



ANNUAL REPORT 2018



Swan Hill
District Health
my hospital

Swan Hill District Health was established as the Lower Murray District Hospital in 1860.

It was incorporated as the Swan Hill District Hospital on March 11, 1872. The Health Service is now incorporated under Section 31 of the Health Services Act 1988.

NOTE 21A: RESPONSIBLE PERSONS DISCLOSURES

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

Responsible Ministers for the reporting period were:

The Honourable Jill Hennessy, Minister for Health and Ambulance Services

Martin Foley MLA, Minister for Mental Health

Martin Foley, MLA, Minister for Housing, Disability and Ageing

Jenny Mikakos MLC, Minister for Families, Children and Youth

Four publications are produced which deal with the functions, powers, duties and activities of the Hospital.

- i. The Constitution Objects and By-laws.
- ii. Strategic Plan.
- iii. The Annual Report and Financial Statements.
- iv. The Health Service Agreement.

Each is obtainable from Swan Hill District Health.



Pictured L-R: Tarli Westerland (RN), Kelly Mullen (RN) and Eileen Morath (RN). The SHDH staff influenza immunisation program achieved an 82% uptake.

Front cover pictured L-R: Dr. Krishna Vaidya and Vinitha Mathew (RN). The Swan Hill Blue Ribbon Foundation ball proceeds enabled the purchase of patient monitoring equipment for the Emergency Department.

Back cover: Swan Hill's newly completed Headspace building.

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Our Services	Inside Back Cover
Statement of Priorities 2017-2018: Part A, B & C	Refer Appendices
Financial Statements	Refer Appendices



Pictured L – R: Les McPhee, the Mayor of Swan Hill Rural City Council is pictured with SHDH Ladies Auxiliary members Sue Bryan and Isabel Proctor. The Swan Hill Rural City Council allocated from its Community Services funds for the purchase of a cash register at the Op Shop.

President and Chief Executive Officer Report

We introduced Geri-Connect telehealth (for our aged care residents); tele-fracture clinic and tele-oncology clinic. The use of this technology will enable Swan Hill to bring more of these services to our patients rather than our patients having to leave Swan Hill to access these services. We will explore further application of telehealth in other disciplines such as obstetrics, cardiology and psychiatry.

The sub-acute renovations of the first floor above the Primary Health Medical Centre are on track for completion in December 2018. This development of sub-acute/hospice service for our community was supported by community fundraising under the auspices of the Hospice Committee.

Seventeen fourth year Monash medical students completed their year through the Primary Health Medical Centre with broad exposure to our other health services. We are well placed to establish a University School of Rural Health.

In common with other rural health services we were challenged with the attraction and retention of hard-to-recruit staff particularly medical staff. Notwithstanding these challenges we provided our community with good clinical services that was reflected in the good performance scores where we achieved the set targets and performed well within our peer group of health services.

A new Headspace building and adjoining Counselling building was successfully completed in Pritchard Street to provide a much needed service for our community.

A Swan Hill Sub-region Health Services Plan was completed by a consulting group engaged by the Department of Health and Human Services in September 2017. This report identified *'the need to enhance our services and to undertake a master plan for the site to address capacity, infrastructure that is no longer fit for purpose, operational efficiency and clinical safety issues'*.

Keeping people well and out of hospital is a key driver for our health service and our Health Promotion Plan was embedded in the Swan Hill Rural City Council Public Health and Wellbeing Plan 2017 – 2021. This included a strong focus on healthy eating and active living with strategies promoting breastfeeding and healthy pregnancy. Early bookings to midwifery via radiology was successful with supportive health promotion and midwifery print information.

The nurse practitioner opioid replacement therapy service was established and supported the Alcohol and Drug Service Program.

Our Director of Medical Services (DMS) chaired the Loddon Mallee Regional Clinical Council Surgical and Anaesthetic Collaborative and the DMS and GP Registrar are members of the Loddon Mallee Region Coordinated Training Pathway Project.

Our DMS is a member of the Loddon Mallee Clinical Council that reports to the Loddon Mallee CEO Group. The CEO Group elected our CEO as chair of the CEO Group in 2017/18 and re-elected our CEO for 2018/19.



Mr. Peter Koetsveld



Mr. E.C. (Ted) Rayment

The Hardwiring for Excellence program provided a framework to improve our organisational culture and leadership throughout the health service. Changing a culture requires dedicated and persistent focus to improve behaviours in the workplace over a number of years.

The Hospital Op Shop raised an extraordinary \$142,000 which funded Endoscopic Equipment for the Operating Theatre. Other substantial donations include \$19,213 from Women Touched by Cancer; \$18,596 from Ultima & District Dryland Farmers; and \$22,507 from the Blue Ribbon Foundation.

A special thanks to Mrs Janine Kent who retired from the Board this year and we welcomed Mr. Andrew Gilchrist and Mr. Greg Kuchel as new members of our Board.

Finally we express our thanks to our many volunteers and the Community Advisory Group and to the Board Members, Executive and staff for their work throughout the year.

In accordance with the Financial Management Act 1994, we are pleased to present the Report of Operations for Swan Hill District Health for the year ending 30 June, 2018.

Mr. Peter Koetsveld
President
Board of Directors
Swan Hill District Health

Mr. E.C. (Ted) Rayment
Chief Executive Officer
Swan Hill District Health

Board of Directors



Mr. P.L. Koetsveld (Peter)

President
GAICD
Profession/Occupation: Project Manager
Appointed: 1st November, 2006



Mr. I.P. Ray (Ian)

Jnr. Vice President
M.A.I.C.O
Profession/Occupation: Retiree
Appointed: 1st September, 2008



Mr. G.R.J. Dunstan (Geoff)

R.N., B.H.A., LL.B., M.P.H.
Profession/Occupation: Lawyer
Appointed: 10th June, 2014



Mrs. A. Patney (Archana)

Ed., Dip Management, MAICD
Profession/Occupation: Teacher
Appointed: 1st July, 2016



Mr. A. Gilchrist (Andrew)

B.Business (Ag Commerce) CPA
Profession/Occupation: Accountant
Appointed: 1st July 2017



Ms. R.M. Kava (Rosanne)

Senior Vice President
BE.ME.GAICD
Profession/Occupation: Director
Appointed: 1st July, 2011



Dr. J.C. Christie (John)

Dip.Med & Surg., DTM & H., FAFPHM, FRACMA, MACTM.
Profession/Occupation: Consultant Medical Administrator
Appointed: 1st July, 2013



Mrs. J. Walters (Jodi)

DipEd., Grad Dip Spec.Ed
Profession/Occupation: Principal
Appointed: 1st July, 2014



Assoc. Professor D.J. Colville (Deb)

MBBS, PhD, FRANZCO, FRACS, M.P.H, Cert
Profession/Occupation: Ophthalmologist
Appointed: 1st July, 2016



Mr. G. Kuchel (Greg)

Masters of Agribusiness
Profession/Occupation: Regional Manager – Banking
Appointed: 1st July, 2017

Executive Staff

Chief Executive Officer:

Mr. E.C. (Ted) Rayment, B.Bus, Grad Dip PSEM, GAICD, Cert. of Health Economics, AFACHSE, FIPMA, FAIM.

Executive Officer - Clinical Services:

Mrs. K.T. Wright, RN, RM, ICCert., B.App. Sc.(Nsg.), MBA, FACN, AFCHSE, Grad.Cert.Hlth.Studies (Comm. Mental Health),

Executive Officer - Corporate Services:

Mr. R.J. Prockter, BHA, AFCHSE.

Executive Officer - Primary Care: Mr. P. Smith, Dip.App.Sc.(Pod.)

Director of Medical Services: Dr. Ka Chun Tse (KC), MBBS, MHM, MPH, FACHSM

AUDITOR: RSD Chartered Accountants (as agents of Auditor General of Vic.)

INTERNAL AUDITOR: AFS & Associates Pty Ltd. Bendigo

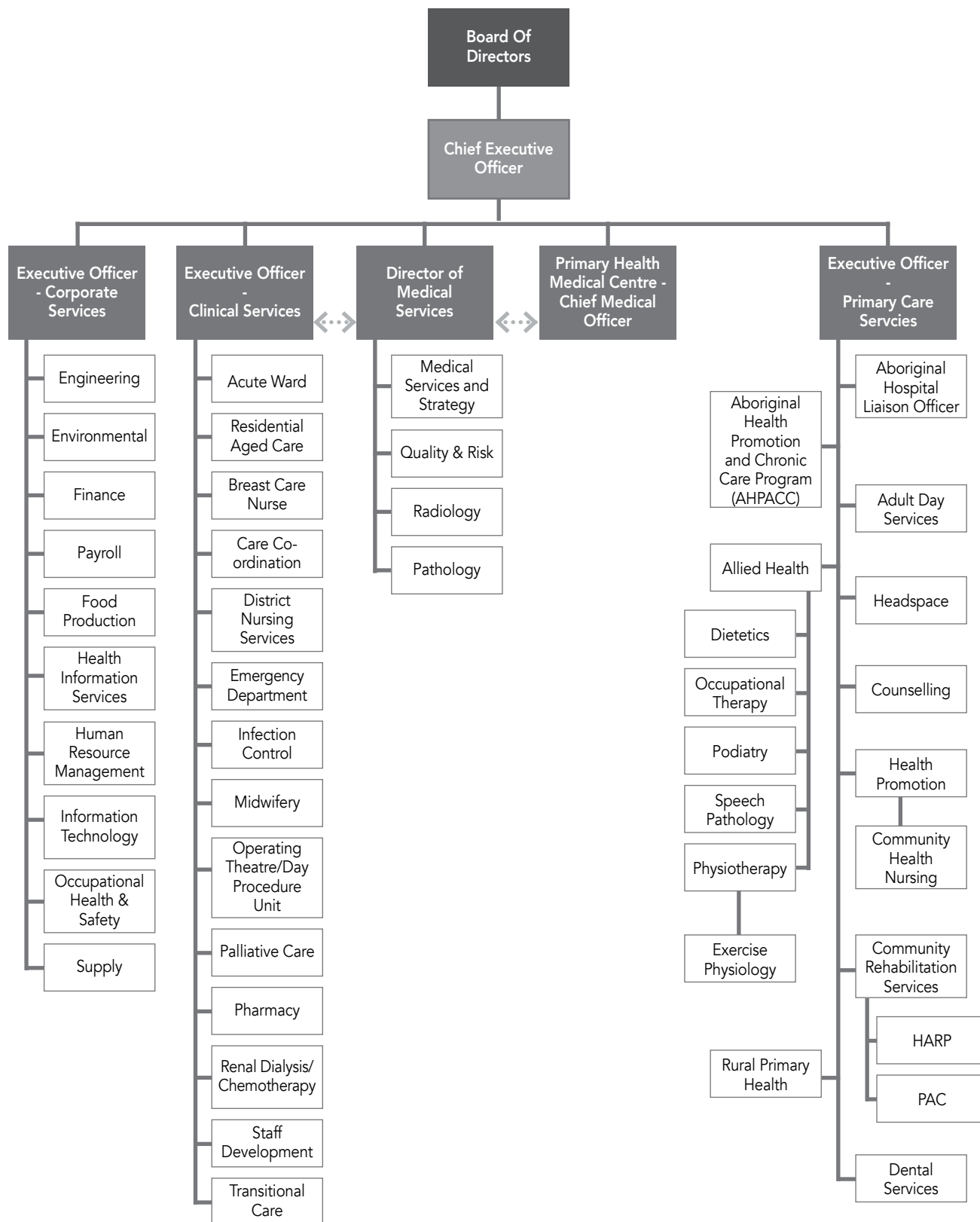
BANKERS: National Australia Bank

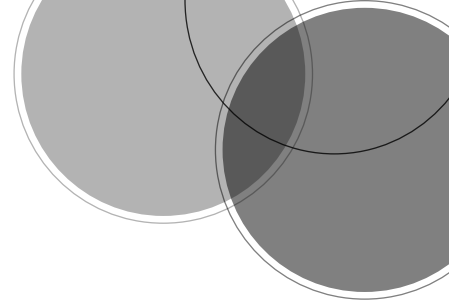


*L to R: Paul Smith, EO Primary Care Services;
Kathy Wright, EO Clinical Services;
Ted Rayment, CEO;
Rod Prockter, EO Corporate Services;
Dr. Ka Chun Tse, Director Medical Services.*

