitted within 30 business days	All RCA reports submitted within 30 business days
Maternity and Newborn		
Rate of singleton term infants without birth anomalies with Apgar score <7 to 5 minutes	≤1.4%	1.6%
Rate of severe fetal growth restriction (FGR) in singleton pregnancy undelivered by 40 weeks	≤28.6%	100%

Strong governance, leadership and culture

Key Performance Indicator	2018-19 Target	2018-19 Actual
Organisational culture		
People matter survey - percentage of staff with an overall positive response to safety and culture questions	80%	92%
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%	99%
People matter survey — percentage of staff with a positive response to the question, "Patient care errors are handled appropriately in my work area"	80%	94%
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%	95%
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%	91%
People matter survey — percentage of staff with a positive response to the question, "Management is driving us to be a safety-centered organisation"	80%	93%
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%	84%
People matter survey — percentage of staff with a positive response to the question, "Trainees in my discipline are adequately supervised"	80%	88%
People matter survey — percentage of staff with a positive response to the question, "I would recommend a friend or relative to be treated as a patient here"	80%	93%

Effective financial management

Key Performance Indicator	2018-19 Target	2018-19 Actual
Finance		
Operating result ($m)	0.01	0.24
Average number of days to paying trade creditors	60 days	30
Average number of days to receiving patient fee debtors	60 days	36
Public and Private WIES activity performance to target	100%	99.68%
Adjusted current asset ratio	0.7 or 3% improvement from health service base target	2.18
Actual number of days Benalla Health can maintain its operations with unrestricted available cash, measured on the last day of each month	14 days	126.7
Measures the accuracy of forecasting the Net result from transactions (NHFT) for the current financial year ending 30th June	Variance ≤ $250,000	-0.39

Please note: Some of the data used to inform the actuals for Part B: Performance Priorities for 2018/19 was still in DRAFT at the time of printing this report.

Part C: Activity and Funding

Funding Type	2018-19 Activity Achievement
Acute Admitted	
WIES Public	2,160
WIES Private	416
WIES DVA	103
WIES TAC	0
Subacute & Non-Acute Admitted	
Maintenance Public	44
Subacute WIES – DVA	5
Subacute Non-Admitted	
Health Independence Program – Public	7,474
Health Independence Program - DVA	1,734
Aged Care	
Residential Aged Care Days	10,164
HACC Hours	3,393
Primary Health	
Community Health/Primary Care Program Hours	6,167
Total Funding	

Statutory Reporting

Local Jobs First Act 2003

Benalla Health complied with the regulations within the *Local Jobs First Act 2003* for the year 2018-19.

Freedom of Information Act 1982

Benalla Health is an agency subject to the *Freedom of Information (Victoria) Act 1982*. The Chief Executive Officer is the nominated Freedom of Information Officer. Persons wishing to make an FOI request should do so by completing the FOI Request form *(available from the Benalla Health Website or at the Hospital Reception Desk)*. The FOI Request form contains information relating to costs of accessing information, what information can be provided and timeline for provision of information to an applicant by Benalla Health. Further information about the Freedom of Information Act is available from the Office of the Victorian Information Commissioner (www.foicommissioner.vic.gov.au). During 2018-19, 28 valid Freedom of Information requests were received, mostly relating to requests to legally access medical and/or health care related information.

Privacy

Benalla Health is committed to the protection of privacy of information for all patients, residents, clients and staff.

Protected Disclosure Act 2012

Benalla Health is an agency subject to the *Protected Disclosure Act 2012*. The *Protected Disclosure Act 2012* enables people to make disclosures about improper conduct within the public sector without fear of reprisal. The Act aims to ensure openness and accountability by encouraging people to make disclosures and protecting them when they do. Policies and guidelines are in place to protect people against action that might be taken against them if they choose to make a protected disclosure. There were no disclosures in 2018-19.

Carers Recognition Act 2012

Benalla Health is an agency subject to the *Carers Recognition Act 2012*. The *Carers Recognition Act 2012* formally recognises and values the role of carers and the importance of care relationships in the Victorian community. The Act includes a set of principles about the significance of care relationships, and specifies obligations for State Government agencies, Local Councils, and other organisations that interact with people in care relationships. Benalla Health has:

- taken all practicable measures to comply with its obligations under the Act;
- promoted the principles of the Act to people in care relationships receiving our services and also to the broader community; and
- reviewed our staff employment policies to include flexible working arrangements and leave provision ensuring compliance with the statement of principles in the Act.

There were no disclosures in 2018-19.

Building Act 1993

Benalla Health complies with the provisions of the *Building Act 1993* which encompasses the Building Code of Australia and Standards for Publicly Owned Buildings November 1994.

Safe Patient Care Act 2015

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

Competitive Neutrality

It is Government policy that the costing policies of publicly funded organisations should reflect any competitive advantage available to the private sector. Benalla Health complies with the National Competitive Neutrality Policy Victoria and its subsequent reforms.

Employment and Conduct Principles

Benalla Health is committed to the application of the employment and conduct principles and all employees have been correctly classified in workforce data collections. Benalla Health also ensures a fair and transparent process for recruitment, selection, transfer and promotion of staff. It bases its employment selection on merit, and complies with the relevant legislation. Policies and Procedures are in place to ensure staff are treated fairly, respected and provided with avenues for grievance and complaint processes.

Environmental Performance Summary

Benalla Health is committed to protecting the environment. When developing changes or making improvements, consideration is always given to conserving energy and water, reducing greenhouse emissions and improving waste management. Benalla Health's energy consumption has remained stable, despite the variations in climatic conditions. With continual segregation, further reductions in kitchen and clinical waste have been achieved with levelling off. Even with the added new projects contributing to waste, cost efficiencies continue to be sought for example, another 100kw of solar will be installed in the next 12 months. The installation of electronic motion sensors to control lighting and mechanical services in unoccupied areas has resulted in greater energy efficiency being achieved.

Additional Information

In compliance with FRD 22H the information detailed in this report is available on request by relevant Ministers, Members of Parliament and the public (subject to the Freedom of Information requirements if applicable). Information disclosed in accordance with FRD 15D is available on request to the relevant Minister, Members of Parliament and the public.

Workforce Information

Current Full Time Equivalent and other payroll information is consistent with that provided to the Department in the Minimum Employee Data Set (MDS).

Hospitals Labour Category	June Current month FTE		June YTD FTE	
	2018	2019	2018	2019
Nursing	100.86	98.12	100.02	99.42
Administration and Clerical	34.91	34.35	35.56	35.21
Medical Support	5.50	5.99	5.39	5.62
Hotel and Allied Services	43.76	44.08	44.11	44.57
Medical Officers	0.32	0.00	0.31	0.00
Sessional Clinicians	0.00	0.00	0.00	0.00
Ancillary Staff (Allied Health)	17.52	14.70	16.83	15.89
Total	**202.87**	**197.24**	**202.22**	**200.71**

The FTE figures in this table exclude overtime and do not include contracted staff (i.e. agency nurses, fee for service, Visiting Medical Officers) who are not regarded as employees for this purpose.

Quality and Safety Performance

Occupational Health and Safety

The objective of Health and Safety is prevention and active response. This is achieved by supportive and ongoing consultation between management, the Occupational Health and Safety Committee, employees, volunteers, students, Visiting Medical Officers, contractors and consumers. We aim to continuously review our practices, look for improvements and evaluate our systems on a regular basis, to ensure excellence in safety management.

Occupational Health and Statistics	2016-17	2017-18	2018-19
Number of reported hazards/incidents for the year per 100 FTE staff	37.9	39.1	34.4
Number of lost time standard claims for the year per 100 FTE staff	2.95	2.47	2.49
Average cost per claim for the year (including payments to date and estimate of outstanding claim costs as advised by Worksafe)	$6,672	$6,226	$8,683

Occupational Violence

Occupational violence statistics for 2018-19 are reported as per the table below.

Occupational Violence Statistics	2018-19
Workcover accepted claims with an occupational violence cause per 100 FTE	0
Number of accepted Workcover claims with lost time injury with an occupational violence cause per 1,000,000 hours worked	0
Number of occupational violence incidents reported	11
Number of occupational violence incidents reported per 100 FTE	5.48
Percentage of occupational violence incidents resulting in staff injury, illness or condition	0

Definitions

For the purposes of the above statistics the following definitions apply:

- **Occupational Violence:** Any incident where an employee is abused, threatened or assaulted in circumstances arising out of, or in the course of their employment.
- **Incident:** An event or circumstance that could have resulted in, or did result in, harm to an employee. Incidents of all severity rating are included. Code Grey reporting is not included, however if an incident occurs during the course of a planned or unplanned Code Grey, the incident must be included.
- **Accepted Workcover Claims:** Accepted Workcover claims that were lodged in 2018-19.
- **Lost Time:** Is defined as greater than one day.
- **Injury, Illness or Condition:** Includes all reported harm as a result of the incident, regardless of whether the employee required time off work or submitted a claim.

Benalla & District Memorial Hospital Report 2018-19

This year we have been able to support Benalla Health by purchasing various equipment with the money raised through our many and varied fundraising activities. Throughout the year the auxiliary also donated trauma teddies to Acute Care, crochet rugs to Morrie Evans, gifts for new mothers in the Maternity Unit and Christmas bundles for residents in Morrie Evans.

Pictured at right are a number of Hospital Auxiliary members, together with three owners of the gardens who held open days to fund raise for the Garden Club attending UCC to view the recently purchased Patient Monitoring system with UCC Nurse Unit Manager Mel Reid (far right).

Our auxiliary consists of a small group of volunteers from the wider community. Where we lack in numbers we make up in the willingness and determination to fulfil our mission as our previous auxiliary members have done for the past 70 years. The cost of running a good health service does not come cheap and to have some of the best facilities and equipment in country Victoria speaks for itself.

We have been saddened by the loss of several of our auxiliary members but gathered strength in the knowledge that together with the generous support of local business, public and hardworking members we can continue to support Benalla Health in serving the wider community.

Thank you to all auxiliary members, Benalla Health and the community for your ongoing support. We look forward to continuing to support Benalla Health in 2019-20.

