



TIMBOON
AND DISTRICT
HEALTHCARE
SERVICE



ANNUAL REPORT 2019/2020

WORKING TOGETHER FOR A HEALTHY COMMUNITY

This annual report fulfils Timboon and District Healthcare Service's reporting requirements to the community and to the Minister for Health. It summarises Timboon and District Healthcare Service's results, performance, outlook and financial position for 2019/2020.

It outlines our performance against key objectives identified in our Strategic Plan and against the Victorian Government's objectives for the community and frontline services.

Our annual reports are available on our website and a hard copy of this issue can be obtained by contacting us as per contact details below.

Timboon and District Healthcare Service is committed to providing accessible services. If you have difficulty in understanding this annual report, you can contact us to arrange appropriate assistance.

We state that photos in this publication were taken either prior to COVID-19 or with COVID-19 restrictions in place.

CONTACT US

☎ (03) 55586000

✉ timboon@swarh.vic.gov.au

🌐 www.timboonhealthcare.com.au

f www.facebook.com/tdhs.mps/

Front cover: Enrolled Nurse Rhonda assists Aged Care resident Sam safely out of one of the reclining chairs bought from generous 2019 Annual Appeal donations.

Our Acknowledgement of Country

We acknowledge the Traditional Owners of country throughout Australia and recognise their continuing connection to land, waters and culture. We pay our respects to their Elders past, present and emerging.



"Port Campbell bridge sunset" – Amanda Nash



Contents

Report of Operations	2
What defines us	3
Overview	4
Our Catchment Area	5
Our Services	6
Board Chair and CEO Report	9
Year in Review	12
Management and Structure	16
Our Governance	17
Our Board of Directors	18
Our Committee Structure	19
Our Executive Team	20
Our Workforce	21
Our Generous Community	26
Our Donors	27
Our Performance Priorities	28
Financial Information	31
Statutory Disclosures	33
Attestations	37
Other Reporting Requirements	38
Disclosure Index	39
Financial Statements	40

*“COVID Reflections with Koda” – Stephanie Smart
(2nd prize winner 2020 Photo Competition)*

Report of Operations

RESPONSIBLE BODIES DECLARATION

In accordance with the Financial Management Act 1994, I am pleased to present the Report of Operations for Timboon and District Healthcare Service for the year ending 30th June 2020.



Ms Maryanne Puli Vogels
Chair, Board of Directors
Timboon and District Healthcare Service
17 August 2020



Figure 1: TDHS Board of Directors left to right: Anne Skordis, Frank Carlus, Josh McKenzie, Claire Murphy, Maryanne Puli Vogels, Chris Stewart, AnthonyDeJong, Toinette Hutchins, Ashley Nesseler and Bryce Morden.

What defines us

Our VISION

“Working together for a healthy community”

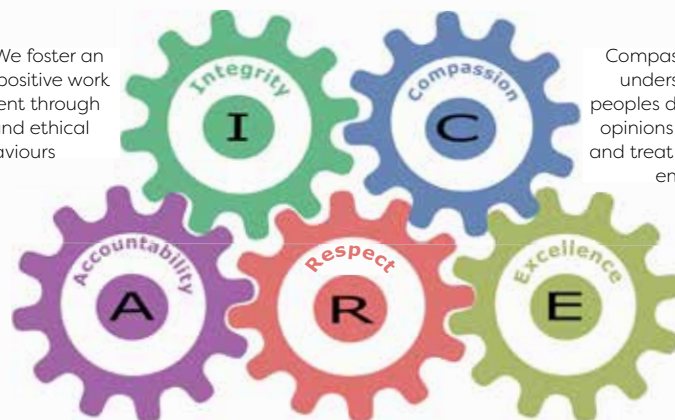
Our PURPOSE

KEEPING PEOPLE AT THE HEART OF OUR ACTIONS THROUGH:

- Partnering for outcomes
- Engaging the community
- Innovative service delivery
- Maximising quality and safety
- Embracing change
- Promoting health and wellbeing across the lifespan

Our VALUES

Integrity: We foster an open and positive work environment through honest and ethical behaviours



Accountability: We take responsibility for our actions, attitudes and decisions and the impact it has on others within our workplace

Respect: We promote an inclusive and diverse culture by valuing the differing views, qualities, needs and feelings of each other

Compassion: We are understanding of peoples differing needs, opinions and feelings, and treat everyone with empathy

Excellence: We invest in continuous development opportunities, so we can continue to deliver exceptional services to our community

Overview

OUR ESTABLISHMENT

First established as the Timboon and District Hospital in 1955, Timboon and District Healthcare Service (TDHS) has adapted and grown to meet the changing needs of our community. We are a Multi-Purpose Service (MPS) which allows us to provide a broad mix of services via a flexible service model. This ensures that TDHS can best meet the health needs of community members throughout their lives.

TDHS facilities incorporate 4 residential aged care beds, 10 acute care beds, an Urgent Care Centre, radiology, theatre suite and community services that provide:

- Medical services including specialist clinics, visiting medical officers, rehabilitation/enablement, minor surgical procedures and urgent care
- Residential aged care services
- Community Health services including district nursing, home care, home maintenance, continence services, diabetes education, women's health services, antenatal and postnatal care and health promotion
- Dental services
- Allied Health services including physiotherapy, dietetics, speech pathology, podiatry, occupational therapy, guided exercise, audiology and radiology.
- Acute Inpatient Care
- Urgent Care Centre

TDHS jointly manages the Timboon Medical Clinic which is located adjacent to the healthcare service and contracts General Practitioners as Visiting Medical Officers.

History of TDHS

1944

Timboon Progress Association convened first meeting to discuss establishment of a local hospital

1951

Timboon Township engaged Dr PDG Fox, which was vital to the beginnings of Timboon and District Hospital (TDH)



1955

Construction started in January on land donated by Charles Lindquist.

1955

Official opening of TDH by Dr JH Lindell, Chairman of the Hospitals and Charities Commission



1956

TDH open and receiving patients

Construction of TDH staff home



1962

South Western District Ambulance Service became operational at TDH driven by volunteers

1971

Completion of building alterations at TDH

Our Catchment Area

The TDHS catchment stretches from Cobden in the north to the Great Ocean Road coastline, encompassing the towns of Timboon, Cobden, Nullawarre, Peterborough, Port Campbell, Princetown, Simpson and the tourism sites of the Twelve Apostles.

It is home to approximately 7,700 residents engaged in a wide range of employment, including primary industries, particularly the dairy industry and tourism. In addition, some 5 million tourists visit the Twelve Apostles and Port Campbell each year.

By the community, for the community

1978

Official opening of Community Health Centre at TDH

1991

Official opening of extensions, treatment room and front entrance at TDH by Mr Arthur Rogers, Regional Director of the Health Department

1998

TDH became Timboon and District Healthcare Service (TDHS) to reflect its new status as a Multi-Purpose Service (MPS)

2002

Official opening of new wing at TDHS by Mr Bruce Mildenhall MP, Parliamentary Secretary to the Premier

2005

Completion of the Timboon Clinic Building

2010

Opening of new Ambulance Station

2013

Official opening of Community Health Building by The Hon David Davis M.P.



Our Services

URGENT CARE AND AFTER HOURS MEDICAL TREATMENT

A nurse assessment (triage) led model supported by on-call medical staff delivers Urgent Care and After Hours (i.e. week nights and weekends) treatment at TDHS for medical emergencies to the community.

ACUTE

Our multipurpose service is equipped to provide high-quality acute care services to all who live in or visit our catchment area spanning across the Corangamite and Moyne Shires. Our experienced and professional team is highly skilled and as a small rural health service with 14 flexible beds and a day-stay bed complex, we can provide that extra bit of personal care during your stay at TDHS.

AGED AND RESIDENTIAL

Permanent aged care or respite care is offered at our multipurpose service in Timboon. Our aged care facility comprises of 4 care beds, where members of the community unable to remain in their homes due to health or mobility issues can receive 24-hour professional care.

RESPITE

Respite care is provided to families and carers with extra demands of caring for someone who has a disability, which may be intellectual, physical or sensory. Respite care is also provided for the terminally ill and for carers of family members with dementia.

Respite can be accessed either 'in home' or in an appropriate facility – 'facility based'. The Assessment Officer at TDHS will assist you with booking 'facility based' respite.

PALLIATIVE CARE

Our staff have knowledge, skills and expertise in the care of patients, their families and carers, who are living with and dying from a terminal condition. Quality care at the end of life is realised when strong networks exist between specialist palliative care providers, primary generalist, primary specialist and support care providers and the community – working together to meet the needs of all people. TDHS has well-developed networks to assist the patient, their carers and family with ensuring quality of life at the end of life by being closer to home and their family.

SURGICAL

Timboon and District Healthcare Service offers endoscopy day procedure. We have a surgeon attending from Warrnambool assisted by a local GP anaesthetist.

Our Services

PATHOLOGY

TDHS works with a Warrnambool pathology service, that collects and tests specimens twice daily Monday through Friday, and daily on Saturday. We foster relationships with leading experts and practitioners to offer efficient, high-quality service and an exceptional level of care.

RADIOLOGY

TDHS has a radiologist onsite.

POST ACUTE CARE PROGRAM (PAC)

This program provides community-based services to assist people to recuperate after leaving hospital and aims to prevent hospital readmission. These services are of a short-term nature and include services like community nursing, personal care and home care.

TRANSITION CARE PROGRAM (TCP)

This program provides community-based services for up to a period of 12 weeks to assist people to recuperate after leaving hospital aiming to prevent hospital readmission, but requires a comprehensive assessment with the Aged Care Assessment Service (ACAS) to be eligible.

COMMUNITY AND ALLIED HEALTH

Increasing community health and general wellbeing is Timboon and District Healthcare Service's primary focus. Ensuring the entire community, from the unborn to the ageing, is in prime health allows greater community participation and fosters happiness.

We work with dietitians, dentists, audiologists and a host of other healthcare professionals to provide services ranging from speech pathology to physiotherapy and podiatry.

- Physiotherapy
- Exercise Classes
- Dietetics
- Speech Pathology
- Community Health Nurse
- Diabetes Education
- Podiatry
- Community Transport
- Continence Nurse
- District Nursing
- Occupational Therapy
- Audiology
- Immunisation Clinic
- Women's Health
- Antenatal and Postnatal
- Dental (provided by private dental service Barlow Dental)
- Maternal Health (provided by Corangamite Shire onsite)
- Friendlies (meeting for vision impaired)

Our Services

HOME SUPPORT PROGRAM

At Timboon and District Healthcare Service, we aim to increase general community health and wellbeing, and ensure a high quality of life for all residents. For some, like the ageing and people living with disabilities, an extra level of care is required. We are proud to offer dedicated Commonwealth Home Support Program (CHSP) services throughout the Timboon and district area.

The Home and Community Care Program for younger people (HACC-PYP) service is targeted at people aged under 65 and Aboriginal people aged under 50 who need assistance with daily activities, including personal care, dressing, preparing meals, house cleaning, property maintenance, community access and using public transport. Clients may require this assistance due to physical and/or psychosocial functional impairment related to disability (for which they are not eligible for the NDIS), chronic illness and short-term health needs.

Services include:

- Domestic Assistance
- Personal Care
- In-home Respite Care
- Home Maintenance
- Meals on Wheels
- Community Transport
- Social Support Groups
- District Nursing

TELEHEALTH

Timboon and District Healthcare Service is committed to providing the best care to its patients as close to home as possible and using innovative service delivery. Telehealth is the use of technology (usually video) to provide healthcare over a distance and has proven an essential tool in the second half of this reporting year while dealing with a pandemic and the need to social distance. Using telehealth, you can have an appointment with your clinician by audio or video.

As TDHS works together with the Timboon Medical Clinic using an on-call roster for after hours urgent care, there may be times when a doctor is not available. In this instance TDHS has the opportunity to use Emergency Telehealth to connect with a doctor from Adult Retrieval Victoria (ARV) in a medical emergency for doctor's advice and treatment locally that could avoid unnecessary transfers.

HEALTH PROMOTION AND EDUCATION

Health promotion involves working with people before they show the signs of disease, optimising their opportunities to make healthy choices and thereby preventing disease. TDHS runs multiple community awareness programs and health events (e.g. Women's Health, Men's Health, Resilience Project) to improve overall well-being in the community.

Timboon and District Healthcare Service is proud of its strong relationship with the Timboon P-12 School. Our ongoing collaboration enhances opportunities for our younger community members to have access to a range of health related resources and learning experiences, as well as participate in activities and special events that promote optimum health and wellness for our future generation.

Board Chair and CEO Report

Our vision, purpose and values are what defines us. The Board of Directors, Executive and all staff at Timboon and District Healthcare Service (TDHS) are fully committed to the delivery of efficient, effective and high quality health care in line with our vision of “Working together for a healthy community”.

We are driven to aspire and achieve excellence by keeping people at the heart of our actions through:

- Partnering for outcomes
- Engaging the community
- Innovative service delivery
- Maximising quality and safety
- Embracing change
- Promoting health and wellbeing across the lifespan

The basis for all our actions are the TDHS values. The 2019-20 year has been tumultuous and has driven us to reflect, deeper embed and further act upon our values – Integrity, Compassion, Accountability, Respect and Excellence. This year saw us updating our values statements to greater reflect their meaning to us and the TDHS team.

Integrity - We foster an open and positive work environment through honest and ethical behaviours.

The Board of Directors and the Executive team base all decision making on robust and evidence based information. Through this process we ensure the continuance of good governance and quality healthcare. This year we farewelled Gerry Keely who served two years on the Board and was Chair of the Clinical Governance, Quality and Credentialing committee. We also welcomed Anthony DeJong, Ashley Nessler and Frank Carlus to our established Board. We wish to thank each Board member for their dedication to ensuring the best outcomes for our communities and for their considerable time commitments to this process.

Compassion – We are understanding of people’s differing needs, opinions and feelings, and treat everyone with empathy.

In an uncertain environment you can be certain of high quality and safe care at TDHS, thanks to our compassionate and skilled staff. We would like to take this opportunity to sincerely thank and formally acknowledge all our staff and volunteers for their meaningful contributions and dedication to providing great care and great outcomes.

For the second year, we celebrated the achievements of our staff, volunteers and life governors through the annual TDHS ICARE Awards, held on the 5th March 2020. The ICARE award recognises outstanding contributions from a staff member and volunteer in line with our ICARE values of Integrity, Compassion, Accountability, Respect and Excellence. This year’s winners were Fiona Hanel (ICARE Peter Fox Staff Award) who was recognised for her years of dedication to clients and for going above and beyond in her service to the community; and Del Taylor (ICARE Volunteer Award) in recognition of living our ICARE values for over 20 years as a valued TDHS volunteer.

Board Chair and CEO Report

In July 2019 TDHS held the Resilience Project seminar. We initially considered this opportunity as an investment in the development of our staff. We quickly realised how valuable the message might be for all of our community and it was decided to extend the seminar, at no cost, to the whole community. The key concept that TDHS took away from the resilience project is the practice of GEM: Gratitude, Empathy and Mindfulness. These principals have never been more important and timely than in the current COVID environment.

Accountability – We take responsibility for our actions, attitudes and decisions and the impact it has on others within our workplace.

The Board of Directors acknowledges the complex challenges that health services currently face and their role in ensuring the most efficient and effective health services. After a long and rigorous interview process the Board appointed Rebecca Van Wollingen as CEO to lead TDHS for the next 3 years. Rebecca is a local, and having moved to Timboon four years ago, is committed to the community and creating the best health outcomes possible. With a particular passion for community health, Rebecca seeks to ensure meaningful and sustainable services that support our whole community.

2019/20 saw TDHS implement an annual strategic planning day to assist the Board and Executive in consistently identifying priorities most significant to TDHS and ensuring the ongoing implementation of our strategic direction. A key focus has been developing and growing community health – in line with the community feedback received in 2017/18. Key achievements include employing a Manager of Community Health Services, confirming a new private dental partnership to ensure the ongoing provision of dental services, increasing hours for diabetes education and physiotherapy, and planning for the new Social Worker position to commence late 2020.

