



Swan Hill
District Health

Family violence is a health issue

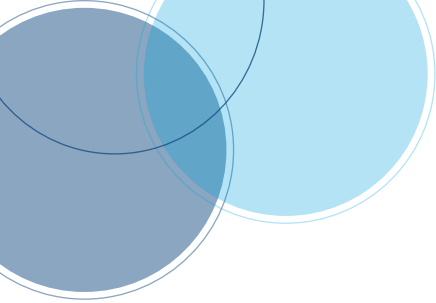
Everyone has the right
to feel safe at home and
in their relationships



ANNUAL REPORT 2020



Swan Hill
District Health



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 regarding responsible persons for the reporting period.

Responsible Ministers for the reporting period were:

Jenny Mikakos,

Minister for Health

Minister for Ambulance Services

Minister for the Coordination of Health and Human Services: COVID-19

01/07/2019 – 30/06/2020

Martin Foley

Minister for Mental Health

01/07/2019 – 30/06/2020

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.

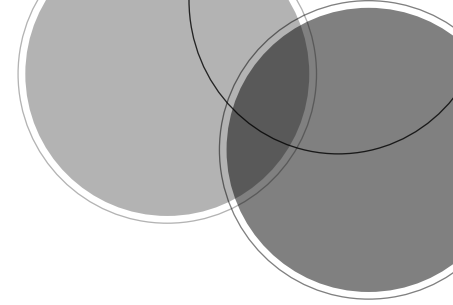
Each is obtainable from Swan Hill District Health.

Acknowledgement to Country

Swan Hill District Health would like to acknowledge all the Traditional Aboriginal tribes along the rivers in the Mallee and District area and on whose land, we work and live. We also pay respect to all elders past and present and honour their culture.

Pictured on front cover: Florence Poni

Pictured on back cover: Sarah Woolhouse and Tamara Weiss



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Part A, B & C	Refer Appendices
Financial Statements	Refer Appendices



About Swan Hill District Health

Our Vision is.....

Connected Care. Best Experience

We are united by our common purpose to create a health service that makes our people feel connected, and provides the best experience for them.

We believe every person deserves the best care experience we can provide at every encounter.

We will connect people with each other and with the right information to give them the best experience.

Our Values are:



INCLUSIVE

We provide an experience that welcomes and values everyone

COMPASSIONATE

We respond to our people with understanding, empathy and kindness.





PROGRESSIVE

We continue to strive for the best experience outcomes.

ACCOUNTABLE

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



President and Chief Executive Officer Report

Swan Hill District Health (SHDH) has continued to meet the health care needs and service demands of the community through the provision of effective and high quality health services that achieve broad and effective health outcomes for our catchment community.

SHDH has an “experienced” led approach to the provision of care and services through the development of key core values that supports the community’s expectations. The values of compassion, accountability, inclusion and progress underpin our approach to the delivery of safe, effective and holistic care.

This year has been one of many significant challenges at SHDH with a focus on strengthening our systems and rebuilding trust in both our team and the broader community’s expectations of our commitment to care.

We have strengthened our governance systems, and further consolidated our strong partnerships with our neighbouring regional health services to deliver a shared services approach to care. In considering its future strategic direction, the Board has worked to develop its future strategy based around a mantra of “Leading with Purpose.” the new SHDH 2021-2024 Strategic Plan will ensure that services are better integrated resulting in a seamless experience for those requiring care.

The Board has a focus on the key governing areas of quality, experience and safety, financial sustainability and growth, risk management, and community and cultural engagement. Board subcommittee functions are aligned with the strategic direction of SHDH.

SHDH is committed to ensuring that the clinical governance processes that oversight our clinical care services are robust and effective in their review and ongoing provision of care. This is achieved through such initiatives as an external clinical service review program; the setting of tolerance and control measures for key performance indicators reporting through the clinical governance dashboard, and the use of patient stories of their experience to improve the care and services we provide.

Board members participated in a number of education programs focused on clinical quality, corporate governance responsibility and legislative requirements. The Board is committed to a strong model of stewardship, undertakes an annual formal assessment, and has implemented a strong focus on continuing education to ensure effective Board governance processes are achieved.

This year, the Board farewelled two members in Rosanne Kava and Jodi Walters who both contributed strong leadership and support to the Board over many years. The Board wishes to acknowledge the leadership and direction provided by Rosanne Kava during her recent tenure as Chair of the Board.

On behalf of the Board, we wish to congratulate and thank sincerely Rosanne and Jodi for their dedication and commitment to SHDH.

SHDH wishes to acknowledge the support it has received from the Minister for Health and the Department of Health & Human Services team in supporting the ongoing development of SHDH. The Board acknowledges the support

provided by Therese Tierney as the Ministers delegate to SHDH.

The Board also wishes to acknowledge and farewell a number of long term senior members of the SHDH team including Kathy Wright, Rod Prockter, Lyn Dwyer and the many others who have contributed so generously their knowledge and skills to the development of SHDH over the years.

We wish to recognise the management group and all staff for their dedication and commitment to the ongoing success of our services and consistently working towards SHDH’s objectives.

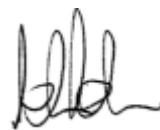
The Board remain highly appreciative of the many volunteers, who contribute their valuable time to support health service provision. Without this support, SHDH would not be able to provide the level of service provision it currently enjoys. In particular, to the Swan Hill District Health Ladies Auxiliary for not only their continued financial support of SHDH, but also their contribution to the continued success of the Op Shop. Also recognised is the work of the Hospice Committee and the many other community groups who contribute and donate to SHDH in support.

The Board has taken on the challenge of supporting the future recruitment and retention of a local competent and experienced medical workforce to support the complex care needs of the broader Mallee community and to continue to support the provision of safe medical services to SHDH at all times. SHDH wishes to acknowledge the dedication and commitment of local and visiting medical, clinical and ancillary practitioners.

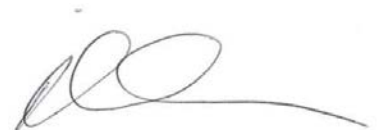
We acknowledge that the communities served by SHDH are located on the traditional land of the Latji Latji, Tati Tati, Wamba Wamba, Barapa Barapa and the Wadi Wadi clans. We pay our respects to elders both past and present and thank them for their contribution to the development of our services. We also acknowledge the other many diverse cultures that make up our community. SHDH is committed to Closing the Gap between the health outcomes and life expectancy of the Aboriginal and Torres Strait Islander people.

In closing, we wish to acknowledge the tireless work of the entire SHDH team with the support of the community in its response to the pandemic related to COVID-19 in keeping both the community and our staff safe. The SHDH team have and continue to do an outstanding job.

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 2020.



Mr. Andrew Gilchrist
Chair – Board of Directors
Swan Hill District Health



Mr. Peter Abraham
Chief Executive Officer
Swan Hill District Health

Board of Directors - 2019 – 2020



Mrs. R. M. Kava (Rosanne)

President
BE.ME.G.A.I.C.D.
Profession/Occupation:
Director
Date Appointed:
1st July, 2011



Assoc. Prof. Deb Colville (Deb)

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



Mr. A. Gilchrist (Andrew)

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



Ms. E. Liepa (Emma)

Qualifications: GAICD,
B.A. (Communication)
Profession/Occupation:
Director of Policy & Strategy
Date Appointed:
1st July, 2018



Mr. G. Kuchel (Greg)

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



Mrs. J. Wiggins (Julie)

Qualifications: Diploma of Aes-
thetics; Cert.Strategic
Marketing & Business Mge; CRS
Profession/Occupation: Procure-
ment & Properties Co-Ord.
Date appointed: 1st July, 2018



Mrs. J.M. Walters (Jodi)

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



Mrs. J. Kelly (Janice)

Qualifications: Ba (Hons), CA,
FCA
(England), CTA, BFP, GAICD
Profession/Occupation: Account-
tant
Date Appointed: 1st July, 2019



Mrs. A. Patney (Archana)

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

Board Committees

Audit & Risk Committee

Chris Mahon, Chair (Independent Member) *Resigned Jan 2020*
Warren Pollock (Independent Member)
Andrew Gilchrist (Board Director)
Greg Kuchel (Board Director)
Deb Colville (Board Director)
Julie Wiggins (Board Director)
Janice Kelly (Board Director)

Quality & Safety Committee

Deb Colville, Chair (Board Director)
Jodi Walters (Board Director)
Emma Liepa (Board Director)
Julie Wiggins (Board Director)

Finance & Resources Committee

Andrew Gilchrist, Chair (Board Director)
Rosanne Kava (Board Director)
Greg Kuchel (Board Director)

Consumer Advisory Committee

Archana Patney, Chair (Board Director)
Rosanne Kava (Board Director)
Emma Liepa (Board Director)

AUDITOR:

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

INTERNAL AUDITOR:

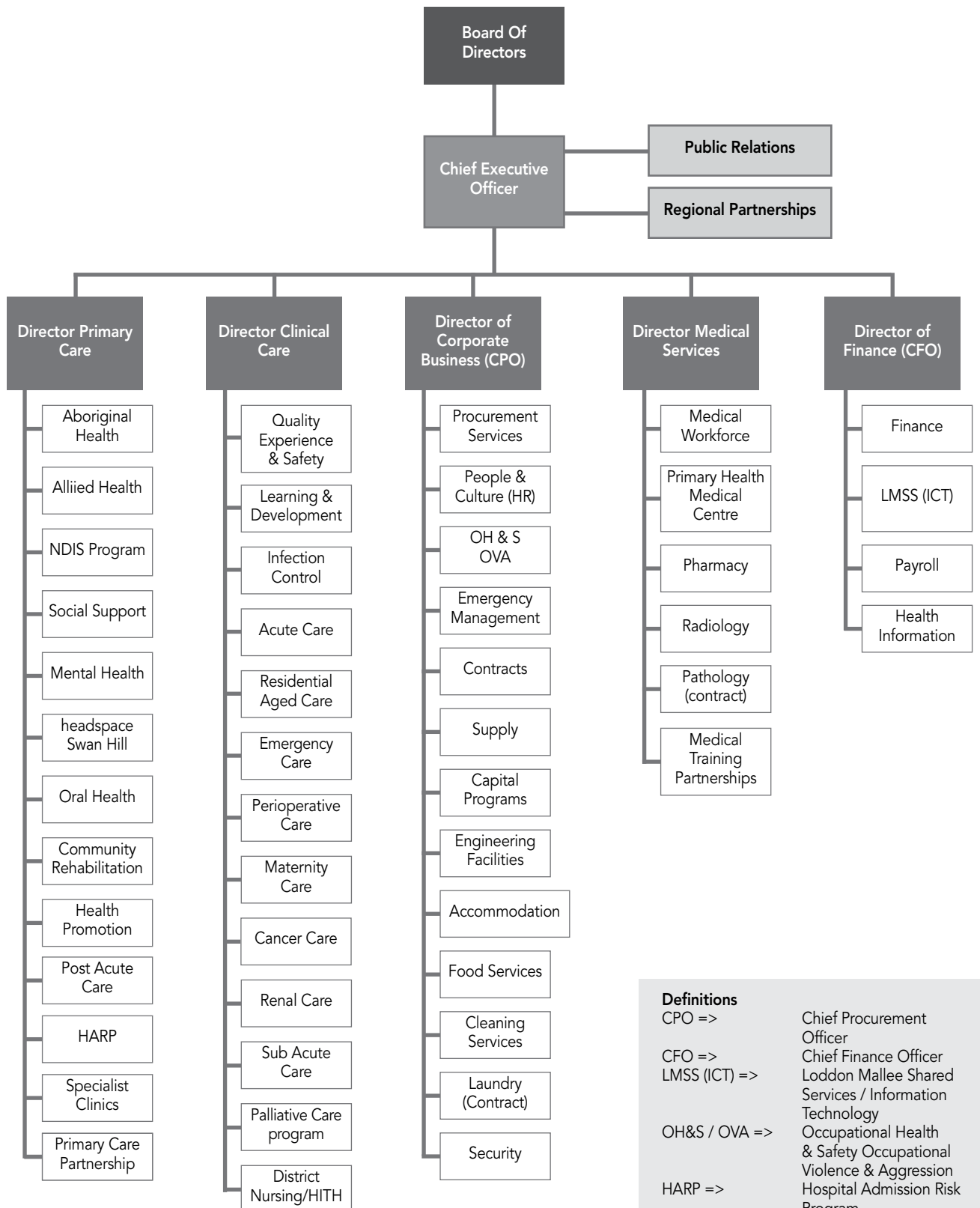
AFS & Associates Pty Ltd. Bendigo

BANKERS:

National Australia Bank

Organisation and Reporting Structure

ORGANISATIONAL REPORTING CHART



Executive Staff and Responsibilities

EXECUTIVE STAFF

Chief Executive Officer:

Mr. Peter Abraham, Dip App Science Nursing, Dip Hlth Mgt.
Appointed June, 2019

The Chief Executive Officer is responsible to the Board for leading the workforce to deliver on the vision and strategic objectives of SHDH. Key responsibilities include delivering appropriate health care within the parameters of Government policies, the development and implementation of operational plans, maximizing service efficiency, quality improvement and minimisation of risk.