- Barbara Jennings,
President
Benalla & District Memorial Hospital Auxiliary

BENALLA & DISTRICT MEMORIAL HOSPITAL AUXILIARY

Receipts and Expenditure 1/7/2018 - 30/6/2019

BENDIGO CLUB CHEQUE ACCOUNT	
Balance as at 1 July 2018	**$6,947.91**
RECEIPTS	
Card Sales	$40.00
Christmas raffle	$4,342.25
Day in the Gardens - Craft and Jams	$404.15
Day in the Gardens - Plants	$910.50
Donations	$6,376.10
Heavy Horses - Craft stall	$374.00
Lakeside Market – Carboot	$166.25
Lakeside Market - Craft and Jams	$2,845.00
Lakeside Market – Plants	$6,232.10
Meeting Raffle	$157.40
Online Sales - Carboot	$20.00
Online Sales – Plants	$1,598.50
Open Gardens	$600.50
Pen sales	$396.55
Recipe books	$50.00
Sausage sizzle – Woolworths	$709.75
Transfer from Investment Account	$20,000.00
Winter Raffle 2018	$2,401.00
Total Receipts	$47,624.15
EXPENDITURE	
Administration	$95.00
Audit	$440.00
Benalla Health	$45,552.90
Mitchell Health	$735.00
Pens	$178.54
Total Expenditure	$47,001.44
NET INCOME	$622.71
Balance as at 30 June 2019	**$7,570.62**
BENDIGO INVESTMENT ACCOUNT	
Balance as at 1 July 2018	$35,996.92
Interest	$467.29
Transfer to Cheque Account	-$20,000.00
Balance as at 30 June 2019	**$16,464.21**
TOTAL HOLDINGS	
AS AT 30 JUNE 2019	**$24,034.83**

Benalla Health Services

Hospital Services

- Acute Inpatient Services
- Residential Aged Care
- Antenatal Clinic
- Breast Feeding Support
- Day Stay
- Domiciliary
- Infection Control
- Midwifery Service
- Health Information
- Pharmacy
- Operating Theatre
- Urgent Care Centre
- Education and Research Unit

Community Health Services

Allied Health
- Dietetics
- Diabetes Education
- High Risk Foot Clinic
- Occupational Therapy
- Physiotherapy
- Podiatry
- Social Work/Counselling
- Speech Pathology

Home Nursing Services
- District Nursing Service
- Hospital in the Home
- Palliative Care

Health Promotion
- Healthy Eating
- Mental Health and Wellbeing

Other Services
- Early Intervention in Chronic Disease
- Day Activities Program
- NDIS

Health Independence Programs
- Hospital Admission Risk Program
- Sub-Acute Care
- Post Acute Care
- Rehabilitation Groups

Nursing
- Community Health Nursing

Support Groups
- Carers
- Parkinson's Disease
- Arthritis

Ray Sweeney Centre

Benalla Rural City
- Family Day Care
- Aged and Disability Services
- Maternal and Child Health Services

Co-located Services
- Centre Against Violence
- Central Hume Dental Service
- Community Interlink
- Financial Counselling
- Dental Technician
- Drug and Alcohol Service
- Goulburn Valley Community Legal Service
- Hume Riverina Community Legal Service

Other Services

- Central Hume Primary Care Partnership
- Visiting Medical Officers
- Pathology
- Psychology Services
- Audiologist
- CT Scan
- Ultrasound
- X-ray

Senior Staff (as at 30 June 2019)

Chief Executive Officer
Ms J. Holland RN, RM, BHSc, Grad Cert HSM, MPH, MACHSM, GAICD

CONTINUUM OF CARE

Executive Director of Clinical Services
Dr S. Wilson RN, Paed Cert, Grad Dip Psych Nsg, BA, BSc, Grad Dip Ed, MEd, PhD, GAICD

Operational Director Continuum of Care
Ms L. Pryor RN Grad Dip Midwifery, Grad Dip Ad Nursing/Management

Nurse Unit Manager First Response Services
Mrs M. Reid RN, Grad Dip Nursing (Rural Critical Care)

Nurse Unit Manager Peri-operative Services
Ms B. Taylor (Acting) BSc, RN, Grad Dip Nursing (Periop)

Nurse Unit Manager Inpatient Services
Ms G. Robinson RN, Adv Dip M'gmt

Nurse Unit Manager Healthy Ageing Services
Mr N. Willoughby RN, BN

After Hours Hospital Coordinators
Ms J. Douglas RN
Mr J. Cunning Dip App Sc Nursing, Grad Dip App Sc Psych Nursing, Cert IV Training and Assessment
Ms C. Hammond B Nurs (Prereg), BAppSc (Health Prom), Grad Cert Nurs Prac (Em Care)
Ms G. Leverett Paed Critical Care Nurse, Immun Endorsement & Practice, Dip Applied Sci, Grad Dip Midwifery, Master of Nursing Practice, Post Grad Advanced Nursing

Infection Prevention & Control Co-ordinator
Ms T. Allan RN, Nurse Immuniser, Clinical Educator

Transfusion Trainer
Ms C. Hammond RN

Chief Pharmacist
Ms A. Lawrence B Pharm, Grad Dip Bus (IR), MBA, ASA, MPS

HEALTHY COMMUNITIES

Operational Director Healthy Communities
Ms H. Betts, Certs: Gen Nursing; Midwifery; Communicable Diseases, Grad Dip Child & Family Nursing, Dip Project Management

Manager Independence & Wellbeing Services
Ms M. Jackson, RN, BN, Post Grad Paed. & Neonatal Intensive Care and HSM

Manager Healthy Lifestyle Services
Ms M Howell, BSW AMHSW BSc

PERFORMANCE IMPROVEMENT

Operational Director Performance Improvement
Ms A.M. Kerr RN, RM, MPH, GAIAL, Grad Cert Applied Leadership, Grad Cert MC&F Health, Grad Dip Nurs Ed

Senior Staff (continued)

Quality and Risk Manager
Mrs B. Butler-Mack RN, BN (Hons), Cert HSM, Cert SIC, MHA

SUPPORT SERVICES

Executive Director of Finance & Corporate Services
Mr A. Nitschke BBus (Accounting), CPA, MBA, GAICD

Chief Engineer
Mr R. Grubissa MIHEA

Operational Director Human Resources
Mrs L. Daldy BBus (HR), MAHRI

Chief Health Information Manager
Ms V. Young BAppSc (Medical Records Admin)

Operational Director Support Services
Ms K. Bennetts Grad Cert Management Professional Practice

Management Accountant
Mr I. Hatton BBus (Accounting), CPA

Finance Coordinator
Ms J. Hooper, BBus, GDipAcc

ICT Manager
Mr P. Hurley BIT

Media Relations
Mrs S. Beattie

Administration Coordinator
Mrs S. Downey

Food Services Team Leader
Miss H. Richardson

Housekeeping Team Leader
Mrs P. Winzer

Visiting Medical Officers (as at 30 June 2019)

Executive Director of Medical Services
Dr C. Miller MBcHB, MBA, FRACMA

Visiting General Practitioners
Dr G. Brownstein MBBS (Hons) Dip Obs, Dip Anaes, RACOG, FRACGP, FACRRM
Dr B. Buckley MBBS, FRACGP
Dr F. Christophersen MBBS (Hons), FRACGP, JCAA
Dr A Collyer MD, BSci (Hons)
Dr N. Fahn MBBS, FRACGP, JCAA
Dr N. Flanigan MBBS, FRACGP
Dr S. Hancock MBBS, BMedSci, DRANZCOG, FRACGP
Dr A. Hawthorne MBBS, JCCA
Dr M. Higgs MBBS FACRRM
Dr B. Hollins MBBS (Hons), FRACGP
Dr A. Knight MBBS, Dip Anaes, Dip Obs, RANZCOG
Dr J. Lambert MBBS (Hons), FRACGP, DRANZCOG (Adv)
Dr C. Lourensz MBBS, BSc (Hons), FAACRM
Dr P. Murray MBBS, DRANZCOG (Adv)
Dr G. O'Brien MBBS, DRACOG, FACRRM
Dr C.X. O'Kane MBBS, M Bioethics
Dr U. Read MBBS, FRACGP
Dr G. Reynolds MBBS DRACOG (Adv)
Dr D. Rodgers MBBS, Dip Obs, RANZCOG, FRCRRM
Dr M Shah MBBS
Dr P. Slot MBBS, FRACGP, DRACOG, FACRRM
Dr S. Sreenivasan MBBS [SN]
Dr S. Tarrant MBBS
Dr B. Weatherhead MBBS, BMedSci, FRACGP
Dr C. Weatherhead MBBS, BMedSci, DRANZCOG, DCH

Visiting General Surgeons
Mr A. Cichowitz MBBS (Hons), BMedSci, PG Dip SurgAnaes, FRACS
Mr A. MacLeod MBBS, FRACS, BSci
A/Prof F. Miller MBBS, PhD, FRACS
Mr P.R. Thomas MBBS, FRCS Ed, FRACS

Visiting Obstetricians & Gynaecologists
Dr L. Bennett MBBS (Hons), FRANZCOG
Dr L. Fogarty MBBS, FRANZCOG
Dr J. Krones MBBS, FRANZCOG
Dr A. Miglic MBBS, FRANZCOG

Visiting Ophthalmologists
Mr A. Atkins B. Med Sci., MBBS, FRANZCO
Dr N. Karunaratne MBBS, MPH, MBA, MMed, FRANZCO
Mr P. Meagher MBBS, FRANZCO, FRACS
Mr S. Permezel MBBS, FRANZCO, FRACS, FRC. Ophth (UK)
Dr C. Turnbull MBBS, BMedSci (Hons), FRACGP, MOpthSci, GCCT
Mr A. Van Heerden MBChB, FRANZCO

Visiting Oral & Maxillofacial Surgeon
Mr W. Besly MDSc, FRACDS (OMS), FRACDS

Visiting Medical Officers (continued)

Visiting Orthopaedic Surgeons
Dr W.R. Seager MBBS, FRACS, FA Orth A

Visiting Paediatrician
Mr T. Stubberfield MBBS, Dip RACOG, DCH (London), FRACP

Visiting Physician
Dr R. Krones MD, FRACP

Visiting Geriatrician
Dr L. Dhakal MBBS, MD, MPH

Visiting Palliative Care Physician
Dr C. Li MBBS BMedSc FRACP FAChPM

Visiting Urologists
Dr C. Dowling MS FRACS (Urol)
Mr M. Forbes MBBS (Hons), FRACS
Mr J. Goad MBBS, FRACS