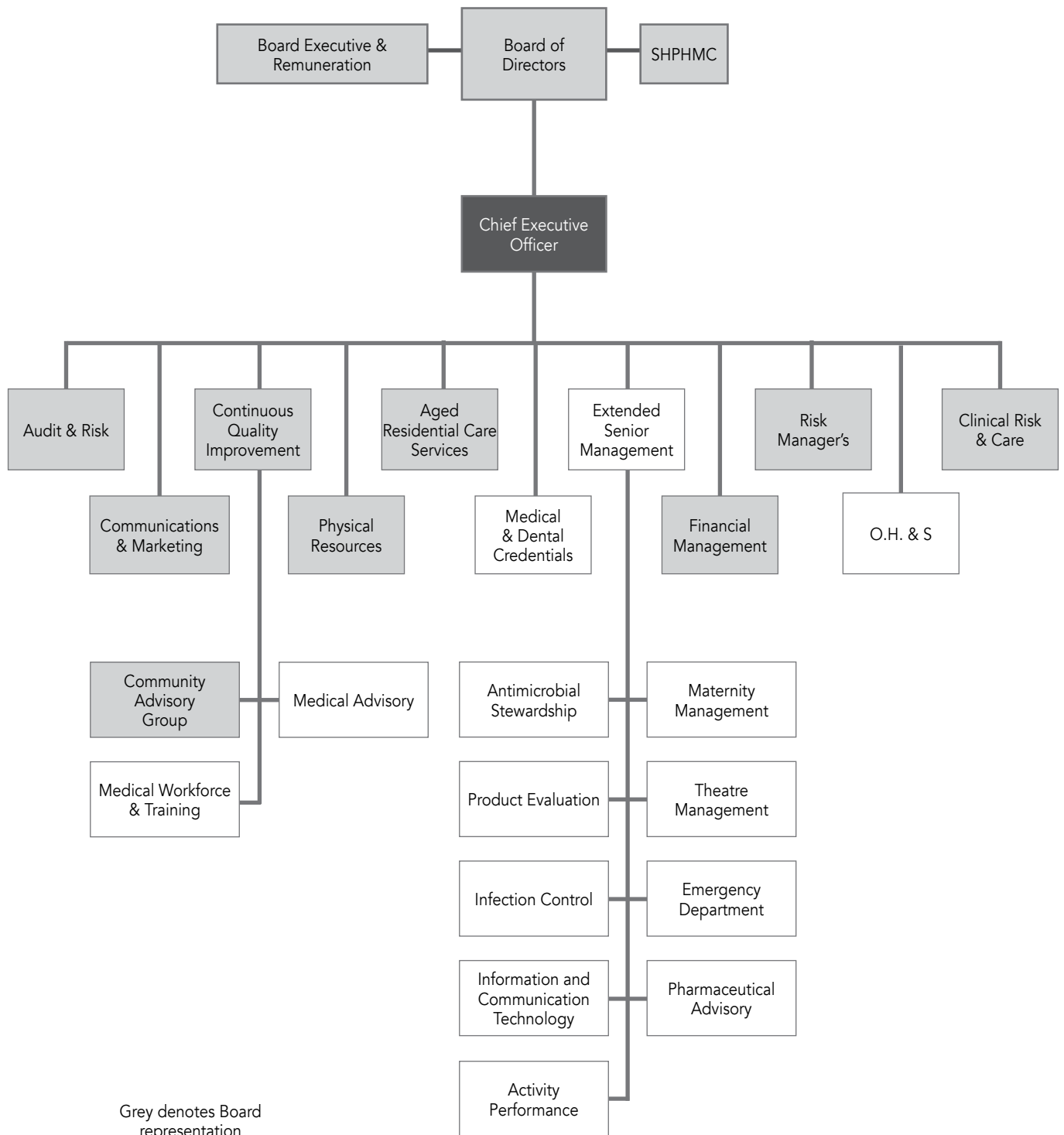
Organisation and Reporting Structure

ORGANISATIONAL CHART



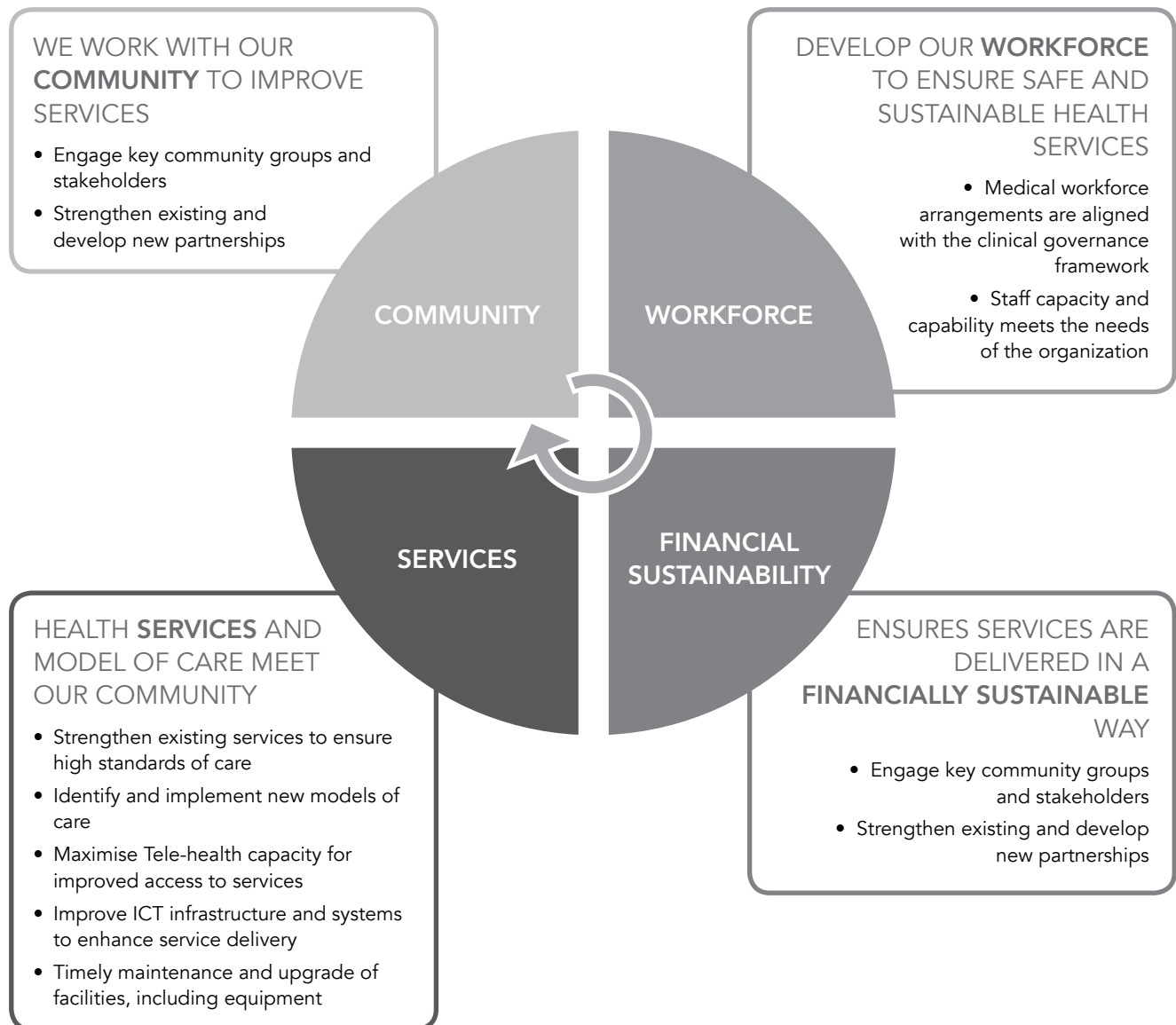


REPORTING STRUCTURE



Strategic Plan 2016-19

Swan Hill District Health will provide appropriate services in the right setting by dedicated people with and for our community.



VALUES				
RESPECT	PROFESSIONALISM	CARE	COMMITMENT	COLLABORATION
This means that you interact with others as you would expect them to interact with you.	This means we deliver services with integrity, honesty and competence.	This means that we provide a standard of service and support which we would expect for ourselves.	This means that we are dedicated to the promotion and success of the organization.	This means working together in a positive, supportive manner.

Senior Staff

MEDICAL DIVISION

Director Medical Services
Director Emergency Department
Medical Services Manager

Quality & Risk Manager
Chief Medical Imaging Technologist
Swan Hill Primary Health Medical Centre:
Chief Medical Officer
Practice Manager

Dr. Ka Chun Tse, MBBS, MHM, MPH, FACHSM.
Dr. D. Meaney, MBBS, JCCA, BSc.
Ms. K. Byron-Gray, RN, Dip Health Sci (Nursing), Critical Care Certificate,
Grad Dip Public Health
Ms. J. McQueen, RNBSNurs Adv.Dip.Bus.Ma, Int. Dip. RiskMan
Ms K. Irons, BMedRadSc (MedImaging) GradDip MSON.

Dr. E. Hession, BAMB.,BC H.,BAO.,DCH.,Dip.Obs.,FRACGP,FACRRM
Ms G. Kenyon

CLINICAL SERVICES DIVISION

Executive Officer

Associate Director of Nursing
Director of Nursing Aged Care
Nurse Unit Managers:

Acute Care Ward
Logan Lodge
Midwifery Unit
Emergency Department
Operating Theatre Rooms
District Nursing Services
Renal Dialysis/Chemotherapy
Jacaranda Lodge

Night Nurse in Charge

Care Co-ordinator
Infection & Prevention Control Coordinator
Palliative Care Co-ordinator
Director of Pharmacy
Breast Care Nurse
Staff Development Officer

Transition Care Coordinator

Mrs. K.T. Wright, RN, RM, ICCert.,B.App.Sc.(Nsg.),MBA, FACN,AFCHSE.
Grad.Cert.Hlth.Studies (Comm.Mental Health),
Mr. S. Victor, M.Sc., MN.
Mrs. M. Allen, RN. BGerontological Nsg, MHA, Grad Dip HM; BPublic Health

Ms. R. Hanns, RN BNsg, Grad Cert Acute Care Nsg. Dip Mgt.
Mrs. L. Sullivan, MN
Ms. P. Prinsloo RN.RM
Mrs. T. Oxley RN.Mid.Grad.Cert.Emerg.Nsg.,Adv.Dip.Bus.Man. M.NsgC
Mrs. D. Hartland, BN (Psy); BHSc. (Nsg); PGDip Peri-Op Nsg;
Mrs. M. Fox, RN, Post Grad Wound Care, Stomal and T&L
Ms. G. Mays, RN
Ms. A. Stefan RN, Grad Cert Cardiac Nsg, B.Ap.Sci (Naturopathy) and Adv.Dip Bus.Mgt.
Mrs. P. Rohde, RN,RM,Op.Th.Cert,B.Nsg.
Mrs. C. Beard, RN,RM.,Adv.Dip.Bus.Man.
Mrs. B. Leschke, EN,Dip.Welfare Studies (Community)
Ms. J. Deveraux, RN,Inf.Cont.Cert.,Peri-op.Cert.,Grad.Dip.Hlth.Sci.Mgt.,MAGN
Ms. C. Kemp, B.App.Sci.(Nsg) Grad.Cert. PalliativeCare, Grad.Cert.Oncol.
Mrs. L. Dwyer, B.Pharm.,FSHP,MSCPP.
Mrs. L. Bibby, BNurs, PGDipMid, MNSc(ChiFamC), Accr. Pap Test Prov.
Mrs. M.J. Mitton, RN. RM.,MRCNA Adv. Dip.Bus.Man..
Mrs. J. Sydes, RN. Grad.Cert.(Clinical Teaching) Dip.VET Practice
Mrs. M. Hennessy, RN.BNsg. Grad Cert Emerg Nsg.

CORPORATE SERVICES DIVISION

Executive Officer
Engineering Services Manager
Environmental Services/Supply Manager
Chief Finance Officer
Food Production Manager
Chief Health Information Manager
Occupational Health & Safety Officer
Human Resources Manager

Mr. R.J. Prockter, BHA.AFCHSE.
Mr. K. Herman, Dip.Eng.
Mr. D. McCallum, Adv.Dip.Bus.Man.
Mr. R. Karun, ACMA, BSc.,CPA
Mr. K. Blackman
Mrs. A. Harvey, BHIth Info Mgt
Mrs. J. Jones
Mr. S. Wainwright

PRIMARY CARE DIVISION

Executive Officer
Aboriginal Liaison Officer
ADS Coordinator (Acting)
Community Rehabilitation Co-ordinator
Counselling Services Head
Chief Dietitian/Health Promotion Head
Chief Occupational Therapist (Acting)
Chief Physiotherapist
Chief Podiatrist
Chief Speech Pathologist
Headspace Manager
Project Manager
Dental Clinic Coordinator

Mr. P. Smith, Dip.App.Sc.(Pod.)
Ms. D. Chaplin
Mrs. J. Garahy, B.Hlth Sc. (Physio)
Mrs. K. Corrie, B.Hlth.Sc.(OT)
Mrs. E. Witney, Ass Dip.Welfare Studies,Dip.Psych.(Counselling)
Mrs. G. Taylor, B.Sc.(Nut.),Grad.Dip.(Diet.) Adv.Dip.Bus.Man.
Ms. M. Barbarioli, B.App.Sc. (OT), Grad Dip Neuroscs
Mrs. E. Pay, B. Physio
Mrs. S. Worsnop, BSc. Podiatry
Mrs. L. Baker, B.Sp.Path.
Mr. I. Johansen, B.SocWrk(hons), GradCertYMH, AMHSW
Mrs. T. Lawry, B.App.Sc.(H.Prom.).
Mrs. J. Healey



Medical Staff

CLINICAL SERVICES DIVISIONS - HONORARY DIRECTORS

Anaesthetics	Dr. M. Elahi,, MB.BS.,D.A
Surgery	Mr. S. Tellambura, MB.BS., FRACS
Obstetrics and Gynaecology	Dr. M. Holsman, BM., BS. FRANZCOG
Chief Medical Officer	Dr.E.F. Hession, BAMB.,BC H.,BAO.,DCH.,Dip.Obs.,FRACGP.,FACRRM

SHDH PRIMARY MEDICAL CLINIC

Dr E.F. Hession, BAMB.,BC H.,BAO.,DCH.,Dip.Obs.,FRACGP.,FACRRM
 Dr J. Coshan, MBBS. FRACGP
 Dr S. Kelada MD FRACGP
 Dr I. Murphy MBBS. RVTS
 Dr E. Hawkey MBBS. RVTS
 Dr G. Chen, MBBS, Registrar
 Dr N. Puppala, MBBS, Registrar
 Dr N. Hani, MBBS, Registrar

SWAN HILL MEDICAL GROUP

Dr. J.J. Barry, MBBS.,Dip.Obs.(RACOG), FACRRM, Assoc. Member ASA
 Dr. R.S. Booth, MBBS.,Dip.Obs.(RACOG.),FRACGP
 Dr. M. Elahi, MBBS.,D.A.
 Dr. C.A. Stanbury, MBBS.(Hons.)
 Dr. R. Talukder, MBBS.
 Dr. M. Awal, MBBS.,M.D.,Dip.Card. Res. Aged Care
 Dr. Zeest Naveed, MBBS. Res. Aged Care
 Dr. H. Puppala, MBBS, Registrar
 Dr. D.G. Williamson, MBBS., FACRRM., J.C.C.A.,G.P.A

Cardiology	Dr. G.P. Leitl, B.E.,MBBS. FRACP.
General Medicine	Dr. P.J. Cooney, MBBS. FRACP.
General Surgery	Mr. S. Tellambura, MBBS. FRACS Mr. P. Modak, MBBS. Mr. G. Khan,MBBS.,FRACS.(Ed.),FRACS.
Geriatric Medicine	Dr. J. Wood, MBBS, DGM.
Obstetrics / Gynaecology	Dr. M. Holsman, BM., BS. FRANZCOG Dr. R. Monro, MBBS.,FRANZCOG.,FRCOG.
Nephrology	Dr. M. Lanteri, MBBS. FRACP.
Oncology	Dr. M Warren, MBBS. FRACP. Dr. R. Blum, MBBS.
Ophthalmic Surgery	Dr. S. Bassili, MB.B.Ch.,L.M.S.S.A.(Lon.),D.O.,FRACS.,FRACO.
Orthopaedic Surgery	Mr. N. Dayananda, MBBS, MS, FRCS Ed, FRACS (Ortho) Mr. S. Holland, MBBS.FRACS.
Otorhinolaryngology	Mr. P. Paddle, MBBS. FRACS. Mr. R. De Freitas, MBBS. FRACS.
Pathology	Australian Clinical Labs
Radiology	Dr. D.M. Cleeve, MBBS.FRANZCR. Dr. R. Jarvis, MBBS.FRANZCR. Dr. S. Skinner, MBBS. FRANZCR Dr. J. Eng, MBBS.,FRANZCR. Dr. J. Wilkie, MBBS.FRANZCR. Dr. J. Tamangani MB. Ch. B (Hons.) MSc. FRCR. Ms. J. Brennan, MBBS. (Hons), FRACS (Urology)
Urology	Dr. S. Zhang, B.D.Surg.,B.M.
Dental Surgeons	Dr. D. Kim, B.D.Surg Dr. S. Kim, B.D.Surg Dr. S. Lamichhane, B.D.Surg, MPH Dr. J. Leung, B.D.Surg Dr. K. Lin, B.D.Sc.(H)

Report of Operations

CONSULTANCIES

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

In 2017-2018 there was no consultancies where the fee payable to the consultant was \$10,000 or greater.

Details of Consultancies under \$10,000:

In 2017-18 there was one consultancy engaged during the year, where the total fees payable to the consultants was less than \$10,000.

BUILDING AND MAINTENANCE

Swan Hill District Health complies with the Building Act 1993.

FEES AND CHARGES

Swan Hill District Health charges fees in accordance with the Department of Human Services directives issued under Regulation 8 of the Hospitals & Charities (Fees) Regulations 1986 as amended.

FREEDOM OF INFORMATION

Freedom of information is the means whereby people may obtain access to information not normally available to them, in accordance with the terms of the Freedom of Information Act 1982.

The Principal Officer under the Act is the Chief Executive Officer; the authorised Freedom of Information Manager is the Executive Officer - Corporate Services.

The public may seek access to any documents and records held by Swan Hill District Health by making a written request to the Freedom of Information Manager.

This year 70 requests for information were received which related to personal documents.

INDUSTRIAL RELATIONS

Swan Hill District Health continues to function in an industrially stable environment.

QUALITY OF CARE

Swan Hill District Health has a strong commitment to quality and the standard of care that is delivered. To demonstrate our achievements Swan Hill District Health publishes a Quality of Care Report which is accessible on our website www.shdh.org.au. Additionally it is distributed to the community via the Swan Hill District Health Advisory Committee members and at strategic locations for public access.

FINANCIAL MANAGEMENT ACT 1994

In accordance with the direction of the Minister of Finance part 9.1.3 (iv), information requirements have been prepared and are available to the relevant Minister, Members of Parliament and the public on request.

SAFE PATIENT CARE ACT 2015

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

VICTORIAN INDUSTRY PARTICIPATION POLICY

Swan Hill District Health complies with the requirements of the Victorian Industry Participation Policy Act 2003.

During 2017/18, SHDH completed one VIPP project Stage 1 Headspace and Stage 2 Counselling Services Building at a cost of \$1.8m. The outcomes from the VIPP project are as follows:

- an average of 85.06% of local content commitment was made;
- a total of 77 jobs (AEE) was achieved including the creation of 2 new jobs and retention of 75 jobs;
- a total of 26 positions for apprentices/trainees was achieved including the creation of 4 new apprenticeships/traineeships and the retention of the remaining 22 existing apprenticeships/traineeships.

EX GRATIA EXPENSES

No ex gratia expenses have been incurred and written off during the reporting period.

OCCUPATIONAL VIOLENCE

Occupational Violence Statistics	2017 / 2018
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	110
Number of occupational violence incidents reported per 100 FTE	26.8
Percentage of occupational violence incidents resulting in a staff injury, illness or condition	3.6%

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 must be included. Code Grey reporting is not included, however, if an incident occurs during the course of a planned or unplanned Code Grey, the incident must be included.

Accepted Workcover Claims - accepted Workcover claims that were lodged in 2017/2018

Lost time – is defined as greater than one day.

Injury, Illness or Condition – this includes all reported harm as a result of the incident, regardless of whether the employee required time of work or submitted a claim.

Occupational Health and Safety Matters

Swan Hill District Health is committed to ensuring the health, safety and welfare of its visitors, patients and staff and maintains its responsibilities under the Occupational Health and Safety Act 2004 (Vic), and subsequent Regulations. SHDH take proactive measures to identify and implement mitigation strategies to reduce the risk of injury in consultation with employees, managers and other relevant consumers.

In 2017/2018, as a result of a slight increase in Standard Workcover Claims, SHDH focused on strengthening early interventions, early and comprehensive return to work planning and minimization of lost time, which has been directly reflected in a reduction in Premium Impacting Claim Costs. Although the number of reported Hazards / Incidents has remained stable, we have experienced a reduction in the severity of harm per incident due to the application of safety initiatives through new building works, redevelopment and purchasing of equipment.

	2015/2016	2016/2017	2017/2018
Number of Reported Hazards / Incidents per 100 FTE	25.3	27	26
Number of Lost Time Standard Claims per 100 FTE	0.81	1.02	1.21
Average Standard Workcover Claim Total Cost	\$38,619.84	\$14,578.82	\$2650.71

ENVIRONMENTAL PERFORMANCE

Swan Hill District Health strives to continually improve the health of the people in our community by providing health care in an environmentally sound and sustainable manner. Swan Hill District Health is committed to continual improvement in energy consumption to reduce its carbon footprint.

The Swan Hill District Health Environmental Management Plan provides details of organisational performance and strategies to reduce environmental impacts. Highlight for the year was the installation of LED lighting to both Swan Hill and Nyah West campuses.