Director of Clinical Services:

Mrs. Chloe Keogh, Ba. Nsg, Grad. Dip Mid, Grad. Dip MCH, Masters (Health Serv. Mgmt)
Appointed December, 2019

The Director of Clinical Services is responsible for nursing professional standards across all services and has operational responsibility for Acute Inpatient Services, Maternity, Emergency Department, Perioperative Services, Renal Dialysis, District Nursing, Aged Care, Sub Acute, Palliative Care, Cancer Care and Oncology and Advance Care Planning. The Quality, Experience and Safety Unit is also headed by the Director of Clinical Services.

Director of Corporate Business:

Ms. Kim Bennetts, GradCertMgt, DipBus (Quality Auditing), AdvCert (Food Technology) Cert(Security Operations), CertTrade(Cooking)
Appointed February, 2020

The Director of Corporate Business is responsible for all Procurement Services, People and Culture, OH&S, Contracts, Supply, Engineering, Accommodation, Food Services, Cleaning and Laundry Services and Security functions.

The Director of Corporate Business role has oversight of Capital Projects, Legislative Compliance and Asset Management Accountability Framework compliance.

Director of Primary Care:

Mr. Paul Smith, Dip.App.Sc.(Pod.)
Appointed October, 2002

The Executive Director of Primary Care leads a comprehensive range of Allied Health, Community and Primary Care Services including Alcohol and Other Drugs, Allied Health, Community Rehabilitation, Dental Services, Health Promotion, Community Nursing, Headspace, Adult Day Services, Aboriginal Liaison, and Strengthening Hospital Response to Family Violence initiative.

Director of Medical Services:

Dr. Rex Prabhu, MBBS.,DCH.,MPH. MHSc (Health.Serv. Mgmt),MHSc (OHS)
Appointed February, 2019

The Executive Director of Medical Services is responsible for all medical staff within the Hospital and the Primary Health Medical Centre operations. Also for the Medico-Legal Services (FOI), Pharmacy and the contracted services of Pathology and Medical Imaging.

Director of Finance (CFO):

Mr. Ragulan Karunanantham, FCMA, CGMA, BSc, CPA
Appointed September, 2016

The Executive Director of Finance and Corporate Services is responsible for Finance, Information and Communication Technology, Health Information Services and Payroll Services.



Senior Staff

MEDICAL DIVISION:

Director Medical Services
Director Swan Hill Primary Health Medical Centre
Medical Services Manager
Chief Medical Imaging Technologist
Director of Pharmacy
Practice Manager:

Dr. Rex Pais Prabhu
Dr. Ernan Hession
Ms. Sarah Putt
Ms. Kate Irons
Mrs. Lyn Dwyer
Mrs. Myra Spurling

CLINICAL CARE SERVICES:

Director of Clinical Care
Nursing Coordinators

Mrs. Chloe Keogh
Mrs. Pam Rohde
Mrs. Cheryl Beard
Ms. Emily Miller
Ms. Janine McGregor
Ms. Jo Dillon

Nurse Unit Managers:

Acute Care
Residential Aged Care
- Logan Lodge
- Jacaranda Lodge

Ms. Rose Hanns

Emergency Care
Perioperative Care
Maternity Care
District Nursing / HITH

Mrs. Lee Sullivan
Ms. Ariana Stefan / Mr. Peter Barrett
Mrs. Trish Oxley
Mrs. Donna Hartland
Mrs. Cheryl Delmenico (Acting)

Renal Care
Sub Acute
Palliative Care
Quality, Experience & Safety
Learning & Development
Infection & Prevention Control
Social Worker
Breast Care Nurse:

Mrs. Maria Fox
Ms. Gillian Mays
Mrs. Mel Hennessy
Mrs. Catherine Kemp
Mrs. Julie McQueen
Mrs. Chloe Ryan
Ms. Judy Deveraux
Ms. Florence Poni
Mrs. Leanne Bibby

CORPORATE BUSINESS:

Director of Corporate Business:
Engineering Services Manager:
Supply Manager:
Food Production Manager:
Occupational Health & Safety Officer:
People & Culture Manager:
Environmental Services Manager

Ms. Kim Bennetts
Mr. Ken Herman
Mr. David McCallum
Mrs. Kristy Coolahan
Mrs. Jodie Jones
Mr. Steven Wainwright
Mrs. Toni Saunders

PRIMARY CARE:

Director of Primary Care:
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:
Dental Clinic Coordinator:

Mr. Paul Smith
Ms. Deb Chaplin
Mrs. Jamie Garahy
Mrs. Kate Corrie
Mrs. Jann Barkman
Mrs. Gayle Taylor
Mrs. Trish McMahan
Mrs. Emma Pay
Mrs. Stacey Worsnop
Mrs. Leonie Baker
Mr. Ian Johansen
Mrs. Jeanette Healey

FINANCE DIVISION

Director of Finance
Pay Roll Manager(s)
Chief Health Information Manager
ICT

Mr. Ragul Karun
Ms. Nicole Hawkins / Mrs. Belinda Gardner (Joint)
Mrs. Megan Leahy
Managed Service Provider (MSP) Model

Medical Staff

SHDH PRIMARY MEDICAL CLINIC:

Dr. Ernan Hession
Dr. Svitlana Kelada
Dr. Reshma Banskota
Dr. Zeest Naveed
Dr. Manzoor Elahi
Dr. Viraj Rajguru

SWAN HILL MEDICAL GROUP:

Dr. Stewart Booth
Dr. Rahman Talukder
Dr. Rashid Safdar

Cardiology:

Dr. G.P. Leidl

General Medicine:

Dr. Patrick J. Cooney

General Surgery:

Mr. Shantha Tellambura

Mr. Prasenjit Modak

Mr. Ghulam Khan

Dr. Kaushik Joshi

Geriatric Medicine:

Dr. Keith Kiew

Obstetrics / Gynaecology:

Dr. Mark Jalland - Gynaecology

Dr. Jeremy Chipchase

Dr. Vasu Iyengar

Dr. Miras Bekbulatov

Dr. Ghazala Irshad

Infectious Diseases:

Dr. Andrew Mahony

Nephrology:

Dr. Marc Lanteri

Dr. Kathryn Duchlarlet

Paediatrics:

Dr. Gaurav Kulkarni

Dr. Khaing Wai

Oncology:

Dr. Mark Warren

Dr. Robert Blum

Ophthalmic Surgery:

Dr. Saf Bassili

Orthopaedic Surgery:

Mr. Neelika Dayananda

Mr. Simon Holland

Otorhinolaryngology:

Mr. Paul Paddle

Mr. Ryan De Freitas

Pathology:

Australian Clinical Labs

Radiology:

Dr. D.M. Cleeve

Dr. R. Jarvis

Dr. S. Skinner

Dr. J. Eng

Dr. J. Wilkie

Dr. J. Tamangani

Urology:

Ms. Janelle Brennan

Dental Surgeons:

Dr. Sajev Koshy (Clinical Lead)

Dr. S. Zhang

Dr. D. Kim

Dr. S. Kim

Dr. V. Mirtipati

Dr. J. Leung

Dr. D. Accad

Report of Operations

Reconciliation of Net Result from Transactions and Operating Result

	2019-20 \$000
Net operating result *	560
Capital purpose income	3,084
Specific income	N/A
COVID 19 State Supply Arrangements Assets received free of charge or for nil consideration under the State Supply	77
State supply items consumed up to 30 June 2020	77
Assets provided free of charge	N/A
Assets received free of charge	N/A
Expenditure for capital purpose	26
Depreciation and amortisation	4,543
Impairment of non-financial assets	N/A
Finance costs (other)	N/A
Net result from transactions	1,993

CONSULTANCIES

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

In 2019-2020 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 2019-20 (excluding GST)	Future expenditure (excluding GST)
Theresa Moriarty	Murray Primary Health Network Clinical Care Coordination Capacity Building Project	11/7/19	5/10/19	\$16,681	\$16,681	N/A

Details of Consultancies under \$10,000:

In 2019-2020 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 2019-20 (excluding GST)	Future expenditure (excluding GST)
Medical Business Service	Clinical Audit Swan Hill Primary Health Medical Centre	26/8/19	28/8/19	\$7,980	\$7,980	N/A

INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) EXPENDITURE

The total ICT expenditure incurred during 2019-2020 is \$1.1.92 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) (a) + (b)	Operational Expenditure (excluding GST) (a)	Capital expenditure (excluding GST) (b)
0.995m	0.197m	0	0.197m

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 Health & 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 Director of Medical 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 143 requests for information were received which related to personal documents.

INDUSTRIAL RELATIONS

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

FINANCIAL MANAGEMENT COMPLIANCE

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

Swan Hill District Health acknowledges it is required to abide by the principles of the Victorian Industry Participation Policy Act 2003 (VIPP). In 2019/20 there were no projects commenced to which the VIPP applies. To ensure that all requirements are in place that assures compliance to the VIPP policy requirements, Swan Hill District Health has:

Delegated the Swan Hill District Health Procurement Team the responsibility for Registration of future projects requiring ICN registration.

VIPP requirements and statements are incorporated as part of our RFT documents

Swan Hill District Health has a nominated VIPP Authorised Administrator to ensure future Projects over \$1 million are appropriately captured and compliant with VIPP guidelines and requirements.

EX GRATIA EXPENSES

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

OCCUPATIONAL VIOLENCE

Occupational Violence Statistics	2019 / 2020
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	174
Number of occupational violence incidents reported per 100 FTE	41.9
Percentage of occupational violence incidents resulting in a staff injury, illness or condition	5.17%

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 2019 / 2020

Lost time – is defined as greater than one day.

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

Occupational Health and Safety Matters

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

2019 / 2020 resulted in a significant reduction in Average Costs per WorkCover claim. This is largely due to a reduction in complex claims with early return to work able to be achieved. This enabled minimization of claims costs to an acceptable average based on the size and remuneration of the organization.

	2017/2018	2018/2019	2019/2020
Number of Reported Hazards / Incidents for the year per 100 FTE	26	24	32
Number of Lost Time Standard Claims for the year per 100 FTE	1.21	0.23	0.66
Average cost per Workcover Claim for the year	\$10,973	\$266,962	\$25,815

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 key highlights for the 19/20 period have included the following initiatives:

- Solar install is complete – 178 Kw capacity panels
- EnelX – critical peaking demand response – when electricity price high, SHDH goes onto generator – therefore we are not paying high price and SHDH providing to the grid energy at high price.
- Emergency grid support in place – during high demand times, relief is provided to the Grid through generator use.
- LED changeover project complete.
- Environmental Sustainability focus included in our Request for Tender documents.

Consumption	2017/2018	2018/2019	2019/2020
Electricity	2,771.76 (kW)	2,590.54 (kW)	2,322.00 (kW)
LPG	428.92 (kL)	404.86 (kL)	486.71 (kL)

AUDIT COMMITTEE

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

Chris Mahon (Independent Member)
(Resigned January 2020)
Warren Pollock (Independent Member)
Janice Kelly
Andrew Gilchrist
Greg Kuchel
Julie Wiggins
Deb Colville

PECUNIARY INTERESTS

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

These interests have been recorded.

PROTECTED DISCLOSURE ACT:

Swan Hill District Health has policies and procedures consistent with the requirements of the Public Interest Disclosures Act 2012, which supports staff to disclose improper or corrupt conduct within the Service. In 2019-2020 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

SHDH complies with the building and maintenance provisions of the Building Act 1993, inclusive of the relevant provisions in the National Construction Code. All SHDH facilities maintain essential safety measures, maintenance and fire safety audits.

