MDHS
Inspiring Health

2018-
2019

Annual Report

Contents

Maryborough District Health Service

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Maryborough, Victoria 3465

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Incorporating:

Community Services
PO Box 155
75-87 Clarendon Street
Maryborough, Victoria 3465

Phone: +61 3 5461 0333
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Avoca Campus
10 Templeton Street
PO Box 75
Avoca, Victoria 3467

Phone: +61 3 5465 1202
Fax: +61 3 5465 3533

Dunolly Campus
20 Havelock Street
Dunolly, Victoria 3462

Phone: +61 3 5468 2900
Fax: +61 3 5468 1188

Vision, Mission, Values

Vision

Healthy Community

Mission

Our vision will be achieved by:

Promoting Health

Providing Optimal Services

Developing Our Workforce

Collaborating Through Partnerships

We Value

Genuine

Being consistently honest, trustworthy and accountable.

Respect

This is a reflection in our behaviours, attitudes and words, always being fair honest and caring to those we work with and come in contact with.

Excellence

Only the best by us will do, achieving the highest standards of service and care.

Accountability

We consistently do what we say we are going to do by supporting and holding each other to account.

Togetherness

Working together to support common values and vision for shared goals.

Report of Operations

Establishment of the Health Service

Maryborough District Health Service is a health service established under the *Health Services Act 1988* (Vic). Maryborough District Health Service is located across the Local Government Areas of Central Goldfields and Pyrenees Shires in Central Victoria and provides a comprehensive range of services including urgent care, theatre, acute inpatient, residential care, home and community based services to the local population of around 15,000 people.

The main campus is located in Maryborough with other services delivered from the Avoca and Dunolly campuses. The strong clinical and social links that have been developed and nurtured between the three campuses ensure that the community is cared for by trained staff who are committed to high standards of person centred care.

Annual Report

The annual report is a legal document prepared in accordance with the Health Services Annual Reporting Guidelines for 2018-2019 under the *Financial Management Act 1994* (Vic).

The Annual Report 2018-2019 includes the Report of Operations and the Financial Report.

Responsible Ministers
Responsible Ministers for the reporting period

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)

Responsible Bodies Declaration

In accordance with the *Financial Management Act 1994* (Vic), I am pleased to present the Report of Operations for Maryborough District Health Service for the year ending 30 June 2019.

Peter McAllister
Chairman, Board of Management
Maryborough District Health Service

6 September 2019

Services and Programs

Located at the Maryborough Campus are: Acute beds, the Urgent Care Centre, Diagnostic Services and Community Services with Allied Health and Community Health. The Dunolly Campus also includes two acute beds and two Transitional Care Beds alongside its Nursing Home beds. Community programs are managed and delivered throughout the region by MDHS. Aged Care Services are delivered at all three campuses along with Social Support at Maryborough and Dunolly. Programs and services are continually monitored and reviewed to ensure they meet expectations and reflect the health care needs of the changing community demographics.

	AVOCA	DUNOLLY	MARYBOROUGH
Inpatient Beds	0	2	28
Residential High Care Beds	19	15	43
Residential Low Care Beds	10	4	0
Respite Beds	1	0	0
Urgent Care Trolleys	0	0	4
Haemodialysis Chairs	0	0	6
Day Surgery Trolleys	0	0	4
Day Surgery Chairs	0	0	6
Transition Care Beds	MDHS provides 2 inpatient TCP beds at Dunolly and 2 community based places = total of 4 Transition Care Beds		

Clinical Services	Acute - Medical/Surgical	Allied Health Support for Inpatient Care	Central Sterilising Department	Pre-Admission Clinic
	Dialysis	Drug & Alcohol Detoxification	Maternity Services	Urgent Care Centre
	Palliative Care	Theatre – Same Day & Overnight	Post-Acute Care	Medical Imaging
Aged Care	Residential	Respite Care	Transition Care Program	
Community Services	District Nursing	Chronic Disease Management	Oral Health Services	Health Promotion
	Housing	Occupational Therapy	Physiotherapy	Social Support
	Speech Pathology	Dietetics	Community Health	Alcohol & Drug
Support Services	Administration	Building Services	Emergency Management	Finance
	Health Information	Hotel Services	Human Resources	Occupational Health & Safety
	Quality & Risk	Staff Education	Student Management	Procurement & Supply

Year in Review

Chairs Report

The Board of Management (BOM) at Maryborough District Health Service (MDHS) consists of 9 community members, with a breadth of professional skills and interests and a demonstrated commitment to the health and wellbeing of our community.

As a health service we are charged with ensuring robust governance systems exist, providing strategic direction and delegation of operational day-to-day management of the Health Service to the Chief Executive, as well as focusing on delivery of high quality care and service delivery, financial compliance and engaging with communities within the catchment.

It was an exciting finish to the calendar year; a State Government announcement of $100 million to build a new health service, commencing new services to provide services locally to reduce the burden of travel, and lastly announced a finalist for Premier - Medium Health Service of the Year.

As Chair I continue to be overwhelmed with the community support for MDHS. Across all of our catchment, be it in Avoca, Dunolly or in Maryborough, we have enjoyed a year of strong partnership and engagement.

A key focus for the current BoM is around our people. As a health service whose purpose is to care for others, we are committed to and believe in providing a culture where staff themselves feel supported and cared for, in turn striving for GREAT and delivering excellent care to the community and surrounding areas we serve.

At 30 June, we said goodbye to Darren Murrell after nine years of service on the MDHS board. I want to thank him for his significant contribution, his commitment and drive for improving access and outcomes for his community will be missed.

As a BoM, we will welcome new board members bringing a breadth of experience and expertise in governance, workforce and local knowledge. This will result in the BoM having more than 50 percent female Directors; a terrific achievement.

Each year MDHS is supported by a number of passionate and dedicated volunteers who donate their time to our health service; an invaluable gift to MDHS, patients and consumers. We cannot thank these 170 volunteer enough. This group is a very big part of ensuring MDHS is welcoming and caring for our patients and their families.

We also support a number of auxiliaries, who work to raise money to improve patient and resident outcomes with the purchase of equipment. I say thank you for your continued dedication and support.

Our culture around safety and quality improvements at MDHS, is driven by our staff who are committed to excellence by working together to support shared goals to achieve the highest standard of care. The staff are led by Terry Welch who is an inspiring leader whose vision and drive reflects the high performing health service MDHS is today. We thank Terry and all our staff, we are very proud of your contributions to the community we serve.

Peter Mc Allister

BoM Chair

Chief Executive's Report

It is with great pleasure that I am presenting this report to you, to provide you with a snapshot of what has been an incredible 2018/2019 for MDHS.

Driven by our mantra of "Inspiring Health", MDHS has extended partnerships and service delivery well beyond the scope of traditional hospital based services. This year you have told us what is needed in your community and we have listened and delivered.

The commencement of the Diploma of Nursing was a proud day for MDHS. 17 local community members are pursuing their career aspirations right here in Maryborough: no need to travel, no need to leave their community, and a real career opportunity at the end of their studies. We remain determined to explore further opportunities to train locals in our community.

The Well Women's Clinic is now well established and has been an enormous success. Almost 500 women in our catchment responded to a survey and from this we co-designed a model and established a clinic which makes a real difference to women in the community. This has been an inspiring project and one which in the short and long term will bring enormous benefits to the community.

MDHS proudly partners with stakeholders and is open to any innovation that may make a difference to the community. Some examples are:-

- The Doctor in Schools program each week is providing GPs and a Nurse Practitioner at Maryborough Education Centre. This program has made and continues to make an enormous difference.
- We have established a public oncology service in Maryborough. Consultations commenced this year with public chemotherapy starting in August 2019. We know this will make a real difference to those requiring this service.
- We have commenced public IVF egg collection. Again, no travel and access to services locally.
- The Centre for Non Violence continues to be co-located at MDHS and provides a service from our facility.
- We welcomed Loddon Campaspe Legal Service – Therapeutic Justice Program.

In terms of delivering our infrastructure we have again achieved amazing outcomes. An incredibly advanced CT machine and our new Bone Densitometry machine were installed with both of these systems making a real difference.

Our campuses at Dunolly and Avoca continue to provide terrific services. All campuses of MDHS have achieved and maintained full compliance with all required standards.

Our amazing services and the team at MDHS were recognised in a number of ways this year including:-

- MDHS was a finalist in the Premier's – Medium Health Service of the Year.
- MDHS was awarded a high commendation for addressing Family Violence through collaboration.
- MDHS was awarded Studer Australian Healthcare Organisation of Distinction.
- MDHS was awarded the Central Goldfields Community Awards of the Year for the Daughters of the West program.

We continue to plan our capital redevelopments with the announcement of a commitment of $100,000,000 to build a state of the art health service. Other funded projects include; student accommodation which will commence at the end of the masterplan planning phase. We upgraded the Maryborough kitchen; a wonderful outcome to support our amazing hospitality team.

We acknowledge and thank our amazing volunteers. With over 170 registered volunteers we have a robust support system. Our health service achieves so much as a result of their dedication and commitment.

Our staff across all areas are simply amazing. Following our values of GREAT, we endeavour to have a fantastic workplace and a positive and uplifting culture. For the most part we achieve this through the commitment and drive of our amazing consumers, patients and colleagues.

During the year we and the community lost the hallmark of a champion community member. Robert Osborne passed away after his extensive health challenges. Bob was a friend of mine and the health service, a long-time advocate and BoM member. We still today chat about Bob and his advocacy for his beloved town and community. He never missed a meeting or event, would do interviews with his recorder until the batteries went flat and do fly buys in his scooter when we were least expecting him. They say no-one's indispensable, but Bob certainly challenges that. His legacy will never be forgotten.