AUDIT COMMITTEE

This Committee provides independent and objective appraisal on the organizations operation:-

Independent Members: C. Mahon, G. Hinton, W. Pollock.

Board Members: R. Kava, J. Christie, D. Colville.

PECUNIARY INTERESTS

Board of Directors are required in accordance with Swan Hill District Health By-laws to declare all pecuniary interests, which may reasonably, and foreseeably, be considered to create the potential for a conflict of interests with their position as a member of the Board.

These interests have been recorded.

PROTECTED DISCLOSURE ACT

Swan Hill District Health has policies and procedures consistent with the requirements of the Protected Disclosures Act 2012, which supports staff to disclose improper or corrupt conduct within the Service. In 2017-2018 there were no disclosures made to Swan Hill District Health under the Act.

CARERS RECOGNITION ACT 2012

Swan Hill District Health takes all practicable measures to ensure that its employees, agents and persons who are in care relationships receiving services have an awareness and understanding of the care relationship principles. We reflect the care relationship principles in developing, providing or evaluating support and assistance for persons in care relationships.

NATIONAL COMPETITION POLICY

Swan Hill District Health complies with the requirements of the National Competition Policy to State Competitive Neutrality Policy (as revised).

MERIT AND EQUITY

Swan Hill District Health is an equal opportunity employer and supports the principles of Merit and Equity. In addition it recognises and values the diverse skills and needs of different employees. Workplace policies have been developed to ensure these principles are practiced throughout the agency.

	Male	Female	ATSI	PWD	NESB
Full Time	49	117	1	-	31
Part Time	51	321	1	1	42
Casual	11	59	-	-	7

ATSI Aboriginal & Torres Strait Islander.

PWD People with Disability.

NESB Non-English Speaking Background.

NO. OF STAFF EMPLOYED AS AT 30th JUNE, 2018.

	June Month FTE		June YTD FTE	
	2017	2018	2017	2018
Nursing	171.0	172.3	166.3	170.7
Administration & Clerical	76.9	82.5	73.8	80.1
Medical Support Services	67.6	26.5	63.7	26.00
Hotel & Allied Services	69.9	79.9	66.8	74.8
Medical Officers	1.7	1.6	0.6	1.7
Hospital Medical Officers	16.6	16.2	14.1	15.0
Sessional / Clinicians	0.3	0.3	0.4	0.3
Ancillary Support	3.8	43.0	3.3	42.0
Total:	407.8	422.3	388.8	410.8

DATA INTEGRITY

I, Ted Rayment certify that Swan Hill District Health has put in place appropriate internal controls and processes to ensure that reported data accurately reflects actual performance.

Swan Hill District Health has critically reviewed these controls and processes during the year.



Ted Rayment, Accountable Officer
6th July, 2018

CONFLICT OF INTEREST

I, Ted Rayment, certify that Swan Hill District 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 Swan Hill District 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.



Ted Rayment, Accountable Officer
6th July, 2018

COMPLIANCE WITH HEALTH PURCHASING VICTORIA (HPV) HEALTH PURCHASING POLICIES

I, Ted Rayment certify that Swan Hill District 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.



Ted Rayment, Accountable Officer
6th July, 2018

FINANCIAL MANAGEMENT COMPLIANCE ATTESTATION

I Rosanne Kava, on behalf of the Responsible Body, certify that Swan Hill District Health has complied with the applicable Standing Directions of the Minister for Finance under the Financial Management Act 1994 and Instructions except for the following Material Compliance Deficiencies:

Direction SD 4.2.3 Asset Management Accountability

- i) Deficiencies exist in monitoring asset performance, asset management system performance and asset management strategy. In 2018-19 Swan Hill District Health will address these deficiencies through the development of an Asset Management Strategy & Framework and implementation of a new AIM system.



Rosanne Kava, Accountable Officer
22nd August, 2018.

Additional Information

Consistent with FRD22H (Section 6.19), details in respect of the items listed below have been retained by SHDH and are available to the relevant Ministers, Members of Parliament and the public on request (subject to the freedom of information requirements, if applicable):

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

Disclosure Index

The annual report of the Swan Hill District 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.

Legislation	Requirement	Page Reference
Ministerial Directions		
Report of Operations		
Charter and purpose		
FRD 22H	Manner of establishment and the relevant Ministers	Inside front cover
FRD 22H	Purpose, functions, powers and duties	Inside front cover
FRD 22H	Initiatives and key achievements	2
FRD 22H	Nature and range of services provided	Inside back cover
Management and structure		
FRD 22H	Organisational structure	4
Financial and other information		
FRD 10A	Disclosure index	12
FRD 11A	Disclosure of ex gratia expenses	9
FRD 21C	Responsible person and executive officer disclosures	2, 11 and Appendix 3
FRD 22H	Application and Operation of Protected Disclosure Act 2012	10
FRD 22H	Application and Operation of Carers Recognition Act 2012	10
FRD 22H	Application and operation of Freedom of Information Act 1982	9
FRD 22H	Compliance with building and maintenance provisions of Building Act 1993	9
FRD 22H	Details of consultancies over \$10,000	9
FRD 22H	Details of consultancies under \$10,000	9
FRD 22H	Employment and conduct principles	10
FRD 22H	Information and Communication Technology Expenditure	Appendix 4
FRD 22H	Major changes or factors affecting performance	2
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FRD 22H	Operational and budgetary objectives and performance against objectives	2 and Appendix 1, 2 & 3
FRD 22H	Summary of the entity's environmental performance	10
FRD 22H	Significant changes in financial position during the year	Appendix 2
FRD 22H	Statement on National Competition Policy	10
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FRD 22H	Workforce Data Disclosures including a statement on the application of employment and conduct principles	10
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SD 5.2.3	Declaration in report of operations	2
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Other requirements under Standing Directions 5.2		
SD 5.2.2	Declaration in financial statements	Appendix 3
SD 5.2.1(a)	Compliance with Australian accounting standards and other authoritative pronouncements	Appendix 3
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Legislation		
	Freedom of Information Act 1982	9
	Protected Disclosure Act 2012	10
	Carers Recognition Act 2012	10
	Victorian Industry Participation Policy Act 2003	9
	Building Act 1993	9
	Financial Management Act 1994	9
	Safe Patient Care Act 2015	9
	Disability Act 2006	

**ATTACHED HERE SHOULD BE
FINANCIAL STATEMENTS AND STATEMENTS OF PRIORITIES.**

Should these be missing contact CEO's office phone: (03) 5033 9221
or email: ceo.office@shdh.org.au



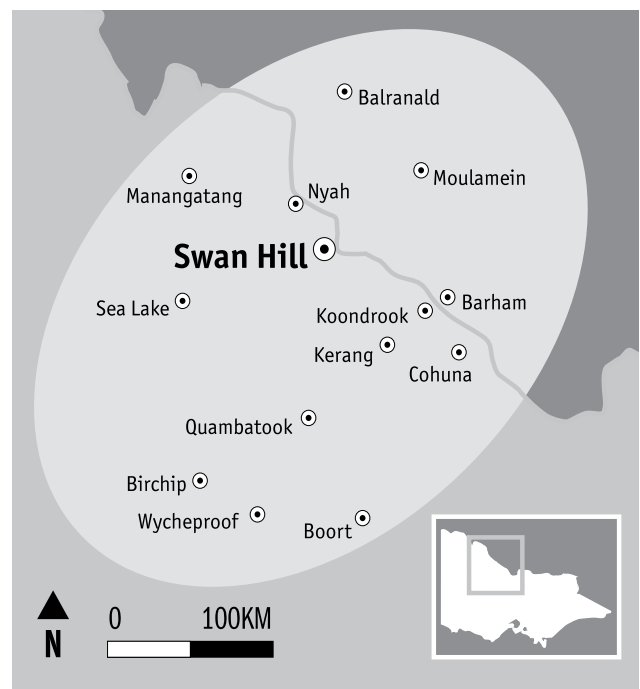
Our Services

SHDH PROVIDES THE FOLLOWING SERVICES:

Aboriginal Liaison	Health Clinics
Acute Care	Health Promotion
Adult Day Service	Hospital Admission Risk Program
Aged Care Residential	Hospital in the Home
Breast Care Nurse	Lymphoedema Service
Cardiology	Meals on Wheels
Care Co-ordination	Midwifery Unit
Chemotherapy	Nephrology
Community Health Nursing	Occupational Therapy
Community Rehabilitation	Oncology
Continence Service	Ophthalmology Surgery
Counselling Service, incl. Alcohol and Other Drug Services	Orthopaedic Surgery
Dental	Otorhinolaryngology Surgery
Dietetics	Paediatric Medicine
District Nursing	Palliative Care
Domiciliary Midwifery Service	Pharmacy
Drink Driver Program	Physiotherapy
Emergency Department	Podiatry
General Medicine	Post Acute Care Services
General Surgery	Preparation for Childbirth
Geriatric Medicine	Radiology
GP – Primary Health Clinic	Speech Pathology
Gynaecology	Stomal Therapy
Haemodialysis	Transitional Care
Headspace	Urology Surgery
	Vascular Services

SERVICES LOCATED AT MAIN CAMPUS PROVIDED BY OTHERS:

Ophthalmology Clinic
Loddon Mallee Integrated Cancer Service
Australian Clinical Labs





Swan Hill
District Health
my hospital

Splatt Street, PO Box 483, Swan Hill, Vic 3585

Phone: (03) 5033 9300

www.shdh.org.au

ABN: 24 314 338 210



Swan Hill District Health

Appendix 1:

Statement of Priorities – 2017-2018 – Part A, B & C

Financial statements for the year ended 30th June, 2018.

Appendix 2:

- Activity Data
- Summary of Financial Results
- Comparative Statistical Statement for five years
- Financial Result for 2017/18.

Appendix 3:

- Victorian Audit-General's Office Report

Appendix 4:

- Information and Communication Technology (ICT) expenditure

PART A

Priority	Deliverable	Outcomes
Better Health	Implement the Integrated Health Promotion Plan 2017-2021, including a Food Forum for welfare services with a focus on prevention and building cooking skills.	Integrated Health Promotion Plan 2017-2021 with Swan Hill Rural City Council and other local organisation completed. Food Forum held in October 2017 and Food Security Working Party established.
	Assist Early Childhood Services to participate in the Healthy Together Achievement Program.	Health Promotion Department supported local early childhood services and primary schools to implement changes in accordance with Health Together Achievement Program.
	Develop and deliver physiotherapy, speech pathology and occupational therapy services for children with autism and disabilities.	Service delivery for Commonwealth Helping Children with Autism and Better Start was developed and commenced..
	Develop process for Alcohol and Other Drugs Walk In Assessments.	'Walk In' assessments developed and in the process of completion by AHDH Counselling Services
Better Access	Establish a nurse practitioner opioid replacement therapy service at Swan Hill District Health with multidisciplinary support.	Nurse practitioner opioid replacement therapy service established. Poster presentation developed for the Innovation and Improvement Program (formerly Redesign).
	Develop a model of care for a new inpatient subacute service which includes geriatrician support from Bendigo Health, on-site and by telemedicine (Geri-Connect).	Geriatrics Service Level Agreement signed with Bendigo Health and Geri-Connect service implemented.
	Implement YARN SAFE Program to improve access for Aboriginal youth to headspace services.	Commencement of YARN SAFE program with appointment of Aboriginal position completed in July 2017.
	Develop action plan in response to the Clinical Services Plan to ensure capacity to deliver clinical and support services.	Commitment to PROMPT in Midwifery with appointment of a 0.1FTE Co-ordinator. Increase in Nursing staff Development to better support student placements.
	Review and seek support for a model for fractures telemedicine service between Swan Hill District Health and Bendigo Health.	Tele-fracture service commenced in May 2018 following extensive planning and staff education.
	Participate in the Loddon Mallee Region Coordinated Training Pathway Project to enhance recruitment of medical graduates.	Director of Medical Services and Visiting Medical Officer from Swan Hill District Health joined the Loddon Mallee Regional Coordinated Training Pathway Project.
Better Care	Establish a process for the local review of surgical mortality and morbidity.	Established within the Swan Hill District Health Surgical Unit and reports to the health service's main Mortality & Morbidity Committee.
	Expand the suite of clinical performance indicators in line with the recommendations of Targeting Zero	Clinical indicator dashboard to the Swan Hill District Health Continuous Quality Improvement Committee now reflects the recommendations of Targeting Zero.
	Develop Physiotherapy Emergency Department model by March 2018.	Physiotherapy implemented non-admitted clinic for follow up of patients presenting to Emergency Department for musculoskeletal injuries.

Priority	Deliverable	Outcomes
	Establish partnership between Bendigo Health Mental Health and headspace Swan Hill for delivery of Young People with or at risk of severe mental ill health project.	MOU between Bendigo Health Psychiatric Services Youth Team and Swan Hill headspace for Young People with Complex Needs program established November 2017.
3 Mandatory actions against the 'Target zero avoidable harm' Goal:	Develop and deliver a staff education program on identifying, reporting and escalating patient safety concerns by June 2018.	Introduction of feeling worse call the nurse, across the organisation was implemented, with strengthened auditing process, a gap in escalation of medical review and MET criteria was identified, a quality improvement activity was undertaken with the introduction of MET, Code Blue stickers that reduces the amount of time taken for staff to complete and incident report, and provides prompt notification to the Quality & Risk Department to undertake case reviews with referral to DMS, EO Clinical Services and Unit managers were concerns are identified, and action plans were developed to close gaps.
	Work with the Loddon Mallee Regional Clinical Council to develop roles of external specialists in clinical reviews in partnership with Bendigo Health.	Director of Medical Services served in the Loddon Mallee Regional Clinical Council, and chaired the Council's Surgical & Anaesthetic Collaborative to establish a regional Perioperative Mortality & Morbidity Review process. Swan Hill District Health continued to participate in the Loddon Mallee Regional Perinatal Mortality & Morbidity Committee.
	Develop a consumer consultation team to review quartile Victorian Healthcare Experience Survey results and to identify and monitor improvement actions.	An external advertising campaign was undertaken with no candidates coming forward to assist with process. Considered by the Community Advisory Group with options of different layouts of data and information provided, a decision regarding new layout was reached and has now been implemented.
	Develop a suite consumer stories for training purposes in regards to person centred care October 2017.	Patient stories were produced by the HIC in conjunction with SHDH, Only unhappy stories produced due to HIC time constraints and consumers pulling out. New positive consumer experience stories, identified and formatted to present to staff in conjunction with the unhappy stories.
	Establish a volunteer help desk for all departments to enhance patient care by June 2018.	Volunteers appropriate for working at the volunteer desk were identified.

SWAN HILL DISTRICT HEALTH

SoP PART B

PART B: Performance Priorities

High Quality and Safe Care	Target	Outcome
Accreditation		
Accreditation against the National Safety and Quality Health Service Standards	Full Compliance	Achieved
Compliance with the Commonwealth's Aged Care Accreditation Standards	Full Compliance	Achieved
Hand Hygiene Programme Compliance	80%	87%
VICNISS – Data Compliance	Full Compliance	Full Compliance
Immunisation Rate	75%	90%
Adverse Events		
Number of sentinel events	Nil	Achieved
Mortality – number of deaths in low mortality DRGs**	Nil	N/A*
*This indicator was withdrawn during 2017-18 and is currently under review by the Victorian Agency for Health Information		
Strong governance, leadership and culture		
People matter survey – percentage of staff with an overall positive response to safety and culture questions	80%	94%
People matter survey – percentage of staff with a positive response to the question, “I am encouraged by my colleagues to report any patient safety concerns I may have”	80%	97%
People matter survey – percentage of staff with a positive response to the question, “Patient care errors are handled appropriately in my work area”	80%	97%
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%	89%
People matter survey – percentage of staff with a positive response to the question, “Management is driving us to be a safety-centred organisation”	80%	95%
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%	93%
People matter survey – percentage of staff with a positive response to the question, “Trainees in my discipline are adequately supervised”	80%	94%
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%	89%

Maternity and newborn	Target	Outcome
Rate of singleton term infants without birth anomalies with APGAR score <7 to 5 minutes	≤ 1.6%	1.4%
Rate of severe foetal growth restriction in singleton pregnancy undelivered by 40 weeks	≤ 28.6%	16.7%
Key performance indicator		
Emergency care		
Percentage of patients transferred from ambulance to emergency department within 40 minutes ambulance patients transferred within 40 minutes	90%	98%
Percentage of Triage Category 1 emergency patients seen immediately	100%	100%
Percentage of Triage Category 1 to 5 emergency patients seen within clinically recommended times	80%	88%
Percentage of emergency patients with a length of stay less than four hours	81%	80%
Number of patients with a length of stay in the emergency department greater than 24 hours	0	2
Patient experience		
Victorian Healthcare Experience Survey—data submission	Full compliance	Achieved
Victorian Healthcare Experience Survey—positive patient experience Quarter 1	95% positive experience	94%
Victorian Healthcare Experience Survey—positive patient experience Quarter 2	95% positive experience	95%
Victorian Healthcare Experience Survey—positive patient experience Quarter 3	95% positive experience	95%
Victorian Healthcare Experience Survey—very positive responses to questions on discharge Qtr 1	75% very positive experience	79%
Victorian Healthcare Experience Survey—very positive responses to questions on discharge Qtr 2	75% very positive experience	83%
Victorian Healthcare Experience Survey—very positive responses to questions on discharge Qtr 3	75% very positive experience	84%
Victorian Healthcare Experience Survey—patients perception of cleanliness Qtr 1	70% positive experience	79%
Victorian Healthcare Experience Survey—patients perception of cleanliness Qtr 2	70% positive experience	81%
Victorian Healthcare Experience Survey—patients perception of cleanliness Qtr 3	70% positive experience	79%

