Cohuna District Hospital

incorporating

Cohuna Community Nursing Home

2018 – 2019 Annual Report of Operations and Financial Statements

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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
- Quality Account Calendar
- Safer Care Victoria Maternity Service Summary 2017
- Strategic Plan 2016 – 2020
- Service Plan 2017

Abbreviations in this report refer to;

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
Protected 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

Introduction

Purpose
Cohuna District Hospital 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.

Our Vision
We are recognised for Excellence in Rural Healthcare

Our Mission
To deliver the best of available health and wellbeing services to our community

Our Community
Our community is changing, and Cohuna District Hospital (CDH) will be expected to meet the challenging demands in a range of areas. An ageing population and increased demand with higher prevalence of chronic diseases in the community and surrounding district will significantly increase the need for emergency services, dialysis, acute services and community service programs.

Cohuna District Hospital must facilitate patient access to appropriate services, including referral pathways and align, collaborate and develop partnerships with other health services. As a small rural health service, CDH will provide low acuity medical, obstetrics and surgical, residential Aged Care, Urgent Care and continue to develop and strengthen community and primary based care services to the local community. Together, this is how we'll meet future community health needs.

It is our role to have an efficient and sustainable health service that continues to focus on quality and risk minimisation, whilst maintaining financial viability and seeking every opportunity to enhance community engagement

Board Chair and Chief Executive Report

On behalf of the Board of Management and the Cohuna Community Nursing Home Inc. it is our pleasure to present our 66th Annual report for the year ending June 30th 2019.

In starting the year, we had no new members join the Board of Management for the upcoming year, however would like to thank both Alison Patrick, who retired from the Board during the year, and Lois Drummond who finished her final term in June 2019, for the many years of dedicated service to Cohuna District Hospital.

In respect of Lois, she has served on the Board since 2005, held the position of President for three years and worked as a volunteer, and we would like to pass on our sincere thanks to Lois and her husband George for their support of our hospital over this time.

The Board would also like to thank Michael Delahunty (Chief Executive Officer) and Dr Glenn Howlett (Director of Medical Services) for their service and support of the Hospital in the lead up to both Ben Maw and Dr Craig Winter commencing in the respective roles at the start of the year.

And what a year it has been, with a significant focus on partnerships, training and safety the core tenants of activity throughout the year.

The Board and management continued to strengthen its relationships this year with our partners in the region, committing energy and time into working with the newly established Murray Health Partnership and strengthening the work done in the region through the Southern Mallee Primary Care Partnership and Buloke Loddon Gannawarra Health Network. The work undertaken by the partnerships aligns well with the organisations Strategic Plan, with a significant focus around health prevention, training and recruitment to the region.

In working through the Safer Care Victoria recommendations and milestones received in the year prior, we managed to implement many new initiatives and training opportunities for our clinicians, enhance our communication and referral pathways in the region and invest in equipment and technologies to strengthen the quality and safety of the Maternity program offered here at CDH.

In inviting Safer Care Victoria back in February 2019 for a review, we have since implemented the next stage of enhancements that will be

YEAR IN REVIEW

On behalf of the Board and staff, we are pleased to present the 67th Annual Report of Cohuna District Hospital (CDH) incorporating Cohuna Community Nursing Home for the year ended 30 June 2019.

The report highlights the significant achievements and developments that occurred during the year and is prepared in accordance with the *Financial Management Act 1994.*

be focussing on training models in the region, introducing an enhanced model of shared care between clinicians and the introduction of an Antenatal clinic onsite here at the hospital.

The Board continues to embrace continuous learning to enhance strong outcomes in governance and leadership, and concentrate on strategic direction and partnerships to ensure we maintain our focus on health and wellbeing in the best interests of our community.

The organisation as part of the local Murray cluster put its weight behind the Strengthening Hospital Response to Family Violence (SHRFV) initiative, with significant promotion of the issue and training of staff in how to better identify and support patients and colleagues. The issue of violence within communities, particularly towards woman and children, is one seen at the front line of acute care across Australia, and CDH staff stand ready and enabled to better support the community in this sensitive area.

The Aged Care Accreditation process occurred in July 2018 and we were again awarded full accreditation status for the maximum of three years. Thank you to all the residents, staff and volunteers who view Accreditation as a continual ongoing process to ensure the patients receive the highest standard of care every day.

From a financial perspective, it has been a tough year, with a significant investment in training that has been supported by the Department of Health and Human Services. We ended the financial year with a deficit of $182k following a tough year in managing staffing costs and activity in Dialysis and District Nursing Services. In moving forward, we are investing energy and attention into both these areas as part of the operational activities for 2019/20 plans and have engaged additional Human Resource support locally to help staff better manage health and wellbeing and enhance our recruitment initiatives for our region.

During the year, we also enabled a few new positions around Corporate Services, and have been working through the last few months of the year in embedding new practices and policies around our meals with the launch of the Healthy eating policy and further investment in capital infrastructure. We were successful in attracting significant grants to undertake works across the entire hospital and aged care campus, with a significant investment in IT infrastructure to better enable work practices around Telehealth and communication devices, as well as updates to Theatre and Aged Care to maintain service access into the future.

We have also worked with our re-named community committee being Partnering With Consumers, to continue to provide a forum where Consumer representatives can obtain information about the strategic direction of the hospital and provide feedback to the community. We have also invested in a Community Engagement Officer position which has helped support our communication out to the committee and liaise with consumers around feedback on services and documents, a role that has been invaluable in shaping how we are communicating and doing things in the best interest of our patients.

The Board of Management of Cohuna District Hospital and the Cohuna Community Nursing Home Inc. would also like to acknowledge the community groups such as the Murray to Moyne, Bridge to Bridge, Cohuna Lion's Club, Ladies Auxiliary, Cohuna Fishing Classic, Freemasons and many individual donations of support throughout the year. We would also like to acknowledge the work of the Humpty Dumpty Foundation in providing significant support for local equipment for our midwifery and neo natal programs here at CDH. We are truly grateful for the continued support and generous donation of time and money raised to ensure we continue to provide the highest level care to the community. In pulling together, we have managed to resource considerable efforts to bring state of the art technology into our community, particularly with the new Cardiac Monitoring, Dialysis Chairs and Epidural Pump Equipment that will all be implemented by the end of 2019.

In closing, The Board of Management and CEO would like to thank our staff for their contribution to providing a safe health service to all our patients, clients and residents. The level of commitment and dedication is reflected by the positive feedback from the community. Additionally we would like to acknowledge the visiting medical officers, specialist services, allied health services and our support from Echuca Regional Health in working together to improve the health and wellbeing of our community here in Cohuna and within the Gannawarra region.

By working together we will achieve our achieve our mission of delivering the best of available health and wellbeing services to our community.

Deanne Van der Drift
Board President

Benjamin Maw
Chief Executive Officer

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 67th Report of Operations for Cohuna District Hospital incorporating the Cohuna Community Nursing Home for the year ending 30 June 2019.

Deanne Van der Drift
Board President

Service Profile

Cohuna District Hospital
144 – 158 King George Street
PO Box 317
COHUNA VIC 3568

Cohuna Community Nursing Home
144 – 158 King George Street
PO Box 317
COHUNA VIC 3568

Email: info@cdh.vic.gov.au
Website: www.cdh.vic.gov.au
Facebook: https://www.facebook.com/cdh.vic.gov.au/
Phone: 03 5456 5300
Fax: 03 5456 2435

Service Profile

The Cohuna District Hospital (CDH) was established as a public hospital in 1952. The Health Service provides care for visitors and residents of Cohuna and the surrounding catchment area. In 1983, a community appeal raised funds for a nursing home, which was built adjacent to the hospital and opened in 1985.

Acute - Sixteen bed hospital provides medical, obstetric, surgical and transitional care. Three dialysis chairs and an Urgent Care Centre ensure accessible high quality health care for our community.

Residential Aged Care – a sixteen bed residential aged care home providing twenty four hour nursing care in a home like environment.

Community Services – Community Nursing, Domiciliary Care, Social Support Group and home based Transitional care.

Minister for Health in the State of Victoria
Cohuna District Hospital incorporating Cohuna Community Nursing Home was established under the Health Services Act 1988.

The responsible Ministers during the reporting period were;
The Honourable Jill Hennessy, Minister for Health and Minister for Ambulance Services
01/07/2018 – 29/11/2018
Jenny Mikakos, Minister for Health and minister for Ambulance Services
29/11/2018 – 30/06/2019
The Honourable Martin Foley, Minister for Mental Health
01/07/2018 – 30/06/2019

Accreditation Status:
Accredited with the Australian Council on Healthcare Standards (ACHS) until December 2019
Accredited with the Australian Aged Care Quality Agency until October 2018

Memberships:
The Victorian Healthcare Association
The Victorian Hospitals' Industrial Association
Leading Age Services Australia

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

Banks:
ANZ Bank
Bendigo Bank
National Australia Bank
Westpac Bank

Honorary Solicitor:
Embleton & Associates, Cohuna

Visiting Medical Officers
Dr P Barker
Dr A Sheaar
Dr N Rana
Dr M Belot
Dr C Bottcher
Dr M Younan
Dr C Miller

Visiting Surgeons
Mr P Moore
Mr M Atalla

Supporting Specialists
Dr L Sherriff
Dr S Gough
Dr M Bekbultov
Dr P Shobanan
Dr S Van der Wal

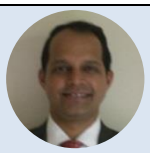
Pathology
Australian Clinical Labs

Radiology
Bendigo Radiology

Board of Management

The volunteer members of the Board of Management are appointed by the Governor-in-Council and are responsible for setting the strategic direction of Cohuna District Hospital and Cohuna Community Nursing Home within the framework of government policy.

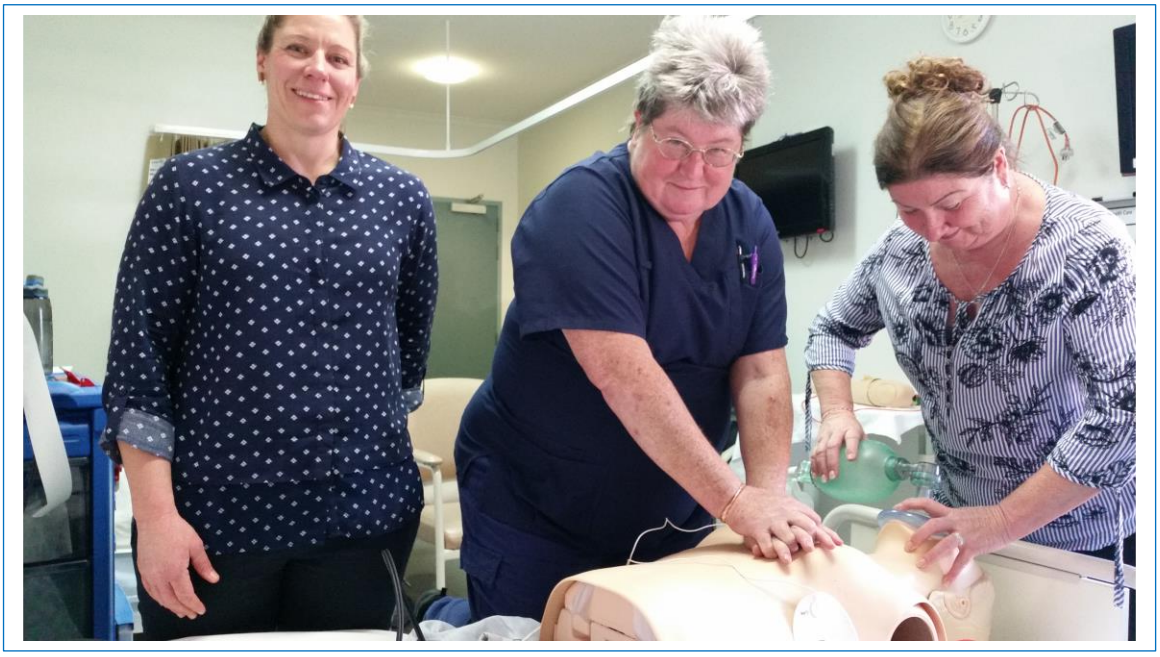
There is a diverse mix of skills and experience within the Board of Management which is under continual review. Cohuna District Hospital Board of Management has the following sub-committees; Clinical Governance, Audit & Risk and Finance & Physical Resources. All members of the Board are required to lodge a declaration of pecuniary interest.