Respect – We promote an inclusive and diverse culture by valuing the differing views, qualities, needs and feelings of each other.

TDHS respect our community and their diverse needs and experiences. We have been working hard to further connect with our community, volunteers and staff, particularly in relation to improving communication. In follow up from last year's new communications plan, the plan has now been fully implemented with an increase in regular and transparent communication. This year has seen a major increase in communication on social media and publications, including a focus on personal stories, health education and supportive and informative messages to assist with understanding and managing COVID-19.

We have also further harnessed our Consumer Participation Committee who deliver valuable feedback from our community. New members to the committee have provided a differing perspective and fresh input. We rely on their contributions and opinions to help the organisation remain relevant and in touch with the people who are at the centre of our business, you – our community.

Excellence – We invest in continuous development opportunities, so we can continue to deliver exceptional services to our community.

2019/20 has thrown some specific challenges at the health service and the broader community. With a Cyber-attack affecting IT services and general business in late 2019 and COVID-19 in 2020, TDHS systems and staff have shown great resilience and commitment to ongoing care. Throughout these times TDHS has never faltered in providing consistent high quality care.

Board Chair and CEO Report

TDHS continues to partner with our community and the broader region to ensure equitable and sustainable health outcomes. Partnerships have never been more important. This year our partnerships have resulted in:

- Supporting our clients at home and connecting people through online technology
- Improving community confidence in the use of technology
- Increased influenza vaccine availability and COVID screening clinics in partnership with Timboon Medical Centre
- Utilising our community and volunteers to work together to make masks so everyone has equal access and the community remains safe

In conclusion, the Board of Directors and the Executive team would like to extend our thanks to the Victorian Department of Health and Human Services and the Commonwealth Department of Health for their continued support, planning and funding. We look forward to a continuation of productive partnerships.

As we reflect on the 2019/20 year, we are proud of how positively our staff and community have handled all the challenges and changes associated with COVID-19 and our 'new way' of life. Thank you for your trust as we continue to deliver health care and meet the health needs of our communities. We look forward to facing the challenges of the year ahead together, in knowledge and trust that we truly are 'Working together for a healthy community'.



A handwritten signature in blue ink that reads "mpulivogels".

Maryanne Puli Vogels
Board Chair



A handwritten signature in black ink that reads "Rebecca Van Wollingen".

Rebecca Van Wollingen
Chief Executive Officer

Year in Review

SERVICE PLAN: KEY ACHIEVEMENTS AND CHALLENGES

IN MAY 2019 THE TIMBOON AND DISTRICT HEALTHCARE SERVICE STRATEGIC PLAN 2018 - 2023 WAS APPROVED BY THE DIRECTOR OF RURAL AND REGIONAL HEALTH, DEPARTMENT OF HEALTH AND HUMAN SERVICES. THE “DIRECTIONS” COLUMN IN THE BELOW SCHEDULE ARE THE PILLARS IN THIS STRATEGIC PLAN.

DIRECTIONS	ACTIONS	DELIVERABLES	OUTCOMES
Provide integrated health and wellbeing services	Adhere to government policy directions	<ul style="list-style-type: none"> Review Document Control Framework for understanding of use and value add to the organisation Implement guidelines and directions for COVID-19 response as per directions, legislation and guidelines Theatre services review including clarity of safe and effective service provision 	<p>Commenced</p> <p>Completed and ongoing</p> <p>Completed</p>
	Increase focus on prevention, early identification and management of chronic conditions	<ul style="list-style-type: none"> Maintain community health promotion programs – LifeMap. Maintain Parkinsons specific exercise program PD Neuro 	<p>Commenced and continuing</p> <p>Continuing</p>
	Build and strengthen strategic partnerships	<ul style="list-style-type: none"> Establish and maintain positive relationships with regional partners Regularly meet with other providers of local hospitals and aged care services, to improve communication and cooperation 	<p>Continuing</p> <p>Continuing</p>
	Improve access and use of the health service system for consumers	<ul style="list-style-type: none"> Renovate patient rooms and ensuites to align with significant facility refurbishment initiative. Improve the timeliness & appropriateness of information flow between TDHS and other service providers Identify and implement additional navigation tools for community support 	<p>Commenced, on hold secondary to COVID-19 restrictions</p> <p>Commenced</p> <p>Commenced, including implementation of telehealth and additional communication via social media and internet</p>
	Invest in the use of innovative digital technologies	<ul style="list-style-type: none"> Purchase & implement Automated Flexible Endoscopic Re-processor Review Electronic Health Record systems and plan for transfer to a complete Electronic Health Record 	<p>Commenced & Completed</p> <p>Commenced</p>

DIRECTIONS	ACTIONS	DELIVERABLES	OUTCOMES
Contribute to the development of a Connected Community		<ul style="list-style-type: none"> Purchase & implement new patient monitoring system for Urgent Care Centre and Acute Ward Introduce telehealth opportunities for community health programs 	<p>Completed</p> <p>Commenced and completed</p>
	Build capacity and capability within our teams to respond to consumer directed care reforms	<ul style="list-style-type: none"> Complete review of opportunities from NDIS Formally register to be a NDIA provider / market & advertise service to market Review National Standards Version 2 and develop implementation plan 	<p>Commenced</p> <p>Completed</p> <p>Commenced</p>
	Develop and implement a community communications and engagement strategy	<ul style="list-style-type: none"> Initiate Community Engagement Officer role to assist with development of community communications and engagement strategy Continue to support and promote the work of the TDHS volunteer and auxiliary workforce 	<p>Completed and continuing</p> <p>Completed and continuing</p>
	Enhance community health literacy	<ul style="list-style-type: none"> Review and update consumer focused brochures for improved promotion of health and wellbeing services Develop whole of organisation health literacy plan 	<p>Commenced</p> <p>Commenced</p>
	Promote community health and wellbeing across the lifespan with a focus on prevention	<ul style="list-style-type: none"> Community health promotion content is incorporated into communication strategy Improve Quarterly Newsletter concept to include relatable community stories and features. 	<p>Completed and continuing</p> <p>Commenced and continuing</p>
	Expand health promotion activities with a specific focus on health behaviours and risk factors	<ul style="list-style-type: none"> Increase media presence in alignment with designed formal media plan Sponsor community session of the Resilience Project Provide COVID-19 education and promote positive mental health via initiatives such as CEO video log and "We are all in this together" video Engage with wider community via Photo Competition 	<p>Commenced and continuing</p> <p>Completed</p> <p>Commenced and continuing</p> <p>Continuing</p>
	Further diversify and extend partnerships with community groups and non-health organisations to facilitate community engagement, aligned effort and better health outcomes	<ul style="list-style-type: none"> Engage community groups and non-health organisations to assist with funding of health promotion events. 	<p>Completed and continuing including receipt of donation from local business to support purchase of new bath</p>

Year in Review

DIRECTIONS	ACTIONS	DELIVERABLES	OUTCOMES
	Actively seek community feedback	<ul style="list-style-type: none"> Continue partnership with community via Consumer Participation Committee Implement consumer participation on organisational committees 	<p>Continuing</p> <p>Completed and continuing including introduction of community member on the Clinical Governance, Quality and Credentialing Committee</p>
Maintain and enhance our skilled and engaged workforce	Develop and implement a people and culture strategy	<ul style="list-style-type: none"> Engage in the Git Up Challenge social media workplace team building exercise Recognise 2020 Year of the Nurse & Midwife to acknowledge diversity of nursing staff via monthly features Implement program of work to communicate and reinforce TDHS Values Develop and implement TDHS values recognition program 	<p>Completed</p> <p>Commenced and continuing</p> <p>ICARE system developed and continuing TDHS ICARE Awards night continuing</p>
	Invest in workforce training and development	<ul style="list-style-type: none"> Conduct annual mandatory training sessions for all staff and volunteers in line with the Clinical Governance National Standard Cooperate with university partners & local secondary schools in planning student placements and programs Work with regional partnerships to further explore recruitment and on boarding systems 	<p>Commenced</p> <p>Deakin UCC Project Student placements commenced and continuing Continuing</p>
Strengthen organisational leadership	Continue to ensure best practice clinical governance	<ul style="list-style-type: none"> Engage in Safer Care Victoria Leadership Gateway Program Implement and maintain Accreditation action plans Implement & maintain Clinical Governance Board Sub-Committee Implement Clinical Audit schedule and embed as part of operating cycle 	<p>Commenced</p> <p>Commenced</p> <p>Completed and continuing</p> <p>Commenced</p>
	Enhance focus on quality and safety through continuous quality improvement	<ul style="list-style-type: none"> Embed TDHS Dashboard to track & measure as part of Board and Executive Operating Cycle Complete review of TDHS alignment with required standards (OH&S, Building standards, Infrastructure compliance) Implement Operational Audit schedule and embed as part of operating cycle Develop and implement TDHS Risk Register 	<p>Commenced</p> <p>Commenced</p> <p>Commenced</p> <p>Completed and continuing</p>

Year in Review

DIRECTIONS	ACTIONS	DELIVERABLES	OUTCOMES
	Provide continued sound financial and sustainable organisational stewardship	<ul style="list-style-type: none"> Engage in SCV Leadership Gateway Program Engage Community Health Manager Implement preventative maintenance schedule in line with exciting service offerings Develop a Master Plan for TDHS incorporating all properties based on future Service Plan Develop five year capital plan 	<p>Commenced and continuing Completed</p> <p>Commenced and continuing</p> <p>Commenced</p> <p>Continuing</p>
	Seek additional funding sources to augment service offering	<ul style="list-style-type: none"> Complete review of state health, federal health and other bodies re potential grant & funding opportunities 	Commenced and continuing
	Advocate for and promote the value and benefits of the Multi-Purpose Service (MPS) model	<ul style="list-style-type: none"> Actively participate and lead MPS Collective in partnership with VHA 	Continuing
	Explore shared governance and support arrangements, within our region, to maximise service flexibility, quality and efficiency.	<ul style="list-style-type: none"> Investigate governance resources for Allied Health Actively participate in regional governance forums 	<p>Commenced</p> <p>Commenced</p>



"COVID Reflections" – Chloe Jackson
(1st prize winner 2020 Photo Competition)

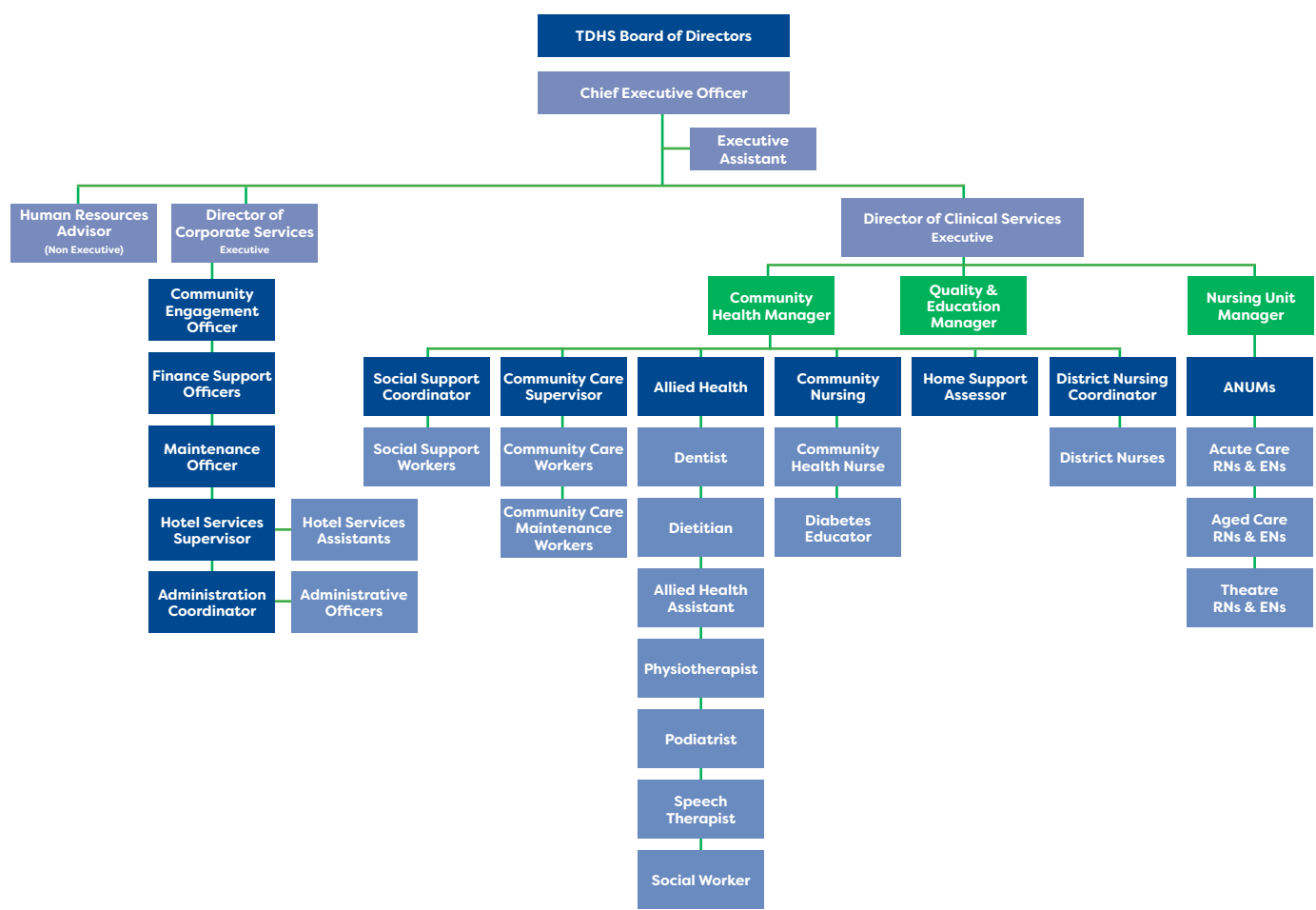


"COVID Reflections" – Aiden Freeman
(3rd prize winner 2020 Photo Competition)

In 2019/2020 we engaged with the wider community via our Annual Photo Competition; winning photos displayed on this page and page 1

Management and Structure

OUR ORGANISATIONAL STRUCTURE



Our Governance

RELEVANT MINISTERS

COMMONWEALTH GOVERNMENT

01 July 2019 to 05 February 2020

Hon Greg Hunt MP - Minister for Health

Hon Richard Colbeck - Minister for Aged Care and Senior Australians

06 February 2020 to 30 June 2020

Hon Greg Hunt MP - Minister for Health

Hon Richard Colbeck - Minister for Aged Care and Senior Australians

Hon Mark Coulton MP - Minister for Regional Health, Regional Communications and Local Government

VICTORIAN GOVERNMENT

1 July 2019 to 30 June 2020

Jenny Mikakos MP - Minister for Health; Minister for Ambulance Services; Minister for the Coordination of Health and Human Services: COVID-19

Hon Luke Donnellan MP - Minister for Disability, Ageing and Carers

Martin Foley MP - Minister for Mental Health

Visit of Jenny Mikakos MP (middle) to TDHS meeting with our CEO Rebecca Van Wollingen (left) and our Board Chair Maryanne Puli Vogels (right).