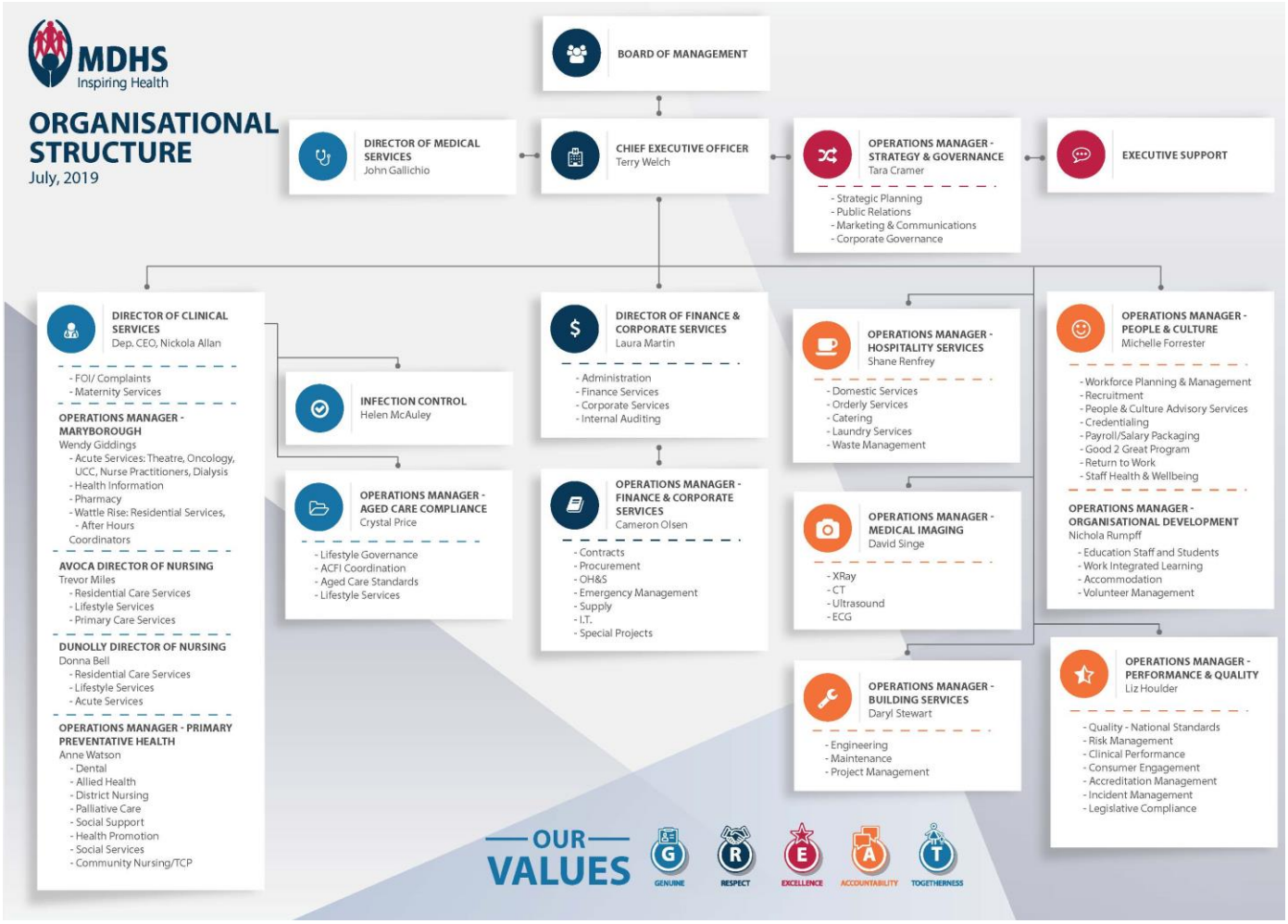
Thank you to those groups (too many to list) who have donated and supported MDHS in the past year. This support aids new equipment and developments, and overall enhances what we have to offer. It makes a huge difference.

We hope you enjoy this report and look forward with enormous enthusiasm to the year ahead.

Terry Welch

CEO

Organisational Structure



Corporate Governance

Board of Management

The Board of Management (BOM) administers MDHS according to established Corporate Governance practices and procedures, which are reviewed regularly. The BOM is responsible for governance and legislative compliance and works within the framework of the *Health Services Act 1998* (Vic) to establish policies and deliver, within its financial limitations, a strategic direction for the management of MDHS.

Members of the BOM are appointed by the Governor-in-Council on the recommendation of the Minister for Health. The usual term of office is three years, with members able to seek re-appointment up to a maximum term of 9 years. Members receive remuneration for activities associated with the Health Service BOM.

Pecuniary and Conflict of Interest

At the commencement of each Board meeting, members are asked to declare pecuniary interests and conflicts of interest. None were recorded for the year.

Board of Management as at 30 June 2019

President: Peter McAllister
Appointed: 2013
Term of Office: 01.07.16 – 30.06.19

Vice-President: Kelly Mason
B. Comm
Appointed: 2015
Term of Office: 01.07.18 – 30.06.21

Treasurer: Gerard Richmond
BBus, FCPA, MAICD
Appointed: 2016
Term of Office: 01.07.17 – 30.06.20

Member: Kim Lovett
(Ceased May 2019)
B. Comm
Appointed: 2016
Term of Office: 01.07.17 – 30.06.20

Member: Barbara Hilder
(Ceased May 2019)
Appointed: 2016
Term of Office: 01.07.16 – 30.06.19

Member: Anthony Snell
MBChB, MRCP, FRACP
Appointed: 2016
Term of Office: 01.07.16 – 30.06.19

Member: Darren Murrell
Appointed: 2010
Term of Office: 01.07.16 – 30.06.19

Member: Windsor Main
Appointed: 2018
Term of Office: 01.07.18– 30.06.21

Member: Ron Eason
Appointed: 2018
Term of Office: 01.07.18– 30.06.21

Member: Andrea Ford
Appointed: 2018
Term of Office: 01.07.18– 30.06.21

Member: Robyn Smith
Appointed: 2018
Term of Office: 01.07.18– 30.06.21

Audit

The Audit committee is responsible for the operation of the financial and risk management framework of MDHS, the performance and independence of the internal auditors and the effectiveness of management and other systems of internal control. The committee also monitors compliance with laws and regulations, its own code of conduct and the code of financial practice. HLB Mann Judd has been the appointed Internal Auditor for 2018-2019.

Members:

- Gerard Richmond
- Darren Murrell
- Peter McAllister
- Terry Richards (Chair)
- Linda McNeil (Independent member)
- Shannon Buckley (Independent member)

Attendees:

- HLB Mann Judd – Internal Auditor
- PPT - VAGO Auditors
- Chief Executive Officer
- Director Finance and Corporate Services
- Operations Manager Finance and Corporate Service

Clinical Governance

The Clinical Governance committee is responsible for ensuring that consumer services are provided within an organisational wide quality program and culture. This is assured through monitoring, reporting, evaluation and improvement. It ensures that MDHS is compliant with all legal, regulatory and government standards and provides advice on clinical risk management planning processes and progress.

Members:

- Anthony Snell (Chair)
- Kelly Mason (vice Chair)
- Darren Murrell
- Gerard Richmond
- Robyn Smith
- Andrea Ford
- Ron Eason
- Windsor Main
- Peter McAllister

Attendees:

- Chief Executive Officer
- Director Clinical Services
- Operations Manager Performance & Risk
- Operations Manager Preventative Health

Health & Community Collaborative

The Health & Community Collaborative (HCC), comprising of community representatives, advises the BOM on major strategic issues and initiatives relevant to the health of the community. Members participate in broad strategic planning, policy development processes and act as a conduit to the community, all of which contribute to the advancement of MDHS' services in the community.

Members:

- Windsor Main
- Peter McAllister

Attendees:

- Chief Executive Officer
- Director Clinical Services
- Operations Manager Performance & Risk

Workforce Data

HOSPITALS LABOUR CATEGORY	JUNE CURRENT MONTH FTE*		AVERAGE MONTHLY FTE**	
	2018	2019	2019	2019
Nursing	160.38	160.30	157.91	165.84
Administration and Clerical	31.47	31.49	30.03	32.44
Medical Support	13.18	20.53	14.64	16.93
Hotel and Allied Services	53.3	56.81	50.87	54.88
Medical Officers	0.11	0.00	0.11	0.09
Hospital Medical Officers	0	0	0	0
Sessional Clinicians	0	0	0	0
Ancillary Staff (Allied Health)	27.93	30.31	26.45	31.27

Occupational Health and Safety

As Respect is a core business value, staff, visitors and contractors are required to respect themselves and those around them by ensuring they have regard for health and safety.

In line with legislative requirements risks have been identified relating to MDHS' business. A variety of process improvements, mechanical aids and policies and procedures have been implemented to reduce the potential for a staff member or visitor becoming ill or injured at one of our campuses.

Using the Victorian Health Incident Management System (VHIMS), staff report incidents and near misses relating to their health and safety whilst at work. Reports from this system are presented to the Occupational Health & Safety Committee and Performance Committee, which in turn report to the BOM.

