COHUNA DISTRICT HOSPITAL

Annual Report of Operations and Financials 2019-2020

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Cohuna Vic 3568

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Auditors:

AFS & Associates, Bendigo	Internal Auditors
Crowe Horwath (Aust) Pty Ltd	External Auditors as appointed by Victorian Auditor General's Office

Accountants:

Accounting & Audit Solutions (AASB), Bendigo

REPORTS & PUBLICATIONS

The following reports and publications outlining the functions and activities of the health service are available at Reception and on the website www.cdh.vic.gov.au

- By-Laws (endorsed 2019)
- Annual Report of Operations and Financial Statements 2019-2020
- Quality Account Calendar 2019-2020
- Strategic Plan (endorsed 2017)

ABBREVIATIONS

Australian Accounting Standards (AASB),
Independent broad-based anti-corruption commission (IBAC),
Financial Management Act 1994 (the Act),
Financial Reporting Direction (FRD),
Department of Treasury & Finance (DTF),
Victorian Auditor-General's Office (VAGO),
Health Purchasing Victoria (HPV),
Department of Health & Human Services (DHHS),
Cohuna District Hospital (CDH),
Minister of Parliament (MP),
Australian Council of Healthcare Standards (ACHS),
Full Time Equivalent (FTE),
Year to Date (YTD),
Business as Usual (BAU),
National Safety Quality Health Standards (NSQHS).

LEGISLATION

Freedom of Information Act 1982
Public Interest Disclosure Act 2012
Carers Recognition Act 2012
Victorian Industry Participation Policy Act 2003
Building Act 1993
Financial Management Act 1994
Safe Patient Care Act 2015

RELEVANT MINISTERS

Jenny Mikakos MP, Minister for Health Minister for Ambulance Services
Martin Foley MP, Minister for Mental Health

VISITING MEDICAL OFFICERS

Dr Peter Barker
General Practitioner, Obstetrics, Radiology & Anaesthetics

Dr Clare Bottcher
General Practitioner & Radiology

Dr Narendra Rana
General Practitioner

Dr Ali Sheaar
General Practitioner & Radiology

VISITING SURGEONS

Mr Mohamed Atalla
General Surgeon

SUPPORTING SPECIALISTS

Dr Megan Belot
Anaesthetics

Dr Stewart Gough
Obstetrics

Dr Ajiboye Olusegun
Anaesthetics

Dr Paramapathan Shoban
Obstetrics

INTRODUCTION

Purpose

Cohuna District Hospital (CDH) will report on annual performance in two separate documents;

- Annual Report – which complies with statutory reporting requirements as set out by the Department of Health and Human Services.
- The Quality of Care Report – allows accountability to the community, by publishing information on how we are tracking in relation to quality and safety standards.

Acknowledgment of Country

We acknowledge the traditional owners and custodians of the land and pay respect to elders past, present and emerging of the Barapa Barapa and Yorta Yorta people.

Manner of Establishment

The Cohuna District Hospital (CDH) was established as a public hospital in 1952. The hospital was originally operated as a private hospital and was purchased from the owner, Dr. Stewart, in that year. Between the 1950's and today there have been many changes to health service and buildings.

In 1983, a community appeal raised funds for a nursing home. A 14-bed nursing home wing was built adjacent to the hospital and opened in 1985. A further two beds were added during 1994. Cohuna District Hospital incorporating Cohuna Community Nursing Home was established under the Health Services Act. 1988.

Email: info@cdh.vic.gov.au
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Find us on:

https://www.facebook.com/cdh.vic.gov.au/

https://www.instagram.com/cohunadistricthospital

THE PLEDGE

Who is making the commitment?

The Board, Chief Executive and Executive Directors of Cohuna District Hospital

What are we committing to?

- Building a workplace with a positive culture that is free from bullying, harassment and discrimination
- Preventing and responding to inappropriate behaviour
- Respecting others as equals
- Supporting a diverse and inclusive workforce
- Calling out inappropriate behaviour
- Minimising risk and responding well to incidents

Why are we making the commitment?

- All staff should feel safe and supported at work
- We care for our people
- Our workplace should be positive, respectful and safe
- A positive workplace culture supports staff wellbeing and patient outcomes

OUR VISION

We are recognised for Excellence in Rural Healthcare

OUR MISSION

To deliver best of available health and wellbeing services to our community.


R
RESPECT
. Acknowledge each other with eye contact, a smile and a warm greeting
. Treat others how you would like to be treated
. We have honest and open communication
. We share knowledge and praise with our team mates.
. We show pride though the quality of our work and the quality of our interactions
I
INTEGRITY
. Act in the best interest of others
. Take responsibility for our actions
. Use manners and actively listen
. Be punctual and attentive
. Celebrate others success
T
TEAMWORK
. Brings solutions, not problems, see the opportunity in adversity
. Involve others and be inclusive
. There is no blame, only opportunity to do better as a team
. Provide positive feedback, share knowledge and Mentor others
. Everyone is valued and recognised, we are links in the chain of a quality service to the community.
E
ETHICAL BEHAVIOUR
. Act in the best interests of others, show tolerance and compassion for your colleagues
. Speak using appropriate tone and language
. Accept constructive feedback,
. Engaging and influencing change is more productive than purely opposing it
. Take ownership of your actions and your behavior
COHUNA DISTRICT HOSPITAL
PATHWAY TO EXCELLENCE
WE CAN DO BETTER
AT CDH WE CARE
RESPECT
. Using bad manners / swearing / rudeness
. Not listening, not acknowledging or talking over others
. Participating in harassment and denigrating behavior
. Ignoring and excluding others
. Withholding information
INTEGRITY
. Ignoring and excluding others / Refusing to work with others
. Participating in rumours, gossip and back stabbing
. Not allowing others to work to their full potential, undermining others roles and autonomy as a professional
. Discussing work practices outside of work
TEAMWORK
. Bringing problems with no solutions
. Putting self-interest above others, not supporting a team approach
. Withholding information or misrepresenting facts to influence others in their thinking
. Being tardy, wasting resources and time better spent on service over self interest
. Not acknowledging the work of others / claiming others work
ETHICAL BEHAVIOR
. Evading responsibilities
. Ignoring or excluding others
. Blaming others and setting unrealistic expectations
. Opposing organisational Values
. Deliberately undermining the organisation / colleagues / community trust
R
I
T
E

OUR HEALTH SERVICE

The Cohuna township is situated on the Murray Valley Highway, 68 km from Echuca (to the East) and 33 km from Kerang (to the West). Bendigo is the nearest “regional centre” located 120 km to the south.

Cohuna District Hospital employs approx. 100 people from within the town and surrounding area. Together, staff work in a team environment to ensure the best possible care, services are delivered, and the best possible outcomes are achieved for patients, residents and clients.

Cohuna District Hospital is a small rural health service and is expected to play an essential role in the provision of healthcare to its local communities, and facilitate patient access to appropriate services through referral pathways. Cohuna District Hospital can safely provide low risk, low complexity surgery, emergency stabilisation and urgent care, community and primary care services, residential aged care and prevention and management of disease. Cohuna District Hospital works with larger health services across the sub-region, region and metropolitan Melbourne to ensure its community can access the right care, at the right time in the right place.

ACCREDITATION STATUS

Accredited with the Australian Council on Healthcare Standards (ACHS) until December 2022
Accredited with the Australian Aged Care Quality Agency until October 2021

OUR FACILITIES

16 ACUTE HOSPITAL BEDS

- Medical
- Obstetric
- Surgical
- Transitional care

3 HAEMODIALYSIS CHAIRS

16 RESIDENTIAL AGED CARE BEDS

- High Care

URGENT CARE CENTRE

NATURE AND RANGE OF SERVICES PROVIDED

Antenatal Classes
Community Health Nursing
Discharge Planning
Domiciliary Care
Health Promotion
Hospital in the Home
Medical Day Procedure Unit
Maternal Antenatal Clinic
Palliative Care
Perioperative Day Surgery
Physiotherapy
Preoperative Clinic
Renal Dialysis
Social Support Group
Strengthening Hospital Responses to Family Violence
Telehealth
Transition Care Program
Volunteers

OTHER SERVICES

Rich River Physiotherapy - Echuca
Earhealth Hearing Specialists – Echuca

Meals on Wheels – Gannawarra Shire Council

PATHOLOGY

Australian Clinical Labs

RADIOLOGY

Bendigo Radiology

OUR PARTNERS

NDCH

SOUTHERN MALLEE PRIMARY CARE PARTNERSHIP

MHP

BLG

CHAIRMAN & CHIEF EXECUTIVE REPORT

On behalf of the Board of Directors and staff of Cohuna District Hospital (CDH), we are pleased to present the 68th Report of Operations and Annual Report for the year ended 30 June 2020.

The Board of Directors at Cohuna District Hospital consists of 10 appointed members by the Minister of Health, with a breadth of professional skills and interests and a demonstrated commitment to the health and wellbeing of our community.

As a hospital, we are charged with ensuring robust governance systems exist, providing strategic direction and delegation of operational day-to-day management of the service to the Chief Executive, with a strong focus on the delivery of high-quality care and services, financial compliance and engagement with communities within the catchment.

As Chair, I continue to be very grateful with the community support for CDH. With the engagement of the community in opening the Hospitals first ever Maternity Antenatal Clinic through to the organisation and participation in local fundraising activities such as the Bridge 2 Bridge and Cohuna Fishing Classic events this year, the commitment and passion to which this community shows towards our institution is truly appreciated, and essential for our ongoing success.

COVID-19 has had a significant impact across the world, we are proud of the work CDH has been able to undertake in preparing and protecting both the organisation and the community in the efforts around reducing exposure and transmission. The impacts placed a significant impost on the organisation in the last half of the 2019/20 year, as it has in all elements of our lives, and we would like to thank the community for its support, patience and considerations in reducing the risks involved in delivering services, particularly to our most vulnerable members of our community.

The team at CDH has had a positive year in other areas of care delivery and ongoing improvements. From a quality of care perspective in the 2019/20 year, CDH underwent its National Safety and Quality Health Service (NSQHS) Standards accreditation, which provides a nationally consistent statement of the level of care consumers can expect from health service organisations. The primary aims of the NSQHS Standards are to protect the public from harm and to improve the quality of health service provision. The eight NSQHS Standards provide a nationally consistent statement about the level of care consumers can expect from health services. We are proud to report that CDH not only met all standards, but closed off every improvement opportunity or service enhancement suggestion made in the survey undertaken three years prior, with no additional recommendations made on current service delivery for the next three years.

Consistent with our vision of *“Excellence in Rural Healthcare”,* CDH has also extended partnerships and service delivery well beyond the scope of traditional hospital-based services. This year you have told us what is needed in your community and we have listened and

delivered. Enhancing and exceeding expectations in a tough operating environment with new initiatives whilst working on the areas of deliverables within our annual Statement of Priorities (SOP) this year has been a big ask but one we were up to in responding. Some examples under the high-level deliverables are:

Better Health

- Implemented new initiatives with the Men's Kitchen Cooking Program and Greater Living with Arthritis (GLAD) physiotherapy programs, both of which were affected by COVID-19, but are looking to continue into the 2021 year once the spectre of COVID-19 allows. Feedback on both initiatives that offer support in nutrition and strengthening was positive and only superseded by the group's feedback on the social interaction and mental health benefits of learning and training together that they provided.

Better Access

- This year, we developed, finalised and released our Disability Action Plan, which will help support and guide the developments around Strategic and Master Planning activity in 2020/21. This work was heavily informed by local reference groups and committees and will help shape services and infrastructure over the next four years.
- Significant Capital and Equipment activity was also undertaken this year with the installation of our state-of-the-art Cardiac Monitoring System, Acute Bed Replacement program, Urgent Care Centre trolley replacements and enhancement of our IT and Wi-Fi infrastructure.
- We have also focused strongly on staff and patient security this year, installing site door Swipe Card access, secure electronic door installation around our sensitive areas of Theatre and the nursery, enhancements of car parking through dedicated Disability and Parent Only parking and improved way finding strategies through enhanced signage onsite. Following receipt of additional grants to support the installation of a new unified Nurse Call Bell, Telephone and Staff duress system in 2019, we look to complete this further piece of work in October 2020, further enhancing the security and safety of the site.

Better Care

- Opening of the Maternity Antenatal Clinic, encouraging earlier engagement with local maternity services, monitoring, education and general support has been a significant crown in the achievements undertaken this year to further enhance maternity services in our region and better enable timely access to care and information where it's needed most, be it our service or with our larger regional partners.
- CDH in conjunction with other 6 other health services in partnership along the Murray were the winner of the 2019 Victorian Public Health award for its work in Strengthening Hospital Response to Family Violence through collaboration.

Strategic and Master Planning – the road ahead for 2021.

Strategic and Master planning for the organisation commenced during COVID-19 and the latter half of 2019/20 and the updated schedule suggests that it will take six months to complete. We have received funding to commence our own Master Planning process in mid-2020 and since that time, we have worked at tendering for our preferred architects, engineers and quantity surveyors. The project will involve strong engagement with community, staff, Visiting Medical Staff, DHHS Building Authority, DHHS, local service providers and regional partners once it formally begins. The feedback from the Strategic Planning process has been invaluable, and we look forward to formalising this in late 2020 with a launch and release of both our new 2021 onwards Strategic Plan and Master Plan at our Annual General Meeting, which is expected to occur in February 2021.

Our Culture and Behaviours

Throughout the year, our consumers' perceptive and insightful questions have continued adding new dimensions to our committees and working groups. We have maintained consumer membership on Board and Operational Sub-Committees. Whilst we bid farewell to some consumers and welcomed others, consumers' ongoing presence in these important forums has enabled them to lead discussions about services, access, and quality and health literacy.

The launch of our Pathway to Excellence program, staff recognition initiatives and the effort involved in rolling out our Response to Family Violence initiatives have been a big education and culture change focus this year, and we look forward to rolling out a new program called Speaking Up For Safety over 2020/21. The core components of this program is seen as a critical aspect of achieving a safe and reliable culture. The programme teaches a common language, where clinicians support each other by effectively communicating concern to colleagues that unintended harm to patients may be about to occur, and is seen as an important initiative in helping maintain the safe standards of care experienced at CDH to date and into the future.

We would like to express our thanks to the Board Directors and Hospital Leadership Group for their dedication, leadership and hard work over the past year. We welcomed new Board Director Dianne Bowles, who is bringing a wealth of experience and knowledge to our organisations leadership, taking on the role of Vice President in her second year on the Board. As a Board of Directors, we will welcome new board directors bringing a wealth of experience and expertise in governance, local industries and local communities. The Board of Directors has a diverse range of skills with 50% female directors; a terrific achievement.

We would like to thank the many volunteers and participants on advisory committees such as our Partnering with Consumers Committee and Ladies Auxiliary. There are many supporters of our wonderful service that we thank, too many to list here, but we endeavor every year to ensure those supporters understand the considerable impact their contribution has and we are

grateful for their ongoing support. We look forward to their ongoing support and seeing them back in our service in 2021.

We would also like to thank our donors who have supported our fundraising drives and the community groups and businesses who have chosen Cohuna District Hospital as the beneficiary of their own fundraising. It is thanks to them that we are able to continue improving facilities and equipment to benefit our patients, residents, visiting families and staff.

As ever, we rely absolutely on the commitment and outstanding efforts of our staff and volunteers, and the experienced and dedicated GPs who bring a significant range of specialisms to Cohuna District Hospital. With the exciting developments in our very near future, it is a great time to be part of this organisation. Thanks for a great year.