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	50	122	1		23
Part Time	27	324	2	1	46
Casual	14	70	1		7

ATSI Aboriginal & Torres Strait Islander.
PWD People with Disability.
NESB Non-English Speaking Background.

WORKFORCE DATA

NO. OF STAFF EMPLOYED AS AT 30th JUNE, 2020

	June Month		Average Monthly	
	FTE		FTE	
	2019	2020	2019	2020
Nursing	182.6	202.9	179.3	191.7
Administration & Clerical	86.6	84.9	83.2	85.6
Medical Support Services	29.7	24.0	28.3	29.4
Hotel & Allied Services	68.8	81.4	71	73.2
Medical Officers	2.1	2.5	1.7	2.5
Hospital Medical Officers	16.2	15.0	18.5	13.8
Sessional / Clinicians	0.3	0.3	0.3	0.3
Ancillary Support	54.6	54.6	50.8	54.8
Total:	440.9	465.7	433.1	451.3

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

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

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 at Swan Hill District Health during the year.

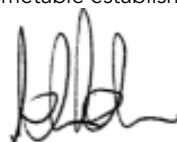


Peter Abraham
Accountable Officer

FINANCIAL MANAGEMENT COMPLIANCE ATTESTATION

I, Andrew Gilchrist 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 4.2.3 Asset Management Accountability Framework. An AMAF Compliance Tool has been completed and a timetable established to meet deficiencies in compliance.



Andrew Gilchrist
Accountable Officer

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.

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
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	3
FRD 22H	Significant changes in key initiatives and expectations for the future	3
Management and Structure		
FRD 22H	Organisational structure	6
FRD 22H	Workforce data/employment and conduct principles	12
FRD 22h	Occupational Health and Safety	11
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	Appendix 1, 2 & 3
FRD 22H	Subsequent events	-
FRD 22H	Details of consultancies under \$10,000	10
FRD 22H	Details of consultancies over \$10,000	10
FRD 22h	Disclosure of ICT expenditure	10
Legislation		
FRD 22H	Application and operation of Freedom of Information Act 1982	10
FRD 22H	Compliance with building and maintenance provisions of Building Act 1993	10
FRD 22H	Application and operation of Protected Disclosure 2012	12
FRD 22H	Statement on National competition Policy	12
FRD 22H	Application and operation of Carers Recognition Act 2012	12
FRD 22H	Summary of entity's environmental performance	11
FRD 22H	Additional Information available on request	13
Other relevant reporting directives		
FRD 25D	Local Jobs First Act disclosures	11
SD 5.1.4	Financial Management Compliance Attestation	13
SD 5.2.3	Declaration in report of operations	3
Attestations		
	Attestation on Data Integrity	12
	Attestation on Managing Conflicts of Interest	12
	Attestation on Integrity, fraud and corruption	13
Other reporting requirements		
	• Reporting of outcomes from Statement of Priorities 2019-2020	Appendix 1
	• Occupational Violence Reporting	11
	• Reporting obligations under the Safe Patient Care Act 2015	10

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

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



**Swan Hill
District Health**

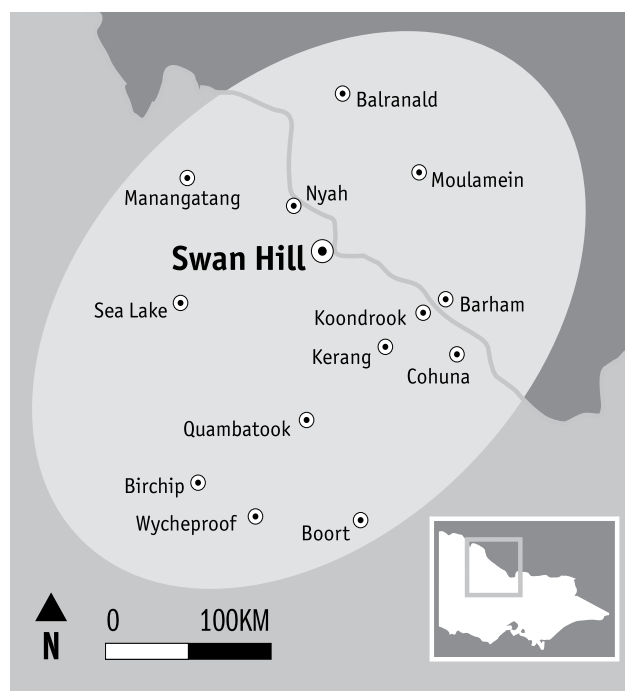
Our Services

SHDH PROVIDES THE FOLLOWING SERVICES:

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

SERVICES LOCATED AT MAIN CAMPUS PROVIDED BY OTHERS:

Australian Clinical Labs





Swan Hill
District Health

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 – 2019-2020 – Part A, B & C

Financial statements for the year ended 30th June, 2020.

Appendix 2:

- Activity Data
- Summary of Financial Results
- Comparative Statistical Statement for five years
- Financial Result for 2019/20.

Appendix 3:

- Victorian Audit-General's Office Report

Statement of Priorities – 2019-2020

PART A – Strategic Priorities Report

Goals	Strategies	Health Service Deliverables	Outcomes
Better Health A system geared to prevention as much as treatment; Everyone understands their own health and risks Illness is detected and managed early Healthy neighbourhoods and communities encourage healthy lifestyles.	Better Health Reduce Statewide Risks Build Healthy Neighbourhoods Help people to stay healthy Target health gaps	Develop a Cancer Action Plan for Swan Hill District health which includes a focus on supportive care, survivorship and access to specialist cancer care.	Completed Appointment of Cancer Care Coordinator, recommenced Cancer Advisory Committee and the Cancer Action Plan
		Establish a Lactation Consultant Service to enhance and promote the community based Breastfeeding Support Service.	Completed. Lactation Consultant commenced November, 2019.
		Improve the health of our communities by implementing healthy strategy at the SHDH Cafeteria consistent with the new Victorian Health and Wellbeing Plan.	Completed Healthy Eating Guidelines relating to Vending machines implemented.
Better Access Care is always being there when people need it; Better access to care in the home and community; People are connected to the full range of care and support they need; Equal access to care.	Better Access Plan and Invest Unlock innovation Provide easier access Ensure fair access	Seek the recommencement of a regular visiting oncologist and haematologist service to Swan Hill District Health to enhance the current telehealth program.	Completed Recommencement of Oncologist and Cancer Support Services in November 2019. Discussions with haematology services from Peter Mac commenced.
		Reduce access blocks to community and bed-based care by strengthening referral pathways and integration between hospital and primary care and community based services.	Completed Potentially Avoidable Hospitalizations (PAH) project completed in December 2019.
		Increase access to health care across rural and regional communities by participating in the review and development of the Loddon Mallee telehealth plan.	Delayed by COVID-19 The Loddon Mallee Telehealth Plan was replaced by a Loddon Mallee Virtual Care Strategic Plan. Development work paused during 2020 due to Covid-19. The strategy will have a strong vision statement, clear objectives and roadmap for regional partners.
Better Care Targeting zero avoidable harm; Healthcare that focusses on outcomes	Better Care Put quality first Join up care Partner with patients	Review the culture and accountability framework with a focus on Speaking Up for Safety and Ways Hospital Culture Can Save Lives promotion.	Ongoing Speaking up for Safety program commenced May 2020.

Goals	Strategies	Health Service Deliverables	Outcomes
<p>Patients and carers are active partners in care</p> <p>Care fits together around people's needs</p>	<p>Strengthen the workforce Embed evidence</p> <p>Ensure equal care</p>	Develop a clinical governance framework to support and enhance nurse practitioners' scope of practice across the organization.	<p>Completed SHDH AOD Nurse Practitioner business case encompassing clinical governance approved by DHHS</p> <p>Completed Funding received from Murray Primary Health Network for Alcohol & Other Drugs Nurse Practitioner service delivery in Kerang.</p>
		Develop an appropriate community point of access for completion of advance care plans.	<p>Completed Advance Care Planning Coordinator commenced. 80% increase in the number of plans completed.</p>
Specific 2019-202 priorities.	Supporting Mental Health System	Improve service access to mental health treatment to address the physical and mental health needs of consumers.	Completed Participation by Counsellors in the National Primary Health Network Guidance for Initial Assessment and Referral for Mental Healthcare in collaboration with Murray Primary Health Network and Melbourne University.
		Enable mental health client's access to timely assessment and review across the health service.	Completed The Clinical Care Coordination provides greater coordination of care between the Psychology Therapy Service and Clinical Care Coordination.
		Contribute to the development of a Regional Mental Health Plan for the Loddon Mallee in collaboration with the Primary Health Network.	<p>Delayed by COVID-19</p> <p>SHDH is part of a regional mental health working group that has connected with MPHN regarding the Regional mental Health Plan.</p>
	Addressing Occupational Violence	Foster an organizational wide occupational health and safety risk management approach, including identifying security risks and implementing controls, with a focus on prevention and improved reporting and consultation.	Completed Action Plan developed.
		Engage external provider to deliver Health Specific Security Training Modules for required staff.	Delayed by COVID-19 External provider sourced – awaiting availability due to COVID-19 restrictions
		Identify key Occupational Violence and Aggression performance indicators and develop dashboard report for Executive and Board monitoring. Implement actions identified from a Gap Analysis to improve the health and safety of health service staff and volunteers.	Delayed by COVID-19 Gap Analysis Actions 17% complete, 14% in progress, delayed implementation due to COVID-19.

Goals	Strategies	Health Service Deliverables	Outcomes
	Addressing Bullying and Harassment	Actively promote positive workplace behaviours, encourage reporting and action on all reports.	Completed Development of new SHDH core behavior values in consultation with the SHDH Board and workforce.
		Implement the department's Framework for promoting a positive workplace culture: preventing bullying, harassment and discrimination and Workplace culture and bullying, harassment and discrimination training: guiding principles for Victorian health services.	Completed Speaking up for Safety program commenced May 2020.
		Provide Managers with education and skills on managing challenging behaviours.	Ongoing Education provider engaged to provide middle manager and emerging manager development program.
	Supporting Vulnerable Patients	Partner with patients to develop strategies that build capability within the organisation to address the health needs of communities and consumers at risk of poor access to health care.	Delayed by COVID-19 Happy or Not feedback live satisfaction reporting system commenced. Community & Stakeholder engagement program review completed.
		Review Swan Hill District Health's National Disability Insurance Scheme service delivery model to encompassing allied health and counselling services.	Completed Assessment completed of service availability, demand requests, growth in local or visiting private allied health and future changes in Home & Community Care Program for Younger People (HACC PYP).
	Supporting Aboriginal Cultural Safety	Improve the health outcomes of Aboriginal and Torres Strait Islander people by establishing culturally safe practices across all parts of the organisation to recognise and respect Aboriginal culture and deliver services that meet the needs, expectations and rights of Aboriginal patients, their families, and Aboriginal staff.	Completed Business Case submitted for Aboriginal Health Manager Completed Establishment of Improving Aboriginal Health for the Swan Hill Community in partnership with MDAS.
		Participate in the development of a regional plan for improved Aboriginal cultural safety and implement consistent local strategies to improve health outcomes of Aboriginal and Torres Strait Islander people.	Completed Participation in The Strengthening Cultural Safety Project with Djirra initially with consultation and Community of Practice Workshops.