	2017-2018	2018-2019
Number of reported hazards/incidents for the year per 100 full-time equivalent staff members	35.71	24.22
Lost time standard claims for the year per 100 full-time equivalent staff members	1.79	0.99
The average cost per claim for the year (including payments to date estimate of outstanding claim costs as advised by WorkSafe)	$52,840	$65,235

Occupational Violence

STATISTICS	2018-2019
Workcover accepted claims with an occupational violence cause per 100 FTE	0
Number of accepted Workcover claims with lost time injury with an occupational violence cause	0
Number of occupational incidents reported	40
Number of occupational incidents reported per 100 FTE	13.27
Percentage of occupational violence incidents resulting in a staff injury, illness or condition	0.0%

Financial Information

OPERATING RESULT	2019 $000	2018 $000	2017 $000	2016 $000	2015 $000
Total revenue	43,146	39,481	36,561	33,789	32,977
Total expenses	45,480	41,603	37,963	35,694	34,683
Net result from transactions					
Total other economic flows	(116)	22	166	(132)	(33)
Net results	(2,450)	(2,100)	(1,227)	(1,905)	(1,706)
Total assets	70,287	50,098	50,990	51,263	52,064
Total liabilities	15,839	13,760	12,552	11,598	10,494
Net assets/Total equity	54,448	36,338	38,438	39,665	41,570

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

OPERATING RESULT	2019 $000	2018 $000	2017 $000	2016 $000	2015 $000
Net operating result *	(1,243)	(440)	278	994	552
Capital and specific items					
Capital purpose income	2,197	1,426	1,324	330	823
Specific income	(116)	22	166	(132)	(33)
Assets provided free of charge	0	0	0	0	0
Assets received free of charge					
Expenditure for capital purpose	14	(60)	(29)	(85)	(109)
Depreciation and amortisation	(3,302)	(3,048)	(2,966)	(3,012)	(2,939)
Impairment of non-financial assets	0	0	0	0	0
Finance costs (other)	0	0	0	0	0
Net result from transactions	(2,450)	(2,100)	(1,227)	(1,905)	(1,706)

Summary of financial results:

Despite record organisational activity, the 2018/2019 from a financial perspective has proven to be a challenging year for MDHS, with a number of factors contributing to the deficit position.

Compliance Information

Details of consultancies (under $10,000)

In 2018-19, there were 12 consultancies 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 $33,649 (excl. GST).

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

In 2018-19, there were 3 consultancies where the total fees payable to the consultants were $10,000 or greater. The total expenditure incurred during 2018-19 in relation to these consultancies is $188,843 (excl. GST). Details of individual consultancies can be viewed at www.mdhs.vic.gov.au.

Information and communication technology (ICT) expenditure

The total ICT expenditure incurred during 2018–19 is $898,617 (excluding GST) with the details shown below:

Business As Usual (BAU) ICT expenditure	**Non-Business As Usual (non-BAU) ICT expenditure**		
Total (excluding GST)	**Total=Operational expenditure and Capital Expenditure (excluding GST) (a) + (b)**	**Operational expenditure (excluding GST) (a)**	**Capital expenditure (excluding GST) (b)**
$700,542	$198,075	$0	$198,075

Building and Maintenance

All building works have been designed in accordance with the Department of Health's & Human Services Capital Development Guidelines and comply with the *Building Act 1993* (Vic), Building Regulations 2006 (Vic) and Building Code of Australia, relevant at the time of works. All contractors are appropriately qualified. There were no Occupancy Permits issued during the financial year. There were no Building Permits issued during the financial year.

Recognition of Carers

MDHS recognises and values the unique relationship between clients and their carers and operates in an environment responsive to all parties and applies the overarching principles of the *Carer's Recognition Act 2012* (Vic).

Protected Disclosure Act 2012

The *Protected Disclosure Act 2012* (Vic) enables people to make disclosures about improper conduct within the public sector without fear of reprisal. The Protected Disclosure Act aims to ensure openness and accountability by encouraging people to make disclosures and protecting them when they do. MDHS complies with the requirements of the Protected Disclosure Act 2012 and did not receive any disclosures in the 2018-19 financial year.

Environmental Performance

MDHS remains committed to improving our environmental impact and strives to provide health care in an environmentally sound and sustainable manner. Our Environmental Sustainability Committee oversees environmental sustainability initiatives such as LED light roll out and embedding timing systems.

Competitive Neutrality

All competitive neutrality requirements were met in accordance with Government costing policies for public hospitals.

Freedom of Information (FOI)

Access to documents and records held by MDHS may be requested under the *Freedom of Information Act 1982*. Members of the public wishing to access documents can apply in writing to the FOI Principal Officer, Nickola Allan at MDHS. This year 46 requests were received all from the general public, 44 were granted in full, 1 request was partially exempted (under s33 (1) of the *FOI Act)*, with 1 withdrawn by the applicant.

National Competition Policy

MDHS complied with all government policies regarding competitive neutrality relating to tender applications.

Local Jobs First Act 2003

In August 2018, the Victorian Parliament reformed the Victorian Industry Participation Policy Act 2003 into the Local Jobs First Act 2003 and the FRD was revised to FRD 25D (April 2019). In 2018-2019 there were no contracts requiring disclosure under the Local Jobs First Policy.

Financial Management Act 1994 (Vic)

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

Safe Patient Care Act 2015 (Vic)

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

Feedback

MDHS is committed to providing the best quality health care in the region. We value and encourage feedback from patients, clients and their families, as well as visitors to our service. In this way we understand how and where we need to improve the way in which we deliver our programs.

This year we received 259 compliments and 54 formal concerns. All issues were satisfactorily resolved by MDHS.

Privacy

MDHS recognises, and is committed to, the protection of the privacy of patient, resident, client and staff information. MDHS has in place policies to ensure compliance with the *Health Records Act 2001* (Vic), *Privacy Act 2000* and the *Information Privacy Act 2000* (Vic). Patients, residents and clients are informed of their rights on first contact with MDHS that all health information collected and medical records held in relation to their treatment is respected and confidentially is maintained.

Details in respect of the items listed below have been retained by MDHS and are available to the relevant Ministers, Members of Parliament and the public on request (subject to freedom of information requirements:

- 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.

Legislative Compliance

Attestation for Financial Management Compliance

I, Peter McAllister on behalf of the Responsible Body, certify that Maryborough District Health Service has complied with the applicable Standing Directions 2018 under the Financial Management Act 1994 and Instructions.

Peter McAllister
Responsible Officer
Maryborough District Health Service

6 September 2019

Attestation for Integrity, Fraud and Corruption

I, Terry Welch certify that Maryborough District Health Service has put in place appropriate internal controls and processes to ensure that Integrity, fraud and corruption risks have been reviewed and addressed at Maryborough District Health Service.

Terry Welch
Accountable Officer
Maryborough District Health Service

6 September 2019

Attestation for Data Integrity

I, Terry Welch certify that Maryborough District Health Service has put in place appropriate internal controls and processes to ensure that reported data accurately reflects actual performance.
Maryborough District Health Service has critically reviewed these controls and processes during the year.

Terry Welch
Accountable Officer
Maryborough District Health Service

6 September 2019

Attestation for Conflict of Interest

I, Terry Welch, certify that Maryborough District Health Service 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 Maryborough District Health Service and members of the board, and all declared conflicts have been addressed and are being managed. Conflict of interest is a standing agenda item for declaration and documenting at each executive board meeting.

Terry Welch
Accountable Officer
Maryborough District Health Service

6 September 2019

Attestation for Compliance with Health Purchasing Victoria (HPV) Health Purchasing Policies

I, Terry Welch, certify that Maryborough District Health Service has put in place appropriate internal controls and processes to ensure it has complied with all requirements set out in the HPV Health Purchasing Policies including mandatory HPV collective agreements as required by the *Health Service Act 1988* (Vic) and has critically reviewed these controls and processes during the year.

Terry Welch
Accountable Officer
Maryborough District Health Service

6 September 2019

Compliance Disclosure Index

Disclosure Index

The annual report of *Maryborough District Health Service* 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	Xx
FRD 22H	Purpose, functions, powers and duties	Xx
FRD 22H	Nature and range of services provided	Xx
FRD 22H	Activities, programs and achievements for the reporting period	Xx
FRD 22H	Significant changes in key initiatives and expectations for the future	xx

Management and structure

FRD 22H	Organisational structure	Xx
FRD 22H	Workforce data/ employment and conduct principles	Xx
FRD 22H	Occupational Health and Safety	Xx

Financial information

FRD 22H	Summary of the financial results for the year	Xx
FRD 22H	Significant changes in financial position during the year	Xx
FRD 22H	Operational and budgetary objectives and performance against objectives	Xx
FRD 22H	Subsequent events	Xx
FRD 22H	Details of consultancies under $10,000	Xx
FRD 22H	Details of consultancies over $10,000	Xx
FRD 22H	Disclosure of ICT expenditure	Xx

Legislation

FRD 22H	Application and operation of *Freedom of Information Act 1982*	Xx
FRD 22H	Compliance with building and maintenance provisions of *Building Act 1993*	Xx

Legislation	Requirement	Page Reference
FRD 22H	Application and operation of *Protected Disclosure 2012*	Xx
FRD 22H	Statement on National Competition Policy	Xx
FRD 22H	Application and operation of *Carers Recognition Act 2012*	Xx
FRD 22H	Summary of the entity's environmental performance	Xx
FRD 22H	Additional information available on request	Xx

Other relevant reporting directives

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

Attestations

Attestation on Data Integrity	xx
Attestation on managing Conflicts of Interest	Xx
Attestation on Integrity, fraud and corruption	xx

Other reporting requirements

• Reporting of outcomes from Statement of Priorities 2018–19	Xx
• Occupational Violence reporting	Xx
• Reporting of compliance Health Purchasing Victoria policy	Xx
• Reporting obligations under the *Safe Patient Care Act 2015*	Xx
• Reporting of compliance regarding Car Parking Fees (if applicable)	Xx

Statement of Priorities – Part A

The Victorian Government's priorities and policy directions are outlined in the Victorian Health Priorities Framework 2012-2022.