Our Board of Directors

BOARD OF DIRECTORS

The Board of Directors is responsible for the governance of TDHS. This includes:

- Clinical Governance
- Audit Requirements
- Strategic Planning and Directions
- Service Development
- Overseeing Finance and Service Performance
- Risk Management
- Responding and adapting to challenges such as population growth and changing demographics and;
- Ensuring compliance with regulatory and legislative requirements

Chair

Maryanne Puli Vogels

First appointed: 01.07.2017

Current term of appointment: 01.07.2017 – 30.06.2020

Vice Chair

Chris Stewart

First appointed: 01.07.2017

Current term of appointment: 01.07.2017 – 30.06.2020

Vice Chair

Claire Murphy

First appointed: 01.07.2017

Current term of appointment: 01.07.2017 – 30.06.2020

Board Members

Anne Skordis

First appointed: 01.07.2017

Current term of appointment: 01.07.2019 – 30.06.2022

Anthony DeJong

First appointed: 01.07.2019

Current term of appointment: 01.07.2019 – 30.06.2021

Chair Audit Committee: from 01.03.2020

Ashley Nessler

First appointed: 01.07.2019

Current term of appointment: 01.07.2019 – 30.06.2022

Bryce Morden

First appointed: 01.07.2016

Current term of appointment: 01.07.2019 – 30.06.2022

Frank Carlus:

First appointed: 01.07.2019

Current term of appointment: 01.07.2019 – 30.06.2021

Josh McKenzie

First appointed: 01.11.2004

Current term of appointment: 01.07.2019 – 30.06.2020

Chair Audit Committee: 01.07.2019 – 28.02.2020

Toinette Hutchins

First appointed: 01.07.2018

Current term of appointment: 01.07.2018 – 30.06.2021

Chair Clinical Governance, Quality and Credentialing Committee

RESIGNATIONS:

Gerry Keely - Resigned

First appointed: 01.07.2017

Ms Keely resigned: 01.07.2019

Our Committee Structure

THE BOARD OF DIRECTORS HAS ESTABLISHED A COMMITTEE STRUCTURE WITH TERMS OF REFERENCES TO ASSIST IN MEETING ITS OBLIGATIONS.

BOARD SUB COMMITTEE	PURPOSE	MEMBERSHIP
Audit Committee	Monitors and oversees the financial performance and reporting processes; compliance with the Financial Management Act; the internal and external audit programs; and oversees the risk management program. This committee meets at least four times a year and its membership includes one community representative.	Josh McKenzie (Chair) until 28.02.2020 Anthony DeJong (Chair) from 01.03.2020 All Board Members are members of this committee. Matt Hoffman (Consumer Representative) Jason Chuck (Consumer Representative – resigned 08.01.2020)
Clinical Governance, Quality and Credentialing Committee (CGQC)	Monitors compliance to external and internal audit processes. The CGQC meets on a bi-monthly basis; its membership includes one community representative. For effective and comprehensive monitoring of clinical governance, quality and credentialing at TDHS, the Board of Governance receives regular reports from the following committees: <ul style="list-style-type: none"> • Patient Safety and Quality Committee • Medical Consultative Committee • Community Health Committee 	Toinette Hutchins (Chair) All Board Members are members of this committee Heather Bullen (Consumer Representative from 01.04.2020)
Nomination and Remuneration Committee	Appraises and reviews the Chief Executive Officer's performance regularly in line with contracted key performance indicators.	Maryanne Puli Vogels (Chair) Chris Stewart (Vice Chair) Claire Murphy (Vice Chair)
Consumer Participation Committee (CPC)	Provides strategic advice from a consumer, carer and community perspective to ensure TDHS hear directly from, and works in partnership with, the communities it serves.	Donna Ellis (Chair until 30.11.2019) Heather Bullen (Chair from 01.12.2019) Aimee Hose (from 12.06.19 – 11.12.2019) Bronwyn Rantall Gabby Theologous John Wilson (until 11.12.2019) Ray Smith (until 11.01.2020) Scott Munro Simone Renyard Terry O'Connor (until 30.08.2019) Zoe Neal (from 12.06.19) Bobbie French (from 10.06.20)

Our Executive Team

Timboon and District Healthcare Service (TDHS) Executive team reports to and supports the Chief Executive Officer in evaluation of operational accountability and the delivery of healthcare services. The Executive team meets monthly to ensure effective management and achievement of TDHS performance and service targets in safety and quality, risk management, governance, human resources, finance and performance, and professional activity.

CHIEF EXECUTIVE OFFICER

Rebecca Van Wollingen (from November 2019) – Acting CEO (March 2019 – November 2019)

Qualifications: BN (RN), MPH, AFACHSM

The Chief Executive Officer is directly responsible to the Board of Directors for the overall management and financial accountability of the organisation.

DIRECTOR OF CLINICAL SERVICES

Rebecca Van Wollingen – Acting DCS (from April 2020 to June 2020)

Qualifications: BN (RN), MPH, AFACHSM

Jason Hay (from February 2020 to April 2020)

Qualifications: Master of Nursing Practice, Grad Cert. Healthcare Leadership and Management, Grad Dip Nursing Practice (Critical Care), Bach of Nursing, Cert IV Leadership, Cert IV Frontline Business Management

Rebecca Van Wollingen (from February 2019 to November 2019) – Acting DCS (from November 2019 to February 2020)

Qualifications: BN (RN), MPH, AFACHSM

The Director of Clinical Services (DCS) is responsible for leading the Nursing, Community Health and Home Care services team to ensure a culture of patient centred care that is individualised, safe and responsive. The DCS is also responsible for the implementation and monitoring of the Clinical Governance Framework.

DIRECTOR OF CORPORATE SERVICES (FORMERLY CHIEF OPERATING OFFICER)

Chris McGrath (from February 2020)

Qualifications: CPA, Bach of Commerce

Sharon Rees (from February 2019 to October 2019)

Qualifications: Bach of Applied Science (Computing), Grad Dip Secondary Education, Bach of Commerce (Accounting)

The Director of Corporate Services is responsible for managing Finance, Administration, Hotel Services, Maintenance, Occupational Health & Safety, Risk Management, Compliance, Payroll and Information Technology departments.

Our Workforce

106
Employees

92%
Female

91%
Casual/
Part Time

7.3
years
Average
Length of
Service

*Working
together*
for a
healthy
community

20
New staff
members

47
years
Average Age

100%
Flu
Vaccination

60
Volunteers

HOSPITALS LABOUR CATEGORY	JUNE CURRENT MONTH FTE		AVERAGE MONTHLY FTE	
	2020	2019	2020	2019
Nursing	21.2	21.2	21.8	21.4
Administration and Clerical	10.1	10.7	9.6	9.2
Medical Support	0.8	0.8	0.8	0.9
Hotel and Allied Services	16.7	15.9	16.9	16.5
Ancillary Staff (Allied Health)	2.4	1.4	1.7	2.0

PEOPLE AND CULTURE

Timboon and District Healthcare Service (TDHS) is committed to the principles of merit and equity in the workplace in respect to employment, promotion and opportunity as it aligns to the Employment Principles and Standards within the Victorian Public Sector. During the last 12 months TDHS has identified and fulfilled support roles to support the organisational vision, and build on existing foundations to further enhance services provided to the community. A key focus area has been to attract, select and retain appropriate professionals within the Allied Health sector which continues to be an important focus leading into the succeeding year.

PROFESSIONAL DEVELOPMENT

In February and March of 2020 four Mandatory Education sessions were delivered by our Quality and Education Manager to our staff and volunteers (as per The National Standards for Volunteer Involvement and its requirements). The sessions included Cultural Awareness, Hand Hygiene, Basic Life Support, Elder Abuse, Manual Handling, Fire and Evacuation, Operational Update from the Chief Executive Officer and Human Resources Policy and Procedure Updates from our Human Resources Advisor. Clinical Staff's competencies were also strengthened by attending a Comprehensive Care Plan Training Session.

WORKPLACE HEALTH & SAFETY

TDHS is committed to fostering a positive safety and reporting culture where all risks and hazards in the workplace are minimised, eliminated, and controlled through the involvement and commitment of all employees, volunteers, contractors and other persons visiting the premises.

In comparison to the previous year TDHS have seen a significant increase in the number of reported incidents and hazards through the risk management software system Riskman. This directly correlates with staff development and training to understand what and how to log an incident/hazard and the establishment of the Incident Review and Evaluation (IRE) committee. The committee is designed to focus on organisational processes and procedures and make the appropriate improvements to minimise, eliminate and control incidents and hazards where they occur. This process also holds department managers and executive members accountable to the investigation, resolution and monitoring process that must occur for all incidents and hazards in the workplace. Since its commencement, the IRE committee have reviewed and closed over 97% of logged hazards and incidents reported in the 2019-2020 period.

Our Workforce

Additional to this TDHS maintained three designated work groups (DWG) across Clinical, Community and Non-Clinical sections, with each DWG having staff representation in the form of elected Health and Safety Representatives (HSR's). All HSR's sit on the TDHS Occupational Health and Safety Committee and their function is to flag potential organisational risks and hazards, hold the organisation to account to close reported incidents and hazards, be a conduit for staff safety issues and create opportunities for all staff to have input into the Occupational Health & Safety policies and procedures. Ongoing training is offered to HSR's as recognised by WorkSafe Australia to further assist them with their functions. TDHS regularly reviews Occupational Health & Safety policies and procedures and conducts safety audits to ensure a safe workplace and maintain best practice in the area.

OCCUPATIONAL HEALTH & SAFETY	2019-20	2018-19	2017-18
Number of reported hazards/incidents for the year per 100 FTE	478*	52	57
Number of 'lost time' standard workcover claims for the year per 100 FTE	0	0	2
Average cost per claim for standard workcover claims	\$235	\$0	\$26,000

*Increase is due to a broader scope of what is considered a hazard or incident and training implemented assisting staff to identify actual OH&S hazards & incidents

HEART OF TDHS SERVICE AWARDS

Our second Heart of TDHS Service and Volunteers Awards Night was held on Thursday 5 March to highlight staff and volunteer achievements, including Service Awards, Life Governors (existing and new), Outstanding Service Volunteer Award and the ICARE Peter Fox Award for the staff member that went above and beyond.

The 5th March was chosen as the day, because in 1956 it was the day that the hospital actually opened to receive patients. You can read more about our healthcare service's history in our history book that is available for free at the healthcare service.



Our ICARE Award is named after Dr Peter Fox, whose work is defining in the history of the hospital
(Photo: Frank Millar)

SERVICE AWARDS

Recipients of the Service Award for the 2019/2020 calendar year will be celebrated in next year's ceremony and are:

• Rhonda Johnston (Enrolled Nurse)	10 years
• Joanne Delaney (District Nurse)	10 years
• Linda Robertson (District Nurse)	10 years
• Margaret Edge (District Nurse)	10 years
• Lynda McKenzie (Theatre Coordinator)	15 Years
• Enid O'Connor (Enrolled Nurse and Diversional Therapist)	15 years
• Tracey Heeps (Exercise Therapist)	15 years
• Sherryl Mueller (District Nurse)	15 years
• Michelle Selten (Nurse Unit Manager)	30 years
• Kath Brown (Enrolled Nurse)	35 years

LIFE GOVERNORS

The Life Governor Award is awarded by the Board of Directors to those who have served at TDHS in a volunteer capacity and have gone above and beyond their normal duties in their roles to support TDHS and therefore our community. TDHS is very appreciative of the time and commitment that everyone has made to serve us all. During 2019/2020 no additional Life Governors were nominated, but we would thank all our Life Governors, past and present, for their amazing efforts and selflessness in contributing to TDHS.

OUTSTANDING SERVICE VOLUNTEER AWARD

This award is for the Most Outstanding Services as a Volunteer and during the year our staff and volunteers could complete written nominations displaying our ICARE values and describing how nominees not only met but exceeded any of these values.

Social Support Group and Meals on Wheels volunteer Delphine Taylor was the winner of this award. Nominations submitted displayed the following:

- “Del has been volunteering at Social Support Group for 23 years and she also volunteers delivering Meals on Wheels. Staff say that all Social Support Group members like her and she makes them feel welcome when they arrive. She shows respect to all members and doesn't talk about members outside the group.”
- “Del works diligently, performs tasks happily and knows what is expected of her and works well. She is compassionate, cares for the client, has empathy and is always helpful.”



Outstanding Service Volunteer Award recipient Delphine Taylor (middle) with CEO Rebecca Van Wollingen (left) and Board Chair Maryanne Puli Vogels (right)

ICARE PETER FOX STAFF AWARD

This award is to acknowledge the outstanding contributions made by one of our staff members who demonstrate our ICARE values to an exceptionally high level.

Our ICARE values:

- Integrity
- Compassion
- Accountability
- Respect
- Excellence

This award was named after Dr Peter Fox, who in his career, consistently went above and beyond for our hospital. He is one of the most enduring figures in the story of our healthcare service. He served the community for over 50 years and his work is defining the history of the hospital as without him it probably would not have been built.

Nominations were received in writing from our staff and volunteers by utilising a nomination form displaying our ICARE values and describing how nominees not only met but exceeded any of these values. The award recipient this year was Fiona Hanel, who was nominated by both volunteers and staff who stated:

- “Fiona has compassion for clients/patients and understands their home situation. She shows respect for clients/patients by respecting the way they choose to live, but quietly arranging help for them if needed.”
- “Fiona has helped community members who are a victim of domestic violence to find a place to stay and find work. She founded the Timboon Op Shop (with social worker) when she discovered community members were in need of cheaper clothes (school), shoes, etc. She has assisted community members in getting them a new meaning in life by volunteering at our healthcare service.”

TDHS congratulates all award recipients and is grateful to all TDHS staff and volunteers for their hard work, especially during the challenging times in 2019/2020, and genuinely acknowledges and appreciates every single member in our workforce.



2020 ICARE Peter Fox Staff Award recipient Fiona Hanel (middle) with Dr Fox's son John (left) and CEO Rebecca Van Wollingen (right).

Our Generous Community

OUR VOLUNTEERS

"A change is brought about because ordinary people do extraordinary things" - Barack Obama

This couldn't be more true at Timboon and District Healthcare Service (TDHS). We couldn't operate as we do without our volunteers. Especially during the challenging times in the past year we feel that it is more important than ever to acknowledge the extraordinary services our volunteers provide at TDHS and thank them for their adaptability, commitment and dedication. In a day and age when there are increasingly more rules and requirements to volunteering, we are overwhelmed by their generosity and willingness to dedicate themselves to TDHS and our clients. We sincerely thank each individual volunteer (past and present) and their families for their tireless work. Last year a Community Engagement Officer role was created to assist in further connecting TDHS to our volunteers and our community and we continue to work on improving communication both within the organisation and with the community. We look forward to continuing to work together with all of our volunteers for a healthy community.

OUR LIFE GOVERNORS

The Life Governor Award is awarded by the Board of Directors to those who have served at TDHS in a volunteer capacity and have gone above and beyond their normal duties in their roles to support TDHS and therefore our community. TDHS is very appreciative of the time and commitment that everyone has made to serve us all. During 2019/2020 no additional Life Governors were nominated, but we would thank all our Life Governors, past and present, for their amazing efforts and selflessness in contributing to TDHS.

Mr. M. Broomhall
Mrs. M. Bull
Ms. J. Burkhalter
Mrs. P. Couch
Mrs. J. Duro
Mr. A. Felmingham
Mrs. E. Finch
Mrs. E. Finnigan
Mr. N. Finnigan
Miss B. Fraser
Mrs. H. Herrin
Dr. D. Jackson
Mrs. N. Joiner
Mrs. Y. Lawson
Mrs. C. Marr
Mrs. M. McKenzie

Mr. R. McVilly
Mrs. H. Morris
Mrs. B. Newey
Mrs. B. O'Brien
Mrs. E. Padbury
Mr. J. Renyard
Mrs. K. Robbins
Mr. K. Serong
Mrs. M. Serong
Mrs. M. Symons
Mr. R. Smith
Mrs. D. Taylor
Mrs. J. Toller-Bond
Mr. D. Trigg
Mr. J.A. Vogels AM
Mr. T. Walsh

Our Donors

Each year as we prepare our Annual Report, we look back with deep gratitude at how the vision and generosity of our donors make our accomplishments possible. We value all our donors and we are very proud to recognise the diverse group of supporters who share our commitment and vision to work together for a healthy community.

With many people in the community being financially impacted by Covid-19 restrictions during 2020, the question was raised whether to conduct a 2020 Annual Appeal, but after consultation with our Consumer Participation Committee, it was decided to give those members in the community that wanted to contribute the opportunity to do so. And amazingly enough 2020 looks like one of our biggest appeals yet, for which we are extremely grateful.

To respect the privacy of our donors, contributions are not stated in this annual report individually, but the generosity of our local communities is greatly appreciated and we extend a very sincere and warm thank you for the continued support from individuals, local groups and organisations.