	Member Name	Date appointed to Board and current term	Meetings attended
	Deanne Van der Drift Accountant	Appointed 1st July 2015 Current term 01/07/2016 – 30/06/2019	10/12
	Ross Dallimore, FAICD Fellow of AICD	Appointed 01/07/2017 Current term 01/07/2017 – 30/06/2020	11/12
	Rick Henery, CPA Accountant Director/Partner	Appointed 01/07/2017 Current term 01/07/2018 – 30/06/2021	10/12
	Sam Manduskar Bachelor of Commerce	Appointed 01/07/2017 Current term 01/07/2017 – 30/06/2019	12/12
	Nicole Bourke Registered Chiropractor	Appointed 01/07/2017 Current term 01/07/2017 – 30/06/2020	11/12
	Jean Sutherland CPA Member	Appointed 01/07/2015 Current term 01/07/2016 – 30/06/2019	10/12
	Lois Drummond Retired Education Dept.	Appointed 01/07/2008 Current Term 01/07/2018 – 30/06/2019	10/12
	Alison Patrick Registered Nurse & Midwife	Appointed 01/07/2017 Current Term 01/07/2017 – 30/06/2020 Resigned 31/10/2018	2/12

	Adam Dowell Community Pharmacist	Appointed 01/07/2017 Current Term 01/07/2017 – 30/06/2020	10/12
	Anthea Toma Bachelor of Law and Graduate Diploma of Legal Services, admitted to practice 2012	Appointed 01/07/2018 Current term 01/07/2018 – 30/06/2021	10/12

Audit & Risk Committee

Member Name	
Sameer Manduskar (Chair)	Board Member
Sue Woods	Community Member
Ross Dallimore	Board Member
Deanne Van der Drift	Board Chair
Jean Sutherland	Board Member
Adrian Downing	AFS & Associates
Dannielle Mackenzie	Crowe Horwath (Aust) Pty Ltd
Janine Dickson	Community Member



Executive Management

Chief Executive Officer
Michael Delahunty - Resigned 18th July 2018
Ben Maw - Commenced 16th July 2018
The Chief Executive Officer (CEO) is responsible to the Board of Management for the efficient and effective management of Cohuna District Hospital and Cohuna Community Nursing Home. Key responsibilities include the development and implementation of operational and strategic planning, maximising service efficiency, quality improvement and minimisation of risk.

Director of Medical Services
Dr Glenn Howlett - Resigned 23rd August 2018
Dr Craig Winter - Commenced 22nd August 2018
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.

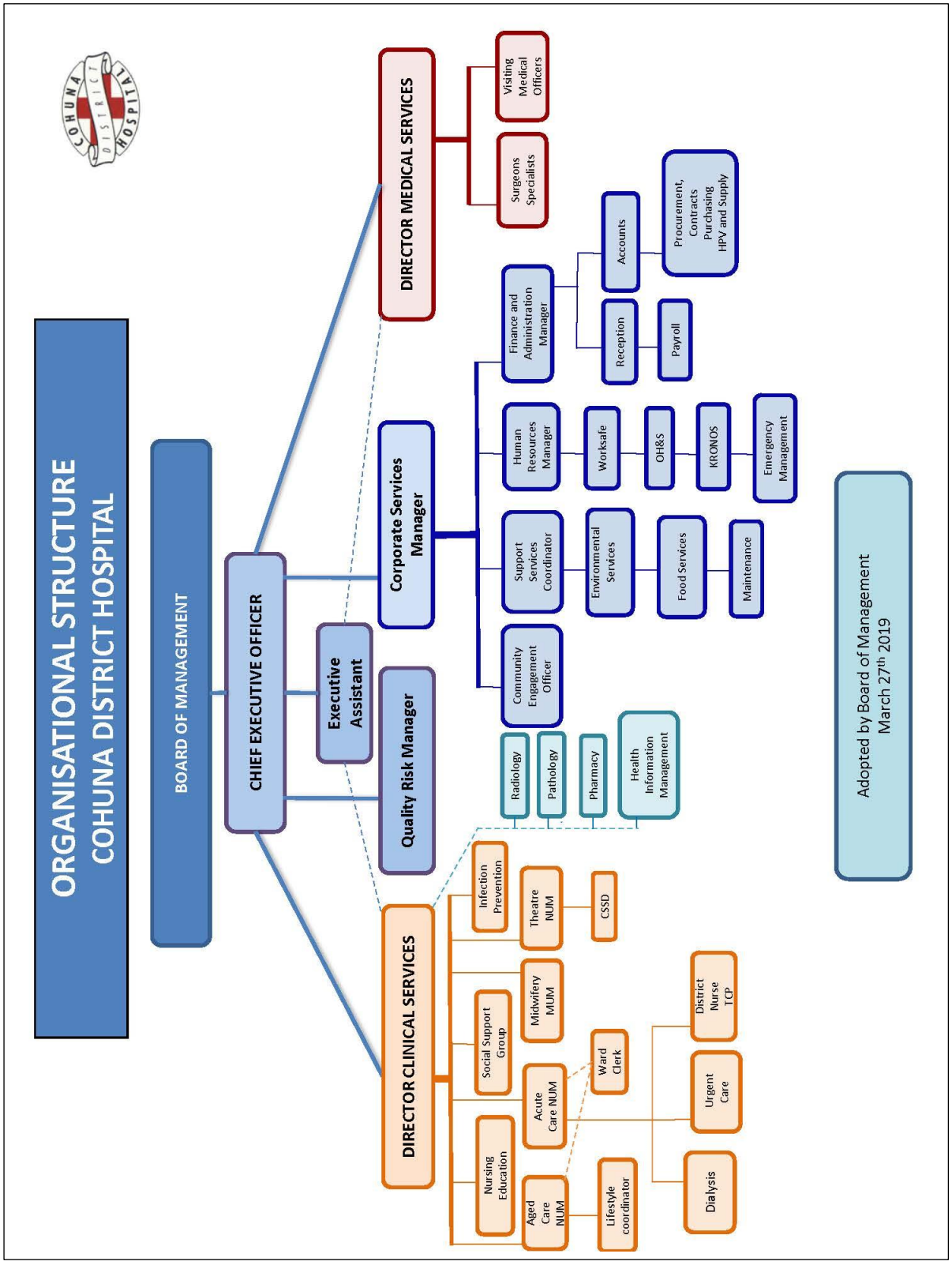
Director of Clinical Services – Lynne Sinclair
The Director of Clinical Services has a professional responsibility for nursing across clinical streams and executive responsibility for acute nursing services including, Urgent Care, Renal Dialysis, General Medical, General Surgical, Maternity and Residential, 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.

Corporate Services Manager – Cara Van der Zande
Commenced 1st January 2019
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, Maintenance, Finance, Administration, Human Resources, Occupational Health & Safety, Emergency Management, Contracts and Procurement.

Quality & Risk Manager – Jill Moore
The Quality 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.

Years of Service Awards (awarded in November 2018)

Staff member	Team	Years of Service
Anne Harrison	Aged Care	25 years
Dee Borden	Support Services	25 years
Sally Mc Cahon	Aged Care	25 years
Noelene Hawken	Aged Care	15 years
Nathan Mc Gann	Acute	10 years



Workforce Information

Hospitals Labour Category	JUNE Current Month FTE*		JUNE YTD FTE**	
	2017/18	2018/19	2017/18	2018/19
Nursing	40.54	41.72	38.55	40.92
Administration and Clerical	11.21	9.99	10.70	10.33
Hotel and Allied Services	16.08	16.54	15.38	16.14

Employment by Gender	Full Time	Part Time	Casual	Total	%
Females	12	65	30	107	89.9%
Males	2	3	7	12	10.1%
Total	14	68	37	119	

The FTE figures in the tables above exclude overtime and contracted staff (e.g. Agency nurses, Fee-for-Service, Visiting Medical Officers) who are not regarded as employees for this purpose.

*June current month FTEs are calculated as follows:
FTES are calculated for each employee per pay period as follows:

For a full time employee:	Actual Paid Hours Employee's Base Hours	= Full Time FTE
For a part time or a casual employee:	Actual Paid Hours Employee's Standard Award Hours	= Part Time & Casual FTE

June Current Month FTE for an employee = the aggregation of all individual FTEs for all pays ending during June divided by the number of pays in the month.

June Current Month FTE for an agency = the sum of all the current month FTEs for all its employees during the month.

**YTD FTE = the average FTE for the year, i.e. the sum of the monthly current months' FTEs divided by 12.

YTD FTE $= \frac{\text{The sum of monthly current months' FTEs}}{12}$ = average FTE for the year

Occupational Health & Safety (FRD 22H 5.10)

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 57 of the 91 events entered into the VHIMS system being Hazard notifications, predominately in relation to plant, property or faulty equipment. Following a review of access for all staff to the hospitals online risk and incident management system, it was identified that the service did not have enough licences and access for all staff, therefore this was rectified in Quarter 2 with the purchasing of additional licences and training for staff, significantly enhancing the organisations capacity to respond to identified risks or alerts from incidents.

The number of reported hazards/incidents for the year per 100 full-time equivalent staff members.

Item	2017-18	2018-19
No of OHS / Hazards reported	65	91
FTE as at 30th June	64.59	67.39
OHS/Hazards per 100 FTE	100.63	135.03

In respect to OH&S incident severity, there was one (1) ISR 2 event following a staff member falling in the carpark and suffering a fractured wrist. The remaining 90 incidents and hazards were classified as ISR 4 or ISR5 that resulted in no serious harm or injury to the person occurring. Of those incidents recorded, Ten (10) incidents were registered across the staff groups that involved an element of abuse or violence towards staff, eight (8) incidents of minor strain or soft tissue injury and six (6) incidents of staff slipping/tripping on items within the workplace.

Month	2016-17	2017-18	2018-19
July	1	5	6
August	2	0	11
September	5	0	7
October	10	11	3
November	2	3	11
December	3	14	12
January	7	6	9
February	7	6	3
March	1	1	7
April	8	7	10
May	6	2	8
June	7	10	4
TOTAL	**59**	**65**	**91**

In 2018/19 there were three lost time incidents reported. All staff were supported with a Return to Work plan that resulted in a gradual return to their pre injury employment. There were nil fatalities in 2018/19.

The number of ‘lost time’ standard claims for the year per 100 full-time equivalent staff members.

Year	No of Lost Time Claims	FTE	No of Lost time claims per 100 FTE	Ave Total Cost per claim	Estimate of Outstanding Claims Costs
2016-17	3	62.45	4.8	17,864.12	40,513
2017-18	2	64.59	3.10	1,020.84	0.00
2018-19	3	67.39	4.45	10,047.45	56,281

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	2018-19
Workcover accepted claims with an occupational violence cause per 100 FTE	0
Number of accepted Workcover claims with lost time injury with an occupational violence cause per 1,000,000 hours worked.	0
Number of occupational violence incidents reported	7
Number of occupational violence incidents reported per 100 FTE	10.38
Percentage of occupational violence incidents resulting in a staff injury, illness or condition	0

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

Occupational violence - any incident where an employee is abused, threatened or assaulted in circumstances arising out of, or in the course of their employment.

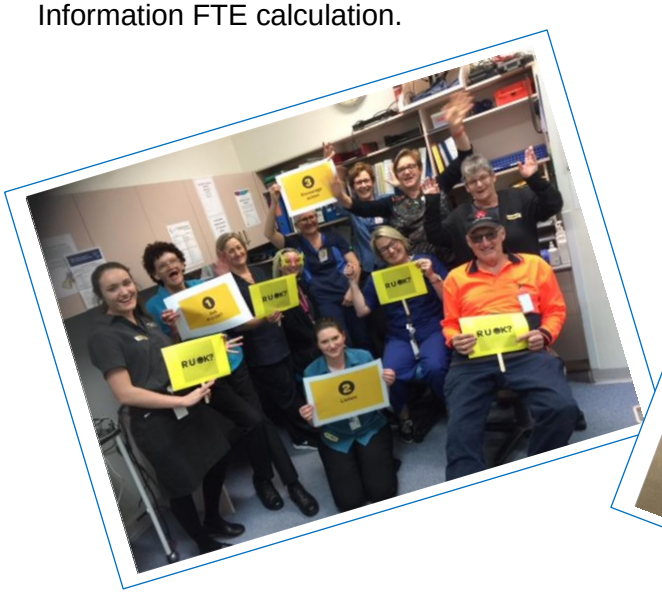
Incident – an event or circumstance that could have resulted in, or did result in, harm to an employee. Incidents of all severity rating must be included. Code Grey reporting is not included, however, if an incident occurs during the course of a planned or unplanned Code Grey, the incident must be included.

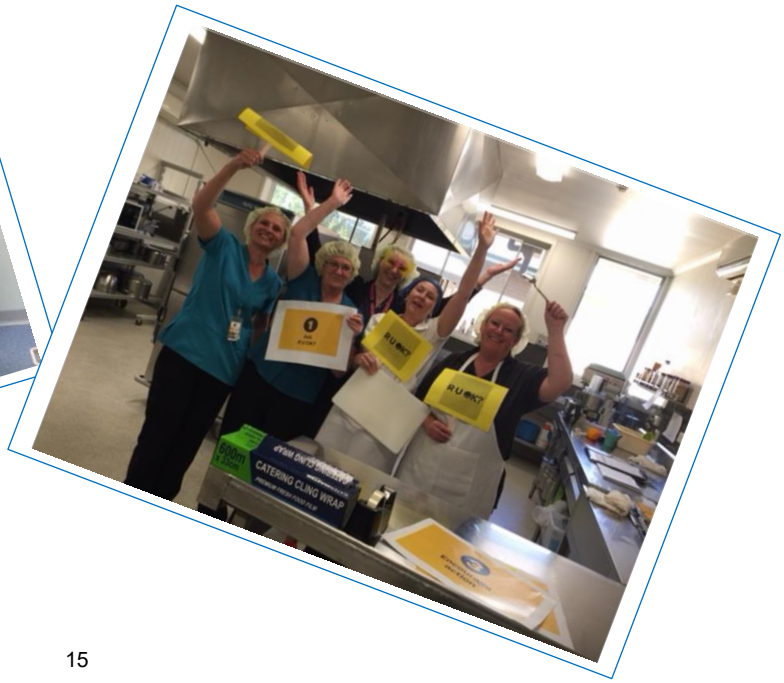
Accepted Workcover claims – Accepted Workcover claims that were lodged in 2018-19.