Effective Financial Management

Key performance indicator	Target	Actual
Finance		
Operating result (\$m)	\$0m	\$0.016m Deficit
Trade creditors	< 60 days	45 days
Patient fee debtors	< 60 days	16 days
Adjusted current asset ratio	0.7 or 3% improvement from health service base target	0.98
Number of days with available cash	14 days	69 days

SoP PART C

Part C: Activity and Funding

Activity	Target	Actual	% of Target Achieved
WIES Public	3,563.00	3,380.71	94.88%
WIES Private	949.00	889.10	93.69%
WIES DVA	97.00	68.24	70.35%
WIES TAC	14.00	13.87	99.07%
WIES NBCSP	5.63	13.45	238.90%
WIES TOTAL	4,628.63	4,365.37	94.31%

SWAN HILL DISTRICT HEALTH KEY FINANCIAL AND SERVICE PERFORMANCE ACTIVITY

APPENDIX 2

ACTIVITY DATA

Admitted Patient	Acute Health	Aged Care	Other	Total
Separations				
Same Day	3,734			3,734
Multi Day	2,506	142		2,648
Total Separations	6,240	142		6,382
Emergency	2,060			2,060
Elective	3,878			3,878
Other	302			302
Total Separations	6,240			6,240
Public Separations	4,398			4,398
Total WIES	4,366			4,366
Total Bed Days	13,678	26,950		40,628

Non Admitted Patients	Acute Health	Sub Acute	Other	Total
Emergency Medical Attendances	11,829			11,829
Outpatient Services	18,416		0	18,416
Other Services **	-	15,622	26,612	42,234
Total Occasions of Service	30,245	15,622	26,612	72,479

**** Includes : Community Rehabilitation Centre, Palliative Care, HACC Services, ADASS Support Service, Primary Care, Health Promotion and Koori Liaison Services.**

SUMMARY FINANCIAL RESULTS

	2017/18 \$000	2016/17 \$000	2015/16 \$000	2014/15 \$000	2013/14 \$000
Total Expenses	64,499	60,811	54,831	52,891	50,546
Total Revenue	63,404	58,160	63,969	55,553	49,535
Net Surplus / (Deficit) for the Year	(1,095)	(2,651)	9,138	2,662	(1,011)
Accumulated Surpluses	2,540	4,121	6,890	(2,070)	(4,534)
Total Assets	83,548	81,343	79,355	67,197	61,929
Total Liabilities	25,427	22,551	17,912	14,891	12,285
Net Assets	58,121	58,792	61,443	52,306	49,644
Total Equity	58,121	58,792	61,443	52,306	49,644

FINANCIAL RESULT FOR 2017/18

Swan Hill District Health has an Operating results before Capital and Specific items in deficit of \$16k. Total Capital and Specific items include total depreciation (\$4,148k). Income specifically for the purchase of Capital items including DHHS Grants and Donations and Profit and loss on sale of Assets. Leaving a Net result after Capital and Specific items in deficit of \$1,095k.

SWAN HILL DISTRICT HEALTH

COMPARATIVE STATISTICAL STATEMENT FOR FIVE YEARS

	2017-18	2016-17	2015-16	2014-15	2013-14
Number of Available Beds					
Hospital	65	65	65	65	65
Aged Care *	75	75	79	79	0
Extended Care Unit *	0	0	0	0	64
Hostel *	0	0	0	0	15
In - Patients Treated					
Hospital	6,240	6,607	6,859	7,436	7,892
Aged Care *	138	114	120	137	0
Extended Care Unit *	0	0	0	0	83
Hostel *	0	0	0	0	38
Daily Average of Inpatients					
Hospital	37.7	37.4	40.7	43.7	49.4
Aged Care *	73.8	74.7	72.7	69.9	0.0
Extended Care Unit *	0.0	0.0	0.0	0.0	54.4
Hostel *	0.0	0.0	0.0	0.0	14.9
Average Days Stay of Inpatients ^^^					
Hospital	2.0	1.9	2.0	1.9	2.1
Aged Care *	170.6	239.1	221.1	186.2	0.0
Extended Care Unit *	0.0	0.0	0.0	0.0	239.4
Hostel *	0.0	0.0	0.0	0.0	142.9
Emergency Department					
All Activity	13,999	12,726	13,503	12,979	12,613
Community Rehabilitation Centre					
Attendances	9,621	8,584	8,060	6,447	5,339
Day Centre					
Attendances	2,282	2,214	2,200	2,251	2,160
Visiting Nursing Service "					
Attendances	8,583	10,380	11,306	10,166	13,107
Dental Clinic ^^					
Occasions of Service	0	5	8	230	329
Dietetics Department					
Occasions of Service	2,397	2,279	2,299	1,762	2,174
Occupational Therapy Department					
Occasions of Service	5,041	4,920	5,926	5,701	4,953
Physiotherapy Department ^					
Occasions of Service	6,836	6,643	6,212	3,259	2,560
Podiatry Department					
Occasions of Service	2,530	3,073	3,536	2,324	2,908
Speech Pathology Department					
Occasions of Service	3,938	3,346	2,784	2,891	2,737

SWAN HILL DISTRICT HEALTH

COMPARATIVE STATISTICAL STATEMENT FOR FIVE YEARS

	2017-18	2016-17	2015-16	2014-15	2013-14
Radiology Department					
Occasions of Service	23,986	23,251	23,598	23,097	22,580
Care Co-Ordinator Services					
Number of Cases	1,858	2,373	2,415	2,390	2,249
Counselling Services ""					
Clients	174	318	610	557	1,565
Occasions of Service	2,521	2,531	3,302	4,207	4,916
No of Groups	0	8	3	25	50
No of Group Attendances	2,521	2,614	3,452	4,812	5,319
Palliative Care Service**					
Occasions of Service	6,001	6,448	9,517	6,276	1,455
Pharmacy - Workload Units	172,219	176,427	191,478	194,451	192,290
Food Services Department ~					
No of Meals Prepared	194,264	184,790	187,975	238,369	223,782
Operations Performed	2,173	2,172	2,363	2,432	2,600
Major #	0	0	419	550	710
Minor #	0	0	1,381	1,882	1,890
Urgent #	243	207	103		
Non Urgent #	1,930	1,965	460		
Births	215	232	273	203	237
Deaths	91	94	78	89	79
Acute Patient Weighted Inlier Equivalent Separations - (WIES)	4,366	4,535	4,806	4,647	4,200

* Living Longer Living Better (LLL) reforms commenced 1 July 2014, distinction between High and Low Care beds removed

** Palliative Care Services reporting criteria altered 1 July 2013; reporting criteria reverted back 1 July 2014

Operations Performed, Major & Minor Operations reporting altered since end of March 2016 and no longer able to determine Minor/Major

Operations Performed, Urgent & Non Urgent reporting commenced in place of Major/Minor

^ Physiotherapy now recording Group Session contacts previously not reported

^^ Dental now using vouchers on Emergency cases only

^^^ Average Day Stays Of Inpatients increased due to reporting on 45 beds up from 43 beds

~ Snacks not included in the number of meals prepared since 2015/16

" Visiting Nursing service attendance down due to more time allotted to clients care.

"" Counselling Services no longer running generic groups

SWAN HILL DISTRICT HEALTH

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

The attached financial statements for Swan Hill District Health have been prepared in accordance with Direction 5.2 of the Standing Directions of the Minister for Finance 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 2018 and the financial position of Swan Hill District Health at 30 June 2018.

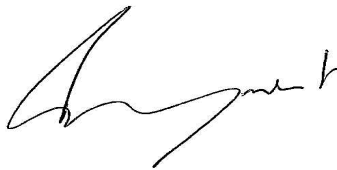
At the time of signing, we are not aware of any circumstances which would render any particulars included in the financial statements to be misleading or inaccurate.

We authorise the attached financial statements for issue on 21 August 2018.



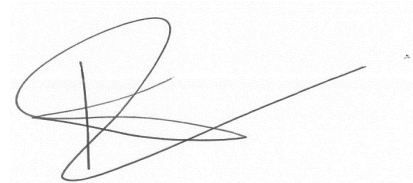
R. Kava
Board Chair

Swan Hill
21 August 2018



E.C. Rayment
Chief Executive Officer

Swan Hill
21 August 2018



R. Karunanantham
Chief Finance & Accounting Officer

Swan Hill
21 August 2018

Independent Auditor's Report

To the Board of Swan Hill District Health

Opinion	<p>I have audited the financial report of Swan Hill District Health (the health service) which comprises the:</p> <ul style="list-style-type: none">• balance sheet as at 30 June 2018• 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. <p>In my opinion the financial report presents fairly, in all material respects, the financial position of the health service as at 30 June 2018 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 7 of the <i>Financial Management Act 1994</i> and applicable Australian Accounting Standards.</p>
Basis for Opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the health service in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
Board's responsibilities for the financial report	<p>The Board of the health service is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the <i>Financial Management Act 1994</i>, and for such internal control as the Board determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.</p> <p>In preparing the financial report, the Board is responsible for assessing the health service's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.</p>

**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
23 August 2018



Ron Mak
as delegate for the Auditor-General of Victoria

Swan Hill District Health

Comprehensive Operating Statement For the Year Ended 30 June 2018

	Note	2018 \$'000	2017 \$'000
Revenue from operating activities	2.1	59,379	55,661
Revenue from non-operating activities	2.1	718	648
Employee expenses	3.1	(42,021)	(38,325)
Non salary labour costs	3.1	(3,616)	(4,102)
Supplies and consumables	3.1	(5,588)	(5,565)
Other expenses	3.1	(8,888)	(8,403)
Net result before capital and specific items		(16)	(86)
Capital purpose income	2.1	3,307	1,851
Depreciation	4.4	(4,148)	(4,197)
Expenditure for Capital Purpose	3.1	(118)	(110)
Net result after capital and specific items		(975)	(2,542)
Other economic flows included in net result			
Provision for Doubtful Debts	5.1	(61)	(48)
Revaluation of Long Service Leave	3.3	(59)	(61)
Total other economic flows included in net result		(120)	(109)
NET RESULT FOR THE YEAR		(1,095)	(2,651)
Other Comprehensive Income			
Changes in Property, Plant and Equipment Revaluation Surplus		424	-
Total Other Comprehensive Income		424	-
COMPREHENSIVE RESULT FOR THE YEAR		(671)	(2,651)

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

Swan Hill District Health

Balance Sheet

As at 30th June 2018

	Note	2018 \$'000	2017 \$'000
Current assets			
Cash and cash equivalents	6.1	5,652	9,203
Receivables	5.1	1,655	1,722
Investments and other financial assets	4.1	14,903	7,675
Inventories	5.2	278	193
Prepayments and other assets	5.4	1,173	1,120
Total current assets		23,661	19,913
Non-current assets			
Receivables	5.1	1,045	1,013
Property, plant and equipment	4.3a	58,842	60,417
Total non-current assets		59,887	61,430
TOTAL ASSETS		83,548	81,343
Current liabilities			
Payables	5.5	4,584	4,724
Provisions	3.3	10,280	9,761
Other current liabilities	5.3	9,389	6,932
Total current liabilities		24,253	21,417
Non-current liabilities			
Provisions	3.3	1,174	1,134
Total non-current liabilities		1,174	1,134
TOTAL LIABILITIES		25,427	22,551
NET ASSETS		58,121	58,792
EQUITY			
Property, plant and equipment revaluation surplus	8.1a	34,655	34,231
General purpose surplus	8.1a	2,548	2,368
Contributed capital	8.1b	18,072	18,072
Accumulated surpluses	8.1c	2,846	4,121
TOTAL EQUITY		58,121	58,792
Contingent assets and contingent liabilities	7.2		
Commitments	6.2		

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

Swan Hill District Health

Cash Flow Statement For the Year Ended 30 June 2018

	Note	2018 \$'000	2017 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating grants from government		42,547	42,127
Capital grants from government		2,589	642
Patient and resident fees received		7,710	7,026
Private practice fees received		747	771
Donations and bequests received		81	96
GST received from/(paid to) ATO		216	224
Recoupment from private practice for use of hospital facilities		1,662	1,717
Interest received		443	233
Other capital receipts		672	1,163
Other receipts		6,660	6,531
Total receipts		63,326	60,530
Employee expenses paid		(41,521)	(37,375)
Non salary labour costs		(3,616)	(4,102)
Payments for supplies and consumables		(5,668)	(5,559)
Other payments		(9,154)	(8,685)
Total payments		(59,959)	(55,721)
NET CASH FLOW FROM OPERATING ACTIVITIES	8.2	3,367	4,809
CASH FLOWS FROM INVESTING ACTIVITIES			
Net redemption/(purchase) of investments		(4,882)	4,646
Payments for non-financial assets		(2,242)	(3,624)
Proceeds from sale of non-financial assets		95	100
NET CASH FLOW FROM/(USED IN) INVESTING		(7,029)	1,122
NET INCREASE/(DECREASE) IN CASH AND CASH		(3,662)	5,931
Cash and cash equivalents at beginning of financial year		8,902	2,971
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL	6.1	5,240	8,902

This Statement should be read in conjunction with the accompanying notes

Swan Hill District Health

Statement of Changes in Equity For the Year Ended 30 June 2018

		Property, Plant and Equipment Revaluation Surplus	Special Purpose Surplus	Contributions by Owners	Accumulated Surpluses/ (Deficits)	Total
	Note	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2016		34,231	2,251	18,072	6,889	61,443
Net result for the year		-	-	-	(2,651)	(2,651)
Transfer to accumulated surplus	8.1a, 8.1c	-	117	-	(117)	-
Restated balance at 30 June 2017		34,231	2,368	18,072	4,121	58,792
Net result for the year		-	-	-	(1,095)	(1,095)
Revaluation Increments	8.1a	424	-	-	-	424
Transfer to accumulated surplus	8.1a, 8.1c	-	180	-	(180)	-
Balance at 30 June 2018		34,655	2,548	18,072	2,846	58,121

This Statement should be read in conjunction with the accompanying notes

SWAN HILL DISTRICT HEALTH

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2018

Basis of Presentation

The financial statements are prepared in accordance with Australian Accounting Standards and relevant FRDs.

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 the preparation of 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.

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 Health Service.

Additions to net assets which have been designated as contributions by owners are recognised as contributed capital. Other transfers that are in the nature of contributions to or distributions by owners have also been designated as contributions by owners.

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

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 applying AAS that have significant effects on the financial statements and estimates are disclosed in the notes under the heading: 'Significant judgement or estimates'.

SWAN HILL DISTRICT HEALTH

NOTES TO THE FINANCIAL STATEMENTS 30 JUNE 2018

Note 1: Summary of Significant Accounting Policies

These annual financial statements represent the audited general purpose financial statements for Swan Hill District Health for the year ending 30 June 2018. The report provides users with information about Swan Hill District Health's stewardship of resources entrusted to it.

(a) Statement of Compliance

These financial statements are a 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 Minister for Finance.

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

The annual financial statements were authorised for issue by the Board of Swan Hill District Health on 21 August 2018

(b) Reporting Entity

The financial statements include all the controlled activities of Swan Hill District Health.

Its principal address is:

Splatt Street
Swan Hill
Victoria 3585

A description of the nature of Swan Hill District 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 set out below have been applied in preparing the financial statements for the year ended 30 June 2018, and the comparative information presented in these financial statements for the year ended 30 June 2017.

The financial statements are prepared on a going concern basis.

These financial statements are presented in Australian dollars, the functional and presentation currency of Swan Hill District 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.

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

SWAN HILL DISTRICT HEALTH

NOTES TO THE FINANCIAL STATEMENTS 30 JUNE 2018

Note 1: Summary of Significant accounting policies (continued)

(c) **Basis of accounting preparation and measurement (continued)**

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

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

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

- the fair value of land, buildings, plant and equipment, (refer to Note 4.3 Property, Plant and Equipment);
- 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) **Principles of Consolidation**

Swan Hill District Health has no consolidated entities.

Intersegment transactions

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

SWAN HILL DISTRICT HEALTH

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2018

Note 1: Summary of Significant accounting policies (continued)

(e) **Jointly Controlled Operation**

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

In respect of any interest in joint operations, Swan Hill District 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.

Swan Hill District Health is a Member of the Loddon Mallee Health Alliance Joint Venture and retains joint control over the arrangement, which it has classified as a joint operation (refer to Note 4.2 Jointly Controlled Operations and Assets).

SWAN HILL DISTRICT HEALTH

NOTES TO THE FINANCIAL STATEMENTS 30 JUNE 2018

Note 2: Funding delivery of our services

Swan Hill District Health's overall objective is to provide quality health services in the right setting by dedicated people with and for our community, as well as improve the quality of life to Victorians. Swan Hill Distirct Health is predominantly funded by accrual based grant funding for the provisions of outputs. The hospital also receives income from the supply of services.