Ross Dallimore
Chair of the Board of Directors
Cohuna District Hospital
12/10/2020

Benjamin Maw
Chief Executive Officer
Cohuna District Hospital
12/10/2020

MANAGEMENT & STRUCTURE
BOARD OF DIRECTORS

President
Ross Dallimore, FAICD
Appointed as Chairman in August 2019
Appointed 01/07/2017

Vice President
Deanne Van der Drift
Appointed 01/07/2015

Treasurer
Rick Henery
Appointed 01/07/2017

Nicole Bourke
Appointed 01/07/2017

Jean Sutherland
Appointed 01/07/2015

Sam Manduskar
Appointed 01/07/2017

Adam Dowell
Appointed 01/07/2017

Anthea Toma
Appointed 01/07/2018

Dianne Bowles
Appointed 01/07/2019

BOARD OF DIRECTORS SUB-COMMITTEES

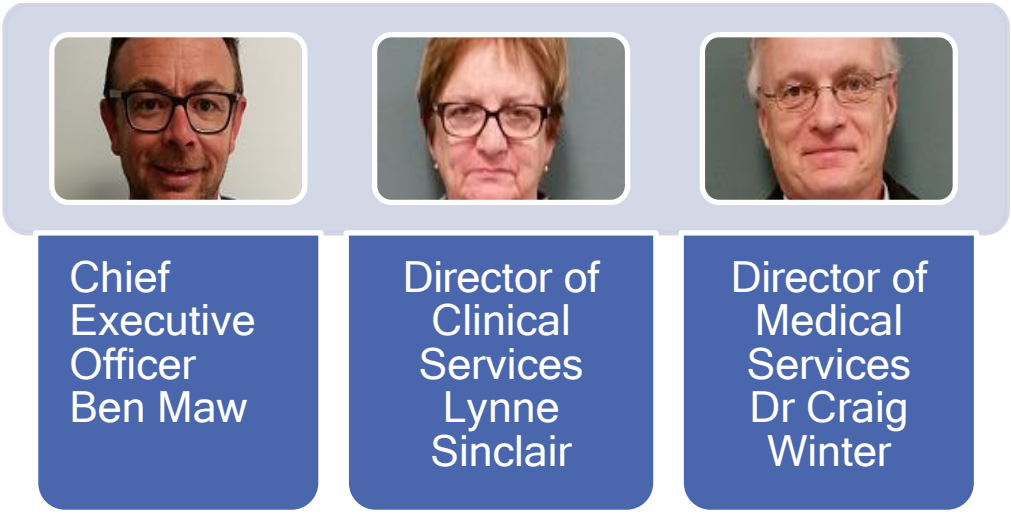
AUDIT & RISK COMMITTEE

Member Name	
Jean Sutherland (Chairperson)	Board Member
Ross Dallimore	Board Member
Sam Manduskar	Board Member
Anthea Toma	Board Member
Dianne Bowles	Board Member
Janine Dickson	Community Member
Sue Woods	Community Member
Katie Dempster	AFS & Associates
Dannielle Mackenzie	Crowe Horwath (Aust) Pty Ltd

PARTNERING WITH CONSUMERS REFERENCE GROUP

Member Name	
Ben Maw (Chairperson)	Chief Executive Officer
Lynne Sinclair	Director of Clinical Services
Angela Clark-Grundy	Community Engagement Officer
Dianne Bowles	Board Member
Katrina Toma	Community Member
Brenda Appleby	Community Member
Jan Holderhead	Community Member
Sasha Keir	Community Member
Betty Thompson	Community Member
Rhonda Bibby	Community Member
Sheila Joss	Community Member
Claire Trezise	Community Member
Kerri Sidorow	Community Member

SENIOR EXECUTIVE OFFICERS



Chief Executive Officer (CEO)

The Chief Executive Officer is responsible to the Board of Directors for the efficient and effective management of Cohuna District Hospital. Key responsibilities include the development and implementation of operational and strategic planning, maximising service efficiency, quality improvement and minimisation of risk.

Director of Clinical Services (DCS)

The Director of Clinical Services has a professional responsibility for nursing across clinical streams and executive responsibility for acute nursing services including, Urgent Care, Renal Dialysis, General Medical, General Surgical, Maternity and Residential, Community Nursing, Social Support Group and Aged Care Services. Major areas of responsibility include Clinical Leadership and Standards of Practice, Nursing credentialing and resource management, service and strategic planning, clinical risk management and quality improvement.

Director of Medical Services (DMS)

All medical staff (Visiting Medical Officers and Visiting Specialists) report professionally to the Director of Medical Services. This role is also responsible for credentialing medical staff in addition to working with other members of the Executive to provide clinical governance, planning and resource management for the health service.

Quality & Risk Manager (QRM)

The Quality & Risk Manager leads and manages the Quality Improvement program to ensure compliance with the Australian Aged Care Quality Agency (AACQA) and National Safety and Quality Health Service (NSQHS) Standards. The Quality & Risk manager drives quality improvement and acts as a best practices coach to all staff, volunteers and members of the Board.

Corporate Services Manager (CSM)

The Corporate Services Manager is responsible for the efficient and effective management of the non-clinical day-to-day operations of the Health Service. Key responsibilities include Support Services, Infrastructure & Facilities Maintenance, Finance, Administration, Human Resources, Occupational Health & Safety, Emergency Management, Contracts and Procurement.

YEARS OF SERVICE

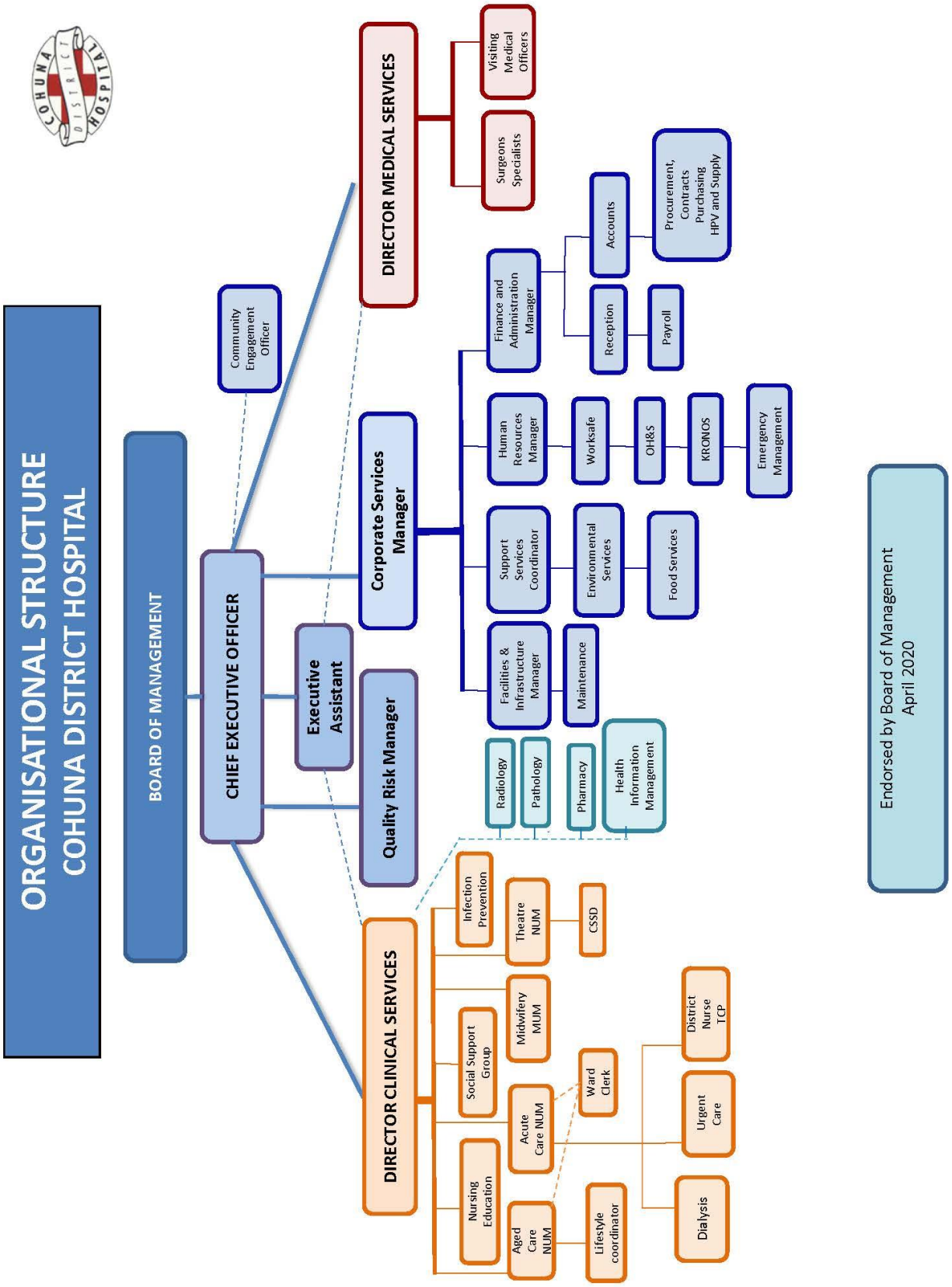
Presented at the Annual General Meeting held in November 2019

Service Distinction	Wendy Fletcher	Clinical Services
35 years	Isobel McKnight	Clinical Services
25 years	Jan Monro	Support Services
20 years	Deb Dingwall	Clinical Services
	Jacinta Coyle	Clinical Services
	Jill Moore	Clinical Services
15 years	Karyn Storm	Clinical Services
	Cherrie Aitken	Clinical Services
10 years	Melanie Church	Clinical Services
	Narelle Dehne	Clinical Services
	Ebony Oliver	Clinical Services
	Sarah McKinley	Executive Services
	Judith Toll	Community Services

LIFE GOVERNORSHIP

Lois Drummond	Board of Directors
Appointed	1st November 2005
Retired	30th June 2019
Served as President	2010 – 2013
Senior Vice President	2008 - 2010

ORGANISATION STRUCTURE



WORKFORCE DATA

Hospitals Labour Category	JUNE Current Month FTE*		Average Monthly FTE**	
	2019	2020	2019	2020
Nursing	41.72	40.73	38.55	41.24
Administration and Clerical	9.99	7.9	10.70	7.63
Hotel and Allied Services	16.54	16.19	15.38	17.27

The FTE figures required in the table are those excluding overtime. These do not include contracted staff (e.g. Agency nurses, Fee-for-Service Visiting Medical Officers) who are not regarded as employees for this purpose. The data should be consistent with that provided in the Minimum Employee Data Set.

OCCUPATIONAL HEALTH AND SAFETY DATA

In reviewing the hazards and incidents occurring this year, it is pleasing to see a significant effort in registering hazards has resulted this year across the organisation, with 26 of the 80 events entered into the VHIMS system being Hazard notifications, predominately in relation to plant, property or faulty equipment.

Occupational Health and Safety Statistics	2019-20	2017-18	2018-19
The number of reported hazards/incidents for the year per 100 FTE	39	65	91
The number of 'lost time' standard WorkCover claims for the year per 100 FTE	3.02	3.10	4.45
The average cost per WorkCover claim for the year ('000)	18,530.39	1,020.84	10,047.45

OCCUPATIONAL VIOLENCE

Victorian public health services are required to monitor and publicly report incidents of occupational violence in the health service annual report. To ensure consistency in annual reporting, Health Services are required, as a minimum, to report the following occupational violence statistics in the following format, including the definitions listed underneath the table.

Occupational Violence Statistics	2019-20
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	3
Number of occupational violence incidents reported per 100 FTE	4.54
Percentage of occupational violence incidents resulting in a staff injury, illness or condition	0

For the purposes of the Occupational Violence 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 2019-20.

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 off work or submitted a claim.

FINANCIAL INFORMATION

	2020 $	2019 $	2018 $	2017 $	2016 $
OPERATING RESULT*	155	(248)	182	(96)	(5)
- Total revenue	10,481	10,424	9,811	9,011	8,593
- Total expenses	11,075	10,671	9,832	9,151	9,146
- Net result from transactions	(594)	(248)	(21)	(140)	(553)
- Total other economic flows	(32)	(25)	(7)	13	25
- Net result	(626)	(273)	(28)	(127)	(528)
- Total assets	12,872	13,043	9,209	9,003	8,639
- Total liabilities	4,265	3,810	3,431	3,197	2,706
- Net assets/Total equity	8,607	9,233	5,778	5,806	5,933

*The Operating result is the result for which the health service is monitored in its Statement of Priorities.

Reconciliation between the Net result from transactions reported in the model to the Operating result as agreed in the Statement of Priorities.

	2020
	$000
Net operating result *	**$155**
Capital purpose income	68
Specific income	0
COVID 19 State Supply Arrangements -Assets received free of charge or for nil consideration under the State Supply	8
State supply items consumed up to 30 June 2020	-2
Assets provided free of charge	0
Assets received free of charge	29
Expenditure for capital purpose	0
Depreciation and amortisation	-855
Impairment of non-financial assets	0
Finance costs (other) (not general finance cost)	3
Net result from transactions	-594

CONSULTANICIES INFORMATION

Details of consultancies (under $10,000)

In 2019-20, there were four consultancies where the total fees payable to the consultants were less than $10,000. The total expenditure incurred during 2019-20 in relation to these consultancies is $14,000 (excl. GST).

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

In 2019-20, there were zero consultancies where the total fees payable to the consultants were $10,000 or greater. The total expenditure incurred during 2019-20 in relation to these consultancies is $0 (excl. GST).

INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) EXPENDITURE

The total ICT expenditure incurred during 2019-20 is $329,281 (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)
$.28 million	$0.05 million	$0.00 million	$0.05 million

DISCLOSURES REQUIRED UNDER LEGISLATION

Freedom of Information Act 1982 – FRD 22H section 5.18(a)

During 2019/20, there were fourteen (14) requests for access to documents under the Freedom of Information Act 1982. The Director of Clinical Services (DCS), who is named as the Principle Officer, approved all fourteen (14) requests

Building Act 1993 – FRD22H section 5.18 (b)

The Building Act 1993 sets standards for the construction of new buildings and for the maintenance of existing buildings. It includes provisions to protect the safety and health of building users and cost effective construction is encouraged.

All building work carried out during 2019/2020 complies with current Building Standards and to the best of our knowledge, the Health Service complies with building, maintenance and condition assessments, Fire safety audits and essential safety measures maintenance provisions as per the Act.

Public Interest Disclosure Act 2012

Cohuna District Hospital has policies and procedures consistent with the requirements of the Public Interest Disclosure Act 2012, which supports staff to disclose improper or corrupt conduct within the health service. There were no disclosures notified to IBAC under section 21(2) during the financial year.

Statement on National Competition Policy – FRD 22H section 5.18 (e)

Cohuna District Hospital applies competitive neutral costing and pricing arrangement to significant business units within its operations. These arrangements are in line with the Government policy and the model principles applicable to the health sector.

Carers Recognition Act 2012

Cohuna District Hospital recognises its obligations under Section 12.12 of the Carers Recognition Act 2012 by ensuring that;

- Its employees and agents have an awareness and understanding of the care relationship principles;
- All practicable measures are taken to ensure that persons who are in care relationships and who are receiving services have an understanding of the care relationship principles;
- All practicable measures are taken to ensure that the organisation and its employees and agents reflect the principles in developing, supporting and providing assistance for persons in care relationships.