DONATIONS 2019/20	19/20 FY	APPEAL TOTAL TO DATE
2019 Annual Appeal (Reclining lift chairs patient rooms)	\$ 2,055	\$ 18,183
2020 Annual Appeal (Gym Equipment)	\$ 7,965	\$ 22,363
Donations and Bequests	\$ 40,749	
Total donations in 19/20:	\$ 50,769	

**Annual Appeal begins in May and continues through to July, appeal amounts are total for calendar year at date of publication*

Our Performance Priorities

QUALITY AND SAFETY

KEY PERFORMANCE INDICATOR	TARGET	RESULT
Health Service Accreditation	Full Compliance	Full Compliance
Compliance with Cleaning Standards	Full Compliance	Full Compliance
Compliance with the Hand Hygiene Australia Program	83%	92.7%*
Percentage of Healthcare Workers Immunised for Influenza	84%	99%
Victorian Health Experience Survey – patient experience	95% positive experience	Full Compliance**
Victorian Health Experience Survey – discharge care	75% very positive response	Full Compliance**

* Hand Hygiene - Quarter 4 data is not available due to COVID-19. Result is based on available data.

** Results suppressed due to less than 30 responses

GOVERNANCE AND LEADERSHIP

KEY PERFORMANCE INDICATOR	TARGET	RESULT
People Matter Survey – percentage of staff with a positive response to safety culture questions	80%	96%

FINANCIAL SUSTAINABILITY

KEY PERFORMANCE INDICATOR	TARGET	RESULT
Operating Result (\$m)	0.000	0.471
Trade Creditors	60 Days	40 Days
Patient Fee Debtors	60 Days	44 Days
Adjusted Current Asset Ratio	0.7	3.78
Number of Days Available Cash	14 Days	222.4 Days

FUNDED FLEXIBLE AGED CARE PLACES

CAMPUS	CAMPUS
Flexible High Care	14

Our Performance Priorities

UTILISATION OF FLEXIBLE AGED CARE PLACES

CAMPUS	NUMBER	OCCUPANCY LEVEL %
Flexible High Care	4	75%
Respite **	2	164%
Total	6	

**Beds can be used flexibly based on community need and demand for service

ACUTE CARE

SERVICE	TYPE OF ACTIVITY	ACTUAL 2019-20	ACTUAL 2018-19
Medical Inpatients	Bed days	1,791	1,321
Urgent Care	Presentations	1,005	1,259
Radiology	Number of clients	345	298

PRIMARY HEALTH CARE

SERVICE	TYPE OF ACTIVITY	ACTUAL 2019-20	ACTUAL 2018-19
Community Health Nursing	Hours of Service	330	366
Community Midwife	Hours of Service	197	107
Continence Services	Hours of Service	31	36
Diabetes Education	Hours of Service	61	55
Dietetics	Hours of Service	92	172
District Nursing Service	Hours of Service	2,130	1,879
Exercise Classes	Occasions of Service	2,060^	2,761
Occupational Therapy	Hours of Service	202	115
Physiotherapy	Hours of Service	258	349
Podiatry	Hours of Service	107	137
Speech Pathology	Hours of Service	212	114

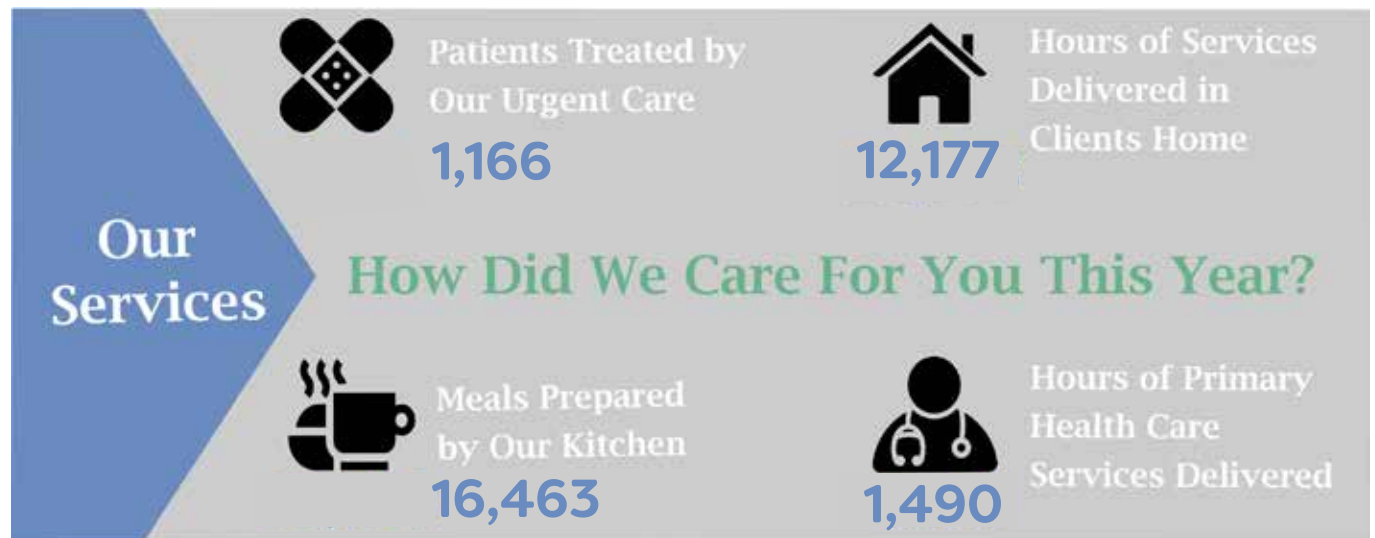
^Significantly impacted by Covid-19

Our Performance Priorities

COMMUNITY CARE

SERVICE	TYPE OF ACTIVITY	ACTUAL 2019-20	ACTUAL 2018-19
Delivered Meals	Number of Meals	9,110	8,402
Domestic Assistance	Hours of Service	5,967	5,221
Personal Care	Hours of Service	2,129	1,571
In-home Respite	Hours of Service	527	532
Property Maintenance	Hours of Service	1,222	1,052
Social Support Group	Hours of Service	6,266^	8,740
Community Transport	Hours of Service	524^	552
District Nursing	Hours of Service	2,130	1,879

^Significantly impacted by Covid-19



Financial Information

5 YEAR FINANCIAL SUMMARY	\$000	\$000	\$000	\$000	\$000
	2020	2019	2018	2017	2016
OPERATING RESULT	471	353	341	220	1
Total Revenue	8,058	7,761	7,403	7,473	7,232
Total Expenses	8,494	7,778	7,557	7,803	7,928
Net Result from Transactions	(436)	(17)	(154)	(330)	(696)
Total other economic flows	34	58	69	72	30
Net Result	(402)	41	(85)	(258)	(666)
Total Assets	17,886	18,230	17,943	17,607	17,611
Total Liabilities	2,076	2,001	1,796	2,557	2,304
Net Assets/Total Equity	15,810	16,229	16,147	15,050	15,307

RECONCILIATION OF NET RESULT	\$000
	2020
Net operating result	471
Capital purpose income	149
Medical Clinic - share of profit	(73)
COVID 19 State Supply Arrangements	
- Assets received free of charge or for nil consideration under the State Supply	5
State supply items consumed up to 30 June 2020	(5)
Expenditure for capital purpose	(5)
Depreciation and amortisation	(978)
Impairment of non-financial assets	2
Finance costs (other)	(2)
Net result from transactions	(436)

Financial Information

Current Financial Year in Review

Financial Analysis of Operating Revenues and Expenses

Timboon and District Healthcare Service ended the 2019-20 financial year with an operating result of \$471,000 in surplus compared to a result of \$353,000 in the previous year. The surplus was aided by additional non-recurrent revenue from patients being eligible for Department of Veteran Affairs subsidies and National Bowel Screening funding. Respite and private patient income also increased. Energy savings were generated from the installation of solar panels in 2019.

Significant Changes in Financial Position during the Year

The adjusted current asset ratio at 30 June 2020 has increased to 3.78 and is much higher than the targeted ratio of 0.7. This ratio indicates the healthcare service is in a strong financial position, with adequate cash reserves to meet liabilities as they fall due.

Performance against Operational and Budgetary Objectives

Each year the healthcare service establishes an operational budget which is matched to the strategic objectives of the organisation. In 2019-20 the health service aimed to achieve a break-even budget before capital and specific items and achieved a surplus of \$471,000 due to increased income. Expenditure was over budget due to the impact of COVID-19.

This included increased costs for leave replacement, casual staff maintenance, medical and domestic supplies and COVID-19 testing.

CONSULTANCIES

Details of consultancies (under \$10,000)

In 2019-20, there were two consultancies where the total fees payable to the consultants were less than \$10,000. The total expenditure incurred during 2019-20 in relation to these consultancies is \$5,200 (excl. GST).

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

In 2019-20, there were no consultancies where the total fees payable to the consultant were \$10,000 or greater.

INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) EXPENDITURE (\$ MILLIONS)

The total ICT expenditure incurred during 2019-20 is \$0.378 million with the details shown below.

BUSINESS AS USUAL (BAU) ICT EXPENDITURE	NON BUSINESS AS USUAL (NON BAU) ICT EXPENDITURE		
TOTAL (EXCLUDING GST)	(TOTAL=OPERATIONAL EXPENDITURE AND CAPITAL EXPENDITURE) (EXCLUDING GST)	OPERATIONAL EXPENDITURE (EXCLUDING GST)	CAPITAL EXPENDITURE (EXCLUDING GST)
0.353	0.025	0.009	0.016

Statutory Disclosures

FREEDOM OF INFORMATION ACT 1982

The *Freedom of Information (FOI) Act 1982* allows the public a right of access to documents held by Timboon & District Healthcare Service. Individuals or agencies who act on their behalf, such as solicitors or insurance companies, are entitled to access personal medical record information. TDHS is committed to protecting consumer privacy and all care is taken to ensure this. All FOI applications are directed to the Director of Clinical Services and are processed in accordance with the provisions of the *Freedom of Information (FOI) Act 1982* within the legislated timeframes.

During 2019-20 TDHS received and processed 5 applications from members of the public.

All FOI applications must be made in writing and addressed to:

ATT: Director of Clinical Services
Timboon and District Healthcare Service
21 Hospital Road
Timboon VIC 3268

All applications will be charged an application fee. Successful applicants will also incur additional access charges which vary depending on materials supplied. A schedule of these additional fees can be found on the Office of the Victorian Information Commissioner website (ovic.vic.gov.au).

BUILDING ACT 1993

Timboon & District Healthcare Service complies with the *Building Act 1993* and Standards for Publicly Owned Buildings November 1994 in all redevelopment and maintenance issues.

The buildings have been subject to a fire audit by a Fire Safety Engineer and we have a completed Fire Safety Handbook.

During the reporting period, planned/preventative maintenance was carried out, including routine inspections and rectification to ensure the healthcare service's buildings were maintained to a safe and functional condition in compliance with the requirements of the Act, Building Code of Australia and various Australian Standards, as evidenced in the annual certificate of compliance of Essential Safety Measures (ESM). The buildings ESM is also subject to external auditing.

We currently use a number of external specialists to assist with our compliance with the Department of Health and Human Services Fire Risk Management Guidelines.

PROTECTED DISCLOSURES ACT 2012

Timboon & District Healthcare Service is committed to the principles of the *Protected Disclosure Act 2012* and has in place appropriate procedures for disclosures in accordance with the Act. During the 2019/20 financial year there were no disclosures received by TDHS and one notification of disclosure was made to the Ombudsman or other external agency.

STATEMENT OF NATIONAL COMPETITION POLICY

Timboon & District Healthcare Service complies with the National Competition Policy and requirements of the *Competitive Neutrality Policy Victoria*.

Statutory Disclosures

CARERS RECOGNITION ACT 2012

The *Carers Recognition Act 2012* recognises, promotes and values the role of people in care relationships. Timboon & District Healthcare Service (TDHS) understands the different needs of persons in care relationships and that care relationships bring benefits to the patients, their carers and to the community. TDHS takes all practicable measures to ensure that its employees, agents and carers have an awareness and understanding of the care relationship principles and this is reflected in our commitment to a model of patient and family centred care and to involving carers in the development and delivery of our services. TDHS complies with all requirements of the *Carers Recognition Act 2012* and was not required to make any disclosures during the reporting period.

ENVIRONMENTAL PERFORMANCE

Timboon & District Healthcare Service (TDHS) is genuinely committed to maintaining and improving the health and wellbeing of the people and communities we serve. To that end, TDHS recognises the need to use resources wisely and effectively without compromising standards of care. TDHS also acknowledges its responsibility to provide a leadership role for environmental sustainability. It is an expectation that all members of the TDHS team play their part to minimize unnecessary energy waste and actively participate in recycling initiatives.

Recent initiatives to improve our environmental performance include:

- Installation of solar panels – A 70 kilowatt solar system using 234 panels now generates at least 25% of TDHS' electricity.
- Replacement of lights with LEDs – All internal lights have been replaced with energy efficient LED lights

A comparison of the Health Services' environmental performance over a three year period is as follows:

ENVIRONMENTAL PERFORMANCE	2019-20	2018-19	2017-18
Total greenhouse gas emissions (tonnes CO₂e)			
Scope 1	34	30	32
Scope 2	276	362	393
Emissions per unit of floor space (kgCO ₂ e/m ²)	91.54	115.72	125.37
Total energy consumed (GJ)			
Electricity	974	1,219	1,308
Solar Power	239	4	N/A
Liquefied Petroleum Gas	566	497	536
Energy per unit of floor space (GJ/m ²)	0.45	0.51	0.54
Total water consumption (kL)			
Potable Water	1,505	1,776	1,812
Water per unit of floor space (kL/m ²)	0.44	0.52	0.53
Waste (kg)			
Total waste generated	8,166	8,943	8,478
Total waste to landfill generated	4,058	4,047	4,673
Recycling rate %	52.16	56.58	46.56

Statutory Disclosures

ADDITIONAL INFORMATION AVAILABLE ON REQUEST

In compliance with the requirements of the *Financial Reporting Directions 22H (Section 5.19)*, details in respect to the items listed below have been retained by TDHS and are available to the relevant Ministers, Members of Parliament and the public on request (subject to the freedom of information requirements, if applicable):

- (a) Declarations of pecuniary interests have been duly completed by all relevant officers
- (b) Details of shares held by senior officers as nominee or held beneficially
- (c) Details of publications produced by the entity about itself, and how these can be obtained
- (d) Details of changes in prices, fees, charges, rates and levies charged by the Health Service
- (e) Details of any major external reviews carried out on the Health Service
- (f) 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
- (g) Details of overseas visits undertaken including a summary of the objectives and outcomes of each visit
- (h) 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
- (i) Details of assessments and measures undertaken to improve the occupational health and safety of employees
- (j) 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
- (k) 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
- (l) Details of all consultancies and contractors including consultants/contractors engaged, services provided, and expenditure committed for each engagement.

Statutory Disclosures

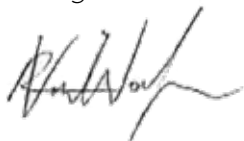
LOCAL JOBS ACT 2003

Local Jobs First Act disclosures

No contracts commenced in the financial year to which the Local Jobs First - VIPP Plan was required.

FINANCIAL MANAGEMENT COMPLIANCE ATTESTATION

I, Maryanne Puli Vogels on behalf of the Responsible Body, certify that Timboon and District Health Service has no Material Compliance Deficiency with respect to the applicable Standing Directions under the Financial Management Act 1994 and Instructions.

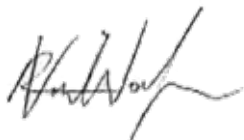


Maryanne Puli Vogels
Board Chair
Timboon & District Healthcare Service
17 August 2020

Attestations

ATTESTATION ON DATA INTEGRITY

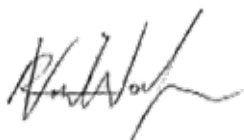
I, Rebecca Van Wollingen certify that Timboon & District Healthcare Service has put in place appropriate internal controls and processes to ensure that reported data accurately reflects actual performance. Timboon & District Healthcare Service has critically reviewed these controls and processes during the year.