Visiting Radiologists – Goulburn Valley Imaging Group
Dr I. Abeywardanalage MBBS, FRANZCR
Dr S. Begg MBBS, FRANZCR
Dr I. Karunaratne MBBS, FRANZCR
Dr A. Lakkaraju FRANZCR, FRCR (UK), MBBS
Dr G. Miller MBBS, FRANZCR
Dr P. Neelapriyantha MBBS, MD, FRANZCR
Dr P. Neerhut MBBS, FRANZCR
Dr J. Wong FRANZCR, MBBS, MMED (Rad)

Visiting Dentists
Dental - Northeast Health Wangaratta
Dr E. Pegan BDSc
Dr J. Ong BHSc (Dent), MDent
Dr P. Soni BDSc

Oral Health Therapists
Ms V. Contreras BOH
Mr G. Holtkamp BOHSc
Ms S. Razga BOH
Ms E. Larkin BOH

Benalla Visiting Dentists
Dr S. Jones BDSc

PART 2

2018-2019
Financial Statements

Independent Auditor's Report

Victorian Auditor-General's Office

To the Board of Benalla Health

Opinion	I have audited the financial report of Benalla Health (the health service) which comprises the: • balance sheet as at 30 June 2019 • comprehensive operating statement for the year then ended • statement of changes in equity for the year then ended • cash flow statement for the year then ended • notes to the financial statements, including significant accounting policies • board member's, accountable officer's and chief finance & accounting officer's declaration. In my opinion the financial report presents fairly, in all material respects, the financial position of the health service as at 30 June 2019 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 7 of the *Financial Management Act 1994* and applicable Australian Accounting Standards.
Basis for Opinion	I have conducted my audit in accordance with the *Audit Act 1994* which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report. My independence is established by the *Constitution Act 1975.* My staff and I are independent of the health service in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.
Board's responsibilities for the financial report	The Board of the health service is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the *Financial Management Act 1994*, and for such internal control as the Board determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error. In preparing the financial report, the Board is responsible for assessing the health service's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.

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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 2019

Travis Derricott
as delegate for the Auditor-General of Victoria

BENALLA HEALTH

BOARD MEMBER'S, ACCOUNTABLE OFFICER'S AND CHIEF FINANCE & ACCOUNTING OFFICER'S DECLARATION

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

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

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

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

Board Chair	Accountable Officer	Chief Finance & Accounting Officer
Benalla	Benalla	Benalla
29th August 2019	29th August 2019	29th August 2019

Benalla Health
Comprehensive Operating Statement
For the Financial Year Ended 30 June 2019

	Note	2019 $'000	2018 $'000
Income from Transactions			
Operating Activities	2.1	28,943	31,946
Non-operating Activities	2.1	266	272
Total Income from Transactions		29,209	32,218
Expenses from Transactions			
Employee Expenses	3.1	(22,557)	(21,881)
Supplies and Consumables	3.1	(2,387)	(2,694)
Finance Costs	3.1	0	(2)
Depreciation and Amortisation	4.4	(2,081)	(2,121)
Other Operating Expenses	3.1	(3,629)	(4,062)
Total Expenses from Transactions		(30,654)	(30,760)
Net Result from Transactions - Net Operating Balance		(1,445)	1,458
Other Economic Flows Included in Net Result			
Net Gain/(Loss) on sale of non-financial assets	3.2	21	10
Other Gain/(Loss) from Other Economic Flows	3.2	(157)	(3)
Total Other Economic Flows Included in Net Result		(136)	7
Net Result for the year		(1,581)	1,465
Other Comprehensive Income			
Items that will not be classified to Net Result			
Changes in Property, Plant & Equipment Revaluation Surplus	4.2b	11,622	0
Total Other Comprehensive Income		11,622	0
Comprehensive result for the year		10,041	1,465

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

Benalla Health
Balance Sheet as at 30 June 2019

	Note	2019 $'000	2018 $'000
Current Assets			
Cash and Cash Equivalents	6.2	12,040	6,001
Receivables	5.1	711	1,075
Investments & Other Financial Assets	4.1	0	9,074
Inventories		25	41
Other Financial Assets		165	56
Total Current Assets		12,941	16,247
Non-Current Assets			
Receivables	5.1	899	1,049
Property, Plant and Equipment	4.2	33,283	19,330
Intangible Assets	4.3	32	27
Total Non-Current Assets		34,214	20,406
TOTAL ASSETS		47,155	36,653
Current Liabilities			
Payables	5.2	1,294	1,599
Borrowings	6.1	23	24
Provisions	3.4	4,265	4,016
Other Current liabilities	5.3	2,125	1,617
Total Current Liabilities		7,707	7,256
Non-Current Liabilities			
Borrowings	6.1	19	24
Provisions	3.4	514	499
Total Non-Current Liabilities		533	523
TOTAL LIABILITIES		8,240	7,779
NET ASSETS		38,915	28,874
EQUITY			
Property, Plant and Equipment Revaluation Surplus	4.2f	26,230	14,608
General Purpose Surplus		434	425
Restricted Specific Purpose Surplus		118	75
Contributed Capital		13,293	13,293
Accumulated Surpluses/(Deficits)		(1,160)	473
TOTAL EQUITY		38,915	28,874
Commitments	6.3		

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

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

	Property, Plant and Equipment Revaluation Surplus	General Purpose Surplus	Restricted Specific Purpose Surplus	Contributed Capital	Accumulated Surpluses/ (Deficits)	Total
	$'000	$'000	$'000	$'000	$'000	$'000
Balance at 1 July 2017	14,608	415	50	13,293	(957)	27,409
Net result for the year	0	0	0	0	1,465	1,465
Transfer (to)/from Accumulated Surplus/(Deficit	0	10	25	0	(35)	0
Other comprehensive income for the year	0	0	0	0	0	0
Balance at 30 June 2018	14,608	425	75	13,293	473	28,874
Net result for the year	0	0	0	0	(1,581)	(1,581)
Transfer (to)/from Accumulated Surplus/(Deficit	0	9	43	0	(52)	0
Other comprehensive income for the year	11,622	0	0	0	0	11,622
Balance at 30 June 2019	26,230	434	118	13,293	(1,160)	38,915

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

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

	Note	2019 $'000	2018 $'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating Grants from Government		24,280	24,360
Capital Grants from Government		351	3,366
Patient and Resident Fees Received		1,544	1,327
Donations and Bequests Received		73	159
GST (Paid to)/Received from ATO		(8)	7
Interest Received		291	263
Other Receipts		2,997	2,761
Total Receipts		*29,528*	*32,243*
Employee Expenses Paid		(19,663)	(18,711)
Non Salary Labour Costs		(2,769)	(3,087)
Payments for Supplies and Consumables		(2,404)	(2,018)
Finance Costs		0	(2)
Other Payments		(3,833)	(4,372)
Total Payments		*(28,669)*	*(28,190)*
NET CASH FLOW FROM / (USED IN) OPERATING ACTIVITIES	8.1	859	4,053
CASH FLOWS FROM INVESTING ACTIVITIES			
(Purchase)/Sale of Investments		9,074	(755)
Purchase of Intangible Assets		(12)	0
Purchase of Non-Financial Assets		(4,455)	(1,253)
Proceeds from Sale of Non-Financial Assets		71	68
NET CASH FLOW FROM /(USED IN) INVESTING ACTIVITIES		4,678	(1,940)
CASH FLOWS FROM FINANCING ACTIVITIES			
Receipt of Monies Held in Trust		508	596
Repayment of Borrowings		(6)	0
NET CASH FLOW FROM /(USED IN) FINANCING ACTIVITIES		502	596
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS HELD		6,039	2,709
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR		6,001	3,292
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	6.2	12,040	6,001

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

BASIS OF PREPARATION

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

The accrual basis of accounting has been applied in preparing these financial statements, whereby assets, liabilities, equity, income and expenses are recognised in the reporting period to which they relate, regardless of when cash is received or paid.

NOTE 1 : SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These annual financial statements represent the audited general purpose financial statements for Benalla Health (ABN 96 078 399 891) for the year ended 30 June 2019. The report provides users with information about Benalla Healths' stewardship of resources entrusted to it.

(a) Statement of Compliance

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

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

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

(b) Reporting Entity

The financial statements include all the controlled activities of Benalla Health.

Its principal address is:
45-63 Coster Street
Benalla Victoria 3672

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

(c) Basis of Accounting Preparation and Measurement

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

The accounting policies have been applied in preparing the financial statements for the year ended 30 June 2019, and the comparative information presented in these financial statements for the year ended 30 June 2018.

The financial statements are prepared on a going concern basis (refer note 8.8 Economic Dependency).

These financial statements are presented in Australian Dollars, the functional and presentation currency of Benalla Health.

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

Benalla Health operates on a fund accounting basis and maintains three funds: Operating, Specific Purpose and Capital Funds.

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

NOTE 1 : SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) Basis of Accounting Preparation and Measurement (Continued)

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

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

- The fair value of land, buildings and plant and equipment (refer to Note 4.2 Property, Plant and Equipment);
- Defined benefit superannuation expense (refer to Note 3.4 Superannuation); and
- Employee benefit provisions are based on likely tenure of existing staff, patterns of leave claims, future salary movements and future discount rates (refer to Note 3.3 Employee Benefits in the Balance Sheet);

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

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

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

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

(d) Jointly Controlled Operation
Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

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

- its assets, including its share of any assets held jointly;
- any liabilities including its share of liabilities that it had incurred;
- its revenue from the sale of its share of the output from the joint operation;
- its share of the revenue from the sale of the output by the operation; and
- its expenses, including its share of any expenses incurred jointly.

Benalla Health is a Member of the Hume Region Health Alliance Joint Venture and retains joint control over the arrangement, which it has classified as a joint operation (refer to Note 8.7 Jointly Controlled Operations)

(e) Principles of Consolidation
Intersegment Transactions
Transactions between segments within Benalla Health have been eliminated to reflect the extent of Benalla Health's operations as a group.