Environmental performance – FRD 22H section 5.18 (h)

Cohuna District Hospital strives to continually improve the health of the Cohuna community and surrounding district by endeavoring to provide health care in an environmentally sustainable manner. We commit to continual improvement in energy saving and waste management strategies to reduce our carbon footprint whilst maintaining environmental standards in compliance with all applicable regulations and standards. Our performance is reported to the Department of Health and Human Services in the Victorian Public Healthcare Services Reporting Tool quarterly.

ADDITIONAL INFORMATION AVAILABLE ON REQUEST

FRD 22H section 5.19 requires agencies to provide the following statement:
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.

Local Jobs Act 2003

Cohuna District Hospital abides by the Local Jobs First Act 2003 – FRD 25D. In 2019/20 there were no contracts to which the Act applied.

ATTESTATIONS AND DECLARATIONS

Financial Management Compliance attestation – SD 5.1.4

I, Ross Dallimore, on behalf of the Responsible Body, certify that the Cohuna District Hospital has complied with the applicable Standing Directions of the Minister for Finance under the Financial Management Act 1994 and Instructions.

Ross Dallimore
Responsible Officer
Cohuna District Hospital
12/10/2020

Responsible bodies declaration – SD 5.2.3 Declaration in report of operations

In accordance with the Financial Management Act 1994, I am pleased to present the report of operations for Cohuna District Hospital for the year ending 30 June 2020.

Ross Dallimore
Chair of the Board of Directors
12/10/2020

Data Integrity Declaration

I Benjamin Maw certify that Cohuna District Hospital has put it place appropriate internal controls and processes to ensure that reported data accurately reflects actual performance. Cohuna District Hospital has critically reviewed these controls and processes during the year.

Benjamin Maw
Chief Executive Officer
Cohuna District Hospital
12/10/2020

Conflict of Interest Declaration

I, Benjamin Maw, certify that Cohuna District Hospital 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 Cohuna District Hospital 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.

Benjamin Maw
Chief Executive Officer
Cohuna District Hospital
12/10/2020

Integrity, Fraud and Corruption Declaration

I Benjamin Maw certify that Cohuna District Hospital has put it place appropriate internal controls and processes to ensure that Integrity, fraud and corruption risks have been reviewed and addressed at Cohuna District Hospital during the year.

Benjamin Maw
Chief Executive Officer
Cohuna District Hospital
12/10/2020

Safe Patient Care Act 2015

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

DISCLOSURE INDEX

The annual report of the Cohuna District Hospital 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
FRD 22H	Application and operation of Carers Recognition Act 2012	23
FRD 22H	Summary of the entity's environmental performance	24
FRD 22H	Additional information available on request	24

Other relevant reporting directives

FRD 25D	Local Jobs First Act disclosures	24
SD 5.1.4	Financial Management Compliance attestation	25
SD 5.2.3	Declaration in report of operations	25

Attestations

Other reporting requirements

STATEMENT OF PRIORITIES 2019-20

PART A: STRATEGIC OVERVIEW

Statement of Priorities are key accountability agreements between Government and Victorian publicly funded health, mental health and ambulance services. The content and process for preparation and agreement of the annual Statement of Priorities is consistent with sections 40G, 65ZFA, 65ZFB and section 26 of the health Services Act.1988.

Statement of Priorities are consistent with the health services' strategic plans and aligned to government policy directions and priorities. The annual agreements support the delivery of, or substantial progress towards the key share objectives of quality and safety, good governance and leadership, access and timeliness, and financial sustainability.

Cohuna District Hospital is an active participant in the Loddon Mallee Chief Executive Offer Partnership, which has agreed to work towards identification of shared strategic priorities and has embarked on a comprehensive planning journey with, will be completed by July 2020.

In 2019-20 Cohuna District Hospital will contribute to the achievement of the Government's commitments within Health 2040: Advancing health, access and care by:

Better Health

Goals:	**Strategies:**
A system geared to prevention as much as treatment Everyone understands their own health and risks Illness is detected and managed early Healthy neighborhoods and communities encourage healthy lifestyles	Reduce Statewide Risks Build Healthy Neighborhoods Help people to stay healthy Target health gaps

Deliverables:

- Implement and evaluate a trial 10-week Men's Cooking Class program with support from local dieticians in selecting healthy meal choices and undertaking healthy meal preparation.
- Improve the health or our communities by implementing healthy eating and tobacco cessation strategies consistent with the new Victorian health & Wellbeing plan. This will be evidenced through:
    - Trial evaluation and implementation of the Men's Cooking Program as part of the organisations ongoing community programs.
      Achieved: Trial evaluation completed and included in the October 2019 board report as a consumer story and submitted to the funding body FFFR. Further funding being sourced, however organisation developing program with the intention to run it once a month as part of the PAG services. Activity delayed by

COVID-19 suspension of at risk groups, to be considered in service delivery planning in 2021

- Enhancement of the organisations response to the Healthy Eating Policy.
  Achieved: Policy has been implemented with an enhancement of menu options available, as well as new additions to staff meals. Further work undertaken on menu enhancement items over 2020. Staff meals now incorporating elements of the healthy eating guidelines.
- Enhancement of smoking identification and support program offerings through patients' assessments.
  Not Achieved: No progress to date. Anticipated that enhancement of the Maternity Antenatal work will see greater assessment and support program offerings through the newly introduced booklets. Further work to be undertaken with Northern District Community Health (NDCH) in accessing and referring pathways for AOD and counselling supports.

Better Access

Goals:	**Strategies:**
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	Plan and invest Unlock innovation Provide easier access Ensure fair access

Deliverables:

- Establish and implement an onsite Antenatal Clinic at Cohuna District Hospital under a share model of midwifery care.
  Achieved: Maternity Antenatal Clinic pathways agreed upon by obstetricians, GP's, and organisation. MAC clinic formally opened in November 2019. Current referral activity strong and service to undertake reassessment and review in November 2020 following its first 12 months of operations.
- Increase health literacy promotion through enhancement of website and social media health information and local services content.
  Achieved: New website to be operational with swap over occurring in February 2020. Dedicated consumer area with Health Literacy and Consumer initiatives included in the new website design briefs. As of June 2020, Website live and active, further work to be undertaken to load Health Literacy items into the dedicated Consumer portal over 2020/21.
- Increase access to health care access for rural and regional communities by participating in the development of the Loddon Mallee Telehealth Plan.
  Ongoing: 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 Loddon Mallee Virtual Care three-year plan will incorporate governance, sustainability, operating models, new technology enablers, patient experience, clinical outcomes and business challenges. Leveraging the royal commission into aged care findings, the focus will be keeping consumers in their home for longer but with equity of care and service. The strategy will have a strong vision statement, clear objectives and roadmap for regional partners. Loddon Mallee Health Network (LMHN) remains confident the strategic work undertaken will allow for delivery of this Statement of Priority.

Better Care

Goals:	**Strategies:**
Targeting zero avoidable harm	Put quality first
Healthcare that focusses on outcomes	Join up care
Patients and carers are active partners in care	Partner with patients
Care fits together around people's needs	Strengthen the workforce
	Embed evidence
	Ensure equal care

Deliverables

- Implement the Safer Care Victoria Partnering in Healthcare Action Plan on improving working together and shared decision-making.
  Achieved: Working together and equity and inclusion were elected by the BOM in June 2019 as the domains, a transcription error resulted in shared decision-making being included on the SOP, since ratified with DHHS. Progress has occurred in this space, with an enhanced PWC TOR and committee agenda, enhancing consumer access on operational committees and greater use of advisory groups to inform practice planning such as the Disability reference group input into the Disability Action Plan, which was launched in June 2020. Action Plan for 2020/21 on further enhancements in development.
- Participate in the development of a regional volunteering strategy to increase volunteer numbers and the quality and safety of support they provide to patients and residents.
  Ongoing: The first Loddon Mallee Health (LMH) Volunteer Project Advisory Committee Meeting was held in February 2020. Prior to Covid-19, strategy development was in early stages with preliminary research into the role of volunteers across the nine LMH services that form the partnership. In March, a decision was made that the project would continue as LMH Volunteer Strategy: COVID-19 Response.
  A volunteer engagement survey was completed and presented to the network CEOs. The aim of the survey was to determine whether our health services are providing appropriate care and service to its volunteers during Covid-19. A benchmark on volunteer programs was carried out for the LMH partnership and has since been completed and presented to the network CEOs.
  Bendigo Health regularly leads meetings with the LMH Volunteer Project, Covid-19 Response Committee to discuss the wellbeing and supports for volunteers and

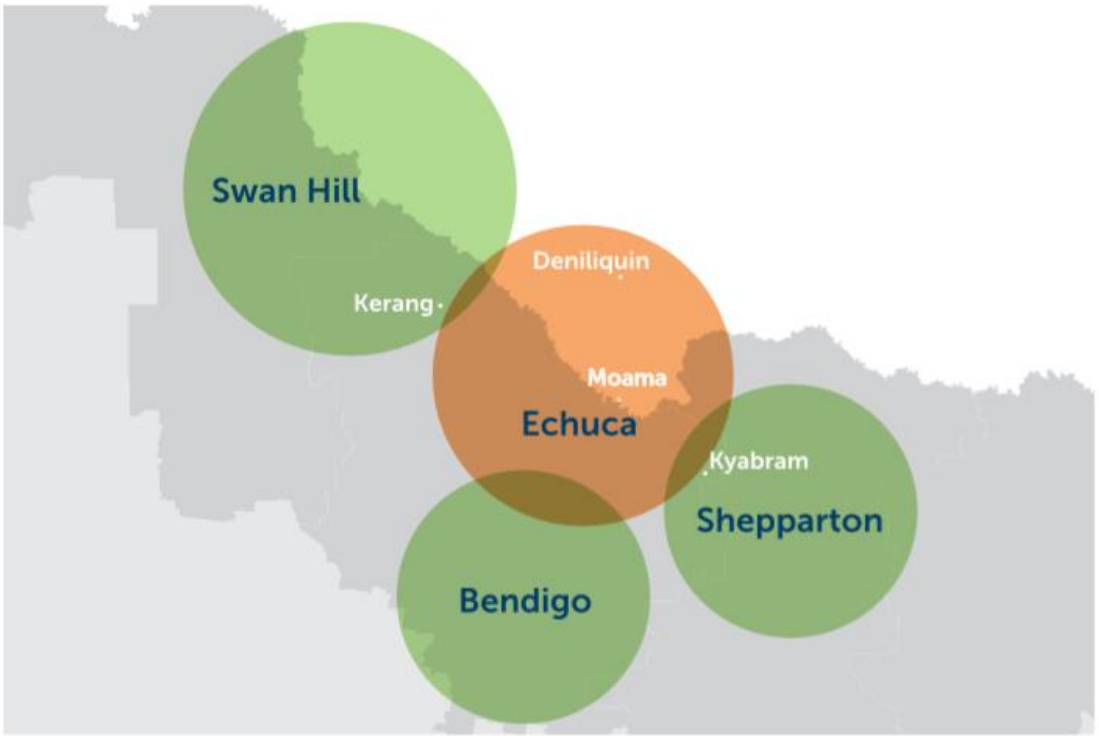
program coordinators. Liaison with key community stakeholders is underway to consider future sustainable volunteer re-engagement during and beyond the pandemic and is focused on patient and residential service roles and volunteer transport.
Information around impacts on occupational health & safety and industrial relations is being shared with the LMH Volunteer Advisory Committee and Bendigo Health for comprehensive planning to allow for a safe and successful return of volunteers at the appropriate time.
CDH has updated its Volunteer on boarding and policy practices in line with recommendations from the group and supplied these to existing volunteers. Further training and on boarding to be undertaken once volunteers are re-engaged with the service post COVID-19 restrictions.

Specific priorities for 2019-20
In 2019-20 Cohuna district Hospital will contribute to the achievement of the Government's priorities by:

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

- Contribute to the development of a Regional Mental Health plan for the Loddon Mallee in collaboration with the Primary Health Network.
  Ongoing: CDH currently undertaking an analysis of Mental Health activity in the area as part of the Buloke Loddon Gannawarra Health Network Health Needs Implementation Plan. This data will then be used by the Southern Mallee and Loddon Primary Care Partnerships as well to inform a regional Loddon Mallee Mental Health Plan.
  The Loddon Mallee Health Network (LMHN) agencies and the Murray Primary Health Network (PHN) are collaborating on the development of the Regional Mental Health and Suicide Prevention Plan.
  Bendigo Health, as the primary provider of state funded Mental Health Services is directly participating in the plan preparation at the operational level.
  The PHN has indicated they are very satisfied with the level of involvement of and contribution by members of the LMHN to the planning process.
  LMHN has appointed Anne McEvoy CEO of Kyabram Health Service to lead the interaction between the LMHN and the PHN. The PHN was to deliver the Foundation Plan in June 2020 followed by a second phase involving comprehensive service planning. Development of both plans has been interrupted by COVID-19.
- Strengthen referral pathways with regional mental health service providers to better enable access and recovery practices that can be supported by the services available at Cohuna District Hospital.
  Ongoing: CDH is providing support for enhancing Youth Mental Health Support pathways in conjunction with Echuca Regional Health (ERH). ERH has been appointed to provide a headspace campus and staffing in Echuca as of June 2020.This will see counselling services, as well as supporting Aboriginal and LGBTIQA+ youth through an

accessible Headspace campus on the Echuca Regional Health site. From the map provided, you can clearly see the pink gap in the region to which no dedicated youth mental health services exist in the region and will provide support to Cohuna residents.



Addressing Occupational Violence

Foster an organisation 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.

- Improve the health and safety of health service staff and volunteers by implementing and evaluating site-specific Occupation Violence action plans.
  Achieved: Occupational Violence Action Plan in place and due for review and consideration of progress towards activities and new updates undertaken in February 2020. Following review and update to Board of Directors, Security Swipe cards were finalised and an additional security card swiped door placed externally exiting the building to enhance safety barrier. Additional work to be undertaken in enhancing car park and rear storage areas still for completion once additional funding sourced to undertake activity.
- Implement whole of campus Security Swipe Card installations and remotely controlled door access into clinical areas.
  Achieved: Security Swipe Cards implemented, with control of sites activation and deactivation capacity. Implemented and enhanced further with additional electronic security door provision installed.

Addressing Bullying and Harassment

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

- Undertake further establishment of the organisations pathway to Excellence training through the implementation of monthly leadership rounding and recognition reporting and implementing stronger identification roles and audience engagement as identified within the Departments framework for promoting a positive workplace culture.
  Achieved: Recognition and rounding programs in place, with monthly Board of Directors reporting on recognition activity, enhanced newsletter identification and staff emails. Further work being developed around "Know better, be better" program and specific staff leadership training program undertaken in March 2020.
- Enhance positive workforce culture capacity by undertaking the Speaking up for Safety training though the Cognitive Institute and installation of train the trainer models for ongoing retention of knowledge/practices within both clinical and corporate workforce.
  Partially Completed: Speaking up for Safety program sourced and trainers identified as part of a Murray Partnership trial initiative. BOM presentation in January with training to commence in March delayed due to Covid-19 and the reduced capacity to train small groups. Planning underway to launch program in October 2020 with easing restrictions around work groups and social distancing.

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.