Goals	Strategies	Health Service Deliverables	Outcomes
		Develop an Aboriginal Health Plan in partnership with Mallee District Aboriginal Services, which incorporates a Swan Hill District Health staff wide Cultural Safety learning program.	Completed Local content Aboriginal Cultural Awareness eLearning Package developed for completion by Board members and all staff.
	Addressing Family Violence	Strengthen responses to family violence in line with the Multiagency Risk Assessment and Risk Management Framework (MARAM) and assist the government in understanding workforce capabilities by championing participation in the census of workforces that intersect with family violence.	Completed Family Violence & Child Information Sharing Protocol implemented. Completed Training of relevant clinicians in Family Violence Information Sharing Scheme & Child Information Sharing Scheme
		Improve our health service response to family violence by undertaking a census of our workforce capabilities and aligning health service activities to be consistent with the Multi-Agency Risk Assessment and Management framework.	Completed Attendance by SHDH staff to Multi-Agency Risk Assessment training.
	Implementing Disability Action Plans	Continue to build upon last year's action by ensuring implementation and embedding of a disability action plan.	Delayed by COVID-19 Planning commenced for a Disability Reference Group to assist in developing and monitoring the progress of the Disability Action Plan and reporting directly to the Community & Cultural Advisory Committee.
	Supporting Environmental Sustainability	Contribute to improving the environmental sustainability of the health system by identifying and implementing projects and/or processes to reduce carbon emissions.	Completed Solar array panel and associated works completed July 2020.
		Establish an Environmental Sustainability Working Group to develop hospital waste management strategy	Delayed by COVID-19 Regional waste strategies for SHDH have been defined for development. Activity suspended due to a need to redirect priorities to preparedness for Covid-19.
		Improve our environmental sustainability by participating in the development of a hospital waste management strategy across the Loddon Mallee Region.	Delayed by COVID-19 Activity suspended due to a need to redirect priorities to preparedness for Covid-19.

SWAN HILL DISTRICT HEALTH

PART B – Performance Priorities

High quality and safe care		
Key performance measure	Target	Outcome
Accreditation		
Compliance with the Aged Care Standards	Full compliance	Full compliance
Infection prevention and control		
Compliance with the Hand Hygiene Australia program	83%	86.2%
Percentage of healthcare workers immunised for influenza	84%	92.0%
Patient experience		
Victorian Healthcare Experience Survey – percentage of positive patient experience responses – Quarter 1	95%	98%
Victorian Healthcare Experience Survey – percentage of positive patient experience responses – Quarter 2	95%	94.4%
Victorian Healthcare Experience Survey – percentage of positive patient experience responses – Quarter 3	95%	92.3%
Victorian Healthcare Experience Survey – percentage of very positive responses to questions on discharge care – Quarter 1	75%	85.5%
Victorian Healthcare Experience Survey – percentage of very positive responses to questions on discharge care – Quarter 2	75%	85.9%
Victorian Healthcare Experience Survey – percentage of very positive responses to questions on discharge care – Quarter 3	75%	72.1%
Victorian Healthcare Experience Survey – patient's perception of cleanliness – Quarter 1	70%	80.8%
Victorian Healthcare Experience Survey – patient's perception of cleanliness – Quarter 2	70%	71.2%
Victorian Healthcare Experience Survey – patient's perception of cleanliness – Quarter 3	70%	72.1%

Key performance measure	Target	
Adverse events		
Sentinel events – root cause analysis (RCA) reporting	All RCA reports submitted within 30 business days	100%
Maternity and Newborn		
Rate of singleton term infants without birth anomalies with APGAR score <7 to 5 minutes	≤ 1.4%	0.7%
Rate of severe fetal growth restriction (FGR) in singleton pregnancy undelivered by 40 weeks	≤ 28.6%	0%
Continuing Care		
Functional independence gain from an episode of rehabilitation admission to discharge relative to length of stay	≥ 0.645	0.925

Strong governance, leadership and culture		
Key performance measure	Target	Outcome
Organisational culture		
People matter survey - percentage of staff with an overall positive response to safety and culture questions	80%	92%
People matter survey – percentage of staff with a positive response to the question, “I am encouraged by my colleagues to report any patient safety concerns I may have”	80%	98%
People matter survey – percentage of staff with a positive response to the question, “Patient care errors are handled appropriately in my work area”	80%	96%
People matter survey – percentage of staff with a positive response to the question, “My suggestions about patient safety would be acted upon if I expressed them to my manager”	80%	95%
People matter survey – percentage of staff with a positive response to the question, “The culture in my work area makes it easy to learn from the errors of others”	80%	94%
People matter survey – percentage of staff with a positive response to the question, “Management is driving us to be a safety-centred organisation”	80%	91%
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%	88%
People matter survey – percentage of staff with a positive response to the question, “Trainees in my discipline are adequately supervised”	80%	90%
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%	83%

Timely access to care		
Key performance measure	Target	Outcome
Emergency care		
Percentage of patients transferred from ambulance to emergency department within 40 minutes	90%	98%
Percentage of Triage Category 1 emergency patients seen immediately	100%	100%
Percentage of Triage Category 1 to 5 emergency patients seen within clinically recommended time	80%	88%
Percentage of emergency patients with a length of stay in the emergency department of less than four hours	81%	78%
Number of patients with a length of stay in the emergency department greater than 24 hours	0	2
Specialist clinics		
Percentage of urgent patients referred by a GP or external specialist who attended a first appointment within 30 days	100%	N/A
Percentage of routine patients referred by GP or external specialist who attended a first appointment within 365 days	90%	N/A

Effective financial management		
Key performance measure	Target	Outcome
Operating result (\$m)	-1.24	-0.560
Average number of days to pay trade creditors	60 days	37 days
Average number of days to receive patient fee debtors	60 days	21 days
Public and Private WIES ¹ activity performance to target	100%	99.27%
Adjusted current asset ratio	0.7 or 3% improvement from health service base target	1.11
Forecast number of days available cash (based on end of year forecast)	N/A	N/A
Actual number of days available cash, measured on the last day of each month.	14 days	15.9 days
Variance between forecast and actual Net result from transactions (NRFT) for the current financial year ending 30 June.	Variance ≤ \$250,000	\$3.74m

SoP PART C

Activity Reporting

Activity	2019-20 Activity Achievement
Acute Admitted	
WIES Public	3436.56
WIES Private	780.99

SWAN HILL DISTRICT HEALTH KEY FINANCIAL AND SERVICE PERFORMANCE ACTIVITY

APPENDIX 2

ACTIVITY DATA

Admitted Patient Separations	Acute Health	Aged Care	Other	Total
Same Day	3,916			3,916
Multi Day	2,657	140		2,797
Total Separations	6,573	140		6,713
Emergency	2,160			2,160
Elective	4,141			4,141
Other	272			272
Total Separations	6,573			6,573
Public Separations	4,841			4,841
Total WIES	4,358			4,358
Total Bed Days	15,445	26,549		41,994
Non Admitted Patients	Acute Health	Sub Acute	Other	Total
Emergency Medical Attendances	13,669			13,669
Outpatient Services	21,180		0	21,180
Other Services **	-	16,538	23,632	40,170
Total Occasions of Service	34,849	16,538	23,632	75,019

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

APPENDIX 2**SUMMARY FINANCIAL RESULTS**

	2019/20 \$000	2018/19 \$000	2017/18 \$000	2016/17 \$000	2015/16 \$000
Total Expenses	79,376	71,374	64,315	60,702	54,817
Total Revenue	77,384	69,542	63,404	58,160	63,969
Net Results from transactions	(1,992)	(1,832)	(911)	(2,542)	9,152
Other Economic Flows	(318)	(330)	(184)	(109)	(14)
Net Results	(2,310)	(2,162)	(1,095)	(2,651)	9,138
Accumulated Surpluses	(761)	1,684	2,540	4,121	6,890
Total Assets	88,881	89,791	83,548	81,343	79,355
Total Liabilities	27,142	25,742	25,427	22,551	17,912
Net Assets	61,739	64,049	58,121	58,792	61,443
Total Equity	61,739	64,049	58,121	58,792	61,443

SWAN HILL DISTRICT HEALTH

COMPARATIVE STATISTICAL STATEMENT FOR FIVE YEARS

APPENDIX 2

	2019-20	2018-19	2017-18	2016-17	2015-16
Number of Available Beds					
Hospital	74	74	65	65	65
Aged Care	75	75	75	75	79
Extended Care Unit	0	0	0	0	0
Hostel	0	0	0	0	0
In - Patients Treated					
Hospital	6,573	6,380	6,240	6,607	6,859
Aged Care	141	168	138	114	120
Extended Care Unit	0	0	0	0	0
Hostel	0	0	0	0	0
Daily Average of Inpatients					
Hospital	43.5	38.5	37.7	37.4	40.7
Aged Care	72.7	72.5	73.8	74.7	72.7
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	2.2	2.0	2.0	1.9	2.0
Aged Care	189.6	168.6	170.6	239.1	221.1
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	15,910	14,933	13,999	12,726	13,503
Community Rehabilitation Centre					
Attendances	9,037	10,316	9,621	8,584	8,060
Day Centre					
Attendances	2,292	2,216	2,282	2,214	2,200
Visiting Nursing Service "					
Attendances	7,693	7,655	8,583	10,380	11,306
Dental Clinic ^^					
Occasions of Service	0	0	0	5	8
Dietetics Department					
Occasions of Service	2,410	2,189	2,397	2,279	2,299
Occupational Therapy Department					
Occasions of Service	6,572	3,892	5,041	4,920	5,926
Physiotherapy Department ^					
Occasions of Service	9,849	8,368	6,836	6,643	6,212
Podiatry Department					
Occasions of Service	1,842	2,698	2,530	3,073	3,536
Speech Pathology Department					
Occasions of Service	2,416	3,287	3,938	3,346	2,784

APPENDIX 2

SWAN HILL DISTRICT HEALTH COMPARATIVE STATISTICAL STATEMENT FOR FIVE YEARS

	2019-20	2018-19	2017-18	2016-17	2015-16
Radiology Department					
Occasions of Service	24,337	25,945	23,986	23,251	23,598
Care Co-Ordinator Services					
Number of Cases	1,670	2,140	1,858	2,373	2,415
Counselling Services ""					
Clients	0	77	174	318	610
Occasions of Service	3,644	2,871	2,521	2,531	3,302
No of Groups	15	16	0	8	3
No of Group Attendances	104	156	2,521	2,614	3,452
Palliative Care Service**					
Occasions of Service	7,501	7,248	6,001	6,448	9,517
Pharmacy - Workload Units	189,224	186,265	172,219	176,427	191,478
Food Services Department ~					
No of Meals Prepared	189,036	187,457	194,264	184,790	187,975
Operations Performed	2,078	2,145	2,173	2,172	2,363
Major #	0	0	0	0	419
Minor #	0	0	0	0	1,381
Urgent #	190	220	243	207	103
Non Urgent #	1,888	1,925	1,930	1,965	460
Births	195	168	215	232	273
Deaths	95	91	91	94	78
Acute Patient Weighted Inlier Equivalent Separations - (WIES)	4,358	4,432	4,366	4,535	4,806

** 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 no longer using vouchers

^^^ 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 groups = Generic and Primary Health Network

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 2020 • comprehensive operating statement for the year then ended • statement of changes in equity for the year then ended • cash flow statement for the year then ended • notes to the financial statements, including significant accounting policies • board member's, accountable officer's and chief finance & accounting officer's declaration. <p>In my opinion the financial report presents fairly, in all material respects, the financial position of the health service as at 30 June 2020 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 7 of the <i>Financial Management Act 1994</i> and applicable Australian Accounting Standards.</p>
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
14 October 2020

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 2020

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 2020 and the financial position of Swan Hill District Health at 30 June 2020.

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

We authorise the attached financial statements for issue on 6th of October 2020.



