



**Swan Hill
District Health**
my hospital

2019 ANNUAL REPORT



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	01/07/2018 – 29/11/2018
Jenny Mikakos, Minister for Health and Minister for Ambulance Services	29/11/2018 – 30/06/2019
The Honourable Martin Foley, Minister for Mental Health	01/07/2018 – 30/06/2019

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 on front cover: Pearl Pearson & Sabitha Poulouse

Pictured below: Leanne Langerak



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President and Chief Executive Officer Report

SHDH would like to acknowledge the Traditional Owners of the land on which we meet and we pay our respects to the elders, past, present and emerging.

On Friday 29 March 2019, we were very pleased to welcome the Hon Jenny Mikakos, Minister for Health, who visited Swan Hill District Health and inspected our health service facilities during which, we highlighted the causative effects of our ageing infrastructure on our ability to expand the level of care we provide to meet the growing health needs of our community. While in Swan Hill the Minister also took the opportunity to meet with the 'Swan Hill Needs a New Hospital' community advocacy group.

Reviews

It has been another very busy and productive year with SHDH commissioning Safer Care Victoria to undertake reviews of some of our key clinical services – namely, the provision of emergency, maternity and aged care services - with the aim of supporting SHDH to achieve excellence in care for every patient, every time. The reviews have resulted in recommended improvements to further enhance service delivery and care for our community. These recommendations are being addressed as a priority by the Board, Management and all staff at SHDH through a strong collective commitment to continuous improvement.

Following the Emergency Department Review, the Board has prioritised an expansion and reconfiguration of the current Emergency Department to meet the growing demands for this service. The redevelopment will take the existing 6 treatment spaces to 9 spaces, including an additional resuscitation bay and 'fast-track' consulting rooms to address a lack of privacy caused by confined clinical space with inadequate treatment areas and improve waiting room facilities. Funding of up to \$2.2m for this purpose has been agreed by Minister Mikakos, using funds re-purposed from an existing grant.

More Doctors for Swan Hill

Following ongoing lobbying and advisement of the impact the medical workforce shortage was creating for Swan Hill and surrounding communities the Federal Department of Health reviewed the District of Workforce Shortage classification and granted s19AB exemption for Swan Hill. This will assist SHDH and local practices to provide continuity of care to patients by being able to recruit eligible GP's who, without the exemption, would be unable to practice in Swan Hill.

The Board has adopted a Medical workforce strategy plan for 2019/2020 that prioritises the future medical specialty workforce needs.

New Masterplan

HSPC Health Architects have been engaged by the Victorian Government to support SHDH in the development of the Swan Hill District Health Service Master Plan and Feasibility Study. The Study has reviewed the existing facilities and is developing a plan for future buildings to maximize the functional relationships between services as well as the Clinical Services Profile completed in 2017. Once the preferred plan option for buildings is finalised then a feasibility and business case will be completed.

SHDH is an active participant in the master plan process and continues to advocate strongly for a new hospital.

New Facilities and Equipment

The Inpatient Sub-Acute facility commenced admitting patients on 23 May 2019. The \$2,860,000 project was funded by Department of Health & Human Services and is located on the former first floor of the previous Residential Aged Care Facility comprising of 14 beds made up from 3 Geriatric Evaluation & Management beds, 3 General Rehabilitation beds, 6 Transition Care beds and 2 Hospice/Palliative Care beds. The Inpatient Sub-Acute service is staffed by medical, nursing and allied health.

The Hospice Committee has been a strong supporter of the Inpatient Sub-Acute facility and the allocated Palliative Care beds, raising \$275,000 from community donations including a substantial contribution from the Swan Hill Freemasons. The Board wishes to gratefully acknowledge the dedication and support of the Hospice Committee. The funds raised went towards building renovations, furnishing and decorating the Hospice rooms, a palliative care scholarship, and ongoing scholarships to nurses and doctors to further their palliative care practice.

Monash University is providing financial support to upgrade 28 High Street to enhance SHDH's capacity to accommodate a clinical teaching centre for medical students. The development of the teaching centre delivers a rural medical experience for students with the aim to attract and retain medical staff. SHDH is also developing consulting rooms at 28 High Street for visiting specialists that will allow the Primary Health Medical Centre to accommodate further medical staff and deliver new programs such as nurse led clinics.

The Board welcomes the support provided by the Swan Hill Ladies Auxiliary whose excellent management and tireless work has provided a donation of \$132,000 as well as additional support from the Department of Health & Human Services which enabled the purchase of endoscopy equipment for our Operating Theatre.

The 17th Annual SHDH Golf and Bowls day was once again a successful event with over 190 participants enjoying the day with a record amount of \$21,835 being raised to purchase a Bladder Scanner for the Acute Ward. We sincerely appreciate the ongoing donation and fundraising support we receive from our community.

New Telehealth Services

The use of telehealth services has been a priority for SHDH to allow patients to access specialist medical services more easily.

Telehealth is now successfully utilised by SHDH at

- *headsplace* Swan Hill for consulting psychiatrists
- at the Primary Health Medical Centre for consulting a cardiologist and psychiatrists
- Geriatrician consultations for residents at Logan Lodge and Jacaranda Lodge
- Tele-Oncology clinic managed by the SHDH Chemotherapy Nurses to supplement clinic reviews in Kerang with the visiting Oncologist
- Royal Flying Doctor Service Endocrinology Telehealth Service,
- The recently initiated and innovative telehealth fracture clinic.

An example of the benefits of telehealth clinics is demonstrated by our partnership with Bendigo Health for the pilot telehealth fracture clinic implemented from the Victorian Telehealth Specialist Clinics Funding Initiative. The pilot study delivered improved client access to services; was cost effective in saving client travel to Bendigo; it improved health outcomes with clients accessing the telehealth clinic (rather than not turning up at the Bendigo fracture Clinic). It is now a much valued ongoing service, with the added benefit of providing increased skill development for our staff.

New Quality and Safety Initiatives

The ***Think Sepsis Project*** was implemented with the aim to ensure delivery of high quality, safe and appropriate patient centered sepsis management. The success of the project is indicated by the increase number of identified septic patients by clinicians, clinical documentation for coding of sepsis and collection of blood cultures in line with best practice outcomes. The benefits for patients were a decreased time for implementation and provision of the appropriate antibiotics.

SHDH has also implemented a Better Care Victoria ***Choosing Wisely Project*** aimed at improving the quality of healthcare by eliminating unnecessary and sometimes harmful tests, treatments, and procedures. The Project enabled clinicians and community to start conversations about tests, treatments and procedures where evidence shows they provide no benefit and in some cases may lead to harm. SHDH has also become a Choosing Wisely Champion Health Service in partnership with Choosing Wisely Australia.

Our Culture and Behaviours

Great culture results in great outcomes for patients, clients and residents and results in high levels of staff satisfaction. Swan Hill District Health received 100% for the Victorian Healthcare Experience Survey (VHES) Acute Survey and 99% for the VHES Community Survey which is above the State and Peers results and demonstrates the quality services staff are providing. Just some of the results included:- our staff being compassionate; feeling listened and understood by staff; having confidence and trust in staff; being treated with respect and dignity; and patients would recommend our service to family/friends. We believe these results are indicative of a professional attitude and caring culture demonstrated by Clinical, Corporate, Medical and Primary Care staff in delivering services and interacting with the community. We intend to further strengthen and promote a safe and caring culture at all levels of the organisation in the coming year.

Hardwiring for Excellence is a program with a focus on culture and patient care that has been introduced across all staff in our Health Service. The program this year has included the development of staff expectations for behavior; the introduction of staff huddles (meetings) for communicating critical information; rounding (conversations) with staff which will be expanded to patient rounding; and implementing managing for performance.

headspace Swan Hill

The headspace Swan Hill launch on 15 February, 2019 was overseen by the headspace Youth Reference Group. SHDH's role in supporting young people in the region with a purpose built facility was acknowledged via a plaque. Headspace Swan Hill in collaboration with young people and community organisations have provided the Swan Hill Youth Ball and the inaugural Golden Rivers Football Netball League event.

Response to Family Violence

SHDH acknowledges family violence is a serious health issue that significantly affects the health and wellbeing in our community. The highly disturbing statistics women face such as 'one woman is murdered each week by her current or former partner' has led to the establishment of Strengthening Hospital Response to Family Violence where SHDH has an important role in the health and safety of our community. In celebrating International Women's Day a video was commissioned featuring staff talking about gender equality and affirming SHDH's commitment to preventing family violence.

Acknowledging Individual and Group Contributions

The Board would like to recognise and thank Ted Rayment for his leadership and achievements during his twelve year tenure as CEO and wish him well for his future endeavours. We also warmly welcome Peter Abraham, an experienced CEO with significant rural, clinical and consumer experience, as our new CEO.

The Board would like to acknowledge and thank outgoing Board Directors Ian Ray (11 years) and Dr. John Christie (6 years). Their dedication and contributions to the Board and the various sub committees during their term has greatly benefited SHDH.

The Board of Management, Executive and Staff were saddened during the year by the passing of Don Logan. Mr Logan was a Board Member from 1973 - 2017, serving terms as Treasurer, Vice President and President during this time.

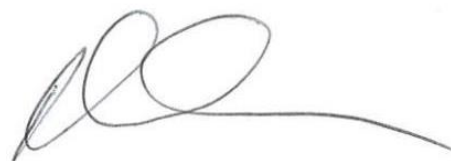
We appreciate our Consumer Advisory Groups, community advocacy groups and volunteers who support SHDH and the community. During National Volunteers Week SHDH recognised our volunteers presenting certificates for length of service ranging from 5 to 71 years. We presently have 185 registered volunteers providing support to the SHDH Ladies Auxiliary, Adult Day Services & Men's Shed, Logan Lodge, Jacaranda Lodge, Palliative Care, Acute Ward Visiting, Volunteers Desk, and attending meetings & working groups.

We would like to thank Swan Hill and surrounding communities for the feedback they provide on our services as it informs us on how well we are going in meeting their care needs but also where we need to review and improve.

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 2019.



Ms. Rosanne Kava
President
Board Directors
Swan Hill District Health



Mr. Peter Abraham
Chief Executive Officer
Swan Hill District Health



Board of Directors



Ms. R.M. Kava (Rosanne)
President BE.ME.GAICD
Profession/Occupation: Director
Appointed: 1st July, 2011



Mr. I.P. Ray (Ian) Jnr. Vice
President M.A.I.C.O
Profession/Occupation: Retiree
Appointed: 1st September, 2008



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



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



Mrs. A. Patney (Archana)
Ed., Dip Management, MAICD
Profession/Occupation: Teacher
Appointed: 1st July, 2016



Assoc. Professor D.J. Colville (Deb)
MBBS, PhD, FRANZCO, FRACS, M.P.H, Cert
Profession/Occupation: Ophthalmologist
Appointed: 1st July, 2016



Ms. E. Liepa (Emma)
GAICD, B.A. (Communication)
Profession/Occupation: Director of Policy &
Strategy
Appointed: 1st July, 2018



Mr. G. Kuchel (Greg)
Masters of Agribusiness
Profession/Occupation: Regional Manager –
Banking
Appointed: 1st July, 2017



Mrs. J. Wiggins
Diploma of Aesthetics; Cert. Strategic
Marketing & Business Mge; CRS
Profession/Occupation: Procurement &
Properties Co-Ord.
Appointed: 1st July, 2018

Executive Staff

Chief Executive Officer:

Mr. P. Abraham, Dip App Science Nursing, Dip Hlth Mgt.

Executive Officer - Clinical Services:

Mrs. K.T. Wright, RN, RM, ICCert., B.App.Sc.(Nsg.), MBA,
FACN, AFCHS, 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. Rex Prabhu, MBBS.,DCH.,MPH. MHSc
(Health.Serv.Mgmt).,MHSc (OHS)



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

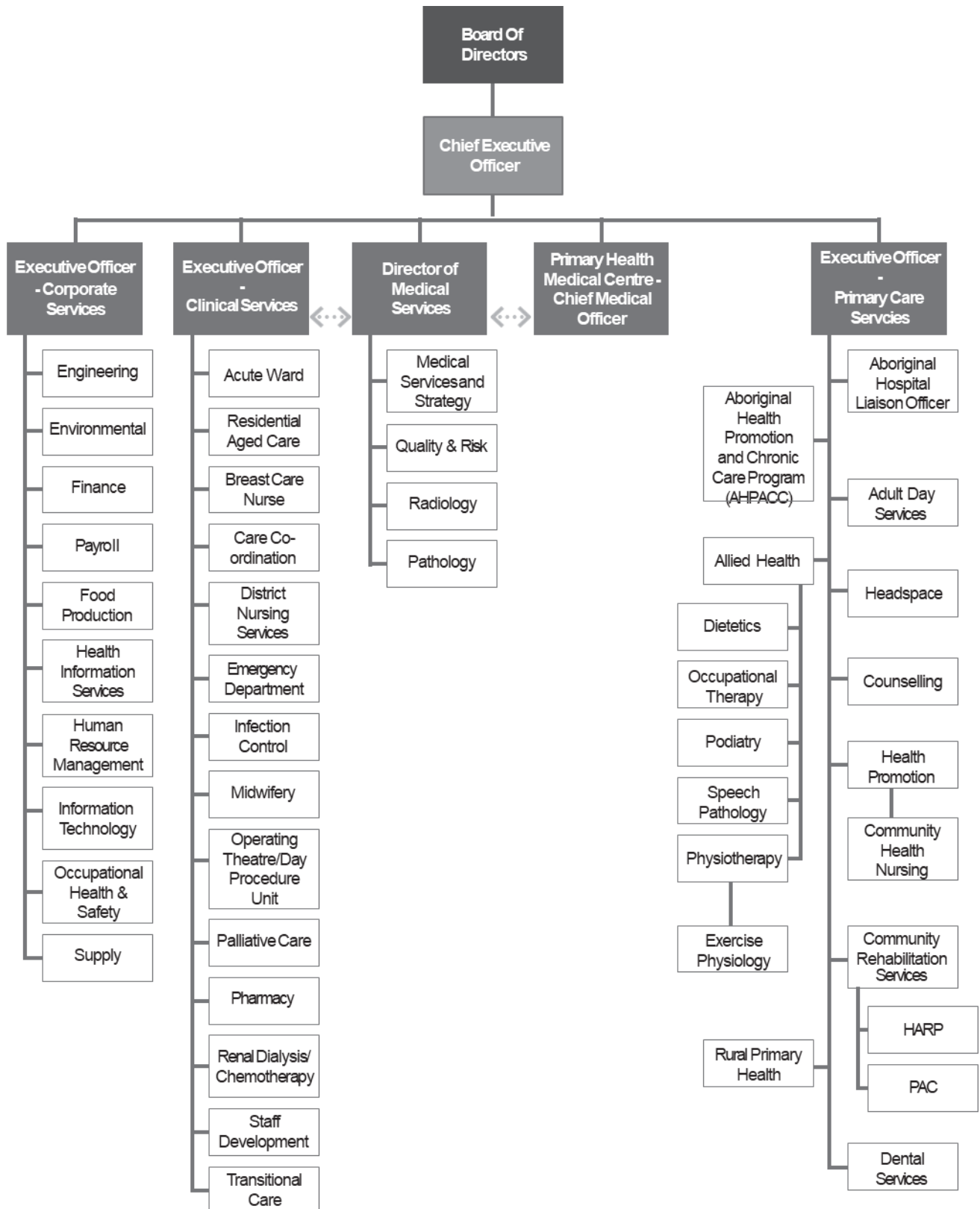
INTERNAL AUDITOR: AFS & Associates Pty Ltd. Bendigo

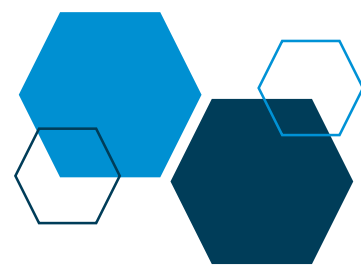
BANKERS: National Australia Bank

L to R: Paul Smith, EO Primary Care Services;
Kathy Wright, EO Clinical Services;
Peter Abraham, CEO;
Dr. Rex Prabhu, Director Medical Services;
Rod Prockter, EO Corporate Services.