Structure:

2.1 Analysis of revenue by source

SWAN HILL DISTRICT HEALTH

NOTES TO THE FINANCIAL STATEMENTS 30 JUNE 2018

Note 2.1: Analysis of Revenue by Source

	Admitted Patients 2018 \$'000	Non- Admitted 2018 \$'000	EDs 2018 \$'000	RAC 2018 \$'000	Aged Care 2018 \$'000	Primary Health 2018 \$'000	Other* 2018 \$'000	Total 2018 \$'000
Government Grants	28,251	2,075	4,732	1,766	287	3,567	1,839	42,517
Indirect contributions by Department of Health and Human Services	195	-	-	3	-	1	-	199
Patient and Resident Fees	1,289	2,203	64	6,300	132	79	-	10,067
Donations	36	-	-	1	-	44	-	81
Interest	122	-	-	184	-	12	-	318
Other Revenue from Operating Activities	1,515	344	-	1	795	163	439	3,257
Jointly Controlled Operations (refer note 4.2)	-	-	-	-	-	-	704	704
Business Units	-	-	-	-	-	-	2,236	2,236
Total Revenue from Operating Activities	31,408	4,622	4,796	8,255	1,214	3,866	5,218	59,379
General Purpose Funds	-	-	-	-	-	-	485	485
Property Income	-	-	-	-	-	-	46	46
Interest	-	-	-	-	-	-	36	36
Other Revenue from Non-Operating Activities	-	-	-	-	-	-	151	151
Total Revenue from Non-Operating Activities	-	-	-	-	-	-	718	718
Capital Purpose Income (excluding Interest)	-	-	-	-	-	-	3,261	3,261
Capital Interest	-	-	-	-	-	-	46	46
Total Capital Purpose Income	-	-	-	-	-	-	3,307	3,307
Total Revenue	31,408	4,622	4,796	8,255	1,214	3,866	9,243	63,404

SWAN HILL DISTRICT HEALTH

NOTES TO THE FINANCIAL STATEMENTS 30 JUNE 2018

Note 2.1: Analysis of Revenue by Source (continued)

	Admitted Patients 2017 \$'000	Non- Admitted 2017 \$'000	EDs 2017 \$'000	RAC 2017 \$'000	Aged Care 2017 \$'000	Primary Health 2017 \$'000	Other* 2017 \$'000	Total 2017 \$'000
Government Grant	27,140	1,957	4,222	1,686	275	2,981	1,532	39,793
Indirect contributions by Department of Health and Human Services	325	-	-	3	-	1	-	329
Patient and Resident Fees	1,000	1,685	57	6,271	117	120	-	9,250
Donations	47	5	-	1	-	43	-	96
Interest	106	-	-	155	-	2	-	263
Other Revenue from Operating Activities	1,209	182	1	1	776	266	457	2,892
Jointly Controlled Operations (refer note 4.2)	-	-	-	-	-	-	691	691
Business Units	-	-	-	-	-	-	2,347	2,347
Total Revenue from Operating Activities	29,827	3,829	4,280	8,117	1,168	3,413	5,027	55,661
General Purpose Funds	-	-	-	-	-	-	496	496
Property Income	-	-	-	-	-	-	29	29
Interest	-	-	-	-	-	-	33	33
Other Revenue from Non-Operating Activities	-	-	-	-	-	-	90	90
Total Revenue from Non-Operating Activities	-	-	-	-	-	-	648	648
Capital Purpose Income (excluding Interest) ⁱ	-	-	-	-	-	-	1,805	1,805
Capital Interest	-	-	-	-	-	-	46	46
Total Capital Purpose Income	-	-	-	-	-	-	1,851	1,851
Total Revenue	29,827	3,829	4,280	8,117	1,168	3,413	7,526	58,160

* Other Programs include Commercial Activities, Special Purpose Funds and Capital.

ⁱ Prior year income previously included the net gain/(loss) on non-financial assets which now form part of Other Economic Flows Included in Net Result (refer to Note 8.1).

Revenue has been classified across programs as defined in the Agency Information Management System (AIMS) guidelines. For clinical support, infrastructure and corporate and diagnostic laboratory and medical services, Full Time Equivalent (FTE) has been used to allocate revenue across the programs.

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

SWAN HILL DISTRICT HEALTH

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2018

Note 2.1: Analysis of Revenue by Source (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 Swan Hill District 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 and 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 Swan Hill District Health gains control of the underlying assets irrespective of whether conditions are imposed on Swan Hill District Health's use of the contributions.

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

Indirect Contributions from the Department of Health and Human Services:

- Insurance is 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 arrangements set out in the Metropolitan Health and Aged Care Services Division Hospital Circular 04/2017.

Patient and Resident Fees:

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

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 catering, cafeteria and property rental income are recognised on an accrual basis (refer to Note 3.2)

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 the specific restricted purpose surplus.

SWAN HILL DISTRICT HEALTH

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2018

Note 2.1: Analysis of Revenue by Source (continued)

Interest Revenue:

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

Other Income:

Other income includes recoveries for salaries and wages and external services provided.

Fair value of Assets and Services Received Free of Charge or for Nominal Consideration:

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

Category Groups

Swan Hill District Health has used the following category groups for reporting purposes for the current and previous financial years.

Admitted Patient Services (Admitted Patients) comprises all acute and subacute admitted patient services, where services are delivered in public hospitals.

Non Admitted Services comprises acute and subacute non admitted services, where services are delivered in public hospital clinics and provide models of integrated community care, which significantly reduces the demand for hospital beds and supports the transition from hospital to home in a safe and timely manner.

Emergency Department Services (EDS) comprises all emergency department services.

Aged Care comprises a range of in home, specialist geriatric, residential care and community based programs and support services, such as Home and Community Care (HACC) that are targeted to older people, people with a disability, and their carers.

Primary, Community and Dental Health comprises a range of home based, community based, community, primary health and dental services including health promotion and counselling, physiotherapy, speech therapy, podiatry and occupational therapy and a range of dental health services.

Residential Aged Care including Mental Health (RAC incl. Mental Health) referred to in the past as psychogeriatric residential services, comprises those Commonwealth-licensed residential aged care services in receipt of supplementary funding from the department under the mental health program. It excludes all other residential services funded under the mental health program, such as mental health-funded community care units and secure extended care units.

Other Services not reported elsewhere - (Other) comprises services not separately classified above, including: Public health services including Laboratory testing, Blood Borne Viruses / Sexually Transmitted Infections clinical services, Koori liaison officers, immunisation and screening services, Drugs services including drug withdrawal, counselling and the needle and syringe program, Disability services including aids and equipment and flexible support packages to people with a disability, Community Care programs including sexual assault support, early parenting services, parenting assessment and skills development, and various support services. Health and Community Initiatives also falls in this category group.

SWAN HILL DISTRICT HEALTH

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2018

Note 3: The cost of delivering our services

This section provides an account of the expenses incurred by Swan Hill District 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 Analysis of expenses by source
- 3.2 Analysis of expense and revenue by internally managed and restricted specific purpose funds
- 3.3 Employee Benefits in the Balance Sheet
- 3.4 Superannuation

SWAN HILL DISTRICT HEALTH

NOTES TO THE FINANCIAL STATEMENTS 30 JUNE 2018

Note 3.1: Analysis of Expenses by Source

	Admitted Patients 2018 \$'000	Non- Admitted 2018 \$'000	EDs 2018 \$'000	RAC 2018 \$'000	Aged Care 2018 \$'000	Primary Health 2018 \$'000	Other* 2018 \$'000	Total 2018 \$'000
Employee Expenses	21,252	2,097	5,194	6,056	889	4,378	2,185	42,051
Other Operating Expenses								
Non Salary Labour Costs	1,960	960	587	10	-	14	85	3,616
Supplies and Consumables	3,326	59	866	274	42	87	899	5,553
Other Expenses	5,807	70	1,014	337	58	456	1,008	8,750
Total Expenditure from Operating Activities	32,345	3,186	7,661	6,677	989	4,935	4,177	59,970
Other Non-Operating Expenses								
Employee Expenses	-	-	-	-	-	-	29	29
Non Salary Labour Costs	-	-	-	-	-	-	-	-
Supplies and Consumables	-	-	-	-	-	-	35	35
Other Expenses	-	-	-	-	-	-	199	199
Expenditure for Capital Purposes	-	-	-	-	-	-	118	118
Depreciation (refer note 4.4)	-	-	-	-	-	-	4,148	4,148
Total other expenses	-	-	-	-	-	-	4,529	4,529
Total Expenses	32,345	3,186	7,661	6,677	989	4,935	8,706	64,499

SWAN HILL DISTRICT HEALTH

NOTES TO THE FINANCIAL STATEMENTS 30 JUNE 2018

Note 3.1: Analysis of Expenses by Source (continued)

	Admitted Patients 2017 \$'000	Non- Admitted 2017 \$'000	EDs 2017 \$'000	RAC 2017 \$'000	Aged Care 2017 \$'000	Primary Health 2017 \$'000	Other* 2017 \$'000	Total 2017 \$'000
Employee Expenses	19,523	2,195	3,790	5,794	912	3,975	2,105	38,294
Other Operating Expenses								
Non Salary Labour Costs	2,885	1,021	113	-	-	3	80	4,102
Supplies and Consumables	3,550	52	667	282	51	83	841	5,526
Other Expenses	5,450	83	1,177	222	61	421	937	8,351
Total Expenditure from Operating Activities	31,408	3,351	5,747	6,298	1,024	4,482	3,963	56,273
Other Non-Operating Expenses								
Employee Expenses	-	-	-	-	-	-	33	33
Supplies and Consumables	-	-	-	-	-	-	37	37
Other Expenses	-	-	-	-	-	-	99	99
Expenditure for Capital Purposes	-	-	-	-	-	-	171	171
Depreciation (refer note 4.4)	-	-	-	-	-	-	4,198	4,198
Total other expenses	-	-	-	-	-	-	4,760	4,538
Total Expenses	31,408	3,351	5,747	6,298	1,024	4,482	8,501	60,811

* Other Programs include Commercial Activities, Special Purpose Funds and Capital.

Expenditure has been classified across programs as defined in the Agency Information Management System (AIMS) guidelines. For clinical support, infrastructure and corporate and diagnostic laboratory and medical services, FTE has been used to allocate expenditure across the programs

SWAN HILL DISTRICT HEALTH

NOTES TO THE FINANCIAL STATEMENTS 30 JUNE 2018

Note 3.1: Expenses recognition (continued)

Note 3.1: Expenses recognition

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

Employee expenses

Employee expenses include:

- wages and salaries;
- fringe benefits tax;
- leave entitlements;
- termination payments;
- workcover premiums; and
- superannuation expenses.

Grants and Other Transfers

These include transactions such as: grants, subsidies and personal benefit payments made in cash to individuals.

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

Other operating expenses

- **Supplies and consumables** - Supplies and services costs which are recognised as an expense in the reporting period in which they are incurred. The
- **Fair Value of Assets, Services and Resources Provided Free of Charge or for Nominal Consideration** - Contributions of resources provided free of charge or for nominal consideration are recognised at their fair value when the transferee obtains control over them.

SWAN HILL DISTRICT HEALTH

NOTES TO THE FINANCIAL STATEMENTS 30 JUNE 2018

Note 3.1: Expenses recognition (continued)

Net gain/ (loss) on non-financial assets

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

Revaluation gains/ (losses) of non-financial physical assets

Refer to Note 4.3 *Property plant and equipment*.

Net gain/ (loss) on disposal of non-financial assets

Any gain or loss on the disposal of non-financial assets is recognised at the date of disposal and is the difference between the proceeds and the carrying amount of the asset at the time.

Net gain/ (loss) on financial instruments

Net gain/ (loss) on financial instruments includes:

- realised and unrealised gains and losses from revaluations of financial instruments at fair value;
- impairment and reversal of impairment for financial instruments at amortised cost (refer to *Note 4.1 Investments and other financial assets*); and
- disposals of financial assets and derecognition of financial liabilities.

Amortisation of non-produced intangible assets

Intangible non-produced assets with finite lives are amortised as an 'other economic flow' on a systematic basis over the asset's useful life. Amortisation begins when the asset is available for use that is when it is in the location and condition necessary for it to be capable of operating in the manner intended by management.

Impairment of non-financial assets

Goodwill and intangible assets with indefinite useful lives (and intangible assets not available for use) are tested annually for impairment and whenever there is an indication that the asset may be impaired (*Refer to Note 4.1 Investments and other financial assets*).

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

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires.

SWAN HILL DISTRICT HEALTH

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2018

Note 3.2: Analysis of expense and revenue by internally managed and restricted specific purpose funds for services supported by hospital and community initiatives

	Expense		Revenue	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Commercial Activities				
Catering	98	111	133	147
Cafeteria	43	43	90	90
Salary Packaging	156	149	264	262
Property Expense/Revenue	106	88	50	33
Other	-	-	180	117
TOTAL	403	391	717	649

SWAN HILL DISTRICT HEALTH

NOTES TO THE FINANCIAL STATEMENTS 30 JUNE 2018

Note 3.3: Employee benefits in the Balance Sheet

	2018 \$'000	2017 \$'000
Current Provisions		
Employee Benefits ⁽ⁱ⁾		
Annual leave		
- Unconditional and expected to be settled wholly within 12 months ⁽ⁱⁱ⁾	2,377	2,231
- Unconditional and expected to be settled wholly after 12 months ⁽ⁱⁱⁱ⁾	831	856
Long service leave		
- Unconditional and expected to be settled wholly within 12 months ⁽ⁱⁱ⁾	600	549
- Unconditional and expected to be settled wholly after 12 months ⁽ⁱⁱⁱ⁾	4,234	4,018
Accrued Days Off		
- Unconditional and expected to be settled wholly within 12 months ⁽ⁱⁱ⁾	112	111
Accrued Salaries and Wages		
- Unconditional and expected to be settled wholly within 12 months ⁽ⁱⁱ⁾	1,242	1,097
	9,396	8,862
Provisions related to Employee Benefit On-Costs		
- Unconditional and expected to be settled within 12 months ⁽ⁱⁱⁱ⁾	335	335
- Unconditional and expected to be settled after 12 months ⁽ⁱⁱⁱ⁾	549	564
	884	899
Total Current Provisions	10,280	9,761
Non-Current Provisions		
Employee Benefits ⁽ⁱ⁾	1,059	1,016
Provisions related to Employee Benefit On-Costs ⁽ⁱⁱⁱ⁾	115	118
Total Non-Current Provisions	1,174	1,134
Total Provisions	11,454	10,895

Notes:

(i) Provisions for employee benefits consist of amounts for 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

	2018 \$'000	2017 \$'000
Current Employee Benefits and related on-costs		
Unconditional LSL Entitlement	5,358	5,096
Annual Leave Entitlements	3,555	3,444
Accrued Wages and Salaries	1,242	1,097
Accrued Days Off	125	124
Non-Current Employee Benefits and related on-costs		
Conditional Long Service Leave Entitlements ⁽ⁱⁱ⁾	1,174	1,134
Total Employee Benefits and Related On-Costs	11,454	10,895

SWAN HILL DISTRICT HEALTH

NOTES TO THE FINANCIAL STATEMENTS 30 JUNE 2018

Note 3.3: Employee Benefits in the Balance Sheet (continued)

	2018 \$'000	2017 \$'000
(b) Movements in provisions		
Movement in Long Service Leave:		
Balance at start of year	6,230	5,717
Provision made during the year	961	1,123
- Revaluations	(59)	(61)
- Expense recognising Employee Service	-	-
Settlement made during the year	(600)	(549)
Balance at end of year	6,532	6,230

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 Swan Hill District 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.

Employee benefits

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

Salaries and Wages, Annual Leave and Accrued Days Off

Liabilities for salaries and wages, annual leave and accrued days off are all recognised in the provision for employee benefits as 'current liabilities' because Swan Hill District Health 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 sick leave are measured at:

- Undiscounted value – if Swan Hill District Health expects to wholly settle within 12 months; or
- Present value – if Swan Hill District Health does not expect to wholly settle within 12 months.

Long service leave (LSL)

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 Swan Hill District Health 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 Swan Hill District Health expects to wholly settle within 12 months; or
- Present value – if Swan Hill District Health does not expect to wholly settle within 12 months.

SWAN HILL DISTRICT HEALTH

NOTES TO THE FINANCIAL STATEMENTS 30 JUNE 2018

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

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

Termination benefits

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

On-costs related to employee expense

Provision for on-costs, such as payroll tax, workers compensation and superannuation are recognised together with provisions for employee benefits.

SWAN HILL DISTRICT HEALTH

NOTES TO THE FINANCIAL STATEMENTS 30 JUNE 2018

Note 3.4: Superannuation

	<i>Paid Contribution for the Year</i>		<i>Outstanding at Year End</i>	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
(i) Defined benefit plans:				
Health Super Fund	102	153	5	6
Defined contribution plans:				
First State Super	2,309	1,931	89	74
Hesta	717	679	25	24
Other	322	196	15	8
Total	3,450	2,959	134	112

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

Employees of Swan Hill District Health are entitled to receive superannuation benefits and it contributes to both defined benefit and defined contribution plans. The defined benefit plan provides benefits based on years of service and final average salary.