- Actively participate within the Buloke Loddon Gannawarra Health Network Needs Implementation Plan
  Achieved: BLG Health Needs Analysis project Implementation Plan being supported by Project Worker from NDCH. Four priority areas identified from the plan around health needs with a different focus area each week in place with a newspaper, service and social media promotion undertaken. Network now committed to joint monthly newspaper article each month on an identified health prevention or chronic health concern.
- Enhance local post-acute care discharge practices by reviewing current arrangements, identifying improvements and educating clinicians and community as part of enhancing access to care and implementing electronic referral systems with linkages to community health services.
  Achieved: Staff member supported to undertake electronic referral system training with further training and roll out to occur in March 2020 delayed due to COVID-19. Will need to be-revisited with trained staff member and further work undertaken to roll out Electronic referrals with the local medical practice and allied health supports in 2021.

Supporting Aboriginal Cultural Safety

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

- 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.

  Ongoing: In recent months, Bendigo Health submitted its draft Reconciliation Action Plan (RAP) to Reconciliation Australia. A nationally registered, formalised RAP will provide a framework for Bendigo Health and the LMHN to build on the activities that enable improvements to the service and contribute to better health and wellbeing outcomes for our Aboriginal and Torres Strait Islander community. This is an important step aimed to facilitate 'Closing the Gap' and working towards our vision for reconciliation while acknowledging there is still much to be done.

  Feedback from Reconciliation Australia on the RAP was positive with activities that will enable the region to progress to the next level immediately, which is the Innovate Stage.

  An online Aboriginal Cultural Safety training module has been purchased from the Department of Health and Human Services (DHHS) that will soon be available as an online training platform.

  Bendigo and Echuca Health Aboriginal Hospital Liaison Officers are participating in a regional network, which has been organised by DHHS. The network aims to facilitate increased stakeholder participation in decisions around service delivery, critical for self-determination among Aboriginal people. It also supports improved continuum of care for patients who travel from across the region.

  At CDH, we have undertaken a review and adoption of the existing Action Plan in February 2020 that will support clinical and capital decision-making activity at the service until 2022, and aligns with the LMHN Action Plan deliverables around innovation.

- Implement an organisational Strategic Workforce Plan that guides and monitors employment practices around potential and current Aboriginal and Torres Strait Islander employees.

  Achieved: Plan implemented and monitored quarterly by the Executive and Board of Directors

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.

- 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 Multiagency Risk Assessment and Risk Management Framework.
  Not Achieved: Postponed with COVID-19 pandemic. Currently awaiting advice around future regional training dates, likely to be in September. Grant funding received to continue this programme for another year past its anticipated completion timeframe / funding which should see this priority item delivered, but may be delayed 4-6 months than originally planned.
- Implement Strengthening Hospital Response to Family Violence online education module as a compulsory on-boarding initiative for new staff joining the organisation.
  Achieved: Organisation was also recognised in the 2019 Premiers Health Awards as part of the Murray Partnership deliverables in administering and championing this work, winning the award in 2019.

Implementing Disability Action Plans

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

- Improve the quality of care and employment opportunities for people with a disability by finalising and commencing site specific disability Action Plans
  Achieved: Implemented and launched in June 2020 via a
  Video created for the launch and released via social media. DAP now actioned and updates and progress will be monitored six monthly and added as a reportable item to the board calendar for the next four years.
- Participate and support the establishment of a Disability and Wellness reference group that will review, guide and support activities undertaken within the Gannawarra region.
  Achieved: First reference group held on October 25th in Cohuna, with Feedback from committee to inform scooter parking in the future. Notes arising from meeting tabled at regional NDIS Working Group to which the DCS is an active member. Committee still in place but no activity occurring in the last half of 2020 financial year due to Covid-19 pandemic. For reactivation in 2021.

Supporting Environmental Sustainability

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

- Participate in the development of a hospital waste management strategy across the Loddon Mallee region.

Ongoing: CDH CEO responsible for this joint initiative across the Loddon Mallee CEO network. Brief developed for submission and consideration to the CEO group in February completed identifying two training areas, policy updates and recommending the adoption of a new DHHS waste management training module. On hold due to COVID-19, however waste management guides were released as part of the policy changes from DHHS. Regional waste strategies for the LMHN have since been defined for development. An initial waste group report was to be tabled at a meeting in March 2020. This meeting was cancelled with activity suspended due to a need to redirect priorities to preparedness for COVID-19.

Priorities which will be a focus of the future strategy include:

- identifying and categorising existing contractors
- identifying waste streams being under-utilised
- commencement and promotion of region wide Kimguard recycling, organic waste collection and soft plastics recycling,
- increased staff education on recycling practices, and
- working with procurement to identify eco-friendly alternative products.

Bendigo Health is the pilot site for a Kimguard recycling project and has implemented a recycling program. Kimguard is the sterile blue wrap enclosing medical instruments. The hospital has also started recycling soft plastics polystyrene.

Bendigo Health will be positioned to lead other health services in the Loddon Mallee in undertaking the process.

PART B: PERFORMANCE PRIORITIES

High quality and safe care	Target	Actual
Accreditation		
Compliance with the Aged Care Standards	Full compliance	Full Compliance
Infection prevention and control		
Compliance with the Hand Hygiene Australia program	83%	75%
Percentage of healthcare workers immunised for influenza	84%	100%
Patient experience		
Victorian Healthcare Experience Survey – data submission	Full compliance	
Victorian healthcare Experience survey – percentage of positive patient experience responses – Quarter 1	95%	100%
Victorian Healthcare Experience survey – percentage of positive patient experience responses – Quarter 2	95%	95.5%
Victorian Healthcare Experience survey – percentage of positive patient experience responses – Quarter 3	95%	100%
Victorian Healthcare Experience Survey – percentage of very positive responses to questions on discharge care – Quarter 1	75%	96.1%
Victorian Healthcare Experience Survey – percentage of very positive responses to questions on discharge care – Quarter 2	75%	90.4%
Victorian Healthcare Experience Survey – percentage of very positive responses to questions on discharge care – Quarter 3	75%	95.4%
Victorian Healthcare Experience Survey – patient's perception of cleanliness – Quarter 1	70%	96.6%
Victorian Healthcare Experience Survey – patient's perception of cleanliness – Quarter 2	70%	95.5%
Victorian Healthcare Experience Survey – patient's perception of cleanliness – Quarter 3	70%	100%
Hand hygiene – Quarter 4	Data not available	Data not available
Key Performance measure		
Adverse events		
Sentinel events – root cause analysis (RCA) reporting	All RCA reports submitted within 30 business days	All RCA reports submitted within 30 business days
Maternity and Newborn		
Rate of singleton term infants without birth anomalies with APGAR score <7 to 5 minutes	≤1.4%	3.0%
Rate of severe fetal growth restriction (FGR) in singleton pregnancy undelivered by 40 weeks	≤28.6%	n/a*

* *No cases of severe foetal growth restriction in singleton pregnancy recorded*

Strong governance, leadership and culture		
Organisational culture		
People matter survey – percentage of staff with an overall positive response to safety and culture questions	80%	89%
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%	90%
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%	96%
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%	87%
People matter survey – percentage of staff with a positive response to the question, “Management is driving us to be a safety-centred organisation”	80%	90%
People matter survey – percentage of staff with a positive response to the question, “This health service does a good job of training new and existing staff”	80%	73%
People matter survey – percentage of staff with a positive response to the question, “Trainees in my discipline are adequately supervised”	80%	81%
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%	95%

Effective financial management		
Key performance measure		
Operating result ($m)	-0.06	-0.06
Average number of days to pay trade creditors	60 days	42 days
Average number of days to receive patient fee debtors	60 days	64 days
Public and Private WEIS[1] activity performance to target	100%	71%
Adjusted current asset ratio	0.7 or 3% improvement from health service base target	0.89
Forecast number of days available cash (based on end of year forecast)	14 days	39 days
Actual number of days available cash, measured on the last day of each month	14 days	14 days
Variance between forecast and actual Net result from transactions (NFRT) for the current financial year ending 30 June	Variance ≤$250,000	Variance ≤$250,000

1 WEIS is a Weighted Inlier Equivalent Separation

PART C: ACTIVITY ACHIEVEMENT

Funding type	Activity
Small Rural Acute	59
Small Rural primary Health & HACC	746
Small Rural Residential Care	5,786

ACTIVITY REPORTING

Service	Type of Activity	Activity 2018-19	Activity 2019-20
Acute inpatients	Number of admissions (excl. Dialysis and Unqualified Newborns)	1083	851
Acute inpatients	Total Bed Days (excl. Dialysis and Unqualified Newborns)	2876	2013
Bed Day Average	(excl. Dialysis and Unqualified Newborns)	2.66	2.37
Urgent Care	Total Presentations	2258	2310
District Nursing	Occasions of Service	1518	1800
Births	Number of births	48	32
Renal Dialysis	Number of sessions held for 3 Chairs	371	216
Aged Care	% Bed Occupancy	96%	87.7%
Surgical Procedures	Overnight stay	26	14
Surgical Procedures	One Day Stay	187	126
Social Support Group	Total Number of attendances	1088	795
Meals on Wheels	Total Number of Meals delivered	5242	5238
Transitional Care Program	Hospital Based	411	184
Transitional Care Program	Community Based	427	489

Cohuna District Hospital
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12 October 2020
Dannielle MacKenzie
Partner
Crowe Albury

Via email: dannielle.mackenzie@crowe.com.au

Dear Ms MacKenzie

Representations by the Chief Executive Officer and Chief Finance Officer in relation to the financial report of Cohuna District Hospital for the year ended 30 June 2020

This representation letter is provided in connection with your audit of the financial report of Cohuna District Hospital for the year ended 30 June 2020. The audit is undertaken for the purpose of you being able to obtain sufficient and appropriate audit evidence on which to express an opinion as to whether the financial report presents fairly, in all material respects in accordance with applicable Australian Accounting Standards, and the financial reporting requirements of the *Financial Management Act 1994*.

We confirm that, to the best of our knowledge and belief, the representations we make below are based on information available to us, having made such enquiries as we considered necessary to appropriately inform ourselves on these matters.

Preparation of the financial report

We have fulfilled our responsibilities, as set out in the terms of the audit engagement dated 25 Jun 2020, for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the requirements of *Financial Management Act 1994*.

1. We have prepared the financial report as a not-for-profit entity for the purpose of reporting under Australian Accounting Standards.
2. All transactions have been recorded in the accounting records and are reflected in the financial report.[1]
3. Proper accounts and records of the transactions and affairs of the Health Service and such other records as sufficiently explain the financial operations and financial position of the Health Service have been kept in accordance with the *Financial Management Act 1994*, where applicable.
4. The effects of uncorrected misstatements are immaterial, both individual and in the aggregate, to the financial report as a whole. A list of all uncorrected misstatements is attached to this representation letter (refer Attachment A)[2].

Access to information

5. We have provided you with:
    a. access to all information of which we are aware that is relevant to the preparation of the financial report such as records, documentation and other matters
    b. any additional information that you have requested from us for the purpose of the audit

[1] ASA 580 *Written Representations*, paragraph 11(b)
[2] ASA 450 *Evaluation of Misstatements Identified during the Audit*, paragraph 14

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c. unrestricted access to persons within the Health Service from whom you determined it necessary to obtain audit evidence[3]

Controlled entities

6. We have undertaken a control assessment using the criteria outlined in AASB 10 *Consolidated Financial Statements*. Our assessment has not identified any controlled or jointly controlled entities that require consolidation.

Joint arrangements

7. We have undertaken an assessment of our contractual arrangements to determine whether they are joint arrangements as per the requirements of AASB 11 *Joint Arrangements*.

8. The financial statements have accounted for the following joint arrangements:

   - Loddon Mallee Rural Health Alliance

   We have assessed these arrangements to determine whether they are joint operations or joint ventures and accounted for the arrangements in line with the requirements of AASB 11 *Joint Arrangements*.

Fraud disclosure

9. We are not aware of any actual or suspected fraud affecting Cohuna District Hospital that involves:

   a. management
   b. employees who have significant roles in internal control or
   c. others where the fraud could have a material effect on the financial report.[4]

10. We are not aware of any allegations (to the extent we are legally able to disclose these to you in accordance with the requirements of the *Independent Broad-based Anti-Corruption Commission Act 2011*) of fraud, or suspected fraud, affecting Cohuna District Hospital's financial report communicated by employees, former employees, analysts, regulators or others[5].

Internal control

11. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud and/or error[6]. We have established and maintained an adequate internal control structure to facilitate the preparation of a reliable financial report, and adequate financial records have been maintained. We have disclosed to you details of all deficiencies in internal control of which we are aware.

Outsourced/shared services providers

12. We acknowledge that responsibility for the financial management and accountability of Cohuna District Hospital remains with the accountable officer. Accordingly, we confirm we are not aware of any significant internal control or governance issues at Echuca Regional Health or Loddon Mallee Rural Health Alliance that could affect the integrity of our financial transactions and balances for the period.

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[3] ASA 580.11(a)/ASA 210 *Agreeing the Terms of Audit Engagements*, paragraph 6
[4] ASA 240 *The Auditor's Responsibilities Relating to Fraud in an Audit of a Financial Report,* paragraph 39(c)
[5] ASA 240.39(d)
[6] ASA 240.39(b)

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Legal

13. There are no known or suspected instances of non-compliance with laws or regulations whose effects should be considered when preparing the financial report.

14. There is no known actual or possible litigation and claims whose effects should be considered when preparing the financial report.

15. The Health Service has satisfactory title to all assets (excluding those assets held in the name of the Crown), and there are no liens or encumbrances on such assets nor has any asset, with the exception of assets under finance lease, been pledged as collateral.

16. The Health Service has complied with all aspects of contractual agreements that would have a material effect on the financial report in the event of noncompliance.

17. Cohuna District Hospital has been properly managed in accordance with the requirements of the *Financial Management Act 1994*.

18. We have complied with, in all material respects, the requirements of *Financial Management Act 1994* for the establishment and keeping of relevant accounts, registers and other appropriate records.

Accounting estimates

19. We believe that the significant assumptions and judgements we have used in making accounting estimates for inclusion in the financial report are reasonable, appropriately supported and, where required, disclosed[7].

Financial statement disclosures

20. The financial report discloses all significant accounting policies used in the preparation of the financial report. We considered the substance of the underlying transactions as well as their legal form in selecting the appropriate accounting policies and related disclosures for the financial report.

Income and Revenue

21. We have determined whether contracts and arrangements are within the scope of AASB 1004 *Contributions*, AASB 15 *Revenue from Contracts with Customers* or AASB 1058 *Income of Not-for-Profit Entities*; applying the relevant measurement and recognition requirements for each transaction.

Asset and liability fair values (including property, plant and equipment)

22. We consider the measurement methods, including related assumptions, used to determine fair values relating to assets and liabilities to be appropriate based on the nature and purpose of the asset/liability. These have been consistently applied and appropriately disclosed in the financial report.

23. We have considered the requirements of AASB 13 *Fair Value Measurement* relating to the fair value of property, plant and equipment. These assets have been valued on the basis that the highest and best use of the asset is obtained from its current use, taking into consideration what is physically possible, legally permissible and financially feasible. Our fair value assessment did not identify any internal or external events that would trigger a reassessment of the assets' highest and best use. Further, we confirm that the assumptions used by us in the categorisation of observable and un-

[7] ASA 540 *Auditing Accounting Estimates, Including Fair Value Accounting Estimates, and Related Disclosures*, paragraph 22

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Cohuna Community Nursing Home
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observable inputs within the fair value valuation hierarchy are reasonable and have been fully disclosed in accordance with the accounting standards and other applicable financial reporting requirements.