Rebecca Van Wollingen
Chief Executive Officer
Timboon & District Healthcare Service
17 August 2020

ATTESTATION ON CONFLICT OF INTEREST

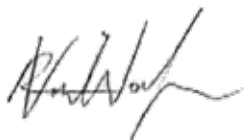
I, Rebecca Van Wollingen, certify that Timboon & District Healthcare Service has put in place appropriate internal controls and processes to ensure that it has complied with the requirements of hospital circular 07/2017 Compliance Reporting in Health Portfolio Entities (Revised) and has implemented a '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 Timboon & District Healthcare Service and members of the board, and all declared conflicts have been addressed and are being managed. Conflict of interest is a standard agenda item for declaration and documenting at each executive board meeting.



Rebecca Van Wollingen
Chief Executive Officer
Timboon & District Healthcare Service
17 August 2020

INTEGRITY, FRAUD AND CORRUPTION DECLARATION

I, Rebecca Van Wollingen, certify that Timboon & District Healthcare Service has put in place appropriate internal controls and processes to ensure that integrity, fraud and corruption risks have been reviewed and addressed at Timboon & District Healthcare Service during the year.



Rebecca Van Wollingen
Chief Executive Officer
Timboon & District Healthcare Service
17 August 2020

Other Reporting Requirements

OCCUPATIONAL VIOLENCE

OCCUPATIONAL VIOLENCE STATISTICS	2019-20
WorkCover accepted claims with an occupational violence cause per 100 FTE	0
Number of accepted WorkCover claims with lost time injury with an occupational violence cause per 1,000,000 hours worked.	0
Number of occupational violence incidents reported	5
Number of occupational violence incidents reported per 100 FTE	10
Percentage of occupational violence incidents resulting in a staff injury, illness or condition	0

SAFE PATIENT CARE ACT 2015

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

Disclosure Index

THE ANNUAL REPORT OF TIMBOON & DISTRICT HEALTHCARE 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
CHARTER AND PURPOSE		
FRD 22H	Manner of establishment and the relevant Ministers	4, 17
FRD 22H	Purpose, functions, powers and duties	3-4
FRD 22H	Nature and range of services provided	6-8
FRD 22H	Activities, programs and achievements for the reporting period	12-15
FRD 22H	Significant changes in key initiatives and expectations for the future	9-11
MANAGEMENT AND STRUCTURE		
FRD 22H	Organisational structure	16
FRD 22H	Workforce data, employment and conduct principles	3, 21-25
FRD 22H	Occupational Health & Safety	22-23
FINANCIAL INFORMATION		
FRD 22H	Summary of the financial results for the year	31
FRD 22H	Significant changes in financial position during the year	32
FRD 22H	Operational and budgetary objectives and performance against Objectives	28-30
FRD 22H	Subsequent events	NA
FRD 22H	Details of consultancies under \$10,000	32
FRD 22H	Details of consultancies over \$10,000	32
FRD 22H	Disclosure of ICT expenditure	32
LEGISLATION		
FRD 22H	Application and operation of Freedom of Information Act 1982	33
FRD 22H	Compliance with building and maintenance provision of Building Act 1993	33
FRD 22H	Application and operation of Protected Disclosure 2012	33
FRD 22H	Statement on National Competition Policy	33
FRD 22H	Application and operation of Carers Recognition Act 2012	34
FRD 22H	Summary of the entity's environmental performance	34
FRD 22H	Additional information available on request	35
OTHER RELEVANT REPORTING DIRECTIVES		
FRD 25D	Local Jobs First Act disclosures	36
SD 5.1.4	Financial Management Compliance attestation	36
SD 5.2.3	Declaration in report of operations	2
ATTESTATIONS		
Attestation on Data Integrity		37
Attestation on Conflicts of Interest		37
Integrity, Fraud and Corruption Declaration		37
OTHER REPORTING REQUIREMENTS		
•	Reporting of outcomes from Statement of Priorities 2019 – 2020	12-15, 28-30
•	Occupational Violence reporting	38
•	Reporting obligations under the Safe Patient Care Act 2015	38

Financial **Statements**

A decorative graphic consisting of seven light green circles of varying sizes and two large, light green curved lines that sweep upwards from the bottom right towards the center of the page.

Financial Statements

Financial Year ended 30 June 2020

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

The attached financial statements for Timboon & District Healthcare 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 2020 and the financial position of Timboon & District Healthcare Service at 30 June 2020.

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

We authorise the attached financial statements for issue on 13th October 2020.

Member of Responsible Body



Ms M. Puli Vogels

Chair

Timboon
13/10/2020

Accountable Officer



Ms R. Van Wollingen

Chief Executive Officer

Timboon
13/10/2020

Chief Finance and Accountable Officer



Mr C. McGrath

Chief Finance and Accounting Officer

Timboon
13/10/2020

Independent Auditor's Report

To the Board of Timboon and District Healthcare Service

Opinion	<p>I have audited the financial report of Timboon and District Healthcare Service (the health service) which comprises the:</p> <ul style="list-style-type: none"> balance sheet as at 30 June 2020 comprehensive operating statement for the year then ended statement of changes in equity for the year then ended cash flow statement for the year then ended notes to the financial statements, including significant accounting policies board member's, accountable officer's and chief finance & accounting officer's declaration. <p>In my opinion the financial report presents fairly, in all material respects, the financial position of the health service as at 30 June 2020 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 7 of the <i>Financial Management Act 1994</i> and applicable Australian Accounting Standards.</p>
Basis for Opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the health service in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
Board's responsibilities for the financial report	<p>The Board of the health service is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the <i>Financial Management Act 1994</i>, and for such internal control as the Board determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.</p> <p>In preparing the financial report, the Board is responsible for assessing the health service's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.</p>

Auditor's responsibilities for the audit of the financial report

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

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

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

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

MELBOURNE
20 October 2020



Travis Derricott
as delegate for the Auditor-General of Victoria

Timboon & District Healthcare Service
Comprehensive Operating Statement
For the year ended 30 June 2020

		Total	Total
		2020	2019
		\$	\$
Income from Transactions			
Operating activities	2.1	8,007,433	7,673,154
Non-operating activities	2.1	50,767	87,956
Total Income from Transactions		8,058,200	7,761,110
Expenses from Transactions			
Employee expenses	3.1	(5,802,210)	(5,384,527)
Supplies and consumables	3.1	(406,724)	(365,560)
Finance costs	3.1	(1,656)	(8,761)
Depreciation and amortisation	4.3	(977,867)	(737,277)
Other administrative expenses	3.1	(968,737)	(915,437)
Other operating expenses	3.1	(328,468)	(366,477)
Other non-operating expenses	3.1	(8,528)	(469)
Total Expenses from Transactions		(8,494,190)	(7,778,508)
Net Result from Transactions - Net Operating Balance		(435,990)	(17,398)
Other Economic Flows included in Net Result			
Net Gain/(Loss) on sale of non-financial assets	3.2	-	27,507
Net Gain/(Loss) on financial instruments at fair value	3.2	(2,949)	1,050
Other Gain/(Loss) from other economic flows	3.2	(36,351)	(27,457)
Share of other economic flows from joint operation	3.2	73,133	57,274
Total Other Economic Flows included in Net Result		33,833	58,374
Net Result for the year		(402,157)	40,976
Other Comprehensive Income			
Items that will not be reclassified to Net Result			
Changes in property, plant and equipment revaluation surplus	4.2(b)	-	41,086
Total Other Comprehensive Income		-	41,086
Comprehensive Result for the Year		(402,157)	82,062

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

Timboon & District Healthcare Service Balance Sheet as at 30 June 2020

	Note	Total 2020 \$	Total 2019 \$
Current Assets			
Cash and cash Equivalents	6.2	4,349,206	3,001,861
Receivables	5.1	326,218	304,947
Inventories		765	1,076
Other financial assets	4.1	-	1,000,000
Other Assets		123,686	126,788
Total Current Assets		4,799,875	4,434,672
Non-Current Assets			
Receivables	5.1	372,094	281,070
Investments using the equity method	8.8	71,143	58,333
Property, plant and equipment	4.2 (a)	12,643,004	13,456,236
Total Non-Current Assets		13,086,241	13,795,639
TOTAL ASSETS		17,886,116	18,230,311
Current Liabilities			
Payables	5.2	622,535	674,167
Borrowings	6.1	37,349	43,076
Provisions	3.4	1,180,057	1,012,411
Total Current Liabilities		1,839,941	1,729,654
Non-Current Liabilities			
Borrowings	6.1	42,494	74,685
Provisions	3.4	193,358	197,095
Total Non-Current Liabilities		235,852	271,780
TOTAL LIABILITIES		2,075,793	2,001,434
NET ASSETS		15,810,323	16,228,877
EQUITY			
Property, plant and equipment revaluation surplus	4.2(f)	6,723,787	6,723,787
Contributed capital	SCE	4,610,700	4,610,700
Accumulated Surplus	SCE	4,475,836	4,894,390
TOTAL EQUITY		15,810,323	16,228,877

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

Timboon & District Healthcare Service
Statement of Changes in Equity
For the Financial Year Ended 30 June 2020

Total		Property, Plant and Equipment Revaluation Surplus	Contributed Capital	Accumulated Deficits	Total
	Note	\$	\$	\$	\$
Balance at 1 July 2018	4.2 (f)	6,682,701	4,610,700	4,853,414	16,146,815
Net result for the year		-	-	40,976	40,976
Other comprehensive income for the year		41,086	-	-	41,086
Balance at 30 June 2019		6,723,787	4,610,700	4,894,390	16,228,877
Effect of adoption of AASB 15, 16 and 1058	8.10	-	-	(16,397)	(16,397)
Restated balance at 30 June 2019		6,723,787	4,610,700	4,877,993	16,212,480
Net result for the year		-	-	(402,157)	(402,157)
Balance at 30 June 2020		6,723,787	4,610,700	4,475,836	15,810,323

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

Timboon & District Healthcare Service
Cash Flow Statement
For the Financial Year Ended 30 June 2020

	Note	Total 2020 \$	Total 2019 \$
Cash Flows from Operating Activities			
Operating grants from government		6,600,700	6,054,653
Capital grants from government - State		29,671	154,608
Patient fees received		691,402	615,206
Donations and bequests received		-	73,028
GST received from ATO		18,547	-
Interest and investment income received		82,774	96,208
Commercial Income Received		80,911	70,279
Other Receipts		448,095	477,400
Total Receipts		7,952,100	7,541,382
Employee expenses paid		(5,735,680)	(5,192,611)
Payments for supplies and consumables		(474,445)	(365,554)
Payments for medical indemnity insurance		(50,374)	(51,740)
Payments for repairs and Maintenance		(174,813)	(196,570)
Finance Costs		(1,656)	(8,761)
GST paid to ATO		-	(9,643)
Other payments		(1,077,133)	(1,064,698)
Total Payments		(7,514,101)	(6,889,577)
Net Cash Flows from/(used in) Operating Activities	8.1	437,999	651,805
Cash Flows from Investing Activities			
Proceeds from disposal of investments		1,000,000	2,353,138
Purchase of non-financial assets		(164,635)	(799,378)
Capital Donations and Bequests Received		52,524	-
Distributions from Joint Venture Associates		60,323	56,154
Proceeds from disposal of non-financial assets		-	50,186
Net Cash Flows from/(used in) Investing Activities		948,212	1,660,100
Cash Flows from Financing Activities			
Proceeds from borrowings		-	63,994
Repayment of borrowings		(38,866)	(4,859)
Net Cash Flows from /(used in) Financing Activities		(38,866)	59,135
Net Increase/(Decrease) in Cash and Cash Equivalents Held		1,347,345	2,371,040
Cash and cash equivalents at beginning of year		3,001,861	630,821
Cash and Cash Equivalents at End of Year	6.2	4,349,206	3,001,861

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

Timboon & District Healthcare Service

Notes to the Financial Statements

For the Financial Year Ended 30 June 2020

Basis of preparation

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

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

Note 1 – Summary of Significant Accounting Policies

These annual financial statements represent the audited general purpose financial statements for Timboon & District Healthcare Service (ABN 44 836 142 460) for the year ended 30 June 2020. The report provides users with information about Timboon & District Healthcare Service's stewardship of resources entrusted to it.

(a) Statement of Compliance

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

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

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

(b) Reporting Entity

The financial statements include all the controlled activities of Timboon & District Healthcare Service.

Its principal address is:

21 Hospital Road

Timboon, Victoria 3268

A description of the nature of Timboon & District Healthcare 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 2020, and the comparative information presented in these financial statements for the year ended 30 June 2019.

Comparative information for 2019 has been modified where alignment with the current year allocations is required to report consistently from year to year.

The financial statements are prepared on a going concern basis (refer to Note 8.9 Economic Dependency).

These financial statements are presented in Australian dollars, the functional and presentation currency of Timboon & District Healthcare Service.

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

The Timboon & District Healthcare 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.

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.

Timboon & District Healthcare Service

Notes to the Financial Statements

For the Financial Year Ended 30 June 2020

(c) Basis of Accounting Preparation and Measurement

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

- The fair value of land, buildings and plant and equipment (refer to Note 4.3 Property, Plant and Equipment), and
- Employee benefit provisions are based on likely tenure of existing staff, patterns of leave claims, future salary movements and future discount rates (refer to Note 3.4 Employee Benefits in the Balance Sheet).

Covid-19

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

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

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

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

For further details refer to Note 2.1 Funding delivery of our services and Note 4.2 Property, Plant and Equipment.

Goods and Services Tax (GST)

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

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

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

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

Timboon & District Healthcare Service

Notes to the Financial Statements

For the Financial Year Ended 30 June 2020

(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, Timboon & District Healthcare 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.

Timboon & District Healthcare Service is a member of the Southwest Alliance of Rural Health Joint Venture and retains joint control over the arrangement, which it has classified as a joint operation (refer to Note 8.7 Jointly Controlled Operations)

(e) Equity

Contributed Capital

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

Note: 2 Funding delivery of our services

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

Structure

2.1 Income from Transactions

Note 2.1: Income from Transactions

Government grants (state) - Operating ¹	
Government grants (Commonwealth) - Operating	
Government grants (State) - Capital	
Patient and resident fees	
Commercial activities ²	
Assets received free of charge or for nominal consideration	
Other revenue from operating activities (including non-capital donations)	
Total Income from Operating Activities	

Total 2020 \$	Total 2019 \$
4,954,377	4,656,962
1,699,035	1,573,808
29,671	154,608
696,966	610,067
80,911	70,279
57,476	77,170
488,997	530,260
8,007,433	7,673,154
Other interest	
50,767	87,956
50,767	87,956
8,058,200	7,761,110

Total Income from Non-Operating Activities	
Total Income from Transactions	

¹ Government Grants (State) - Operating includes \$0.15m of funding support for COVID-19 impact on health service operations.

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

Revenue Recognition

Impact of COVID-19 on revenue and income

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

Government Grants

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

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

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

Note 2.1: Income from Transactions

As a result of the transitional impacts of adopting AASB 15 and AASB 1058, a portion of the grant revenue has been deferred in deferred grant revenue liability (see note 5.2). If the grant revenue was accounted for under the previous accounting standard AASB 1004 in 2019-20, the total grant revenue received would have been recognised in full.

Performance obligations

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

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

For activity based funding, revenue is recognised as target levels are met. These performance obligations have been selected as they are agreed with the Department of Health and Human Services (DHHS) in the annual Statement of Priorities (SOP). For this type of funding, there is minimal judgement required, as performance is measured in accordance with DHHS Policy and Funding Guidelines.

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

Previous accounting policy for 30 June 2019

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

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

For non-reciprocal grants, Timboon & District Healthcare Service recognises revenue when the grant is received.

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

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

Patient and Resident Fees

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

Resident fees are recognised as revenue over time as Timboon & District Healthcare Service provides accommodation. This is calculated on a daily basis and invoiced monthly.