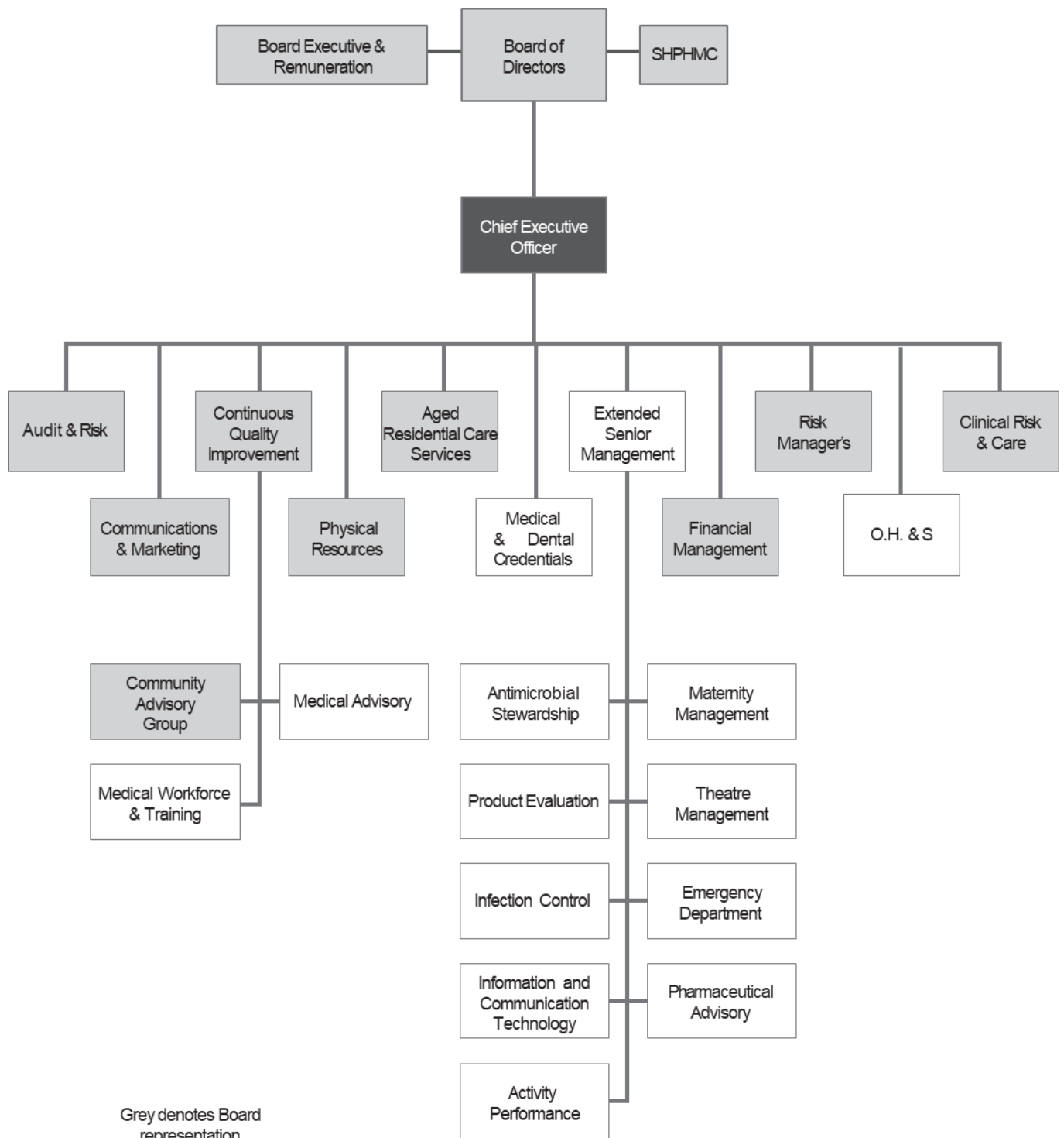
Organisation and Reporting Structure

ORGANISATIONAL CHART



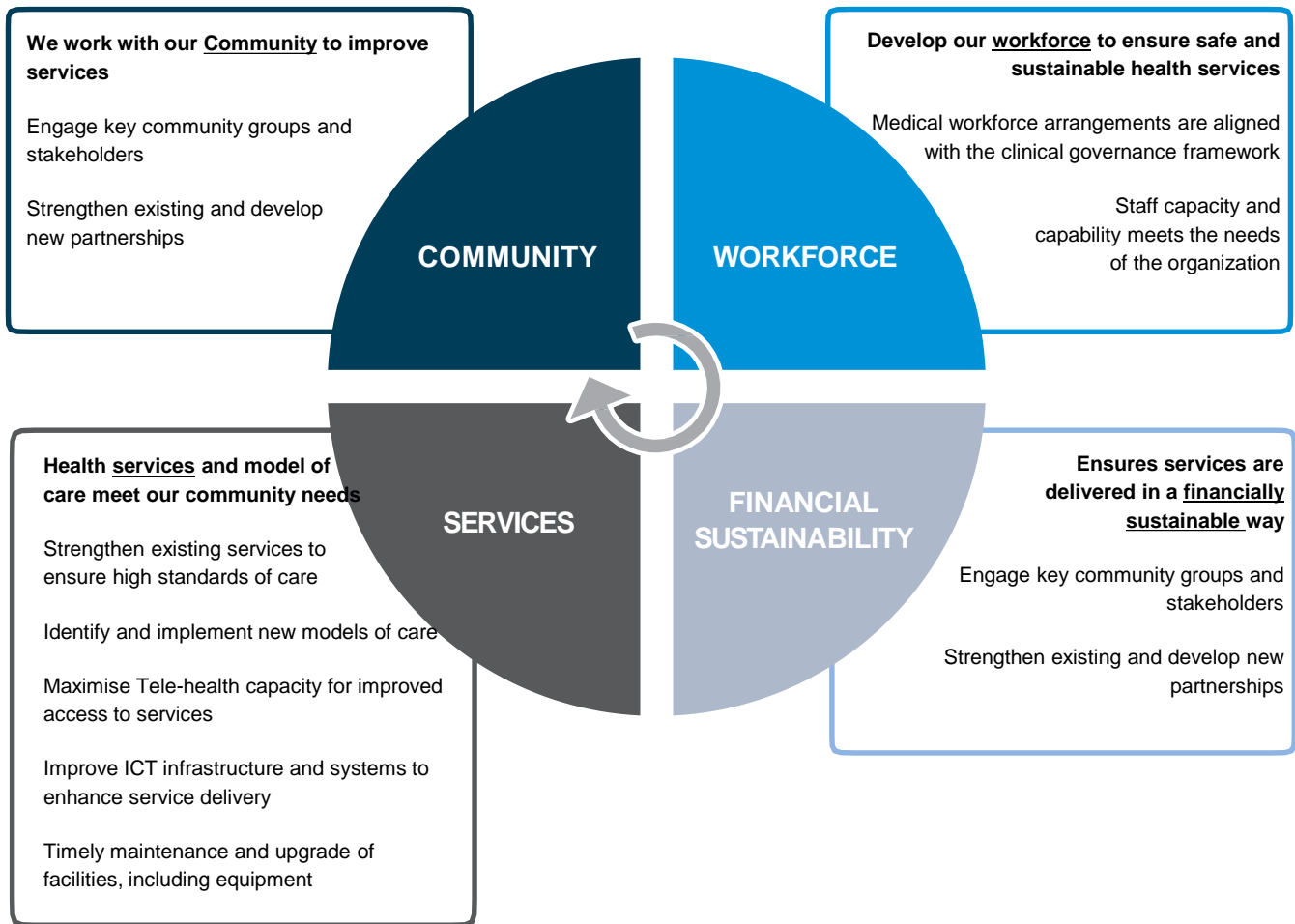


REPORTING STRUCTURE

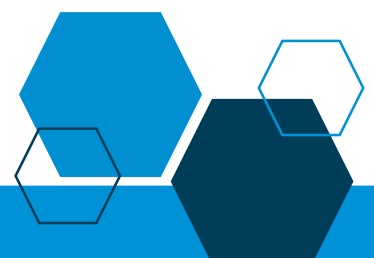


Strategic Plan 2016 -19

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 SERVICES 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. Rex Prabhu, MBBS.,DCH.,MPH. MHSc (Health.Serv.Mgmt).,MHSc (OHS)

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, RNBScNurs 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

Mrs. M. Barry (Acting)

CLINICAL SERVICES DIVISION

Executive Officer

Associate Director of Nursing

Director of Nursing Aged Care

Nurse Unit Managers:

Acute Care Ward

Midwifery Unit

Emergency Department

Operating Theatre Rooms

District Nursing Services

Renal Dialysis/Chemotherapy

Jacaranda Lodge

Logan Lodge

Social Worker

Infection & Prevention Control Coordinator

Palliative Care Co-ordinator

Director of Pharmacy

Breast Care Nurse

Staff Development Officers

**Transition Care Coordinator/ Sub Acute Inpatient
(from April 2019):**

Mrs. K.T. Wright, RN, RM, ICCert.,B.App.Sc.(Nsg.),MBA, FACN,AFCHSE.

Mr. S. Victor, M.Sc., MN.Grad.Cert.Hlth.Studies (Comm.Mental Health)

Mrs. M. Allen, RN. BGerontological Nsg, MHA, Grad Dip HM; BPublic Health

Ms. R. Hanns, RN BNsg, Grad Cert Acute Care Nsg. Dip Mgt.

Ms. K. Brooks 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. L. Sullivan, MN

Ms. F. Poni, BSW

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 and Safety Manager

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

Mrs. K. Coolahan

Mrs. M. Leahy, BHIth Info Mgt,Cert.Inf Tech (Multimedia)

Mrs. J. Jones

Mr. S. Wainwright

PRIMARY CARE SERVICES DIVISION

Executive Officer

Aboriginal Liaison Officer

ADS Coordinator

Community Rehabilitation Co-ordinator

Counselling Services Head

Chief Dietitian/Health Promotion Head

Chief Occupational Therapist

Chief Physiotherapist

Chief Podiatrist

Chief Speech Pathologist

headspace Manager

Project Manager

Dental Clinic Coordinator

Public Relations Officer

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.

Mrs. T. McMahan, B.Hlth.Sc. (OT)

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

Mrs. S. Rose, BECE, Grad Dip Bus

Medical Staff

CLINICAL SERVICES DIVISIONS - HONORARY DIRECTORS

Anaesthetics Dr. M. Elahi
Surgery Mr. S. Tellambura

SHDH PRIMARY MEDICAL CLINIC

Director: Dr. E.F. Hession
 Dr. S. Kelada
 Dr. R. Banskota
 Dr. Z. Naveed
 Dr. C. Mitchell

Cardiology Dr. G.P. Leiti
Dental Surgeons Dr. S. Zhang
 Dr. D. Kim
 Dr. S. Kim
 Dr. V. Mirtipati
 Dr. J. Leung
 Dr. D. Accad
General Medicine Dr. P.J. Cooney
General Surgery Mr. S. Tellambura
 Mr. P. Modak.
 Mr. G. Khan
 Dr. K. Joshi
Geriatric Medicine Dr. J. Wood
Infectious Diseases Dr. A. Mahony
Nephrology Dr. M. Lanteri
 Dr. K. Duchlarlet
Obstetrics / Gynaecology Dr. M. Jalland
 Visiting O & G Specialists

SWAN HILL MEDICAL GROUP

Dr. R.S. Booth
 Dr. R. Talukder
 Dr. R. Safdar

Oncology Dr. M. Warren
 Dr. R. Blum
Ophthalmic Surgery Dr. S. Bassili
Orthopaedic Surgery Mr. N. Dayananda
 Mr. S. Holland
 Mr. J. Hunt
 Mr. P. Paddle
 Mr. R. De Freitas
 Dr. T. Penno
 Australian Clinical Labs
 Dr. D.M. Cleeve
 Dr. R. Jarvis
 Dr. S. Skinner
 Dr. J. Eng
 Dr. J. Wilkie
 Dr. J. Tamangani
 Ms. J. Brennan
Otorhinolaryngology
Paediatrics
Pathology
Radiology
Urology

Pictured: Patricia Budde, Jennene Leschke & Johanna French



Report of Operations

CONSULTANCIES

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

In 2018-2019 there was one consultancy where the fee payable to the consultant was \$10,000 or greater.

Consultant	Purpose of consultancy	Start Date	End Date	Total approved project fee (excluding GST)	Expenditure 2018-19 (excluding GST)	Future expenditure (excluding GST)
Dr. Rohan Laging	Emergency Department Review	29/10/2018	05/11/2018	\$17,500.00	\$17,500.00	Nil

Details of Consultancies under \$10,000:

In 2018-19 there was one consultancy engaged during the year, where the total fees payable to the consultants was less than \$10,000

Consultant	Purpose of consultancy	Start Date	End Date	Total approved project fee (excluding GST)	Expenditure 2018-19 (excluding GST)	Future expenditure (excluding GST)
Cappela Consulting Pty Ltd	Medical Services Review – Sub Acute	01/07/2018	31/07/2018	\$7,389.00	\$7,389.00	Nil

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 80 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.