A. Gilchrist
Board Chair

Swan Hill
6 October 2020



P. Abraham
Chief Executive Officer

Swan Hill
6 October 2020



R. Karunanantham
Chief Finance & Accounting Officer

Swan Hill
6 October 2020

Swan Hill District Health

Comprehensive Operating Statement For the Financial Year Ended 30 June 2020

	Note	2020 \$'000	2019 \$'000
Income from Transactions			
Operating Activities	2.1	76,434	68,421
Non-operating Activities	2.1	950	1,121
Total Income from Transactions		77,384	69,542
Expenses from Transactions			
Employee Expenses	3.1	(48,234)	(43,808)
Non Salary Labour Costs	3.1	(10,426)	(7,839)
Supplies and Consumables	3.1	(7,016)	(6,687)
Depreciation	4.2	(4,543)	(4,222)
Other Operating Expenses	3.1	(9,080)	(8,817)
Other Non-Operating Expenses	3.1	(77)	-
Total Expenses from Transactions		(79,376)	(71,373)
Net Result from Transactions - Net Operating Balance		(1,992)	(1,831)
Other Economic Flows included in Net Result			
Net Gain/(Loss) on Sale of Non-Financial Assets	3.2	(55)	(122)
Net Loss on Financial Instruments at Fair Value	3.2	(24)	(32)
Other Loss from Other Economic Flows	3.2	(239)	(176)
Total Other Economic Flows included in Net Result		(318)	(330)
NET RESULT FOR THE YEAR		(2,310)	(2,162)
Items that will not be reclassified to Net Result			
Changes in Property, Plant and Equipment Revaluation Surplus	4.1b	-	8,090
Total Other Comprehensive Income		-	8,090
COMPREHENSIVE RESULT FOR THE YEAR		(2,310)	5,928

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

Swan Hill District Health

Balance Sheet As at 30 June 2020

	Note	2020 \$'000	2019 \$'000
Current Assets			
Cash and Cash Equivalents	6.2	21,006	17,306
Receivables	5.1	1,157	2,118
Inventories		362	220
Prepayments and Other Assets		247	1,230
Total Current Assets		22,772	20,874
Non-Current Assets			
Receivables	5.1	1,349	1,350
Property, Plant and Equipment	4.1a	64,760	67,567
Total Non-Current Assets		66,109	68,917
TOTAL ASSETS		88,881	89,791
Current Liabilities			
Payables	5.2	4,631	5,055
Borrowings	6.1	5	-
Provisions	3.4	10,069	9,939
Other Current Liabilities	5.3	10,572	9,315
Total Current Liabilities		25,277	24,309
Non-Current liabilities			
Borrowings	6.1	196	-
Provisions	3.4	1,669	1,433
Total Non-Current Liabilities		1,865	1,433
TOTAL LIABILITIES		27,142	25,742
NET ASSETS		61,739	64,049
EQUITY			
Property, Plant and Equipment Revaluation Surplus	4.1f	42,745	42,745
Special Purpose Surplus		3,552	1,548
Contributed Capital		18,072	18,072
Accumulated Surpluses		(2,630)	1,684
TOTAL EQUITY		61,739	64,049

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 2020

		Property, Plant and Equipment Revaluation Surplus	Special Purpose Surplus	Contributed Capital	Accumulated Surpluses	Total
	Note	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 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	4.1f	8,090	-	-	-	8,090
Transfer from Accumulated Surplus		-	(1,000)	-	1,000	-
Balance at 30 June 2019		42,745	1,548	18,072	1,684	64,049
Net result for the year		-	-	-	(2,310)	(2,310)
Other Comprehensive Income for the year	4.1f	-	-	-	-	-
Transfer to accumulated surplus		-	2,004	-	(2,004)	-
Balance at 30 June 2020		42,745	3,552	18,072	(2,630)	61,739

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 2020

	Note	2020 \$'000	2019 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating grants from Government - State		49,407	42,502
Operating grants from Government - Commonwealth		8,843	8,043
Capital grants from Government - State		869	2,103
Capital grants from Government - Commonwealth		-	9
Patient and resident fees received		3,889	3,327
Private practice fees received		723	787
Donations and bequests received		2,007	273
GST received from/(paid to) ATO		129	216
Recoupment from private practice for use of hospital facilities		1,608	1,752
Interest received		195	313
Other receipts		8,718	9,779
Total receipts		76,388	69,104
Employee expenses paid		(48,106)	(42,828)
Non salary labour costs		(10,426)	(7,839)
Payments for supplies and consumables		(7,053)	(6,638)
Other payments		(5,642)	(10,344)
Total payments		(71,228)	(67,649)
NET CASH FLOW FROM OPERATING ACTIVITIES	8.1	5,160	1,455
CASH FLOWS FROM INVESTING ACTIVITIES			
Net redemption/(purchase) of investments		-	14,903
Payments for non-financial assets		(1,725)	(4,774)
Proceeds from sale of non-financial assets		98	70
NET CASH FLOW FROM/(USED IN) INVESTING ACTIVITIES		(1,626)	10,199
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from Borrowings		166	-
NET CASH FLOW FROM/(USED IN) FINANCING ACTIVITIES		166	-
NET INCREASE IN CASH AND CASH EQUIVALENTS HELD		3,699	11,654
Cash and cash equivalents at beginning of financial year		17,306	5,652
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	6.2	21,006	17,306

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 2020

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 2020

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 2020. 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 general purpose financial statements which have been prepared in accordance with the *Financial Management Act 1994* and applicable AAS's, 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 AAS's.

(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 2020, and the comparative information presented in these financial statements for the year ended 30 June 2019.

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

Note 1: Summary of Significant accounting policies (continued)

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

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

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

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 AAB's that have significant effects on the financial statements and estimates relate to:

- The fair value of land, buildings, plant and equipment, (refer to Note 4.1 Property, Plant and Equipment); 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).

Basis of accounting preparation and measurement impact due to COVID-19

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

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

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

Regional areas have generally been less impacted by the pandemic, however the changed conditions continue to provide uncertainty and a reluctance from the community to engage as regularly with the Health Sector. The State Government has recognised the importance of a strong public health system and are providing ongoing support to ensure we remain financially viable and we can continue to support our staff who are at the front line of defence should the pandemic impact our community even more directly going forward.

SWAN HILL DISTRICT HEALTH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

Note 1: Summary of Significant accounting policies (continued)

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

From a financial perspective, the Health Service expects there will be a negative impact in the following areas:

- Private Patient Revenue due to restrictions on surgical activity.
- Recoveries from clinicians for use of hospital facilities as they have not been able to provide them.
- Recoveries from clients for services normally provided directly, but are no longer able to be provided.
- Activity based funding areas where there is no dispensation or reduced dispensation made available by the provider.
- Specific costs incurred in the prevention and/or treatment of Covid-19.

The following account balances have been considered by Management but we remain satisfied that COVID-19 has not required a change to the judgement and/or assumptions in the disclosure of any balances.

- Fair value of receivable balances;
- Fair value of financial assets;
- Fair value of non-financial assets;
- Impairment of non-financial assets;
- Superannuation Defined benefit assets and liabilities; and
- Going concern.

For further details refer to Note 2.1 funding delivery of our services and Note 4.1 Property, plant and equipment.

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 Swan Hill District Health's operations as a group.

(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.

SWAN HILL DISTRICT HEALTH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

Note 1: Summary of Significant accounting policies (continued)

(e) Jointly Controlled Operation (continued)

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.

SWAN HILL DISTRICT HEALTH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

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 2020

Note 2.1: Income from Transactions

	Total 2020 \$'000	Total 2019 \$'000
Government Grants (State) - Operating ⁽ⁱⁱ⁾	50,082	41,931
Government Grants (Commonwealth) - Operating	8,843	8,043
Government Grants (State) - Capital	869	2,103
Government Grants (Commonwealth) - Capital	-	9
Indirect contributions by Department of Health and Human Services	282	528
Other Capital purpose Income	2,088	2,564
Assets Received Free of Charge	165	261
Patient and Resident Fees	6,272	6,018
Commercial Activities ⁽ⁱ⁾	2,235	2,392
Dental Health	1,467	1,412
Other Revenue from Operating Activities (including non-capital donations)	3,155	2,446
Jointly Controlled Operations (refer note 8.7)	976	732
Total Income from Operating Activities	76,434	68,421
Property Income	45	54
Capital Interest	40	128
Other Interest	155	252
Other Revenue	710	687
Total Income from Non-Operating Activities	950	1,121
Total Income from Transactions	77,384	69,542

⁽ⁱ⁾ Commercial activities represent business activities which the health service enter into to support their operations.

⁽ⁱⁱ⁾ Government Grant (State) – Operating includes funding of \$1.96m which was spent due to the impacts of COVID-19.

Impact of COVID-19 on revenue and income

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

SWAN HILL DISTRICT HEALTH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

Note 2.1: Income from Transactions (continued)

Revenue Recognition

Income is recognised in accordance with either:

- contributions by owners, in accordance with AASB 1004;
- income for not-for-profit entities, in accordance with AASB 1058;
- revenue or a contract liability arising from a contract with a customer, in accordance with AASB 15;
- a lease liability in accordance with AASB 16;
- a financial instrument, in accordance with AASB 9; or
- a provision, in accordance with AASB 137 Provisions, Contingent Liabilities and Contingent Assets.

Government Grants

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

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

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

As a result of the transitional impacts of adopting AASB 15 and AASB 1058, a portion of the grant revenue has been deferred. If the grant income is accounted for in accordance with AASB 15, the deferred grant revenue has been recognised in contract liabilities whereas grant revenue in relation to the construction of capital assets which the health service controls has been recognised in accordance with AASB 1058 and recognised as deferred grant revenue (refer note 5.2).

If the grant revenue was accounted for under the previous accounting standard AASB 1004 in 2019-20, the total grant revenue received would have been recognised in full.

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.

Performance Obligations

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

- Activity Based Funding (ABF) paid as WIES casemix
- Other one-off grants if funding conditions contain enforceable and sufficiently specific performance obligations.

SWAN HILL DISTRICT HEALTH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

Note 2.1: Income from Transactions (continued)

Performance Obligations (continued)

The performance obligations for ABF are the number and mix of patients admitted to hospital (casemix) in accordance with levels of activity agreed to with the Department of Health and Human Services (DHHS) in the annual Statement of Priorities (SoP). Revenue is recognised when a patient is discharged and in accordance with the WIES activity for each separation. The performance obligations have been selected as they align with funding conditions set out in the Policy and Funding Guidelines issued by the DHHS.

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

Previous accounting policy for 30 June 2019

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

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

For non-reciprocal grants, Swan Hill District Health recognises revenue when the grant is received.

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

The following are transactions that Swan Hill District Health has determined to be classified as revenue from contracts with customers in accordance with AASB 15. Due to the modified retrospective transition method chosen in applying AASB 15, comparative information has not been restated to reflect the new requirements.

Patient and Resident Fees:

The performance obligations related to patient fees are the transfer of goods or services. These performance obligations have been selected in line with the terms and conditions of providing these goods and services. Revenue is recognised as these performance obligations are met.

Resident fees are recognised as revenue over time as Swan Hill District Health provides accommodation. This is calculated on a daily basis and invoiced monthly.

Private Practice Fees:

The performance obligations related to private practice fees are the transfer of goods or services. These performance obligations have been selected as they align with the terms and conditions agreed with the private provider. Revenue is recognised as these performance obligations are met. Private practice fees include recoupments from the private practice for the use of hospital facilities.

Revenue from Commercial Activities:

Revenue from commercial activities includes items such as catering, cafeteria and property rental.

Performance obligations related to commercial activities are the transfer of goods and services. These performance obligations have been selected as they align with the terms and conditions per the contract with the provider of the commercial activities.

SWAN HILL DISTRICT HEALTH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

Note 2.1: Income from Transactions (continued)

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.

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.

Other Income:

Other income is recognised as revenue when received. Other income includes recoveries for Salaries and Wages and External Services Provided, Income from Cafeteria and Slaray Packaging Fees. 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 into 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 2020

Note 2.1: Income from Transactions (Continued)

Note 2.1a: Fair Value of Assets Received Free of Charge or for Nominal Consideration

	Total 2020 \$'000	Total 2019 \$'000
Buildings	-	261
Plant and equipment	88	-
Supplies ⁽ⁱ⁾	77	-
Total fair value of assets and services received free of charge or for nominal consideration	165	261

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

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

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

The exception to this would be when the resource is received from another Government Department (or agency) as a consequence of a restructuring of administrative arrangements, in which case such a transfer will be recognised at its carrying value in the transferring department or agency as a capital contribution transfer.

Voluntary Services: Contributions in the form of services are only recognised when a fair value can be reliably determined, and the services would have been purchased if not donated. Swan Hill District Health did not receive any volunteer services and does not depend on volunteers to deliver its services.

Performance obligations and revenue recognition policies

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

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

Consideration received in advance of recognising the associated revenue from the customer is recorded as a contract liability (5.2). Where the performance obligations is satisfied but not yet billed, a contract asset is recorded (5.1).