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.

FTE figures required in the above table are calculated and consistent with the Workforce Information FTE calculation.





Financial Results

	2019 $	2018 $	2017 $	2016 $	2015 $
OPERATING RESULT	(248)	182	(96)	(5)	(294)
- Total revenue	10,430	9,811	9,011	8,593	8,137
- Total expenses	10,678	9,832	9,151	9,146	8.873
- Net result from transactions	(248)	(21)	(140)	(553)	(736)
- Total other economic flows	(25)	(7)	13	25	2
- Net result	(273)	(28)	(127)	(528)	(734)
- Total assets	13,043	9,209	9,003	8,639	8,756
- Total liabilities	3,810	3,431	3,197	2,706	2,296
- Net assets/Total equity	9,233	5,778	5,806	5,933	6,461

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

Reconciliation between Net result from transactions reported to the operating result as agreed in the Statement of Priorities

	2019
	$
Net operating result *	-182
Capital and specific items	
Capital purpose income	573
Specific income	0
Assets provided free of charge	0
Assets received free of charge	0
Expenditure for capital purpose	0
Depreciation and amortisation	-639
Impairment of non-financial assets	0
Finance costs (other) (not general finance cost)	0
Net result from transactions	-248

** The Net operating result is the result which the health service is monitored against in its Statement of Priorities.*

Notes:
Finance costs – Other (State Funded activity)

Where through a Public-Private partnership (PPP) project the Health Service received recurring funding for the project, the funding received must be treated as State Government Capital Grants – Funding for Cohuna District Hospital PPP Project. The corresponding interest charges relating to the PPP finance lease should be excluded from the *Operating result*. Capital purpose income should include capital income included in ALL cost centre for example Specific purpose funds.

Consultancies Information FRD 11e

Details of consultancies (under $10,000)

In 2018-19, there was 1 consultancy where the total fees payable to the consultants were less than $10,000. The total expenditure incurred during 2018-19 in relation to these consultancies is $2,813.45 (excl. GST).

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

In 2018-19, there was 1 consultancy where the total fees payable to the consultants was $10,000 or greater. The total expenditure incurred during 2018-19 in relation to these consultancies is $10,405.75.

Consultant	Purpose of Consultancy	Start date	End Date	Total approved project fee (excluding GST)	Expenditure 2018-19 (excluding GST)	Future expenditure (excluding GST)
Porter Novelli	Development of communications and engagement strategy for CDH	04/07/2018	31/08/2019	$12,840	$10,405.75	Nil

Information and Communication Technology (ICT) Expenditure

The total ICT expenditure incurred during 2018-19 is $284,878 (excluding GST) with the details shown below.

($ million)

Business As Usual (BAU) ICT expenditure (Total) (excluding GST)	Non-Business As Usual (non-BAU) ICT expenditure (Total=Operational expenditure and Capital Expenditure) (excluding GST)	Operational expenditure (excluding GST)	Capital expenditure (excluding GST)
$0.28	$0.01	$0.00	$0.01

Disclosures

Freedom of Information Act 1982

During 2018/19 there were Nineteen (19) requests for access to documents under the Freedom of Information Act 1982. All nineteen (19) requests were approved by the Director of Clinical Services (DCS), who is named as the Principle Officer.

Building Act 1993

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 2017/2018 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.

Protected Disclosure Act 2012 – FRD 22H 5.18(c)

Cohuna District Hospital has policies and procedures consistent with the requirements of the Protected 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

Cohuna District Hospital and Cohuna Community Nursing Home 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 – FRD 22H 5.18 (g)

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

Cohuna District Hospital strives to continually improve the health of the Cohuna community and surrounding district by endeavouring 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

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 First Act 2003 – FRD 25D

Cohuna District Hospital and Community Nursing Home abides by the Local Jobs First Act 2003 – FRD 25D. In 2018/19 there were no contracts to which the Act applied.

Financial Management Compliance Attestation – SD 5.1.4

I, Deanne Van der Drift, on behalf of the Responsible Body, certify that Cohuna District Hospital incorporating the Cohuna Community Nursing Home, has complied with the applicable Standing Directions of the Minister for Finance under the Financial Management Act 1994 and instructions.

Deanne Van der Drift
Board Chair & Responsible Officer
Cohuna District Hospital
30/06/2019

Attestations

Data Integrity

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

Benjamin Maw
Accountable Officer
Cohuna District Hospital
30/06/2019

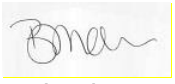
Conflict of Interest

I, Benjamin Maw, certify that Cohuna District Hospital incorporating Cohuna Community Nursing Home 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 incorporating Cohuna Community Nursing Home 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
Accountable Officer
Cohuna District Hospital
30/06/2019

Integrity, fraud and corruption

I, Benjamin Maw, certify that Cohuna District Hospital incorporating Cohuna Community Nursing Home has put in 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
Accountable Officer
Cohuna District Hospital
30/06/2019

Statement of Priorities 2018-19

In 2018-19, Cohuna District Hospital contributed to the achievement of the Victorian Government's commitments by:

Goals	Strategies	Health Service Deliverables	Activity Report
Better Health A system geared to prevention as much as treatment Everyone understands their own health and risks Illness is detected and managed early Healthy neighbourhoods and communities encourage healthy lifestyles	Better Health Reduce state-wide risks Build healthy neighbourhoods Help people to stay healthy Target health gaps	Embed the Loddon Mallee Gannawarra health needs analysis focussing on education with the community and staff on Diabetes, Heart Health, Cancer and Mental Health. Continue to work with the Murray Primary Health Network on a Pulmonary and Cardiac Rehabilitation program – Healthy Hearts & Lungs.	DILAG (Diabetes Action Group in Loddon) is being expanded to include Gannawarra Shire. **Completed** Sourced Northern District Community Health (NDCH) Mental Health support workers to speak at AGM. **Completed** Targeted activity undertaken on those presenting and requiring follow up Endoscopy scoping in response to a positive Faecal Occult Blood Test, a potential indicator of bowel cancer. Numbers above target for the 2018/19 YTD. **Completed**
Better Access Care is always there when people need it More access to care in the home and community People are connected to the full range of care and support they need There is equal access to care	Better Access Plan and invest Unlock innovation Provide easier access Ensure fair access	Develop through additional partnerships with local, private and public providers access to required services not currently provided by Cohuna District Health.	Review of regional partnerships undertaken by Executive team and ongoing participation and support to continue with: • Murray Health Partnership • Southern Mallee Primary Care Partnership (SMPCP) • GLAM • Buloke, Loddon & Gannawarra Health Wellbeing Executive Network (BLG) • Murray Partnership MOU and SMPCP MOU approved by BOM and signed for the 2019/20 year. Referral pathway project implemented in April 2019 through LMRHA, additional focus on developing sustainable discharge planning and community support services. A Project Officer was appointed in April 2019 and will map and enhance referral and discharge pathway options within our services and the region into 2019/20. **Completed**

Goals	Strategies	Health Service Deliverables	Activity Report
Better Care Target zero avoidable harm Healthcare that focusses on outcomes Patients and carers are active partners in care Care fits together around people's needs	Better Care Put quality first Join up care Partner with patients Strengthen the workforce Embed evidence Ensure equal care	Further develop existing Clinical staff teams to embed the National Safety and Quality Health Service Standards Version 2. Develop Safer Care Victoria Midwifery Plan and strengthen Root Cause Analysis and Auditing systems with education, awareness and action plans.	DCS, DMS and Quality Manager attended International Health Institute Quality forum in September 2018. **Completed** Residential aged care facility achieved full accreditation for three years in September 2018. **Completed** Meetings occurring throughout the year with standards working groups, priority actions in place for completion of self-auditing against the standards. DCS, GP Obstetrics and Midwifery clinical lead participate in LMRCC Perinatal committee meetings. Regular contact with SCV Loddon Mallee Regional Midwife for education, resources and information. Support provided to Midwifery Student with work placements and release to attend university. Support for midwives x 2 to attend 5 day Maternity connect program at Sunshine hospital. Updated SCV review and Action Plan adopted in May 2019 with additional focus on Model of Care and Advocacy. Five staff and a community member undertook Root Cause Analysis training in Bendigo in May 2019 to support any future clinical investigations. **Completed**

Goals	Strategies	Health Service Deliverables	Activity Report
Specific 2018-19 priorities (mandatory)	Disability Action Plans Draft disability action plans are completed in 2018-19. Note: Guidance on developing disability action plans can be found at https://providers.dhhs.vic.gov.au/disability-action-plans. Queries can be directed to the Office for Disability by phone on 1300 880 043 or by email at ofd@dhhs.vic.gov.au.	Submit a draft Disability Action Plan to the Department by 30 June 2019. The draft Plan will outline the approach to full implementation within three years of publication.	DRAFT Action Plan circulated for staff input in May 2019 and extended to partners within the local region and past the Partnering With consumers Committee. Initiative undertaken within Gannawarra region in holding three Disability and Wellness Reference Groups in June 2019. Commitment now in place for CDH, NDCH and Gannawarra Shire Council to develop a joint local area Disability Action Plan in 2019/20. DRAFT plan submitted to Board of Management for review in June 2019. Pillars and principles from CDH's position to be incorporated within region plan and informed by Reference Group feedback in 2019/20. **Completed**
	Volunteer engagement Ensure that the health service executives have appropriate measures to engage and recognise volunteers.	Promote Volunteering across the health service by seeking new volunteers, advertising on website where volunteers are engaged within the health service, and conduct events in Volunteer week to promote volunteering.	Volunteer thank-you BBQ and recruitment day held on September 14th onsite at CDH. Newspaper editorial piece undertaken thanking volunteers in September 2018. Facebook Promotions in October and December 2019 recognising volunteer support. Community Engagement Officer appointed to assist with volunteer management. Policy check reviewed and updated by CEO in January to support enhanced Volunteerism under regulation guidance. Regional "Volunteer Passport" program being developed across LMRHA. CEO to be on working party to support this initiative. Will enable greater transference and identification of Volunteer skills and checks across the region. **Completed**

Goals	Strategies	Health Service Deliverables	Activity Report
	Bullying and harassment Actively promote positive workplace behaviours and encourage reporting. Utilise staff surveys, incident reporting data, outcomes of investigations and claims to regularly monitor and identify risks related to bullying and harassment, in particular include as a regular item in Board and Executive meetings. Appropriately investigate all reports of bullying and harassment and ensure there is a feedback mechanism to staff involved and the broader health service staff.	Ensure Bullying and Harassment Policy is understood and embedded with staff with advertising in Newsletter, ongoing education and reports at Executive and Board Meetings. Advertise Employment Assistance Program throughout the health service and include as part of the Orientation process for new employees. Mechanisms are in place for consulting with, debriefing and communicating with all staff regarding outcomes of investigations and controls following occupational violence and bullying and harassment incidents.	Let's Talk Friday emails from CEO referencing Bullying implemented. Bullying and Harassment standing agenda item in monthly Board and managers meetings People Matter Committee re-established and TOR amended. Action Plan agreed upon and adopted by PMC in October 2018 with Big Hairy Audacious Goals (BHAG's) in place. Management training in Leadership Toolkits undertaken in November, with full training completion and rollout undertaken by February 2019. Pathway to excellence program launched in May 2019. **Completed** EAP listed in staff newsletters monthly, in staffrooms and as part of orientation paperwork. Workcover and Return to Work Pack developed, with enhanced communication around supports available, resources and forms to complete, all in one handbook. Endorsed at Exec in April 2019 and communicated to staff. **Completed** Application submitted for participation in SCV independent facilitator program in November 2018 however advice received application to SCV unsuccessful in December 2018. Bullying Flow Chart and Know Better, Be Better Campaign launched in May 2019. Pathway to Excellence and Accountability tools launched in May 2019. Three debrief sessions held in 2019/20. HR Manager to develop Debriefing capabilities following appointment in May 2019. **Completed**

Goals	Strategies	Health Service Deliverables	Activity Report
	Occupational violence Ensure all staff who have contact with patients and visitors have undertaken core occupational violence training, annually. Ensure the department's occupational violence and aggression training principles are implemented.	Targeting Zero supports the Victorian Health System to eliminate avoidable harm and strengthen the quality of care to the users. Increase focus by undertaking additional training in governance and risk management to ensure occupational violence is monitored and respond in a timely and appropriate manner. Ensure that OH&S Risk Management approach is in place with focus on prevention of occupational violence. Investigate opportunities to access Occupational Violence training for all staff.	SHRFV presentation to Board of Management 26th of September 2018. SHRFV 16 Days of Activism program implemented. Tree of Hope AGM presentation Staff orientation video developed Social Media promotion Newspaper article undertaken Security Action Plan completed and endorsement at Feb OHS meeting. Tabled at Audit and Risk and to be included in Board Calendar for four monthly updates. SHRFV Staff orientation video finalised and loaded to Intranet. Staff online training completion at 63% end of March 2019. December 2018: Sliding doors as part of OVA Action Plan implemented. Swipe Card access to be enabled by July 2019. Staff training undertaken for 3rd of October 2018. Training delivered to managers, online training completion at 87% Recruitment of a regional trainer to support non-clinical training requirements around OHS and OV undertaken. PD reviewed and position up for advertising in June. Role will deliver OV training as part of role scope. **Completed**