(f) Equity
Contributed Capital
Consistent with the requirements of AASB 1004 *Contributions* , contributions by owners (that is, contributed capital and its repayment) are treated as equity transactions and, therefore, do not form part of the income and expenses of the Benalla Health.

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

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

Specific Restricted Purpose Surplus
The Specific Restricted Purpose Surplus is established where Benalla Health has possession or title to the funds but has no discretion to amend or vary the restriction and/or condition underlying the funds received.

NOTE 2: FUNDING DELIVERY OF OUR SERVICES

Benalla Health's overall objective is to provide quality health services that support and enhance the wellbeing of all Victorians. Benalla Health is predominantly funded by accrual based grant funding for the provision of outputs. Benalla Health also receives income from the supply of services.

Structure
2.1 Income from Transactions

Note 2.1: Income from Transactions

	Total 2019 $'000	Total 2018 $'000
Government Grants - Operating	24,303	24,112
Government Grants - Capital	351	3,366
Other Capital Purpose Income	73	274
Indirect Contributions by Department of Health and Human Services	(128)	121
Patient and Resident Fees	1,584	1,397
Private Practice Fees	143	133
Commercial Activities	198	201
Other Revenue from Operating Activities (including non-capital donations)	2,419	2,342
Total Income from Operating Activities	28,943	31,946
Interest	266	272
Total Income from Non-Operating Activities	266	272
Total Income from Transactions	29,209	32,218

NOTE 2.1: Income from Transactions (Continued)

Revenue Recognition

Income is recognised in accordance with AASB 118 Revenue and is recognised as to the extent that it is probable that the economic benefits will flow to Benalla Health and the income can be reliably measured at fair value.
Unearned income at reporting date is reported as income received in advance.

Amounts disclosed as revenue are, where applicable, net of returns, allowances, duties and taxes.

Government Grants and Other Transfers of Income (other than contributions by owners)

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

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

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

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

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

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

Patient and Resident Fees

Patient and resident fees are recognised as revenue on an accrual basis.

Private Practice Fees

Private Practice fees are recognised as revenue at the time invoices are raised.

Revenue from Commercial Activities

Revenue from commercial activities such as provision of meals to external users is recognised on an accrual basis.

Donations and Other Bequests

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

Interest Revenue

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

Sale of investments

The gain / (loss) on the sale of investments is recognised when the investment is realised.

Other Income

Other income includes recoveries for salaries and wages, sundry sales and minor facility charges.

NOTE 3: THE COST OF DELIVERING SERVICES

This section provides an account of the expenses incurred by Benalla Health 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 expenses and revenue by internally managed and restricted specific purpose funds
3.4 Employee benefits in the Balance Sheet
3.5 Superannuation

Note 3.1: Expenses from Transactions

	Total 2019 $'000	Total 2018 $'000
Salaries and Wages	17,417	17,074
On-costs	1,592	1,546
Agency Expenses	635	238
Fee for Service Medical Officer Expenses	2,769	2,846
Workcover Premium	144	177
Total Employee Expenses	22,557	21,881
Drug Supplies	261	254
Medical & Surgical Supplies (including Prosthesis)	1,144	1,335
Diagnostic and Radiology Supplies	124	147
Other Supplies and Consumables	858	958
Total Supplies and Consumables	2,387	2,694
Finance Costs	0	2
Total Finance Costs	0	2
Fuel, Light, Power and Water	553	488
Repairs and Maintenance	389	320
Maintenance Contracts	198	176
Medical Indemnity Insurance	332	350
Other Administration Expenses	2,124	2,290
Expenditure for Capital Purposes	33	438
Total Other Operating Expenses	3,629	4,062
Depreciation and Amortisation (refer note 4.4)	2,081	2,121
Total Other Non-Operating Expenses	2,081	2,121
Total Expenses from Transactions	30,654	30,760

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

Employee Expenses

Employee expenses include:

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

Supplies and consumables

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

Finance costs

Finance costs include:

- finance charges in respect of finance leases which are recognised in accordance with AASB 117 Leases.

Other operating expenses

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

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

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

Non-operating expenses

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

Note 3.2: Other Economic Flows included in Net Result

	Total 2019 $'000	Total 2018 $'000
Net gain/(loss) on sale of non-financial assets		
Net gain on disposal of property plant and equipment	21	10
Total net gain/(loss) on non-financial assets	21	10
Other gains/(losses) from other economic flows		
Net gain/(loss) arising from revaluation of long service liability	(157)	(3)
Total other gains/(losses) from other economic flows	(157)	(3)
Total other gains/(losses) from economic flows	(136)	7

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 the reserves to net result due to a disposal or derecognition of the financial instrument. This does not include reclassification between equity accounts due to machinery of government changes or 'other transfers' of assets.

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

- Revaluation gain/ (losses) of non-financial physical assets (Refer to Note 4.2 Property, Plant and Equipment)
- Net gain/(loss) on disposal of Non-Financial Assets
- Any gain or loss on the disposal of non-financial assets is recognised at the date of disposal.

Other gains/(losses) from other economic flows
Other gains/(losses) include:

- the revaluation of the present value of the long service leave liability due to changes in the bond rate movements, inflation rate movements and the impact of changes in probability factors; and
- transfer of amounts from the reserves to accumulated surplus or net result due to disposal or derecognition or reclassification.

NOTE 3.3: Analysis of expense and revenue by internally Managed and restricted specific purpose funds

	2019 $'000	2018 $'000	2019 $'000	2018 $'000
	Expense		Revenue	
Commercial Activities				
Catering & Supply Sales	428	419	145	198
Property	92	158	57	174
Other Activities				
Fundraising and Community Support	56	34	155	109
TOTAL	576	611	357	481

NOTE 3.4: Employee Benefits in the balance sheet	Total 2019 $'000	Total 2018 $'000
Current Provisions		
Employee Benefits (i)		
Annual Leave		
- unconditional and expected to be settled wholly within 12 months (ii)	1,217	1,164
- unconditional and expected to be settled wholly after 12 months (iii)	543	446
Long Service Leave		
- unconditional and expected to be settled wholly within 12 months (ii)	424	405
- unconditional and expected to be settled wholly after 12 months (iii)	1,656	1,601
Other		
- Accrued Days Off	48	46
	3,888	3,662
Provisions related to Employee Benefit On-Costs		
- unconditional and expected to be settled wholly within 12 months (ii)	156	149
- unconditional and expected to be settled wholly after 12 months (iii)	221	205
	377	354
Total Current Provisions	4,265	4,016
Non-Current Provisions		
Conditional Long Service Leave	465	452
Provisions related to Employee Benefit On-Costs	49	47
Total Non-Current Provisions	514	499
Total Provisions	4,779	4,515

Notes:
(i) Provisions for employee benefits consist of amounts for accrued days off, annual leave and long service leave accrued by employees, not including on-costs.
(ii) The amounts disclosed are nominal amounts
(iii) The amounts disclosed are discounted to present values

(a) Employee Benefits and Related On-Costs		
Current Employee Benefits and Related On-Costs		
Annual Leave Entitlements	1,915	1,610
Accrued Days Off	53	46
Unconditional LSL Entitlement	2,297	2,360
Non-Current Employee Benefits and related on-costs	4,265	4,016
Conditional Long Service Leave Entitlements	514	499
Total Employee Benefits and Related On-Costs	4,779	4,515

(b) Movements in Provisions		
Movement in Long Service Leave		
Balance at start of year	2,859	2,863
Provision made during the year		
- Revaluations	(17)	3
- Expense Recognising Employee Service	810	500
Settlement made during the year	(841)	(507)
Balance at end of year	2,811	2,859

Employee Benefit Recognition
Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave for services rendered to the reporting date as an expense during the period the services are delivered.

Provisions
Provisions are recognised when Benalla Health 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.

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

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

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

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

Long Service Leave
The liability for long service leave (LSL) is recognised in the provision for employee benefits.

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

The components of this current LSL liability are measured at:

- Undiscounted value – if Benalla Health expects to wholly settle within 12 months; or
- Present value – if Benalla Health 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.

Termination benefits
Termination benefits are payable when employment is terminated before the normal retirement date or when an employee decides to accept an offer of benefits in exchange for the termination of employment.

On-Costs related to employee expense
Provision for on-costs such as workers compensation and superannuation are recognised together with provisions for employee benefits.

NOTE 3.5: Superannuation

Fund		Paid Contributions for the Year		Outstanding Contributions at Year End	
		2019 $'000	2018 $'000	2019 $'000	2018 $'000
Defined Benefit Plans:	First State Super	48	48	0	0
Defined Contribution Plans:	First State Super	1,043	1,056	32	26
	HESTA	489	442	0	0
	Other	0	0	0	0
Total		1,580	1,546	32	26

Employees of the Health Service are entitled to receive superannuation benefits and the Health Service contributes to both defined benefit and defined contribution plans. The defined benefit plan(s) provides benefits based on years of service and final average salary.

Defined Benefit Superannuation Plans
The amount charged to the comprehensive operating statement in respect of defined benefit superannuation plans represents the contributions made by the Health Service to the superannuation plans in respect of the services of current Health Service staff during reporting period. Superannuation contributions are made to the plans based on the relevant rules of each plan and are based upon actuarial advice.

Benalla Health does not recognise any 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 discloses the State's defined benefits liabilities in its disclosure for administered items.

However superannuation contributions paid or payable for the reporting period are included as part of employee benefits in the comprehensive operating statement of the Health Service.

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

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

NOTE 4: KEY ASSETS TO SUPPORT SERVICE DELIVERY

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

Structure

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

NOTE 4.1: Investments and Other Financial Assets

	Operating Fund		Total	
	2019	2018	2019	2018
CURRENT	$'000	$'000	$'000	$'000
Loans and Receivables				
Term Deposits > 3 months (i)	0	9,074	0	9,074
TOTAL CURRENT INVESTMENTS AND OTHER FINANCIAL ASSETS	0	9,074	0	9,074
Represented by:				
Health Service Investments	0	8,084	0	8,084
Monies Held in Trust				
- Refundable Accommodation Bonds	0	990	0	990
TOTAL	0	9,074	0	9,074

(i) Term deposits under 'investments and other financial assets' class include only term deposits with maturity greater than 90 days.

Investment Recognition

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

Investments are classified as loans and receivables or available-for-sale financial assets.