In 2018-19 Maryborough District Health Service contributed to the achievement of these priorities by:

GOALS	STRATEGIES	DELIVERABLES	OUTCOME
Better Health	Reduce Statewide Risks Build Healthy Neighborhoods Target health gaps	Continue to develop the role of the Family Violence committee.	**ACHIEVED** Within the subcommittee collaborative work is evolving to address crisis housing and a focus on establishing perpetrator training.
		Implement Daughters of the West Program in partnership with Western Bulldogs community program.	**ACHIEVED** Implemented in 2018, 59 participants attended with 81% graduating. The program received a Community Award of the Year at the Australia Day ceremony in 2019.
		Host Inspiring Health Week in partnership with community groups in 2019.	**ACHIEVED** Inspiring Health events held over March 2019. With over 100 community members participating in health checks.
		Continue to develop the Cancer Resource Nurse Role to provide support and education to the community.	**ACHIEVED** Partnership established with Ballarat Health Service, clinic commenced in April and public Chemotherapy to be delivered from 1 August, 2019.
		Build partnerships with Kyneton District Health and Castlemaine Health to establish regional approach to recruitment of General Practitioner Obstetricians and explore development of a shared rostering model	**ACHIEVED** Relationship established with local GPOs to provide support and assistance to maternity services regionally.
		Increase community engagement in health decision-making. Including through promotion of Advanced Care Planning	**ACHIEVED** Continue to support local community and VMOs to have open discussions about Advanced Care Planning. Information sharing with community at local forums re advanced care planning processes.

Better Access		Engage with women in partnership with Health Issues Centre (HIC) to obtain consumer feedback to inform the development of a Well Women's Model.	**ACHIEVED** Forums hosted in partnership with HIC, with over 500 women surveyed. Model developed including fortnightly Well Women's Clinic established in August 2019, in partnership with our local women to provide a service that was needed and wanted.
		Undertake the Masterplan for the Maryborough Campus.	**ACHIEVED** Funding received.
		Continue to develop the Nurse Practitioner (NP) model within acute and supportive care to promote availability of appropriate specialised care, while complementing the role of Visiting Medical Officers.	**ACHIEVED** 3 FTE of NP recruited to work across the organisation to support and complement the VMO workforce. This model also supports acute and supportive care streams across the organisation.
Better Care	**Better Care** Put Quality First Join up care Partner with patients Strengthen the workforce Embed evidence Ensure equal care **Mandatory deliverables against 'Target zero avoidable harm';**	Continue partnership with Health Issues Centre to further enhance consumer engagement across the organisation.	**ACHIEVED** Ongoing partnership established with Health Issues Centre to support MDHS in engaging with consumers to inspire health.
		Engage in regular conversation with community partners to identify care needs and seek feedback.	**ACHIEVED** MDHS attending collaborative table to enable conversations with community partners. Also regular session on community radio to spread information and gain feedback more broadly within the local community.
		Embed NP model in schools to improve access and focus on needs of all members of local community	**ACHIEVED** NP embedded within the Doctors in School program, who attends and supports VMO and students on a weekly basis.
		Collaborate with education providers and universities to provide training and education to aid succession planning, strengthen current workforce and increase recruitment of staff from the local community.	**ACHIEVED** Diploma of Nursing course to commenced in Feb 2019 in partnership with Bendigo Tafe.
		Implement Patient and Carer Escalation Response across acute services, to accompany Medical Emergency Team process.	**ACHIEVED** PACE program rolled out across the organisation to support patients to escalate their own care as required.

		Establish consumer led discharge planning process to ensure wrap around services are in place to meet the needs of patients for their intended discharge destination.	**ACHIEVED** Appointment of Discharge Coordinator who supports Nurse Unit Managers to promote discharge at time of admission and ensure appropriate referrals are actioned in a timely manner.
		Undertake refurbishment of community services client areas, by completing waiting area and refurbishing consulting rooms.	**ACHIEVED** Community Services client and waiting areas refurbished. Considerations made around diversity and being child friendly
Specific 2018-2019 Priorities -	**Disability**	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.	**ACHIEVED** Draft disability action plan prepared in consultation with key stakeholders across organisation and plan for working group with engaged consumers.
	Volunteer Engagement	Embed volunteer program with a focus on the Welcome Ambassador program (concierge service), providing training and uniforms.	**ACHIEVED** 170 volunteers, Welcome Ambassador program embedded. Commenced Welcome Ambassador program at Avoca.
		Review opportunities for volunteers through new initiatives – collecting consumer stories.	**ACHIEVED** Introduction of The Nest program, a social support network for new mums. Extended Welcome Ambassador hours. Well Women's Clinic developed.
		Host annual celebration for volunteers, recognise the variety of volunteer roles and years of service amongst volunteers.	**ACHIEVED** Annual lunch with volunteers hosted in December, recognition of service acknowledged at AGM.
		Promote the work and role of the volunteer across the health service and in the community through social media platforms.	**ACHIEVED** Frequent feature of marketing, storytelling opportunities re impact of Welcome Ambassador Program.
		Engage volunteers in planning for use of the Wellness Centre.	**ACHIEVED** Volunteers are involved in planning new services within the Wellness Centre, including The NEST – Social Connectedness program for new mums.
		Extend the scope of volunteerism by engaging with regional partner agencies to share information and resources.	**ACHIEVED** Active participation at the Loddon Mallee Regional CEO Partnership, re regional volunteer recruitment strategy.
	Bullying and Harassment	Report Workforce wellness indictors monthly across all areas of the health service.	**ACHIEVED** Each month indicators are reported to the Performance Meeting internally at MDHS and at department team meetings.

		Promote the Maryborough District Health Service values during induction/recruitment and through the staff rounding program.	**ACHIEVED** The Values of GREAT are embedded in the induction program at MDHS, displayed across all campuses at MDHS.
	Occupational Violence	Deliver training on code grey policy to all staff.	**ACHIEVED** Code Grey training is delivered for staff, intensive training is being rolled out for Reception, UCC and Amherst Ward (inc. Maternity).
	Environmental Sustainability	Continue to develop the environmental sustainability program, which includes: • Solar • Waste management Include new models for environmental sustainability and efficiency in master planning process.	**ACHIEVED** Continued installation of timing system for lights across MDHS, along with of LED light change over.
	LGBTI	Review the diversity plan, and adopt LGBTI inclusive strategies.	**ACHIEVED** MDHS has participated in wear it purple day and have reviewed diversity plan to ensure we are active participants in LGBTI inclusive activities.

Statement of Priorities – Part B

High Quality and Safe Care

HEALTHCARE WORKERS IMMUNISED FOR INFLUENZA	TARGET18-19	RESULT
Percentage of healthcare workers immunised for influenza	80%	95%

PATIENT EXPERIENCE	TARGET	RESULT
Victorian Healthcare Experience Survey (VHES)– data submission	Full compliance	Achieved
VHES – positive patient experience (Q1)	95%	99%
VHES– positive patient experience (Q2)	95%	94%
VHES– positive patient experience (Q3)	95%	99%
VHES – very positive responses to discharge care (Q1)	75%	85%
VHES – very positive responses to discharge care (Q2)	75%	85%
VHES – very positive responses to discharge care (Q3)	75%	90%
VHES – patients perception of cleanliness (Q1)	70%	91%
VHES – patients perception of cleanliness (Q2)	70%	88%
VHES – patients perception of cleanliness (Q2)	70%	92%

GOVERNANCE, LEDERSHIP & CULTURE	TARGET	RESULT
People Matter Survey (PMS)- percentage of staff with a positive response to safety culture questions	80%	89%
PMS – percentage of staff with a positive response to the question, "I am encouraged by my colleagues to report any patient safety concerns I may have"	80%	97%
PMS – percentage of staff with a positive response to the question, "Patient care errors are handled appropriately in my work area"	80%	94%
PMS– 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%	92%
PMS – percentage of staff with a positive response to the question, "The culture in my work area makes it easy to learn from the errors of others"	80%	89%
PMS – percentage of staff with a positive response to the question, "Management is driving us to be a safety-centred organisation"	80%	95%
PMS – percentage of staff with a positive response to the question, "This health service does a good job of training new and existing staff"	80%	80%
PMS – percentage of staff with a positive response to the question, "Trainees in my discipline are adequately supervised"	80%	76%
PMS- 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%	91%

Rate of severe foetal growth restrictions (FGR) in singleton pregnancy undelivered by 40 weeks "NA". [1]

Effective Financial Management

KEY PERFORMANCE INDICATOR	TARGET	RESULT
Finance		
Operating result ($m)	**As agreed in SoP**	
Average number of days to paying trade creditors	60 days	49 days
Average number of days to receiving patient fee debtors	60 days	22 days
Public and Private WIES activity performance to target	100%	100.24%
Adjusted current asset ratio	0.7 or 3% improvement	0.92
Forecast number of days a health service can maintain its operations with unrestricted available cash (based on end of year forecast)	14 days	37.8 days
Actual number of days a health service can maintain its operations with unrestricted available cash, measured on the last day of each month.	14 days	37.8 days
Measures the accuracy of forecasting the Net result from transactions (NRFT) for the current financial year ending 30 June.	Variance ≤ $250,000	

Statement of Priorities – Part C (Activity & Funding)

FUNDING TYPE	2018-19 ACTIVITY ACHIEVEMENT
Acute Admitted	
WIES Public	2513
WIES Private	296
Acute Non - Admitted	
Emergency Services	0
Home Enteral Nutrition	12
Specialist Clinics	6,109
Subacute & Non Acute Admitted	
Maintenance Public	23.25
Aged Care	
Residential Aged Care	30,996
HACC	2,939
Primary Care	
Community Health/ Primary Care Programs	4,766
Community Health Other (HIP)	1560
Other	
Health Workforce	
Other specified funding	
Total Funding	

[1] No cases of severe foetal growth restriction in singleton pregnancy recorded

Donations

Each year we receive generous contributions through donations, sponsorships, bequests and philanthropic grants. We thank the numerous community members and organisations who have made a donation to MDHS this year.