Goals	Strategies	Health Service Deliverables	Activity Report
	Environmental Sustainability Actively contribute to the development of the Victorian Government's: policy to be net zero carbon by 2050 and improve environmental sustainability by identifying and implementing projects, including: workforce education, to reduce material environmental impacts with particular consideration of procurement and waste management, and publicly reporting environmental performance data, including measureable targets related to reduction of clinical, sharps and landfill waste, water and energy use and improved recycling.	Monitor and review the carbon footprint and improve environmental sustainability by identifying and implementing projects, including workforce education and measureable targets related to reduction of clinical, sharps and landfill waste, water and energy use and improved recycling.	Environmental Management Plan for 2018-19 updated by CEO in September 2018 and endorsed by BOM in October. Removal of Plastic Water Bottles outside of ambulance transport only bottles undertaken across September and August. Staff Xmas gift was a Metal Reusable Drink Bottle to encourage waste reduction and reduce recycling. Electronic waste policies updated in May 2019 and now reflect recycling requirements over land fill dumping. Enhancements undertaken to MANAD Care Plan system to enable removal of all Paper Based Care Assessments. **Completed**

Goals	Strategies	Health Service Deliverables	Activity Report
	LGBTI Develop and promulgate service level policies and protocols, in partnership with LGBTI communities, to avoid discrimination against LGBTI patients, ensure appropriate data collection, and actively promote rights to free expression of gender and sexuality in healthcare settings. Where relevant, services should offer leading practice approaches to trans and intersex related interventions.	Identify and adopt 'actions for inclusive practices' and be more responsive to the health and wellbeing of lesbian, gay, bisexual, transgender and intersex (LGBTI) individuals and communities. -	Residential Aged Care staff attended an onsite education session on the 4th of September 2018 on LGBTI training. CDH diversity plan and wellness and reablement plan submitted to DHHS. Disability and Wellness Forums undertaken in May 2019 to inform inclusiveness strategies across the Gannawarra region in Disability Action Plan development. Review of aged services admission paperwork and enhancement of gender identification options to be included as part of the review changes to be implemented in 2019/20. **Completed**

Part B: Performance Priorities

The Victorian Health Services Performance monitoring framework outlines the Government's approach to overseeing the performance of Victorian health services.
Changes to the key performance measures in 2017-18 strengthen the focus on high quality and safe care, organisational culture, patient experience and access and timeliness in line with Ministerial and departmental priorities.

High quality and safe care

Key performance indicator	Target	2018-19 Result
Accreditation		
Accreditation against the National Safety and Quality Health Service Standards	Accredited	Achieved
Compliance with the Commonwealth's Aged Care Accreditation Standards	Accredited	Achieved
Infection prevention and control		
Compliance with the Hand Hygiene Australia program	80%	87.2%
Percentage of healthcare workers immunised for influenza	80%	88.1%
Patient experience		
Victorian Healthcare Experience Survey Data submission	Full compliance	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**	75%	100%
Victorian Healthcare Experience Survey Percentage of positive patient experience responses – **Quarter 3**	70%	98.4%
Victorian Healthcare Experience Survey Percentage of very positive responses to questions on discharge care - **Quarter 1**	95%	93.4%
Victorian Healthcare Experience Survey Percentage of very positive responses to questions on discharge care - **Quarter 2**	75%	90.1%
Victorian Healthcare Experience Survey Percentage of very positive responses to questions on discharge care - **Quarter 3**	70%	93.3%
Victorian Healthcare Experience Survey Patients perception of cleanliness – **Quarter 1**	95%	94.2%
Victorian Healthcare Experience Survey Patients perception of cleanliness – **Quarter 2**	75%	97.6%
Victorian Healthcare Experience Survey Patients perception of cleanliness – **Quarter 3**	70%	100%
Adverse events		
Sentinel events – root cause analysis (RCA) reporting	All RCA reports submitted within 30 business days	Achieved
Maternity and Newborn		
Rate of singleton term infants without birth anomalies with Apgar score <7 to 5 minutes	< 1.4%	0.00
Rate of severe foetal growth restriction (FGR) in singleton pregnancy undelivered by 40 weeks	< 28.6%	0.00

**Applicable where less than 42 responses were received for the period*

Strong governance, leadership and culture

Key performance indicator	Target	2018-19 Results
Organisational culture		
People matter survey – percentage of staff with an overall positive response to safety and culture questions	80%	79%
People matter survey – percentage with a positive response to the question, “I am encouraged by my colleagues to report any patient safety concerns I may have”.	80%	91%
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%	90%

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%	65%
People matter survey – percentage of staff with a positive response to the question, “Management is driving us to be a safety-centred organisation”.	80%	81%
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%	62%
People matter survey – percentage of staff with a positive response to the question, “Trainees in my discipline are adequately supervised”.	80%	60%
People matter survey – percentage of staff with a positive response to the question, “I would recommend a friend or relative to be treated as a patient here”.	80%	93%
Percentage of routine patients referred by GP or external specialist who attended a first appointment within 365 days.	90%	N/A

Effective financial management

Key performance indicator	Target	2018-19 Results
Finance		
Operating result ($M)	0.05	(0.18)
Operating result as a percentage of revenue	60	(1.7)
Net result from transactions variance	+/-0.25	-0.02
Trade creditors	60 days	49
Patient fee debtors	60 days	49
Adjusted current asset ratio	0.7	1.46
Current days of available cash	14 days	110.8

Part C: Activity and funding

The performance and financial framework within which state government-funded organisations operate is described in Volume 2: Health operations 2017-18 if the *Department of Health and Human Services policy and funding guidelines 2017.*

The *Policy and funding guidelines* are available at https://www2.health.vic.gov.au/about/policy-and-funding-guidelines
Further information about the Department of Health and Human Services’ approach to funding and price setting for specific clinical activities, and funding policy changes is also available at https://www2.health.vic.gov.au/hospitals-and-health-services/funding-performance-accountability/pricing-funding-framework/funding-policy

Funding type	Activity	Budget ($’000)
Small Rural		
Small Rural Acute	85	6,011
Small Rural Primary Health & HACC	746	51
Small Rural Residential Care	5,786	509
Health workforce	3	64
Other specified funding		263
Total Funding	**6,620**	**6,898**

Service Performance

Service	Type of Activity	Actual Activity 2017-18	Actual Activity 2018-19
Acute inpatients	Number of admissions (excl. Dialysis and Unqualified Newborns)	1333	1083
Acute inpatients	Total Bed Days (excl. Dialysis and Unqualified Newborns)	3026	2876
Bed Day Average	(excl. Dialysis and Unqualified Newborns)	2.27	2.66
Urgent Care	Total Presentations	2223	2258
District Nursing	Occasions of Service	1507	1518
Births	Number of births	56	48
Renal Dialysis	Number of sessions held for 3 Chairs	463	371
Aged Care	% Bed Occupancy	95%	96%
Surgical Procedures	Overnight stay	25	26
Surgical Procedures	One Day Stay	152	187
Social Support Group	Total Number of attendances	1082	1088
Meals on Wheels	Total Number of Meals delivered	6225	5242
Transitional Care Program	Hospital Based	143	411
Transitional Care Program	Community Based	313	427

Compliance with Health Purchasing Victoria (HPV) Health Purchasing Policies

I, Benjamin Maw, certify that Cohuna District Hospital incorporating Cohuna Community Nursing Home has put in place appropriate internal controls and processes to ensure that it has complied with all requirements set out in the HPV Health Purchasing Policies including mandatory HPV collective agreements as required by the health Services Act 1988 (Vic) and has critically reviewed these controls and processes during the year.

Benjamin Maw
Accountable Officer
Cohuna District Hospital
30/06/2019

Safe Patient Care Act 2015

Cohuna District 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 Cohuna District Hospital incorporating Cohuna Community Nursing Home is prepared in accordance with all relevant Victorian legislation. This index has been prepared to facilitate identification of the Department's compliance with statutory disclosure requirements.

Legislation	Requirement	Page Reference
Ministerial Directions		
Report of Operations		
Charter and purpose		
FRD 22H	Manner of establishment and the relevant Ministers	7
FRD 22H	Purpose, functions, powers and duties	7
FRD 22H	Nature and range of services provided	7
FRD 22H	Activities, programs and achievements for the reporting period	4,5,6
FRD 22H	significant changes in key initiatives and expectations for the future	4,5,6
Management and structure		
FRD 22H	Organisational Structure	12
FRD 22H	Workforce data/employment and conduct principles	13
FRD 22H	Occupational health and Safety	14
Financial information		
FRD 22H	Summary of the financial results for the year	16
FRD 22H	Significant changes in financial position during the year	16
FRD 22H	Operational and budgetary objectives and performance against objectives	21
FRD 22H	Subsequent events	*
FRD 22H	Details of consultancies under $10,000	17
FRD 22H	Details of consultancies over $10,000	17
FRD 22H	Disclosure of ICT expenditure	17
Legislation		
FRD 22H	Application and operation of *Freedom of Information Act 1982*	*18*
FRD 22H	Compliance with building and maintenance provisions of *Building Act 1993*	*18*
FRD 22H	Application and operation of *Protected Disclosure 2012*	*18*
FRD 22H	Statement on National Competition Policy	18
FRD 22H	Application and operation of *Carers Recognition Act 2012*	*18*
FRD 22H	Summary of the entity's environmental performance	18
FRD 22H	Additional information available on request	19
Other relevant reporting directives		
FRD 25D	Local Jobs First Act 2003	19
SD 5.1.4	Financial Management Compliance attestation	19
SD 5.2.3	Declaration in report of operations	6

Legislation	Requirement	Page Reference
Attestations		
	Attestation on Data Integrity	20
	Attestation on managing Conflicts of Interest	20
	Attestation on Integrity, fraud and corruption	20
Other reporting requirements		
	• Reporting of outcomes from Statement of Priorities 2018-19	21
	• Occupational Violence reporting	15
	• Reporting of compliance Health Purchasing Victoria policy	31
	• Reporting obligations under the *Safe Patient Care Act 2015*	31

* Refer to Financial Statements

Independent Auditor's Report

Victorian Auditor-General's Office

To the Board of Cohuna District Hospital

Opinion

I have audited the consolidated financial report of Cohuna District Hospital (the health service) and its controlled entities (together the consolidated entity), which comprises the:

- consolidated entity and health service balance sheets as at 30 June 2019
- consolidated entity and health service comprehensive operating statements for the year then ended
- consolidated entity and health service statements of changes in equity for the year then ended
- consolidated entity and health service cash flow statements for the year then ended
- notes to the financial statements, including significant accounting policies
- board members, accountable officer's and chief finance & accounting officer's declaration.

In my opinion, the financial report presents fairly, in all material respects, the financial positions of the consolidated entity and the health service as at 30 June 2019 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 7 of the *Financial Management Act 1994* and applicable Australian Accounting Standards.

Basis for Opinion

I have conducted my audit in accordance with the *Audit Act 1994* which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report.

My independence is established by the *Constitution Act 1975*. My staff and I are independent of the health service and the consolidated entity 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.

Other Information

The Board of the health service are responsible for the Other Information, which comprises the information in the health service's annual report for the year ended 30 June 2019, 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.

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 and the consolidated entity'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.

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 and the consolidated entity'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 and the consolidated entity'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 and the consolidated entity 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
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the health service and consolidated entity to express an opinion on the financial report. I remain responsible for the direction, supervision and performance of the audit of the health service and the consolidated entity. I remain solely responsible for my audit opinion.