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

Benalla Health investments must comply with Standing Direction 3.7.2 - Treasury and Investment Risk Management, including Central Banking System.

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

Derecognition of Financial Assets

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

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

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

Impairment of Financial Assets

At the end of each reporting period, the Health Service assesses whether there is objective evidence that a financial asset or group of financial assets is impaired. All financial instrument assets, except those measured at fair value through the Comprehensive Income Statement, 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 2019 for its portfolio of financial assets, the Health Service 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: Property, Plant & Equipment (a) Gross carrying amount and accumulated depreciation	Total 2019 $'000	Total 2018 $'000
Land		
- Land at Fair Value		
Crown Land	504	343
Freehold Land	1,598	1,141
Total Land	2,102	1,484
Buildings		
- Buildings Under Construction at Cost	4,594	845
- Buildings at Fair Value	23,867	19,535
Less Accumulated Depreciation	0	5,292
	28,461	15,088
Total Buildings	28,461	15,088
Plant and Equipment		
- Plant and Equipment at Fair Value	6,034	5,900
Less Accumulated Depreciation	4,246	3,868
Total Plant and Equipment	1,788	2,032
Medical Equipment		
-Medical Equipment at Fair Value	3,962	3,539
Less Accumulated Depreciation and Impairment	3,072	2,861
Total Medical Equipment	890	678
Leased Assets - Share of HRHA Leased Assets		
- Leased Assets af Fair Value	143	124
Less Accumulated Depreciation	101	76
Total Leased Assets	42	48
TOTAL	33,283	19,330

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

	Land	Buildings	Plant & Equipment	Medical Equipment	Leased Assets	Total
	$'000	$'000	$'000	$'000	$'000	$'000
Balance at 1 July 2017	1,484	15,829	2,040	818	80	20,251
Additions	0	630	498	118	7	1,253
Disposals	0	0	(57)	(1)	0	(58)
Depreciation and Amortisation (note 4.4)	0	(1,371)	(449)	(257)	(39)	(2,116)
Balance at 1 July 2018	1,484	15,088	2,032	678	48	19,330
Additions	0	3,750	246	425	34	4,455
Revaluation Increments	618	11,004	0	0	0	11,622
Disposals	0	0	(50)	0	0	(50)
Depreciation and Amortisation (note 4.4)	0	(1,381)	(440)	(213)	(40)	(2,074)
Balance at 30 June 2019	2,102	28,461	1,788	890	42	33,283

Land and buildings carried at valuation

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

NOTE 4.2: Property, Plant & Equipment (Continued)

(c) Fair value measurement hierarchy for assets

	Carrying amount as at 30 June 2019	Fair value measurement at end of reporting period using: Level 1 (i)	Level 2 (i)	Level 3 (i)
	$'000	$'000	$'000	$'000
Land at fair value				
Non-specialised land	632	0	632	0
Specialised land	1,470	0	0	1,470
Total of land at fair value	2,102	0	632	1,470
Buildings at fair value				
Non-specialised buildings	1,133	0	1,133	0
Specialised buildings	22,734	0	0	22,734
Total of building at fair value	23,867	0	1,133	22,734
Plant and equipment at fair value				
Plant equipment and vehicles at fair value				
- Vehicles	299	0	0	299
- Plant and equipment	1,489	0	0	1,489
Total of plant, equipment and vehicles at fair value	1,788	0	0	1,788
Medical equipment at fair value				
- Medical equipment	890	0	0	890
Total medical equipment at fair value	890	0	0	890
Leased Assets (HRHA)	42	0	0	42
Total Leased Assets (HRHA)	42	0	0	42
TOTAL	28,689	0	1,765	26,924

Note
(i) Classified in accordance with the fair value hierarchy.
There have been no transfers between levels during the period.

	Carrying amount as at 30 June 2018	Fair value measurement at end of reporting period using: Level 1 (i)	Level 2 (i)	Level 3 (i)
	$'000	$'000	$'000	$'000
Land at fair value				
Non-specialised land	604	0	604	0
Specialised land	880		0	880
Total of land at fair value	1,484	0	604	880
Buildings at fair value				
Non-specialised buildings	4,265	0	665	3,600
Specialised buildings	9,978	0	0	9,978
Total of building at fair value	14,243	0	665	13,578
Plant and equipment at fair value				
Plant equipment and vehicles at fair value				
- Vehicles	417	0	0	417
- Plant and equipment	1,615	0	0	1,615
Total of plant, equipment and vehicles at fair value	2,032	0	0	2,032
Medical equipment at fair value				
- Medical equipment	678	0	0	678
Total medical equipment at fair value	678	0	0	678
Leased Assets (HRHA)	48	0	0	48
Total Leased Assets (HRHA)	48	0	0	48
	18,485	0	1,269	17,216

Note
(i) Classified in accordance with the fair value hierarchy.
There have been no transfers between levels during the period.

NOTE 4.2: Property, Plant & Equipment (Continued)
(d) Reconciliation of Level 3 fair value measurement

30-Jun-19	Land $'000	Buildings $'000	Plant and Equipment $'000	Motor Vehicles $'000	Medical Equipment $'000	Leased Assets $'000
Balance at 1 July 2018	880	13,578	1,615	417	678	48
Purchases (sales)	0	1	219	(23)	425	34
Gains or losses recognised in net result						
- Depreciation	0	(1,381)	(345)	(95)	(213)	(40)
Subtotal	880	12,198	1,489	299	890	42
Items recognised in other comprehensive income						
- Revaluation	590	10,536	0	0	0	0
Subtotal	590	10,536	0	0	0	0
Balance at 30 June 2019	1,470	22,734	1,489	299	890	42

30-Jun-18	Land $'000	Buildings $'000	Plant and Equipment $'000	Motor Vehicles $'000	Medical Equipment $'000	Leased Assets $'000
Balance at 1 July 2017	880	14,667	1,623	417	818	80
Purchases (sales)	0	282	402	39	117	7
Gains or losses recognised in net result						
- Depreciation	0	(1,371)	(410)	(39)	(257)	(39)
Balance at 30 June 2018	880	13,578	1,615	417	678	48

(e) Fair Value Determination

Asset Class (a)	Likely valuation approach	Significant inputs (Level 3 only)
Non-specialised land	Market approach	n.a.
Specialised land (Crown/Freehold)	Market approach	Community Service Obligation Adjustments
Non-specialised buildings	Market approach	n.a.
Specialised Buildings	Depreciated replacement cost approach	- Cost per square metre - Useful life
Vehicles	Depreciated replacement cost approach	- Useful life
Plant and equipment Medical Equipment	Depreciated replacement cost approach	- Cost per square metre - Useful life

(f) Property, Plant and Equipment Revaluation Surplus

Property, Plant and Equipment Revaluation Surplus	Total 2019 $'000	Total 2018 $'000
Balance at the beginning of the reporting period	14,608	14,608
Revaluation Increment		
- Land	618	0
- Buildings	11,004	0
Balance at the end of the reporting period*	26,230	14,608
*Represented by:		
- Land	1,031	413
- Buildings	25,199	14,195
	26,230	14,608

NOTE 4.2: Property, Plant & Equipment (Continued)

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 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.

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

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

Revaluations of Non-current Physical Assets

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

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

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

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

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

In accordance with FRD 103H Benalla Health'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, Benalla Health has determined classes of assets on the basis of the nature, characteristics and risks of the asset and the level of fair value hierarchy as explained above.

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

The Valuer-General Victoria (VGV) is Benalla Health's independent valuation agency.

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

Valuation hierarchy

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

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

NOTE 4.2: Property, Plant & Equipment (Continued)

Identifying unobservable inputs (level 3) fair value measurements

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

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

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

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

In accordance with paragraph AASB 13.29, Benalla Health has assumed the current use of a non-financial physical asset is its HBU unless market or other factors suggest that a different use by market participants would maximise the value of the asset.

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

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

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

Vehicles

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

Plant and equipment

Plant and equipment (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 value.

There were no changes in valuation techniques throughout the period to 30 June 2019.

For all assets measured at fair value, the current use is considered the highest and best use.

NOTE 4.3: Intangible Assets Note 4.3 (a): Intangible assets - Gross carrying amount and accumulated amortisation	2019 $'000	2018 $'000
Share of HRHA Intangible Assets	50	38
Less Accumulated Amortisation	18	11
TOTAL	32	27

Note 4.3(b) Intangible assets - Reconciliation of the carrying amount by class of asset	HRHA $'000	Total $'000
Balance at 1 July 2017	91	91
Additions/(Disposals)	(59)	(59)
Amortisation (Note 4.4)	(5)	(5)
Balance at 1 July 2018	27	27
Additions/(Disposals)	12	12
Amortisation (Note 4.4)	(7)	(7)
Balance at 30 June 2019	32	32

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

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

NOTE 4.4: Depreciation and Amortisation	Total 2019 $'000	Total 2018 $'000
Depreciation		
Buildings	1,381	1,371
Plant and Equipment	151	449
Medical Equipment	213	257
Computers and Communication	210	0
Furniture and Equipment	24	0
Motor Vehicles	95	39
Total Depreciation	2,074	2,116
Intangible Assets - Share of HRHA Intangible Assets	7	5
Total Amortisation	7	5
Total Depreciation and Amortisation	2,081	2,121

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

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

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

	2019	2018
Buildings		
- Structure Shell Building Fabric	10 to 25 years	10 to 25 years
- Site Engineering Services and Central Plant	10 to 20 years	10 to 20 years
Central Plant		
- Fit Out	7 to 12 years	7 to 12 years
- Trunk Reticulated Building Systems	8 to 12 years	8 to 12 years
Plant and Equipment	3 to 30 years	3 to 30 years
Medical Equipment	4 to 20 years	4 to 20 years
Computers and Communication	3 to 12 years	3 to 12 years
Furniture and Fittings	5 to 20 years	5 to 20 years
Motor Vehicles	4 to 7 years	4 to 7 years