24. We have applied AAAB 16 *Leases*. We have assessed whether our contracts are or contain a lease. For our leases we have recognised on the balance sheet a separate right of use asset (ROU) with an associated lease liability. We have applied the initial and subsequent measurement ROU asset and lease liability.

25. We have considered the requirements of AASB 136 *Impairment of Assets* when assessing the impairment of assets and in ensuring that no assets are stated in excess of their recoverable amount.

26. Asset useful lives have been reviewed and we are satisfied that they reflect the assets' expected period of use.

27. Allowances for depreciation have been adjusted for all important items of property, plant and equipment that have been abandoned or are otherwise unusable.

28. We have determined whether our contracts are within the scope of AASB 1059 *Service Concession Arrangements: Grantors*. We have recognised separately right of use assets and the associated liability. We have measured these assets and liabilities per options within AASB 1059. We have applied FRD 124 Transitional requirements on the application of AASB 1059 *Service Concession Arrangements – Grantors*.

Related parties and key management personnel

29. We have determined who are the key management personnel of Cohuna District Hospital in accordance with AASB 124 *Related Party Disclosures* and we are satisfied that our assessment is complete and appropriate.

30. We are satisfied that the compensation paid to key management personnel has been properly reported in note 8.4 to the financial statements in accordance with AASB 124 *Related Party Disclosures*, and includes all required components of compensation.

31. We have identified and appropriately disclosed all significant transactions with government-related entities in accordance with AASB 124 *Related Party Disclosures*.

32. We are not aware of any non-government related parties (including any controlled entities), related party relationships or transactions which would require disclosure under AASB 124 *Related Party Disclosures*.

Responsible persons and executive officer disclosures

33. We have disclosed the number and names of any individual who held a responsible person position for Cohuna District Hospital at any time during the year, including all remuneration received/receivable by those individuals as per the requirements of FRD *Disclosures of Responsible Persons and Executive Officers*.

34. We have disclosed the names of the relevant responsible Ministers at any time during the year.

35. We have disclosed the remuneration of all executive officers as per the requirements of FRD 21C *Disclosures of Responsible Persons and Executive Officers* in the financial report . This includes all short-term, post-employment, other long-term benefits and any termination benefits

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Future plans

36. There were no material commitments for construction or acquisition of property, plant and equipment or to acquire other non-current assets, such as investments or intangibles, other than those disclosed in the financial report.

37. We have no plans or intentions that may materially affect the carrying values or classification of any assets and liabilities.

Going concern

38. We have assessed the Health Service's ability to continue as a going concern and believe there are reasonable grounds to believe that the entity will be able to pay its debts as and when they fall due.

Subsequent events

39. No events have occurred subsequent to the balance sheet date that would require adjustment to, or disclosure in, the financial report other than the ongoing impact of the COVID-19 pandemic.

Publication of the financial report

40. With respect to publication of the financial report in hard copy, we will ensure that:

    a. the financial report accurately reflects the audited financial report and
    b. the independent auditor's report has been reproduced accurately and in full.

41. The electronic presentation of the financial report is our responsibility. Our responsibility includes ensuring that the electronic version of the financial report and the independent auditor's report presented on the website are the same as the final signed version of the financial report and independent auditor's report.

42. The annual report may include additional financial and/or non-financial information other than the financial report and the independent auditor's report (referred to as 'other information'). With respect to other information that is included in the Health Service's annual report, we have informed you of all the sections/separate documents that we expect to issue that may comprise other information. With regard to any other information that we have not provided to you prior to the date of the auditor's report, that we intend to prepare and issue such other information and will provide it to you to enable you to complete your required procedures.

43. We will provide a copy of the printers' proof of the annual report to you on Friday 26th February 2021. We plan to publish our annual report on our website on Friday 26th February 2021.

Other matters[8] - COVID-19 and other significant state emergencies

44. We have provided you with all information related to the impact of COVID-19 pandemic (and other state emergencies e.g. bushfires) on operating results, financial conditions and cash flows. This includes details of all government financial assistance received, information on rent holidays or concessions granted to lessees or received as a lessee. We have advised you of information on all procedures and controls arising as a result of the pandemic. We have notified you of all new programs that have been or will be implemented or that will permanently cease as a result of the pandemic. We have assessed significant ongoing COVID-19 impacts and have provided you with our most current mitigation plans and forecasts. We have considered the impact of COVID-19 and

[8] ASA 580.A10

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confirm the going concern basis is appropriate. All impacts from COVID-19 are properly reflected in the financial report.

Conclusion

We understand that your examination was made in accordance with the *Audit Act 1994* and Australian Auditing Standards and was, therefore, designed primarily for the purpose of expressing an audit opinion on the financial report of the Cohuna District Hospital taken as a whole, and that your tests of the financial records and other auditing procedures were limited to those which you considered necessary for that purpose.

This letter is provided for and on behalf of Cohuna District Hospital.

Yours sincerely

Ben Maw
Chief Executive Officer
12 October 2020

Steven Jackel
Chief Finance Officer
12 October 2020

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Attachment A

Unadjusted dollar differences

There were no unadjusted dollar differences above the clearly trivial threshold.

Unadjusted differences of disclosures in your financial report

Financial report disclosure	Recommended disclosure	Basis of our recommendation
Cash Flow Statement Note 8.1: Reconciliation of net result for the year to net cash flows from operating activities	Capital donations and bequests received disclosed as an investing activity rather than an operating activity	AASB 107 *Statement of Cash Flows*
Note 4.1(c): Fair value measurement hierarchy for assets	Motor vehicles disclosed at Level 2 rather than Level 3	AASB 13 *Fair Value Measurement*
Note 5.1(a): Movement in the allowance for impairment losses of contractual receivables	No movement in the allowance for impairment losses of contractual receivables	AASB 9 *Financial Instruments*
Note 8.9: Changes in accounting policy, revision of estimates and corrections of prior period errors	Additional disclosure for impact of transition to AASB 15 and AASB 1058	AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors* AASB 15 *Revenue from Contracts with Customers* AASB 1058 *Income of Not-for-Profit Entities*
Various reclassifications of prior period balances	Various	-

Independent Auditor's Report

Victorian Auditor-General's Office

To the Board of Cohuna District Hospital

Opinion	I have audited the financial report of Cohuna District Hospital (the health service) which comprises the: • 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. 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 *Financial Management Act 1994* and applicable Australian Accounting Standards.
Basis for Opinion	I have conducted my audit in accordance with the *Audit Act 1994* which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report. My independence is established by the *Constitution Act 1975.* My staff and I are independent of the health service in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.
Board's responsibilities for the financial report	The Board of the health service is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the *Financial Management Act 1994*, and for such internal control as the Board determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error. In preparing the financial report, the Board is responsible for assessing the health service's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.

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Other Information	The Board of the health service is responsible for the Other Information, which comprises the information in the health service's annual report for the year ended 30 June 2020, but does not include the financial report and my auditor's report thereon. My opinion on the financial report does not cover the Other Information and accordingly, I do not express any form of assurance conclusion on the Other Information. However, in connection with my audit of the financial report, my responsibility is to read the Other Information and in doing so, consider whether it is materially inconsistent with the financial report or the knowledge I obtained during the audit, or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude there is a material misstatement of the Other Information, I am required to report that fact. I have nothing to report in this regard.
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.

Auditor's responsibilities for the audit of the financial report (continued)	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
20 October 2020

Travis Derricott
as delegate for the Auditor-General of Victoria

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

The attached financial statements for Cohuna District Hospital 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 Cohuna District Hospital at 30 June 2020.

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

We authorise the attached financial statements for issue on 12th October, 2020.

Member of Responsible Body

Mr Ross Dallimore

Chair

Cohuna
12/10/2020

Accountable Officer

Mr Ben Maw

Chief Executive Officer

Cohuna
12/10/2020

Chief Finance and Accountable Officer

Mr Steven Jackel

Chief Finance and Accounting Officer

Cohuna
12/10/2020

Cohuna District Hospital
Comprehensive Operating Statement
For the year ended 30 June 2020

		Total 2020 $	Total 2019 $
Income from Transactions			
Operating activities	2.1	10,449,126	10,358,981
Non-operating activities	2.1	31,735	64,811
Total Income from Transactions		**10,480,861**	**10,423,792**
Expenses from Transactions			
Employee expenses	3.1	(7,958,700)	(7,800,169)
Supplies and consumables	3.1	(788,045)	(803,528)
Finance costs	3.1	-	(59)
Depreciation and amortisation	4.2	(854,942)	(639,400)
Other administrative expenses	3.1	(1,062,331)	(1,033,864)
Other operating expenses	3.1	(408,723)	(391,307)
Other non-operating expenses	3.1	(2,377)	(3,077)
Total Expenses from Transactions		**(11,075,118)**	**(10,671,404)**
Net Result from Transactions - Net Operating Balance		**(594,257)**	**(247,612)**
Other Economic Flows included in Net Result			
Net Gain/(Loss) on sale of non-financial assets	3.2	(21,674)	(4,359)
Net Gain/(Loss) on financial instruments at fair value	3.2	(2,854)	(10,361)
Other Gain/(Loss) from other economic flows	3.2	(7,463)	(10,025)
Total Other Economic Flows included in Net Result		**(31,991)**	**(24,745)**
Net Result for the year		**(626,248)**	**(272,357)**
Other Comprehensive Income			
Items that will not be reclassified to Net Result			
Changes in property, plant and equipment revaluation surplus	4.1(b)	-	3,727,143
Total Other Comprehensive Income		**-**	**3,727,143**
Comprehensive Result for the Year		**(626,248)**	**3,454,786**

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

Cohuna District Hospital
Balance Sheet as at 30 June 2020

	Note	Total 2020 $	Total 2019 $
Current Assets			
Cash and cash Equivalents	6.2	3,231,935	3,218,927
Receivables	5.1	348,784	259,097
Inventories	4.3	130,401	138,317
Other Assets		118,796	63,518
Total Current Assets		**3,829,916**	**3,679,859**
Non-Current Assets			
Receivables	5.1	405,006	338,985
Property, plant and equipment	4.1(a)	8,637,068	9,025,036
Total Non-Current Assets		**9,042,074**	**9,364,021**
TOTAL ASSETS		**12,871,990**	**13,043,880**
Current Liabilities			
Payables	5.2	1,130,177	1,109,718
Borrowings	6.1	140,000	140,000
Provisions	3.4	1,981,307	1,849,403
Other liabilities	5.3	892,200	463,920
Total Current Liabilities		**4,143,684**	**3,563,041**
Non-Current Liabilities			
Borrowings	6.1	-	137,146
Provisions	3.4	121,563	110,702
Total Non-Current Liabilities		**121,563**	**247,848**
TOTAL LIABILITIES		**4,265,247**	**3,810,889**
NET ASSETS		**8,606,743**	**9,232,991**
EQUITY			
Property, plant and equipment revaluation surplus	4.1(f)	9,517,812	9,517,812
Contributed capital	SCE	2,688,390	2,688,390
Accumulated deficits	SCE	(3,599,459)	(2,973,211)
TOTAL EQUITY		**8,606,743**	**9,232,991**

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

Cohuna District Hospital
Statement of Changes in Equity
For the Financial Year Ended 30 June 2020

Total	Note	Property, Plant and Equipment Revaluation Surplus	Contributed Capital	Accumulated Deficits	Total
		$	$	$	$
Balance at 1 July 2018	**4.1 (f)**	**5,790,669**	**2,688,390**	**(2,700,854)**	**5,778,205**
Net result for the year		-	-	(272,357)	(272,357)
Other comprehensive income for the year		3,727,143	-	-	3,727,143
Balance at 30 June 2019		**9,517,812**	**2,688,390**	**(2,973,211)**	**9,232,991**
Net result for the year		-	-	(626,248)	(626,248)
Balance at 30 June 2020		**9,517,812**	**2,688,390**	**(3,599,459)**	**8,606,743**

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

Cohuna District Hospital
Cash Flow Statement
For the Financial Year Ended 30 June 2020

	Note	Total 2020 $	Total 2019 $
Cash Flows from Operating Activities			
Operating grants from government		8,979,251	8,360,275
Capital grants from government - State		49,770	368,287
Patient fees received		672,366	888,003
Donations and bequests received		-	204,806
GST received from ATO		13,009	9,807
Interest and investment income received		31,735	75,180
Commercial Income Received		86,926	-
Other Receipts		550,499	505,205
Total Receipts		**10,383,556**	**10,411,563**
Employee expenses paid		(7,822,194)	(7,532,534)
Payments for supplies and consumables		(857,923)	(828,305)
Payments for medical indemnity insurance		(106,805)	(136,252)
Payments for repairs and Maintenance		(146,575)	(117,481)
Cash outflow for leases		(6,089)	-
Other payments		(1,261,324)	(1,188,545)
Total Payments		**(10,200,910)**	**(9,803,117)**
Net Cash Flows from/(used in) Operating Activities	8.1	**182,646**	**608,446**
Cash Flows from Investing Activities			
Purchase of non-financial assets		(488,648)	(264,559)
Capital Donations and Bequests Received		29,150	-
Proceeds from disposal of investments		-	1,601,394
Net Cash Flows from/(used in) Investing Activities		**(459,498)**	**1,336,835**
Cash Flows from Financing Activities			
Repayment of borrowings		(140,000)	(100,000)
Receipt of accommodation deposits		429,860	39,949
Net Cash Flows from /(used in) Financing Activities		**289,860**	**(60,051)**
Net Increase/(Decrease) in Cash and Cash Equivalents Held		**13,008**	**1,885,230**
Cash and cash equivalents at beginning of year		**3,218,927**	**1,333,697**
Cash and Cash Equivalents at End of Year	6.2	**3,231,935**	**3,218,927**

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

Cohuna District Hospital
Notes to the Financial Statements
For the Financial Year Ended 30 June 2020

Basis of preparation

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

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

Note 1 – Summary of Significant Accounting Policies

These annual financial statements represent the audited general purpose financial statements for Cohuna District Hospital for the year ended 30 June 2020. The report provides users with information about Cohuna District Hospital'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 AASBs, which include interpretations issued by the Australian Accounting Standards Board (AASB). They are presented in a manner consistent with the requirements of AASB 101 *Presentation of Financial Statements.*

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

Cohuna District Hospital is a not-for-profit entity and therefore applies the additional AUS paragraphs applicable to "not-for-profit" Health Service under the AASBs.

(b) Reporting Entity

The financial statements include all the controlled activities of Cohuna District Hospital.
Its principal address is:
King George Street
Cohuna, Victoria 3568

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

(c) Basis of Accounting Preparation and Measurement

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

The accounting policies have been applied in preparing the financial statements for the year ended 30 June 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 Cohuna District Hospital.

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

The Cohuna District Hospital 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 in future periods that are affected by the revision. Judgements and assumptions made by management in the application of AABSs that have significant effects on the financial statements and estimates relate to:

- The fair value of land, buildings and 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).

Covid-19

The global health pandemic Covid-19, has impacted Australia and the World in a significant manner. Victoria was originally declared a State of Emergency and subsequently moved to a State of Disaster prior to signing these financial statements. The impact on communities and businesses has been varied, with Government policies put in place to provide support to those who are most in need. State Government entities have also been instructed to provide 100% rent relief to tenants and to ensure trade creditor payments are made more regularly, with a target of net 5 days from invoice.

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 have 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.

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.