LOCAL JOB FIRST ACT 2003

In August 2018 the Victorian Parliament reformed the Victorian Industry Participation Act 2003 in the Local Jobs First Act 2003 and the FRD was revised to FRD 25D (April 2019).

In 2018/19 SHDH commenced one contract to which the Victorian Industry Participation Policy applied this was to establish Sub-Acute Services at a cost of \$2.2m. The outcomes from the VIPP project are as follows:

- an average of 98% of local content commitment was achieved.
- a total of 45 jobs (AEE) were achieved including the creation of 4 new jobs and retention of 41 jobs.
- a total of 16 positions for apprentices/trainees were achieved including the creation of 2 new apprenticeships/traineeships and the retention of the remaining 14 existing apprenticeships/traineeships.

EX GRATIA EXPENSES

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

SUBSEQUENT EVENTS

There were no events occurring after balance date which may significantly affect the Swan Hill District Health's operations in subsequent reporting periods.

OCCUPATIONAL VIOLENCE

Occupational Violence Statistics	2018 / 2019
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	185
Number of occupational violence incidents reported per 100 FTE	42.7
Percentage of occupational violence incidents resulting in a staff injury, illness or condition	2.2%

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

- **Occupational Violence** – any incident where an employee is abused, threatened or assaulted in circumstances arising out of, or in the course of their employment.
- **Incident** – an event or circumstance that could have resulted in, or did result in, harm to an employee. Incidents of all severity rating 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 2018 / 2019
- **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 2018 / 2019, Hazard and Incident reporting again remained stable. The purchase and implementation of innovative manual handling equipment and contemporary work practices directly resulted in SHDH achieving the target of zero Premium Impacting Musculoskeletal Injuries and a considerable reduction (87%) in Lost Time Standard Claims. It is to be noted that statistically, there is a significant variation in the Average Standard Workcover Claim Total Cost, however, that is due to a sole complex claim that has incurred a high Statistical Claim Estimate which accounts for 75% of the Total Cost.

	2016/2017	2017/2018	2018/2019
Number of Reported Hazards / Incidents per 100 FTE	27	26	24
Number of Lost Time Standard Claims per 100 FTE	1.02	1.21	0.23
Average Standard Workcover Claim Total Cost	\$14,578.82	\$10,973.13*	\$266,942

*Amendment to 2017/2018 Annual Report figure due to Worksafe re-calculation

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, such as monitoring electrical usage, paper light strategies and consideration of further solar panel installation.

For the 2018/19 year SHDH continued to show a reduced electricity and LPG consumption due to LED lighting, solar panels and infrastructure efficiencies.

Consumption	2016/2017	2017/2018	2018/2019
Electricity (kw/hrs)	2,805,708	2,771,769 (-4.2%)	2,590,541 (-5.6%)
LPG (K/L)	447,660	428,925 (-1.25%)	404,868 (-6.5%)

AUDIT COMMITTEE

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

C. Mahon (Independent Member)
 W. Pollock (Independent Member)
 J. Christie
 D. Colville
 A. Gilchrist

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 2018-2019 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	53	128	1		39
Part Time	25	308	2	1	41
Casual	10	68			6

ATSI Aboriginal & Torres Strait Islander.

PWD People with Disability.


NESB Non-English Speaking Background.

NO. OF STAFF EMPLOYED AS AT 30th JUNE 2019

	June Month FTE		June YTD FTE	
	2018	2019	2018	2019
Nursing	172.3	182.6	170.7	179.3
Administration & Clerical	82.5	86.6	80.1	83.2
Medical Support Services	26.5	29.7	26	28.3
Hotel & Allied Services	79.9	68.8	74.8	71
Medical Officers	1.6	2.1	1.7	1.7
Hospital Medical Officers	16.2	16.2	15	18.5
Sessional / Clinicians	0.3	0.3	0.3	0.3
Ancillary Support	43	54.6	42	50.8
Total:	422.3	440.9	410.8	433.1

DATA INTEGRITY

I, Peter Abraham 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.



Peter Abraham
Accountable Officer
19th July, 2019

INTEGRITY, FRAUD AND CORRUPTION

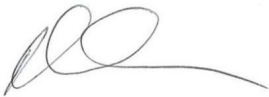
I, Peter Abraham certify that Swan Hill District Health has put in place appropriate internal controls and processes to ensure that Integrity, fraud and corruption risks have been reviewed and addressed Swan Hill District Health during the year.



Peter Abraham
Accountable Officer
19th July, 2019

CONFLICT OF INTEREST

I, Peter Abraham 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.



Peter Abraham
Accountable Officer
19th July, 2019

COMPLIANCE WITH HEALTH PURCHASING VICTORIA (HPV) HEALTH PURCHASING POLICIES

I, Peter Abraham 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.



Peter Abraham
Accountable Officer
19th July, 2019

FINANCIAL MANAGEMENT COMPLIANCE ATTESTATION

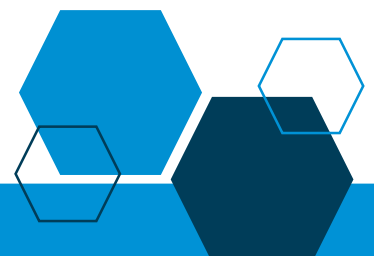
I Rosanne Kava, on behalf of the Responsible Body, certify that Swan Hill District Health has complied with the applicable Standing Directions 2018 under the Financial Management Act 1994 and Instructions except for the following Material Compliance Deficiencies:

Direction SD 4.2.3 Asset Management Accountability

(i) Deficiencies exist in monitoring asset performance, asset management system performance and asset management strategy. In 2019-2020 Swan Hill District Health will address these deficiencies through the revision of its Asset Management Strategy & Framework and implementation of a new AIM system.



Rosanne Kava
Accountable Officer
19th July, 2019



Additional Information

Consistent with FRD22H (Section 5.19), details in respect of the items listed below have been retained by the health service 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.

Pictured: Dr. S. Kelada



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	Nature and range of services provided	Inside back cover
FRD 22H	Activities, programs and achievements for the reporting period	2
FRD 22H	Significant changes in key initiatives and expectations for the future	2
Management and structure		
FRD 22H	Organisational structure	4
FRD 22H	Workforce data/employment and conduct principles	13
FRD 22H	Occupational Health and Safety	12
Financial and other information		
FRD 22H	Summary of the financial results for the year	Appendix 2
FRD 22H	Significant changes in financial position during the year	Appendix 2
FRD 22H	Operational and budgetary objectives and performance against objectives	2 & Appendix 1,2 & 3
FRD 22H	Subsequent events	12 & Appendix 3
FRD 22H	Details of consultancies under \$10,000	11
FRD 22H	Details of consultancies over \$10,000	11
FRD 22H	Disclosure of ICT expenditure	Appendix 4
Legislation		
FRD 22H	Application and operation of Freedom of Information Act 1982	11
FRD 22H	Compliance with building and maintenance provisions of Building Act 1993	11
FRD 22H	Application and operation of Protected Disclosure 2012	13
FRD 22H	Statement on National Competition Policy	13
FRD 22H	Application and operation of Carers Recognition Act 2012	13
FRD 22H	Summary of the entity's environmental performance	12
FRD 22H	Additional information available on request	15
Other relevant reporting directives		
FRD 25D	Local Jobs First Act Disclosures	11
SD 5.1.4	Financial Management Compliance attestation	14
SD 5.2.3	Declaration in report of operations	4
Attestations		
Attestation on Data Integrity		14
Attestation on managing Conflicts of Interest		14
Attestation on Integrity, fraud and corruption		14
Other reporting requirements		
Reporting of outcomes from Statement of Priorities 2018-19		Appendix 1
Occupational Violence reporting		12
Reporting of compliance Health Purchasing Victoria policy		14
Reporting obligations under the Safe Patient Care Act 2015		11

Attached here are the Appendices:

Statement of Priorities 2018-2019: Part A, B & C

Financial Statements

If these are missing, please contact CEO's office

Phone: (03) 5033 9221

Email: ceo.office@shdh.org.au



Our Services

SHDH PROVIDES THE FOLLOWING SERVICES

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



Pictured above: Kirsty Jacobs

Pictured on back cover: Luke Phelan

SERVICES LOCATED AT MAIN CAMPUS PROVIDED BY OTHERS:

Australian Clinical Labs



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

Phone: (03) 5033 9300

www.shdh.org.au

ABN: 24 314 338 210



Appendices

Appendix 1:

- Statement of Priorities 2018-2019: Part A, B & C
 - Part A - Strategic Priorities Report
 - Part B: Performance Priorities
 - Part C: Activity and Funding

Financial Statements for the year ended 30th June, 2019

Appendix 2:

- Activity Data
- Summary of Financial Results
- Financial Result for 2018/19
- Comparative Statistical Statement for five years

Appendix 3:

- Victorian Auditor – General’s Office Report

Appendix 4:

- Details of Information and Communication Technology (ICT) Expenditure



Goals	Strategies	Health Service Deliverables	Outcomes
<p>Better Health</p> <p>A system geared to prevention as much as treatment</p> <p>Everyone understands their own health and risks</p> <p>Illness is detected and managed early</p> <p>Healthy neighbourhoods and communities encourage healthy lifestyles</p>	<p>Better Health</p> <p>Build Healthy Neighbourhoods</p> <p>Help people to stay healthy</p>	<p>Implementation of eat.move.smile social marketing campaign more broadly across Swan Hill District Health to promote prevention messages (healthier eating, active living, and mental wellbeing); via the Communications Committee.</p>	<p>Complete - The eat.move.smile. social marketing campaign has been implemented. Promotion of prevention messages, key health messages and services via Swan Hill District Health Facebook, Twitter, Instagram, newsletters, community activities and local newspaper.</p>
		<p>Implementation of Public Health & Wellbeing Plan 2017-2021, which aims to help people stay healthy & build healthy neighbourhoods through actions on the priority areas of improving mental health, healthier eating and active living, and preventing family violence.</p>	<p>Complete - The 2017-2018 annual report for the Public Health and Wellbeing Plan 2017-2021 submitted to Department Health & Human Services on August 31, 2018.</p> <p>Ongoing - Progression on the Plan actions is reported by agencies at the Southern Mallee Primary Care Partnership Swan Hill Health & Wellbeing Partnership. Swan Hill District Health has achieved 2018-19 milestones in the 2017-2021 Public Health & Wellbeing Plan.</p>
<p>Better Access</p> <p>Care is always there when people need it</p> <p>More access to care in the home and community</p> <p>People are connected to the full range of care and support they need</p> <p>There is equal access to care</p>	<p>Better Access</p> <p>Provide easier access</p>	<p>Develop model for tele-cardiology clinic and seek support for implementation. In partnership with other smaller/peer/larger health services.</p>	<p>Complete - Tele-cardiology clinic commenced.</p>
		<p>Develop bulk billing paediatric outpatient service and paediatric inpatient consultation service.</p>	<p>Complete - Visiting paediatric service commenced and provided from Primary Health Medical Centre.</p>
		<p>To review and implement appropriate access to ante natal care for Refugee and Asylum Seekers.</p>	<p>Complete - Case studies on access to pregnancy health care for Refugee and Asylum Seekers completed. Primary Health Medical Centre to provide services at low cost to improve care access.</p>
		<p>Continue expansion of the tele-fracture and tele-oncology clinics to reduce onerous travel requirements for all specialist clinic appointments.</p>	<p>Complete - Tele-fracture project completed in October 2018 and embedded service.</p> <p>Complete - Tele-oncology clinic provided on fortnightly basis with high patient and clinician satisfaction.</p>

Goals	Strategies	Health Service Deliverables	Outcomes
Better Care Target zero avoidable harm Healthcare that focusses on outcomes Patients and carers are active partners in care Care fits together around people's needs	Better Care Put Quality First Join up care Strengthen the workforce	Continue the implementation of and evaluate the ThinkSepsis and National Health Service Choosing Wisely projects.	Complete - ThinkSepsis and Choosing Wisely projects have been successfully implemented.
		Contribute to the development and implementation of perioperative mortality and morbidity review process in collaboration with the Loddon Mallee Regional Clinical Council.	Complete - Continuation of Swan Hill District Health Director of Medical Services representation at the Loddon Mallee Regional Clinical Council
		Implement the recommendations of external review of maternity services participation in clinical governance and staff development.	Ongoing - Maternity service review recommendations are progressing with 59 completed, 28 progressing and 1 to commence. Recruiting midwives to meet the Safe Patient Legislation.
		Implement Rural Generalist and Emergency Medicine Certificate pathways in collaboration with Bendigo Health.	Complete - Rural Generalist pathway commenced in February 2019. The Swan Hill District Health Emergency Department position accredited by the Postgraduate Medical Council Victoria and a Service Level Agreement with Bendigo Health has been signed.
		Facilitate specialist training for Physiotherapist working within the Specialist Continence Clinic (HIP). Completion of post graduate certificate in Pelvic Floor Physiotherapy to ensure service continuity and sustainability for region.	Complete - Post Graduate Certificate in Pelvic Floor Physiotherapy has been successfully completed by Physiotherapy Manager.
		Establish a University School of Rural Health in conjunction with Bendigo Health Care Group.	Ongoing -Expansion of facilities to accommodate Monash Medical Students and consultation rooms for visiting specialists with expected completion in August 2019. Meeting held with Latrobe University regarding future medical student research.
Specific 2018-19 priorities (mandatory)	Disability Action Plans Draft disability action plans are completed in 2018-19. Note: Guidance on developing disability action plans can be found at https://providers.dhhs.vic.gov.au/disability-action-plans . Queries can be directed to the Office for Disability by phone on 1300 880 043 or by email at ofd@dhhs.vic.gov.au .	Submit a draft disability action plan to the department by 30 June 2019. This plan will address reduce barriers to people with disability in accessing goods, services and facilities; obtaining and maintaining employment; inclusion in the community and changes in attitudes and practices.	Ongoing - Allocation of 0.2EFT staff resource to develop the draft Disability Action Plan with Executive Officer Primary Care as Executive Sponsor. Swan Hill District Health is a participant in Bendigo Health's application to Better Care Victoria Innovation Fund – Disability Enablement Model of Care.