I communicate with the Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

MELBOURNE
10 September 2019

Travis Derricott
as delegate for the Auditor-General of Victoria

COHUNA DISTRICT HOSPITAL

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

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

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

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

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

.....	.....	.....
Mrs D Van der Drift Board Chair	Mr B. Maw Accountable Officer	Mr S. Jackel Chief Finance & Accounting Officer
Cohuna	Cohuna	Cohuna
5th September 2019	5th September 2019	5th September 2019

COHUNA DISTRICT HOSPITAL
COMPREHENSIVE OPERATING STATEMENT
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

	Note	Parent 2019 $	Parent 2018 $	Consolidated 2019 $	Consolidated 2018 $
Income from Transactions					
Operating Activities	2.1	10,365,410	7,666,056	10,365,410	9,759,030
Non-operating Activities	2.1	64,810	36,913	64,810	51,570
Other Income	2.1	-	-	-	-
Total Income from Transactions		**10,430,220**	**7,702,969**	**10,430,220**	**9,810,600**
Expenses from Transactions					
Employee Expenses	3.1	(7,800,177)	(4,422,275)	(7,800,177)	(6,949,615)
Supplies and Consumables	3.1	(803,521)	(488,241)	(803,521)	(828,145)
Depreciation and Amortisation	3.1	(639,400)	(518,259)	(639,400)	(653,111)
Other Operating Expenses	3.1	(1,434,734)	(1,221,060)	(1,434,734)	(1,400,635)
Specific Expense		-	(941,860)	-	-
Total Expenses from Transactions		**(10,677,832)**	**(7,591,695)**	**(10,677,832)**	**(9,831,506)**
Net Result from Transactions - Net Operating Balance		**(247,612)**	**111,274**	**(247,612)**	**(20,906)**
Other Economic Flows Included in Net Result					
Net gain/(loss) on non-financial assets	3.2	(4,359)	-	(4,359)	-
Net gain/(loss) on financial instruments	3.2	(10,361)	(7,084)	(10,361)	(7,084)
Other Gain/(Loss) from Other Economic Flows	3.2	(10,025)	(7)	(10,025)	(7)
Total Other Economic Flows Included in Net Result		**(24,745)**	**(7,091)**	**(24,745)**	**(7,091)**
Net Result for the year		**(272,357)**	**104,183**	**(272,357)**	**(27,997)**
Other Comprehensive Income					
Items that will not be classified to Net Result					
Changes in Property, Plant & Equipment Revaluation Surplus	4.2b	3,727,143	-	3,727,143	-
Total Other Comprehensive Income		3,727,143	-	3,727,143	-
COMPREHENSIVE RESULT		**3,454,786**	**104,183**	**3,454,786**	**(27,997)**

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

COHUNA DISTRICT HOSPITAL
BALANCE SHEET
AS AT 30 JUNE 2019

	Note	Parent 2019 $	Parent 2018 $	Consolidated 2019 $	Consolidated 2018 $
Current Assets					
Cash and Cash Equivalents	6.2	3,218,927	1,333,055	3,218,927	1,333,697
Receivables	5.1	258,445	169,354	258,445	213,069
Investments & other Financial Assets	4.1	-	1,183,903	-	1,601,391
Inventories		138,317	113,533	138,317	113,533
Other Financial Assets		63,518	49,795	63,518	49,922
Total Current Assets		**3,679,207**	**2,849,640**	**3,679,207**	**3,311,612**
Non-Current Assets					
Receivables	5.1	338,985	176,739	338,985	220,526
Property, Plant and Equipment	4.2	8,985,036	4,495,387	9,025,036	5,677,096
Total Non-Current Assets		**9,324,021**	**4,672,126**	**9,364,021**	**5,897,622**
TOTAL ASSETS		**13,003,228**	**7,521,766**	**13,043,228**	**9,209,234**
Current Liabilities					
Payables	5.2	1,109,066	674,615	1,109,066	919,682
Borrowings	6.1	140,000	100,000	140,000	100,000
Provisions	3.3	1,849,403	1,329,282	1,849,403	1,573,204
Other Current liabilities	5.3	463,920	5,841	463,920	423,971
Total Current Liabilities		**3,562,389**	**2,109,738**	**3,562,389**	**3,016,857**
Non-Current Liabilities					
Borrowings	6.1	137,146	266,785	137,146	266,785
Provisions	3.3	110,702	112,886	110,702	147,387
Total Non-Current Liabilities		**247,848**	**379,671**	**247,848**	**414,172**
TOTAL LIABILITIES		**3,810,237**	**2,489,409**	**3,810,237**	**3,431,029**
NET ASSETS		**9,192,991**	**5,032,357**	**9,232,991**	**5,778,205**
EQUITY					
Property, Plant and Equipment Revaluation Surplus	4.2f	8,112,006	4,384,863	9,517,812	5,790,669
Contributed Capital		2,688,390	2,688,390	2,688,390	2,688,390
Accumulated Surpluses/(Deficits)		(2,313,253)	(2,040,896)	(2,973,211)	(2,700,854)
TOTAL EQUITY		**8,487,143**	**5,032,357**	**9,232,991**	**5,778,205**
Commitments	6.3				
Contingent Assets and Contingent Liabilities	7.2				

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

COHUNA DISTRICT HOSPITAL
CASH FLOW STATEMENT
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

	Note	Parent 2019 $	Parent 2018 $	Consolidated 2019 $	Consolidated 2018 $
CASH FLOWS FROM OPERATING ACTIVITIES					
Operating Grants from Government		8,360,275	6,737,659	8,360,275	8,258,558
Capital Grants from Government		368,287	288,122	368,287	432,122
Patient and Resident Fees Received		888,003	355,127	888,003	675,367
Donations and Bequests Received		204,806	30,631	204,806	34,304
GST (Paid to)/Received from ATO		9,807	(66,150)	9,807	(66,150)
Interest Received		75,180	30,945	75,180	51,111
Other Receipts		505,205	200,765	505,205	227,884
Total Receipts		***10,411,563***	***7,577,099***	***10,411,563***	***9,613,196***
Employee Expenses Paid		(6,807,353)	(3,686,200)	(6,807,353)	(6,153,438)
Non Salary Labour Costs		(725,181)	(584,252)	(725,181)	(628,097)
Payments for Supplies and Consumables		(828,305)	(760,248)	(828,305)	(832,767)
Other Payments		(1,442,278)	(657,729)	(1,442,278)	(1,065,455)
Total Payments		***(9,803,117)***	***(5,688,429)***	***(9,803,117)***	***(8,679,757)***
NET CASH FLOW FROM / (USED IN) OPERATING ACTIVITIES	8.1	**608,446**	**1,888,670**	**608,446**	**933,439**
CASH FLOWS FROM INVESTING ACTIVITIES					
(Purchase of)/Proceeds from Investments		1,601,391	(167,991)	1,601,391	(167,991)
Cash (Provided to)/Received from Related Entities		-	(941,860)	-	-
Purchase of Non-Financial Assets		(264,559)	(120,490)	(264,559)	(120,492)
NET CASH FLOW FROM /(USED IN) INVESTING ACTIVITIES		**1,336,835**	**(1,230,341)**	**1,336,835**	**(288,483)**
CASH FLOWS FROM FINANCING ACTIVITIES					
Repayment of Borrowings		(100,000)	(100,000)	(100,000)	(100,000)
Receipt of Accommodation Deposits and Monies in Trust		39,949	-	39,949	6,483
NET CASH FLOW FROM /(USED IN) FINANCING ACTIVITIES		**(60,051)**	**(100,000)**	**(60,051)**	**(93,517)**
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS HELD		**1,885,230**	**558,329**	**1,885,230**	**551,439**
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR		1,327,214	768,885	1,333,697	782,258
CASH AND CASH EQUIVALENTS AT END OF OF FINANCIAL YEAR	6.2	**3,212,444**	**1,327,214**	**3,218,927**	**1,333,697**

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 2019

Consolidated	Property, Plant and Equipment Revaluation Surplus	Contributed Capital	Accumulated Surpluses/ (Deficits)	Total
	$	$	$	$
Balance at 1 July 2017	5,790,669	2,688,390	(2,672,857)	5,806,202
Net result for the year	-	-	(27,997)	(27,997)
Balance at 30 June 2018	**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**

Parent	Property, Plant and Equipment Revaluation Surplus	Contributed Capital	Accumulated Surpluses/ (Deficits)	Total
	$	$	$	$
Balance at 1 July 2017	4,384,863	2,688,390	(2,145,079)	4,928,174
Net result for the year	-	-	104,183	104,183
Balance at 30 June 2018	**4,384,863**	**2,688,390**	**(2,040,896)**	**5,032,357**
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	**8,112,006**	**2,688,390**	**(2,313,253)**	**8,487,143**

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

BASIS OF PREPARATION

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

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

The accrual basis of accounting has been applied in 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 (ABN 44 332 472 725) and its controlled entities for the year ended 30 June 2019. The report provides users with information about Cohuna District Hospitals' stewardship of resources entrusted to it.

(a) Statement of compliance

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

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

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

(b) Reporting Entity

The financial statements include all the controlled activities of 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 2019, and the comparative information presented in these financial statements for the year ended 30 June 2018.

The financial statements are prepared on a going concern basis (refer note 8.9 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 thousand dollars, unless otherwise stated. Minor discrepancies in tables between totals and sum of components are due to rounding.

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.

NOTE 1 : SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

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

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

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

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

In respect of any interest in joint operations, 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 Health Alliance Joint Venture and retains joint control over the arrangement, which it has classified as a joint operation (refer to Note 8.8 Jointly Controlled Operations)

(e) Principles of Consolidation
These statements are presented on a consolidated basis in accordance with AASB 10 *Consolidated Financial Statements:*

- The consolidated financial statements of Cohuna District Hospital include all reporting entities controlled by Cohuna District Hospital as at 30 June 2019; and
- The consolidated financial statements exclude bodies of Cohuna District Hospital that are not controlled by Cohuna District Hospital, and therefore are not consolidated.
- Control exists when Cohuna District Hospital has the power to govern the financial and operating policies of a Health Service so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are taken int account. The consolidated financial statements include the audited financial statements of the controlled entities listed in Note 8.
- The parent entity is not shown separately in the notes.

Where control of an entity is obtained during the financial period, its results are included in the comprehensive operating statement from the date on which control commenced. Where control ceases during a financial period, the entity's results are included for that part of the period in which control existed. Where dissimilar accounting policies are adopted by entities and their effect is considered material, adjustments are made to ensure consistent policies are adopted in these financial statements.

Entities consolidated into Cohuna District Hospital reporting entity include;
- Cohuna Community Nursing Home Inc.

Intersegment Transactions
Transactions between segments within Cohuna District Hospital have been eliminated to reflect the extent of Cohuna District Hospital's operations as a group.

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

Note 2.1: INCOME FROM TRANSACTIONS

	Consolidated 2019 $	Consolidated 2018 $
Government Grants - Operating	8,220,222	7,992,052
Government Grants - Capital	368,287	432,122
Other Capital Purpose Income	204,806	25,122
Indirect Contributions by Department of Health and Human Services	124,703	46,537
Patient and Resident Fees	915,292	797,983
Commercial Activities	91,691	90,061
Other Revenue from Operating Activities (including non-capital donations)	440,409	375,153
Total Income from Operating Activities	**10,365,410**	**9,759,030**
Interest	64,810	51,570
Total Income from Non-Operating Activities	**64,810**	**51,570**
Total Income from Transactions	**10,430,220**	**9,810,600**

NOTE 2.1: ANALYSIS OF REVENUE BY SOURCE (Continued)

Revenue Recognition

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

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

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

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

The Department of Health and Human Services 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.

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

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

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

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

Patient Fees

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

Private Practice Fees

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

Revenue from Commercial Activities

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

Donations and Other Bequests

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

Interest Revenue

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

Sale of investments

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

Other Income

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

NOTE 3: THE COST OF DELIVERING SERVICES

This section provides an account of the expenses incurred by Cohuna District 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
3.1 Expenses from Transactions
3.2 Other Economic Flows
3.3 Employee benefits in the Balance Sheet
3.4 Superannuation

Note 3.1: EXPENSES FROM TRANSACTIONS

	Consolidated 2019 $	Consolidated 2018 $
Salaries and Wages	6,445,864	5,753,192
On-costs	556,325	506,357
Agency Expenses	73,656	108,296
Fee for Service Medical Officer Expenses	651,525	519,801
Workcover Premium	72,807	61,969
Total Employee Expenses	**7,800,177**	**6,949,615**
Drug Supplies	69,156	83,369
Medical & Surgical Supplies (including Prosthesis)	154,731	195,313
Diagnostic and Radiology Supplies	78,739	55,512
Other Supplies and Consumables	500,895	493,951
Total Supplies and Consumables	**803,521**	**828,145**
Fuel, Light, Power and Water	137,575	129,829
Repairs and Maintenance	43,876	76,011
Maintenance Contracts	73,604	59,368
Medical Indemnity Insurance	130,007	134,809
Other Administration Expenses	1,049,672	993,278
Expenditure for Capital Purposes	-	7,340
Total Other Operating Expenses	**1,434,734**	**1,400,635**
Depreciation and Amortisation (refer note 4.3)	639,400	653,111
Total Other Non-Operating Expenses	**639,400**	**653,111**
Total Expenses from Transactions	**10,677,832**	**9,831,506**

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

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

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

Other operating expenses
Other operating expenses generally represent the day-to-day running costs incurred in normal operations and include:
- Fuel, light and power ;
- Repairs and maintencance;
- Other administrative expenses; and
- Expenditure for capital purposes (represents expenditure related to the purchase of assets that are below the capitalisation threshold).