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 separately in the operating cash flow.

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

(d) Jointly Controlled Operation

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

In respect of any interest in joint operations, Cohuna District Hospital 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.

Cohuna District Hospital is a member of the Loddon Mallee Rural Health Alliance Joint Venture and retains joint control over the arrangement, which it has classified as a joint operation (refer to Note 8.7 Jointly Controlled Operations)

(e) Equity
Contributed Capital

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

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.

Note: 2 Funding delivery of our services

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

Structure
2.1 Income from transactions

Note 2.1: Income from Transactions

	Total 2020 $	Total 2019 $
Government grants (state) - Operating [1]	7,727,990	7,024,804
Government grants (Commonwealth) - Operating	1,219,248	1,320,121
Government grants (State) - Capital	49,770	368,287
Patient and resident fees	656,316	943,085
Commercial activities [2]	86,926	91,681
Assets received free of charge or for nominal consideration	37,441	196,058
Other revenue from operating activities (including non-capital donations)	671,435	414,945
Total Income from Operating Activities	**10,449,126**	**10,358,981**
Other interest	31,735	64,811
Total Income from Non-Operating Activities	**31,735**	**64,811**
Total Income from Transactions	**10,480,861**	**10,423,792**

[1.] Government Grants (State) - Operating includes $0.06m of funding support for COVID-19 impact on hospital operations.

[2.] Commercial activities represent business activities which health services enter into to support their operations.

Revenue Recognition
Impact of COVID-19 on revenue and income

As indicated at Note 1, Cohuna District Hospital's response to the pandemic included introduction of restrictions for entry and reduced activity. This resulted in Cohuna District Hospital 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 the Cohuna District Hospital. The Cohuna District Hospital also received essential personal protective equipment free of charge under the state supply arrangement.

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 Cohuna District Hospital has an unconditional right to receive the cash which usually coincides with receipt of cash. On initial recognition of the asset, Cohuna District Hospital 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:

(a) contributions by owners, in accordance with AASB 1004;
(b) revenue or a contract liability arising from a contract with a customer, in accordance with AASB 15;
(c) a lease liability in accordance with AASB 16;
(d) a financial instrument, in accordance with AASB 9; or
(e) 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, as 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).

Note 2.1: Income from Transactions

Performance obligations

The types of government grants recognised under AASB15 *Revenue from Contracts with Customers* includes:

- Activity based funding with identifiable targets,
- Grants requiring acquittal of services and/or expenditure

For activity based funding, revenue is recognised as target levels are met. These performance obligations have been selected as they align with the terms and conditions of the funding provided. For this type of funding, there is minimal judgement required, as performance is measured in accordance with DHHS Policy and Funding Guidelines.

For grants requiring acquittal of services and/or expenditure, revenue is recognised in accordance with the funding agreement. Cohuna District Hospital exercises judgement over whether performance obligations are met, which includes assessment of total expenditure incurred and whether key performance indicators have been met.

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 Cohuna District Hospital 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). Cohuna District Hospital recognises income when it has satisfied its performance obligations under the terms of the grant.

For non-reciprocal grants, Cohuna District Hospital recognises revenue when the grant is received.

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

Patient and Resident Fees

The performance obligations related to patient fees are based on the delivery of services. These performance obligations have been selected as they align with the terms and conditions of providing the services. Revenue is recognised as these performance obligations are met.

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

Commercial activities

Revenue from commercial activities includes items such as provision of meals, property rental and fundraising activities.

2.1 (b) Fair value of assets and services received free of charge or for nominal consideration

	2020 $	2019 $
Cash donations and gifts	29,150	196,058
Assets received free of charge under State supply arrangements	8,291	-
Total fair value of assets and services received free of charge or for nominal consideration	37,441	196,058

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.

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.

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.

Note 2.1: Income from Transactions (continued)

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. Cohuna District Hospital operates with minimal volunteer services and does not consider a reliable fair value can be determined.

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.

Performance obligations and revenue recognition policies

Revenue is measured based on the consideration specified in the contract with the customer. Cohuna District Hospital 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.

2.1 (c) Other non operating income

	2020 $	2019 $
Other interest	31,735	64,811
Total other income	31,735	64,811

Interest Income

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

Note 3: The cost of delivering our services

This section provides an account of the expenses incurred by the hospital in delivering services and outputs. In Section 2, the funds that enable the provision of services were disclosed and in this note the cost associated with provision of services are recorded.

Structure

Note 3.1: Expenses from Transactions

	Total 2020 $	Total 2019 $
Salaries and wages	6,642,771	6,445,858
On-costs	579,718	556,324
Agency expenses	7,535	-
Fee for service medical officer expenses	648,621	725,180
Workcover premium	80,055	72,807
Total Employee Expenses	**7,958,700**	**7,800,169**
Drug supplies	62,980	69,157
Medical and surgical supplies (including Prostheses)	395,474	368,313
Diagnostic and radiology supplies	49,309	78,739
Other supplies and consumables	280,282	287,319
Total Supplies and Consumables	**788,045**	**803,528**
Finance costs	-	59
Total Finance Costs	**-**	**59**
Other administrative expenses	1,062,331	1,033,864
Total Other Administrative Expenses	**1,062,331**	**1,033,864**
Fuel, light, power and water	149,254	137,574
Repairs and maintenance	40,784	43,878
Maintenance contracts	105,791	73,603
Medical indemnity insurance	106,805	136,252
Expenses related to leases of low value assets	6,089	-
Total Other Operating Expenses	**408,723**	**391,307**
Total Operating Expense	**10,217,799**	**10,028,927**
Depreciation and amortisation (refer Note 4.4)	854,942	639,400
Total Depreciation and Amortisation	**854,942**	**639,400**
Bad and doubtful debt expense	2,377	3,077
Total Other Non-Operating Expenses	**2,377**	**3,077**
Total Non-Operating Expense	**857,319**	**642,477**
Total Expenses from Transactions	**11,075,118**	**10,671,404**

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

Impact of Covid-19 on expenses

As indicated at Note 1(c), Cohuna District Hospital's daily activities were impacted by the pandemic. This resulted in direct and indirect costs being incurred, such as additional medical supplies, maintenance of salary levels for casual and part-time employees, acquisition of minor equipment for testing purposes and redeployment of staff where activities have been impacted by shutdowns.

Cohuna District Hospital has had no patient admissions relating directly to Covid-19, therefore the impact on the Hospital has been in preventative and preparatory costs only.

Note 3.1: Expenses from Transactions

Employee Expenses

Employee expenses include:

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

Supplies and consumables

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

Finance costs

Finance costs include:

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

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
- Expenditure for capital purposes (represents expenditure related to the purchase of assets that are below the capitalisation threshold of $1,000).

The Department of Health and Human Services also makes certain payments on behalf of Cohuna District Hospital. 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 outside the normal operations such as depreciation and amortisation, and assets and services provided free of charge or for nominal consideration.

Operating lease payments

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

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

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

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

Note 3.2: Other economic flows included in net result

	Total 2020 $	Total 2019 $
Net gain/(loss) on non-financial assets		
Net gain/(loss) on disposal of property plant and equipment	(21,674)	(4,359)
Total Net Gain/(Loss) on Non-Financial Assets	**(21,674)**	**(4,359)**
Net gain/(loss) on financial instruments		
Other Gains/(Losses) from Other Economic Flows	(2,854)	(10,361)
Total Net Gain/(Loss) on Financial Instruments	**(2,854)**	**(10,361)**
Other gains/(losses) from other economic flows		
Net gain/(loss) arising from revaluation of long service liability	(7,463)	(10,025)
Total other Gains/(Losses) from Other Economic Flows	**(7,463)**	**(10,025)**
Total Gains/(Losses) From Other Economic Flows	**(31,991)**	**(24,745)**

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

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

- realised and unrealised gains and losses from revaluations of financial instruments at fair value;
- impairment and reversal of impairment for financial instruments at amortised cost refer to Note 7.1 Investments and other financial assets; and
- 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; and

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

	Expense		Revenue	
	Total 2020 $	Total 2019 $	Total 2020 $	Total 2019 $
Commercial Activities				
Cafeteria	194,163	185,924	75,355	75,036
Property	-	-	11,571	16,645
Total Commercial Activities	**194,163**	**185,924**	**86,926**	**91,681**
TOTAL	**194,163**	**185,924**	**86,926**	**91,681**

Note 3.4: Employee Benefits in the Balance Sheet

	Total 2020 $	Total 2019 $
CURRENT PROVISIONS		
Employee Benefits [i]		
Accrued days off		
- unconditional and expected to be settled wholly within 12 months [ii]	11,604	12,524
Annual leave		
- unconditional and expected to be settled wholly within 12 months [ii]	539,943	543,035
- unconditional and expected to be settled wholly after 12 months [iii]	100,000	70,000
Long service leave		
- unconditional and expected to be settled wholly within 12 months [ii]	115,000	65,000
- unconditional and expected to be settled wholly after 12 months [iii]	998,152	1,002,284
	1,764,699	**1,692,843**
Provisions related to Employee Benefit On-Costs		
Unconditional and expected to be settled within 12 months [ii]	92,487	74,439
Unconditional and expected to be settled after 12 months [iii]	124,121	82,121
	216,608	**156,560**
TOTAL CURRENT PROVISIONS	**1,981,307**	**1,849,403**
NON-CURRENT PROVISIONS		
Conditional long service leave	108,191	97,380
Provisions related to employee benefit on-costs	13,372	13,322
TOTAL NON-CURRENT PROVISIONS	**121,563**	**110,702**
TOTAL PROVISIONS	**2,102,870**	**1,960,105**

[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.

Note 3.4: Employee Benefits in the Balance Sheet

(a) Employee Benefits and Related On-Costs

	Total 2020	Total 2019
Current Employee Benefits and Related On-Costs	**$**	**$**
Unconditional long service leave entitlements	1,250,666	1,156,198
Annual leave entitlements	719,037	680,681
Accrued days off	11,604	12,524
Total Current Employee Benefits and Related On-Costs	**1,981,307**	**1,849,403**
Non-Current Employee Benefits and Related On-Costs		
Conditional long service leave entitlements	121,563	110,702
Total Non-Current Employee Benefits and Related On-Costs	**121,563**	**110,702**
TOTAL EMPLOYEE BENEFITS AND RELATED ON-COSTS	**2,102,870**	**1,960,105**

(b) Movement in On-Costs Provision

	Total 2020 $	Total 2019 $
Balance at start of year	**169,882**	**169,880**
Additional provisions recognised	94,244	46,463
Unwinding of discount and effect of changes in the discount rate	(7,463)	(10,025)
Reduction due to transfer out	(26,683)	(36,436)
Balance at end of year	**229,980**	**169,882**

Employee Benefit Recognition

Provision is made for benefits accruing to employees in respect of accrued days off, annual leave and long service leave for services rendered to the reporting date as an expense during the period the services are delivered.

Provisions

Provisions are recognised when Cohuna District Hospital has a present obligation, the future sacrifice of economic benefits is probable, and the amount of the provision can be measured reliably.

The amount recognised as a liability is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation.

Note 3.4: Employee Benefits in the Balance Sheet

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 Cohuna District Hospital 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 Cohuna District Hospital expects to wholly settle within 12 months; or

Present value – if Cohuna District Hospital does not expect to wholly settle within 12 months.

Long Service Leave

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

Unconditional LSL is disclosed in the notes to the financial statements as a current liability even where the Cohuna District Hospital 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 Cohuna District Hospital expects to wholly settle within 12 months; or
- Present value – if Cohuna District Hospital does not expect to wholly settle within 12 months.

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

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 Benefits

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

Note 3.5: Superannuation

	Paid Contribution for the Year		Contribution Outstanding at Year End	
	Total 2020 $	Total 2019 $	Total 2020 $	Total 2019 $
Defined Contribution Plans:				
First State Super	500,409	556,324	-	-
Hesta	79,309	-	-	-
Total	**579,718**	**556,324**	**-**	**-**

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

Defined Contribution Superannuation Plans

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

Note 4: Key Assets to support service delivery

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

Structure

4.1 Property, plant & equipment
4.2 Depreciation and amortisation
4.3 Inventories

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

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

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

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

Revaluations of Non-Current Physical Assets

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

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

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

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

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

In accordance with FRD 103H Non-financial physical assets, Cohuna District Hospital'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, Cohuna District Hospital 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, Cohuna District Hospital 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 Cohuna District Hospital's independent valuation agency.

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

Note 4.1: Property, plant and equipment

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.

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 AASB 13 Fair Value Measurement paragraph 29, Cohuna District Hospital 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.

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.

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

An independent valuation of Cohuna District Hospital'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.

Motor Vehicles

The Cohuna District Hospital 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 Cohuna District Hospital 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.

Note 4.1: Property, Plant and Equipment

(a) Gross carrying amount and accumulated depreciation

	Total 2020 $	Total 2019 $
Land - Freehold	692,000	692,000
TOTAL LAND AT FAIR VALUE	**692,000**	**692,000**
Buildings at fair value	7,676,000	7,676,000
Less accumulated depreciation	(702,668)	-
Sub-totals Buildings at Fair Value	**6,973,332**	**7,676,000**
Building work in progress at cost	165,797	72,362
TOTAL BUILDINGS	**7,139,129**	**7,748,362**
Plant and equipment at fair value	427,487	449,618
Less accumulated depreciation	(301,035)	(352,277)
TOTAL PLANT AND EQUIPMENT	**126,452**	**97,341**
Motor vehicles at fair value	75,216	75,216
Less accumulated depreciation	(65,846)	(60,095)
TOTAL MOTOR VEHICLES	**9,370**	**15,121**
Medical equipment at fair value	986,155	1,003,310
Less Accumulated Depreciation	(582,363)	(653,241)
TOTAL MEDICAL EQUIPMENT	**403,792**	**350,069**
Computers and communication equipment at fair value	249,368	197,032
Less accumulated depreciation	(127,675)	(126,011)
TOTAL COMPUTERS AND COMMUNICATION EQUIPMENT	**121,693**	**71,021**
Furniture and fittings at fair value	351,501	261,087
Less accumulated depreciation	(206,869)	(209,965)
TOTAL FURNITURE AND FITTINGS	**144,632**	**51,122**
TOTAL PROPERTY, PLANT AND EQUIPMENT	**8,637,068**	**9,025,036**

Note 4.1: Property, Plant and Equipment (Continued)

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

Total	Note	Land $	Buildings $	Plant & equipment $	Motor vehicles $	Medical Equipment $	Computers & Communication Equipment $	Furniture & Fittings $	Assets under construction $	Total $
Balance at 1 July 2018		**439,000**	**4,685,414**	**59,828**	**20,873**	**267,736**	**108,521**	**46,462**	**49,262**	**5,677,096**
Additions		-	11,501	61,714	-	149,302	-	18,942	23,100	264,559
Disposals		-	-	(2,934)	-	(6)	-	(1,422)	-	(4,362)
Revaluation increments/(decrements)		253,000	3,474,143	-	-	-	-	-	-	3,727,143
Net Transfers between classes		-	(11,937)	12,535	-	(598)	-	-	-	-
Depreciation	4.2	-	(483,121)	(33,802)	(5,752)	(66,365)	(37,500)	(12,860)	-	(639,400)
Balance at 30 June 2019	4.1 (a)	**692,000**	**7,676,000**	**97,341**	**15,121**	**350,069**	**71,021**	**51,122**	**72,362**	**9,025,036**
Additions		-	-	58,621	-	140,971	83,636	111,986	93,435	488,649
Disposals		-	-	(1,440)	-	(13,166)	(2,015)	(5,054)	-	(21,675)
Depreciation	4.2	-	(702,668)	(28,070)	(5,751)	(74,082)	(30,949)	(13,422)	-	(854,942)
Balance at 30 June 2020	4.1 (a)	**692,000**	**6,973,332**	**126,452**	**9,370**	**403,792**	**121,693**	**144,632**	**165,797**	**8,637,068**

Land and Buildings and Leased Assets Carried at Valuation

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

In compliance with FRD 103H, in the year ended 30 June 2020, Cohuna District Hospital's management conducted an annual assessment of the fair value of land and buildings and leased buildings. To facilitate this, management obtained from the Department of Treasury and Finance the Valuer General Victoria indices for the financial year ended 30 June 2020.