Defined contribution superannuation plans

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

Defined benefit superannuation plans

The amount charged to the comprehensive operating statement in respect of defined benefit superannuation plans represents the contributions made by Swan Hill District Health to the superannuation plans in respect of the services of current Swan Hill District Health's staff during the reporting period. Superannuation contributions are made to the plans based on the relevant rules of each plan, and are based upon actuarial advice.

Swan Hill District Health does not recognise any unfunded defined benefit liability in respect of the plans because the hospital has no legal or constructive obligation to pay future benefits relating to its employees; its only obligation is to pay superannuation contributions as they fall due. The Department of Treasury and Finance 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 Swan Hill District Health.

The name and details of the major employee superannuation funds and contributions made by Swan Hill District Health are disclosed above.

SWAN HILL DISTRICT HEALTH

NOTES TO THE FINANCIAL STATEMENTS 30 JUNE 2018

Note 4: Key Assets to support service delivery

Swan Hill District 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 Jointly Controlled Operations
- 4.3 Property, plant and equipment
- 4.4 Depreciation

SWAN HILL DISTRICT HEALTH

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2018

Note 4.1: Investments and Other Financial Assets

	Operating Fund		Total Fund	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
CURRENT				
<i>Loans and Receivables</i>				
<i>Term Deposit</i>				
Aust. Dollar Term Deposits > 3 months ⁽ⁱ⁾	14,903	7,675	14,903	7,675
Total Current	14,903	10,913	14,903	10,913
TOTAL	14,903	10,913	14,903	10,913
Represented by:				
Health Service Investments	5,926	1,044	5,926	1,044
Accommodation Bonds	8,977	6,631	8,977	6,631
TOTAL	14,903	10,913	14,903	10,913

Notes:

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

Note 4.1: Investment Recognition

Swan Hill District Health's investments must comply with Standing Direction 3.7.2 - Treasury and Investment Risk Management. 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 in the following categories:

- loans and receivables

Swan Hill District Health classifies its other financial assets between current and non-current assets based on the Board of Management's intention at balance date with respect to the timing of disposal of each asset.

Swan Hill District Health assesses at each balance sheet date whether a financial asset or group of financial assets is impaired.

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

SWAN HILL DISTRICT HEALTH

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2018

Note 4.1: Investment Recognition (continued)

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
- Swan Hill District Health retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through' arrangement; or
- Swan Hill District Health 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 Swan Hill District Health has neither transferred nor retained substantially all the risks and rewards or transferred control, the asset is recognised to the extent of Swan Hill District Health's continuing involvement in the asset.

Impairment of financial assets

At the end of each reporting period, Swan Hill District Health 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.

Doubtful debts

Receivables are assessed for bad and doubtful debts on a regular basis. 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.

SWAN HILL DISTRICT HEALTH

NOTES TO THE FINANCIAL STATEMENTS 30 JUNE 2018

Note 4.2 Jointly Controlled Operations and Assets

Name of Entity	Principal Activity	Ownership Interest	
		2018	2017
		%	%
Loddon Mallee Rural Health Alliance	Information Systems	9.46	9.05

Swan Hill District 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 under their respective asset categories:

	2018 \$'000	2017 \$'000
ASSETS		
Current Assets		
Cash and Cash Equivalents	454	500
Receivables	40	17
GST Receivable	15	11
Inventories	9	4
Prepayments	51	58
Total Current Assets	569	590
Non-Current Assets		
Property, Plant and Equipment	53	14
Total Non-Current Assets	53	14
TOTAL ASSETS	622	604
LIABILITIES		
Current Liabilities		
Creditors	125	100
Accrued Expenses	20	13
Total Current Liabilities	145	113
TOTAL LIABILITIES	145	113
NET ASSETS	477	491

Swan Hill District Health interest in revenues and expenses resulting from jointly controlled operations and assets is detailed below:

	2018 \$'000	2017 \$'000
Revenue from Operating Activities	704	691
Expenditure	(717)	(624)
Net Result Before Capital and Specific Items	(13)	67
Depreciation	(6)	(11)
Expenditure using Capital Purpose Income	6	(14)
NET RESULT FOR THE YEAR	(13)	42

Contingent Assets and Contingent Liabilities

Loddon Mallee Rural Health Alliance does not have any known contingent assets or contingent liabilities at 30th June, 2018.

SWAN HILL DISTRICT HEALTH

NOTES TO THE FINANCIAL STATEMENTS 30 JUNE 2018

Note 4.2 Jointly Controlled Operations and Assets (continued)

AASB 11 Joint Arrangement defines a joint arrangement as an arrangement of which two or more parties have joint control. A joint arrangement is either a joint operation or a joint venture, depending upon the rights and obligations of the parties to the arrangement.

SWAN HILL DISTRICT HEALTH

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2018

Note 4.3: Property, Plant and Equipment

Note 4.3 (a): Gross carrying amount and accumulated depreciation

	2018 \$'000	2017 \$'000
Land		
Land at Fair Value	4,253	3,829
Total Land	4,253	3,829
Buildings		
Buildings at Fair Value	57,736	55,757
Less Accumulated Depreciation	(11,270)	(8,374)
Total Buildings	46,466	47,383
Land Improvements		
Land Improvements at Fair Value	463	457
Less Accumulated Depreciation	(60)	(45)
Total Land Improvements	403	412
Plant and Equipment		
Plant and Equipment at Fair Value	6,396	6,129
Less Accumulated Depreciation	(3,499)	(3,209)
Total Plant and Equipment	2,897	2,920
Medical Equipment		
Medical Equipment at Fair Value	5,455	5,504
Less Accumulated Depreciation	(3,286)	(3,076)
Total Medical Equipment	2,169	2,428
Motor Vehicles		
Motor Vehicles at Fair Value	938	915
Less Accumulated Depreciation	(698)	(543)
Total Cultural Assets	240	372
Interest In Jointly Controlled Operations		
Assets from Jointly Controlled Operations at Fair Value	123	75
Less Accumulated Depreciation	(70)	(61)
Total Interest in Jointly Controlled Operations	53	14
Work In Progress		
Buildings Under Construction	2,361	3,059
Total Work in Progress	2,361	3,059
TOTAL	58,842	60,417

SWAN HILL DISTRICT HEALTH

NOTES TO THE FINANCIAL STATEMENTS 30 JUNE 2018

Note 4.3: Property, Plant and Equipment (continued)

Note 4.3 (b): Reconciliations of the carrying amounts of each class of asset

	Land	Land Improvements	Buildings	Plant and Equipment	Medical Equipment	Motor Vehicles	Work In Progress	Interest in Jointly Controlled Operations	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2016	3,829	427	48,724	2,765	2,754	363	2,191	19	61,072
Additions	-	-	16	492	168	196	2,746	6	3,624
Disposals	-	-	-	(11)	(36)	(35)	-	-	(82)
Net Transfers between Classes	-	-	1,659	164	55	-	(1,878)	-	-
Depreciation (Note 4.4)	-	(15)	(3,016)	(490)	(513)	(152)	-	(11)	(4,197)
Balance at 1 July 2017	3,829	412	47,383	2,920	2,428	372	3,059	14	60,417
Additions	-	-	129	451	253	23	1,343	45	2,244
Disposals	-	-	(66)	(11)	(18)	-	-	-	(95)
Net Transfers between Classes	-	6	1,960	75	-	-	(2,041)	-	-
Revaluation Increments/(Decrements)	424	-	-	-	-	-	-	-	424
Depreciation (Note 4.4)	-	(15)	(2,940)	(538)	(494)	(155)	-	(6)	(4,148)
Balance at 30 June 2018	4,253	403	46,466	2,897	2,169	240	2,361	53	58,842

Land and buildings carried at valuation

The Valuer-General Victoria undertook to re-value all of Swan Hill District 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 2014.

In compliance with FRD 103F, in the year ended 30 June 2018, Swan Hill District Health's management conducted an annual assessment of the fair value of land and buildings. To facilitate this, management obtained from the Department of Treasury and Finance the Valuer General Victoria indices for the financial year ended 30 June 2018.

The latest indices required a managerial revaluation in 2018. The indexed value was then compared to individual assets written down book value as at 30 June 2018 to determine the change in their fair values. The Department of Health and Human Services approved a managerial revaluation of the land asset class of \$424k.

There was no material financial impact on change in fair value of buildings.

SWAN HILL DISTRICT HEALTH

NOTES TO THE FINANCIAL STATEMENTS 30 JUNE 2018

Note 4.3: Property, plant and equipment (continued)

Note 4.3 (c): Fair value measurement hierarchy for assets

	Carrying amount as at 30 June 2018 \$'000	Fair value measurement at end of reporting period using:		
		Level 1 ⁽ⁱ⁾ \$'000	Level 2 ⁽ⁱ⁾ \$'000	Level 3 ⁽ⁱ⁾ \$'000
Land at fair value				
Non-specialised land	2,717	-	2,717	-
Specialised land	1,536	-	-	1,536
Total of land at fair value	4,253	-	2,717	1,536
Land Improvements at fair value				
Land Improvements at fair value	403	-	403	-
Total of land improvements at fair value	403	-	403	-
Buildings at fair value				
Non-specialised buildings	3,771	-	3,771	-
Specialised buildings	42,695	-	-	42,695
Total of building at fair value	46,466	-	3,771	42,695
Plant and equipment at fair value				
Plant equipment and vehicles at fair value				
- Vehicles (ii)	240	-	-	240
- Plant and equipment	2,897	-	-	2,897
Total of plant, equipment and vehicles at fair value	3,137	-	-	3,137
Medical equipment at fair value				
- Medical Equipment	2,169	-	-	2,169
Total medical equipment at fair value	2,169	-	-	2,169
	56,428	-	6,891	49,537

Note

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

SWAN HILL DISTRICT HEALTH

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2018

Note 4.3: Property, plant and equipment (continued)

Note 4.3 (c): Fair value measurement hierarchy for assets

	Carrying amount as at 30 June 2017 \$'000	Fair value measurement at end of reporting period using:		
		Level 1 ⁽ⁱ⁾ \$'000	Level 2 ⁽ⁱ⁾ \$'000	Level 3 ⁽ⁱ⁾ \$'000
Land at fair value				
Non-specialised land	2,393	-	2,393	
Specialised land	1,436	-	-	1,436
Total of land at fair value	3,829	-	2,393	1,436
Land Improvements at fair value				
Land Improvements at fair value	412	-	412	-
Total of land improvements at fair value	412	-	412	-
Buildings at fair value				
Non-specialised buildings	2,056	-	2,056	-
Specialised buildings	45,327	-	-	45,327
Total of building at fair value	47,383	-	2,056	45,327
Plant and equipment at fair value				
Plant equipment and vehicles at fair value				
- Vehicles	372	-	-	372
- Plant and equipment	2,920	-	-	2,920
Total of plant, equipment and vehicles at fair value	3,292	-	-	3,292
Medical equipment at fair value				
- Medical Equipment	2,428	-	-	2,428
Total medical equipment at fair value	2,428	-	-	2,428
	57,344	-	4,861	52,483

Note

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

There have been no transfers between levels during the period.

SWAN HILL DISTRICT HEALTH

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2018

Note 4.3: Property, Plant and Equipment (continued)

Note 4.3 (d): Reconciliation of Level 3 fair value

30 June 2018

	Land \$'000	Buildings \$'000	Plant and equipment \$'000	Medical equipment \$'000
Opening Balance	1,436	45,327	3,292	2,428
Purchases (sales)	-	129	463	235
Transfers in (out) of Level 3		-	75	-
Gains or losses recognised in net result				
- Depreciation	-	(2,761)	(693)	(494)
Subtotal	1,436	42,695	3,137	2,169
Closing Balance	1,436	42,695	3,137	2,169
Revaluation	100	-	-	-
	1,536	42,695	3,137	2,169

30 June 2017

	Land \$'000	Buildings \$'000	Plant and equipment \$'000	Medical equipment \$'000
Opening Balance	1,436	46,672	3,128	2,754
Purchases (sales)	-	16	642	126
Transfers in (out) of Level 3	-	1,655	164	54
Gains or losses recognised in net result				
- Depreciation	-	(3,016)	(642)	(506)
Subtotal	1,436	45,327	3,292	2,428
Closing Balance	1,436	45,327	3,292	2,428
Revaluation	-	-	-	-
	1,436	45,327	3,292	2,428

SWAN HILL DISTRICT HEALTH

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2018

Note 4.3: Property, Plant and Equipment (continued)

Note 4.3 (e): Fair Value determination

Asset class	Examples of types of assets	Expected fair value level	Likely valuation approach	Significant inputs (Level 3 only) ^(c)
Non-specialised land	In areas where there is an active market: - Vacant land - Land not subject to restrictions as to use or sale	Level 2	Market approach	n.a.
Specialised Land (Crown / Freehold)	- Land subject to restriction as to use and/or sale - Land in areas where there is not an active market	Level 3	Market approach	Community Service Obligations Adjustments ^(c)
Non-specialised buildings	For general/commercial buildings that are just built	Level 2	Market approach	n.a.
Specialised buildings ^(a)	Specialised buildings with limited alternative uses and/or substantial customisation e.g. prisons, hospitals and schools	Level 3	Depreciated replacement cost approach	- Cost per square metre - Useful life
Dwellings ^(a)	Social/public housing, employee housing	Level 2, where there is an active market in the area	Market approach	n.a.
		Level 3, where there is no active market in the area	Depreciated replacement cost approach	- Cost per square metre - Useful life
Vehicles	If there is an active resale market available	Level 2	Market approach	n.a.
	If there is no active resale market available	Level 3	Depreciated replacement cost approach	- Cost per unit - Useful life
Plant and equipment ^(a)	Specialised items with limited alternative uses and/or substantial customisation	Level 3	Depreciated replacement cost approach	- Cost per square metre - Useful life

(a) Newly built/acquired assets could be categorised as Level 2 assets as depreciation would not be a significant unobservable input (based on the 10 per cent materiality threshold).

(b) AASB 13 Fair Value Measurement provides an exemption for not for profit public sector entities from disclosing the sensitivity analysis relating to 'unrealised gains/(losses) on non-financial assets' if the assets are held primarily for their current service potential rather than to generate net cash inflows.

There were no changes in valuation techniques throughout the period to 30 June 2018.

SWAN HILL DISTRICT HEALTH

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2018

Note 4.3: Property, Plant and 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.

Subsequent Measurement

Consistent with AASB 13 Fair Value Measurement, Swan Hill District Health determines the policies and procedures for recurring property, plant and equipment fair value measurements, in accordance with the requirements of AASB 13 and the relevant FRDs.

All property, plant and equipment for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy.

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

In addition, Swan Hill District 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.

For the purpose of fair value disclosures, Swan Hill District Health's has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

In addition, Swan Hill District Health's determines whether transfers have occurred between levels in the hierarchy by re-assessing 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 Swan Hill District Health's independent valuation agency.

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

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.

SWAN HILL DISTRICT HEALTH

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2018

Note 4.3: Property, Plant and Equipment (continued)

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, Health Services can assume the current use of a non-financial physical asset is its HBU unless market or other factors suggest that a different use by market participants would maximise the value of the asset.

Therefore, an assessment of the HBU will be required when the indicators are triggered within a reporting period, which suggest the market participants would have perceived an alternative use of an asset that can generate maximum value. Once identified, Health Services are required to engage with VGV or other independent valuers for formal HBU assessment.

These indicators, as a minimum, include:

- Changed acts, regulations, local law or such instrument which affects or may affect the use or development of the asset;
- Changes in planning scheme, including zones, reservations, overlays that would affect or remove the restrictions imposed on the asset's use from its past use;
- Evidence that suggest the current use of an asset is no longer core to requirements to deliver a Health Service's service obligation;
- Evidence that suggests that the asset might be sold or demolished at reaching the late stage of an asset's life cycle.

Valuation hierarchy

Health Services need to use valuation techniques that are appropriate for the circumstances and where there is sufficient data available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy.

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.

Assumptions about risk include the inherent risk in a particular valuation technique used to measure fair value (such as a pricing risk model) and the risk inherent in the inputs to the valuation technique. A measurement that does not include an adjustment for risk would not represent a fair value measurement if market participants would include one when pricing the asset or liability i.e., it might be necessary to include a risk adjustment when there is significant measurement uncertainty. For example, when there has been a significant decrease in the volume or level of activity when compared with normal market activity for the asset or liability or similar assets or liabilities, and the Health Service has determined that the transaction price or quoted price does not represent fair value.

SWAN HILL DISTRICT HEALTH

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2018

Note 4.3: Property, Plant and Equipment (continued)

A Health Service shall develop unobservable inputs using the best information available in the circumstances, which might include the Health Service's own data. In developing unobservable inputs, a Health Service may begin with its own data, but it shall adjust this data if reasonably available information indicates that other market participants would use different data or there is something particular to the Health Service that is not available to other market participants. A Health Service need not undertake exhaustive efforts to obtain information about other market participant assumptions. However, a Health Service shall take into account all information about market participant assumptions that is reasonably available. Unobservable inputs developed in the manner described above are considered market participant assumptions and meet the object of a fair value measurement.

Non-Specialised Land, 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 2014.

In June 2018 a managerial valuation was carried out in accordance with FRD 103F to revalue the land to its fair value.