MDHS Charity Golf Day

MDHS in conjunction with its major sponsor, True Foods, held our annual Charity Golf Day. Over $20,000 was raised with funds used to purchase new simulation equipment for COIL and for use across MDHS. We thank True Foods and all the hole sponsors for another successful event.

Major Community Supporters

We also wish to thank the following supporters throughout the year:

- Avoca, Dunolly and Maryborough Auxiliaries
- Maryborough Senior Citizens Club
- Maryborough Probus
- Rheola Charity Carnival
- Mad Max Fundraising Committee
- Murray to Moyne
- Maryborough Lodge - Freemasons Victoria

Thank you to all our donors who made a contribution during the year to support the Health Service in delivering care to our community.

MDHS
Inspiring Health

Maryborough District Health Service

PO Box 155
75-87 Clarendon Street
Maryborough, Victoria 3465

Phone: +61 3 5461 0333
Fax: +61 3 5461 4480

mdhs@mdhs.vic.gov.au

mdhs.vic.gov.au

If the financial report is not attached and you would like a copy, please contact MDHS on 5461 0333.

2018-
2019

MDHS
Inspiring Health

Financial Report

Contents

Maryborough District Health Service

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Dunolly, Victoria 3462

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MARYBOROUGH DISTRICT HEALTH SERVICE

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

The attached financial statements for Maryborough District Health Service 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 Maryborough District Health Service 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.

.....	.....	.....
Mr Peter McAllister Board Chair	Mr Terrence Welch Accountable Officer	Mrs Laura Martin Chief Finance & Accounting Officer
Maryborough	Maryborough	Maryborough
6 September 2019	6 September 2019	6 September 2019

Independent Auditor's Report

Victorian Auditor-General's Office

To the Board of Maryborough District Health Service

Opinion	I have audited the financial report of Maryborough District Health Service (the health service) which comprises the: • balance sheet as at 30 June 2019 • comprehensive operating statement for the year then ended • statement of changes in equity for the year then ended • cash flow statement for the year then ended • notes to the financial statements, including significant accounting policies • board member's, accountable officer's and chief finance & accounting officer's declaration. In my opinion the financial report presents fairly, in all material respects, the financial position of the health service as at 30 June 2019 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 7 of the *Financial Management Act 1994* and applicable Australian Accounting Standards.
Basis for Opinion	I have conducted my audit in accordance with the *Audit Act 1994* which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report. My independence is established by the *Constitution Act 1975.* My staff and I are independent of the health service in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.
Board's responsibilities for the financial report	The Board of the health service is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the *Financial Management Act 1994*, and for such internal control as the Board determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error. In preparing the financial report, the Board is responsible for assessing the health service's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.

Auditor's responsibilities for the audit of the financial report

As required by the *Audit Act 1994,* my responsibility is to express an opinion on the financial report based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the health service's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board
- conclude on the appropriateness of the Board's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the health service's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the health service to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

MELBOURNE
11 September 2019

Travis Derricott
as delegate for the Auditor-General of Victoria

MARYBOROUGH DISTRICT HEALTH SERVICE
COMPREHENSIVE OPERATING STATEMENT
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

	Note	Total 2019 $'000	Total 2018 $'000
Income from Transactions			
Operating Activities	2.1	42,937	39,285
Non-operating Activities	2.1	209	196
Total Income from Transactions		**43,146**	**39,481**
Expenses from Transactions			
Employee Expenses	3.1	(33,211)	(29,914)
Supplies and Consumables	3.1	(4,350)	(4,408)
Depreciation and Amortisation	3.1	(3,302)	(3,048)
Other Operating Expenses	3.1	(4,617)	(4,233)
Total Expenses from Transactions		**(45,480)**	**(41,603)**
Net Result from Transactions - Net Operating Balance		**(2,334)**	**(2,122)**
Other Economic Flows Included in Net Result			
Net gain/(loss) on non-financial assets	3.2	(49)	10
Other Gain/(Loss) from Other Economic Flows	3.2	(67)	12
Total Other Economic Flows Included in Net Result		**(116)**	**22**
Net Result for the year		**(2,450)**	**(2,100)**
Other Comprehensive Income			
Items that will not be classified to Net Result			
Changes in Property, Plant & Equipment Revaluation Surplus	4.2b	20,560	-
Total Other Comprehensive Income		20,560	-
COMPREHENSIVE RESULT		**18,110**	**(2,100)**

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

MARYBOROUGH DISTRICT HEALTH SERVICE
BALANCE SHEET
AS AT 30 JUNE 2019

	Note	Total 2019 $'000	Total 2018 $'000
Current Assets			
Cash and Cash Equivalents	6.1	9,095	6,864
Receivables	5.1	1,203	1,128
Investments & Other Financial Assets	4.1	250	2,069
Inventories		36	31
Prepayments		198	682
Total Current Assets		10,782	10,774
Non-Current Assets			
Receivables	5.1	1,190	1,123
Property, Plant and Equipment	4.2	57,492	37,437
Investment Properties	4.3	823	764
Total Non-Current Assets		59,505	39,324
TOTAL ASSETS		70,287	50,098
Current Liabilities			
Payables	5.2	3,004	2,357
Provisions	3.3	7,200	6,338
Other Current liabilities	5.3	5,227	4,511
Total Current Liabilities		15,431	13,206
Non-Current Liabilities			
Provisions	3.3	408	554
Total Non-Current Liabilities		408	554
TOTAL LIABILITIES		15,839	13,760
NET ASSETS		54,448	36,338
EQUITY			
Property, Plant and Equipment Revaluation Surplus	4.2f	43,111	22,551
Restricted Specific Purpose Surplus		486	486
Contributed Capital		13,776	13,776
Accumulated Surpluses/(Deficits)		(2,925)	(475)
TOTAL EQUITY		54,448	36,338
Commitments	6.3		

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

MARYBOROUGH DISTRICT HEALTH SERVICE
STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

	Property, Plant and Equipment Revaluation Surplus	Restricted Specific Purpose Surplus	Contributed Capital	Accumulated Surpluses/ (Deficits)	Total
	$'000	$'000	$'000	$'000	$'000
Balance at 1 July 2017	22,551	486	13,776	1,625	38,438
Net result for the year	-	-	-	(2,100)	(2,100)
Balance at 30 June 2018	**22,551**	**486**	**13,776**	**(475)**	**36,338**
Net result for the year	-	-	-	(2,450)	(2,450)
Other comprehensive income for the year	20,560	-	-	-	20,560
Balance at 30 June 2019	**43,111**	**486**	**13,776**	**(2,925)**	**54,448**

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

MARYBOROUGH DISTRICT HEALTH SERVICE
CASH FLOW STATEMENT
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

	Note	Total 2019 $'000	Total 2018 $'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating Grants from Government		34,915	31,425
Capital Grants from Government		2,118	1,298
Patient and Resident Fees Received		2,657	2,862
Private Practice Fees Received		1,621	1,483
Donations and Bequests Received		79	128
GST (Paid to)/Received from ATO		17	30
Interest Received		226	210
Other Receipts		2,302	2,175
Total Receipts		***43,935***	***39,611***
Employee Expenses Paid		(30,308)	(28,071)
Non Salary Labour Costs		(2,126)	(3,583)
Payments for Supplies and Consumables		(4,355)	(2,254)
Other Payments		(4,545)	(4,011)
Total Payments		***(41,334)***	***(37,919)***
NET CASH FLOW FROM / (USED IN) OPERATING ACTIVITIES	8.1	**2,601**	**1,692**
CASH FLOWS FROM INVESTING ACTIVITIES			
(Purchase of)/Proceeds from Investments		1,819	1,402
Purchase of Non-Financial Assets		(2,965)	(2,493)
Proceeds from Sale of Non-Financial Assets		60	62
NET CASH FLOW FROM /(USED IN) INVESTING ACTIVITIES		**(1,086)**	**(1,029)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Receipt of Accommodation Deposits and Monies in Trust		716	412
NET CASH FLOW FROM /(USED IN) FINANCING ACTIVITIES		**716**	**412**
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS HELD		**2,231**	**1,075**
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR		6,864	5,789
CASH AND CASH EQUIVALENTS AT END OF OF FINANCIAL YEAR	6.1	**9,095**	**6,864**

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 Maryborough District Health Service (ABN 44 836 142 460) for the year ended 30 June 2019. The report provides users with information about Maryborough District Health Services' 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.

Maryborough District Health Service 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 Maryborough District Health Service.

Its principal address is:
75-87 Clarendon Street
Maryborough, Victoria 3465

A description of the nature of Maryborough District Health Service'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 8.8 Economic Dependency).

These financial statements are presented in Australian Dollars, the functional and presentation currency of the Health Service.

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.

Maryborough District Health Service 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.

NOTE 1 : SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

Revisions to accounting estimates are recognised in the period in which the estimate is revised and also in future periods that are affected by the revision. Judgements and assumptions made by management in the application of 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);
- Defined benefit superannuation expense (refer to Note 3.4 Superannuation); and
- Employee benefit provisions are based on likely tenure of existing staff, patterns of leave claims, future salary movements and future discount rates (refer to Note 3.3 Employee Benefits in the Balance Sheet);

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

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

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

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

(d) 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, Maryborough District Health Service 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.

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

(e) Principles of Consolidation
Intersegment Transactions
Transactions between segments within Maryborough District Health Service have been eliminated to reflect the extent of Maryborough District Health Service'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 Maryborough District Health Service.

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.