SWAN HILL DISTRICT HEALTH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

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 2020

Note 3.1: Expenses from Transactions

	Total 2020 \$'000	Total 2019 \$'000
Salaries and Wages	44,187	40,152
On-Costs	4,047	3,656
Agency Expenses	6,062	3,875
Fee for Service Medical Officer Expenses	3,973	3,713
Workcover Premium	391	251
Total Employee Expenses	58,660	51,647
Drug Supplies	1,812	1,581
Medical and Surgical Supplies (including Prostheses)	3,240	3,243
Diagnostic and Radiology Supplies	428	380
Other Supplies and Consumables	1,536	1,483
Total Supplies and Consumables	7,016	6,687
Finance Costs	13	16
Total Finance Costs	13	16
Other Administrative Expenses	5,279	5,035
Total Other Administrative Expenses	5,279	5,035
Fuel, Light, Power and Water	918	1,017
Repairs and Maintenance	407	425
Maintenance Contracts	618	551
Medical Indemnity Insurance	45	45
Patient Transport	1,668	1,652
Expenditure for Capital Purposes	132	75
Total Other Operating Expenses	3,788	3,765
Total Operating Expenses	74,756	67,150
Depreciation (refer Note 4.2)	4,543	4,223
Total Depreciation	4,543	4,223
Assets and services provided free of charge or for Nominal Consideration	77	-
Total Other Non-Operating Expenses	77	-
Total Non-Operating Expenses	4,620	4,223
Total Expenses from Transactions	79,376	71,374

Impact of COVID-19 on expenses

As indicated at Note 1, Swan Hill District Health's daily activities were impacted by the pandemic. This resulted in direct and indirect costs being incurred, such as additional cleaning and staff costs.

SWAN HILL DISTRICT HEALTH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

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 and 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);

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 2020

Note 3.2: Other Economic Flows included in Net Result

	2020 \$'000	2019 \$'000
<u>Net gain/(loss) on sale of non-financial assets</u>		
Net gain on disposal of property plant and equipment	(55)	(120)
Total net loss on non-financial assets	(55)	(120)
<u>Net gains/(losses) on financial instruments at fair value</u>		
Allowance for impairment losses of contractual receivables	(24)	(32)
Total net loss on financial instruments at fair value	(24)	(32)
<u>Other gains/(losses) from other economic flows</u>		
Net Loss arising from revaluation of long service leave liability	(239)	(178)
Total other losses from other economic flows	(239)	(178)
Total other losses from economic flows	(318)	(330)

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

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

Net gain/(loss) on non-financial assets

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

- Revaluation gains/(losses) of non-financial physical assets (Refer to Note 4.1 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.

SWAN HILL DISTRICT HEALTH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

Note 3.3: Analysis of Expense and Revenue by Internally Managed and Restricted Specific Purpose Funds

	Expense		Revenue	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Commercial Activities				
Catering	104	94	97	135
Cafeteria	41	45	89	88
Property	103	93	45	59
Other	-	-	156	180
TOTAL COMMERCIAL ACTIVITIES	248	232	387	462

SWAN HILL DISTRICT HEALTH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

Note 3.4: Employee benefits in the Balance Sheet

	2020 \$'000	2019 \$'000
Current Provisions		
Employee Benefits ⁽ⁱ⁾		
Annual leave		
- Unconditional and expected to be settled wholly within 12 months ⁽ⁱⁱ⁾	2,939	2,591
- Unconditional and expected to be settled wholly after 12 months ⁽ⁱⁱⁱ⁾	842	939
Long service leave		
- Unconditional and expected to be settled wholly within 12 months ⁽ⁱⁱ⁾	963	652
- Unconditional and expected to be settled wholly after 12 months ⁽ⁱⁱⁱ⁾	4,121	4,609
Accrued Days Off		
- Unconditional and expected to be settled wholly within 12 months ⁽ⁱⁱ⁾	123	77
	8,988	8,868
Provisions related to Employee Benefit On-Costs		
- Unconditional and expected to be settled within 12 months ⁽ⁱⁱ⁾	444	379
- Unconditional and expected to be settled after 12 months ⁽ⁱⁱⁱ⁾	637	692
	1,081	1,071
Total Current Provisions	10,069	9,939
Non-Current Provisions		
Conditional Long Service Leave ⁽ⁱⁱ⁾	1,480	1,273
Provisions related to Employee Benefit On-Costs ⁽ⁱⁱⁱ⁾	189	160
Total Non-Current Provisions	1,669	1,433
Total Provisions	11,738	11,372

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

	2020 \$'000	2019 \$'000
Current Employee Benefits and Related On-costs		
Unconditional LSL Entitlements	5,735	5,921
Annual Leave Entitlements	4,212	3,933
Accrued Days Off	123	85
Non-Current Employee Benefits and Related On-costs		
Conditional Long Service Leave Entitlements	1,668	1,433
Total Employee Benefits and Related On-Costs	11,738	11,372

SWAN HILL DISTRICT HEALTH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

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

	2020 \$'000	2019 \$'000
(b) Movements in On-costs Provisions		
Balance at start of year	1,232	999
Additional provisions recognised	506	666
Unwinding of discount and effect of changes in the discount rate	(25)	(63)
Reduction due to transfer out	(443)	(370)
Balance at end of year	1,270	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.

SWAN HILL DISTRICT HEALTH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

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

Long Service Leave (Continued)

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

Termination Benefits

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

On-Costs related to Employee Expense

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

SWAN HILL DISTRICT HEALTH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

Note 3.5: Superannuation

	Paid Contribution for the Year		Contribution Outstanding at Year End	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Defined Benefit Plans: ⁽ⁱ⁾				
Health Super Fund	57	71	5	2
Defined Contribution Plans:				
First State Super	2,536	2,411	111	100
Hesta	902	745	41	32
Other	528	410	24	19
Total	4,023	3,637	181	153

(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 2020

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 Property, Plant and Equipment

4.2 Depreciation

SWAN HILL DISTRICT HEALTH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

Note 4.1: 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.

Right-of-use asset acquired by lessees (Under AASB 16 – Leases from 1 July 2019) – Initial measurement

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

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

Right-of-use asset – Subsequent measurement

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

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

Revaluations of Non-Current Physical Assets

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

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

SWAN HILL DISTRICT HEALTH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

Note 4.1: Property, Plant and Equipment (continued)

Revaluations of Non-Current Physical Assets (continued)

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

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

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

In accordance with FRD 103H, 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 hierarchy as explained above.

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

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.

Valuation Hierarchy

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

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

Identifying unobservable inputs (level 3) Fair Value Measurements

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

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

SWAN HILL DISTRICT HEALTH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

Note 4.1: Property, Plant and Equipment (continued)

Consideration of highest and best use (HBU) for Non-Financial Physical Assets

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

In accordance with paragraph AASB 13 Fair Value Measurement paragraph 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 and non-specialised buildings are valued using the market approach. Under this valuation method, the assets are compared to recent comparable sales or sales of comparable assets which are considered to have nominal or no added improvement value.

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

Specialised Land and Specialised Buildings

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

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

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

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

For Swan Hill District Health, the depreciated replacement cost method is used for the majority of specialised buildings, adjusting for the associated depreciation. As depreciation adjustments are considered as significant and unobservable inputs in nature, specialised buildings are classified as Level 3 for fair value measurements.

SWAN HILL DISTRICT HEALTH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

Note 4.1: Property, Plant and Equipment (continued)

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

Plant and Equipment

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

There were no changes in valuation techniques throughout the period to 30 June 2020.

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 2020

Note 4.1: Property, Plant and Equipment

Note 4.1 (a): Gross carrying amount and accumulated depreciation

	2020 \$'000	2019 \$'000
Land		
Land at Fair Value	4,181	4,181
Total Land	4,181	4,181
Buildings		
Buildings at Fair Value	52,478	52,478
Less Accumulated Depreciation	(3,197)	-
Buildings at Cost	3,196	2,481
Less Accumulated Depreciation	(67)	-
Total Buildings	52,410	54,959
Land Improvements		
Land Improvements at Fair Value	339	337
Less Accumulated Depreciation	(25)	-
Total Land Improvements	314	337
Plant and Equipment		
Plant and Equipment at Fair Value	7,362	6,986
Less Accumulated Depreciation	(4,487)	(3,827)
Total Plant and Equipment	2,875	3,159
Medical Equipment		
Medical Equipment at Fair Value	6,138	5,745
Less Accumulated Depreciation	(3,734)	(3,427)
Total Medical Equipment	2,404	2,318
Motor Vehicles		
Motor Vehicles at Fair Value	869	1,004
Less Accumulated Depreciation	(757)	(719)
Total Cultural Assets	112	285
Right of Use - Motor Vehicles	37	-
Less Accumulated Depreciation	(2)	-
Total Right of Use - Motor Vehicles	35	-
Interest In Jointly Controlled Operations		
Assets from Jointly Controlled Operations at Fair Value	160	122
Less Accumulated Depreciation	(76)	(69)
Total Interest in Jointly Controlled Operations	84	53
Work In Progress		
Buildings Under Construction	2,345	2,275
Total Work in Progress	2,345	2,275
TOTAL	64,760	67,567

SWAN HILL DISTRICT HEALTH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

Note 4.1: Property, Plant and Equipment (continued)

Note 4.1 (b): Reconciliations of the carrying amounts of each class of asset

	Land	Land Improvements	Buildings	Plant and Equipment	Medical Equipment	Motor Vehicles	Right of Use Assets - MV	Work In Progress	Interest in Jointly Controlled Operations	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
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 4.2)	-	(16)	(2,993)	(602)	(508)	(93)	-	-	(11)	(4,223)
Balance at 1 July 2019	4,181	337	54,959	3,159	2,318	285	-	2,275	53	67,567
Additions	-	2	259	324	526	-	36	615	43	1,805
Disposals	-	-	-	(7)	(36)	(112)	-	-	(2)	(157)
Assets provided free of charge	-	-	-	-	88	-	-	-	-	88
Net Transfers between Classes	-	-	457	63	25	-	-	(545)	-	-
Revaluation Increments/(Decrements)	-	-	-	-	-	-	-	-	-	-
Depreciation (Note 4.2)	-	(25)	(3,265)	(664)	(517)	(61)	(1)	-	(10)	(4,543)
Balance at 30 June 2020	4,181	314	52,410	2,875	2,404	112	35	2,345	84	64,760

Land and buildings carried at valuation

A full revaluation of Swan Hill District Health's land and buildings was performed by the Valuer-General of Victoria (VGV) in May 2019 in accordance with the requirements of Financial Reporting Direction (FRD) 103H Non-Financial Physical Assets. The valuation, which conforms to Australian Valuation Standards, was determined by reference to the amounts for which assets could be exchanged between knowledgeable willing parties in an arm's length transaction. The effective date of the valuation for both land and buildings was 30 June 2019.

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

The VGV indices, which are based on data to March 2020, indicate an average increase of 8% across all land parcels and 2.5% increase in buildings.

Management regards the VGV indices to be a reliable and relevant data set to form the basis of their estimates. Whilst these indices are applicable at 30 June 2020, the fair value of land and buildings will continue to be subjected to the impacts of COVID-19 in future accounting periods.

As the accumulative movement was less than 10% for land and buildings no managerial revaluation was required.

The land and building balances are considered to be sensitive to market conditions.

SWAN HILL DISTRICT HEALTH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

Note 4.1: Property, Plant and Equipment (continued)

Note 4.1 (c): Fair value measurement hierarchy for assets

	Note	Carrying amount as at 30 June 2020 \$'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	4.1 (a)	4,181	-	1,298	2,883
Land Improvements at fair value					
Land Improvements at fair value		314	-	-	314
Total of land improvements at fair value	4.1 (a)	314	-	-	314
Buildings at fair value					
Non-specialised buildings		1,490	-	1,490	-
Specialised buildings		50,920	-	-	50,920
Total of building at fair value	4.1 (a)	52,410	-	1,490	50,920
Plant and Equipment at Fair Value	4.1 (a)	2,875	-	-	2,875
Motor Vehicles at Fair Value	4.1 (a)	112	-	-	112
Medical Equipment at Fair Value	4.1 (a)	2,404	-	-	2,404
Right of Use - Motor Vehicles	4.1 (a)	35	-	-	35
Total Property, Plant and Equipment		62,331	-	2,788	59,543

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 2020

Note 4.1: Property, Plant and Equipment (continued)

Note 4.1 (c): Fair value measurement hierarchy for assets

	Note	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	4.1 (a)	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	4.1 (a)	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	4.1 (a)	54,959	-	1,617	53,342
Plant and Equipment at Fair Value	4.1 (a)	3,159	-	-	3,159
Motor Vehicles at Fair Value	4.1 (a)	285	-	-	285
Medical Equipment at Fair Value	4.1 (a)	2,318	-	-	2,318
Total Property, Plant and Equipment	4.1 (a)	65,239	-	2,915	62,324

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 2020

Note 4.1: Property, Plant and Equipment (continued)

Note 4.1 (d): Reconciliation of Level 3 fair value measurement

	Land	Land Improvements	Buildings	Plant and equipment	Motor Vehicles	Medical equipment	Right of Use Assets - Motor Vehicles
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'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 1 July 2019 ⁽ⁱ⁾	2,883	337	53,342	3,159	285	2,318	-
Additions/(Disposals)	-	2	715	380	(112)	603	37
Net Transfers between classes	-	-	-	-	-	-	-
Gains/(Losses) recognised in Net Result							
- Depreciation	-	(25)	(3,137)	(664)	(61)	(517)	(2)
Items recognised in Other Comprehensive Income							
- Revaluation	-	-	-	-	-	-	-
Balance at 30 June 2020 ⁽ⁱ⁾	2,883	314	50,920	2,875	112	2,404	35

⁽ⁱ⁾ Classified in accordance with the fair value hierarchy, refer Note 4.1 (c).