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

Note 3.2: OTHER ECONOMIC FLOWS INCLUDED IN NET RESULT

	Consolidated 2019 $	Consolidated 2018 $
Net gain/(loss) on sale of non-financial assets		
Net gain on disposal of property plant and equipment	(4,359)	-
Total net gain/(loss) on non-financial assets	**(4,359)**	**-**
Net gain/(loss) on financial instruments		
Gain on discount from present value of Borrowings	(10,361)	(7,084)
Total net gain/(loss) on financial instruments at fair value	**(10,361)**	**(7,084)**
Other gains/(losses) from other economic flows		
Net gain/(loss) arising from revaluation of long service liability	(10,025)	(7)
Total other gains/(losses) from other economic flows	**(10,025)**	**(7)**
Total other gains/(losses) from economic flows	**(24,745)**	**(7,091)**

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

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

Net Gain / (Loss) on Non-Financial Assets

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

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

Net gain/ (loss) on financial instruments

Net gain/ (loss) on financial instruments includes:

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

Other gains/(losses) from other economic flows

Other gains/(losses) include:

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

Derecognition of financial liabilities

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

NOTE 3.3: EMPLOYEE BENEFITS IN THE BALANCE SHEET

	Consolidated 2019 $	Consolidated 2018 $
Current Provisions		
Employee Benefits (i)		
Annual Leave		
- unconditional and expected to be settled wholly within 12 months (ii)	543,035	485,233
- unconditional and expected to be settled wholly after 12 months (iii)	70,000	70,000
Long Service Leave		
- unconditional and expected to be settled wholly within 12 months (ii)	65,000	65,000
- unconditional and expected to be settled wholly after 12 months (iii)	1,002,284	786,472
Other		
- Accrued Days Off	12,524	9,941
	1,692,843	**1,416,646**
Provisions related to Employee Benefit On-Costs		
- unconditional and expected to be settled wholly within 12 months (ii)	74,439	74,438
- unconditional and expected to be settled wholly after 12 months (iii)	82,121	82,120
	156,560	**156,558**
Total Current Provisions	**1,849,403**	**1,573,204**
Non-Current Provisions		
Employee Benefits (i)	97,380	134,065
Provisions related to Employee Benefit On-Costs	13,322	13,322
Total Non-Current Provisions	**110,702**	**147,387**
Total Provisions	**1,960,105**	**1,720,591**

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

(a) Employee Benefits and Related On-Costs

Current Employee Benefits and Related On-Costs		
Annual Leave Entitlements	680,681	622,879
Accrued Days Off	12,524	9,941
Unconditional LSL Entitlement	1,156,198	940,384
Non-Current Employee Benefits and related on-costs	**1,849,403**	**1,573,204**
Conditional Long Service Leave Entitlements (iii)	110,702	147,387
Total Employee Benefits	**1,960,105**	**1,720,591**

(b) Movements in Provisions

Movement in Long Service Leave		
Balance at start of year	1,087,771	990,806
Provision made during the year		
- Revaluations	10,025	7
- Expense Recognising Employee Service	270,850	167,593
Settlement made during the year	(101,746)	(70,635)
Balance at end of year	**1,266,900**	**1,087,771**

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.

Employee benefits
This provision arises for benefits accruing to employees in respect of accrued days off, annual leave and long service leave for services rendered to the reporting date.

NOTE 3.3: EMPLOYEE BENEFITS IN THE BALANCE SHEET (CONTINUED)

Annual Leave and Accrued Days Off

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

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

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

Long Service Leave (LSL)

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

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

The components of this current LSL liability are measured at:

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

Termination benefits

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

On-Costs related to employee expense

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

NOTE 3.4: SUPERANNUATION

Fund		Paid Contributions for the year		Outstanding Contributions at Year End	
		2019 $	**2018 $**	**2019 $**	**2018 $**
Defined Contribution Plans:	First State Super	556,325	506,357	-	-
Total		556,325	506,357	-	-

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

Defined contribution superannuation plans

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

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

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 the hospital to be utilised for delivery of those outputs.

Structure

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

NOTE 4.1: INVESTMENTS AND OTHER FINANCIAL ASSETS

	Operating Fund		Capital Fund		Consolidated	Consolidated
	2019	2018	2019	2018	2019	2018
CURRENT	$	$	$	$	$	$
Financial Assets at Amortised Cost						
Term Deposits > 3 months (i)	-	1,067,716	-	533,675	-	1,601,391
TOTAL CURRENT OTHER FINANCIAL ASSETS	**-**	**1,067,716**	**-**	**533,675**	**-**	**1,601,391**
Represented by:						
Health Service Investments	-	650,228	-	533,675	-	1,183,903
Monies Held in Trust						
- Refundable Accommodation Bonds	-	417,488	-	-	-	417,488
TOTAL	**-**	**1,067,716**	**-**	**533,675**	**-**	**1,601,391**

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

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

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

Cohuna District Hospital investments must comply with Standing Direction 3.7.2 - Treasury and Investment Risk Management.

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

Derecognition of financial assets

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

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

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

Impairment of Financial Assets

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

NOTE 4.2: PROPERTY, PLANT AND EQUIPMENT (a) Gross carrying amount and accumulated depreciation	Consolidated 2019 $	Consolidated 2018 $
Land		
- Land at Fair Value	692,000	439,000
Total Land	**692,000**	**439,000**
Buildings		
- Buildings Under Construction at Cost	72,362	49,262
- Buildings at Fair Value	7,676,000	6,616,302
Less Accumulated Depreciation	-	(1,930,888)
	7,676,000	4,685,414
Total Buildings	**7,748,362**	**4,734,676**
Plant and Equipment		
- Loddon Mallee Rural Health Alliance at Fair Value	17,654	17,400
- Plant and Equipment at Fair Value	605,856	561,472
Less Accumulated Depreciation	(455,148)	(410,523)
Total Plant and Equipment	**168,362**	**168,349**
Medical Equipment		
-Medical Equipment at Fair Value	1,003,310	865,104
Less Accumulated Depreciation and Impairment	(653,241)	(597,368)
Total Medical Equipment	**350,069**	**267,736**
Furniture and Fittings		
-Furniture and Fittings at Fair Value	261,087	283,038
Less Accumulated Depreciation and Impairment	(209,965)	(236,576)
Total Furniture and Fittings	**51,122**	**46,462**
Motor Vehicles		
- Motor Vehicles at Fair Value	75,216	75,216
Less Accumulated Depreciation	(60,095)	(54,343)
Total Motor Vehicles	**15,121**	**20,873**
TOTAL	**9,025,036**	**5,677,096**

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

	Land	Under Construction	Buildings	Plant & Equipment	Medical Equipment	Furniture & Fittings	Motor Vehicles	Consolidated
	$	$	$	$	$	$	$	$
Balance at 1 July 2017	**439,000**	**12,600**	**5,171,249**	**189,040**	**312,307**	**58,611**	**26,908**	**6,209,715**
Additions	-	36,662	-	27,750	29,860	4,455	6,499	105,226
Loddon Mallee Rural Health Alliance	-	-	-	15,266	-	-	-	15,266
Disposals	-	-	-	-	-	-	-	-
Depreciation and Amortisation (note 4.3)	-	-	(485,835)	(63,707)	(74,431)	(16,604)	(12,534)	(653,111)
Balance at 1 July 2018	**439,000**	**49,262**	**4,685,414**	**168,349**	**267,736**	**46,462**	**20,873**	**5,677,096**
Additions	-	23,100	11,501	57,849	149,302	18,942	-	260,694
Loddon Mallee Rural Health Alliance	-	-	-	3,865	-	-	-	3,865
Transfers between classes	-	-	(11,937)	12,535	(598)	-	-	-
Revaluation Increments	253,000	-	3,474,143	-	-	-	-	3,727,143
Disposals	-	-	-	(2,934)	(6)	(1,422)	-	(4,362)
Depreciation and Amortisation (note 4.3)	-	-	(483,121)	(71,302)	(66,365)	(12,860)	(5,752)	(639,400)
Balance at 30 June 2019	**692,000**	**72,362**	**7,676,000**	**168,362**	**350,069**	**51,122**	**15,121**	**9,025,036**

Land and buildings carried at valuation

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

NOTE 4.2: PROPERTY, PLANT AND EQUIPMENT (Continued)

(c) Fair value measurement hierarchy for assets

	Carrying amount as at 30 June 2019	Fair value measurement at end of reporting period using: Level 1 (i)	Level 2 (i)	Level 3 (i)
	$	$	$	$
Land at fair value				
Specialised land	692,000	-	-	692,000
Total of land at fair value	**692,000**	**-**	**-**	**692,000**
Buildings at fair value				
Specialised buildings	7,676,000	-	-	7,676,000
Total of building at fair value	**7,676,000**	**-**	**-**	**7,676,000**
Plant and equipment at fair value				
Plant equipment and vehicles at fair value				
- Plant and equipment	168,362	-	-	168,362
- Medical Equipment	350,069	-	-	350,069
- Furniture and Fittings	51,122	-	-	51,122
- Vehicles	15,121	-	15,121	-
Total of plant, equipment and vehicles at fair value	**584,674**	**-**	**15,121**	**569,553**
	8,952,674	**-**	**15,121**	**8,937,553**

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

	Carrying amount as at 30 June 2018	Fair value measurement at end of reporting period using: Level 1 (i)	Level 2 (i)	Level 3 (i)
	$	$	$	$
Land at fair value				
Specialised land	439,000		-	439,000
Total of land at fair value	**439,000**	**-**	**-**	**439,000**
Buildings at fair value				
Specialised buildings	4,685,414	-	-	4,685,414
Total of building at fair value	**4,685,414**	**-**	**-**	**4,685,414**
Plant and equipment at fair value				
Plant equipment and vehicles at fair value				
- Plant and equipment	168,349	-	-	168,349
- Medical Equipment	267,736	-	-	267,736
- Furniture and Fittings	46,462	-	-	46,462
- Vehicles	20,873	-	20,873	-
Total of plant, equipment and vehicles at fair value	**503,420**	**-**	**20,873**	**482,547**
	5,627,834	**-**	**20,873**	**5,606,961**

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

NOTE 4.2: PROPERTY, PLANT AND EQUIPMENT (Continued)
(d) Reconciliation of Level 3 fair value

30-Jun-19	Land $	Buildings $	Plant and Equipment $	Medical Equipment $	Furniture and Fittings $
Opening Balance	439,000	4,685,414	168,349	267,736	46,462
Purchases (sales)	-	(436)	71,315	148,698	17,520
Transfers in (out) of Level 3	-	-	-	-	-
Gains or losses recognised in net result					
- Depreciation	-	(483,121)	(71,302)	(66,365)	(12,860)
Subtotal	**439,000**	**4,201,857**	**168,362**	**350,069**	**51,122**
Items recognised in other comprehensive income					
- Revaluation	253,000	3,474,143	-	-	-
Subtotal	**253,000**	**3,474,143**	**-**	**-**	**-**
Closing Balance	**692,000**	**7,676,000**	**168,362**	**350,069**	**51,122**

30-Jun-18	Land $	Buildings $	Plant and Equipment $	Medical Equipment $	Furniture and Fittings $
Opening Balance	439,000	5,171,249	189,040	312,307	58,611
Purchases (sales)	-	-	43,016	29,860	4,455
Transfers in (out) of Level 3	-	-	-	-	-
Gains or losses recognised in net result					
- Depreciation	-	(485,835)	(63,707)	(74,431)	(16,604)
Subtotal	**439,000**	**4,685,414**	**168,349**	**267,736**	**46,462**
Items recognised in other comprehensive income					
- Revaluation	-	-	-	-	-
Subtotal	**-**	**-**	**-**	**-**	**-**
Closing Balance	**439,000**	**4,685,414**	**168,349**	**267,736**	**46,462**

(e) Fair Value Determination

Asset Class	Examples of types assets	Expected fair value level	Likely valuation approach	Significant inputs (Level 3 only)
Specialised land (Crown/Freehold)	- Land subject to restriction as to use and/or sale - Land in areas where there is not an active market	Level 3	Market approach	Community Service Obligation Adjustments (20%)
Specialised Buildings (a)	Specialised buildings with limited alternative uses and/or substantial customisation eg. Hospitals	Level 3	Depreciated replacement cost approach	- Cost per square metre - Useful life
Vehicles	If there is an active resale market available	Level 2	Market approach	n.a.
Plant and equipment	Specialised items with limited alternative uses and/or substantial cutomisation	Level 3	Depreciated replacement cost approach	- Cost per unit - Useful life

(f) Property, Plant and Equipment Revaluation Surplus	Consolidated 2019 $	Consolidated 2018 $
Property, Plant and Equipment Revaluation Surplus		
Balance at the beginning of the reporting period	5,790,669	5,790,669
Revaluation Increment		
- Land	253,000	-
- Buildings	3,474,143	-
Balance at the end of the reporting period*	**9,517,812**	**5,790,669**
***Represented by:**		
- Land	447,994	194,994
- Buildings	9,069,818	5,595,675
	9,517,812	**5,790,669**

NOTE 4.2: PROPERTY, PLANT AND EQUIPMENT (Continued)

Initial Recognition

Items of property, plant and equipment are measured initially at cost and subsequently revalued at fair value less accumulated depreciation and impairment loss. Where an asset is acquired for no or nominal cost, the cost is its fair value at the date of acquisition. Assets transferred as part of a merger/machinery of government change are transferred at their carrying amounts.

Crown land is measured at fair value with regard to the property's highest and best use after due consideration is made for any legal or physical restrictions imposed on the asset, public announcements or commitments made in relation to the intended use of the asset.

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

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

Revaluations of Non-current Physical Assets

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

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

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

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

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

In accordance with FRD 103H 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 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.

Valuation hierarchy

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

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

NOTE 4.2: PROPERTY, PLANT AND EQUIPMENT (Continued)

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

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

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

Specialised land and specialised buildings

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.