Goals	Strategies	Health Service Deliverables	Outcomes
Specific 2018-19 priorities (mandatory)	Volunteer engagement Ensure that the health service executives have appropriate measures to engage and recognise volunteers.	Continue to embed volunteer recognition events such as volunteers week, Christmas and or Australia Day lunch. Thank you letters and or certificates from Chief Executive Officer CEO in regards to years of service on departure. Executive presence at events.	Complete - There are 185 registered volunteers who are supported by the Swan Hill District Health Consumer Engagement Officer. Recognition of service was provided during National Volunteers Week with certificates from 5 to 71 years of service presented.
		Engagement of young people in volunteering through Engage Program Plan 2018-2020.	Volunteers have been recognised in social media, local newspaper and Swan Hill District Health newsletter. Complete - Young people participating in the Engage Program are linked in with the Swan Hill District Health Consumer Engagement Officer to enable volunteering. Engagement with Swan Hill College Community Services and Flexible Learning Options Campus
	Bullying and harassment Actively promote positive workplace behaviours and encourage reporting. Utilise staff surveys, incident reporting data, outcomes of investigations and claims to regularly monitor and identify risks related to bullying and harassment, in particular include as a regular item in Board and Executive meetings. Appropriately investigate all reports of bullying and harassment and ensure there is a feedback mechanism to staff involved and the broader health service staff.	Implementation of the Hardwiring for Excellence (Studer program) – above and below the line behaviours and feedback on the progress on the program to Board and Executive meetings.	Complete - Above and Below the line behaviours has been completed with continued training of all staff on Managing For Performance. Hardwiring for Excellence progress is reported to Board and Executive on monthly basis. Advanced bullying training to be conducted following incidents in a specific department.
		Bullying and Harassment as an Agenda item on every Board and Executive agenda with reports on all cases investigated as highlighted by the Risk Management Committee.	Complete - Bullying & Harassment is a standing agenda item on Board of Directors and Extended Senior Management Meetings.
	Occupational violence Ensure all staff who have contact with patients and visitors have undertaken core occupational violence training, annually. Ensure the department's occupational violence and aggression training principles are implemented.	Collaborate with the Loddon Mallee Chief Executive Group to establish a training program for staff in line with DHHS OVA principles.	Department of Health & Human Services Occupational Violence & Aggression Learning Modules are mandatory for all SHDH staff.

Goals	Strategies	Health Service Deliverables	Outcomes
Specific 2018-19 priorities (mandatory)	Environmental Sustainability Actively contribute to the development of the Victorian Government's policy to be net zero carbon by 2050 and improve environmental sustainability by identifying and implementing projects, including workforce education, to reduce material environmental impacts with particular consideration of procurement and waste management, and publicly reporting environmental performance data, including measureable targets related to reduction of clinical, sharps and landfill waste, water and energy use and improved recycling.	Review Swan Hill District Health's Environmental Management Plan to align with Victorian Government's policy.	Complete - Monitoring of electrical usage has shown a reduction in consumption by 6.54%. Environmental impact clause is included in Swan Hill District Health Contracts.
		With the DHHS sponsored 70 kilowatt solar panel system and the full year effect of LED lighting, deliver a 5% reduction in electricity usage. Reduce paper usage for organisation by 10% through the adoption of a paper light strategy.	Ongoing - Paper light strategy remains as a work in progress.
	LGBTI Develop and promulgate service level policies and protocols, in partnership with LGBTI communities, to avoid discrimination against LGBTI patients, ensure appropriate data collection, and actively promote rights to free expression of gender and sexuality in healthcare settings. Where relevant, services should offer leading practice approaches to trans and intersex related interventions. <i>Note: deliverables should be in accordance with the DHHS Rainbow eQuality Guide (see at www2.health.vic.gov.au/about/populations/lgbti-health/rainbow-equality) and the Rainbow Tick Accreditation Guide (see at www.glhv.org.au)</i>	Implementation of the Swan Hill District Health Inclusive Practice Action Plan 2017-2020, which outlines actions to improve access and equity for Swan Hill and surrounds diverse community members in particular LGBTI community.	Complete - Swan Hill District Health Inclusive Practice Action Plan and the Swan Hill District Health Diversity Policy and Staff Inclusive Practice Guideline were approved by Senior Management and Board of Directors. Funding received to implement Central Murray Football & Netball League Pride Cup Round in June 2019. Community events and training with a focus on LGBTI inclusion held in May to July 2019.

HIGH QUALITY AND SAFE CARE		
Key Performance Indicator	Target	Outcome
Accreditation		
Accreditation against the National Safety and Quality Health Service Standards	Full Compliance	Full Compliance
Compliance with the Commonwealth's Aged Care Accreditation Standards	Full Compliance	Full Compliance
Hand Hygiene Program Compliance	80%	85.2%
Percentage of healthcare workers immunised for influenza		
Immunisation Rate	75%	91%
Patient experience		
Victorian Healthcare Experience Survey – data submission	Full compliance	Non Compliant
Overall rating of care	95%	96.7%
Transition of care index	75%	80.3%
Perception of cleanliness	70%	83.5%
Victorian Healthcare Experience Survey – percentage of positive patient experience – Quarter 1	95%	93.2%
Victorian Healthcare Experience Survey – percentage of positive patient experience responses – Quarter 2	95%	100%
Victorian Healthcare Experience Survey – percentage of positive patient experience responses – Quarter 3	95%	98.6%
Victorian Healthcare Experience Survey – percentage of very positive responses to questions on discharge care – Quarter 1	75%	79.1%
Victorian Healthcare Experience Survey – percentage of very positive responses to questions on discharge care – Quarter 2	75%	85.1%
Victorian Healthcare Experience Survey – percentage of very positive responses to questions on discharge care – Quarter 3	75%	79.4%
Victorian Healthcare Experience Survey – patients perception of cleanliness – Quarter 1	70%	86.1%
Victorian Healthcare Experience Survey – patients perception of cleanliness – Quarter 2	70%	82.7%
Victorian Healthcare Experience Survey – patients perception of cleanliness – Quarter 3	70%	83.3%
Hip replacements		
Unplanned readmission hip replacements	n/a*	n/a*
Maternity and newborn		
Rate of singleton term infants without birth anomalies with APGAR score <7 to 5 minutes	≤ 1.6%	0.7%
Rate of severe foetal growth restriction in singleton pregnancy undelivered by 40 weeks	n/a **	n/a **

*Less than 50 cases, below reporting threshold

**Less than 10 cases of severe foetal growth restriction in singleton pregnancy recorded

STRONG GOVERNANCE, LEADERSHIP AND CULTURE		
Key Performance Indicator	Target	Outcome
Organisational culture		
People matter survey – percentage of staff with an overall positive response to safety and culture questions	80%	79%
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%	88%
People matter survey – percentage of staff with a positive response to the question, “Patient care errors are handled appropriately in my work area”	80%	78%
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%	82%
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%	79%
People matter survey – percentage of staff with a positive response to the question, “Management is driving us to be a safety-centred organisation”	80%	77%
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%	73%
People matter survey – percentage of staff with a positive response to the question, “Trainees in my discipline are adequately supervised”	80%	73%
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%	68%
TIMELY ACCESS TO CARE		
Key Performance Indicator	Target	Outcome
Emergency care		
Percentage of patients transferred from ambulance to emergency department within 40 minutes ambulance patients transferred within 40 minutes	90%	97%
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%	83%
Percentage of emergency patients with a length of stay less than four hours	81%	76%
Number of patients with a length of stay in the emergency department greater than 24 hours	0	1

EFFECTIVE FINANCIAL MANAGEMENT		
Key Performance Indicator	Target	Outcome
Finance		
Operating result (\$m)	\$0.5M deficit	\$2.7M deficit
Operating result as a percentage of revenue	-0.8%	-4.2%
Net result from transactions variance	+/-0.25%	2.82
Average number of days to paying trade creditors	60 days	45 days
Average number of days to receiving patient fee debtors	60 days	17 days
Public and Private WIES1 activity performance to target	100%	99.93%
Adjusted current asset ratio	0.7	0.86
Forecast number of days a health service can maintain its operations with unrestricted available cash (based on end of year forecast)	14 days	26 days
Actual number of days a health service can maintain its operations with unrestricted available cash, measured on the last day of each month.	14 days	26 days

Funding type	2018-19 Activity achievement
Acute admitted	
WIES Public	3,392.14
WIES Private	872.03

ACTIVITY DATA

APPENDIX 2

	Acute Health	Aged Care	Other	Total
Admitted Patient				
Separations				
Same Day	3,816			3,816
Multi Day	2,564	157		2,721
Total Separations	6,380	157		6,537
Emergency	2,222			2,222
Elective	3,939			3,939
Other	219			219
Total Separations	6,380			6,380
Public Separations	4,418			4,418
Total WIES	4,432			4,432
Total Bed Days	13,772	26,472		40,244
	Acute Health	Sub Acute	Other	Total
Non Admitted Patients				
Emergency Medical Attendances	12,612			12,612
Outpatient Services	20,617		0	20,617
Other Services **	-	17,564	24,958	42,522
Total Occasions of Service	33,229	17,564	24,958	75,751

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

SUMMARY OF FINANCIAL RESULTS

APPENDIX 2

	2019	2018	2017	2016	2015
	\$000	\$000	\$000	\$000	\$000
Operating Result	(2,703)	(16)	(86)	293	228
Total revenue	69,542	63,404	58,160	63,969	55,553
Total expenses	71,374	64,315	60,702	54,817	52,891
Net Results from transactions	(1,832)	(911)	(2,542)	9,152	2,662
Total other economic flows	(330)	(184)	(109)	(14)	-
Net result	(2,162)	(1,095)	(2,651)	9,138	2,662
Total assets	89,791	83,548	81,343	79,355	67,197
Total liabilities	25,742	25,427	22,551	17,912	14,891
Net asset/ Total equity	64,049	58,121	58,792	61,443	52,306

	2019	2018	2017	2016	2015
	\$000	\$000	\$000	\$000	\$000
Net Operating result	(2,703)	(16)	(86)	293	228
<u>Capital and Specific items</u>					
Capital purpose income	5,047	3,307	1,851	13,197	6,216
Specific Income					
Assets provided free of charge					
Assets received free of charge					
Expenditure for capital purpose	47	(54)	(110)	(104)	(79)
Depreciation and amortisation	(4,223)	(4,148)	(4,197)	(4,234)	(3,703)
Impairment of non-financial assets					
Finance costs (other)					
Net result from transactions	(1,832)	(911)	(2,542)	9,152	2,662

FINANCIAL RESULT FOR 2018/19

Swan Hill District Health has an Operating results before Capital and specific items is deficit of \$2.7m. Capital income includes DHHS grants, Donations and gain on sale of assets and Capital expenses predominantly Depreciation (\$4,223k). Net result from transactions is deficit of \$1.832m

COMPARATIVE STATISTICAL STATEMENT FOR FIVE YEARS

APPENDIX 2

	2018-19	2017-18	2016-17	2015-16	2014-15
Number of Available Beds					
Hospital	74	65	65	65	65
Aged Care *	75	75	75	79	79
Extended Care Unit *	0	0	0	0	0
Hostel *	0	0	0	0	0
In - Patients Treated					
Hospital	6,380	6,240	6,607	6,859	7,436
Aged Care *	168	138	114	120	137
Extended Care Unit *	0	0	0	0	0
Hostel *	0	0	0	0	0
Daily Average of Inpatients					
Hospital	38.5	37.7	37.4	40.7	43.7
Aged Care *	72.5	73.8	74.7	72.7	69.9
Extended Care Unit *	0.0	0.0	0.0	0.0	0.0
Hostel *	0.0	0.0	0.0	0.0	0.0
Average Days Stay of Inpatients ^^^					
Hospital	2.0	2.0	1.9	2.0	1.9
Aged Care *	168.6	170.6	239.1	221.1	186.2
Extended Care Unit *	0.0	0.0	0.0	0.0	0.0
Hostel *	0.0	0.0	0.0	0.0	0.0
Emergency Department					
All Activity	14,933	13,999	12,726	13,503	12,979
Community Rehabilitation Centre					
Attendances	10,316	9,621	8,584	8,060	6,447
Day Centre					
Attendances	2,216	2,282	2,214	2,200	2,251
Visiting Nursing Service "					
Attendances	7,655	8,583	10,380	11,306	10,166
Dental Clinic ^^					
Occasions of Service	0	0	5	8	230
Dietetics Department					
Occasions of Service	2,189	2,397	2,279	2,299	1,762
Occupational Therapy Department					
Occasions of Service	3,892	5,041	4,920	5,926	5,701
Physiotherapy Department ^					
Occasions of Service	8,368	6,836	6,643	6,212	3,259
Podiatry Department					
Occasions of Service	2,698	2,530	3,073	3,536	2,324
Speech Pathology Department					
Occasions of Service	3,287	3,938	3,346	2,784	2,891

COMPARATIVE STATISTICAL STATEMENT FOR FIVE YEARS

APPENDIX 2

	2018-19	2017-18	2016-17	2015-16	2014-15
Radiology Department					
Occasions of Service	25,945	23,986	23,251	23,598	23,097
Care Co-Ordinator Services					
Number of Cases	2,140	1,858	2,373	2,415	2,390
Counselling Services ""					
Clients	77	174	318	610	557
Occasions of Service	2,871	2,521	2,531	3,302	4,207
No of Groups	16	0	8	3	25
No of Group Attendances	156	2,521	2,614	3,452	4,812
Palliative Care Service**					
Occasions of Service	7,248	6,001	6,448	9,517	6,276
Pharmacy - Workload Units	186,265	172,219	176,427	191,478	194,451
Food Services Department ~					
No of Meals Prepared	187,457	194,264	184,790	187,975	238,369
Operations Performed	2,145	2,173	2,172	2,363	2,432
Major #	0	0	0	419	550
Minor #	0	0	0	1,381	1,882
Urgent #	220	243	207	103	
Non Urgent #	1,925	1,930	1,965	460	
Births	168	215	232	273	203
Deaths	91	91	94	78	89
Acute Patient Weighted Inlier Equivalent Separations - (WIES)	4,432	4,366	4,535	4,806	4,647

* Living Longer Living Better (LLLb) 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

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 2019 • comprehensive operating statement for the year then ended • statement of changes in equity for the year then ended • cash flow statement for the year then ended • notes to the financial statements, including significant accounting policies • board member's, accountable officer's and chief finance & accounting officer's declaration. <p>In my opinion the financial report presents fairly, in all material respects, the financial position of the health service as at 30 June 2019 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 7 of the <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
10 September 2019

Travis Derricott
as delegate for the Auditor-General of Victoria

Swan Hill District Health

24 314 338 210

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

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 Assistant Treasurer under the Financial Management Act 1994, applicable Financial Reporting Directions, Australian Accounting Standards including Interpretations, and other mandatory professional reporting requirements.

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

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 3rd of September 2019.