SWAN HILL DISTRICT HEALTH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

Note 4.1: Property, Plant and Equipment (continued)

Note 4.1 (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	Depreciated replacement cost approach	- Cost per square metre - Useful life
Dwellings	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	Depreciated replacement cost approach	- Cost per square metre - Useful life

There were no changes in valuation techniques throughout the period to 30 June 2020

SWAN HILL DISTRICT HEALTH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

Note 4.1 (f): Property, Plant and Equipment Revaluation Surplus

	Note	2020 \$'000	2019 \$'000
Property, Plant and Equipment Revaluation Surplus			
Balance at the beginning of the reporting period		42,745	34,655
Revaluation Increment			
- Land	4.1 (b)	-	(148)
- Buildings	4.1 (b)	-	8,238
Balance at the end of the reporting period*		42,745	42,745
* Represented by:			
- Land		2,676	2,676
- Buildings		40,069	40,069
		42,745	42,745

SWAN HILL DISTRICT HEALTH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

Note 4.2: Depreciation

	2020 \$'000	2019 \$'000
Depreciation		
Buildings	3,264	2,993
Land Improvements	25	16
Plant and Equipment	664	602
Medical Equipment	517	508
Motor Vehicles	61	93
Right of Use Assets - Motor Vehicles	2	-
Depreciation from Jointly Controlled Operations	10	11
Total Depreciation	4,543	4,223

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.

	2020	2019
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 2020

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 2020

Note 5.1: Receivables

	2020 \$'000	2019 \$'000
CURRENT		
Contractual		
Inter Hospital Debtors	48	179
Trade Debtors	79	273
Patient Fees	667	632
Debtor - Superannuation	2	3
Accrued Revenue		
Dental Health	-	323
Department of Health and Human Services	139	372
Commonwealth	23	24
Other	14	3
Receivables from Jointly Controlled Operations	42	54
<i>Less: Allowance for impairment losses of contractual receivables</i>		
Patient Fees	(23)	(40)
	991	1,823
Statutory		
GST Receivable	166	295
	166	295
TOTAL CURRENT RECEIVABLES	1,157	2,118
NON CURRENT		
Statutory		
Long Service Leave - Department of Health and Human Services	1,349	1,350
TOTAL NON-CURRENT RECEIVABLES	1,349	1,350
TOTAL RECEIVABLES	2,506	3,468

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

	2020 \$'000	2019 \$'000
Balance at beginning of year	40	37
Reversal of Allowance written off during the year as uncollectable	(41)	(30)
Reversal of unused allowance recognised in the net result	1	1
Increase in allowance recognised in net result	23	32
Balance at end of year	23	40

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 2020

Note 5.1: Receivables (continued)

Receivables recognition (continued)

- 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.

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

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 2020

Note 5.2: Payables and Contract Liabilities

	Note	2020 \$'000	2019 \$'000
CURRENT			
Contractual			
Trade Creditors		601	1,506
Accrued Expenses		2,968	2,281
Deposits on Hire Equipment		1	3
Jointly Controlled Operations Payables		416	145
Inter-Hospital Creditors		29	371
Contract liabilities Income in Advance	5.2 (a)	616	74
		4,631	4,380
Statutory			
Department of Health and Human Services - Payable to Government		-	675
		-	675
TOTAL CURRENT		4,631	5,055
TOTAL PAYABLES		4,631	5,055

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 2020

Note 5.2 (a): Contract Liabilities

	2020 \$'000
Opening balance brought forward from 30 June 2019	74
Add: Payments received for performance obligations yet to be completed during the period	103
Add: Grant consideration for sufficiently specific performance obligations received during the year	1,456
Less: Revenue recognised in the reporting period for the completion of a performance obligation	(1,017)
Total contract liabilities	616
Represented by	
Current contract liabilities	616

Contract liabilities include Commonwealth Grant Funding and Contract Agreements with Monash University received in advance in respect of specific performance obligation over time. Revenue is recognised once the performance obligations are met.

SWAN HILL DISTRICT HEALTH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

Note 5.3: Other Liabilities

	2020 \$'000	2019 \$'000
CURRENT		
Monies Held in Trust*		
- Primary Care Partnership*	310	267
- Residents - Nursing Home / Hostel*	28	40
- Accommodation Bonds*	10,234	9,007
- Simplified Billing*	-	1
Total Current	10,572	9,315
Total Other Liabilities	10,572	9,315
 * Total Monies Held in Trust Represented by the following assets:		
Cash Assets (refer to Note 6.2)	10,572	9,315
TOTAL	10,572	9,315

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

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

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

SWAN HILL DISTRICT HEALTH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

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 Borrowings
- 6.2 Cash and Cash Equivalents
- 6.3 Commitments for Expenditure
- 6.4 Non-Cash Financing and Investing Activities

SWAN HILL DISTRICT HEALTH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

Note 6.1: Borrowings

CURRENT

Lease liability ⁽ⁱ⁾

Total Current Borrowings

Lease liability ⁽ⁱ⁾

Advances from government ⁽ⁱⁱ⁾

Total Non Current Borrowings

Total Borrowings

2020	2019
\$'000	\$'000
5	-
5	-
30	-
166	-
196	-
201	-

(i) Secured by the assets leased. Leases are effectively secured as the rights to the leased assets revert to the lessor in the event of default.

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

(a) Maturity Analysis of Borrowings

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

(b) Defaults and Breaches

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

(c) Lease Liabilities

Repayments in relation to leases are payable as follows:

Not later than one year

Later than 1 year and not later than 5 years

Minimum lease payments

Less future finance charges

TOTAL

Included in the financial statements as:

Current Borrowings - lease liability

Non-Current Borrowings - lease liability

TOTAL

Minimum future lease payments		Present value of minimum future lease payments	
2020	2019	2020	2019
\$'000	\$'000	\$'000	\$'000
6	-	6	-
31	-	31	-
37	-	37	-
(2)	-	(2)	-
35	-	35	-
5	-	5	-
30	-	30	-
35	-	35	-

The weighted average interest rate implicit in the finance lease is 3.25%.

SWAN HILL DISTRICT HEALTH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

Note 6.1: Borrowings (continued)

Leases

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

Swan Hill District Health's Leasing Activities

Swan Hill District Health Service has entered into leases relating to Motor Vehicles.

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

- The contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to Swan Hill District Health Service and for which the supplier does not have substantive substitution rights;
- Swan Hill District Health Service has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract and Swan Hill District Health Service has the right to direct the use of the identified asset throughout the period of use; and
- Swan Hill District Health Service has the right to take decisions in respect of 'how and for what purpose' the asset is used throughout the period of use.

This policy is applied to contracts entered into, or changed, on or after 1 July 2019.

Separation of lease and non-lease components

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

Recognition and measurement of leases as a lessee (under AASB 16 from 1 July 2019)

Lease Liability – initial measurement

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

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

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

Lease Liability – subsequent measurement

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

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

SWAN HILL DISTRICT HEALTH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

Note 6.1: Borrowings (continued)

Short-term leases and leases of low value assets

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

Presentation of right-of-use assets and lease liabilities

Swan Hill District Health Service presents right-of-use assets as 'property plant equipment' unless they meet the definition of investment property, in which case they are disclosed as 'investment property' in the balance sheet. Lease liabilities are presented as 'borrowings' in the balance sheet.

Entity as lessee

Leases are recognised as assets and liabilities at amounts equal to the fair value of the lease property or, if lower, the present value of the minimum lease payment, each determined at the inception of the lease. The lease assets under the PPP arrangement are accounted for as a non-financial physical asset and is depreciated over the term of the lease plus five years. Minimum lease payments are apportioned between reduction of the outstanding lease liability, and the periodic finance expense which is calculated using the interest rate implicit in the lease, and charged directly to the Comprehensive Operating Statement. Contingent rentals associated with leases are recognised as an expense in the period in which they are incurred.

Borrowings

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

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

SWAN HILL DISTRICT HEALTH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

Note 6.2: Cash and Cash Equivalents

	2020 \$'000	2019 \$'000
Cash on Hand (excluding Monies held in trust)	1	2
Cash at Bank (excluding Monies held in trust)	643	27
Cash at Bank - CBS (excluding Monies held in trust)	9,219	7,548
Cash in Jointly Controlled Operations	570	414
Cash on Hand (Monies held in trust)	1	1
Cash at Bank (Monies held in trust)	338	306
Cash at Bank - CBS (Monies held in trust)	10,234	9,008
Total Cash and Cash Equivalents	21,006	17,306

Swan Hill District Health has a bank overdraft facility with the NAB for the amount of \$1 million. The amount unused at 30 June 2020 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 2020

Note 6.3: Commitments for expenditure

	2020 \$'000	2019 \$'000
Capital Expenditure Commitments Payable		
Less than one (1) year	2,495	2,547
Total Capital Expenditure Commitments	2,495	2,547
Other Expenditure Commitments Payable		
Computer	-	4
Total Other Expenditure Commitments	-	4
Total Commitments for Expenditure (exclusive of GST)	2,495	2,551

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.

Note 6.4: Non-Cash Financing and Investing Activities

	2020 \$'000	2019 \$'000
Acquisition of plant and equipment by means of Finance Leases	37	-
Total Non-Cash Financing and Investing Activities	37	-

SWAN HILL DISTRICT HEALTH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

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

7.2 Contingent Assets and Contingent Liabilities

SWAN HILL DISTRICT HEALTH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

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
2020			
Contractual Financial Assets			
Cash and Cash Equivalents	21,006	-	21,006
<i>Receivables</i>			
- Trade Debtors	79	-	79
- Other Receivables	935	-	935
Total Financial Assets ⁽ⁱ⁾	22,020	-	22,020
Financial Liabilities			
Payables	-	4,631	4,631
Borrowings	-	201	201
<i>Other Financial Liabilities</i>			
- Accomodation bonds	-	10,234	10,234
- Other	-	338	338
Total Financial Liabilities ⁽ⁱ⁾	-	15,404	15,404
	Contractual financial assets - loans and receivables \$'000	Contractual 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	1,590	-	1,630
Total Financial Assets ⁽ⁱ⁾	19,169	-	19,209
Financial Liabilities			
Payables	-	4,380	4,306
<i>Other Financial Liabilities</i>			
- Accomodation bonds	-	9,007	9,007
- Other	-	308	308
Total Financial Liabilities ⁽ⁱ⁾	-	13,695	13,621

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

SWAN HILL DISTRICT HEALTH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

Note 7.1 (a): Financial Instruments (continued)

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; 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 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 2020

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 \$'000	Nominal amount \$'000	Maturity Dates			
				Less than 1 Month \$'000	1-3 Months \$'000	3 Months- 1 Year \$'000	1-5 Years \$'000
2020							
Financial Liabilities							
<i>At amortised cost</i>							
Payables	5.2	4,631	4,631	4,631	-	-	-
Borrowings	6.1	201	201	-	-	6	195
Other Financial Liabilities ⁽ⁱ⁾							
- Accommodation Bonds	5.3	10,234	10,234	3,259	489	335	6,151
- Other	5.3	338	338	338	-	-	-
Total Financial Liabilities		15,404	15,404	8,228	489	341	6,346
2019							
Financial Liabilities							
<i>At amortised cost</i>							
Payables	5.2	4,380	4,380	4,380	-	-	-
Other Financial Liabilities ⁽ⁱ⁾							
- Accommodation Bonds	5.3	9,007	9,007	330	430	295	7,952
- Other	5.3	308	308	308	-	-	-
Total Financial Liabilities		13,695	13,695	5,018	430	295	7,952

⁽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 2020

Note 7.1 (c): Contractual Receivables at Amortised Cost

	1-Jul-19	Current	Less than 1 month	1-3 months	3 months -1 year	1-5 years	Total
Expected loss rate		0%	0%	0%	50%	0%	
Gross carrying amount of contractual receivables (\$'000s)		993	358	61	451	-	1,863
Loss allowance		-	-	-	226	-	226

	30-Jun-20	Current	Less than 1 month	1-3 months	3 months -1 year	1-5 years	Total
Expected loss rate		0%	0%	0%	12%	0%	
Gross carrying amount of contractual receivables (\$'000s)		518	60	87	349	-	1,014
Loss allowance		-	-	-	40	-	40

Impairment of Financial Assets under AASB 9

Swan Hill District Health records the allowance for expected credit loss for the relevant financial instruments 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 immaterial.