Commercial activities

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

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

	2020 \$	2019 \$
Cash donations and gifts	52,524	77,170
Assets received free of charge under State supply arrangements	4,952	-
Total fair value of assets and services received free of charge or for nominal consideration	57,476	77,170

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

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

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

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

Voluntary Services: Contributions in the form of services are only recognised when a fair value can be reliably determined, and the services would have been purchased if not donated. Timboon & District Healthcare Service operates with minimal volunteer services and does not consider a reliable fair value can be determined.

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

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

- The Victorian Managed Insurance Authority non-medical indemnity insurance payments are recognised as revenue following advice from the Department of Health and Human Services
- Long Service Leave (LSL) revenue is recognised upon finalisation of movements in LSL liability in line with the long service leave funding arrangements set out in the relevant Department of Health and Human Services Hospital Circular
- Fair value of assets and services received free of charge or for nominal consideration
- Resources received free of charge or for nominal consideration are recognised at their fair value when the transferee obtains control over them, irrespective of whether restrictions or conditions are imposed over the use of the contributions, unless received from another Health Service or agency as a consequence of a restructuring of administrative arrangements. In the latter case, such transfer will be recognised at carrying amount. Contributions in the form of services are only recognised when a fair value can be reliably determined and the service would have been purchased if not received as a donation.

Performance obligations and revenue recognition policies

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

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

2.1 (b) Other non operating income

	2020 \$	2019 \$
Other interest	50,767	87,956
Total other income	50,767	87,956

Interest Income

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

Note 3: The cost of delivering our services

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

Structure

- 3.1 Expenses from Transactions
- 3.2 Other Economic Flows
- 3.3 Analysis of expenses and revenue by internally managed and restricted specific purpose funds
- 3.4 Employee benefits in the Balance Sheet
- 3.5 Superannuation

Note 3.1: Expenses from Transactions

	Total 2020 \$	Total 2019 \$
Salaries and wages	4,874,063	4,601,285
On-costs	418,864	395,290
Agency expenses	189,456	94,212
Fee for service medical officer expenses	267,829	250,927
Workcover premium	51,998	42,813
Total Employee Expenses	5,802,210	5,384,527
Drug supplies	25,511	21,114
Medical and surgical supplies (including Prostheses)	107,099	91,510
Diagnostic and radiology supplies	40,028	29,788
Other supplies and consumables	234,086	223,148
Total Supplies and Consumables	406,724	365,560
Finance costs	1,656	8,761
Total Finance Costs	1,656	8,761
Other administrative expenses	968,737	915,437
Total Other Administrative Expenses	968,737	915,437
Fuel, light, power and water	97,933	114,642
Repairs and maintenance	130,339	139,512
Maintenance contracts	44,474	57,058
Medical indemnity insurance	50,374	51,740
Expenditure for capital purposes	5,348	3,525
Total Other Operating Expenses	328,468	366,477
Total Operating Expense	7,507,795	7,040,762
Depreciation and amortisation (refer Note 4.3)	977,867	737,277
Total Depreciation and Amortisation	977,867	737,277
Bad and doubtful debt expense	8,528	469
Total Other Non-Operating Expenses	8,528	469
Total Non-Operating Expense	986,395	737,746
Total Expenses from Transactions	8,494,190	7,778,508

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

Impact of Covid-19 on expenses

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

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

Note 3.1: Expenses from Transactions

Employee Expenses

Employee expenses include:

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

Supplies and consumables

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

Finance costs

Finance costs include:

- interest on bank overdrafts and short-term and long-term borrowings (Interest expense is recognised in the period in which it is incurred);
- amortisation of discounts or premiums relating to borrowings;
- amortisation of ancillary costs incurred in connection with the arrangement of borrowings; and

Other Operating Expenses

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

- Fuel, light and power
- Repairs and maintenance
- Other administrative expenses
- Expenditure for capital purposes (represents expenditure related to the purchase of assets that are below the capitalisation threshold of \$1,000).

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

Operating lease payments

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

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

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

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

Note 3.2: Other economic flows included in net result

	Total 2020 \$	Total 2019 \$
<u>Net gain/(loss) on non-financial assets</u>		
Net gain on disposal of property plant and equipment	-	27,507
Total Net Gain/(Loss) on Non-Financial Assets	-	27,507
<u>Net gain/(loss) on financial instruments</u>		
Allowance for impairment losses of contractual receivables	(2,001)	-
Other Gains/(Losses) from Other Economic Flows	(948)	1,050
Total Net Gain/(Loss) on Financial Instruments	(2,949)	1,050
<u>Share of other economic flows from Joint Operations</u>		
Share of net profits/(losses) of joint entities, excluding dividends	73,133	57,274
Total Share of Other Economic Flows from Joint Operations	73,133	57,274
<u>Other gains/(losses) from other economic flows</u>		
Net gain/(loss) arising from revaluation of long service liability	(36,351)	(27,457)
Total other Gains/(Losses) from Other Economic Flows	(36,351)	(27,457)
Total Gains/(Losses) From Other Economic Flows	33,833	58,374

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

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

Net gain/ (loss) on non-financial assets

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

- Revaluation gains/ (losses) of non-financial physical assets (Refer to Note 4.2 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 at fair value includes:

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

Impairment of non-financial assets

Goodwill and intangible assets with indefinite useful lives (and intangible assets not available for use) are tested annually for impairment and whenever there is an indication that the asset may be impaired. Refer to Note 4.1 Investments and other financial assets.

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.

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

	Expense		Revenue	
	Total 2020 \$	Total 2019 \$	Total 2020 \$	Total 2019 \$
Commercial Activities				
Cafeteria	12,538	12,482	12,538	11,233
Property	56,771	33,656	68,373	59,046
Total Commercial Activities	69,309	46,138	80,911	70,279
TOTAL	69,309	46,138	80,911	70,279

Note 3.4: Employee Benefits in the Balance Sheet

	Total 2020 \$	Total 2019 \$
CURRENT PROVISIONS		
Employee Benefits ⁱ		
<i>Accrued days off</i>		
- unconditional and expected to be settled wholly within 12 months ⁱⁱ	13,471	15,173
<i>Annual leave</i>		
- unconditional and expected to be settled wholly within 12 months ⁱⁱ	373,876	304,034
<i>Long service leave</i>		
- unconditional and expected to be settled wholly within 12 months ⁱⁱ	134,824	60,000
- unconditional and expected to be settled wholly after 12 months ⁱⁱⁱ	540,006	527,025
Provisions related to Employee Benefit On-Costs		
Unconditional and expected to be settled within 12 months ⁱⁱ	49,516	36,182
Unconditional and expected to be settled after 12 months ⁱⁱⁱ	68,364	69,997
	117,880	106,179
TOTAL CURRENT PROVISIONS	1,180,057	1,012,411
NON-CURRENT PROVISIONS		
Conditional long service leave	172,464	175,627
Provisions related to employee benefit on-costs	20,894	21,468
TOTAL NON-CURRENT PROVISIONS	193,358	197,095
TOTAL PROVISIONS	1,373,415	1,209,506

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

ⁱⁱ The amounts disclosed are nominal amounts.

ⁱⁱⁱ The amounts disclosed are discounted to present values.

Note 3.4: Employee Benefits in the Balance Sheet

(a) Employee Benefits and Related On-Costs

Current Employee Benefits and Related On-Costs

Unconditional long service leave entitlements

Annual leave entitlements

Accrued days off

Total Current Employee Benefits and Related On-Costs

Non-Current Employee Benefits and Related On-Costs

Conditional long service leave entitlements

Total Non-Current Employee Benefits and Related On-Costs

TOTAL EMPLOYEE BENEFITS AND RELATED ON-COSTS

Total 2020	Total 2019
\$	\$
756,528	657,022
410,058	340,216
13,471	15,173
1,180,057	1,012,411
193,358	197,095
193,358	197,095
1,373,415	1,209,506

(b) Movement in On-Costs Provision

Balance at start of year

Additional provisions recognised

Unwinding of discount and effect of changes
in the discount rate

Reduction due to transfer out

Balance at end of year

Total 2020	Total 2019
\$	\$
127,647	105,493
109,308	111,471
(36,351)	(27,457)
(61,830)	(61,860)
138,774	127,647

Employee Benefit Recognition

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

Provisions

Provisions are recognised when Timboon & District Healthcare 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.

Note 3.4: Employee Benefits in the Balance Sheet

Annual Leave and Accrued Days Off

Liabilities for annual leave and accrued days off are recognised in the provision for employee benefits as 'current liabilities' because Timboon & District Healthcare Service does not have an unconditional right to defer settlements of these liabilities.

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

Nominal value – if Timboon & District Healthcare Service expects to wholly settle within 12 months; or

Present value – if Timboon & District Healthcare Service does not expect to wholly settle within 12 months.

Long Service Leave

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

Unconditional LSL is disclosed in the notes to the financial statements as a current liability even where the Timboon & District Healthcare 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:

- Nominal value – if Timboon & District Healthcare Service expects to wholly settle within 12 months; or
- Present value – if Timboon & District Healthcare Service does not expect to wholly settle within 12 months.

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

Termination Benefits

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

On-Costs Related to Employee Benefits

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

Note 3.5: Superannuation

Defined Contribution Plans:

First State Super

Hesta

Total

Paid Contribution for the Year		Contribution Outstanding at Year End	
Total 2020 \$	Total 2019 \$	Total 2020 \$	Total 2019 \$
372,394	343,789	45,560	-
46,470	51,500	-	-
418,864	395,289	45,560	-

ⁱ The basis for determining the level of contributions is determined by the various actuaries of the defined benefit superannuation plans.

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

Defined Contribution Superannuation Plans

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

Note 4: Key Assets to support service delivery

Timboon & District Healthcare 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 Timboon & District Healthcare Service to be utilised for delivery of those outputs.

Structure

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

Note 4.1: Other Financial Assets

CURRENT

Term deposits > 3 months

TOTAL CURRENT

TOTAL INVESTMENTS AND OTHER FINANCIAL ASSETS

Represented by:

Health service investments

TOTAL INVESTMENTS AND OTHER FINANCIAL ASSETS

Operating Fund		Total	
2020	2019	2020	2019
\$	\$	\$	\$
-	1,000,000	-	1,000,000
-	1,000,000	-	1,000,000
-	1,000,000	-	1,000,000
-	1,000,000	-	1,000,000
-	1,000,000	-	1,000,000

Note 4.1: Other Financial Assets

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.

The Timboon & District Healthcare 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. Timboon & District Healthcare Service assesses at each balance sheet date whether a financial asset or group of financial assets is impaired.

Timboon & District Healthcare Service's investments must comply with Standing Direction 3.7.2 - Treasury Management, including Central Banking System.

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

Derecognition of Financial Assets

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

- The rights to receive cash flows from the asset have expired; or
- Timboon & District Healthcare Service has transferred its rights to receive cash flows from the asset and either:
 - Has transferred substantially all the risks and rewards of the asset; or
 - Has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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

Impairment of Financial Assets

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

Note 4.2: Property, plant and equipment

Initial Recognition

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

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

The initial cost for non-financial physical assets under a lease is measured at amounts equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease.

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

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

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

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

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

In accordance with FRD 103H Non-financial physical assets, Timboon & District Healthcare 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, Timboon & District Healthcare Service has determined classes of assets on the basis of the nature, characteristics and risks of the asset and the level of the fair value hierarchy as explained above.

In addition, Timboon & District Healthcare 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 Timboon & District Healthcare 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.

Identifying unobservable inputs (level 3) fair value measurements

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

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

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

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

In accordance with AASB 13 Fair Value Measurement paragraph 29, Timboon & District Healthcare Service has assumed the current use of a non-financial physical asset is its HBU unless market or other factors suggest that a different use by market participants would maximise the value of the asset.

Non-Specialised Land and Non-Specialised Buildings

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

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

Specialised Land and Specialised Buildings

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

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

Plant and Equipment

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

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

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

Note 4.2: Property, Plant and Equipment

(a) Gross carrying amount and accumulated depreciation

	Total 2020 \$	Total 2019 \$
Land - Freehold	1,522,000	1,522,000
TOTAL LAND AT FAIR VALUE	1,522,000	1,522,000
Buildings at cost	12,751	-
Less accumulated depreciation	(159)	-
Sub-totals Buildings at Cost	12,592	-
Buildings at fair value	10,102,000	10,492,000
Less accumulated depreciation	(628,882)	-
Sub-totals Buildings at Fair Value	9,473,118	10,492,000
Land Improvements at fair value	390,000	-
Less accumulated depreciation	(39,000)	-
Sub-totals Leasehold Improvements at Cost	351,000	-
Building work in progress at cost	128,392	92,373
TOTAL BUILDINGS	9,965,102	10,584,373
Plant and equipment at fair value	1,041,628	996,057
Less accumulated depreciation	(568,994)	(489,564)
TOTAL PLANT AND EQUIPMENT	472,634	506,493
Motor vehicles at fair value	378,368	378,368
Less accumulated depreciation	(233,591)	(180,382)
TOTAL MOTOR VEHICLES	144,777	197,986
Medical equipment at fair value	1,434,902	1,517,017
Less Accumulated Depreciation	(1,066,787)	(1,085,518)
TOTAL MEDICAL EQUIPMENT	368,115	431,499
Computers and communication equipment at fair value	163,248	178,602
Less accumulated depreciation	(50,965)	(33,903)
TOTAL COMPUTERS AND COMMUNICATION EQUIPMENT	112,283	144,699
Furniture and fittings at fair value	299,505	289,587
Less accumulated depreciation	(241,412)	(220,401)
TOTAL FURNITURE AND FITTINGS	58,093	69,186
TOTAL PROPERTY, PLANT AND EQUIPMENT	12,643,004	13,456,236

Note 4.2: Property, Plant and Equipment (Continued)

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

Total	Note	Land \$	Land Improvements \$	Buildings \$	Plant & equipment \$	Motor vehicles \$	Medical Equipment \$	Computers & Communica- tion Equipment \$	Furniture & Fittings \$	Assets under constructio n \$	Total \$
Balance at 1 July 2018		1,687,195	-	10,740,104	369,837	161,715	237,541	114,018	65,318	-	13,375,728
Additions		-	-	-	213,219	118,072	260,445	92,527	22,742	92,373	799,378
Disposals		-	-	-	(1,531)	(21,148)	-	-	-	-	(22,679)
Revaluation increments/(decrements)		(165,195)	-	206,281	-	-	-	-	-	-	41,086
Net Transfers between classes		-	-	-	-	-	-	-	-	-	-
Depreciation	4.3	-	-	(454,385)	(75,032)	(60,652)	(66,487)	(61,846)	(18,875)	-	(737,277)
Balance at 30 June 2019	4.2 (a)	1,522,000	-	10,492,000	506,493	197,987	431,499	144,699	69,185	92,373	13,456,236
Recognition of right-of-use assets on initial application of AASB 16		-	-	-	-	-	-	-	-	-	-
Adjusted balance at 1 July 2019		1,522,000	-	10,492,000	506,493	197,987	431,499	144,699	69,185	92,373	13,456,236
Additions		-	-	12,751	64,285	-	27,063	14,597	9,920	36,019	164,635
Disposals		-	-	-	-	-	-	-	-	-	-
Assets provided free of charge		-	-	-	-	-	-	-	-	-	-
Revaluation increments/(decrements)		-	-	-	-	-	-	-	-	-	-
Net Transfers between classes		-	390,000	(390,000)	-	-	-	-	-	-	-
Depreciation	4.3	-	(39,000)	(629,041)	(98,144)	(53,210)	(90,447)	(47,013)	(21,012)	-	(977,867)
Balance at 30 June 2020	4.2 (a)	1,522,000	351,000	9,485,710	472,634	144,777	368,115	112,283	58,093	128,392	12,643,004

Land and Buildings Carried at Valuation

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

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

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

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

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

Note 4.2: Property, Plant and Equipment (Continued)

(c) Fair value measurement hierarchy for assets

Balance at 30 June 2020

- Non-specialised land
- Specialised land

Total Land at Fair Value

- Non-specialised buildings
- Land Improvements
- Specialised buildings

Total Buildings at Fair Value

- Plant and equipment at fair value
- Motor vehicles at fair value
- Medical equipment at Fair Value
- Computers and communication equipment at fair value
- Furniture and fittings at fair value

Total Other Plant and Equipment at Fair Value

Total Property, Plant and Equipment

Note

4.2 (a)

4.2 (a)

4.2 (a)

4.2 (a)

4.2 (a)

4.2 (a)

Total Carrying Amount	Fair value measurement at end of reporting period using:		
	Level 1 ⁱ	Level 2 ⁱ	Level 3 ⁱ
\$	\$	\$	\$
1,076,000	-	1,076,000	-
446,000	-	-	446,000
1,522,000	-	1,076,000	446,000
628,150	-	628,150	-
351,000	-	-	351,000
8,857,560	-	-	8,857,560
9,836,710	-	628,150	8,857,560
472,634	-	-	472,634
144,777	-	144,777	-
368,115	-	-	368,115
112,283	-	-	112,283
58,093	-	-	58,093
1,155,902	-	144,777	1,011,125
12,514,612	-	1,848,927	10,314,685

ⁱ Classified in accordance with the fair value hierarchy.