R. Kava
Board Chair

Swan Hill
3 September 2019



P. Abraham
Chief Executive Officer

Swan Hill
3 September 2019



R. Karunanatham
Chief Finance & Accounting Officer

Swan Hill
3 September 2019

Swan Hill District Health

Comprehensive Operating Statement For the Financial Year Ended 30 June 2019

	Note	2019 \$'000	2018 \$'000
Income from Transactions			
Operating Activities	2.1	68,421	62,265
Non-operating Activities	2.1	1,121	1,108
Total Income from Transactions		69,542	63,373
Expenses from Transactions			
Employee Expenses	3.1	(43,808)	(39,015)
Non Salary Labour Costs	3.1	(7,839)	(6,681)
Supplies and Consumables	3.1	(6,687)	(6,136)
Depreciation	4.3	(4,223)	(4,148)
Other Operating Expenses	3.1	(8,817)	(8,304)
Total Expenses from Transactions		(71,374)	(64,284)
Net result from transactions - Net Operating Balance		(1,832)	(911)
Other Economic Flows included in Net Result			
Net Gain/(Loss) on Sale of Non-Financial Assets	3.2	(120)	(64)
Net Loss on Financial Instruments at Fair Value	3.2	(32)	(61)
Other Loss from Other Economic Flows	3.2	(178)	(59)
Total Other Economic Flows included in Net Result		(330)	(184)
NET RESULT FOR THE YEAR		(2,162)	(1,095)
Items that will not be reclassified to Net Result			
Changes in Property, Plant and Equipment Revaluation Surplus	4.2b	8,090	424
Total Other Comprehensive Income		8,090	424
COMPREHENSIVE RESULT FOR THE YEAR		5,928	(671)

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

Swan Hill District Health

Balance Sheet As at 30 June 2019

	Note	2019 \$'000	2018 \$'000
Current Assets			
Cash and Cash Equivalents	6.1	17,306	5,652
Receivables	5.1	2,118	1,655
Investments and Other Financial Assets	4.1	-	14,903
Inventories		220	278
Prepayments and Other Assets		1,230	1,173
Total Current Assets		20,874	23,661
Non-Current Assets			
Receivables	5.1	1,350	1,045
Property, Plant and Equipment	4.2a	67,567	58,842
Total Non-Current Assets		68,917	59,887
TOTAL ASSETS		89,791	83,548
Current Liabilities			
Payables	5.2	4,981	3,496
Provisions	3.4	9,939	9,038
Other Current Liabilities	5.3	9,389	11,719
Total Current Liabilities		24,309	24,253
Non-current liabilities			
Provisions	3.4	1,433	1,174
Total Non-Current Liabilities		1,433	1,174
TOTAL LIABILITIES		25,742	25,427
NET ASSETS		64,049	58,121
EQUITY			
Property, Plant and Equipment Revaluation Surplus	4.2f	42,745	34,655
Special Purpose Surplus		1,548	2,548
Contributed Capital		18,072	18,072
Accumulated Surpluses		1,684	2,846
TOTAL EQUITY		64,049	58,121

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

Swan Hill District Health

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

		Property, Plant and Equipment Revaluation Surplus	Special Purpose Surplus	Contributed Capital	Accumulated Surpluses	Total
	Note	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2017		34,231	2,368	18,072	4,121	58,792
Net result for the year		-	-	-	(1,095)	(1,095)
Other Comprehensive Income for the year	4.2f	424	-	-	-	424
Transfer from accumulated surplus		-	180	-	(180)	-
Balance at 30 June 2018		34,655	2,548	18,072	2,846	58,121
Net result for the year		-	-	-	(2,162)	(2,162)
Other Comprehensive Income for the year	4.2f	8,090	-	-	-	8,090
Opening balance adjustment on adoption of AASB 9		-	-	-	-	-
Transfer to accumulated surplus		-	(1,000)	-	1,000	-
Balance at 30 June 2019		42,745	1,548	18,072	1,684	64,049

This Statement should be read in conjunction with the accompanying notes

Swan Hill District Health

Cash Flow Statement For the Financial Year Ended 30 June 2019

	Note	2019 \$'000	2018 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating grants from Government		50,545	46,803
Capital grants from Government		2,112	2,589
Patient and resident fees received		3,327	3,454
Private practice fees received		787	747
Donations and bequests received		273	81
GST received from/(paid to) ATO		216	216
Recoupment from private practice for use of hospital facilities		1,752	1,662
Interest received		313	443
Other capital receipts		-	672
Other receipts		9,779	6,659
Total receipts		69,104	63,326
Employee expenses paid		(42,828)	(41,521)
Non salary labour costs		(7,839)	(3,616)
Payments for supplies and consumables		(6,638)	(5,668)
Payment for share of Rural Health Alliance			
Other payments		(10,344)	(6,697)
Total payments		(67,649)	(57,502)
NET CASH FLOW FROM/(USED IN) OPERATING ACTIVITIES	8.1	1,455	5,824
CASH FLOWS FROM INVESTING ACTIVITIES			
Net redemption/(purchase) of investments		14,903	(7,228)
Payments for non-financial assets		(4,774)	(2,242)
Proceeds from sale of non-financial assets		70	95
NET CASH FLOW FROM/(USED IN) INVESTING ACTIVITIES		10,199	(9,375)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		11,654	(3,551)
Cash and cash equivalents at beginning of financial year		5,652	9,203
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	6.1	17,306	5,652

This Statement should be read in conjunction with the accompanying notes

SWAN HILL DISTRICT HEALTH

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

Basis of Presentation

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.

SWAN HILL DISTRICT HEALTH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

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 2019. 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 Assistant Treasurer.

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.

(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 2019, and the comparative information presented in these financial statements for the year ended 30 June 2018.

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

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 FOR THE YEAR ENDED 30 JUNE 2019

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

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 AABSs that have significant effects on the financial statements and estimates relate to:

- the fair value of land, buildings, plant and equipment, (refer to Note 4.2 Property, Plant and Equipment);
- Defined benefit superannuation expense (refer to Note 3.5 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 3.4 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) **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 FOR THE YEAR ENDED 30 JUNE 2019

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 8.7 Jointly Controlled Operations and Assets).

(f) Equity

Contributed Capital

Consistent with the requirements of AASB 1004 Contributions, contributions by owners (that is, contributed capital and its repayment) are treated as equity transactions and, therefore, do not form part of the income and expenses of Swan Hill District Health.

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

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

Specific Restricted Purpose Surplus

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

(g) Comparatives

Where applicable, the comparative figures have been restated to align with the presentation in the current year. Figures have been restated at Notes 2.1, 3.1, 3.3, 5.3 and 8.1.

SWAN HILL DISTRICT HEALTH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

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 District 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 Income from Transactions

SWAN HILL DISTRICT HEALTH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

Note 2.1: Income from Transactions

	Total 2019 \$'000	Total 2018 \$'000
Government Grants - Operating	49,974	46,500
Government Grants - Capital	2,112	2,828
Indirect contributions by Department of Health and Human Services	528	199
Other Capital purpose income (including capital donations)	2,546	402
Assets Received Free of Charge	261	-
Patient and Resident Fees	6,018	5,814
Commercial Activities ¹	2,392	2,236
Dental Health	1,412	1,329
Other Revenue from Operating Activities (including non-capital donations)	2,446	2,253
Jointly Controlled Operations (refer note 8.7)	732	704
Total Income from Operating Activities	68,421	62,265
General Purpose Funds	486	485
Property Income	54	46
Capital Interest	128	46
Other Interest	252	354
Other Revenue from Non-Operating Activities	201	177
Total Income from Non-Operating Activities	1,121	1,108
Total Income from Transactions	69,542	63,373

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

SWAN HILL DISTRICT HEALTH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

Note 2.1: Income from Transactions (continued)

Revenue Recognition

Income is recognised in accordance with AASB 118 Revenue and is recognised as to the extent that it is probable that the economic benefits will flow to 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.

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

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

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

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

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

Patient and Resident Fees:

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

Private Practice Fees:

Private practice fees are recognised as revenue at the time invoices are raised, and include recoupments from private practice for the use of hospital facilities.

Revenue from Commercial Activities:

Revenue from commercial activities such as catering, cafeteria and property rental income are recognised on an accrual basis.

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

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

SWAN HILL DISTRICT HEALTH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

Note 2.1: Income from Transactions (continued)

Other Income:

Other income is recognised as revenue when received. Other income includes recoveries for salaries and wages and external services provided, and donations and bequests. If donations are for a specific purpose, they may be appropriated to a surplus, such as the specific restricted purpose surplus.

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.

SWAN HILL DISTRICT HEALTH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

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 Expenses from Transactions

3.2 Other Economic Flows

3.3 Analysis of expense and revenue by internally managed and restricted specific purpose funds

3.4 Employee Benefits in the Balance Sheet

3.5 Superannuation

SWAN HILL DISTRICT HEALTH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

Note 3.1: Expenses from Transactions

	Total 2019 \$'000	Total 2018 \$'000
Salaries and Wages	40,152	35,542
On-costs	3,656	3,473
Agency Expenses	3,875	3,005
Fee for Service Medical Officer Expenses	3,713	3,452
Workcover Premium	251	224
Total Employee Expenses	51,647	45,696
Drug Supplies	1,581	1,172
Medical and Surgical Supplies (including Prostheses)	3,243	3,222
Diagnostic and Radiology Supplies	380	319
Other Supplies and Consumables	1,483	1,423
Total Supplies and Consumables	6,687	6,136
Finance Costs	16	15
Total Finance Costs	16	15
Fuel, Light, Power and Water	1,017	985
Repairs and Maintenance	425	555
Maintenance Contracts	551	524
Medical Indemnity Insurance	45	45
Patient Transport	1,652	1,494
Other Administrative Expenses	5,036	4,465
Expenditure for Capital Purposes	75	222
Total Other Operating Expenses	8,801	8,290
Depreciation (refer Note 4.3)	4,223	4,148
Total Other Non-Operating Expenses	4,223	4,148
Total Expenses from Transactions	71,374	64,285

SWAN HILL DISTRICT HEALTH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

Note 3.1: Expenses from Transactions (continued)

Expenses recognition

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

Employee expenses

Employee expenses include:

- Salaries and wages (including fringe benefits tax, leave entitlements, termination payments);
- on-costs;
- agency expenses;
- fee for service medical officer expenses;
- workcover premiums; and
- superannuation expenses.

Supplies and consumables

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

Finance costs

Finance costs include:

- Interest on bank overdrafts and short-term and long-term borrowings (Interest expense is recognised in the period in which it is incurred);
- finance charges in respect of finance leases which are recognised in accordance with AASB 117 Leases.

Other Operating Expenses

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

- Fuel, light and power;
- repairs and maintenance;
- other administrative expenses; and
- expenditure for capital purposes (represents expenditure related to the purchase of assets that are below the capitalisation threshold).

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

Non-operating expenses

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

SWAN HILL DISTRICT HEALTH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

Note 3.2: Other economic flows included in net result

	2019 \$'000	2018 \$'000
Net gain/(loss) on sale of non-financial assets		
<i>Net gain/(loss) on sale of non-financial assets</i>		
Net gain on disposal of property plant and equipment	(120)	(64)
Total net gain/(loss) on non-financial assets	(120)	(64)
<i>Net gains/(losses) on financial instruments at fair value</i>		
Allowance for impairment losses of contractual receivables	(32)	(61)
Total net loss on financial instruments at fair value	(32)	(61)
<i>Other gains/(losses) from other economic flows</i>		
Net Loss arising from revaluation of long service liability	(178)	(59)
Total other losses from other economic flows	(178)	(59)
Total other losses from economic flows	(330)	(184)

Other economic flows are changes in the volume or value of an asset or liability that do not result from transactions.

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

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

Net gain/ (loss) on non-financial assets

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

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

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

Net gain/(loss) on financial instruments include:

- realised and unrealised gains and losses from revaluations of financial instruments at fair value;
- disposals of financial assets and derecognition of financial liabilities.

Other gains/ (losses) from other economic flows

Other gains/ (losses) include:

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

Inventories

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 basis used in assessing loss of service potential for inventories held for distribution include current replacement cost and technical or functional obsolescence. Technical obsolescence occurs when an item still functions for some or all 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 FOR THE YEAR ENDED 30 JUNE 2019

Note 3.3: Analysis of expense and revenue by internally managed and restricted specific purpose funds

	Expense		Revenue	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Commercial Activities				
Catering	94	98	135	133
Cafeteria	45	43	88	90
Property	93	106	59	50
Other	-	-	180	180
TOTAL COMMERCIAL ACTIVITIES	232	247	462	453

SWAN HILL DISTRICT HEALTH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

Note 3.4: Employee benefits in the Balance Sheet

	2019 \$'000	2018 \$'000
Current Provisions		
Employee Benefits ⁽ⁱ⁾		
Annual leave		
- Unconditional and expected to be settled wholly within 12 months ⁽ⁱⁱ⁾	2,591	2,377
- Unconditional and expected to be settled wholly after 12 months ⁽ⁱⁱⁱ⁾	939	831
Long service leave		
- Unconditional and expected to be settled wholly within 12 months ⁽ⁱⁱ⁾	652	600
- Unconditional and expected to be settled wholly after 12 months ⁽ⁱⁱⁱ⁾	4,609	4,234
Accrued Days Off		
- Unconditional and expected to be settled wholly within 12 months ⁽ⁱⁱ⁾	77	112
	8,868	8,154
Provisions related to Employee Benefit On-Costs		
- Unconditional and expected to be settled within 12 months ⁽ⁱⁱ⁾	379	335
- Unconditional and expected to be settled after 12 months ⁽ⁱⁱⁱ⁾	692	549
	1,071	884
Total Current Provisions	9,939	9,038
Non-Current Provisions		
Conditional Long Service Leave	1,273	1,059
Provisions related to Employee Benefit On-Costs ⁽ⁱⁱⁱ⁾	160	115
Total Non-Current Provisions	1,433	1,174
Total Provisions	11,372	10,212

Notes:

(i) Employee benefits consist of amounts for accrued days off, annual leave and long service leave accrued by employees, not including on-costs.

(ii) The amounts disclosed are nominal amounts

(iii) The amounts disclosed are discounted to present values

(a) Employee Benefits and Related On-Costs

	2019 \$'000	2018 \$'000
Current Employee Benefits and related on-costs		
Unconditional LSL Entitlements	5,921	5,358
Annual Leave Entitlements	3,933	3,555
Accrued Days Off	85	125
Non-Current Employee Benefits and related on-costs		
Conditional Long Service Leave Entitlements ⁽ⁱⁱ⁾	1,433	1,174
Total Employee Benefits and Related On-Costs	11,372	10,212

SWAN HILL DISTRICT HEALTH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

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

	2019 \$'000
(b) Movements in on-costs provisions	
Balance at start of year	999
Additional provisions recognised	666
Unwinding of discount and effect of changes in the discount rate	(63)
Reduction due to transfer out	(370)
Balance at end of year	1,232

Employee Benefit Recognition

Provision is made for benefits accruing to employees in respect of annual leave, accrued days off 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.

Annual Leave and Accrued Days Off

Liabilities for annual leave and accrued days off are recognised in the provision for employee benefits as 'current liabilities' because 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 annual leave and accrued days off are measured at:

- Nominal 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:

- Nominal 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.