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

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

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

For Swan Hill District 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.

SWAN HILL DISTRICT HEALTH

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2018

Note 4.3: Property, Plant and Equipment (continued)

An independent valuation of Swan Hill District Health'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 2014.

In June 2018 a managerial valuation was carried out in accordance with FRD 103F to revalue the land to its fair value.

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 amount (depreciated cost).

Plant and Equipment

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

There were no changes in valuation techniques throughout the period to 30 June 2018.

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

Revaluations of Non-Current Physical Assets

Non-current physical assets are measured at fair value and are revalued in accordance with FRD 103F *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 103F, Swan Hill District Health's non-current physical assets were assessed to determine whether revaluation of the non-current physical assets was required.

SWAN HILL DISTRICT HEALTH

NOTES TO THE FINANCIAL STATEMENTS 30 JUNE 2018

Note 4.4: Depreciation

	2018 \$'000	2017 \$'000
Depreciation		
Buildings	2,940	3,016
Land Improvements	15	15
Plant and Equipment	402	368
Medical Equipment	494	513
Furniture and Fittings	136	122
Motor Vehicles	155	152
Depreciation from Jointly Controlled Operations	6	11
Total Depreciation	4,148	4,197

Note 4.4: Depreciation recognition

All buildings, plant and equipment and other non-financial physical assets (excluding items under operating leases, assets held for sale, land and investment properties) that have finite useful lives are depreciated. Depreciation is generally calculated on a straight-line basis at rates that allocate the asset's value, less any estimated residual value over its estimated useful life (refer AASB 116 Property, Plant and Equipment).

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

	2018	2017
Buildings		
- Structure Shell Building Fabric	40 to 45 years	40 to 45 years
- Site Engineering Services and Central Plant	8 to 40 years	8 to 40 years
Central Plant		
- Fit out	8 to 25 years	8 to 25 years
- Trunk Reticulated Building Systems	8 to 25 years	8 to 25 years
Plant and Equipment	4 to 20 years	4 to 20 years
Medical Equipment	4 to 20 years	4 to 20 years
Computer and Communication	4 to 5 years	4 to 5 years
Furniture and Fittings	4 to 20 years	4 to 20 years
Motor Vehicles	4 to 9 years	4 to 9 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.

SWAN HILL DISTRICT HEALTH

NOTES TO THE FINANCIAL STATEMENTS 30 JUNE 2018

Note 5: Other assets and liabilities

This section set out those assets and liabilities that arose from Swan Hill Distirct Health's operations.

Structure:

5.1 Receivables

5.2 Inventories

5.3 Other liabilities

5.4 Prepayments and other assets

5.5 Payables

SWAN HILL DISTRICT HEALTH

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2018

Note 5.1: Receivables

	2018 \$'000	2017 \$'000
CURRENT		
Contractual		
Inter Hospital Debtors	147	160
Trade Debtors	201	592
Patient Fees	477	496
Debtor - Superannuation	2	2
Accrued Investment Income	67	24
Accrued Revenue		
Dental Health	330	-
Less Allowance for Doubtful Debts		
Patient Fees	(37)	(5)
Receivables from Jointly Controlled Operations	55	28
	1,242	1,297
Statutory		
GST Receivable	216	224
Accrued Revenue - Department of Health and Human Services	175	169
Accrued Revenue - Commonwealth	22	32
	413	425
TOTAL CURRENT RECEIVABLES	1,655	1,722
NON CURRENT		
Statutory		
Long Service Leave - Department of Health and Human Services	1,045	1,013
TOTAL NON-CURRENT RECEIVABLES	1,045	1,013
TOTAL RECEIVABLES	2,700	2,735

(a) Movement in the Allowance for doubtful debts

	2018 \$'000	2017 \$'000
Balance at beginning of year	5	42
Amounts written off during the year	(33)	(85)
Amounts recovered during the year	4	-
Increase/(decrease) in allowance recognised in net result	61	48
Balance at end of year	37	5

Note 5.1: Receivables recognition

Receivables consist of:

- contractual receivables, which includes mainly debtors in relation to goods and services, loans to third parties, accrued investment income, and finance lease receivables; and
- statutory receivables, which includes predominantly amounts owing from the Victorian Government and goods and services Tax (GST) input Tax credits recoverable.

SWAN HILL DISTRICT HEALTH

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2018

Note 5.1: Receivables (continued)

Receivables that are contractual are classified as financial instruments and categorised as loans and receivables. Statutory receivables are recognised and measured similarly to contractual receivables (except for impairment), but are not classified as financial instruments because they do not arise from a contract.

Receivables are recognised initially at fair value and subsequently measured at amortised cost less any accumulated impairment.

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*.

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

SWAN HILL DISTRICT HEALTH

NOTES TO THE FINANCIAL STATEMENTS 30 JUNE 2018

Note 5.2: Inventories

	2018 \$'000	2017 \$'000
Pharmaceuticals		
At cost	58	58
Main Store Inventory		
At cost	211	131
Jointly Controlled Operations Inventory		
At cost	9	4
TOTAL INVENTORIES	278	193

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

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

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

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

SWAN HILL DISTRICT HEALTH

NOTES TO THE FINANCIAL STATEMENTS 30 JUNE 2018

Note 5.3: Other liabilities

	2018 \$'000	2017 \$'000
CURRENT		
Monies Held in Trust*		
- Primary Care Partnership*	372	269
- Residents - Nursing Home / Hostel*	39	32
- Accommodation Bonds*	8,977	6,631
- Simplified Billing	1	-
Total Current	9,389	6,932
Total Other Liabilities	9,389	6,932
* Total Monies Held in Trust		
Represented by the following assets:		
Cash Assets (refer to Note 6.1)	412	301
Investment and Other Financial Assets (refer to Note 4.1)	8,977	6,631
TOTAL	9,389	6,932

SWAN HILL DISTRICT HEALTH

NOTES TO THE FINANCIAL STATEMENTS 30 JUNE 2018

Note 5.4: Prepayments and other non-financial assets

	2018	2017
	\$'000	\$'000
CURRENT		
Prepayments	1,173	1,120
TOTAL OTHER ASSETS	1,173	1,120

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

SWAN HILL DISTRICT HEALTH

NOTES TO THE FINANCIAL STATEMENTS 30 JUNE 2018

Note 5.5: Payables

	2018 \$'000	2017 \$'000
CURRENT		
Contractual		
Trade Creditors	1,419	1,535
Accrued Expenses	582	667
Deposits on Hire Equipment	3	3
Jointly Controlled Operations Payables	145	114
	2,149	2,319
Statutory		
Department of Health and Human Services- Payable to Government	2,435	2,405
	2,435	2,405
TOTAL CURRENT	4,584	4,724
TOTAL PAYABLES	4,584	4,724

Payables consist of:

- contractual payables which consist predominantly of accounts payable representing liabilities for goods and services provided to the Health Service prior to the end of the financial year that are unpaid, and arise when the Health Service becomes obliged to make future payments in respect of the purchase of those goods and services. The normal credit terms for accounts payable are usually Nett 30 days.
- statutory payables, such as goods and services tax and fringe benefits tax payables.

Note 5.5 (a): Maturity analysis of payables

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

Maturity analysis of Financial Liabilities as at 30 June

	Carrying Amount \$'000	Nominal amount \$'000	Maturity Dates			
			Less than 1 Month \$'000	1-3 Months \$'000	3 Months-1 Year \$'000	1-5 Years \$'000
2018						
Financial Liabilities						
<i>At amortised cost</i>						
Payables	2,149	2,149	2,149	-	-	-
Other Financial Liabilities ⁽ⁱ⁾						
- Accommodation Bonds	8,977	8,977	8,977	-	-	-
- Other	412	412	412	-	-	-
Total Financial Liabilities	11,538	11,538	11,538	-	-	-
2017						
Financial Liabilities						
<i>At amortised cost</i>						
Payables	2,319	2,319	2,319	-	-	-
Other Financial Liabilities (i)						
- Accommodation Bonds	6631	6631	6631	-	-	-
- Other	301	301	301	-	-	-
Total Financial Liabilities	9,251	9,251	9,251	-	-	-

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

SWAN HILL DISTRICT HEALTH

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2018

Note 6: How we finance our operations

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

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

Structure:

6.1 Cash and cash equivalents

6.2 Commitments for expenditure

SWAN HILL DISTRICT HEALTH

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2018

Note 6.1: Cash and Cash Equivalents

	2018 \$'000	2017 \$'000
Cash on hand	3	2
Cash at bank	5,195	3,927
Aust. Dollar Term Deposits < 3 months	-	4,773
Cash in Jointly Controlled Operations	454	501
Total Cash and Cash Equivalents	5,652	9,203
Represented by:		
Cash held by Swan Hill District Health	4,786	8,401
Cash in Jointly Controlled Operations	454	501
Cash for Health Service Operations (as per Cash Flow Statement)	5,240	8,902
Cash for Monies Held in Trust		
- Cash on Hand	1	1
- Cash at Bank	411	300
Total Monies Held in Trust	412	301
Total Cash and Cash Equivalents	5,652	9,203

Swan Hill District Health has a bank overdraft facility with the NAB for the amount of \$1 million. The amount unused at 30 June 2018 was \$1 million.

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

For cash flow statement presentation purposes, cash and cash equivalents include bank overdrafts, which are included as liabilities on the balance sheet.

SWAN HILL DISTRICT HEALTH

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2018

Note 6.2: Commitments for expenditure

(a) Commitments other than Public Private Partnerships

Capital expenditure commitments

Payable:

Buildings

Medical Equipment

Motor Vehicle

Plant and Machinery

Total Capital Expenditure Commitments

2018 \$'000	2017 \$'000
2,508	1,116
73	-
-	-
126	34
2,707	1,150

All amounts shown in the commitments note are nominal amounts inclusive of GST.

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

(b) Commitments payable

Capital expenditure commitments payable

Less than one (1) year

Total capital expenditure commitments

2018 \$'000	2017 \$'000
2,707	1,150
2,707	1,150

Other expenditure commitments payable

Computer

Total Other Expenditure Commitments

3	9
3	9
3	9
3	9
2,710	1,159

Less than one (1) year

TOTAL

Total commitments (exclusive of GST)

SWAN HILL DISTRICT HEALTH

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2018

Note 7: Risks, contingencies & valuation uncertainties

Introduction

Swan Hill District 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

SWAN HILL DISTRICT HEALTH

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2018

Note 7.1: Financial Instruments

(a) 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 Swan Hill District 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) Financial Instruments: categorisation

	Contractual financial assets - loans and receivables \$'000	Contractual financial liabilities at amortised cost \$'000	Total \$'000
2018			
Contractual Financial Assets			
Cash and cash equivalents	5,652	-	5,652
<i>Receivables</i>			
- Trade Debtors	201	-	201
- Other Receivables	1,041	-	1,041
<i>Other Financial Assets</i>			
- Term Deposit	14,903	-	14,903
Total Financial Assets ⁽ⁱ⁾	21,797	-	21,797
Financial Liabilities			
Payables	-	2,149	2,149
<i>Other Financial Liabilities</i>			
- Accomodation bonds	-	8,977	8,977
- Other	-	412	412
Total Financial Liabilities ⁽ⁱ⁾	-	11,538	11,538
	Contractual financial assets - loans and receivables \$'000	Contractual financial liabilities at amortised cost \$'000	Total \$'000
2017			
Contractual Financial Assets			
Cash and cash equivalents	9,203	-	9,203
<i>Receivables</i>			
- Trade Debtors	592	-	592
- Other Receivables	705	-	705
<i>Other Financial Assets</i>			
- Term Deposit	10,913	-	10,913
Total Financial Assets ⁽ⁱ⁾	21,413	-	21,413
Financial Liabilities			
Payables	-	2,319	2,319
<i>Other Financial Liabilities</i>			
- Accomodation bonds	-	6,631	6,631
- Other	-	301	301
Total Financial Liabilities ⁽ⁱ⁾	-	9,251	9,251

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).

SWAN HILL DISTRICT HEALTH

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2018

Note 7.1: Financial Instruments (continued)

(b) Net holding gain/(loss) on financial instruments by category

	Net holding gain/(loss) \$'000	Total interest income / (expense) \$'000	Fee income / (expense) \$'000	Impairment loss \$'000	Total \$'000
2018					
Financial Assets					
Loans and Receivables ⁽ⁱ⁾	-	400	-	-	400
Total Financial Assets	-	400	-	-	400
Financial Liabilities					
At Amortised Cost ⁽ⁱⁱ⁾	-	-	-	-	-
Total Financial Liabilities	-	-	-	-	-
2017					
Financial Assets					
Loans and Receivables ⁽ⁱ⁾	-	342	-	-	342
Total Financial Assets	-	342	-	-	342
Financial Liabilities					
At Amortised Cost ⁽ⁱⁱ⁾	-	-	-	-	-
Total Financial Liabilities	-	-	-	-	-

(i) For cash and cash equivalents, loans or receivables and available-for-sale financial assets, the net gain or loss is calculated by taking the movement in the fair value of the asset, interest revenue, plus or minus foreign exchange gains or losses arising from revaluation of the financial assets, and minus any impairment recognised in

(ii) For financial liabilities measured at amortised cost, the net gain or loss is calculated by taking the interest expense, plus or minus foreign exchange gains or losses arising from the revaluation of financial liabilities

Categories of financial instruments

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

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

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

- payables (excluding statutory payables); and
- borrowings (including finance lease liabilities).

SWAN HILL DISTRICT HEALTH

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2018

Note 7.1: Financial Instruments (continued)

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

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

Impairment of financial assets: At the end of each reporting period, Swan Hill District Health 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.

Reclassification of financial instruments: Subsequent to initial recognition and under rare circumstances, non-derivative financial instruments assets that have not been designated at fair value through profit or loss upon recognition, may be reclassified out of the fair value through profit or loss category, if they are no longer held for the purpose of selling or repurchasing in the near term.

Financial instrument assets that meet the definition of loans and receivables may be reclassified out of the fair value through profit and loss category into the loans and receivables category, where they would have met the definition of loans and receivables had they not been required to be classified as fair value through profit and loss. In these cases, the financial instrument assets may be reclassified out of the fair value through profit and loss category, if there is the intention and ability to hold them for the foreseeable future or until maturity.

Available-for-sale financial instrument assets that meet the definition of loans and receivables may be reclassified into the loans and receivables category if there is the intention and ability to hold them for the foreseeable future or until maturity.

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

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

SWAN HILL DISTRICT HEALTH

NOTES TO THE FINANCIAL STATEMENTS 30 JUNE 2018

Note 7.2: Contingent assets and contingent liabilities

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

SWAN HILL DISTRICT HEALTH

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2018

Note 8: Other disclosures

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

Structure:

- 8.1 Equity
- 8.2 Reconciliation of Net Result for the Year to Net Cash Flow from Operating Activities
- 8.3 Responsible persons disclosures
- 8.4 Remuneration of Executives
- 8.5 Related Parties
- 8.6 Remuneration of auditors
- 8.7 Economic Dependency
- 8.8 AASBs issued that are not yet effective
- 8.9 Events Occurring after the Balance Sheet Date
- 8.10 Alternative presentation of comprehensive operating statement

SWAN HILL DISTRICT HEALTH

NOTES TO THE FINANCIAL STATEMENTS 30 JUNE 2018

Note 8.1: Equity

	2018 \$'000	2017 \$'000
(a) Surpluses		
Property, Plant and Equipment Revaluation Surplus ¹		
Balance at the beginning of the reporting period	34,231	34,231
Revaluation Increments	424	-
Balance at the end of the reporting period*	34,655	34,231
* Represented by:		
- Land	2,368	1,944
- Buildings	31,832	31,832
- Land Improvements	455	455
	34,655	34,231
Special Purpose Surplus		
Balance at the beginning of the reporting period	2,368	2,251
Transfer to and from General Surplus	180	117
Balance at the end of the reporting period	2,548	2,368
Total Surpluses	37,203	36,599
(b) Contributed Capital		
Balance at the beginning of the reporting period	18,072	18,072
Balance at the end of the reporting period	18,072	18,072
(c) Accumulated Surpluses/(Deficits)		
Balance at the beginning of the reporting period	4,121	6,889
Net Result for the Year	(1,095)	(2,651)
Transfers to and from Special Purpose Surplus	(180)	(117)
Balance at the end of the reporting period	2,846	4,121
Total Equity at end of financial year	58,121	58,792

⁽¹⁾ The property revaluation surplus arises on the revaluation of property.

Note 8.1: Equity recognition

Contributed Capital

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

Property, Plant and Equipment Revaluation Surplus

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

Specific Purpose Surplus

The Specific Purpose Surplus is the net result of the revenue and expenditure relating to the Health Service's specific purpose accounts that have been included in the comprehensive operating statement.