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

NOTE 2: FUNDING DELIVERY OF OUR SERVICES

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

Structure
2.1 Income from Transactions

Note 2.1: INCOME FROM TRANSACTIONS

	TOTAL 2019 $'000	TOTAL 2018 $'000
Government Grants - Operating	33,819	31,332
Government Grants - Capital	2,118	1,298
Other Capital Purpose Income	79	128
Indirect Contributions by Department of Health and Human Services	97	235
Patient and Resident Fees	2,757	2,749
Private Practice Fees	1,621	1,484
Commercial Activities	408	371
Other Revenue from Operating Activities (including non-capital donations)	2,038	1,688
Total Income from Operating Activities	**42,937**	**39,285**
Interest	209	196
Total Income from Non-Operating Activities	**209**	**196**
Total Income from Transactions	**43,146**	**39,481**

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 Maryborough District Health Service 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 Maryborough District Health Service gains control of the underlying assets irrespective of whether conditions are imposed on Maryborough District Health Service's use of the contributions.

The Department of Health and Human Services makes certain payments on behalf of Maryborough District Health Service. 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 Maryborough District Health Service 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.

Fair Value of Assets and Services Received free of Charge or for Nominal Consideration

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

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.

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 Maryborough District Health Service 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

	TOTAL 2019 $'000	TOTAL 2018 $'000
Salaries and Wages	28,195	25,437
On-costs	2,534	2,316
Agency Expenses	884	513
Fee for Service Medical Officer Expenses	1,242	1,157
Workcover Premium	356	491
Total Employee Expenses	**33,211**	**29,914**
Drug Supplies	290	306
Medical & Surgical Supplies (including Prosthesis)	2,249	2,313
Diagnostic and Radiology Supplies	693	644
Other Supplies and Consumables	1,118	1,145
Total Supplies and Consumables	**4,350**	**4,408**
Fuel, Light, Power and Water	577	549
Repairs and Maintenance	643	644
Maintenance Contracts	264	343
Medical Indemnity Insurance	328	328
Other Administration Expenses	2,819	2,309
Expenditure for Capital Purposes	(14)	60
Total Other Operating Expenses	**4,617**	**4,233**
Depreciation and Amortisation (refer note 4.3)	3,302	3,048
Total Other Non-Operating Expenses	**3,302**	**3,048**
Total Expenses from Transactions	**45,480**	**41,603**

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;
- 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, power and water
- Repairs and maintenance
- Maintenance contracts
- Medical indemnity insurance
- Other administrative expenses
- 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 Maryborough District Health Service. 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

	Total 2019 $	Total 2018 $
Net gain/(loss) on non-financial assets		
Revaluation of investment property	59	13
Net gain on disposal of property plant and equipment	(108)	(3)
Total net gain/(loss) on non-financial assets	(49)	10
Net gain/(loss) on financial instruments at fair value		
Other gains/(losses) from other economic flows		
Net gain/(loss) arising from revaluation of long service liability	(67)	12
Total other gains/(losses) from other economic flows	(67)	12
Total other gains/(losses) from economic flows	(116)	22

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	Total 2019 $'000	Total 2018 $'000
Current Provisions		
Employee Benefits (i)		
Annual Leave		
- unconditional and expected to be settled wholly within 12 months (ii)	2,223	2,098
- unconditional and expected to be settled wholly after 12 months (iii)	-	-
Long Service Leave		
- unconditional and expected to be settled wholly within 12 months (ii)	555	300
- unconditional and expected to be settled wholly after 12 months (iii)	3,611	3,194
Other		
- Accrued Days Off	102	90
	6,491	**5,682**
Provisions related to Employee Benefit On-Costs		
- unconditional and expected to be settled wholly within 12 months (ii)	307	295
- unconditional and expected to be settled wholly after 12 months (iii)	402	361
	709	**656**
Total Current Provisions	**7,200**	**6,338**
Non-Current Provisions		
Employee Benefits (i)	367	494
Provisions related to Employee Benefit On-Costs	41	60
Total Non-Current Provisions	**408**	**554**
Total Provisions	**7,608**	**6,892**

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	2,468	2,329
Accrued Days Off	102	90
Unconditional LSL Entitlement	4,630	3,919
Non-Current Employee Benefits and related on-costs	7,200	6,338
Conditional Long Service Leave Entitlements (iii)	408	554
Total Employee Benefits	**7,608**	**6,892**
(b) Movements in Provisions		
Movement in Long Service Leave		
Balance at start of year	4,473	4,333
Provision made during the year		
- Revaluations	67	(12)
- Expense Recognising Employee Service	1,044	641
Settlement made during the year	(546)	(489)
Balance at end of year	5,038	4,473

Employee Benefit Recognition
Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave for services rendered to the reporting date as an expense during the period the services are delivered.

Provisions
Provisions are recognised when Maryborough District Health Service 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 salaries and wages, 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 wages and salaries, 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 Maryborough District Health Service expects to wholly settle within 12 months; or
- Present value – if Maryborough District Health Service 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 together with provisions for employee benefits.

NOTE 3.4: SUPERANNUATION

Fund		Paid Contributions for the year		Outstanding Contributions at Year End	
		2019 $'000	2018 $'000	2019 $'000	2018 $'000
Defined Benefit Plans:	First State Super	34	41	-	-
Defined Contribution Plans:	First State Super	1,950	1,820	-	-
	HESTA	550	455	-	-
Total		2,534	2,316	-	-

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.

Defined benefit superannuation plans

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

Maryborough District Health Service does not recognise any defined benefit liability in respect of the plans because the hospital has no legal or constructive obligation to pay future benefits relating to its employees; its only obligation is to pay superannuation contributions as they fall due. The Department of Treasury and Finance discloses the State's defined benefits liabilities in its disclosure for administered items.

However superannuation contributions paid or payable for the reporting period are included as part of employee benefits in the comprehensive operating statement of the Health Service.

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

NOTE 4: KEY ASSETS TO SUPPORT SERVICE DELIVERY

Maryborough District Health Service 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

	Total 2019 $'000	Total 2018 $'000
CURRENT		
Loans and Receivables		
Term Deposits > 3 months (i)	250	2,069
TOTAL CURRENT OTHER FINANCIAL ASSETS	250	2,069
Represented by:		
Health Service Investments	250	2,069
TOTAL	250	2,069

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

Note 4.1 Investment Recognition
Investments are recognised and derecognised on trade date where purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value, net of transaction costs.

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

Maryborough District Health Service 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.

Maryborough District Health Service 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.

Where the fair value of an investment in an equity instrument at balance date has reduced by 20 percent or more than its cost price or where its fair value has been less than its cost price for a period of 12 or more months, the financial asset is treated as impaired.

In order to determine an appropriate fair value as at 30 June 2019 for its portfolio of financial assets, the Health Service used the market value of investments held provided by the portfolio managers.

The above valuation process was used to quantify the level of impairment (if any) on the portfolio of financial assets as at year end.

NOTE 4.2: PROPERTY, PLANT AND EQUIPMENT (a) Gross carrying amount and accumulated depreciation	2019 $'000	2018 $'000
Land		
- Land at Fair Value		
Crown	889	361
Freehold	702	406
Total Land	**1,591**	**767**
Buildings		
- Buildings Under Construction at Cost	67	127
- Buildings at Fair Value	49,306	41,649
Less Accumulated Depreciation	-	9,580
	49,306	32,069
Total Buildings	**49,373**	**32,196**
Plant and Equipment		
- Plant and Equipment at Fair Value	2,134	1,356
Less Accumulated Depreciation	689	481
Total Plant and Equipment	**1,445**	**875**
Medical Equipment		
- Medical Equipment at Fair Value	5,791	4,700
Less Accumulated Depreciation and Impairment	2,307	2,226
Total Medical Equipment	**3,484**	**2,474**
Computers and Communications		
- Computers and Communication at Fair Value	1,032	841
Less Accumulated Depreciation	589	519
Total Computers and Communications	**443**	**322**
Furniture and Fittings		
- Furniture and Fittings at Fair Value	1,467	988
Less Accumulated Depreciation	527	415
Total Furniture and Fittings	**940**	**573**
Motor Vehicles		
- Motor Vehicles at Fair Value	457	423
Less Accumulated Depreciation	241	193
Total Motor Vehicles	**216**	**230**
TOTAL	**57,492**	**37,437**

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

	Land	Under Construction	Buildings	Plant & Equipment	Medical Equipment	Computers & Comm	Furniture & Fittings	Motor Vehicles	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Balance at 1 July 2017	767	296	34,163	427	1,418	159	474	353	38,057
Additions	-	-	84	490	1,438	265	172	11	2,460
LMRHA Alliance Additions	-	-	-	33	-	-	-	-	33
Transfers between Classes	-	(169)	169	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	(65)	(65)
Depreciation and Amortisation (note 4.3)	-	-	(2,347)	(75)	(382)	(102)	(73)	(69)	(3,048)
Balance at 1 July 2018	767	127	32,069	875	2,474	322	573	230	37,437
Additions	-	289	-	268	1,606	214	479	99	2,955
LMRHA Alliance Additions	-	-	-	10	-	-	-	-	10
Transfers between classes	-	(349)	(158)	507	-	-	-	-	-
Revaluation Increments/(Decrements)	824	-	19,736	-	-	-	-	-	20,560
Disposals	-	-	-	-	(135)	-	-	(33)	(168)
Depreciation and Amortisation (note 4.3)	-	-	(2,341)	(215)	(461)	(93)	(112)	(80)	(3,302)
Balance at 30 June 2019	1,591	67	49,306	1,445	3,484	443	940	216	57,492

NOTE 4.2: PROPERTY, PLANT AND EQUIPMENT (Continued)

Land and buildings carried at valuation

The Valuer-General Victoria undertook to re-value all of Maryborough District Health Service'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.