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

NOTE 5: Other assets and liabilities

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

Structure
5.1 Receivables
5.2 Payables
5.3 Other liabilities

NOTE 5.1: Receivables	Total 2019 $'000	Total 2018 $'000
CURRENT		
Contractual		
Inter Hospital Debtors	0	244
Trade Debtors	218	79
Share of HRHA Debtors	76	216
Patient Fees and Resident Debtors	179	137
Accrued Investment Income	32	57
Accrued Revenue - Other	99	97
Less Allowance for impairment losses of contractual receivables		
Patient Fees	(2)	0
Trade Debtors	(1)	(7)
	601	823
Statutory		
Accrued Revenue - Department of Health & Human Services	1	154
GST Receivable	109	98
	110	252
TOTAL	711	1,075
NON CURRENT		
Statutory		
Long Service Leave - Department of Health and Human Services	899	1,049
TOTAL NON-CURRENT RECEIVABLES	899	1,049
TOTAL RECEIVABLES	1,610	2,124
(a) Movement in the allowance for doubtful debts		
Balance at beginning of the year	7	13
Amounts written off during the year	(1)	0
Amounts recovered during the year	0	0
Increase/(decrease) in allowance recognised in net result	(3)	(6)
Balance at end of year	3	7

Receivables recognition

Receivables consist of:

- Contractual receivables, which consists of debtors in relation to goods and services and accrued investment income. These receivables are classified as financial instruments and categorised as 'financial assets at amortised costs'. They are initially recognised at fair value plus any directly attributable transaction costs. The Health Service holds the contractual receivables with the objective to collect the contractual cash flows and therefore subsequently measured at amortised cost using the effective interest method, less any impairment.
- Statutory receivables, which predominantly includes amounts owing from the Victorian Government and Goods and Services Tax (GST) input tax credits recoverable. Statutory receivables do not arise from contracts and are recognised and measured similarly to contractual receivables (except for impairment), but are not classified as financial instruments for disclosure purposes. The Health Service applies AASB 9 for initial measurement of the statutory receivables and as a result statutory receivables are initially recognised at fair value plus any directly attributable transaction cost.

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

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

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

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

Doubtful Debts

Collectability of debts is reviewed on an ongoing basis and debts which are known to be uncollectible are written off. A provision for doubtful debts is recognised when there is objective evidence that the debts may not be collected and bad debts are written of when identified. Those bad debts considered as written off by mutual consent are classified as a transaction expense. Bad debts not written off by mutual consent and the allowance for doubtful debts are classified as *other economic flows included in net result* .

NOTE 5.2: Payables	Total 2019 $'000	Total 2018 $'000
CURRENT		
Contractual		
Trade Creditors (i)	468	501
Accrued Expenses	260	306
Accrued Salaries and Wages	297	285
Share of HRHA Current Liabilities	206	277
	1,231	1,369
Statutory		
GST Payable	30	27
Department of Health and Human Services	1	177
Superannuation Obligations Payable	32	26
	63	230
TOTAL	1,294	1,599

(i) The average credit period is 45 days.

Payables consist of:

- contractual payables, classified as finanical instruments ans measured at amortised cost. Accounts payable represent liabilities for goods and services provided to Benalla Health prior to the end of the financial year that are unpaid; and
- statutory payables, that are recognised and measured similiarly 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.

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

NOTE 5.3: Other Liabilities	Total 2019 $'000	Total 2018 $'000
CURRENT		
Monies Held in Trust*		
- Patient Monies Held in Trust*	3	5
- Central Hume PCP*	882	622
- Accommodation Bonds (Refundable Entrance Fees)*	1,240	990
TOTAL	2,125	1,617
* Total Monies Held in Trust		
Represented by the following assets:		
Cash Assets (refer to Note 6.2)	2,125	627
Investments and other Financial Assets (refer to Note 4.1)	0	990
TOTAL	2,125	1,617

NOTE 6: HOW WE FINANCE OUR OPERATIONS

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

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

Structure
6.1 Borrowings
6.2 Cash and cash equivalents
6.3 Commitments for expenditure

NOTE 6.1: Borrowings

	Total 2019 $'000	Total 2018 $'000
Current Borrowings		
Finance Lease Liability (Share of HRHA finance lease liability)	23	24
Total Australian Dollars Borrowings	23	24
Total Current Borrowings	23	24
Non-Current Borrowings		
Finance Lease Liability (Share of HRHA finance lease liability)	19	24
Total Australian Dollars Borrowings	19	24
Total Non-Current Borrowings	19	24

Finance leases are held by the Hume Rural Health Alliance and are secured by the rights to the leased assets being held by the lessor.

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.

Finance Lease Liabilities	Minimum future lease payments		Present value of minimum future lease payments	
	2019	2018	2019	2018
Finance Leases	$'000	$'000	$'000	$'000
Repayments in relation to finance leases are payable as follows:				
Not later than one year	25	25	25	25
Later than 1 year and not later than 5 years	19	25	19	25
Later than 5 years	0	0	0	0
Minimum lease payments	44	50	44	50
Less future finance charges	2	2		2
TOTAL	42	48	44	48
Included in the financial statements as:				
Current borrowings finance lease liability	23	24	23	24
Non-current borrowings finance lease liability	19	24	19	24
TOTAL	42	48	42	48

The weighted average interest rate implicit in the finance lease is 5.86%.

Borrowing Recognition

A lease is a right to use an asset for an agreed period of time in exchange for payment. Leases are classified at their inception as either operating or finance leases based on the economic substance of the agreement so as to reflect the risks and rewards incidental to ownership.

Leases of property, plant and equipment are classified as finance leases whenever the terms of the lease transfers substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases, in the manner described in Note 6.3 Commitments.

Finance Leases

Entity as lessee

Finance leases are recognised as assets and liabilities at amounts equal to the fair value of the lease property or, if lower, the present value of the minimum lease payment, each determined at the inception of the lease. The lease asset is accounted for as a non-financial physical asset and is depreciated over the shorter of the estimated useful life of the asset or the term of the lease.
Minimum lease payments are apportioned between reduction of the outstanding lease liability, and the periodic finance expense which is calculated using the interest rate implicit in the lease, and charged directly to the Comprehensive Operating Statement.

NOTE 6.2: Cash and Cash Equivalents

	Total 2019 $'000	Total 2018 $'000
Cash on Hand	2	2
Cash at Bank	9,916	3,440
Short Term Deposits (Maturity < 3 Months)	2,122	2,559
TOTAL	12,040	6,001
Represented by:		
Cash for Health Service Operations	9,533	5,068
Share of HRHA Cash	382	306
Cash for Monies Held in Trust	2,125	627
TOTAL	12,040	6,001

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

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

NOTE 6.3: Commitments for Expenditure

	Total 2019 $'000	Total 2018 $'000
Capital Expenditure Commitments		
Payable:		
Aged Care Facility Redevelopment	159	4,445
Total Capital Expenditure Commitments	159	4,445
Total Commitments (inclusive of GST)	159	4,445
less GST recoverable from the Australian Taxation Office	(14)	(404)
Total Commitments (exclusive of GST)	145	4,041

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

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

NOTE 7: RISKS, CONTINGENCIES & VALUATION UNCERTAINTIES

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

Structure
7.1 Financial instruments
7.2 Contingent assets and Contingent liabilities

NOTE 7.1: Financial Instruments
Financial Risk Management Objectives and Policies

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 Benalla Health's activities, certain financial assets and financial liabilities arise under statute rather than a contract. Such financial assets and financial liabilities do not meet the definition of financial instruments in AASB 132 *Financial Instruments: Presentation.*

(a) Categorisation of financial instruments

2019	Financial Assets at Amortised Cost $'000	Contractual financial assets - loans and receivables $'000	Contractual financial liabilities at amortised cost $'000	Total $'000
Contractual Financial Assets				
Cash and cash equivalents	12,040	0	0	12,040
Receivables				
- Trade Debtors	470	0	0	470
- Other Receivables	131	0	0	131
Total Financial Assets (i)	12,641	0	0	12,641
Financial Liabilities				
Payables	0	0	1,231	1,231
Borrowings	0	0	42	42
Other Financial Liabilities				
- Accommodation Bonds	0	0	1,240	1,240
- Other	0	0	885	885
Total Financial Liabilities	0	0	3,398	3,398

2018	Financial Assets at Amortised Cost $'000	Contractual financial assets - loans and receivables $'000	Contractual financial liabilities at amortised cost $'000	Total $'000
Contractual Financial Assets				
Cash and cash equivalents	0	6,001	0	6,001
Receivables				
- Trade Debtors	0	669	0	669
- Other Receivables	0	154	0	154
Investments and Other Financial Assets				
- Term Deposits	0	9,074	0	9,074
Total Financial Assets (i)	0	15,898	0	15,898
Financial Liabilities				
Payables	0	0	1,369	1,369
Borrowings	0	0	48	48
Other Financial Liabilities				
- Accommodation Bonds	0	0	990	990
- Other	0	0	627	627
Total Financial Liabilities	0	0	3,034	3,034

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

NOTE 7.1: Financial Instruments (Continued)

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

Categories of financial assets under AASB 9

Financial assets at amortised cost
Financial assets are measured at amortised costs if both of the following criteria are met and the assets are not designated as fair value through net result:
- the assets are held by the Health Service to collect the contractual cash flows, and
- the assets' contractual terms give rise to cash flows that are solely payments of principal and interests.

These assets are initially recognised at fair value plus any directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method less any impairment.
The Department recognises the following assets in this category:
- cash and deposits;
- receivables (excluding statutory receivables);
- term deposits.

Financial assets at fair value through other comprehensive income
Debt investments are measured at fair value through other comprehensive income if both of the following criteria are met and the assets are not designated as fair value through net result:
- the assets are held by the Health Service to achieve its objective both by collecting the contractual cash flows and by selling the financial assets, and
- the assets' contractual terms give rise to cash flows that are solely payments of principal and interests.

Equity investments are measured at fair value through other comprehensive income if the assets are not held for trading and t the Health Service has irrevocably elected at initial recognition to recognise in this category.
These assets are initially recognised at fair value with subsequent change in fair value in other comprehensive income.
Upon disposal of these debt instruments, any related balance in the fair value reserve is reclassified to profit or loss. However, upon disposal of these equity instruments, any related balance in fair value reserve is reclassified to retained earnings.
The Health Service recognises certain unlisted equity instruments within this category.

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, the Health Service 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.
The Health Service 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 assets previously under AASB 139

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

Benalla Health recognises the following assets in this category:
- cash and deposits; and
- receivables (excluding statutory receivables).