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.

SWAN HILL DISTRICT HEALTH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

Note 3.4: Employee benefits in the balance sheet (continued)

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 separately from provisions for employee benefits.

SWAN HILL DISTRICT HEALTH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

Note 3.5: Superannuation

	<i>Paid Contribution for the Year</i>		<i>Contribution Outstanding at Year End</i>	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
(i) Defined benefit plans:				
Health Super Fund	71	102	2	5
Defined contribution plans:				
First State Super	2,411	2,309	100	89
Hesta	745	717	32	25
Other	410	322	19	15
Total	3,637	3,450	153	134

(i) The basis 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 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.

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.

SWAN HILL DISTRICT HEALTH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

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 Property, Plant and Equipment
- 4.3 Depreciation

SWAN HILL DISTRICT HEALTH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

Note 4.1: Investments and Other Financial Assets

	Operating Fund		Total Fund	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
CURRENT				
Loans and Receivables				
Central Banking System				
Term Deposits > 3 months ⁽ⁱ⁾	-	14,903	-	14,903
Total Current	-	14,903	-	14,903
TOTAL INVESTMENTS	-	14,903	-	14,903
Represented by:				
Health Service Investments	-	5,926	-	5,926
Accommodation Bonds	-	8,977	-	8,977
TOTAL INVESTMENTS	-	14,903	-	14,903

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

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

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

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

Swan Hill District Health's investments must comply with Standing Direction 3.7.2 - Treasury Management, including Central Banking System.

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

Derecognition of financial assets

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

- the rights to receive cash flows from the asset have expired; or
- 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;
- Swan Hill District Health has transferred its rights to receive cash flows from the asset
 - (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

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.

SWAN HILL DISTRICT HEALTH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

Note 4.2: Property, Plant and Equipment

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.

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

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

Revaluations of Non-Current Physical Assets

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

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

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

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

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

Fair value measurement

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

For the purpose of fair value disclosures, 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

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.

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.

SWAN HILL DISTRICT HEALTH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

Note 4.2: Property, Plant and Equipment (continued)

Valuation hierarchy

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

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

Identifying unobservable inputs (level 3) fair value measurements

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

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

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

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

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

Non-Specialised Land and Non-Specialised Buildings

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

For non-specialised land and non-specialised buildings, an independent valuation was performed by the Valuer-General Victoria to determine the fair value using the market approach. Valuation of the assets was determined by analysing comparable sales and allowing for share, size, topography, location and other relevant factors specific to the asset being valued. An appropriate rate per square metre has been applied to the subject asset. The effective date of the valuation is 30 June 2019.

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.

SWAN HILL DISTRICT HEALTH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

Note 4.2: Property, Plant and Equipment (continued)

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.

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 2019.

Vehicles

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

Plant and Equipment

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

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

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

SWAN HILL DISTRICT HEALTH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

Note 4.2: Property, Plant and Equipment

Note 4.2 (a): Gross carrying amount and accumulated depreciation

	2019 \$'000	2018 \$'000
Land		
Land at Cost	-	330
Land at Fair Value	4,181	3,923
Total Land	4,181	4,253
Buildings		
Buildings at Fair Value	54,959	57,736
Less Accumulated Depreciation	-	(11,270)
Total Buildings	54,959	46,466
Land Improvements		
Land Improvements at Fair Value	337	463
Less Accumulated Depreciation	-	(60)
Total Land Improvements	337	403
Plant and Equipment		
Plant and Equipment at Fair Value	6,986	6,396
Less Accumulated Depreciation	(3,827)	(3,499)
Total Plant and Equipment	3,159	2,897
Medical Equipment		
Medical Equipment at Fair Value	5,745	5,455
Less Accumulated Depreciation	(3,427)	(3,286)
Total Medical Equipment	2,318	2,169
Motor Vehicles		
Motor Vehicles at Fair Value	1,004	938
Less Accumulated Depreciation	(719)	(698)
Total Cultural Assets	285	240
Interest In Jointly Controlled Operations		
Assets from Jointly Controlled Operations at Fair Value	122	123
Less Accumulated Depreciation	(69)	(70)
Total Interest in Jointly Controlled Operations	53	53
Work In Progress		
Buildings Under Construction	2,275	2,361
Total Work in Progress	2,275	2,361
TOTAL	67,567	58,842

SWAN HILL DISTRICT HEALTH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

Note 4.2: Property, Plant and Equipment (continued)

Note 4.2 (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 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 4.3)	-	(15)	(2,940)	(538)	(494)	(155)	-	(6)	(4,148)
Balance at 1 July 2018	4,253	403	46,466	2,897	2,169	240	2,361	53	58,842
Additions	-	18	152	588	781	191	3,044	11	4,785
Disposals	-	-	-	(3)	(132)	(53)	-	-	(188)
Assets provided free of charge	22	-	226	13	-	-	-	-	261
Net Transfers between Classes	-	(14)	2,870	266	8	-	(3,130)	-	-
Revaluation Increments/(Decrements)	(94)	(54)	8,238	-	-	-	-	-	8,090
Depreciation (Note 4.3)	-	(16)	(2,993)	(602)	(508)	(93)	-	(11)	(4,223)
Balance at 30 June 2019	4,181	337	54,959	3,159	2,318	285	2,275	53	67,567

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 2019.

SWAN HILL DISTRICT HEALTH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

Note 4.2: Property, plant and equipment (continued)

Note 4.2 (c): Fair value measurement hierarchy for assets

	Carrying amount as at 30 June 2019 \$'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	1,298	-	1,298	-
Specialised land	2,883	-	-	2,883
Total of land at fair value	4,181	-	1,298	2,883
Land Improvements at fair value				
Land Improvements at fair value	337	-	-	337
Total of land improvements at fair value	337	-	-	337
Buildings at fair value				
Non-specialised buildings	1,617	-	1,617	-
Specialised buildings	53,342	-	-	53,342
Total of building at fair value	54,959	-	1,617	53,342
Plant and Equipment at Fair Value	3,159	-	-	3,159
Motor Vehicles at Fair Value	285	-	-	285
Medical Equipment at Fair Value	2,318	-	-	2,318
Total Property, Plant and Equipment	65,239	-	2,915	62,324

Note

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

⁽ⁱⁱ⁾ There has been transfers between levels during the period from non-specialised land to specialised land and non-specialised buildings to specialised buildings, to reflect the correct fair value as per the revaluation in 2019. In the prior year, there is a transfer between non-specialised land and specialised land to reflect the correct fair value as per the managerial revaluation in 2018.

SWAN HILL DISTRICT HEALTH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

Note 4.2: Property, plant and equipment (continued)

Note 4.2 (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	2,897	-	-	2,897
Motor Vehicles at Fair Value	240	-	-	240
Medical Equipment at Fair Value	2,169	-	-	2,169
Total Property, Plant and Equipment	56,428	-	6,891	49,537

Note

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

SWAN HILL DISTRICT HEALTH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

Note 4.2: Property, Plant and Equipment (continued)

Note 4.2 (d): Reconciliation of Level 3 fair value measurement

	Land \$'000	Land Improvements \$'000	Buildings \$'000	Plant and equipment \$'000	Motor Vehicles \$'000	Medical equipment \$'000
Balance at 1 July 2018	1,536	-	42,695	2,897	240	2,169
Additions/(Disposals)	-	4	2,974	864	138	657
Net Transfers in (out) of Level 3	1,557	403	3,105	-	-	-
Gains/(Losses) recognised in Net Result - Depreciation	-	(16)	(2,872)	(602)	(93)	(508)
Items recognised in Other Comprehensive Income - Revaluation	(210)	(54)	7,440	-	-	-
Balance at 30 June 2019	2,883	337	53,342	3,159	285	2,318
	Land \$'000	Land Improvements \$'000	Buildings \$'000	Plant and equipment \$'000	Motor Vehicles \$'000	Medical equipment \$'000
Balance at 1 July 2017	1,436	-	45,327	2,920	372	2,428
Additions/(Disposals)	-	-	129	440	23	235
Net Transfers between classes	-	-	-	75	-	-
Gains/(Losses) recognised in Net Result - Depreciation	-	-	(2,761)	(538)	(155)	(494)
Items recognised in Other Comprehensive Income - Revaluation	100	-	-	-	-	-
Balance at 30 June 2018	1,536	-	42,695	2,897	240	2,169

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

SWAN HILL DISTRICT HEALTH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

Note 4.2: Property, Plant and Equipment (continued)

Note 4.2 (e): Fair Value determination

Asset class	Likely valuation approach	Significant inputs (Level 3 only)
Non-specialised land	Market approach	n.a.
Specialised Land (Crown / Freehold)	Market approach	Community Service Obligations Adjustments ^(30%)
Non-specialised buildings	Market approach	n.a.
Specialised buildings ^(a)	Depreciated replacement cost approach	- Cost per square metre - Useful life
Dwellings ^(a)	Market approach	n.a.
	Depreciated replacement cost approach	- Cost per square metre - Useful life
Vehicles	Market approach	n.a.
	Depreciated replacement cost approach	- Cost per unit - Useful life
Plant and equipment ^(a)	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).

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

SWAN HILL DISTRICT HEALTH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

Note 4.2 (f): Property, Plant and Equipment Revaluation Surplus

	2019 \$'000	2018 \$'000
Property, Plant and Equipment Revaluation Surplus		
Balance at the beginning of the reporting period	34,655	34,231
Revaluation Increment		
- Land (refer Note 4.2(b))	(148)	424
- Buildings	8,238	-
Balance at the end of the reporting period*	42,745	34,655
* Represented by:		
- Land	2,676	2,824
- Buildings	40,069	31,831
	42,745	34,655

SWAN HILL DISTRICT HEALTH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

Note 4.3: Depreciation

	2019 \$'000	2018 \$'000
Depreciation		
Buildings	2,993	2,940
Land Improvements	16	15
Plant and Equipment	457	402
Medical Equipment	508	494
Furniture and Fittings	145	136
Motor Vehicles	93	155
Depreciation from Jointly Controlled Operations	11	6
Total Depreciation	4,223	4,148

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

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

	2019	2018
Buildings		
- Structure Shell Building Fabric	40 to 47 years	40 to 47 years
- Site Engineering Services and Central Plant	7 to 40 years	7 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 33 years	4 to 33 years
Computer and Communication	3 to 20 years	3 to 20 years
Furniture and Fittings	4 to 20 years	4 to 20 years
Motor Vehicles	4 to 5 years	4 to 5 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 FOR THE YEAR ENDED 30 JUNE 2019

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 Payables

5.3 Other liabilities

SWAN HILL DISTRICT HEALTH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

Note 5.1: Receivables

	2019 \$'000	2018 \$'000
CURRENT		
Contractual		
Inter Hospital Debtors	179	147
Trade Debtors	273	201
Patient Fees	632	477
Debtor - Superannuation	3	2
Accrued Investment Income	-	67
Accrued Revenue		
Dental Health	323	330
Other	3	-
<i>Less: Allowance for impairment losses of contractual receivables</i>		
Patient Fees	(40)	(37)
Receivables from Jointly Controlled Operations	54	55
	1,427	1,242
Statutory		
GST Receivable	295	216
Accrued Revenue - Department of Health and Human Services	372	175
Accrued Revenue - Commonwealth	24	22
	691	413
TOTAL CURRENT RECEIVABLES	2,118	1,655
NON CURRENT		
Statutory		
Long Service Leave - Department of Health and Human Services	1,350	1,045
TOTAL NON-CURRENT RECEIVABLES	1,350	1,045
TOTAL RECEIVABLES	3,468	2,700

(a) Movement in the Allowance for Impairment Losses of Contractual Receivables

	2019 \$'000	2018 \$'000
Balance at beginning of year	37	5
Reversal of Allowance written off during the year as uncollectable	(30)	(33)
Reversal of unused allowance recognised in the net result	1	4
Increase in allowance recognised in net result	32	61
Balance at end of year	40	37

Receivables recognition

Receivables consist of:

- Contractual receivables, which consists of debtors in relation to goods and services and accrued investment income. These receivables are classified as financial instruments and categorised as 'financial assets at amortised costs'. They are initially recognised at fair value plus any directly attributable transaction costs. Swan Hill District Health holds the contractual receivables with the objective to collect the contractual cash flows and therefore subsequently measured at amortised cost using the effective interest method, less any impairment.

SWAN HILL DISTRICT HEALTH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

Note 5.1: Receivables (continued)

- Statutory receivables, which predominantly includes amounts owing from the Victorian Government and Goods and Services Tax (GST) input tax credits recoverable. Statutory receivables do not arise from contracts and are recognised and measured similarly to contractual receivables (except for impairment), but are not classified as financial instruments for disclosure purposes. Swan Hill District Health applies AASB 9 for initial measurement of the statutory receivables and as a result statutory receivables are initially recognised at fair value plus any directly attributable transaction cost.

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

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*.

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

Impairment losses of contractual receivables

Refer to Note 7.1 (c) Contractual receivables at amortised cost for Swan Hill District Health's contractual impairment losses.

SWAN HILL DISTRICT HEALTH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

Note 5.2: Payables

	2019 \$'000	2018 \$'000
CURRENT		
Contractual		
Trade Creditors	1,506	1,419
Accrued Expenses	2,281	1,825
Deposits on Hire Equipment	3	3
Jointly Controlled Operations Payables	145	145
Inter-Hospital Creditors	371	-
	4,306	3,392
Statutory		
Department of Health and Human Services- Payable to Government	675	104
	675	104
TOTAL CURRENT	4,981	3,496
TOTAL PAYABLES	4,981	3,496

Payables recognition

Payables consist of:

- contractual payables, classified as financial instruments and measured at amortised cost. Accounts payable and salaries and wages payable represent liabilities for goods and services provided to Swan Hill District Health prior to the end of the financial year that are unpaid; and
- statutory payables, that are recognised and measured similarly to contractual payables, but are not classified as financial instruments and not included in the category of financial liabilities at amortised cost, because they do not arise from contracts.