The VGV indices, which are based on data to March 2020, indicate nil movement across all land parcels and a 3% 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.

Note 4.1: Property, Plant and Equipment (Continued)

(c) Fair value measurement hierarchy for assets

	Note	Total Carrying Amount	Fair value measurement at end of reporting period using: Level 1 [i]	Level 2 [i]	Level 3 [i]
Balance at 30 June 2020		$	$	$	$
- Specialised land		692,000	-	-	692,000
Total Land at Fair Value	4.1 (a)	**692,000**	**-**	**-**	**692,000**
- Specialised buildings		6,973,332	-	-	6,973,332
Total Building at Fair Value	4.1 (a)	**6,973,332**	**-**	**-**	**6,973,332**
Plant and equipment at fair value	4.1 (a)	126,452	-	-	126,452
Motor vehicles at fair value	4.1 (a)	9,370	-	9,370	-
Medical equipment at Fair Value	4.1 (a)	403,792	-	-	403,792
Computers and communication equipment at fair value	4.1 (a)	121,693	-	-	121,693
Furniture and fittings at fair value	4.1 (a)	144,632	-	-	144,632
Total Other Plant and Equipment at Fair Value		**805,939**	**-**	**9,370**	**796,569**
Total Property, Plant and Equipment		**8,471,271**	**-**	**9,370**	**8,461,901**

[i] Classified in accordance with the fair value hierarchy.

Note 4.1: Property, Plant and Equipment (Continued)

		Total Carrying Amount	Fair value measurement at end of reporting period using: Level 1 [i]	Level 2 [i]	Level 3 [i]
Balance at 30 June 2019		**$**	**$**	**$**	**$**
- Specialised land		692,000	-	-	692,000
Total Land at Fair Value	4.1 (a)	**692,000**	**-**	**-**	**692,000**
- Specialised buildings		7,676,000	-	-	7,676,000
Total Building at Fair Value	4.1 (a)	**7,676,000**	**-**	**-**	**7,676,000**
Plant and equipment at fair value	4.1 (a)	97,341	-	-	97,341
Motor vehicles at fair value	4.1 (a)	15,121	-	15,121	-
Medical equipment at Fair Value	4.1 (a)	350,069	-	-	350,069
value	4.1 (a)	71,021	-	-	71,021
Furniture and fittings at fair value	4.1 (a)	51,122	-	-	51,122
Total other plant and equipment at fair value		**584,674**	**-**	**15,121**	**569,553**
Total Property, Plant and Equipment		**8,952,674**	**-**	**15,121**	**8,937,553**

[i] Classified in accordance with the fair value hierarchy.

ii There have been no transfers between levels during the period. In the prior year, there is a transfer between non-specialised land and specialised land to reflect the correct fair value as per the managerial revaluation in 2019.

Note 4.1: Property, Plant and Equipment (Continued)

(d) Reconciliation of Level 3 Fair Value [i]

Total	Note	Land $	Buildings $	Plant & Equipment $	Medical Equipment $	Computers & Comm $	Furniture & Fittings $
Balance at 1 July 2018	4.1 (b)	**439,000**	**4,685,414**	**59,828**	**267,736**	**108,521**	**46,462**
Additions/(Disposals)	4.1 (b)	-	11,501	58,780	149,296	-	17,520
Net Transfers between classes	4.1 (b)	-	(11,937)	12,535	(598)	-	-
Gains/(Losses) recognised in net result							
- Depreciation and amortisation	4.2	-	(483,121)	(33,802)	(66,365)	(37,500)	(12,860)
Items recognised in other comprehensive income							
- Revaluation		253,000	3,474,143	-	-	-	-
Balance at 30 June 2019	4.1 (c)	**692,000**	**7,676,000**	**97,341**	**350,069**	**71,021**	**51,122**
Additions/(Disposals)	4.1 (b)	-	-	57,181	127,805	81,621	106,932
Gains/(Losses) recognised in net result							
- Depreciation and Amortisation	4.2	-	(702,668)	(28,070)	(74,082)	(30,949)	(13,422)
Balance at 30 June 2020	4.1 (c)	**692,000**	**6,973,332**	**126,452**	**403,792**	**121,693**	**144,632**

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

Note 4.1: Property, Plant and Equipment (Continued)

Note 4.1 (e): Property, Plant and Equipment (Fair value determination)

Asset class		Likely valuation approach	Significant inputs (Level 3 only)[(c)]
Specialised land (Crown / Freehold)		Market approach	Community Service Obligations Adjustments [(a)]
Specialised buildings		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 unit - Useful life

[a] A community Service Obligation (CSO) of 20% was applied to the health services specialised land Classified in accordance with the fair value hierarchy.

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

	Note	Total 2020 $	Total 2019 $
Property, Plant and Equipment Revaluation Surplus			
Balance at the beginning of the reporting period		9,517,812	5,790,669
Revaluation Increment			
- Land	4.1 (b)	-	253,000
- Buildings	4.1 (b)	-	3,474,143
Balance at the end of the Reporting Period*		**9,517,812**	**9,517,812**
*** Represented by:**			
- Land		447,994	447,994
- Buildings		9,069,818	9,069,818
		9,517,812	**9,517,812**

Note 4.2: Depreciation

	Total 2020 $	Total 2019 $
Depreciation		
Buildings	702,668	483,121
Plant and equipment	28,070	33,802
Motor vehicles	5,751	5,752
Medical equipment	74,082	66,365
Computers and communication equipment	30,949	37,500
Furniture and fittings	13,422	12,860
Total Depreciation	**854,942**	**639,400**

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

Note 4.2 (a): useful life of non-current assets

	2020	2019
Buildings		
- Structure shell building fabric	15 years	45 to 60 years
- Site engineering services and central plant	7 to 10 years	20 to 30 years
Central Plant		
- Fit out	20 to 30 years	20 to 30 years
- Trunk reticulated building system	30 to 40 years	30 to 40 years
Plant and equipment	3 to 7 years	3 to 7 years
Medical equipment	7 to 10 years	7 to 10 years
Computers and communication	3 to 9 years	3 to 9 years
Furniture and fitting	10 to 13 years	10 to 13 years
Motor vehicles	10 years	10 years

Note 4.3: Inventories

	Total 2020 $	Total 2019 $
General stores at cost	130,401	138,317
Total Inventories	**130,401**	**138,317**

Inventories

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

Note 5: Other assets and liabilities

This section sets out those assets and liabilities that arose from Cohuna District Hospital's operations.

Structure
5.1 Receivables and contract assets
5.2 Payables
5.3 Other liabilities

Note 5.1: Receivables

	Notes	Total 2020 $	Total 2019 $
CURRENT			
Contractual			
Trade Debtors		170,034	86,251
Patient Fees		98,245	114,295
Accrued Revenue		-	6,638
Amounts receivable from governments and agencies		42,211	-
Less Allowance for Impairment Losses (5.1(a))			
Trade Debtors	7.1(c)	(7,525)	(7,525)
Sub-Total Contractual Receivables		**302,965**	**199,659**
Statutory			
Accrued Revenue - Department of Health and Human Services		270	880
GST Receivable		45,549	58,558
Sub-Total Statutory Receivables		**45,819**	**59,438**
TOTAL CURRENT RECEIVABLES		**348,784**	**259,097**
NON-CURRENT			
Statutory			
Long service leave - Department of Health and Human Services		405,006	338,985
Sub-Total Statutory Receivables		**405,006**	**338,985**
TOTAL NON-CURRENT RECEIVABLES		**405,006**	**338,985**
TOTAL RECEIVABLES		**753,790**	**598,082**

Note 5.1: Receivables

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

	Total 2020 $	Total 2019 $
Balance at beginning of year	**7,525**	**7,525**
Amounts written off during the year	-	3,076
Increase in allowance recognised in the net result	-	(3,076)
Balance at end of year	**7,525**	**7,525**

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

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

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

Note 5.2: Payables

	Notes	Total 2020 $	Total 2019 $
CURRENT			
Contractual			
Trade creditors		170,033	358,388
Accrued salaries and wages		255,550	254,346
Accrued expenses		180,747	100,912
Deferred grant revenue	5.2(a)	120,000	-
Contract Liabilities - income received in advance	5.2(b)	373,496	396,072
Inter- hospital creditors		6,915	-
Amounts payable to governments and agencies		23,436	-
TOTAL CURRENT PAYABLES		**1,130,177**	**1,109,718**
TOTAL PAYABLES		**1,130,177**	**1,109,718**

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 the Cohuna District Hospital 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.

The normal credit terms for accounts payable are usually Nett 60 days.

Note 5.2 (a) Deferred grant revenue

	2020 $'000
Grant consideration for capital works recognised that was included in the deferred grant liability balance (adjusted for AASB 1058) at the beginning of the year	-
Grant consideration for capital works received during the year	120,000
Closing balance of deferred grant consideration received for capital works	**120,000**

Grant consideration was received for major infrastructure works. Grant revenue is recognised progressively as the asset is constructed, since this is the time when Cohuna District Hospital satisfies its obligations under the transfer by controlling the asset as and when it is constructed. The progressive percentage costs incurred is used to recognise income because this most closely reflects the progress to completion as costs are incurred as the works are done. (see note 2.1) As a result, Cohuna District Hospital has deferred recognition of a portion of the grant consideration received as a liability for the outstanding obligations.

Note 5.2 (b) Contract liabilities

	2020 $
Opening balance brought forward from 30 June 2019 adjusted for AASB 15	396,072
Add: Payments received for performance obligations yet to be completed during the period	362,845
Less: Revenue recognised in the reporting period for the completion of a performance obligation	(385,421)
Total contract liabilities	**373,496**
Represented by	
Current contract liabilities	373,496

Contract liabilities include consideration received in advance from customers in respect of specified targets and outcomes. Invoices are raised once the goods and services are delivered/provided.

Maturity analysis of payables

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

Note 5.3: Other liabilities

	Total 2020 $	Total 2019 $
CURRENT		
Monies held in trust*: Patient monies held in trust	262	1,804
Monies held in trust*: Refundable accommodation deposits	887,488	457,628
Other	4,450	4,488
Total Current	**892,200**	**463,920**
Total Other Liabilities	**892,200**	**463,920**

*** Total Monies Held in Trust Represented by the Following Assets:**

Cash assets	892,200	463,920
TOTAL	**892,200**	**463,920**

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.*

Note 6: How we finance our operations

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

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

Structure
6.1 Borrowings
6.2 Cash and cash equivalents
6.3 Commitments for expenditure
6.4 Non-cash financing and investing activities

Note 6.1: Borrowings

	Total 2020 $	Total 2019 $
CURRENT		
Advances from government (i)	140,000	140,000
Total Current Borrowings	**140,000**	**140,000**
NON CURRENT		
Advances from government (i)	-	137,146
Total Non Current Borrowings	**-**	**137,146**
Total Borrowings	**140,000**	**277,146**

(i) 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.

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 Cohuna District Hospital has categorised its liability as either ‘financial liabilities designated at fair value through profit or loss’, or financial liabilities at ‘amortised cost’.

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

Note 6.2: Cash and Cash Equivalents

	Total 2020 $	Total 2019 $
Cash on hand (excluding monies held in trust)	460	460
Cash on Hand (Monies held in trust)	-	4,488
Cash at Bank (excluding monies held in trust)	439,004	248,455
Cash at Bank (monies held in trust)	902,310	-
Cash at Bank - CBS (excluding monies held in trust)	1,804,890	2,399,299
Cash at Bank - CBS (monies held in trust)	-	457,628
Term deposits < 3 months (excluding monies held in trust)	85,009	106,793
Term deposits < 3 months (monies held in trust)	262	1,804
TOTAL CASH AND CASH EQUIVALENTS	**3,231,935**	**3,218,927**

Cash and Cash Equivalents

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

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

Note 6.3 : Commitments for expenditure

Commitments

Commitments for future expenditure include operating and capital commitments arising from contracts. These commitments are disclosed at their nominal value and are inclusive of the 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.

There are no current capital or operating commitments for the Hospital at 30 June 2020 (2019 $Nil)

Note 7: Risks, contingencies and valuation uncertainties

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

Structure

Note 7.1 (a): 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 Cohuna District Hospital's activities, certain financial assets and financial liabilities arise under statute rather than a contract. Such financial assets and financial liabilities do not meet the definition of financial instruments in AASB 132 *Financial Instruments: Presentation*

(a) Categorisation of financial instruments

Total 2020	Note	Financial Assets at Amortised Cost $	Financial Liabilities at Amortised Cost $	Total $
Contractual Financial Assets				
Cash and Cash Equivalents	6.2	3,231,935	-	3,231,935
Receivables - Trade Debtors	5.1	170,034	-	170,034
Other Receivables	5.1	140,456	-	140,456
Total Financial Assets [i]		**3,542,425**	**-**	**3,542,425**
Financial Liabilities				
Payables	5.2	-	636,681	636,681
Borrowings	6.1	-	140,000	140,000
Other Financial Liabilities - Refundable Accommodation Deposits	5.3	-	887,488	887,488
Other Financial Liabilities - Patient monies held in trust	5.3	-	262	262
Other Financial Liabilities	5.3	-	4,450	4,450
Total Financial Liabilities [i]		**-**	**1,668,881**	**1,668,881**

Note 7.1 (a): Financial Instruments

(a) Categorisation of financial instruments

Total 2019	Note	Financial Assets at Amortised Cost $	Financial Liabilities at Amortised Cost $	Total $
Contractual Financial Assets				
Cash and Cash Equivalents	6.2	3,218,927	-	3,218,927
Receivables - Trade Debtors	5.1	86,251	-	86,251
Other Receivables	5.1	120,933	-	120,933
Total Financial Assets [i]		**3,426,111**	**-**	**3,426,111**
Financial Liabilities				
Payables	5.2	-	713,646	713,646
Borrowings	6.1	-	277,146	277,146
Other Financial Liabilities - Refundable Accommodation Deposits	5.3		457,628	457,628
Other Financial Liabilities - Patient monies held in trust	5.3	-	1,804	1,804
Other Financial Liabilities	5.3	-	4,488	4,488
Total Financial Liabilities [i]		**-**	**1,454,712**	**1,454,712**

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

Categories of Non-Derivative Financial Instruments

Financial assets at amortised cost

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

- the assets are held by Cohuna District Hospital 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.