Note 4.2: Property, Plant and Equipment (Continued)

	Fair value measurement at end of reporting period using:			
	Total Carrying Amount	Level 1 ⁱ	Level 2 ⁱ	Level 3 ⁱ
	\$	\$	\$	\$
Balance at 30 June 2019	1,076,000	-	1,076,000	-
- Non-specialised land	446,000	-	-	446,000
- Specialised land				
Total Land at Fair Value	1,522,000	-	1,076,000	446,000
4.2 (a)				
- Non-specialised buildings	729,000	-	729,000	-
- Specialised buildings	9,763,000	-	-	9,763,000
Total Building at Fair Value	10,492,000	-	729,000	9,763,000
4.2 (a)				
Plant and equipment at fair value	506,493	-	-	506,493
Motor vehicles at fair value	197,986	-	197,986	-
Medical equipment at Fair Value	431,499	-	-	431,499
value	144,699	-	-	144,699
Furniture and fittings at fair value	69,186	-	-	69,186
4.2 (a)				
Total other plant and equipment at fair value	1,349,863	-	197,986	1,151,877
Total Property, Plant and Equipment	13,363,863	-	2,002,986	11,360,877

ⁱ Classified in accordance with the fair value hierarchy.

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

Note 4.2: Property, Plant and Equipment (Continued)

(d) Reconciliation of Level 3 Fair Value ⁱ

	Land	Buildings & Improve.	Plant & Equipment	Medical Equipment	Computers & Comm	Furniture & Fittings
	\$	\$	\$	\$	\$	\$
Total						
Balance at 1 July 2018	887,195	10,041,979	369,837	237,541	114,018	65,318
Additions/(Disposals)	-	92,373	211,688	260,445	92,527	22,742
Assets provided free of charge	-	-	-	-	-	-
Net Transfers between classes	-	-	-	-	-	-
Gains/(Losses) recognised in net result	-	(454,385)	(75,032)	(66,487)	(61,846)	(18,875)
- Depreciation and amortisation	-	-	-	-	-	-
- Impairment loss	-	-	-	-	-	-
Items recognised in other comprehensive income	-	83,033	-	-	-	-
- Revaluation	(441,195)	-	-	-	-	-
Balance at 30 June 2019	446,000	9,763,000	506,493	431,499	144,699	69,185
Additions/(Disposals)	-	12,751	64,285	27,063	14,597	9,920
Assets provided free of charge	-	-	-	-	-	-
Net Transfers between classes	-	-	-	-	-	-
Gains/(Losses) recognised in net result	-	(567,191)	(98,144)	(90,447)	(47,013)	(21,012)
- Depreciation and Amortisation	-	-	-	-	-	-
- Impairment loss	-	-	-	-	-	-
Items recognised in other comprehensive income	-	-	-	-	-	-
- Revaluation	-	-	-	-	-	-
Balance at 30 June 2020	446,000	9,208,560	472,634	368,115	112,283	58,093

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

Note 4.2: Property, Plant and Equipment (Continued)

Note 4.2 (e): Property, Plant and Equipment (Fair value determination)

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

^a A community Service Obligation (CSO) of 30% was applied to the health services specialised land Classified in accordance with the fair value hierarchy.

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

Note

Property, Plant and Equipment Revaluation Surplus

Balance at the beginning of the reporting period

Revaluation Increment

- Land
- Buildings

Balance at the end of the Reporting Period*

* Represented by:

- Land
- Buildings

Total 2020 \$	Total 2019 \$
6,723,787	6,682,701
-	(165,195)
-	206,281
6,723,787	6,723,787
578,035	578,035
6,145,752	6,145,752
6,723,787	6,723,787

Note 4.3: Depreciation

Depreciation

Buildings
Land Improvements
Plant and equipment
Motor vehicles
Medical equipment
Computers and communication equipment
Furniture and fittings

Total Depreciation

	Total 2020 \$	Total 2019 \$
	629,041	454,385
	39,000	-
	98,144	75,032
	53,210	60,652
	90,447	66,487
	47,013	61,846
	21,012	18,875
	977,867	737,277

Depreciation

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

Right-of use assets are depreciated over the shorter of the asset's useful life and the lease term. Where Timboon and District Health Service obtains ownership of the underlying leased asset or if the cost of the right-of-use asset reflects that the entity will exercise a purchase option, the entity depreciates the right-of-use asset over its useful life.

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

	2020	2019
Buildings		
- Structure shell building fabric	31 Years	45 to 60 years
- Site engineering services and central plant	20 to 30 years	20 to 30 years
Central Plant		
- Fit out	7 to 30 years	20 to 30 years
- Trunk reticulated building system	11 to 40 years	30 to 40 years
Plant and equipment	3 to 7 years	3 to 7 years
Medical equipment	7 to 10 years	7 to 10 years
Computers and communication	3 to 9 years	3 to 9 years
Furniture and fitting	10 to 13 years	10 to 13 years
Motor vehicles	10 years	10 years
Leasehold improvements	2 to 10 years	2 to 10 years

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

The change in remaining useful life for Buildings and central plant, was a result of revaluation of land and buildings completed in 2019. The Valuer is required to reassess the estimated useful life based on the current building conditions. The change in remaining useful life has resulted in an increase in depreciation expense of \$0.17M for buildings.

Note 5: Other assets and liabilities

This section sets out those assets and liabilities that arose from Timboon & District Healthcare Service's operations.

Structure

5.1 Receivables

5.2 Payables

5.3 Other liabilities

Note 5.1: Receivables

	Notes	Total 2020 \$	Total 2019 \$
CURRENT			
Contractual			
Trade Debtors		99,325	106,644
Patient Fees		86,896	81,332
Accrued Investment Income		-	32,007
Amounts receivable from governments and agencies		38,074	-
Inter Hospital Debtors		2,943	9,193
Patient Fees	7.1(c)	(2,001)	-
Sub-Total Contractual Receivables		225,237	229,176
Statutory			
Accrued Revenue - Department of Health and Human Services		82,868	39,111
GST Receivable		18,113	36,660
Sub-Total Statutory Receivables		100,981	75,771
TOTAL CURRENT RECEIVABLES		326,218	304,947
Statutory			
Long service leave - Department of Health and Human Services		372,094	281,070
Sub-Total Statutory Receivables		372,094	281,070
TOTAL NON-CURRENT RECEIVABLES		372,094	281,070
TOTAL RECEIVABLES		698,312	586,017

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

	Total 2020 \$	Total 2019 \$
Balance at beginning of year	-	-
Increase in allowance recognised in the net result	2,001	-
Balance at end of year	2,001	-

Receivables recognition

Receivables consist of:

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

Statutory receivables do not arise from contracts and are recognised and measured similarly to contractual receivables (except for impairment), but are not classified as financial instruments for disclosure purposes. The health service applies AASB 9 for initial measurement of the statutory receivables and as a result statutory receivables are initially recognised at fair value plus any directly attributable transaction cost.

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

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

Timboon & District Healthcare 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.

Note 5.2: Payables

CURRENT

Contractual

Trade creditors	
Accrued salaries and wages	
Accrued expenses	
Contract Liabilities - income received in advance	5.2(a)
Inter- hospital creditors	
Amounts payable to governments and agencies	

Total 2020 \$	Total 2019 \$
27,507	90,713
231,840	227,937
234,948	256,840
78,308	-
30,161	28,336
10,600	-
613,364	603,826
-	1,823
9,171	3,587
-	64,931
9,171	70,341
622,535	674,167
622,535	674,167

Statutory

Department of Health and Human Services	
Department of Health and Ageing	
Australian Taxation Office	

TOTAL CURRENT PAYABLES

TOTAL PAYABLES

Payables recognition

Payables consist of:

- contractual payables, classified as financial instruments and measured at amortised cost. Accounts payable and salaries and wages payable represent liabilities for goods and services provided to the Timboon & District Healthcare 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.

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

Note 5.2 (a) Contract liabilities

Opening balance brought forward from 30 June 2019 adjusted for AASB 15

Add: Grant consideration for sufficiently specific performance obligations received during the year

Total contract liabilities

Represented by

Current contract liabilities

2020 \$
16,397
61,911
78,308
78,308

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

Maturity analysis of payables

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

Note 6: How we finance our operations

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

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

Structure

6.1 Borrowings

6.2 Cash and cash equivalents

6.3 Commitments for expenditure

6.4 Non-cash financing and investing activities

Note 6.1: Borrowings

CURRENT

Lease liability ⁽ⁱ⁾

Advances from government ⁽ⁱⁱ⁾

Total Current Borrowings

NON CURRENT

Lease liability ⁽ⁱ⁾

Advances from government ⁽ⁱⁱ⁾

Total Non Current Borrowings

Total Borrowings

Total 2020 \$	Total 2019 \$
16,018	21,744
21,331	21,332
37,349	43,076
21,265	33,073
21,229	41,612
42,494	74,685
79,843	117,761

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

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

(a) Maturity Analysis of Borrowings

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

(b) Defaults and Breaches

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

(c) Lease Liabilities

Finance leases are held by the South West Alliance of Rural Health and are secured by the rights to the leased assets being held by the lessor.

Note 6.1: Borrowings (continued)

Leases

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

Timboon & District Healthcare Service's leasing activities

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

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

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

Separation of lease and non-lease components

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

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

Lease Liability – initial measurement

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

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

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

Lease Liability – subsequent measurement

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

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

Short-term leases and leases of low value assets

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

Below market/Peppercorn lease

Timboon & District Healthcare Service has no material below market/peppercorn leases.

Right-of-use assets under leases at significantly below-market terms and conditions that are entered into principally to enable Timboon & District Healthcare Service to further its objectives, are initially and subsequently measured at cost.

These right-of-use assets are depreciated on a straight line basis over the shorter of the lease term and the estimated useful lives of the assets.

Presentation of right-of-use assets and lease liabilities

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

Note 6.1: Borrowings (continued)

Recognition and measurement of leases (under AASB 117 until 30 June 2019)

In the comparative period, leases of property, plant and equipment were classified as either finance lease or operating leases.

Timboon & District Healthcare Service determined whether an arrangement was or contained a lease based on the substance of the arrangement and required an assessment of whether fulfilment of the arrangement is dependent on the use of the specific asset(s); and the arrangement conveyed a right to use the asset(s).

Leases of property, plant and equipment where Timboon & District Healthcare Service as a lessee had substantially all of the risks and rewards of ownership were classified as finance leases. finance leases were initially recognised as assets and liabilities at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payment, each determined at the inception of the lease. The leased asset is accounted for as a non-financial physical asset and depreciated over the shorter of the estimated useful life of the asset or the term of the lease. Minimum finance lease payments were apportioned between the reduction of the outstanding lease liability and the periodic finance expense, which is calculated using the interest rate implicit in the lease and charged directly to the consolidated comprehensive operating statement.

Contingent rentals associated with finance leases were recognised as an expense in the period in which they are incurred.

Assets held under other leases were classified as operating leases and were not recognised in Timboon & District Healthcare Services balance sheet. Operating lease payments were recognised as an operating expense in the Statement of Comprehensive Income on a straight-line basis over the lease term.

The impact of initially applying AASB 15 Revenue from Contracts with Customers and AASB 1058 Income of not-for-profit entities to Timboon & District Healthcare Service's grant revenue is described in Note 8.10. Under application of the modified retrospective transition method chosen in applying AASB 15 and AASB 1058 for the first time, comparative information has not been restated to reflect the new requirements. The adoption of AASB 15 and AASB 1058 did not have an impact on Other Comprehensive Income and the Statement of Cash flows for the financial year.

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

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

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

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

Borrowings

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

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

Note 6.2: Cash and Cash Equivalents

Cash on hand (excluding monies held in trust)

Cash at Bank (excluding monies held in trust)

TOTAL CASH AND CASH EQUIVALENTS

Cash and Cash Equivalents

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

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

Total	Total
2020	2019
\$'000	\$'000
143,485	22,922
4,205,721	2,978,939
4,349,206	3,001,861

Note 6.3 : Commitments for expenditure

Capital Expenditure Commitments

Less than 1 year

Total Capital Expenditure Commitments

Total Commitments for Expenditure (inclusive of GST)

Less GST recoverable from the Australian Tax Office

TOTAL COMMITMENTS FOR EXPENDITURE (exclusive of GST)

2020	2019
\$'000	\$'000
13,118	-
13,118	-
13,118	-
(1,193)	-
11,925	-

Future finance lease payments are recognised on the balance sheet, refer to Note 6.1 Borrowings.

Commitments

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

Note 7: Risks, contingencies and valuation uncertainties

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

Structure

- 7.1 Financial Instruments
- 7.2 Contingent Assets and Contingent Liabilities

Note 7.1 (a): Financial Instruments

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

	Note	Financial Assets at Amortised Cost \$	Financial Liabilities at Amortised Cost \$	Total \$
Total 2020				
Contractual Financial Assets				
Cash and Cash Equivalents	6.2	4,349,206	-	4,349,206
Receivables - Trade Debtors	5.1	99,325	-	99,325
Other Receivables	5.1	125,912	-	125,912
Total Financial Assetsⁱ		4,574,443	-	4,574,443
Financial Liabilities				
Payables	5.2	-	613,364	613,364
Borrowings	6.1	-	79,843	79,843
Total Financial Liabilitiesⁱ		-	693,207	693,207

Note 7.1 (a): Financial Instruments

(a) Categorisation of financial instruments

Total 2019	Note	Financial Assets at Amortised Cost \$	Financial Liabilities at Amortised Cost \$	Total \$
Contractual Financial Assets				
Cash and Cash Equivalents	6.2	3,001,861	-	3,001,861
Receivables - Trade Debtors	5.1	106,644	-	106,644
Other Receivables	5.1	122,532	-	122,532
Investments and Other Financial Assets - Term Deposits	4.1	1,000,000	-	1,000,000
Total Financial Assetsⁱ		4,231,037	-	4,231,037
Financial Liabilities				
Payables	5.2	-	603,826	603,826
Borrowings	6.1	-	117,761	117,761
Total Financial Liabilitiesⁱ		-	721,587	721,587

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

Categories of Non-Derivative Financial Instruments

Financial assets at amortised cost

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

- the assets are held by Timboon & District Healthcare 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.

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.

Timboon & District Healthcare Service recognises the following assets in this category:

- cash and deposits;
- receivables (excluding statutory receivables);
- term deposits; and
- certain debt securities.