(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)
	$'000	$'000	$'000	$'000
Land at fair value				
Specialised land	1,591	-	-	1,591
Total of land at fair value	1,591	-	-	1,591
Buildings at fair value				
Specialised buildings	49,306	-	-	49,306
Total of building at fair value	49,306	-	-	49,306
Plant and equipment at fair value				
Plant equipment and vehicles at fair value				
- Plant and equipment	1,445	-	-	1,445
- Computers and Communications	443	-	-	443
- Furniture and Fittings	940	-	-	940
- Motor Vehicles	216	-	-	216
Total of plant, equipment and vehicles at fair value	3,044	-	-	3,044
Medical equipment at fair value	3,484	-	-	3,484
	57,425	-	-	57,425

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

(c) Fair value measurement hierarchy for assets (Continued)

	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)
	$'000	$'000	$'000	$'000
Land at fair value				
Specialised land	767	-	-	767
Total of land at fair value	767	-	-	767
Buildings at fair value				
Specialised buildings	32,069	-	-	32,069
Total of building at fair value	32,069	-	-	32,069
Plant and equipment at fair value				
Plant equipment and vehicles at fair value				
- Plant and equipment	875	-	-	875
- Motor Vehicles	230	-	-	230
- Computers and Communications	322	-	-	322
- Furniture and Fittings	573	-	-	573
Total of plant, equipment and vehicles at fair value	2,000	-	-	2,000
Medical equipment at fair value	2,474	-	-	2,474
	37,310	-	-	37,310

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 $'000	Buildings $'000	Plant and Equipment $'000	Medical Equipment $'000
Opening Balance	767	32,069	2,000	2,474
Purchases (sales)	-	(158)	1,544	1,471
Transfers in (out) of Level 3	-	-	-	-
Gains or losses recognised in net result				
- Depreciation	-	(2,341)	(500)	(461)
Subtotal	767	29,570	3,044	3,484
Items recognised in other comprehensive income				
- Revaluation	824	19,736	-	-
Subtotal	824	19,736	-	-
Closing Balance	1,591	49,306	3,044	3,484

30-Jun-18	Land $'000	Buildings $'000	Plant and Equipment $'000	Medical Equipment $'000
Opening Balance	767	34,163	1,413	1,418
Purchases (sales)	-	253	906	1,438
Transfers in (out) of Level 3	-	-	-	-
Gains or losses recognised in net result				
- Depreciation	-	(2,347)	(319)	(382)
Subtotal	767	32,069	2,000	2,474
Items recognised in other comprehensive income				
- Revaluation	-	-	-	-
Subtotal	-	-	-	-
Closing Balance	767	32,069	2,000	2,474

(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 (25% to 30%)
Specialised Buildings (a)	Specialised buildings with limited alternative uses and/or substantial customisation e.g. Hospitals	Level 3	Depreciated replacement cost approach	- Cost per square metre - Useful life
Vehicles	If there is an active resale market available	Level 3	Depreciated replacement cost approach	- Cost per unit - Useful life
Plant and equipment	Specialised items with limited alternative uses and/or substantial customisation	Level 3	Depreciated replacement cost approach	- Cost per unit - Useful life

(f) Property, Plant and Equipment Revaluation Surplus

	2019 $	2018 $
Property, Plant and Equipment Revaluation Surplus		
Balance at the beginning of the reporting period	22,551	22,551
Revaluation Increment		
- Land	824	-
- Buildings	19,736	-
Balance at the end of the reporting period*	43,111	22,551
***Represented by:**		
- Land	1,078	254
- Buildings	41,704	21,968
- Motor Vehicles	132	132
- Plant and Equipment	197	197
	43,111	22,551

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.

The cost of a leasehold improvement is capitalised as an asset and depreciated over the shorter of the remaining term of the lease or the estimated useful life of the improvements.

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

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

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

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 Maryborough District Health Service'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, Maryborough District Health Service 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, Maryborough District Health Service 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 Maryborough District Health Service's independent valuation agency.

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

Valuation hierarchy

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

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

NOTE 4.2: PROPERTY, PLANT AND EQUIPMENT (Continued)

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

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

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

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

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

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

For Maryborough District Health Service, 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 Maryborough District Health Service'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

	2019 $'000	2018 $'000
Depreciation		
Buildings	2,341	2,347
Plant and Equipment		
- Plant	215	75
- Medical Equipment	461	382
- Motor Vehicles	80	69
- Computers and Communication	93	102
- Furniture and Fittings	112	73
Total Depreciation	**3,302**	**3,048**

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	20 to 50 years	20 to 50 years
- Site Engineering Services and Central Plant	10 to 40 years	10 to 40 years
Central Plant	10 to 40 years	10 to 40 years
- Fit Out	10 to 40 years	10 to 40 years
- Trunk Reticulated Building Systems	5 to 20 years	5 to 20 years
Plant & Equipment	3 to 10 years	3 to 10 years
Medical Equipment	3 to 10 years	3 to 10 years
Computers and Communication	5 to 15 years	5 to 15 years
Motor Vehicles	3 to 10 years	3 to 10 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 4.3: INVESTMENT PROPERTIES

	2019 $'000	2018 $'000
(a) Movements in carrying value for investment properties as at 30 June 2019		
Balance at Beginning of Period	764	751
Transfers to/(from) Investment Properties	-	-
Net Gain/(Loss) from Fair Value Adjustments	59	13
Balance at End of Period	**823**	**764**

(b) Fair value measurement hierarchy for investment properties

	Carrying amount as at 30 June 2019	using: Level 1 (i)	Level 2 (i)	Level 3 (i)
Investment Properties	823	-	823	-
	823	-	823	-

	Carrying amount as at 30 June 2018	using: Level 1 (i)	Level 2 (i)	Level 3 (i)
Investment Properties	764	-	764	-
	764	-	764	-

Investment Properties

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

Investment properties are initially recognised at cost. Costs incurred subsequent to initial acquisition are capitalised when it is probable that future economic benefits in excess of the originally assessed performance of the asset will flow to the Health Service.

Subsequent to initial recognition at cost, investment properties are revalued to fair value, determined annually by independent valuers. Fair values are determined based on a market comparable approach that reflects recent transaction prices for similar properties. Investment properties are neither depreciated nor tested for impairment.

For investment properties measured at fair value, the current use of the asset is considered the highest and best use.

The fair value of the Health Service's investment properties at 30 June 2019 have been arrived at on the basis of an independent valuation carried out by Valuer General Victoria. The valuation was determined by reference to market evidence of transaction process for similar properties with no significant unobservable adjustments, in the same location and condition and subject to similar lease and other contracts.

Rental revenue from leasing of investment properties is recognised in the comprehensive operating statement in the periods in which it is receivable on a straight line basis over the lease term.

There have been no transfers between levels during the period. There were no changes in valuation techniques throughout the period to 30 June 2019.

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

	2019 $'000	2018 $'000
CURRENT		
Contractual		
Trade Debtors	578	506
Patient Fees and Resident Debtors	311	211
Accrued Investment Income	-	17
Receivables - LMRHA	34	29
Accrued Revenue - Other	206	139
Less Allowance for impairment losses of contractual receivables		
Patient Fees	(55)	(8)
Trade Debtors	(47)	(24)
	1,027	870
Statutory		
Accrued Revenue - Dental Health Services Victoria	69	75
Accrued Revenue - Department of Health & Human Services	5	-
Commonwealth Grant Funding Receivable	7	34
GST Receivable - Health Service	95	149
	176	258
TOTAL CURRENT RECEIVABLES	1,203	1,128
NON CURRENT		
Statutory		
Long Service Leave - Department of Health and Human Services	1,190	1,123
TOTAL NON-CURRENT RECEIVABLES	1,190	1,123
TOTAL RECEIVABLES	2,393	2,251
(a) Movement in the allowance for doubtful debts		
Balance at beginning of the year	32	42
Amounts written off during the year	-	-
Amounts recovered during the year	-	-
Increase/(decrease) in allowance recognised in net result	70	(10)
Balance at end of year	**102**	**32**

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

	2019 $'000	2018 $'000
CURRENT		
Contractual		
Trade Creditors (i)	918	1,449
Payables - LMRHA	108	92
Accrued Salaries and Wages	518	390
Accrued Expenses	356	353
Other Payables	1,086	-
	2,986	2,284
Statutory		
GST Payable	(12)	25
Department of Health and Human Services	30	48
Department of Health & Ageing	-	-
	18	73
TOTAL	3,004	2,357

(i) The average credit period is 45 days.

Payables consist of:

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

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

NOTE 5.3: OTHER LIABILITIES

	2019 $'000	2018 $'000
CURRENT		
Monies Held in Trust*		
- Patient Monies Held in Trust	125	67
- Accommodation Bonds (Refundable Entrance Fees)*	5,102	4,444
TOTAL CURRENT	**5,227**	**4,511**
*** Total Monies Held in Trust**		
Represented by the following assets:		
Cash Assets (refer to Note 6.1)	5,227	4,511
TOTAL OTHER LIABILITIES	**5,227**	**4,511**

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

NOTE 6.1: CASH AND CASH EQUIVALENTS	2019 $'000	2018 $'000
Cash on Hand	2	2
Cash at Bank	9,020	6,794
Cash at Bank - LMRHA	73	68
TOTAL CASH AND CASH EQUIVALENTS	9,095	6,864
Represented by:		
Cash for Health Service Operations	3,868	2,353
Cash for Monies Held in Trust		
- Cash at Bank	5,227	4,511
TOTAL CASH AND CASH EQUIVALENTS	9,095	6,864

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 6.2: COMMITMENTS FOR EXPENDITURE	2019 $'000	2018 $'000
(a) Commitments		
Capital Expenditure Commitments		
Student Accommodation Construction		
Less than 1 Year	2,600	-
Longer than 1 Year but not longer than 5 Years	1,000	-
Total Capital Expenditure Commitments	**3,600**	**-**
Total Commitments (inclusive of GST)	3,600	-
less GST recoverable from the Australian Taxation Office	(327)	-
Total Commitments (exclusive of GST)	**3,273**	**-**