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

	2020 \$'000	2019 \$'000
Balance at beginning of the year	40	37
Opening retained earnings adjustment on adoption of AASB 9	-	-
Opening Loss Allowance	40	37
Modification of contractual cash flows on financial assets	-	-
Increase in provision recognised in the net result	24	33
Reversal of provision of receivables written off during the year as uncollectible	(41)	(30)
Reversal of unused provision recognised in the net result	1	-
Balance at end of the year	24	40

SWAN HILL DISTRICT HEALTH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

Note 7.1 (c): Contractual Receivables at Amortised Cost (Continued)

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 those receivables are financial instruments.

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.

Note 7.2: Contingent Assets and Contingent Liabilities

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

SWAN HILL DISTRICT HEALTH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

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 AASs issued that are not yet effective
- 8.10 Changes in accounting policy, revision of estimates and corrections of prior period errors

SWAN HILL DISTRICT HEALTH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

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

	2020 \$'000	2019 \$'000
Net result for the year	(2,310)	(2,162)
Non-cash movements:		
Depreciation	4,533	4,212
Allowance for Impairment of Contractual Receivables	(17)	3
Movements included in investing and financing activities		
Net (gain)/loss from disposal of non-financial physical assets	55	120
Assets Received free of Charge	(165)	(261)
Movements in assets and liabilities:		
(Increase)/Decrease in Receivables	979	(771)
(Increase)/Decrease in Prepayments	983	(57)
Increase/(Decrease) in Payables	833	(845)
Increase/(Decrease) in Provisions	366	1,160
(Increase)/Decrease in Inventories	(98)	56
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	5,160	1,455

SWAN HILL DISTRICT HEALTH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

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 Jenny Mikakos, Minister For Health and Minister for Ambulance Services

The Honourable Martin Foley, Minister for Mental Health

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

Governing Boards:

Ms R. Kava (Chair of the Board)

Mr A. Gilchrist (Deputy Chair)

Ms J. Walters

Ms J. Wiggins

Ms A. Patney

Mr G. Kuchel

A/Prof D. Colville

Ms E. Liepa

Ms J. Kelly

Accountable Officers:

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

\$10,000 - \$19,999

\$260,000 to \$269,999

\$340,000 to \$349,999

Total Numbers

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

Period
01/07/2019 - 30/06/2020
01/07/2019 - 30/06/2020
01/07/2019 - 30/06/2020
01/07/2019 - 30/06/2020
01/07/2019 - 30/06/2020
01/07/2019 - 30/06/2020
01/07/2019 - 30/06/2020
01/07/2019 - 30/06/2020
01/07/2019 - 30/06/2020
01/07/2019 - 30/06/2020
01/07/2019 - 30/06/2020

Total Remuneration	
2020 \$'000	2019 \$'000
No.	No.
9	11
1	-
-	1
10	12
\$398	\$488

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 2020

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	
	2020 \$'000	2019 \$'000
Short-term benefits	920	573
Post-employment benefits	92	61
Other long-term benefits	148	26
Termination benefits	233	-
Total Remuneration	1,393	660
Total number of Executives	7	3
Total Annualised Employee Equivalent (AEE)	5	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.

Other factors

Several factors affected total remuneration payable to executives over the year. A number of employment contracts were completed and renegotiated, and two executive officers retired. This has had a significant impact on remuneration figures for the termination benefits category.

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 2020

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 A. Gilchrist	Deputy Chair
Swan Hill District Health	Ms J. Walters	Board Member
Swan Hill District Health	Ms J. Wiggins	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	Ms J. Kelly	Board Member
Swan Hill District Health	Mr P. Abraham	Chief Executive Officer
Swan Hill District Health	Mr R. Prockter ⁽ⁱ⁾	Executive Officer Corporate Services
Swan Hill District Health	Ms K. Bennetts	Director of Corporate Business
Swan Hill District Health	Mr P. Smith	Director of Primary Care Services
Swan Hill District Health	Mrs K. Wright ⁽ⁱ⁾	Executive Officer Clinical Services
Swan Hill District Health	Mrs C. Keogh	Director of Clinical Services
Swan Hill District Health	Mr R. Prabhu	Director of Medical Services
Swan Hill District Health	Mr R. Karunanantham	Director of Finance (CFO)

⁽ⁱ⁾ Rod Prockter and Kathy Wright ceased employment in December 2019.

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.

SWAN HILL DISTRICT HEALTH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

Note 8.4: Related Parties (continued)

Compensation - KMPs	2020 \$'000	2019 \$'000
Short-term benefits ⁽ⁱ⁾	1,297	1,011
Post-employment benefits	113	94
Other long-term benefits	148	43
Termination benefits	233	-
Total ⁽ⁱⁱ⁾	1,791	1,148

(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 \$50,922,567 (2019: \$42,348,137).

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 2020.

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 2020.

SWAN HILL DISTRICT HEALTH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

Note 8.5. Remuneration of Auditors

	2020 \$'000	2019 \$'000
Victorian Auditor-General's Office		
Audit of financial statements	31	30
Total Remuneration of Auditors	31	30

SWAN HILL DISTRICT HEALTH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

Note 8.6: Events Occurring after the Balance Sheet Date

The COVID-19 pandemic has created unprecedented economic uncertainty. Actual economic events and conditions in the future may be materially different from those estimated by Swan Hill District Health at the reporting date. As responses by government continue to evolve, management recognises that it is difficult to reliably estimate with any degree of certainty the potential impact of the pandemic after the reporting date on Swan Hill District Health, its operations, its future results and financial position. The state of emergency in Victoria was extended on 13 September 2020 until 11 October 2020 and the state of disaster is still in place.

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

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.

SWAN HILL DISTRICT HEALTH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

Note 8.7 Jointly Controlled Operations and Assets

Name of Entity	Principal Activity	Ownership Interest	
		2020	2019
		%	%
Loddon Mallee Rural Health Alliance	Information Systems	9.57	9.47

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:

	2020 \$'000	2019 \$'000
ASSETS		
Current Assets		
Cash and Cash Equivalents	570	414
Receivables	7	47
GST Receivable	36	7
Inventories	106	-
Prepayments	124	117
Total Current Assets	843	585
Non-Current Assets		
Property, Plant and Equipment	83	53
Total Non-Current Assets	83	53
TOTAL ASSETS	926	638
LIABILITIES		
Current Liabilities		
Creditors	364	14
Accrued Expenses	53	132
Unearned Income - DHHS Grants	38	-
Total Current Liabilities	455	146
TOTAL LIABILITIES	455	146
NET ASSETS	471	492

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

	2020 \$'000	2019 \$'000
Revenue from Operating Activities	976	732
Expenditure	(1,043)	(726)
Net Result Before Capital and Specific Items	(67)	6
Depreciation	(10)	(11)
Expenditure using Capital Purpose Income	56	19
NET RESULT FOR THE YEAR	(21)	14

Contingent Liabilities and Capital Commitments

Loddon Mallee Rural Health Alliance does not have any known contingent liabilities or capital commitments at 30th June, 2020.

SWAN HILL DISTRICT HEALTH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

Note 8.8: Economic Dependency

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

SWAN HILL DISTRICT HEALTH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

Note 8.9: AAS's issued that are not yet effective

Certain new Australian accounting standards have been published that are not mandatory for the 30 June 2020 reporting period. The Department of Treasury and Finance (The Department) 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 2020, the following standards and interpretations had been issued by the AASB but were not yet effective. They become effective for the first financial statements for reporting periods commencing after the stated operative dates as detailed 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
• AASB 2018-7 <i>Amendments to Australian Accounting Standards – Definition of Material</i>	<p>• This Standard principally amends AASB 101 Presentation of Financial Statements and AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors. It applies to reporting periods beginning on or after 1 January 2020 with earlier application permitted. The Department has not earlier adopted the Standard.</p> <p>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.</p>	1 January 2020	The Department is in the process of analysing the impacts of this Standard. However, it is not anticipated to have a material impact.
• AASB 2020-1 <i>Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non Current</i>	<p>• This Standard amends AASB 101 to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current. It initially applied to annual reporting periods beginning on or after 1 January 2022 with earlier application permitted however the AASB has recently issued ED 301 Classification of Liabilities as Current or Non-Current – Deferral of Effective Date with the intention to defer the application by one year to periods beginning on or after 1 January 2023. The Department will not early adopt the Standard.</p>	1 January 2023	The Department is in the process of analysing the impacts of this Standard. However, it is not anticipated to have a material impact.

Several other amending standards and AASB interpretations have been issued that apply to future reporting periods, but are considered to have limited impact on Swan Hill District Health's reporting.

- AASB 17 Insurance Contracts.
- AASB 2018-6 Amendments to Australian Accounting Standards – Definition of a Business.
- AASB 2019-1 Amendments to Australian Accounting Standards – References to the Conceptual Framework.
- AASB 2019-5 Amendments to Australian Accounting Standards – Disclosure of the Effect of New IFRS Standards Not Yet Issued in Australia.

SWAN HILL DISTRICT HEALTH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

Note 8.10: Changes in Accounting Policy.

Leases

This note explains the impact of the adoption of AASB 16 Leases on Swan Hill District Health's financial statements.

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

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

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

Leases classified as Operating Leases under AASB 117

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

On adoption of AASB 16, Swan Hill District Health is required to recognise lease liabilities in relation to leases which had previously been classified as operating leases under the principles of AASB 117 Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using Swan Hill District Health's incremental borrowing rate as of 1 July 2019. On transition, right-of-use assets are measured at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet as at 30 June 2019. There were no adjustments required.

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

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

SWAN HILL DISTRICT HEALTH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

Note 8.10: Changes in Accounting Policy (continued).

Leases classified as Operating Leases under AASB 117 (continued)

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

Leases as a Lessor

Swan Hill District Health is not required to make any adjustments on transition to AASB 16 for leases in which it acts as a lessor. Swan Hill District Health accounted for its leases in accordance with AASB 16 from the date of initial application.

Impacts on Financial Statements

On transition to AASB 16, Swan Hill District Health was not required to make any adjustments to operating balances.

Revenue from Contracts with Customers

In accordance with FRD 121 requirements, Swan Hill District Health has applied the transitional provision of AASB 15, under modified retrospective method with the cumulative effect of initially applying this standard against the opening retained earnings at 1 July 2019. Under this transition method, Swan Hill District Health applied this standard retrospectively only to contracts that are not 'completed contracts' at the date of initial application. Swan Hill District Health has not applied the fair value measurement requirements for right-of-use assets arising from leases with significantly below-market terms and conditions principally to enable the entity to further its objectives as allowed under temporary option under AASB 16 and as mandated by FRD 122.

Comparative information has not been restated.

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

The adoption of AASB 1058 did not have an impact on Other Comprehensive Income and the Statement of Cash flows for the financial year.

Income of Not-for-Profit Entities

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

Comparative information has not been restated.

Note 2.1 – Grants includes details about the transitional application of AASB 1058 and how the standard has been applied to revenue transactions.

The adoption of AASB 1058 did not have an impact on Other comprehensive income and the Statement of Cash flows for the financial year.

Transition Impact on Financial Statements.

There were no adjustments required on the adoption of the following new accounting standards for the first time, from 1 July 2019:

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