Note 7.1 (a): Financial Instruments

Categories of financial liabilities

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

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

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

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

the rights to receive cash flows from the asset have expired; or
Timboon & District Healthcare 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

Timboon & District Healthcare Service has transferred its rights to receive cash flows from the asset and either:

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

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

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

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

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

Note 7.1 (b): Payables and Borrowings Maturity Analysis

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

Maturity analysis of Financial Liabilities as at 30 June

	Note	Carrying Amount \$	Nominal Amount \$	Maturity Dates				
				Less than 1 Month \$	1-3 Months \$	3 months - 1 Year \$	1-5 Years \$	Over 5 years \$
2020								
Financial Liabilities at amortised cost								
Payables	5.2	613,364	613,364					
Borrowings	6.1	79,843	79,843					
Total Financial Liabilities		693,207	693,207	616,954	10,770	28,716	36,767	-
2019								
Financial Liabilities at amortised cost								
Payables	5.2	603,826	603,826					
Borrowings	6.1	117,761	117,761					
Total Financial Liabilities		721,587	721,587	603,826	-	43,076	74,685	-

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

Note 7.1 (c)

Contractual receivables at amortised cost

	1-Jul-19	Note	Current	Less than 1 month	1-3 months	3 months -1 year	1-5 years	Total
Expected loss rate								
Gross carrying amount of contractual receivables (\$'000s)	5.1	229,176	0.0%	0.0%	0.0%	0.0%	0	229,176
Loss allowance			-	-	-	-	-	-
30-Jun-20								
Expected loss rate								
Gross carrying amount of contractual receivables	5.1	225,237	0.0%	0.0%	0.0%	15.5%	0	225,237
Loss allowance			-	-	-	(2,001)	-	(2,001)

Note 7.1 (c)

Contractual receivables at amortised cost (continued)

Impairment of financial assets under AASB 9 Financial Instruments

Timboon & District Healthcare Service records the allowance for expected credit loss for the relevant financial instruments, in accordance with AASB 9 Financial Instruments 'Expected Credit Loss' approach. Subject to AASB 9 Financial Instruments, impairment assessment includes the Timboon & District Healthcare Service's contractual receivables, statutory receivables and its investment in debt instruments.

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

Contractual receivables at amortised cost

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

On this basis, the Timboon & District Healthcare Service determines the opening loss allowance 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

	Note	2020	2019
Balance at beginning of the year (\$'s)		-	-
Increase in provision recognised in the net result	3.2	2,001	-
Balance at end of the year	5.1	2,001	-

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

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

Statutory receivables and debt investments at amortised cost

The Timboon & District Healthcare 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 Financial Instruments requirements as if those receivables are financial instruments.

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

Note 7.2: Contingent assets and contingent liabilities

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

There were no known contingent assets or contingent liabilities at 30 June 2020 (2019 Nil).

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 Investments accounted for using the Equity Method
- 8.9 Economic Dependency
- 8.10 Correction of prior period error and revision of estimates
- 8.11 AASBs Issued that are not yet Effective

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

		Total 2020 \$'000	Total 2019 \$'000
Net Result for the Year	OS	(402,157)	40,976
Non-Cash Movements:			
Depreciation and amortisation	4.3	977,867	737,277
Provision for Doubtful Debts	5.1 (a)	2,001	-
Share of net results in associates	3.2	(73,133)	(57,274)
Discount (interest) / expense on loan		948	(1,050)
Movements included in Investing and Financing Activities:			
Net (Gain)/Loss from Disposal of Non-Financial Physical Assets		-	(27,507)
Less cash inflow/outflow from investing and financing activities		(52,524)	-
Movements in Assets and Liabilities:			
<i>Change in Operating Assets and Liabilities</i>			
(Increase)/Decrease in Receivables	5.1	(114,296)	(164,581)
(Increase)/Decrease in Prepayments		3,102	(27,383)
Increase/(Decrease) in Payables	5.2	(68,029)	(72,509)
(Increase)/Decrease in Inventories		311	-
(Increase)/Decrease in membership Jointly Controlled Operations		-	1,120
(Increase)/Decrease in employee benefits		163,909	222,736
NET CASH INFLOW FROM OPERATING ACTIVITIES		437,999	651,805

Note 8.2: Responsible Persons

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

Responsible Ministers:

The Honourable Jenny Mikakos, Minister for Health and Minister for Ambulance Services
The Honourable Martin Foley, Minister for Mental Health
The Honourable Luke Donnellan, Minister for Child Protection, Minister for Disability, Ageing and Carers

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

Governing Boards

Ms M. Puli Vogels
Mr. J. McKenzie
Ms A. Skordis
Mr F. Carlus
Mr A. DeJong
Mr A. Nesseler
Mr B. Morden
Ms C. Murphy
Mr C. Stewart
Ms T. Hutchins

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

Accountable Officers

Ms R Van Wollingen (Chief Executive Officer)

01/07/2019 - 30/06/2020

Remuneration of Responsible Persons

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

Income Band

\$0,000 - \$9,999
\$10,000 - \$19,999
\$50,000 - \$59,999
\$140,000 - \$149,999
\$180,000 - \$189,999

Total Numbers

Total 2020 No.	Total 2019 No.
10	8
-	1
-	1
-	1
1	-
11	11

Total remuneration received or due and receivable by Responsible Persons from the reporting entity amounted to:

2020 \$	2019 \$
\$216,970	\$242,401

Amounts relating to the Governing Board Members and Accountable Officer are disclosed in Timboon & District Healthcare Services' financial statements.

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

Note 8.3: Remuneration of Executives

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

Remuneration of Executive Officers

Short-term Benefits
Post-employment Benefits
Other Long-term Benefits
Termination Benefits
Total Remunerationⁱ

Total Number of Executives

Total Annualised Employee Equivalentⁱⁱ

Total Remuneration	
2020	2019
\$	\$
111,344	226,345
11,563	23,390
3,943	6,650
19,669	-
146,519	256,385
2	6
1.0	1.65

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

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

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

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

Short-term Employee Benefits

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

Post-employment Benefits

Pensions and other retirement benefits paid or payable on a discrete basis when employment has ceased.

Other Long-term Benefits

Long service leave, other long-service benefit or deferred compensation.

Termination Benefits

Termination of employment payments, such as severance packages.

Note 8.4: Related Parties

Timboon & District Healthcare Services is a wholly owned and controlled entity of the State of Victoria. Related parties of the Timboon &

- All key management personnel (KMP) and their close family members;
- Cabinet ministers (where applicable) and their close family members;
- Jointly Controlled Operation - A member of a regional Information Technology Joint Venture; and
- All hospitals and public sector entities that are controlled and consolidated into the State of Victoria financial statements.

KMPs are those people with the authority and responsibility for planning, directing and controlling the activities of Timboon & District Healthcare Services, directly or indirectly.

The Board of Directors, Chief Executive Officer and the Executive Directors of Timboon & District Healthcare Services are deemed to be

KMPs

Ms M. Puli Vogels
Mr. J. McKenzie
Ms A. Skordis
Mr F. Carlus
Mr A. DeJong
Mr A. Nesseler
Mr B. Morden
Ms C. Murphy
Mr C. Stewart
Ms T. Hutchins
Ms R. Van Wollingen
Mr C. McGrath
Ms S. Rees

Position Title

Chair of the Board
Board Member
Board Member
Board Member
Board Member
Board Member
Board Member
Board Member
Board Member
Chief Executive Officer
Director of Corporate Services
Chief Operating Officer

Note 8.4: Related Parties

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

	Total 2020 \$	Total 2019 \$
Compensation - KMPs		
Short-term Employee Benefits ⁱ	308,325	443,947
Post-employment Benefits	26,288	41,812
Other Long-term Benefits	9,207	13,027
Termination Benefits	19,669	-
Total ⁱⁱ	363,489	498,786

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

The Timboon & District Healthcare Service received funding from the Department of Health and Human Services of \$4.89M (2019: \$4.73M) and indirect contributions of \$0.09 (2019: \$0.08).

Expenses incurred by the Timboon & District Healthcare 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 the Victorian Managed Insurance Authority.

The Standing Directions of the Assistant Treasurer require the Timboon & District Healthcare 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 KMPs and Other Related Parties

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

Outside of normal citizen type transactions with the Timboon & District Healthcare Service, there were no related party transactions that involved key management personnel, their close family members and their personal business interests. No provision has been required, nor any expense recognised, for impairment of receivables from related parties. There were no related party transactions with Cabinet Ministers required to be disclosed in 2020.

There were no related party transactions required to be disclosed for the Timboon & District Healthcare Service Board of Directors, Chief Executive Officer and Executive Directors in 2020.

Note 8.5: Remuneration of Auditors

Victorian Auditor-General's Office
Audit of the Financial Statements

TOTAL REMUNERATION OF AUDITORS

Total 2020 \$	Total 2019 \$
10,600	10,250
10,600	10,250

Note 8.6: Events Occurring after the Balance Sheet Date

Assets, liabilities, income or expenses arise from past transactions or other past events. Where the transactions result from an agreement between Timboon & District Healthcare Services and other parties, the transactions are only recognised when the agreement is irrevocable at or before the end of the reporting period.

Adjustments are made to amounts recognised in the financial statements for events which occur between the end of the reporting period and the date when the financial statements are authorised for issue, where those events provide information about conditions which existed at the reporting date. Note disclosure is made about events between the end of the reporting period and the date the financial statements are authorised for issue where the events relate to conditions which arose after the end of the reporting period that are considered to be of material interest.

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

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

Note 8.7: Jointly Controlled Operations

Name of Entity	Principal Activity	Ownership Interest 2020 %	2019 %
South West Alliance of Rural Health (SWARH)	Information Technology services	1.65	1.58

Timboon & District Healthcare Services interest in the above jointly controlled operations are detailed below. The amounts are included in the consolidated financial statements under their respective categories:

	2020 \$*	2019 \$*
CURRENT ASSETS		
Cash and Cash Equivalents	143,286	22,722
Receivables	106,185	98,859
Inventory	765	1,076
Prepayments	8,882	7,415
TOTAL CURRENT ASSETS	259,118	130,072
NON-CURRENT ASSETS		
Receivables	9,411	-
Property, Plant and Equipment	94,998	93,844
TOTAL NON-CURRENT ASSETS	104,409	93,844
TOTAL ASSETS	363,527	223,916
CURRENT LIABILITIES		
Payables	233,720	78,588
Borrowings	16,018	54,817
Employee Provisions	28,158	27,053
TOTAL CURRENT LIABILITIES	277,896	160,458
NON-CURRENT LIABILITIES		
Borrowings	21,265	-
Employee Provisions	5,313	3,884
TOTAL NON-CURRENT LIABILITIES	26,578	3,884
TOTAL LIABILITIES	304,474	164,342
NET ASSETS	59,053	59,574
EQUITY		
Accumulated Surpluses/(Deficits)	59,053	59,574
TOTAL EQUITY	59,053	59,574

Timboon & District Healthcare Services interest in revenues and expenses resulting from jointly controlled operations are detailed below:

	2020 \$*	2019 \$*
REVENUE		
Revenue from Operating Activities	316,906	367,217
Non Operating Activities	-	27,723
Capital Purpose Income	15,907	-
TOTAL REVENUE	332,813	394,940
EXPENSES		
Employee Benefits	143,813	131,706
Maintenance Contract and IT Support	155,252	76,971
Other Expenses from Ordinary Activities	-	101,370
Finance Costs	1,656	8,761
Depreciation	29,951	44,784
TOTAL EXPENSES	330,672	363,592
Other Economic Flows included in the Result		
Revaluation of Long Service Leave	(2,661)	999
NET RESULT	(520)	32,347

* Figures obtained from the unaudited SWARH Joint Venture annual report.

Contingent Liabilities and Capital Commitments

There are no known contingent liabilities or capital commitments held by the jointly controlled operations at balance date.

Note 8.8: Investments accounted for using the equity method

Name of Entity	Principal Activity	Country of Incorp'n	Ownership Interest		Published Fair Value	
			2020	2019	2020	2019
			%	%	\$'000	\$'000
Associates						
Timboon Medical Clinic	Medical Services	Australia	50	50	71,143	58,333
					<u>71,143</u>	<u>58,333</u>

For the purposes of applying the equity method of accounting, the audited financial statements of Timboon Medical Clinic have been used.

Note 8.9: Economic Dependency

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

Note 8.10: Changes in accounting policy and revision of estimates

Changes in accounting policy

There was no impact from the adoption of AASB 16 Leases on Timboon & District Healthcare Service.

The impact from adoption of AASB15 Revenue from Contracts with Customers and AASB 1058 Income of Non-for-profit Entities is described as follows.

Revenue from Contracts with Customers

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

Comparative information has not been restated.

Note 2.1.1 – Sales of goods and services includes details about the transitional application of AASB 15 and how the standard has been applied to revenue transactions.

Income of Not-for-Profit Entities

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

Comparative information has not been restated.

Note 2.1.2 – Grants includes details about the transitional application of AASB 1058 and how the standard has been applied to revenue transactions.

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

Note 8.10: Changes in accounting policy and revision of estimates (continued)

Transition impact on financial statements.

This note explains the impact of the adoption of the following new accounting standards for the first time, from 1 July 2019:

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

Impact on Balance Sheet due to the adoption of AASB 15, AASB 1058 and AASB 16 is illustrated with the following reconciliation between the restated carrying amounts at 30 June 2019 and the balances reported under the new accounting standards (AASB 15 and AASB 16) at 1 July 2019:

<i>Balance sheet</i>	<i>Notes</i>	<i>Before new accounting standards Opening 1 July 2019</i>	<i>Impact of new accounting standards - AASB 16, 15 & 1058</i>	<i>After new accounting standards Opening 1 July 2019</i>
Property, Plant and Equipment		13,456,236	-	13,456,236
Total non-financial assets		13,514,569	-	13,514,569
Total Assets		18,230,311	-	18,230,311
Payables and Contract Liabilities	5.2	674,167	16,397	690,564
Borrowings		117,761	-	117,761
Total Liabilities		2,001,434	-	2,001,434
Accumulated surplus/(deficit)		4,894,390	(16,397)	4,877,993
Physical Revaluation Surplus		6,723,787	-	6,723,787
Other items in equity		4,610,700	-	4,610,700
Total Equity		16,228,877	(16,397)	16,212,480

Statement of changes in equity – changes for AASB 1058 and AASB 15 adoption

For the financial year ended 30 June 2020 (\$)

	<i>Property, Plant and Equipment Revaluation Surplus</i>	<i>Contributed Capital</i>	<i>Accumulated Surplus/(Deficit)</i>	<i>Total</i>
Balance at 1 July 2018	6,682,701	4,610,700	4,853,414	16,146,815
Net result for the year	-	-	40,976	40,976
Other comprehensive income for the year	41,086	-	-	41,086
Balance at 30 June 2019	6,723,787	4,610,700	4,894,390	16,228,877
Change in accounting policy (due to AASB 15, 1058)	-	-	(16,397)	(16,397)
Restated balance at 1 July 2019	6,723,787	4,610,700	4,877,993	16,212,480
Net result for the year	-	-	(402,157)	(402,157)
Balance at 30 June 2020	6,723,787	4,610,700	4,475,836	15,810,323

Note 8.11: AASBs Issued that are not yet Effective

Certain new Australian accounting standards have been published that are not mandatory for the 30 June 2020 reporting period. Department of Treasury and Finance assesses the impact of all these new standards and advises Timboon & District Healthcare Services of their applicability and early adoption where applicable.

As at 30 June 2020, the following standards and interpretations had been issued by the AASB but were not yet effective. They become effective for the first financial statements for reporting periods commencing after the stated operative dates as detailed in the table below. Timboon & District Healthcare Services has not and does not intend to adopt these standards early.

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

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

- AASB 2018-6 *Amendments to Australian Accounting Standards – Definition of a Business*.
- AASB 2019-1 *Amendments to Australian Accounting Standards – References to the Conceptual Framework*.
- AASB 2019-3 *Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform*.
- AASB 2019-5 *Amendments to Australian Accounting Standards – Disclosure of the Effect of New IFRS Standards Not Yet Issued in Australia*.
- AASB 2019-4 *Amendments to Australian Accounting Standards – Disclosure in Special Purpose Financial Statements of Not-for-Profit Private Sector Entities on Compliance with Recognition and Measurement Requirements*.
- AASB 2020-2 *Amendments to Australian Accounting Standards – Removal of Special Purpose Financial Statements for Certain For-Profit Private Sector Entities*.
- AASB 1060 *General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities (Appendix C)*.



TDHS Community Care worker
Lisa Gamble and client Kylie
Gore enjoy making a healthy
meal together.

21 Hospital Road, Timboon, VIC 3268
p: (03) 5558 6000 f: (03) 5598 3565
e: timboon@swarh.vic.gov.au
www.timboonhealthcare.com.au



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