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. Benalla Health recognises the following liabilities in this category:
- payables (excluding statutory payables); and
- borrowings (including finance lease liabilities).

Derecognition of financial assets: A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the rights to receive cash flows from the asset have expired.

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

NOTE 7.1: Financial Instruments (Continued)

Impairment of financial assets

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

The allowance is the difference between the financial asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. In assessing impairment of statutory (non-contractual) financial assets, which are not financial instruments, professional judgement is applied in assessing materiality using estimates, averages and other computational methods in accordance with AASB 136 *Impairment of Assets.*

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

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

				Maturity Dates			
	Note	Total Carrying Amount	Nominal Amount	Less than 1 Month	1 - 3 Months	3 Months - 1 Year	1 - 5 Years
2019		$'000	$'000	$'000	$'000	$'000	$'000
Financial Liabilities							
At amortised cost							
Payables (i)	5.2	1,231	1,231	1,231	0	0	0
Borrowings	6.1	42	42	2	6	17	17
Other Financial Liabilities							
- Accommodation Deposits	5.3	1,240	1,240	0	0	1,240	0
- Other	5.3	885	885	0	885	0	0
Total Financial Liabilities		3,398	3,398	1,233	891	1,257	17
2018							
Financial Liabilities							
At amortised cost							
Payables (i)	5.2	1,369	1,369	1,369	0	0	0
Borrowings	6.1	48	48	2	6	17	23
Other Financial Liabilities							
- Accommodation Deposits	5.3	990	990	0	0	990	0
- Other	5.3	627	627	0	627	0	0
Total Financial Liabilities		3,034	3,034	1,371	633	1,007	23

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

NOTE 7.1: Financial Instruments (Continued)

Note 7.1 (c): Contractual receivables at amortised costs

01-Jul-18	*Current*	*Less than 1 month*	*1-3 months*	*3 months - 1 year*	*1-5 years*	*Total*
Expected loss rate	0%	0%	0%	41%	0%	
Gross carrying amount of contractual receivables	749	37	27	17	0	830
Loss allowance	0	0	0	7	0	7

30-Jun-19	*Current*	*Less than 1 month*	*1-3 months*	*3 months - 1 year*	*1-5 years*	*Total*
Expected loss rate	0%	0%	0%	13%	0%	
Gross carrying amount of contractual receivables	493	74	14	23	0	604
Loss allowance	0	0	0	3	0	3

Impairment of financial assets under AASB 9 – applicable from 1 July 2018
From 1 July 2018, the the Health Service has been recording the allowance for expected credit loss for the relevant financial instruments, replacing AASB 139's incurred loss approach with AASB 9's Expected Credit Loss approach. Subject to AASB 9 impairment assessment include the Health Service's contractual receivables, statutory receivables and its investment in debt instruments.

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

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

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

Reconciliation of the movement in the loss allowance for contractual receivables

	2019	*2018*
Balance at the beginning of the year	7	13
Opening retained earnings adjustment on adoption of AASB 9	0	0
Opening Loss Allowance	7	13
Modification of contractual cash flows on financial assets	0	0
Increase in provision recognised in the net result	0	0
Reversal of provision of receivables written off during the year as uncollectible	0	0
Reversal of unused provision recognised in the net result	(4)	(6)
Balance at end of the year	3	7

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

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

Statutory receivables and debt investments at amortised cost [AASB2016-8.4]
The Health Service's non-contractual receivables arising from statutory requirements are not financial instruments. However, they are nevertheless recognised and measured in accordance with AASB 9 requirements as if those receivables are financial instruments.

Both the statutory receivables and investments in debt instruments are considered to have low credit risk, taking into account the counterparty's credit rating, risk of default and capacity to meet contractual cash flow obligations in the near term. As the result, the loss allowance recognised for these financial assets during the period was limited to 12 months expected losses. No loss allowance recognised at 30 June 2018 under AASB 139. No additional loss allowance required upon transition into AASB 9 on 1 July 2018.

NOTE 7.2: Contingent assets and Contingent liabilities

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

There are no known contingent assets or contingent liabilities for Benalla Health at the date of this report.

NOTE 8: OTHER DISCLOSURES

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

Structure

8.1 Reconciliation of Net Result for the Year to Net Cash Flow from Operating Activities
8.2 Responsible persons disclosure
8.3 Remuneration of Executive Officers
8.4 Related Parties
8.5 Remuneration of auditors
8.6 Events occurring after the balance sheet date
8.7 Jointly Controlled Operations
8.8 Economic Dependency
8.9 AASBs issued that are not yet effective

NOTE 8.1: Reconciliation of net result for the year to net cash inflow/(outflow) from operating activities	Total 2019 $'000	Total 2018 $'000
Net Result for the Year	(1,581)	1,465
Non-cash movements		
Depreciation and Amortisation	2,081	2,121
Movement in Provision for Doubtful Debts	0	(6)
Impairment of Intangible Assets	0	59
Movements included in investing and financing activities		
Net (gain)/loss from disposal of non financial physical assets	(21)	(10)
Movements in assets and liabilities		
Change in Operating Assets & Liabilities		
(Increase)/Decrease in Receivables	514	(139)
(Increase)/Decrease in Prepayments	(109)	(3)
Increase/(Decrease) in Payables	(311)	360
Increase/(Decrease) in Provisions	270	93
Change in Inventories	16	113
Net cash inflow/(outflow) from operating activities	859	4,053

NOTE 8.2: Responsible person disclosures

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

	Period
Responsible Ministers:	
The Honourable Jill Hennessy, Minister for Health and Minister for Ambulance Services	01/07/2018 - 29/11/2018
The Honourable Jenny Mikakos, Minister for Health and Minister for Ambulance Services	29/11/2018 - 30/06/2019
Governing Boards	
L. Armstrong	01/07/2018 - 30/06/2019
K. Scanlon	01/07/2018 - 30/06/2019
L. Marta	01/07/2018 - 30/06/2019
D. Elford	01/07/2018 - 30/06/2019
C. Ross	01/07/2018 - 30/04/2019
Dr V. Wadhwa	01/07/2018 - 30/06/2019
T. Smith	01/07/2018 - 30/06/2019
A. Cahill Lambert	01/07/2018 - 30/06/2019
T. Trounson	01/07/2018 - 30/06/2019
Accountable Officers	
J. Holland (Chief Executive Officer)	01/07/2018 - 30/06/2019

Remuneration of Responsible Persons

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

	Consolidated 2019	Consolidated 2018
Income Band	**$**	**$**
$0 - $9,999	9	8
$270,000 - $279,999	1	1
Total Numbers	10	9
Total remuneration received or due and receivable by Responsible Persons from the reporting entity amounted to:	$303,542	$274,959

Amounts relating to Governing Board Members and Accountable Officer are disclosed in the Health Service's controlled entities financial statements.
Amounts relating to Responsible Ministers are reported within the Department of Parliamentary Services' Financial Report.

NOTE 8.3: Remuneration of executives

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

Remuneration comprises employee benefits in all forms of consideration paid, payable or provided in exchange for services rendered, and is disclosed in the following categories:
Short-term employee benefits include amounts such as wages, salaries, annual leave or sick leave that are usually paid or payable on a regular basis, as well as non-monetary benefits such as allowances and free or subsidised goods or services.

Post-employment benefits include pensions and other retirement benefits paid or payable on a discrete basis when employment has ceased.

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

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

Remuneration of executive officers	Total Remuneration	
	2019 $'000	2018 $'000
Short-term employee benefits	286	383
Post-employment benefits	40	51
Other long-term benefits	7	12
Termination benefits	0	41
Total Remuneration	333	487
Total Number of executives	2	4
Total annualised employee equivalent (AEE)	2	4

Notes:
(i) The total number of executive officers includes persons who meet the definition of Key Management Personnel (KMP) of the entity under AASB 124 Related Party Disclosures and are also reported within the related parties note disclosure (Note 8.4).
(ii) Annualised employee equivalent is based on the time fraction worked over the reporting period. This is calculated as the total number of days the employee is engaged to work during the week by the total number of full-time working days per week (this is generally five full working days per week).

NOTE 8.4: Related parties

Benalla Health is a wholly owned and controlled entity of the State of Victoria. Related parties of the health service include:
- all key management personnel and their close family members;
- all cabinet ministers and their close family members; and
- Jointly Controlled Operation - A member of the Hume Region Health Alliance; and
- all hospitals and public sector entities that are controlled and consolidated into the whole of state consolidated financial statements.

KMP's are those people with the authority and responsibility for planning, directing and controlling the activities of Benalla Health, directly or indirectly.

The Board of Directors and the Executive Directors of Benalla Health are deemed to be KMPs.

Key Management Personnel	Position Title	Period
L. Armstrong	Chair of the Board	01/07/2018 - 30/06/2019
K. Scanlon	Board Member	01/07/2018 - 30/06/2019
L. Marta	Board Member	01/07/2018 - 30/06/2019
D. Elford	Board Member	01/07/2018 - 30/06/2019
C. Ross	Board Member	01/07/2018 - 30/04/2019
Dr V. Wadhwa	Board Member	01/07/2018 - 30/06/2019
T. Smith	Board Member	01/07/2018 - 30/06/2019
A. Cahill Lambert	Board Member	01/07/2018 - 30/06/2019
T. Trounson	Board Member	01/07/2018 - 30/06/2019
J. Holland	Chief Executive Officer	01/07/2018 - 30/06/2019
A. Nitschke	Executive Director of Finance & Corporate Services	01/07/2018 - 30/06/2019
S. Wilson	Executive Director of Clinical Services	01/07/2018 - 30/06/2019

NOTE 8.4: Related parties (Continued)

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

COMPENSATION	2019 $'000	2018 $'000
Short term employee benefits	560	473
Post-employment benefits	63	51
Other long-term benefits	13	12
Termination benefits	0	0
Total	636	536

(i)Total remuneration paid to KMPs employed as a contractor during the reporting period through accounts payable has been reported under short-term employee benefits.
(ii)KMPs are also reported in Note 8.2 Resposible Persons or Note 8.3 Remuneration of Executives.

Significant Transactions with Government-Related Entities
Benalla Health received funding from the Department of Health and Human Services of $21.74 million (2018: $25 million).