Cohuna District Hospital recognises the following assets in this category:

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

Categories of Non-Derivative Financial Instruments

Categories of financial liabilities

Financial assets and liabilities at fair value through net result are categorised as such at trade date, or if they are classified as held for trading or designated as such upon initial recognition. Financial instrument assets are designated at fair value through net result on the basis that the financial assets form part of a group of financial assets that are managed based on their fair values and have their performance evaluated in accordance with documented risk management and investment strategies. Financial instruments at fair value through net result are initially measured at fair value; attributable transaction costs are expensed as incurred. Subsequently, any changes in fair value are recognised in the net result as other economic flows unless the changes in fair value relate to changes in the Cohuna Hospital's own credit risk. In this case, the portion of the change attributable to changes in Cohuna District Hospital's own credit risk is recognised in other comprehensive income with no subsequent recycling to net result when the financial liability is derecognised. Cohuna District Hospital recognises some debt securities that are held for trading in this category and designated certain debt securities as fair value through net result in this category.

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. Cohuna District Hospital recognises the following liabilities in this category:

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

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

- the rights to receive cash flows from the asset have expired; or

- Cohuna District Hospital retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through' arrangement; or

- Cohuna District Hospital has transferred its rights to receive cash flows from the asset and either:

  - has transferred substantially all the risks and rewards of the asset; or
  - has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

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

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

Reclassification of financial instruments: Subsequent to initial recognition reclassification of financial liabilities is not permitted. Financial assets are required to reclassified between fair value through net result, fair value through other comprehensive income and amortised cost when and only when Cohuna District Hospital's business model for managing its financial assets has changes such that its previous model would no longer apply.

Note 7.1 (b): Payables and Borrowings Maturity Analysis

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

Maturity analysis of Financial Liabilities as at 30 June

				Maturity Dates				
2020	**Note**	**Carrying Amount $**	**Nominal Amount $**	**Less than 1 Month $**	**1-3 Months $**	**3 months - 1 Year $**	**1-5 Years $**	**Over 5 years $**
Financial Liabilities at amortised cost								
Payables	**5.2**	636,681	636,681	636,681	-	-	-	-
Borrowings	**6.1**	140,000	140,000	-	-	140,000	-	-
Other Financial Liabilities - Refundable Accommodation Deposits	**5.3**	887,488	887,488	-	-	887,488	-	-
Other Financial Liabilities - Patient monies held in trust	**5.3**	262	262	-	262	-	-	-
Other Financial Liabilities	**5.3**	4,450	4,450	-	4,450	-	-	-
Total Financial Liabilities		**1,668,881**	**1,668,881**	**636,681**	**4,712**	**1,027,488**	**-**	**-**
2019								
Financial Liabilities at amortised cost								
Payables	**5.2**	713,646	713,646	713,547	99	-	-	-
Borrowings	**6.1**	277,146	277,146	50,000	-	90,000	137,146	-
Other Financial Liabilities - Refundable Accommodation Deposits	**5.3**	457,628	457,628	-	-	457,628	-	-
Other Financial Liabilities - Patient monies held in trust	**5.3**	1,804	1,804	-	1,804	-	-	-
Other Financial Liabilities	**5.3**	4,488	4,488	-	4,488	-	-	-
Total Financial Liabilities		**1,454,712**	**1,454,712**	**763,547**	**6,391**	**547,628**	**137,146**	**-**

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

Note 7.1 (c)
Contractual receivables at amortised cost

1-Jul-19	Note		Current	Less than 1 month	1–3 months	3 months –1 year	1–5 years	Total
Expected loss rate			0.0%	0.0%	0.0%	0.0%	59.0%	
Gross carrying amount of contractual receivables ($)	5.1	207,184	161,885	15,120	844	16,585	12,750	**207,184**
Loss allowance			**-**	**-**	**-**	**-**	**(7,525)**	**(7,525)**

30-Jun-20			Current	Less than 1 month	1–3 months	3 months –1 year	1–5 years	Total
Expected loss rate			0.0%	0.0%	0.0%	57.2%	0.0%	
Gross carrying amount of contractual receivables ($)	5.1	310,490	296,038	1,095	194	13,163	-	**310,490**
Loss allowance			**-**	**-**	**-**	**(7,525)**	**-**	**(7,525)**

Impairment of financial assets under AASB 9 *Financial Instruments*
Cohuna District Hospital records the allowance for expected credit loss for the relevant financial instruments, in accordance with AASB 9 Financial Instruments 'Expected Credit Loss' approach. Subject to AASB 9 Financial Instruments, impairment assessment includes the Cohuna District Hospital's contractual receivables, statutory receivables and its investment in debt instruments.

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

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

On this basis, the Cohuna District Hospital determines the opening loss allowance and the closing loss allowance at end of the financial year as disclosed above.

Note 7.1 (c)
Contractual receivables at amortised cost (Continued)

Reconciliation of the movement in the loss allowance for contractual receivables

	Note	*2020*	*2019*
Balance at beginning of the year ($)		**7,525**	**7,525**
Increase in provision recognised in the net result	3.1	-	3,077
Reversal of unused provision recognised in the net result		-	(3,077)
Balance at end of the year	5.1	**7,525**	**7,525**

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

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

Statutory receivables and debt investments at amortised cost

The Cohuna District Hospital's non-contractual receivables arising from statutory requirements are not financial instruments. However, they are nevertheless recognised and measured in accordance with AASB 9 *Financial Instruments* requirements as if those receivables are financial instruments.

Both the statutory receivables and investments in debt instruments are considered to have low credit risk, taking into account the counterparty's credit rating, risk of default and capacity to meet contractual cash flow obligations in the near term. As a 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

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

There are no known contingent assets or contingent liabilities for Cohuna District Hospital at the date of this report.

Note 8: Other disclosures

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

Structure

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

	Note		Total 2020 $	Total 2019 $
Net Result for the Year		**OS**	(626,248)	(272,357)
Non-Cash Movements:				
Depreciation and amortisation		4.2	854,942	639,400
Discount (interest) / expense on loan			2,854	10,361
Movements included in Investing and Financing Activities:				
Net (Gain)/Loss from Disposal of Non-Financial Physical Assets			21,674	4,359
Less cash inflow/outflow from investing and financing activities			(29,150)	-
Movements in Assets and Liabilities:				
Change in Operating Assets and Liabilities				
(Increase)/Decrease in Receivables		5.1	(155,708)	(153,346)
(Increase)/Decrease in Prepayments			(55,278)	(13,596)
Increase/(Decrease) in Payables		5.2	20,459	140,741
Increase/(Decrease) in Other Liabilities			(1,580)	-
(Increase)/Decrease in Inventories			7,916	(24,784)
(Increase)/Decrease in employee benefits			142,765	277,668
NET CASH INFLOW FROM OPERATING ACTIVITIES			**182,646**	**608,446**

Note 8.2: Responsible Persons

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

	Period
Responsible Ministers:	
The Honourable Jenny Mikakos, Minister for Health and Minister for Ambulance	01/07/2019 - 30/06/2020
The Honourable Luke Donnellan, Minister for Child Protection, Minister for Disability, Ageing and Carers	01/07/2019 - 30/06/2020
Governing Boards	
Mr R. Dallimore	01/07/2019 - 30/06/2020
Mrs V. Sutherland	01/07/2019 - 30/06/2020
Mrs D Van der Drift	01/07/2019 - 30/06/2020
Mr R. Henery	01/07/2019 - 30/06/2020
Mr A. Dowell	01/07/2019 - 30/06/2020
Ms N. Bourke	01/07/2019 - 30/06/2020
Mr S. Manduskar	01/07/2019 - 30/06/2020
Ms A. Toma	01/07/2019 - 30/06/2020
Mrs D. Bowles	01/07/2019 - 30/06/2020
Accountable Officers	
Mr B. Maw	01/07/2019 - 30/06/2020

Remuneration of Responsible Persons

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

	Total 2020	Total 2019
Income Band	**No.**	**No.**
$0,000 - $9,999	9	11
$140,000 - $149,999	-	1
$170,000 - $179,999	1	-
Total Numbers	**10**	**12**

	2020	2019
	$	**$**
Total remuneration received or due and receivable by Responsible Persons from the reporting entity amounted to:	**$204,912**	**$176,846**

Amounts relating to the Governing Board Members and Accountable Officer are disclosed in Cohuna District Hospitals' financial statements.

Amounts relating to Responsible Ministers are reported within the Department of Parliamentary Services' Financial Report.

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	**Total Remuneration**	
	2020 $	**2019 $**
Short-term Benefits	355,932	129,844
Post-employment Benefits	33,428	11,409
Other Long-term Benefits	11,165	2,878
Termination Benefits	-	30,924
Total Remuneration [i]	**400,525**	**175,055**
Total Number of Executives	3	2
Total Annualised Employee Equivalent [ii]	2.5	1.0

i The total number of executive officers includes persons who meet the definition of Key Management Personnel (KMP) of Cohuna District Hospital under AASB 124 *Related Party Disclosures* and are also reported within Note 8.4 Related Parties.

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

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

Remuneration 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.

Note 8.4: Related Parties

Cohuna District Hospital is a wholly owned and controlled entity of the State of Victoria. Related parties of the Cohuna District Hospital 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 a regional Information Technology Joint Venture; 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 Cohuna District Hospital, directly or indirectly.

The Board of Directors, Chief Executive Officer and the Executive Directors of Cohuna District Hospital are deemed to be KMPs.

KMPs	**Position Title**
Mr R. Dallimore	Chair of the Board
Mrs V. Sutherland	Board Member
Mrs D Van der Drift	Board Member
Mr R. Henery	Board Member
Mr A. Dowell	Board Member
Ms N. Bourke	Board Member
Mr S. Manduskar	Board Member
Ms A. Toma	Board Member
Mrs D. Bowles	Board Member
Mr B. Maw	Chief Executive Officer
Mr C. Winter	Director of Medical Services
Ms L. Sinclair	Director of Clinical Services
Ms C. van der Zande	Corporate Services Manager

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

	Total 2020 $	**Total 2019 $**
Compensation - KMPs		
Short-term Employee Benefits i	539,185	159,248
Post-employment Benefits	50,250	13,976
Other Long-term Benefits	16,002	3,622
Termination Benefits	-	-
Total [ii]	**605,437**	**176,846**

Prior year compensation for KMP's did not include executive officers as they were not previously recognised as holding a position that satisfied a Key Management Personnel role.

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 or Note 8.3 Remuneration of Executives.

Note 8.4: Related Parties

Significant Transactions with Government Related Entities

The Cohuna District Hospital received funding from the Department of Health and Human Services of $7,705,538 (2019: $7,268,387) and indirect contributions of $72,222 (2019: $124,703). Balances outstanding for recall at year end are $237,470 (2019 $385,583)

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

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

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

Transactions with KMPs and Other Related Parties

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

Outside of normal citizen type transactions with the Cohuna District Hospital, 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 the Cohuna District Hospital Board of Directors, Chief Executive Officer and Executive Directors in 2020.

Note 8.5: Remuneration of Auditors

	Total 2020 $	Total 2019 $
Victorian Auditor-General's Office		
Audit of the Financial Statements	19,100	17,470
TOTAL RENUMERATION OF AUDITORS	**19,100**	**17,470**

Note 8.6: Events Occurring after the Balance Sheet Date

Assets, liabilities, income or expenses arise from past transactions or other past events. Where the transactions result from an agreement between Cohuna District Hospital 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.

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 Cohuna District Hospital at the reporting date. As responses by government continue to evolve, management recognises it is difficult to reliably estimate with any degree of certainty the potential impact of the pandemic after the reporting date on Cohuna District Hospital, 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 remains in place.

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

Note 8.7: Jointly Controlled Operations

Name of Entity	Principal Activity	Ownership Interest 2020 %	Ownership Interest 2019 %
Loddon Mallee Rural Health Alliance	Information Technology Services	3.07	3.16

Cohuna District Hospital interest in the above jointly controlled operations are detailed below. The amounts are included in the consolidated financial statements under their respective categories:

	2020 $ *	2019 $ *
CURRENT ASSETS		
Cash and Cash Equivalents	190,573	32,714
Receivables	13,607	124,723
Inventory	34,062	-
Prepayments	39,681	39,074
TOTAL CURRENT ASSETS	**277,923**	**196,511**
NON-CURRENT ASSETS		
Property, Plant and Equipment	26,973	17,654
TOTAL NON-CURRENT ASSETS	**26,973**	**17,654**
TOTAL ASSETS	**304,896**	**214,165**
CURRENT LIABILITIES		
Payables	128,976	4,563
Accrued Expenses	16,947	43,975
TOTAL CURRENT LIABILITIES	**145,923**	**48,538**
TOTAL LIABILITIES	**145,923**	**48,538**
NET ASSETS	**158,973**	**165,627**
EQUITY		
Accumulated Surpluses/(Deficits)	158,973	165,627
TOTAL EQUITY	**158,973**	**165,627**

Cohuna District Hospital interest in revenues and expenses resulting from jointly controlled operations are detailed below:

	2020 $ *	2019 $ *
REVENUE		
Revenue from Operating Activities	312,965	244,372
Capital Purpose Income	17,764	6,428
Proceeds from Sale of Assets	358	-
TOTAL REVENUE	**331,087**	**250,800**
EXPENSES		
Information technology and Administrative Expenses	334,645	242,197
Depreciation	3,096	3,609
TOTAL EXPENSES	**337,741**	**245,806**
NET RESULT	**(6,654)**	**4,994**

* Figures obtained from the unaudited Loddon Mallee Rural Health Alliance Joint Venture annual report.

Contingent Liabilities and Capital Commitments
There are no known contingent liabilities or capital commitments held by the jointly controlled operations at balance date.

Note 8.8: Economic Dependency

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

Note 8.9: Changes in accounting policy, revision of estimates and corrections of prior period errors

Changes in accounting policy

There was no impact from changes in accounting policy relating to leases and recognition of revenue.

Refer to Note 2.1 for disclosure regarding new accounting standards that have become effective during the year.

Note 8.10: AASBs 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. Department of Treasury and Finance assesses the impact of all these new standards and advises Cohuna District Hospital 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. Cohuna District Hospital has not and does not intend to adopt these standards early.

Standard/Interpretation	*Summary*	*Applicable for annual reporting periods beginning on*	*Impact on public sector entity financial statements*
AASB 2018-7 *Amendments to Australian Accounting Standards – Definition of Material*	This Standard principally amends AASB 101 *Presentation of Financial Statements* and AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors* . The amendments refine and clarify the definition of material in AASB 101 and its application by improving the wording and aligning the definition across AASB Standards and other publications. The amendments also include some supporting requirements in AASB 101 in the definition to give it more prominence and clarify the explanation accompanying the definition of material.	1 January 2020	The standard is not expected to have a significant impact on the public sector.
AASB 2020-1 *Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current*	This Standard amends AASB 101 to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current. A liability is classified as non-current if an entity has the right at the end of the reporting period to defer settlement of the liability for at least 12 months after the reporting period. The meaning of settlement of a liability is also clarified.	1 January 2022. However, ED 301 has been issued with the intention to defer application to 1 January 2023.	The standard is not expected to have a significant impact on the public sector.

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

- 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 2019-3 *Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform.*
- AASB 2019-5 *Amendments to Australian Accounting Standards – Disclosure of the Effect of New IFRS Standards Not Yet Issued in Australia.*
- AASB 2019-4 *Amendments to Australian Accounting Standards – Disclosure in Special Purpose Financial Statements of Not-for-Profit Private Sector Entities on Compliance with Recognition and Measurement Requirements.*
- AASB 2020-2 *Amendments to Australian Accounting Standards – Removal of Special Purpose Financial Statements for Certain For-Profit Private Sector Entities.*
- AASB 1060 *General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities (Appendix C).*