Vehicles

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

Plant and equipment

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

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

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

NOTE 4.3: DEPRECIATION AND AMORTISATION

	Consolidated 2019 $	Consolidated 2018 $
Depreciation		
Buildings	483,121	485,835
Plant and Equipment		
- Plant	67,693	61,727
- Medical Equipment	66,365	74,431
- Motor Vehicles	5,752	12,534
- Furniture and Fittings	12,860	16,604
Loddon Mallee Rural Health Alliance	3,609	1,980
Total Depreciation	**639,400**	**653,111**

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

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

	2019	2018
Buildings		
- Structure Shell Building Fabric	45 to 60 years	45 to 60 years
- Site Engineering Services and Central Plant	20 to 30 years	20 to 30 years
Central Plant		
- Fit Out	20 to 30 years	20 to 30 years
- Trunk Reticulated Building Systems	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 years	3 years
Furniture and Fittings	13 years	13 years
Motor Vehicles	5 to 6 years	5 to 6 years

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

NOTE 5: OTHER ASSETS AND LIABILITIES

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

Structure
5.1 Receivables
5.2 Payables
5.3 Other liabilities

NOTE 5.1: RECEIVABLES	Consolidated 2019 $	Consolidated 2018 $
CURRENT		
Contractual		
Trade Debtors	70,055	30,235
Patient Fees and Resident Debtors	114,294	87,005
Accrued Investment Income	-	10,370
Accrued Revenue - Other	6,638	11,549
Share of LMRHA Debtors	15,546	13,071
Less Allowance for impairment losses of contractual receivables		
Trade Debtors	(7,525)	(7,525)
	199,008	144,705
Statutory		
Accrued Revenue - Department of Health & Human Services	880	-
GST Receivable - Loddon Mallee Rural Health Alliance	2,384	5,029
GST Receivable - Health Service	56,173	63,335
	59,437	68,364
TOTAL CURRENT RECEIVABLES	**258,445**	**213,069**
NON CURRENT		
Statutory		
Long Service Leave - Department of Health and Human Services	338,985	220,526
TOTAL NON-CURRENT RECEIVABLES	**338,985**	**220,526**
TOTAL RECEIVABLES	**597,430**	**433,595**
(a) Movement in the allowance for doubtful debts		
Balance at beginning of the year	7,525	7,525
Amounts written off during the year	(3,076)	-
Amounts recovered during the year	-	-
Increase/(decrease) in allowance recognised in net result	3,076	-
Balance at end of year	**7,525**	**7,525**

Receivables consist of:

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

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

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

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

Impairment losses of contractual receivables
Refer to Note 7.1 (c) Contractual receivables at amortised costs for the Health Service's contractual impairment losses.

NOTE 5.2: PAYABLES	Consolidated 2019 $	Consolidated 2018 $
CURRENT		
Contractual		
Trade Creditors (i)	314,411	316,484
Accrued Audit Fees	15,010	15,260
Accrued Salaries and Wages	255,773	217,619
Accrued Expenses	79,262	78,206
Loddon Mallee Rural Health Alliance Payables	48,538	47,463
	712,994	675,032
Statutory		
Department of Health and Human Services	385,583	244,650
Department of Health & Ageing	10,489	-
	396,072	244,650
TOTAL	**1,109,066**	**919,682**

(i) The average credit period is 45 days.

Payables consist of:

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

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

NOTE 5.3: OTHER LIABILITIES	Consolidated 2019 $	Consolidated 2018 $
CURRENT		
Monies Held in Trust		
- Patient Monies Held in Trust	1,804	642
- Staff Social Club Monies Held in Trust	4,488	5,841
- Accommodation Bonds (Refundable Entrance Fees)	457,628	417,488
TOTAL CURRENT	**463,920**	**423,971**
Total Monies Held in Trust		
Represented by the following assets:		
Cash Assets (refer to Note 6.2)	463,920	6,483
Investments and other Financial Assets (refer to Note 4.1)	-	417,488
TOTAL OTHER LIABILITIES	**463,920**	**423,971**

NOTE 6: HOW WE FINANCE OUR OPERATIONS

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

NOTE 6.1: BORROWINGS

	Consolidated 2019 $	Consolidated 2018 $
Current Borrowings		
Australian Dollar Borrowings		
Department of Health and Human Services - Loan	140,000	100,000
Total Australian Dollars Borrowings	140,000	100,000
Total Current Borrowings	**140,000**	**100,000**
Non-Current Borrowings		
Australian Dollar Borrowings		
Department of Health and Human Services - Loan	137,146	266,785
Total Australian Dollars Borrowings	137,146	266,785
Total Non-Current Borrowings	**137,146**	**266,785**

(i) They are unsecured loans which bear no interest.

Maturity analysis of borrowings
Please refer to Note 7.1(c) for the maturity analysis of borrowings.

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

Borrowing Recognition
All borrowings are initially recognised at fair value of the consideration received, less directly attributable transactions costs. Subsequent to initial recognition, 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.

NOTE 6.2: CASH AND CASH EQUIVALENTS

For the purposes of the cash flow statement, cash assets includes cash on hand and in banks, and short-term deposits which are readily convertible to cash on hand, and are subject to an insignificant risk of change in value, net of outstanding bank overdrafts.

	Consolidated 2019 $	Consolidated 2018 $
Cash on Hand	460	460
Cash at Bank	2,617,694	1,302,969
Short Term Deposits	461,266	-
Cash at Loddon Mallee Rural Health Alliance	139,507	30,268
TOTAL CASH AND CASH EQUIVALENTS	**3,218,927**	**1,333,697**
Represented by:		
Cash for Health Service Operations	2,755,007	1,327,214
Cash for Monies Held in Trust		
- Cash at Bank	463,920	6,483
TOTAL CASH AND CASH EQUIVALENTS	**3,218,927**	**1,333,697**

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

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

NOTE 6.3: COMMITMENTS FOR EXPENDITURE

There are no current capital or operating expenditure commitments for the Hospital at 30 June 2019 (2018 $Nil).

NOTE 7: RISKS, CONTINGENCIES & VALUATION UNCERTAINTIES

The 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 hospital is related mainly to fair value determination.

Structure

7.1 Financial instruments
7.2 Contingent Assets and Contingent Liabilities

NOTE 7.1: FINANCIAL INSTRUMENTS
Financial Risk Management Objectives and Policies

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

2019	Financial Assets at Amortised Cost $	Contractual financial assets - loans and receivables $	Contractual financial liabilities at amortised cost $	Consol'd $
Contractual Financial Assets				
Cash and cash equivalents	3,218,927	-	-	3,218,927
Receivables				
- Trade Debtors	176,824	-	-	176,824
- Other Receivables	22,184	-	-	22,184
Investments and Other Financial Assets				
- Term Deposits	-	-	-	-
Total Financial Assets (i)	3,417,935	-	-	3,417,935
Financial Liabilities				
Payables	-	-	712,994	712,994
Borrowings	-	-	277,146	277,146
Other Financial Liabilities				
- Accommodation Bonds	-	-	457,628	457,628
- Other	-	-	1,804	1,804
Total Financial Liabilities(ii)	-	-	1,449,572	1,449,572

2018	Financial Assets at Amortised Cost $	Contractual financial assets - loans and receivables $	Contractual financial liabilities at amortised cost $	Consol'd $
Contractual Financial Assets				
Cash and cash equivalents	-	1,333,697	-	1,333,697
Receivables				
- Trade Debtors	-	109,715	-	109,715
- Other Receivables	-	34,990	-	34,990
Investments and Other Financial Assets				
- Term Deposits	-	1,601,391	-	1,601,391
Total Financial Assets (i)	-	3,079,793	-	3,079,793
Financial Liabilities				
Payables	-	-	675,032	675,032
Borrowings	-	-	366,785	366,785
Other Financial Liabilities				
- Accommodation Bonds	-	-	417,488	417,488
- Other	-	-	642	642
Total Financial Liabilities(ii)	-	-	1,459,947	1,459,947

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

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

Categories of financial assets under AASB 9

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

NOTE 7.1: FINANCIAL INSTRUMENTS (Continued)

These assets are initially recognised at fair value plus any directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method less any impairment.
The Department recognises the following assets in this category:

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

Categories of financial assets previously under AASB 139

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

Cohuna District Hospital recognises the following assets in this category:

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

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

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

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

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

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

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

NOTE 7.1: FINANCIAL INSTRUMENTS (Continued)

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

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

				Maturity Dates			
	Note	Total Carrying Amount	Nominal Amount	Less than 1 Month	1 - 3 Months	3 Months - 1 Year	1 - 5 Years
2019		$	$	$	$	$	$
Financial Liabilities							
At amortised cost							
Payables (i)	5.2	712,994	712,994	712,895	99	-	-
Borrowings	6.1	277,146	277,146	50,000	-	90,000	137,146
Other Financial Liabilities							
- Accommodation Deposits	5.3	457,628	457,628	-	-	457,628	-
- Other	5.3	6,292	6,292	-	6,292	-	-
Total Financial Liabilities		1,454,060	1,454,060	762,895	6,391	547,628	137,146
2018							
Financial Liabilities							
At amortised cost							
Payables (i)	5.2	675,032	675,032	1,230	768	151	-
Borrowings	6.1	366,785	366,785	50,000	-	50,000	266,785
Other Financial Liabilities							
- Accommodation Deposits	5.3	417,488	417,488	-	-	417,488	-
- Other	5.3	6,483	6,483	-	6,483	-	-
Total Financial Liabilities		1,465,788	1,465,788	51,230	7,251	467,639	266,785

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

NOTE 7.1: FINANCIAL INSTRUMENTS (Continued)

Note 7.1 (c): Contractual receivables at amortised costs

01-Jul-18	*Current*	*Less than 1 month*	*1-3 months*	*3 months - 1 year*	*1-5 years*	*Total*
Expected loss rate	0%	0%	0%	0%	90%	
Gross carrying amount of contractual receivables	111,777	15,114	1,544	7,942	8,328	144,705
Loss allowance	**-**	**-**	**-**	**-**	**7,525**	**7,525**

30-Jun-19	*Current*	*Less than 1 month*	*1-3 months*	*3 months - 1 year*	*1-5 years*	*Total*
Expected loss rate	0%	0%	0%	0%	59%	
Gross carrying amount of contractual receivables	153,709	15,120	844	16,585	12,750	199,008
Loss allowance	**-**	**-**	**-**	**-**	**7,525**	**7,525**

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

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

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

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

Reconciliation of the movement in the loss allowance for contractual receivables

	2019	***2018***
Balance at the beginning of the year	7,525	7,525
Opening retained earnings adjustment on adoption of AASB 9	-	-
Opening Loss Allowance	**7,525**	**7,525**
Increase in provision recognised in the net result	3,076	-
Reversal of provision of receivables written off during the year as uncollectible	(3,076)	-
Balance at end of the year	**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 [AASB2016-8.4]
The Health Service's non-contractual receivables arising from statutory requirements are not financial instruments. However, they are nevertheless recognised and measured in accordance with AASB 9 requirements as if those receivables are financial instruments.

The Health Service also has investments in:
- Term Deposits (2018)

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. No loss allowance recognised at 30 June 2018 under AASB 139. No additional loss allowance required upon transition into AASB 9 on 1 July 2018.

NOTE 7.2: CONTINGENT ASSETS AND CONTINGENT LIABILITIES
Contingent assets and contingent liabilities are not recognised in the Balance Sheet, but are disclosed by way of note and, if quantifiable, are measured at nominal value. Contingent assets and contingent liabilities are presented inclusive of GST receivable or payable respectively.

There are no known contingent assets or contingent liabilities for 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

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

NOTE 8.1: RECONCILIATION OF NET RESULT FOR THE YEAR TO NET CASH FLOW FROM OPERATING ACTIVITIES	Consolidated 2019 $	Consolidated 2018 $
NET RESULT FOR THE YEAR	(272,357)	(27,997)
Non-cash movements		
Depreciation and Amortisation	639,400	653,111
Net (Gain)/Loss on Financial Instruments	10,361	7,084
Movements included in investing and financing activities		
Net (gain)/loss from disposal of non financial physical assets	4,359	-
Movements in assets and liabilities		
Change in Operating Assets & Liabilities		
(Increase)/Decrease in Receivables	(153,346)	(91,592)
(Increase)/Decrease in Prepayments	(13,596)	119,618
Increase/(Decrease) in Payables	140,741	109,750
Increase/(Decrease) in Provisions	277,668	168,087
Change in Inventories	(24,784)	(4,622)
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	**608,446**	**933,439**

NOTE 8.2: RESPONSIBLE PERSON DISCLOSURES

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

	Period
Responsible Ministers:	
The Honourable Jill Hennessy, Minister for Health and Minister for Ambulance Services	01/07/2018 - 29/11/2018
The Honourable Jenny Mikakos, Minister for Health and Minister for Ambulance Services	29/11/2018 - 30/06/2019
Governing Boards	
Mrs V. Sutherland	01/07/2018 - 30/06/2019
Mrs D Van der Drift	01/07/2018 - 30/06/2019
Mrs L. Drummond	01/07/2018 - 30/06/2019
Mr R. Henery	01/07/2018 - 30/06/2019
Ms A. Patrick	01/07/2018 - 30/06/2019
Mr A. Dowell	01/07/2018 - 30/06/2019
Ms N. Bourke	01/07/2018 - 30/06/2019
Mr R. Dallimore	01/07/2018 - 30/06/2019
Mr S. Manduskar	01/07/2018 - 30/06/2019
Ms A. Toma	01/07/2018 - 30/06/2019
Accountable Officers	
Mr B. Maw	16/07/2018 - 30/06/2019
Mr. M. Delahunty (i)	01/07/2018 - 15/07/2018

Remuneration of Responsible Persons

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

	Consolidated 2019 $	Consolidated 2018 $
Income Band		
$0 - $9,999	11	10
$90,000 - $99,999	-	1
$140,000 - $149,999	1	-
Total Numbers	**12**	**11**
Total remuneration received or due and receivable by Responsible Persons from the reporting entity amounted to:	**$176,846**	**$91,908**

(i) Mr M. Delahunty was engaged as the accountable officer in a contract arrangement with Echuca Regional Health (ERH). Payments for his services were made directly to ERH and are reported in the total remuneration above.