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

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

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

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 Maryborough District Health Service'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 $'000	Contractual financial assets - loans and receivables $'000	Contractual financial liabilities at amortised cost $'000	Total $'000
Contractual Financial Assets				
Cash and cash equivalents	9,095	-	-	9,095
Receivables				
- Trade Debtors	787	-	-	787
- Other Receivables	206	-	-	206
Investments and Other Financial Assets				
- Term Deposits	250	-	-	250
Total Financial Assets (i)	10,338	-	-	10,338
Financial Liabilities				
Payables	-	-	2,986	2,986
Other Financial Liabilities				
- Accommodation Bonds	-	-	5,102	5,102
- Other	-	-	-	-
Total Financial Liabilities(ii)	-	-	8,088	8,088

2018	Financial Assets at Amortised Cost $'000	Contractual financial assets - loans and receivables $'000	Contractual financial liabilities at amortised cost $'000	Total $'000
Contractual Financial Assets				
Cash and cash equivalents	-	6,864	-	6,864
Receivables				
- Trade Debtors	-	685	-	685
- Other Receivables	-	156	-	156
Investments and Other Financial Assets				
- Term Deposits	-	2,069	-	2,069
Total Financial Assets (i)	-	9,774	-	9,774
Financial Liabilities				
Payables	-	-	2,284	2,284
Borrowings	-	-	-	-
Other Financial Liabilities				
- Accommodation Bonds	-	-	4,444	4,444
- Other	-	-	-	-
Total Financial Liabilities(ii)	-	-	6,728	6,728

(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
- certain debt securities.

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).

Maryborough District Health Service 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. Maryborough District Health Service recognises the following liabilities in this category:

- cash and deposits; and
- receivables (excluding statutory receivables).
- 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		$'000	$'000	$'000	$'000	$'000	$'000
Financial Liabilities							
At amortised cost							
Payables (i)	5.2	2,986	2,986	2,986	-	-	-
Other Financial Liabilities							
- Accommodation Deposits	5.3	5,102	5,102	-	-	5,102	-
Total Financial Liabilities		8,088	8,088	2,986	-	5,102	-
2018							
Financial Liabilities							
At amortised cost							
Payables (i)	5.2	2,284	2,284	2,284	-	-	-
Other Financial Liabilities							
- Accommodation Deposits	5.3	4,444	4,444	-	-	4,444	-
Total Financial Liabilities		6,728	6,728	2,284	-	4,444	-

(i) Maturity 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%	15%	0%	
Gross carrying amount of contractual receivables	499	84	9	215	-	807
Loss allowance	-	-	-	32	-	32

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%	63%	0%	
Gross carrying amount of contractual receivables	563	110	83	161	-	917
Loss allowance	-	-	-	102	-	102

Impairment of financial assets under AASB 9 – applicable from 1 July 2018
From 1 July 2018, 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 Health Service's contractual receivables, statutory receivables and its investment in debt instruments.

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

Contractual receivables at amortised cost
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 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 Department's past history, existing market conditions, as well as forward‑looking estimates at the end of the financial year.

On this basis, 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	32	42
Opening retained earnings adjustment on adoption of AASB 9	-	-
Opening Loss Allowance	32	42
Modification of contractual cash flows on financial assets	-	-
Increase in provision recognised in the net result	70	-
Reversal of provision of receivables written off during the year as uncollectible	-	(10)
Reversal of unused provision recognised in the net result	-	-
Balance at end of the year	102	32

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.

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 the 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 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 disclosure
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 Jointly Controlled Operations
8.8 Economic Dependency
8.9 AASBs issued that are not yet effective

NOTE 8.1: RECONCILIATION OF NET RESULT FOR THE YEAR TO NET CASH INFLOW / (OUTFLOW) FROM OPERATING ACTIVITIES

	2019 $'000	2018 $'000
NET RESULT FOR THE YEAR	(2,450)	(2,100)
Non-cash movements		
Depreciation and Amortisation	3,302	3,048
Movement in Provision for Doubtful Debts	70	(10)
Unrealised (Gain)/Loss on Investment Properties	(59)	(13)
Movements included in investing and financing activities		
Net (gain)/loss from disposal of non financial physical assets	108	3
Movements in assets and liabilities		
Change in Operating Assets & Liabilities		
(Increase)/Decrease in Receivables	(212)	107
(Increase)/Decrease in Prepayments	484	(138)
Increase/(Decrease) in Payables	519	420
Increase/(Decrease) in Provisions	844	378
Change in Inventories	(5)	(3)
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	2,601	1,692

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 - 30/06/2019
The Honourable Martin Foley, Minister for Housing, Disability and Ageing and Minister for Mental Health	01/07/2018 - 30/06/2019
Governing Boards	
Mr P. McAllister	01/07/2018 - 30/06/2019
Mrs K. Mason	01/07/2018 - 30/06/2019
Ms A. Ford	01/07/2018 - 30/06/2019
Mr G. Richmond	01/07/2018 - 30/06/2019
Mr D. J. Murrell	01/07/2018 - 28/06/2019
Dr T. Snell	01/07/2018 - 30/06/2019
Mrs K. Lovett	01/07/2018 - 30/06/2019
Ms B. Hilder	01/07/2018 - 30/06/2019
Mr W. Main	01/07/2018 - 30/06/2019
Mr R. Eason	01/07/2018 - 30/06/2019
Ms R. Smith	01/07/2018 - 30/06/2019
Accountable Officers	
Mr T. Welch (Chief Executive Officer)	01/07/2018 - 30/06/2019

Remuneration of Responsible Persons

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

Income Band	**2019 No.**	**2018 No.**
$0 - $9,999	11	7
$90,000 - $99,999	-	1
$290,000 - $299,999	1	-
$340,000 - $349,000	-	1
Total Numbers	12	9

	$'000	$'000
Total remuneration received or due and receivable by Responsible Persons from the reporting entity amounted to:	$307	$341

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 EXECUTIVES

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	264,283	358,268
Post-employment benefits	25,107	33,323
Other long-term benefits	15,486	20,542
Total Remuneration (b)	304,876	412,133
Total Number of executives (c)	2	3
Total annualised employee equivalent (AEE) (d)	2	3

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 8.5).
(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
Key Management Personnel	**Position Title**	
Mr P. McAllister	Chair of the Board	01/07/2018 - 30/06/2019
Mrs K. Mason	Board Member	01/07/2018 - 30/06/2019
Ms A. Ford	Board Member	01/07/2018 - 30/06/2019
Mr G. Richmond	Board Member	01/07/2018 - 30/06/2019
Mr D. J. Murrell	Board Member	01/07/2018 - 30/06/2019
Dr T. Snell	Board Member	01/07/2018 - 30/06/2019
Mrs K. Lovett	Board Member	01/07/2018 - 30/06/2019
Ms B. Hilder	Board Member	01/07/2018 - 30/06/2019
Mr W. Main	Board Member	01/07/2018 - 30/06/2019
Mr R. Eason	Board Member	01/07/2018 - 30/06/2019
Ms R. Smith	Board Member	01/07/2018 - 30/06/2019
Mr T. Welch	Chief Executive Officer	01/07/2018 - 30/06/2019

NOTE 8.4: RELATED PARTIES (Continued)

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 $'000	2018 $'000
Short term employee benefits	274,812	302,606
Post-employment benefits	23,317	25,149
Other long-term benefits	8,590	12,774
Total	**306,719**	**340,529**

(i)Total remuneration paid to KMPs employed as a contractor during the reporting period through accounts payable has been reported under short-term employee benefits.
(ii)KMPs are also reported in Note 8.2 Responsible Persons or Note 8.3 Remuneration of Executives.

Significant transactions with government-related entities

Maryborough District Health Service received funding from the Department of Health and Human Services of $25.98M (2018: $23.12M).

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.

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 Maryborough District Health Service Board of Directors and Executive Directors in 2019.

NOTE 8.5: REMUNERATION OF AUDITORS	2019 $'000	2018 $'000
Victorian Auditor-General's Office		
Audit of financial statement	20	18
	20	18

NOTE 8.6: EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

There are no events occurring after the Balance Sheet Date.

NOTE 8.7: JOINTLY CONTROLLED OPERATIONS AND ASSETS

Name of Entity	Ownership Interest 2019 %	Ownership Interest 2018 %
Loddon Mallee Rural Health Alliance (LMRHA)	7.01	6.98

Maryborough District Health Service'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 $'000	2018 $'000
Current Assets		
Cash and Cash Equivalents	322	351
Receivables	40	1
Inventory	-	7
Prepayments	87	38
Total Current Assets	**449**	**397**
Non Current Assets		
Property Plant and Equipment	39	40
Total Non Current Assets	**39**	**40**
Total Assets	**488**	**437**
Current Liabilities		
Payables	108	107
Total Current Liabilities	**108**	**107**
Net Assets	**380**	**330**

Maryborough District Health Service's interest in revenues and expenses resulting from jointly controlled operations and assets is detailed below:

Revenues		
Revenue from Operating Activities	542	519
Capital Purpose Income	14	-
Total Revenue	**556**	**519**
Expenses		
Information Technology and Administrative Expense	537	529
Expenditure Using Capital Purpose Income	-	17
Depreciation	8	4
Total Expenses	**545**	**550**
Net Result Before Capital and Specific Items	**11**	**(31)**

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

NOTE 8.8: ECONOMIC DEPENDENCY
On 30 July 2019, the Department of Health and Human Services provided a Letter of Support to confirm their commitment to providing adequate cash flow support to enable the Health Service to meet its current and future operations 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.

NOTE 8.9: 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. Maryborough District Health Service 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 2019, instead of 1 January 2018.	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 8.9: 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

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