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

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

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

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

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

Other Transactions of Responsible Persons and their Related Parties	2019 $'000	2018 $'000
L. Marta is a partner in AMCAL Benalla Pharmacy. The health service purchases pharmaceutical supplies from the AMCAL pharmacy on normal commercial terms and conditions.	8	8

NOTE 8.5: Remuneration of Auditors	2019 $'000	2018 $'000
Victorian Auditor-General's Office	21	21
Audit or review of financial statement	21	21
Other Providers	30	27
Internal Audit Services	30	27

NOTE 8.6: Events occurring after the balance sheet date
There are no events occurring after the Balance Sheet Date.

NOTE 8.7: Jointly controlled operations and assets

Name of Entity	Ownership Interest 2019 %	Ownership Interest 2018 %
Hume Region Health Alliance	5.57	5.56

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

	2019 $'000	2018 $'000
Current Assets		
Cash and Cash Equivalents	382	306
Receivables	76	216
Other Current Assets	14	8
Total Current Assets	472	530
Non Current Assets		
Property Plant and Equipment	62	77
Intangible Assets	32	27
Total Non Current Assets	94	104
Total Assets	566	634
Current Liabilities		
Payables and Accrued Expenses	206	277
Other Current Liabilities	23	24
Total Current Liabilities	229	301
Non Current Liabilities		
Lease Liability	19	24
Total Non Current Liabilities	19	24
Total Liabilities	248	325
Net Assets	318	309

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

Revenues		
Operating Activities	489	448
Non Operating Activities	5	3
Total Revenue	494	451
Expenses		
Information Technology and Administrative Expenses	97	71
Other Expenses from Continuing Operations	334	314
Total Operating Expenses	431	385
Capital Purpose Income	0	228
Depreciation	(40)	(39)
Expenditure from Capital Purpose Income	(3)	(355)
Amortisation	(7)	(5)
Finance Lease Charges	(2)	(2)
Total Capital & Specific Items	(52)	(173)
Other Economic Flows included in the result		
Revaluation of Long Service Leave	0	0
Profit	11	(107)

Contingent Liabilities and Capital Commitments
There are no known contingent liabilities or capital commitments for Hume Region Health Alliance at the date of this report.

NOTE 8.8: Economic Dependency
Benalla Health is dependent on the Department of Health and Human Services for the majority of its revenue used to operate the entity. At the date of this report, the Board of Directors has no reason to believe the Department will not continue to support Benalla Health.

NOTE 8.9: AASBs issued that are not yet effective

Certain new Australian accounting standards and interpretations have been published that are not mandatory for 30 June 2019 reporting period. Department of Treasury and Finance assesses the impact of all these new standards and advises the Health Service of their applicability and early adoption where applicable.

As at 30 June 2019, the following standards and interpretations had been issued by the AASB but were not yet effective. They become effective for the first financial statements for reporting periods commencing after the stated operative dates as detailed in the table below. Benalla Health has not and does not intend to adopt these standards early.

Topic	Key Requirements	Effective date	Impact on financial statements
AASB 15 Revenue from Contracts with Customers	The core principle of AASB 15 requires an entity to recognise revenue when the entity satisfies a performance obligation by transferring a promised good or service to a customer. Note that amending standard AASB 2015-8 Amendments to Australian Accounting Standards - Effective Date of AASB 15 has deferred the effective date of AASB 15 to annual reporting periods beginning on or after 1 January 2018, instead of 1 January 2017.	01-Jan-19	The changes in revenue recognition requirements in AASB 15 may result in changes to the timing and amount of revenue recorded in the financial statements. Revenue from grants that are provided under an enforceable agreement that have sufficiently specific obligations, will now be deferred and recognised as the performance obligations attached to the grant are satisfied. There is an expectation this will impact capital grant funding, however it is not possible to quantify the impact until such time as funding is received and projects are commenced.
AASB 2018-4 Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Public-Sector Licensors	AASB 2018-4 amends AASB 15 and AASB 16 to provide guidance for revenue recognition in connection with taxes and Non-IP licences for Not-for-Profit entities.	01-Jan-19	AASB 2018-4 provides additional guidance for not-for-profit public sector licenses, which include: • Matters to consider in distinguishing between a tax and a license, with all taxes being accounted for under AASB 1058; • IP licenses to be accounted for under AASB 15; and • Non-IP, such as casino licenses, are to be accounted for in accordance with the principles of AASB 15 after first having determined whether any part of the arrangement should be accounted for as a lease under AASB 16. There is no material financial impact expected.
AASB 2016-8 Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities	AASB 2016-8 inserts Australian requirements and authoritative implementation guidance for not-for-profit-entities into AASB 9 and AASB 15. This Standard amends AASB 9 and AASB 15 to include requirements to assist not-for-profit entities in applying the respective standards to particular transactions and events.	01-Jan-19	This standard clarifies the application of AASB 15 and AASB 9 in a not-for-profit context. The areas within these standards that are amended for not-for-profit application include: AASB 9 • Statutory receivables are recognised and measured similarly to financial assets. AASB 15 • The 'customer' does not need to be the recipient of goods and/or services; • The "contract" could include an arrangement entered into under the direction of another party; • Contracts are enforceable if they are enforceable by legal or 'equivalent means'; • Contracts do not have to have commercial substance, only economic substance; and • Performance obligations need to be 'sufficiently specific' to be able to apply AASB 15 to these transactions. The impact on reporting capital funding has potential to result in material change, however this is not able to be quantified prior to receipt of capital grants and

NOTE 8.9: AASBs ISSUED THAT ARE NOT YET EFFECTIVE (Continued)

Topic	Key Requirements	Effective date	Impact on financial statements
AASB 16 Leases	The key changes introduced by AASB 16 include the recognition of most operating leases (which are currently not recognised) on balance sheet.	01-Jan-19	The assessment has indicated that most operating leases, with the exception of short term and low value leases will come on to the balance sheet and will be recognised as right of use assets with a corresponding lease liability. In the operating statement, the operating lease expense will be replaced by depreciation expense of the asset and an interest charge. There will be no change for lessors as the classification of operating and finance leases remains unchanged. There is no material impact from implementation of this standard due to the lack of existing operating leases.
AASB 2018-8 Amendments to Australian Accounting Standards – Right of Use Assets of Not-for-Profit entities	This standard amends various other accounting standards to provide an option for not-for-profit entities to not apply the fair value initial measurement requirements to a class or classes of right of use assets arising under leases with significantly below-market terms and conditions principally to enable the entity to further its objectives. This Standard also adds additional disclosure requirements to AASB 16 for not-for-profit entities that elect to apply this option.	01-Jan-19	Under AASB 1058, not-for-profit entities are required to measure right-of-use assets at fair value at initial recognition for leases that have significantly below-market terms and conditions. For right-of-use assets arising under leases with significantly below market terms and conditions principally to enable the entity to further its objectives (peppercorn leases), AASB 2018-8 provides a temporary option for Not-for-Profit entities to measure at initial recognition, a class or classes of right-of-use assets at cost rather than at fair value and requires disclosure of the adoption. The State has elected to apply the temporary option in AASB 2018-8 for not-for-profit entities to not apply the fair value provisions under AASB 1058 for these right-of-use assets. In making this election, the State considered that the methodology of valuing peppercorn leases was still being developed. No material impact during the period applicable under the election.
AASB 1058 Income of Not-for-Profit Entities	AASB 1058 will replace the majority of income recognition in relation to government grants and other types of contributions requirements relating to public sector not-for-profit entities, previously in AASB 1004 Contributions. The restructure of administrative arrangement will remain under AASB 1004 and will be restricted to government entities and contributions by owners in a public sector context, AASB 1058 establishes principles for transactions that are not within the scope of AASB 15, where the consideration to acquire an asset is significantly less than fair value to enable not-for-profit entities to further their objective	01-Jan-19	Grant revenue is currently recognised up front upon receipt of the funds under AASB 1004 Contributions. The timing of revenue recognition for grant agreements that fall under the scope of AASB 1058 may be deferred. For example, revenue from capital grants for the construction of assets will need to be deferred and recognised progressively as the asset is being constructed. The impact on current revenue recognition of the changes is the potential phasing and deferral of revenue recorded in the operating statement. Impact is not able to be quantified until such time as capital grants are received and projects commence.
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.	01-Jan-20	The standard is not expected to have a significant impact on the public sector. No material impact is expected.

NOTE 8.9: AASBs ISSUED THAT ARE NOT YET EFFECTIVE (Continued)

Topic	Key Requirements	Effective date	Impact on financial statements
AASB 2018-5 Amendments to Australian Accounting Standards – Deferral of AASB 1059	This standard defers the mandatory effective date of AASB 1059 from 1 January 2019 to 1 January 2020. AASB 1058 establishes principles for transactions that are not within the scope of AASB 15, where the consideration to acquire an asset is significantly less than fair value to enable not-for-profit entities to further their objective.	1 January 2020 (The State is intending to early adopt AASB 1059 for annual reporting periods beginning on or after 1 January 2019)	This standard defers the mandatory effective date of AASB 1059 for periods beginning on or after 1 January 2019 to 1 January 2020. As the State has elected to early adopt AASB 1059, the financial impact will be reported in the financial year ending 30 June 2019, rather than the following year.

The following accounting pronouncements are also issued but not effective for the 2018-18 reporting period. At this stage, the preliminary assessment suggests they may have insignificant impacts on public sector reporting.

- AASB 2017-1 Amendments to Australian Accounting Standards – Transfers of Investment Property, Annual Improvements 2014-16 Cycle and Other Amendments
- AASB 2017-4 Amendments to Australian Accounting Standards – Uncertainty over Income Tax Treatments
- AASB 2017-6 Amendments to Australian Accounting Standards – Prepayment Features with Negative Compensation
- AASB 2017-7 Amendments to Australian Accounting Standards – Long-term Interests in Associates and Joint Ventures
- AASB 2018-1 Amendments to Australian Accounting Standards – Annual Improvements 2015 – 2017 Cycle
- AASB 2018-2 Amendments to Australian Accounting Standards – Plan Amendments, Curtailment or Settlement
- AASB 2018-3 Amendments to Australian Accounting Standards – Reduced Disclosure Requirements
- AASB 2018-6 Amendments to Australian Accounting Standards – Definition of a Business