Maturity analysis of payables

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

SWAN HILL DISTRICT HEALTH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

Note 5.3: Other liabilities

	2019	2018
	\$'000	\$'000
CURRENT		
Income in Advance	74	2,330
Monies Held in Trust*		
- Primary Care Partnership*	267	372
- Residents - Nursing Home / Hostel*	40	39
- Accommodation Bonds*	9,007	8,977
- Simplified Billing*	1	1
Total Current	9,389	11,719
Total Other Liabilities	9,389	11,719
* Total Monies Held in Trust		
Represented by the following assets:		
Cash Assets (refer to Note 6.1)	9,315	412
Investment and Other Financial Assets (refer to Note 4.1)	-	8,977
TOTAL	9,315	9,389

SWAN HILL DISTRICT HEALTH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

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 FOR THE YEAR ENDED 30 JUNE 2019

Note 6.1: Cash and Cash Equivalents

	2019 \$'000	2018 \$'000
Cash on Hand (excluding Monies held in trust)	2	2
Cash at Bank (excluding Monies held in trust)	7,575	4,784
Cash in Jointly Controlled Operations	414	454
Cash on Hand (Monies held in trust)	1	1
Cash at Bank (Monies held in trust)	9,314	411
Total Cash and Cash Equivalents	17,306	5,652

Swan Hill District Health has a bank overdraft facility with the NAB for the amount of \$1 million. The amount unused at 30 June 2019 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, the cash flow statement includes monies held in trust.

SWAN HILL DISTRICT HEALTH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

Note 6.2: Commitments for expenditure

	2019 \$'000	2018 \$'000
Capital expenditure commitments payable		
Less than one (1) year	2,547	2,707
Total capital expenditure commitments	2,547	2,707
Other expenditure commitments payable		
Computer	4	3
Total Other Expenditure Commitments	4	3
Total Commitments for Expenditure (exclusive of GST)	2,551	2,710

Commitments

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

SWAN HILL DISTRICT HEALTH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

Note 7: Risks, contingencies & valuation uncertainties

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

SWAN HILL DISTRICT HEALTH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

Note 7.1 Financial Instruments

Financial instruments arise out of contractual agreements that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Due to the nature of 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.

Note 7.1(a) Financial Instruments: categorisation

	Financial Assets at Amortised Cost \$'000	Financial Liabilities at Amortised Cost \$'000	Total \$'000
2019			
Contractual Financial Assets			
Cash and cash equivalents	17,306	-	17,306
<i>Receivables</i>			
- Trade Debtors	273	-	273
- Other Receivables	1,154	-	1,154
Total Financial Assets ⁽ⁱ⁾	18,733	-	18,733
Financial Liabilities			
Payables	-	4,306	4,306
<i>Other Financial Liabilities</i>			
- Accomodation bonds	-	9,007	9,007
- Other	-	308	308
Total Financial Liabilities ⁽ⁱ⁾	-	13,621	13,621
	Contractual financial assets - loans and receivables	Contractual financial liabilities at amortised cost	Total
	\$'000	\$'000	\$'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	-	3,392	3,392
<i>Other Financial Liabilities</i>			
- Accomodation bonds	-	8,977	8,977
- Other	-	412	412
Total Financial Liabilities ⁽ⁱ⁾	-	12,781	12,781

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).

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

SWAN HILL DISTRICT HEALTH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

Note 7.1 (a): Financial Instruments (continued)

Categories of financial assets under AASB 9:

Financial assets at amortised cost

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

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

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

The Department recognises the following assets in this category:

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

Categories of financial assets previously under AASB 139

Loans and receivables and cash are financial instrument assets with fixed and determinable payments that are not quoted on an active market. These assets and liabilities are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial measurement, loans and receivables are measured at amortised cost using the effective interest method, less any impairment. Swan Hill District Health recognises the following in this category:

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

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

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

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

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

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.

SWAN HILL DISTRICT HEALTH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

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

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.

	Note	Carrying Amount	Nominal amount	Maturity Dates			
				Less than 1 Month	1-3 Months	3 Months-1 Year	1-5 Years
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2019							
Financial Liabilities							
<i>At amortised cost</i>							
Payables	5.2	4,306	4,306	4,306	-	-	-
Other Financial Liabilities ⁽ⁱ⁾							
- Accommodation Bonds	5.3	9,007	9,007	9,007	-	-	-
- Other	5.3	308	308	308	-	-	-
Total Financial Liabilities		13,621	13,621	13,621	-	-	-
2018							
Financial Liabilities							
<i>At amortised cost</i>							
Payables	5.2	3,392	3,392	3,392	-	-	-
Other Financial Liabilities (i)							
- Accommodation Bonds	5.3	8,977	8,977	8,977	-	-	-
- Other	5.3	412	412	412	-	-	-
Total Financial Liabilities		12,781	12,781	12,781	-	-	-

⁽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 FOR THE YEAR ENDED 30 JUNE 2019

Note 7.1 (c): Contractual receivables at amortised cost

	1-Jul-18	Current	Less than 1	1-3 months	3 months	1-5 years	Total
Expected loss rate		0%	0%	0%	50%	0%	
Gross carrying amount of contractual receivables		1,380	140	74	61	1,045	2,700
Loss allowance		0	0	0	31	0	31

	30-Jun-19	Current	Less than 1	1-3 months	3 months	1-5 years	Total
Expected loss rate		0%	0%	0%	50%	0%	
Gross carrying amount of contractual receivables		1,620	358	61	79	1,350	3,468
Loss allowance		0	0	0	40	0	40

Impairment of financial assets under AASB 9 – applicable from 1 July 2018

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

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

Contractual receivables at amortised cost

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

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

Reconciliation of the movement in the loss allowance for contractual receivables

	2019	2018
Balance at beginning of the year	37	5
Opening retained earnings adjustment on adoption of AASB 9	0	0
Opening Loss Allowance	37	5
Modification of contractual cash flows on financial assets	0	0
Increase in provision recognised in the net result	33	61
Reversal of provision of receivables written off during the year a	-30	-33
Reversal of unused provision recognised in the net result	0	4
Balance at end of the year	40	37

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

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

Statutory receivables at amortised cost

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

The statutory receivables are considered to have low credit risk, taking into account the counterparty's credit rating, risk of default and capacity to meet contractual cash flow obligations in the near term. As the result, the loss allowance recognised for these financial assets during the period was limited to 12 months expected losses.

SWAN HILL DISTRICT HEALTH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

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

SWAN HILL DISTRICT HEALTH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

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

	2019 \$'000	2018 \$'000
Net result for the year	(2,162)	(1,095)
Non-cash movements:		
Depreciation	4,212	4,142
Allowance for Impairment of Contractual Receivables	3	32
Movements included in investing and financing activities		
Net (gain)/loss from disposal of non-financial physical assets	120	(2)
Assets Received free of Charge	(261)	-
Movements in assets and liabilities:		
(Increase)/Decrease in Receivables	(771)	3
(Increase)/Decrease in Prepayments	(57)	(53)
Increase/(Decrease) in Payables	(845)	2,317
Increase/(Decrease) in Provisions	1,160	559
(Increase)/Decrease in Inventories	56	(79)
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	1,455	5,824

SWAN HILL DISTRICT HEALTH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

Note 8.2: Responsible person disclosures

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

Responsible Ministers:

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

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

The Honourable Martin Foley, Minister for Mental Health

The Honourable Martin Foley, Minister for Housing, Disability and Ageing

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

Governing Boards:

Ms R. Kava (Chair of the Board)

Mr I. Ray (Deputy Chair)

Dr. J. Christie

Ms J. Wiggins

Mr A. Gilchrist

Ms J. Walters

Ms A. Patney

Mr G. Kuchel

A/Prof D. Colville

Ms E. Liepa

Accountable Officers:

Mr. E.C. Rayment (Chief Executive Officer)

Mr. P.S. Abraham (Chief Executive Officer)

Remuneration of Responsible Persons:

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

Income Band

\$0 - \$9,999

\$10,000 - \$19,999

\$340,000 to \$349,999

Total Numbers

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

Period	
The Honourable Jill Hennessy, Minister for Health, Minister for Ambulance Services	01/07/2018 - 29/11/2018
The Honourable Jenny Mikakos, Minister For Health and Minister for Ambulance Services	29/11/2018 - 30/06/2019
The Honourable Martin Foley, Minister for Mental Health	01/07/2018 - 30/06/2019
The Honourable Martin Foley, Minister for Housing, Disability and Ageing	01/07/2018 - 29/11/2018
The Honourable Luke Donnellan, Minister for Child Protection, Minister for Disability, Aging and Carers	29/11/2018 - 30/06/2019
Ms R. Kava (Chair of the Board)	01/07/2018 - 30/06/2019
Mr I. Ray (Deputy Chair)	01/07/2018 - 30/06/2019
Dr. J. Christie	01/07/2018 - 30/06/2019
Ms J. Wiggins	01/07/2018 - 30/06/2019
Mr A. Gilchrist	01/07/2018 - 30/06/2019
Ms J. Walters	01/07/2018 - 30/06/2019
Ms A. Patney	01/07/2018 - 30/06/2019
Mr G. Kuchel	01/07/2018 - 30/06/2019
A/Prof D. Colville	01/07/2018 - 30/06/2019
Ms E. Liepa	01/07/2018 - 30/06/2019
Mr. E.C. Rayment (Chief Executive Officer)	01/07/2018 - 11/06/2019
Mr. P.S. Abraham (Chief Executive Officer)	12/06/2019 - 30/6/2019

Total Remuneration	
2019 \$'000	2018 \$'000
No.	No.
-	10
11	-
1	1
12	11
\$488	\$344

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

Amounts relating to Responsible Ministers are reported within the Department of Parliamentary Services' Financial Report as disclosed in Note 8.4 Related Parties.

SWAN HILL DISTRICT HEALTH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

Note 8.3: Remuneration of Executives

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

Remuneration of Executive Officers

(including Key Management Personnel Disclosed in Note 8.4)

	Total Remuneration	
	2019 \$'000	2018 \$'000
Short-term benefits	573	558
Post-employment benefits	61	72
Other long-term benefits	26	22
Termination benefits	-	-
Share-based payments	-	-
Total Remuneration	660	652
Total number of Executives	3	3
Total Annualised Employee Equivalent (AEE)	3	3

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.

SWAN HILL DISTRICT HEALTH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

Note 8.4: 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	Ms R. Kava	Chair of the Board
Swan Hill District Health	Mr I. Ray	Deputy Chair
Swan Hill District Health	Dr. J. Christie	Board Member
Swan Hill District Health	Ms J. Wiggins	Board Member
Swan Hill District Health	Mr A. Gilchrist	Board Member
Swan Hill District Health	Ms J. Walters	Board Member
Swan Hill District Health	Ms A. Patney	Board Member
Swan Hill District Health	Mr G. Kuchel	Board Member
Swan Hill District Health	A/Prof D. Colville	Board Member
Swan Hill District Health	Ms E. Liepa	Board Member
Swan Hill District Health	Mr P. Abraham	Chief Executive Officer
Swan Hill District Health	Mr T. 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 is reported in \$'000 and excludes the salaries and benefits the Portfolio Ministers receive. The Minister's remuneration and allowances is set by the *Parliamentary Salaries and Superannuation Act 1968*, and is reported within the Department of Parliamentary Services' Financial Report.

Compensation - KMPs

Short-term benefits ⁱ
Post-employment benefits
Other long-term benefits
Totalⁱⁱ

2019	2018
\$'000	\$'000
1,011	859
94	100
43	37
1,148	996

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

ⁱⁱ KMPs are also reported in Note 8.2 Responsible Persons and Note 8.3 Remuneration of Executives.

Significant Transactions with Government Related Entities

Swan Hill District Health received funding from the Department of Health and Human Services of \$42,348,137 (2018: \$39,634,559).

SWAN HILL DISTRICT HEALTH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

Note 8.4: Related parties (continued)

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.

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

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

Transactions with KMPs and Other Related Parties

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

Outside of normal citizen type transactions with Swan Hill District Health, there were no related party transactions that involved key management personnel, their close family members and their personal business interests. No provision has been required, nor any expense recognised, for impairment of receivables from related parties. There were no related party transactions with Cabinet Ministers required to be disclosed in 2019.

There were no related party transactions required to be disclosed for Swan Hill District Health Board of Directors, Chief Executive Officer and Executive Directors in 2019.

SWAN HILL DISTRICT HEALTH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

Note 8.5. Remuneration of auditors

Victorian Auditor-General's Office

Audit of financial statements

	2019 \$'000	2018 \$'000
	30	29
	30	29

SWAN HILL DISTRICT HEALTH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

Note 8.6: 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 FOR THE YEAR ENDED 30 JUNE 2019

Note 8.7 Jointly Controlled Operations and Assets

Name of Entity	Principal Activity	Ownership Interest	
		2019	2018
		%	%
Loddon Mallee Rural Health Alliance	Information Systems	9.47	9.46

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:

	2019 \$'000	2018 \$'000
ASSETS		
Current Assets		
Cash and Cash Equivalents	414	454
Receivables	47	40
GST Receivable	7	15
Inventories	-	9
Prepayments	117	51
Total Current Assets	585	569
Non-Current Assets		
Property, Plant and Equipment	53	53
Total Non-Current Assets	53	53
TOTAL ASSETS	638	622
LIABILITIES		
Current Liabilities		
Creditors	14	125
Accrued Expenses	132	20
Total Current Liabilities	146	145
TOTAL LIABILITIES	146	145
NET ASSETS	492	477

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

	2019 \$'000	2018 \$'000
Revenue from Operating Activities	732	704
Expenditure	(726)	(717)
Net Result Before Capital and Specific Items	6	(13)
Depreciation	(11)	(6)
Expenditure using Capital Purpose Income	19	6
NET RESULT FOR THE YEAR	14	(13)

Contingent Liabilities and Capital Commitments

Loddon Mallee Rural Health Alliance does not have any known contingent liabilities or capital commitments at 30th June, 2019.

SWAN HILL DISTRICT HEALTH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

Note 8.8: Economic Dependency

Swan Hill District Health is wholly dependent on the continued financial support of the State Government and in particular, the Department of Health and Human Services.

The Department of Health and Human Services has provided confirmation that it will continue to provide Swan Hill District Health adequate cash flow support to meet its current and future obligations as and when they fall due for a period up to September 2020. On that basis, the financial statements have been prepared on a going concern basis.

SWAN HILL DISTRICT HEALTH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

Note 8.9: AASBs issued that are not yet effective

Certain new Australian accounting standards have been published that are not mandatory for the 30 June 2019 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 2019, the following standards and interpretations had been issued by the AASB but were not yet effective. They become effective for the first financial statements for reporting periods commencing after the stated operative dates as detailed in the table below. Swan Hill District Health has not and does not intend to adopted these standards early.