SWAN HILL DISTRICT HEALTH

NOTES TO THE FINANCIAL STATEMENTS 30 JUNE 2018

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

	2018 \$'000	2017 \$'000
Net result for the period	(1,095)	(2,651)
Non-cash movements:		
Depreciation	4,142	4,186
Provision for doubtful debts	32	(37)
Jointly Controlled Operations (note 4.2)	6	11
Movements included in investing and financing activities		
Net (gain)/loss from disposal of non-financial physical assets	(2)	(18)
Movements in assets and liabilities:		
(Increase)/Decrease in Receivables	3	190
(Increase)/Decrease in Prepayments	(53)	(134)
Increase/(Decrease) in Payables	(140)	2,247
Increase/(Decrease) in Provisions	559	1,011
Change in inventories	(85)	4
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	3,367	4,809

SWAN HILL DISTRICT HEALTH

NOTES TO THE FINANCIAL STATEMENTS 30 JUNE 2018

Note 8.3: Responsible person disclosures

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

Responsible Ministers:

The Honourable Jill Hennessy, Minister for Health, Minister for Ambulance Services

Martin Foley, MLA, Minister for Mental Health and Minister for Housing, Disability and Ageing, Minister for Creative Industries, Minister for Equality

Governing Boards:

Mr P. Koetsveld

Mr I. Ray

Ms R. Kava

Dr. J. Christie

Mr G. Dunstan

Mrs J. Walters

Mrs A. Patney

A/Prof D. Colville

Mr A. Gilchrist

Mr G. Kuchel

Accountable Officers:

Mr. E.C. Rayment - Chief Executive Officer

Remuneration of Responsible Persons:

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

Income Band

\$330,000 to \$339,999

\$340,000 to \$349,999

Total Numbers

Total remuneration received or due and receivable by Responsible Person from the Reporting Entity amounted to:

Period
01/07/2017 - 30/06/2018
01/07/2017 - 30/06/2018
01/07/2017 - 30/06/2018
01/07/2017 - 30/06/2018
01/07/2017 - 30/06/2018
01/07/2017 - 30/06/2018
01/07/2017 - 30/06/2018
01/07/2017 - 30/06/2018
01/07/2017 - 30/06/2018
01/07/2017 - 30/06/2018
01/07/2017 - 30/06/2018

Total Remuneration	
2018 No.	2017 No.
-	1
1	-
1	1
\$344,313	\$330,579

No Board Member of Swan Hill District Health received a remuneration payment in their capacity as a Board Member.

Amounts relating to Responsible Ministers are reported within the Department of Parliamentary Services' Financial Report as disclosed in Note 8.5 Related Parties.

SWAN HILL DISTRICT HEALTH

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2018

Note 8.4: Remuneration of Executives

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

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

Short-term Employee Benefits

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

Post-employment Benefits

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

Other Long-term Benefits

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

Termination Benefits

Termination of employment payments, such as severance packages.

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

Remuneration of Executive Officers (including Key Management Personnel Disclosed in Note 8.5)

Short-term benefits
Post-employment benefits
Other long-term benefits
Termination benefits
Share-based payments
Total Remuneration ⁽ⁱ⁾

Total number of Executives

Total Annualised Employee Equivalent (AEE) ⁽ⁱⁱ⁾

Total Remuneration	
2018	2017
\$	\$
558	520
72	47
22	8
-	-
-	-
652	575
3	3
3	3

ⁱ The total number of executive officers includes persons who meet the definition of Key Management Personnel (KMP) of Swan Hill District Health under AASB 124 Related Party Disclosures and are also reported within Note 8.5 Related Parties.

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

SWAN HILL DISTRICT HEALTH

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2018

Note 8.5: Related parties

Swan Hill District Health is a wholly owned and controlled entity of the State of Victoria. Related parties of the Health Service include:

- All key management personnel (KMP) and their close family members;
- Cabinet ministers (where applicable) and their close family members;
- Jointly Controlled Operation - A member of the LMRHA Alliance; and
- All hospitals and public sector entities that are controlled and consolidated into the State of Victoria financial statements.

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

The Board of Directors and the Executive Directors of Swan Hill District Health and its controlled entities are deemed to be KMPs.

Entity	KMPs	Position Title
Swan Hill District Health	Mr P. Koetsveld	Chair of the Board
Swan Hill District Health	Mr I. Ray	Board Member
Swan Hill District Health	Ms R. Kava	Board Member
Swan Hill District Health	Dr. J. Christie	Board Member
Swan Hill District Health	Mr G. Dunstan	Board Member
Swan Hill District Health	Mrs J. Walters	Board Member
Swan Hill District Health	Mrs A. Patney	Board Member
Swan Hill District Health	A/Prof D. Colville	Board Member
Swan Hill District Health	Mr A. Gilchrist	Board Member
Swan Hill District Health	Mr G. Kuchel	Board Member
Swan Hill District Health	Mr E.C. Rayment	Chief Executive Officer
Swan Hill District Health	Mr R. Prockter	Executive Officer Corporate Services
Swan Hill District Health	Mrs K. Wright	Executive Officer Clinical Services
Swan Hill District Health	Mr P. Smith	Executive Officer Primary Care Services

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 - KMPs

	2018 \$	2017 \$
Short-term benefits	859	852
Post-employment benefits	100	74
Other long-term benefits	37	21
Termination benefits	-	-
Share-based payments	-	-
Total	996	947

Significant Transactions with Government Related Entities

The Swan Hill District Health Hospital received funding from the Department of Health and Human Services of \$39,634,559 (2017: \$38,759,447).

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

SWAN HILL DISTRICT HEALTH

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2018

Professional medical indemnity insurance and other insurance products are obtained from a Victorian Public Financial Corporation.

Treasury Risk Management Directions require Swan Hill District Health to hold cash (in excess of working capital) and investments, and source all borrowings from Victorian Public Financial Corporations.

Transactions with KMPs and Other Related Parties

There were no transactions with KMP's and other related parties during the year which requires disclosure.

SWAN HILL DISTRICT HEALTH

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2018

Note 8.6. Remuneration of auditors

Victorian Auditor-General's Office

Audit of financial statements

2018 \$'000	2017 \$'000
29	28
29	28

SWAN HILL DISTRICT HEALTH

NOTES TO THE FINANCIAL STATEMENTS 30 JUNE 2018

Note 8.7: Financial Dependency

Swan Hill District Health Services 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 Swan Hill District Health.

SWAN HILL DISTRICT HEALTH

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2018

Note 8.8: AASBs issued that are not yet effective

Certain new Australian accounting standards have been published that are not mandatory for the 30 June 2018 reporting period. Department of Treasury and Finance assesses the impact of all these new standards and advises Swan Hill District Health of their applicability and early adoption where applicable.

As at 30 June 2018, 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. Swan Hill District Health has not and does not intend to adopt these standards early.

Standard / Interpretation	Summary	Applicable for annual reporting periods beginning on	Impact on Entities Annual Statements
AASB 9 Financial Instruments	The key changes include the simplified requirements for the classification and measurement of financial assets, a new hedge accounting model and a revised impairment loss model to recognise expected impairment losses earlier, as opposed to the current approach that recognises impairment only when incurred.	1 January 2018	The assessment has identified that the amendments are likely to result in earlier recognition of impairment losses and at more regular intervals. The initial application of AASB 9 is not expected to significantly impact the financial position however there will be a change to the way financial instruments are classified and new disclosure requirements.
AASB 2014-1 Amendments to Australian Accounting Standards [Part E Financial Instruments]	Amends various AASs to reflect the AASB's decision to defer the mandatory application date of AASB 9 to annual reporting periods beginning on or after 1 January 2018, and to amend reduced disclosure requirements.	1 January 2018	This amending standard will defer the application period of AASB 9 to the 2018-19 reporting period in accordance with the transition requirements.
AASB 2014-7 Amendments to Australian Accounting Standards arising from AASB 9	Amends various AASs to incorporate the consequential amendments arising from the issuance of AASB 9.	1 January 2018	The assessment has indicated that there will be no significant impact for the public sector.

SWAN HILL DISTRICT HEALTH

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2018

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

Standard / Interpretation	Summary	Applicable for annual reporting periods beginning on	Impact on Entities Annual 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.	1 January 2018	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. The Standard will also require additional disclosures on service revenue and contract modifications.
AASB 2014-5 Amendments to Australian Accounting Standards arising from AASB 15	<p>Amends the measurement of trade receivables and the recognition of dividends as follows:</p> <ul style="list-style-type: none">• Trade receivables that do not have a significant financing component, are to be measured at their transaction price, at initial recognition.• Dividends are recognised in the profit and loss only when:<ul style="list-style-type: none">◦ the entity's right to receive payment of the dividend is established;◦ it is probable that the economic benefits associated with the dividend will flow to the entity; and◦ the amount can be measured reliably.	1 Jan 2018, except amendments to AASB 9 (Dec 2009) and AASB 9 (Dec 2010) apply from 1 Jan 2018	The assessment has indicated that there will be no significant impact for the public sector.

SWAN HILL DISTRICT HEALTH

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2018

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

Standard / Interpretation	Summary	Applicable for annual reporting periods beginning on	Impact on Entities Annual Statements
AASB 2015-8 Amendments to Australian Accounting Standards – Effective Date of AASB 15	This Standard defers the mandatory effective date of AASB 15 from 1 January 2017 to 1 January 2018.	1 January 2018	This amending standard will defer the application period of AASB 15 for for-profit entities to the 2018-19 reporting period in accordance with the transition requirements.
AASB 2016-3 Amendments to Australian Accounting Standards – Clarifications to AASB 15	<p>This Standard amends AASB 15 to clarify the requirements on identifying performance obligations, principal versus agent considerations and the timing of recognising revenue from granting a licence. The amendments require:</p> <ul style="list-style-type: none">• A promise to transfer to a customer a good or service that is 'distinct' to be recognised as a separate performance obligation;• For items purchased online, the entity is a principal if it obtains control of the good or service prior to transferring to the customer; and• For licences identified as being distinct from other goods or services in a contract, entities need to determine whether the licence transfers to the customer over time (right to use) or at a point in time (right to access).	1 January 2018	The assessment has indicated that there will be no significant impact for the public sector, other than the impact identified for AASB 15 above.
AASB 2016-7 Amendments to Australian Accounting Standards – Deferral of AASB 15 for Not-for-Profit Entities	This Standard defers the mandatory effective date of AASB 15 for not-for-profit entities from 1 January 2018 to 1 January 2019.	1 January 2019	This amending standard will defer the application period of AASB 15 for not-for-profit entities to the 2019-20 reporting period.

SWAN HILL DISTRICT HEALTH

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2018

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

Standard / Interpretation	Summary	Applicable for annual reporting periods beginning on	Impact on Entities Annual Statements
AASB 2016-8 Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities	<p>AASB 2016-8 inserts Australian requirements and authoritative implementation guidance for not-for-profit entities into AASB 9 and AASB 15.</p> <p>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.</p>	1 January 2019	<p>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:</p> <p>AASB 9</p> <ul style="list-style-type: none">• Statutory receivables are recognised and measured similarly to financial assets <p>AASB 15</p> <ul style="list-style-type: none">• 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.

SWAN HILL DISTRICT HEALTH

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2018

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

Standard / Interpretation	Summary	Applicable for annual reporting periods beginning on	Impact on Entities Annual Statements
AASB 16 Leases	The key changes introduced by AASB 16 include the recognition of operating leases (which are currently not recognised) on balance sheet.	1 January 2019	<p>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.</p> <p>In the operating statement, the operating lease expense will be replaced by depreciation expense of the asset and an interest charge.</p> <p>There will be no change for lessors as the classification of operating and finance leases remains unchanged.</p>
AASB 1058 Income of Not-for-Profit Entities	<p>AASB 1058 standard 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.</p> <p>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,</p>	1 January 2019	<p>The current revenue recognition for grants is to recognise revenue up front upon receipt of the funds.</p> <p>This may change under AASB 1058, as capital grants for the construction of assets will need to be deferred. Income will be recognised over time, upon completion and satisfaction of performance obligations for assets being constructed, or income will be recognised at a point in time for acquisition of assets.</p>

SWAN HILL DISTRICT HEALTH

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2018

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

Standard / Interpretation	Summary	Applicable for annual reporting periods beginning on	Impact on Entities Annual Statements
	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.		The impact on current revenue recognition of the changes is the phasing and timing of revenue recorded in the profit and loss statement. The revenue recognition for operating grants will need to be analysed to establish whether the requirements under other applicable standards need to be considered for recognition of liabilities (which will have the effect of deferring the income associated with these grants). Only after that analysis would it be possible to conclude whether there are any changes to operating grants.

In addition to the new standards and amendments above, the AASB has issued a list of other amending standards that are not effective for the 2017-18 reporting period (as listed below). In general, these amending standards include editorial and references changes that are expected to have insignificant impacts on public sector reporting.

- AASB 2016-5 Amendments to Australian Accounting Standards – Classification and Measurements of Share-based Payment Transactions
- AASB 2016-6 Amendments to Australian Accounting Standards – Applying AASB 9 Financial Instruments with AASB 4 Insurance Contracts
- AASB 2017-1 Amendments to Australian Accounting Standards – Transfers of Investment Property, Annual Improvements 2014-16 Cycle and Other Amendments
- AASB 2017-3 Amendments to Australian Accounting Standards – Clarifications to AASB 4
- AASB 2017-4 Amendments to Australian Accounting Standards – Uncertainty over Income Tax Treatments
- AASB 2017-5 Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections
- AASB 2017-6 Amendments to Australian Accounting Standards – Prepayment Features with Negative Compensation
- AASB 2017-7 Amendments to Australian Accounting Standards – Long-term Interests in Associates and Joint Ventures
- AASB 2018-1 Amendments to Australian Accounting Standards – Annual Improvements 2015 – 2017 Cycle
- AASB 2018-2 Amendments to Australian Accounting Standards – Plan Amendments, Curtailment or Settlement

Notes:

1. For the current year, given the number of consequential amendments to AASB 9 Financial Instruments AASB 15 Revenue from Contracts with Customers, and AASB 16 Leases the standards/interpretations have been grouped together to provide a more relevant view of the upcoming changes.

SWAN HILL DISTRICT HEALTH

NOTES TO THE FINANCIAL STATEMENTS 30 JUNE 2018

Note 8.9: Events occurring after the balance sheet date

Assets, liabilities, income or expenses arise from past transactions or other past events. Where the transactions result from an agreement between Swan Hill District Health and other parties, the transactions are only recognised when the agreement is irrevocable at or before the end of the reporting period.

Adjustments are made to amounts recognised in the financial statements for events which occur between the end of the reporting period and the date when the financial statements are authorised for issue, where those events provide information about conditions which existed at the reporting date. Note disclosure is made about events between the end of the reporting period and the date the financial statements are authorised for issue where the events relate to conditions which arose after the end of the reporting period that are considered to be of material interest

There are no known events occurring after the date of this report that will effect the Financial Statements.

SWAN HILL DISTRICT HEALTH

NOTES TO THE FINANCIAL STATEMENTS 30 JUNE 2018

Note 8.10: Alternate presentation of comprehensive operating statement

	Note	2018 \$'000	2017 \$'000
Grants			
Operating	2.1	42,716	40,122
Interest and Dividends	2.1	400	342
Sales of Goods and Services	2.1	10,067	9,250
Other income			
Other current revenue	2.1	6,960	6,641
Other capital income	2.1	3,261	1,805
Reversal of impairment of financial assets	2.1	-	-
Revenue from Transactions		63,404	58,160
Employee Expenses	3.1	(42,080)	(38,386)
Operating Expenses			
Supplies and consumables	3.1	(5,588)	(5,565)
Non salary labour costs	3.1	(3,616)	(4,102)
Finance Costs - Self Funded Activities		-	-
Other		(8,949)	(8,451)
Non-Operating Expenses			
Specific Expenses	3.3	-	-
Available-for-sale revaluation surplus gain/(loss) recognised	8.1	-	-
Impairment of non-financial assets	3.1	-	-
Impairment of financial assets	3.1	-	-
Finance Costs - Other	3.4	-	-
Assets provided free of charge		-	-
Expenditure for Capital Purpose	3.1	(118)	(110)
Share of net result of associates and joint ventures accounted for using the Equity Method	4.2	-	-
Depreciation and Amortisation	4.5	(4,148)	(4,197)
Expenses from Transactions		(64,499)	(60,811)
Net Result from Transactions		(1,095)	(2,651)
Net result from continuing operations		(1,095)	(2,651)
Net result from discontinued operations		-	-
NET RESULT FOR THE YEAR ^		(1,095)	(2,651)
Other comprehensive income			
Items that will not be reclassified to net result			
Changes in physical asset revaluation surplus	8.1	424	-
Share of net movement in revaluation surplus of associates and joint ventures	8.1	-	-
Items that may be reclassified subsequently to net result			
Changes to financial assets available-for-sale revaluation surplus	8.1	-	-
Total other comprehensive income		424	-
Comprehensive result		(671)	(2,651)

This alternative presentation reflects the format required for reporting to the Department of Treasury and Finance, which differs to the disclosures of certain transactions, in particular revenue and expenses, in the hospital's annual report.

Details of Information and Communication Technology (ICT) Expenditure

The total ICT expenditure incurred during 2017-18 is \$1.178 million (excluding GST) with the details shown below.

Business As Usual (BAU) ICT expenditure	Non-Business As Usual (non-BAU) ICT expenditure		
(Total) (excluding GST)	(Total=Operational expenditure and Capital Expenditure) (excluding GST)	Operational expenditure (excluding GST)	Capital expenditure (excluding GST)
(\$ million)	(\$ million)	(\$ million)	(\$ million)
\$0.885	\$0.293		\$0.293