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

NOTE 8.3: REMUNERATION OF EXECUTIVE OFFICERS

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

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

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

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

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

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

Remuneration of executive officers	**Total Remuneration**	
	2019	**2018**
	$	**$**
Short-term employee benefits	129,844	234,295
Post-employment benefits	11,409	22,123
Other long-term benefits	2,878	4,697
Termination Payments	30,924	-
Total Remuneration (b)	**175,055**	**261,115**
Total Number of executives (c)	**2**	**2**
Total annualised employee equivalent (AEE) (d)	**1**	**2**

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

NOTE 8.4: RELATED PARTIES

The Health Service is a wholly owned and controlled entity of the State of Victoria. Related parties of the hospital include:

- all key management personnel and their close family members;
- all cabinet ministers and their close family members; and
- Jointly Controlled Operation - A member of the Loddon Mallee Health Alliance; and
- all hospitals and public sector entities that are controlled and consolidated into the whole of state consolidated financial statements.

All related party transactions have been entered into on an arm's length basis.

Key management personnel (KMP) of the hospital include the Portfolio Ministers and Cabinet Ministers and KMP as determined by the hospital. 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. Key management personnel of the agency include:

			Period
Entity	**Key Management Personnel**	**Position Title**	
Cohuna District Hospital	Mrs D Van der Drift	Chair of the Board	01/07/2018 - 30/06/2019
Cohuna District Hospital	Mrs V. Sutherland	Board Member	01/07/2018 - 30/06/2019
Cohuna District Hospital	Mrs L. Drummond	Board Member	01/07/2018 - 30/06/2019
Cohuna District Hospital	Mr R. Henery	Board Member	01/07/2018 - 30/06/2019
Cohuna District Hospital	Ms A. Patrick	Board Member	01/07/2018 - 30/06/2019
Cohuna District Hospital	Mr A. Dowell	Board Member	01/07/2018 - 30/06/2019
Cohuna District Hospital	Ms N. Bourke	Board Member	01/07/2018 - 30/06/2019
Cohuna District Hospital	Mr R. Dallimore	Board Member	01/07/2018 - 30/06/2019
Cohuna District Hospital	Mr S. Manduskar	Board Member	01/07/2018 - 30/06/2019
Cohuna District Hospital	Ms A. Toma	Board Member	01/07/2018 - 30/06/2019
Cohuna District Hospital	Mr Ben Maw	Chief Executive Officer	16/07/2018 - 30/06/2019
Cohuna District Hospital	Mr. M. Delahunty	Chief Executive Officer	01/07/2018 - 15/07/2018

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

COMPENSATION	**2019 $**	**2018 $**
Short term employee benefits	159,248	91,908
Post-employment benefits	13,976	-
Other long-term benefits	3,622	-
Total	**176,846**	**91,908**

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

Significant transactions with government-related entities
Cohuna District Hospital received funding from the Department of Health and Human Services of $7,393,090 (2018: $6,777,950).
As at 30 June, the Hospital recognised a funding recall liability totalling $385,583 (2018 $244,650).

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

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

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

NOTE 8.4: RELATED PARTIES

Transactions with key management personnel and other related parties

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

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

There were no related party transactions with Cabinet Ministers required to be disclosed in 2019.
There were no related party transactions required to be disclosed for Cohuna District Hospital Board of Directors and Executive Directors in 2019.

Controlled Entities Related Party Transactions

Net assets provided free of charge from Cohuna Community Nursing Home Inc., totalled $705,848 (2018 $Nil).
Expenditure provided in support of Cohuna Community Nursing Home Inc., totalled $Nil (2018 $941,860).

NOTE 8.5: REMUNERATION OF AUDITORS

	Consolidated 2019 $	Consolidated 2018 $
Victorian Auditor-General's Office		
Audit or review of financial statement	17,470	20,540
	17,470	**20,540**
Other Providers		
Internal Audit Services	35,617	20,360
	35,617	**20,360**

NOTE 8.6: EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

The liquidation of Cohuna Community Nursing Home Inc. continues at the date of this report. A parcel of land is required to be transferred on title, which will complete the transfer of assets and facilitate deregistration of the incorporated entity.

NOTE 8.7: CONTROLLED ENTITIES

Name of Entity	Country of Incorporation	Equity Holding 2019	Equity Holding 2018
Cohuna Community Nursing Home Inc.	Australia	100%	100%

Effective from 4th December 2018, Cohuna Community Nursing Home Inc., was placed in the hands of a liquidator to finalise the closure of the Association. All assets and liabilites have been transferred to Cohuna District Hospital as at 1 July 2018, with the exception of a parcel of land that is registered on title in the name of Cohuna Community Nursing Home Inc. The parcel of land is valued at $40,000 based on a square metre apportionment and will be transferred to Cohuna District Hospital during 2019-20.

NOTE 8.8: JOINTLY CONTROLLED OPERATIONS AND ASSETS

Name of Entity	Ownership Interest 2019 %	Ownership Interest 2018 %
Loddon Mallee Health Alliance	3.16	3.09

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

	2019 $	2018 $
Current Assets		
Cash and Cash Equivalents	32,714	30,268
Receivables	124,723	140,648
Inventory	-	3,081
Prepayments	39,074	16,699
Total Current Assets	196,511	190,696
Non Current Assets		
Property Plant and Equipment	17,654	17,400
Total Non Current Assets	17,654	17,400
Total Assets	214,165	208,096
Current Liabilities		
Payables	4,563	40,899
Accrued Expenses	43,975	6,564
Total Current Liabilities	48,538	47,463
Total Liabilities	48,538	47,463
Net Assets	165,627	160,633

Cohuna District Hospital's interest in revenues and expenses resulting from jointly controlled operations and assets is detailed below:

Revenues		
Revenue from Operating Activities	244,372	229,832
Total Revenue	244,372	229,832
Expenses		
Information Technology and Administrative Expenses	242,197	234,287
Depreciation Expense	3,609	1,980
Capital Expense	(6,428)	7,340
Total Expenses	239,378	243,607
Profit	4,994	(13,775)

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

NOTE 8.9: ECONOMIC DEPENDENCY
Cohuna District Hospital is wholly dependent on the continued financial support of the State Government and in particular, the Department of Health and Human Services.

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

The Hospital's operating loss for 2019 ($247,612) and projected budget deficit before capital and depreciation ($197,432) continues to provide concern over future cashflows and the Hospital's ability to maintain an adequate short term position.

NOTE 8.10: AASBs ISSUED THAT ARE NOT YET EFFECTIVE

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

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

Topic	Key Requirements	Effective date	Impact on financial statements
AASB 15 Revenue from Contracts with Customers	The core principle of AASB 15 requires an entity to recognise revenue when the entity satisfies a performance obligation by transferring a promised good or service to a customer. Note that amending standard AASB 2015-8 Amendments to Australian Accounting Standards - Effective Date of AASB 15 has deferred the effective date of AASB 15 to annual reporting periods beginning on or after 1 January 2018, instead of 1 January 2017.	01-Jan-19	The changes in revenue recognition requirements in AASB 15 may result in changes to the timing and amount of revenue recorded in the financial statements. Revenue from grants that are provided under an enforceable agreement that have sufficiently specific obligations, will now be deferred and recognised as the performance obligations attached to the grant are satisfied. There is an expectation this will impact capital grant funding, however it is not possible to quantify the impact until such time as funding is received and projects are commenced.
AASB 2016-8 Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities	AASB 2016-8 inserts Australian requirements and authoritative implementation guidance for not-for-profit-entities into AASB 9 and AASB 15. This Standard amends AASB 9 and AASB 15 to include requirements to assist not-for-profit entities in applying the respective standards to particular transactions and events.	01-Jan-19	This standard clarifies the application of AASB 15 and AASB 9 in a not-for-profit context. The areas within these standards that are amended for not-for-profit application include: AASB 9 • Statutory receivables are recognised and measured similarly to financial assets. AASB 15 • The 'customer' does not need to be the recipient of goods and/or services; • The "contract" could include an arrangement entered into under the direction of another party; • Contracts are enforceable if they are enforceable by legal or 'equivalent means'; • Contracts do not have to have commercial substance, only economic substance; and • Performance obligations need to be 'sufficiently specific' to be able to apply AASB 15 to these transactions. The impact on reporting capital funding has potential to result in material change, however this is not able to be quantified prior to receipt of capital grants and commencement of projects.
AASB 16 Leases	The key changes introduced by AASB 16 include the recognition of most operating leases (which are currently not recognised) on balance sheet.	01-Jan-19	The assessment has indicated that most operating leases, with the exception of short term and low value leases will come on to the balance sheet and will be recognised as right of use assets with a corresponding lease liability. In the operating statement, the operating lease expense will be replaced by depreciation expense of the asset and an interest charge. There will be no change for lessors as the classification of operating and finance leases remains unchanged. There is no material impact from implementation of this standard due to the lack of existing operating leases.

NOTE 8.10: AASBs ISSUED THAT ARE NOT YET EFFECTIVE (Continued)

Topic	Key Requirements	Effective date	Impact on financial statements
AASB 2018-8 Amendments to Australian Accounting Standards – Right of Use Assets of Not-for-Profit entities	This standard amends various other accounting standards to provide an option for not-for-profit entities to not apply the fair value initial measurement requirements to a class or classes of right of use assets arising under leases with significantly below-market terms and conditions principally to enable the entity to further its objectives. This Standard also adds additional disclosure requirements to AASB 16 for not-for-profit entities that elect to apply this option.	01-Jan-19	Under AASB 1058, not-for-profit entities are required to measure right-of-use assets at fair value at initial recognition for leases that have significantly below-market terms and conditions. For right-of-use assets arising under leases with significantly below market terms and conditions principally to enable the entity to further its objectives (peppercorn leases), AASB 2018-8 provides a temporary option for Not-for-Profit entities to measure at initial recognition, a class or classes of right-of-use assets at cost rather than at fair value and requires disclosure of the adoption. The State has elected to apply the temporary option in AASB 2018-8 for not-for-profit entities to not apply the fair value provisions under AASB 1058 for these right-of-use assets. In making this election, the State considered that the methodology of valuing peppercorn leases was still being developed. No material impact during the period applicable under the election.
AASB 1058 Income of Not-for-Profit Entities	AASB 1058 will replace the majority of income recognition in relation to government grants and other types of contributions requirements relating to public sector not-for-profit entities, previously in AASB 1004 Contributions. The restructure of administrative arrangement will remain under AASB 1004 and will be restricted to government entities and contributions by owners in a public sector context, AASB 1058 establishes principles for transactions that are not within the scope of AASB 15, where the consideration to acquire an asset is significantly less than fair value to enable not-for-profit entities to further their objective	01-Jan-19	Grant revenue is currently recognised up front upon receipt of the funds under AASB 1004 Contributions. The timing of revenue recognition for grant agreements that fall under the scope of AASB 1058 may be deferred. For example, revenue from capital grants for the construction of assets will need to be deferred and recognised progressively as the asset is being constructed. The impact on current revenue recognition of the changes is the potential phasing and deferral of revenue recorded in the operating statement. Impact is not able to be quantified until such time as capital grants are received and projects commence.
AASB 2018-7 Amendments to Australian Accounting Standards – Definition of Material	This Standard principally amends AASB 101 Presentation of Financial Statements and AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors. The amendments refine and clarify the definition of material in AASB 101 and its application by improving the wording and aligning the definition across AASB Standards and other publications. The amendments also include some supporting requirements in AASB 101 in the definition to give it more prominence and clarify the explanation accompanying the definition of material.	01-Jan-20	The standard is not expected to have a significant impact on the public sector. No material impact is expected.

The following accounting pronouncements are also issued but not effective for the 2018‑19 reporting period. At this stage, the preliminary assessment suggests they may have insignificant impacts on public sector reporting.

- AASB 2017-7 Amendments to Australian Accounting Standards – Long-term Interests in Associates and Joint Ventures
- AASB 2018-1 Amendments to Australian Accounting Standards – Annual Improvements 2015 – 2017 Cycle