Standard/ Interpretation	Summary	Applicable for annual reporting periods beginning on	Impact on public sector entity financial statements
<i>AASB 15 Revenue from Contracts with Customers</i>	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 <i>AASB 2015 8 Amendments to Australian Accounting Standards – Effective Date of AASB 15</i> has deferred the effective date of AASB 15 to annual reporting periods beginning on or after 1 January 2018, instead of 1 January 2017 for Not-for-Profit entities.	1 January 2019	The changes in revenue recognition requirements in AASB 15 may result in changes to the timing and amount of revenue recorded in the financial statements. Revenue from grants that are provided under an enforceable agreement that have sufficiently specific obligations, will now be deferred and recognised as the performance obligations attached to the grant are satisfied. There is an expectation this will impact capital grant funding, however it is not possible to quantify the impact until such time as funding is received and projects are commenced.
<i>AASB 2018-4 Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Public-Sector Licensors</i>	AASB 2018-4 amends AASB 15 and AASB 16 to provide guidance for revenue recognition in connection with taxes and Non-IP licences for Not-for-Profit entities.	1 January 2019	AASB 2018-4 provides additional guidance for not-for-profit public sector licenses, which include: <ul style="list-style-type: none"> • Matters to consider in distinguishing between a tax and a license, with all taxes being accounted for under AASB 1058; • IP licenses to be accounted for under AASB 15; and • Non-IP, such as casino licenses, are to be accounted for in accordance with the principles of AASB 15 after first having determined whether any part of the arrangement should be accounted for as a lease under AASB 16.

SWAN HILL DISTRICT HEALTH
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

Note 8.9: AASBs issued that are not yet effective (continued)

Standard/ Interpretation	Summary	Applicable for annual reporting periods beginning on	Impact on public sector entity financial statements
AASB 2016-8 <i>Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities</i>	<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.
AASB 16 <i>Leases</i>	The key changes introduced by AASB 16 include the recognition of most 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> <p>No impact on Swan Hill District Healths Financial Statements due to lack of material operating leases.</p>

SWAN HILL DISTRICT HEALTH
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

Note 8.9: AASBs issued that are not yet effective (continued)

Standard/ Interpretation	Summary	Applicable for annual reporting periods beginning on	Impact on public sector entity financial statements
<p>AASB 2018-8 <i>Amendments to Australian Accounting Standards – Right of Use Assets of Not-for-Profit entities</i></p>	<p>This standard amends various other accounting standards to provide an option for not-for-profit entities to not apply the fair value initial measurement requirements to a class or classes of right of use assets arising under leases with significantly below-market terms and conditions principally to enable the entity to further its objectives. This Standard also adds additional disclosure requirements to AASB 16 for not-for-profit entities that elect to apply this option.</p>	<p>1 January 2019</p>	<p>Under AASB 1058, not-for-profit entities are required to measure right-of-use assets at fair value at initial recognition for leases that have significantly below-market terms and conditions.</p> <p>For right-of-use assets arising under leases with significantly below market terms and conditions principally to enable the entity to further its objectives (peppercorn leases), AASB 2018-8 provides a temporary option for Not-for-Profit entities to measure at initial recognition, a class or classes of right-of-use assets at cost rather than at fair value and requires disclosure of the adoption.</p> <p>The State has elected to apply the temporary option in AASB 2018-8 for not-for-profit entities to not apply the fair value provisions under AASB 1058 for these right-of-use assets.</p> <p>In making this election, the State considered that the methodology of valuing peppercorn leases was still being developed.</p>
<p>AASB 1058 <i>Income of Not-for-Profit Entities</i></p>	<p>AASB 1058 will replace the majority of income recognition in relation to government grants and other types of contributions requirements relating to public sector not-for-profit entities, previously in AASB 1004 <i>Contributions</i>.</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> <p>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.</p>	<p>1 January 2019</p>	<p>Grant revenue is currently recognised up front upon receipt of the funds under AASB 1004 <i>Contributions</i>.</p> <p>The timing of revenue recognition for grant agreements that fall under the scope of AASB 1058 may be deferred. For example, revenue from capital grants for the construction of assets will need to be deferred and recognised progressively as the asset is being constructed.</p> <p>The impact on current revenue recognition of the changes is the potential phasing and deferral of revenue recorded in the operating statement. The impact is not able to be quantified until such time as capital grants are received and projects commenced.</p>

SWAN HILL DISTRICT HEALTH
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

Note 8.9: AASBs issued that are not yet effective (continued)

Standard / Interpretation	Summary	Applicable for annual reporting periods beginning on	Impact on Entities Annual Statements
AASB 2018-7 <i>Amendments to Australian Accounting Standards – Definition of Material</i>	This Standard principally amends AASB 101 <i>Presentation of Financial Statements</i> and AASB 108 <i>Accounting Policies, Changes in Accounting Estimates and Errors</i> . The amendments refine and clarify the definition of material in AASB 101 and its application by improving the wording and aligning the definition across AASB Standards and other publications. The amendments also include some supporting requirements in AASB 101 in the definition to give it more prominence and clarify the explanation accompanying the definition of material.	1 January 2020	The standard is not expected to have a significant impact on the public sector.

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 2018-19 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 2017-1 Amendments to Australian Accounting Standards – Transfers of Investment Property, Annual Improvements 2014-16 Cycle and Other Amendments
- 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

SWAN HILL DISTRICT HEALTH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

Note 8.10: Glossary of terms and style conventions

Actuarial gains or losses on superannuation defined benefit plans

Actuarial gains or losses are changes in the present value of the superannuation defined benefit liability resulting from

- (a) experience adjustments (the effects of differences between the previous actuarial assumptions and what has actually occurred); and
- (b) the effects of changes in actuarial assumptions.

Amortisation

Amortisation is the expense which results from the consumption, extraction or use over time of a non-produced physical or intangible asset.

Associates

Associates are all entities over which an entity has significant influence but not control, generally accompanying a shareholding and voting rights of between 20 per cent and 50 per cent.

Comprehensive result

The net result of all items of income and expense recognised for the period. It is the aggregate of operating result and other comprehensive income.

Commitments

Commitments include those operating, capital and other outsourcing commitments arising from non-cancellable contractual or statutory sources.

Current grants

Amounts payable or receivable for current purposes for which no economic benefits of equal value are receivable or payable in return.

Depreciation

Depreciation is an expense that arises from the consumption through wear or time of a produced physical or intangible asset. This expense reduces the 'net result for the year'.

Effective interest method

The effective interest method is used to calculate the amortised cost of a financial asset or liability and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument, or, where appropriate, a shorter period.

Employee benefits expenses

Employee benefits expenses include all costs related to employment including wages and salaries, fringe benefits tax, leave entitlements, redundancy payments, defined benefits superannuation plans, and defined contribution superannuation plans.

Ex gratia expenses

Ex-gratia expenses mean the voluntary payment of money or other non-monetary benefit (e.g. a write off) that is not made either to acquire goods, services or other benefits for the entity or to meet a legal liability, or to settle or resolve a possible legal liability, or claim against the entity.

SWAN HILL DISTRICT HEALTH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

Note 8.10: Glossary of terms and style conventions (continued)

Financial asset

A financial asset is any asset that is:

- (a) cash;
- (b) an equity instrument of another entity;
- (c) a contractual or statutory right:
 - to receive cash or another financial asset from another entity; or
 - to exchange financial assets or financial liabilities with another entity under conditions that are potentially favorable to the entity; or
- (d) a contract that will or may be settled in the entity's own equity instruments and is:
 - a non-derivative for which the entity is or may be obliged to receive a variable number of the entity's own equity instruments; or
 - a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments.

Financial instrument

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets or liabilities that are not contractual (such as statutory receivables or payables that arise as a result of statutory requirements imposed by governments) are not financial instruments.

Financial liability

A financial liability is any liability that is:

- (a) A contractual obligation:
 - (i) to deliver cash or another financial asset to another entity; or
 - (ii) to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the entity; or
- (b) A contract that will or may be settled in the entity's own equity instruments and is:
 - (i) a non-derivative for which the entity is or may be obliged to deliver a variable number of the entity's own equity instruments; or
 - (ii) a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments. For this purpose the entity's own equity instruments do not include instruments that are themselves contracts for the future receipt or delivery of the entity's own equity instruments.

Financial statements

A complete set of financial statements comprises:

- (a) Balance sheet as at the end of the period;
- (b) Comprehensive operating statement for the period;
- (c) A statement of changes in equity for the period;
- (d) Cash flow statement for the period;
- (e) Notes, comprising a summary of significant accounting policies and other explanatory information;
- (f) Comparative information in respect of the preceding period as specified in paragraph 38 of AASB 101 Presentation of Financial Statements; and
- (g) A statement of financial position at the beginning of the preceding period when an entity applies an

SWAN HILL DISTRICT HEALTH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

Note 8.10 Glossary of terms and style conventions (continued)

Grants and other transfers

Transactions in which one unit provides goods, services, assets (or extinguishes a liability) or labour to another unit without receiving approximately equal value in return. Grants can either be operating or capital in nature.

While grants to governments may result in the provision of some goods or services to the transferor, they do not give the transferor a claim to receive directly benefits of approximately equal value. For this reason, grants are referred to by the AASB as involuntary transfers and are termed non-reciprocal transfers. Receipt and sacrifice of approximately equal value may occur, but only by coincidence. For example, governments are not obliged to provide commensurate benefits, in the form of goods or services, to particular taxpayers in return for their taxes. Grants can be paid as general purpose grants which refer to grants that are not subject to conditions regarding their use. Alternatively, they may be paid as specific purpose grants which are paid for a particular purpose and/or have conditions attached regarding their use.

General government sector

The general government sector comprises all government departments, offices and other bodies engaged in providing services free of charge or at prices significantly below their cost of production. General government services include those which are mainly non-market in nature, those which are largely for collective consumption by the community and those which involve the transfer or redistribution of income. These services are financed mainly through taxes, or other compulsory levies and user charges.

Intangible produced assets

Refer to produced assets in this glossary.

Intangible non-produced assets

Refer to non-produced asset in this glossary.

Interest expense

Costs incurred in connection with the borrowing of funds includes interest on bank overdrafts and short-term and long-term liabilities, amortisation of discounts or premiums relating to liabilities, interest component of finance leases repayments, and the increase in financial liabilities and non-employee provisions due to the unwinding of discounts to reflect the passage of time.

Interest income

Interest income includes unwinding over time of discounts on financial assets and interest received on bank term deposits and other investments.

Investment properties

Investment properties represent properties held to earn rentals or for capital appreciation or both. Investment properties exclude properties held to meet service delivery objectives of the State of Victoria.

Joint Arrangements

A joint arrangement is an arrangement of which two or more parties have joint control. A joint arrangement has the following characteristics:

- (a) The parties are bound by a contractual arrangement.
- (b) The contractual arrangement gives two or more of those parties joint control of the arrangement

A joint arrangement is either a joint operation or a joint venture.

SWAN HILL DISTRICT HEALTH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

Note 8.10: Glossary of terms and style conventions (continued)

Liabilities

Liabilities refers to interest-bearing liabilities mainly raised from public liabilities raised through the Treasury Corporation of Victoria, finance leases and other interest-bearing arrangements. Liabilities also include non-interest-bearing advances from government that are acquired for policy purposes.

Net acquisition of non-financial assets (from transactions)

Purchases (and other acquisitions) of non-financial assets less sales (or disposals) of non-financial assets less depreciation plus changes in inventories and other movements in non-financial assets. It includes only those increases or decreases in non-financial assets resulting from transactions and therefore excludes write-offs, impairment write-downs and revaluations.

Net result

Net result is a measure of financial performance of the operations for the period. It is the net result of items of income, gains and expenses (including losses) recognised for the period, excluding those that are classified as 'other comprehensive income'.

Net result from transactions/net operating balance Net result from transactions or net operating balance is a key fiscal aggregate and is income from transactions minus expenses from transactions. It is a summary measure of the ongoing sustainability of operations. It excludes gains and losses resulting from changes in price levels and other changes in the volume of assets.

Net worth

Assets less liabilities, which is an economic measure of wealth.

Non-financial assets

Non-financial assets are all assets that are not 'financial assets'. It includes inventories, land, buildings, infrastructure, road networks, land under roads, plant and equipment, investment properties, cultural and heritage assets, intangible and biological assets.

Non-produced assets

Non-produced assets are assets needed for production that have not themselves been produced. They include land, subsoil assets, and certain intangible assets. Non-produced intangibles are intangible assets needed for production that have not themselves been produced. They include constructs of society such as patents.

Non-profit institution

A legal or social entity that is created for the purpose of producing or distributing goods and services but is not permitted to be a source of income, profit or other financial gain for the units that establish, control or finance it.

Payables

Includes short and long term trade debt and accounts payable, grants, taxes and interest payable.

Produced assets

Produced assets include buildings, plant and equipment, inventories, cultivated assets and certain intangible assets. Intangible produced assets may include computer software, motion picture films, and research and development costs (which does not include the startup costs associated with capital projects).

Public financial corporation sector

Public financial corporations (PFCs) are bodies primarily engaged in the provision of financial intermediation services or auxiliary financial services. They are able to incur financial liabilities on their own account (e.g. taking deposits, issuing securities or providing insurance services). Estimates are not published for the public financial corporation sector.

SWAN HILL DISTRICT HEALTH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

Note 8.10: Glossary of terms and style conventions (continued)

Public non-financial corporation sector

The public non-financial corporation (PNFC) sector comprises bodies mainly engaged in the production of goods and services (of a non-financial nature) for sale in the market place at prices that aim to recover most of the costs involved (e.g. water and port authorities). In general, PNFCs are legally distinguishable from the governments which own them.

Receivables

Includes amounts owing from government through appropriation receivable, short and long term trade credit and accounts receivable, accrued investment income, grants, taxes and interest receivable.

Sales of goods and services

Refers to income from the direct provision of goods and services and includes fees and charges for services rendered, sales of goods and services, fees from regulatory services and work done as an agent for private enterprises. It also includes rental income under operating leases and on produced assets such as buildings and entertainment, but excludes rent income from the use of produced assets such as buildings and entertainment, but excludes rent income from the use of.

Supplies and services

Supplies and services generally represent cost of goods sold and the day-to-day running costs, including maintenance costs, incurred in the normal operations of the Department.

Taxation income

Taxation income represents income received from the State's taxpayers and includes:

- payroll tax; land tax; duties levied principally on conveyances and land transfers;
- gambling taxes levied mainly on private lotteries, electronic gaming machines, casino operations and racing;
- insurance duty relating to compulsory third party, life and non-life policies;
- insurance company contributions to fire brigades;
- motor vehicle taxes, including registration fees and duty on registrations and transfers;
- levies (including the environmental levy) on statutory corporations in other sectors of government;
- and
- other taxes, including landfill levies, license and concession fees.

Transactions

Revised Transactions are those economic flows that are considered to arise as a result of policy decisions, usually an interaction between two entities by mutual agreement. They also include flows in an entity such as depreciation where the owner is simultaneously acting as the owner of the depreciating asset and as the consumer of the service provided by the asset.

Taxation is regarded as mutually agreed interactions between the government and taxpayers.

Details of Information and Communication Technology (ICT) Expenditure

The total ICT expenditure incurred during 2018-19 is \$1.32 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)
\$0.972	\$0.348		\$0.348