



Annual Report |

2019-20

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Our Vision

An exceptional rural health service serving and engaging our local community.

Our Mission

To provide coordinated services which enhance the health and wellbeing of the community.

Objectives, Functions, Powers and Duties

The objects of the Health Service are:

- To provide to persons, entitled under the Act, medical care, nursing assistance, and / or other support.
- To aid persons affected by disease or injured as a result of accident.
- To provide facilities for the treatment of both public and private patients as required. To provide specific services that meet the needs of the frail, aged and disabled persons in our community.

RESPONSIBLE BODIES DECLARATION

In accordance with the *Financial Management Act 1994*, I am pleased to present the Report of Operations for the Yea and District Memorial Hospital for the year ended 30 June 2020.



Mr Ian Marshman AM
Board Chair
Yea & District Memorial Hospital
31st August 2020

MANNER IN WHICH THE HEALTH SERVICE WAS ESTABLISHED

In 1928 the Fernley Private Hospital opened in Mary Street, Yea. In 1939 the name of the Hospital was changed to the Yea Bush Nursing Hospital. The Hospital and Charities Commission assumed responsibility for the hospital in 1948 and took the current name of Yea and District Memorial Hospital.

RESPONSIBLE MINISTERS

The responsible Ministers during the reporting period were:

1 July 2019 to 30 June 2020

Jenny Mikakos MP,
Minister for Health Minister for Ambulance Service

1 July 2019 to 30 June 2020

Martin Foley MP,
Minister for Mental Health

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Nature and Range of Services

Yea and District Memorial Hospital is a multidisciplinary healthcare provider that offers care directly to the community while also facilitating access to a range of services offered by third party providers.

What we offer:

- A four bay Urgent Care Centre operating under a nurse-led model of care, with approximately 600 presentations per year.
- A 10 bed acute care ward.
- An adjoining residential aged care facility, Rosebank Nursing Home and Rosebank Hostel with 10 high care and 15 low care beds respectively.
- Yea Community Health operates from the hospital owned and managed The Grace Bennetts Centre and provides diabetes education, dietetics and psychology services and paediatric speech pathology (off-site at Kinglake and Yea).
- Yea District Nursing Services provides in home nursing care to the western region of the Murrindindi Shire.
- The Grace Bennetts Centre also provides for a private medical clinic, staffed by General Practitioners (who are accredited to provide services in the acute ward, residential aged care and urgent care) allied health services such as podiatry and physiotherapy and pathology collection services.

Yea and District Memorial Hospital works in partnership with other agencies to provide services to the people of Yea and surrounding areas in the western part of Murrindindi Shire which has a combined catchment of some 7,000 people.

The hospital is a major employer in the local area and works in partnership with the local community whose past generosity and continuing support contributes to the long-term viability of the Hospital and the services it provides.





Year in Review

This has been an extraordinary year for Yea and District Memorial Hospital – perhaps one without precedent. We started the year with a vigorous focus on finalising and implementing a new strategic direction for our health service. We ended the year totally focused on delivering high quality care in a world and community totally consumed by the COVID-19 global pandemic.

The Yea community is fortunate to have had the quality of leadership and the commitment of staff to be able to steer our health service through these most challenging of times.

In the latter part of 2019, the Board devoted attention to finalising a substantially updated strategic plan which set out five core priorities for our health service:

- Being community focused
- Delivering excellence in aged care
- Providing excellent acute care services
- Catering for the community health needs of our region
- Encouraging networking with other health providers

We were pleased to be able to appoint a Strategic Program Manager whose role is to work with the Board and other senior staff in developing an implementation plan around these five priorities. As a result we were able to:

- Undertake a major upgrade of our on-line communications, including placing YDMH on Facebook, an initiative that has subsequently proven invaluable in enabling provision of advice to our community about COVID-19
- Progress planning for the Yea HealthCare Hub, designed to consolidate and increase access to a range of health services for our community
- Make a significant contribution to the early stages of collaboration with Alexandra District Health, Darlingford Upper Goulburn Nursing Home and Murrindindi Shire Council on the Better Health Murrindindi collaboration initiative.

Collaboration through the Hume Primary Health Network continued during the year, underscoring the importance of this initiative for small regional health services in our region.

Community support for and interest in health services for our region was evident at the large number of local residents attending our 2018/19 Annual General Meeting and the feedback subsequently received by the Board.

The second half of the year has been almost exclusively dominated by the response to the COVID-19 virus. With general oversight by the Board, all available Hospital management time has been consumed in interpreting and implementing continuing guidance provided by State and Commonwealth agencies on actions to be taken to manage the virus in both acute care and residential care settings. This has required constant vigilance and increased external accountability on the part of management, substantial training of all staff on infection control and use of Personal Protective Equipment (PPE), an increased focus on the well-being of all YDMH staff and an even greater need for communication and concern for hospital patients, residents and their carers.

It is a tribute to the quality of YDMH leadership and the commitment of staff that throughout the pandemic close family members have been able to continue to visit patients and residents, albeit with significant restrictions. This has been important in maintaining the mental health and well-being of the people the hospital is caring for.

An indication of the part staff have played in helping the health service to manage the virus is the fact that 100% of staff participated early on in the influenza vaccination program, thereby minimising the risk of flu being transmitted within our facilities.

Throughout the pandemic, YDMH has sought to work closely with the Yea Medical Centre and other health care providers to ensure COVID-19 testing has been available to our residents, to make adequate provision of PPE and to maintain continuity of health care for our community.

Notwithstanding the additional commitment that the global pandemic has had on workloads and additional protection controls, Yea and District Memorial Hospital has enjoyed another successful year financially which resulted in a modest surplus above budget. This is a tribute to the quality of management oversight of the health service's revenue and expenditure streams.

Our CEO position continues to be provided under contract from Mansfield District Hospital (MDH). The Board is particularly grateful to the MDH Board for its willingness to continue to entertain such an arrangement and for the collegiality that has made it so effective. As CEO of both MDH and YDMH Cameron Butler is providing superb leadership for our Hospital and brings to the Board a wealth of health sector experience and expertise.

The Board is also grateful to Goulburn Valley Health (GVH) for its willingness to continue longstanding arrangements enabling YDMH to have access in a cost-effective manner to a range of corporate and business services. In particular we appreciate the time and interest that Peter Hutchinson as GVH Chief Finance Officer has been able to offer to guide YDMH's finances.

The excellent clinical and financial outcomes are testimony to the commitment of all our staff and the dedication and expertise of our leadership team. As ever, they have made possible everything YDMH has delivered this year. While recognising that confronting the challenges this year has posed has been very much a team effort, I particularly want to acknowledge the dedication and strong leadership of our Director of Nursing/Manager, Lorina Gray.

Finally, I want to thank each of my fellow directors for the collegial manner in which they have contributed to the governance of our health service. In July 2019 the Board welcomed two new Directors – Dr Jennifer Keast and Dylan Hesselberg. At the end of the year we farewelled Del Leslie who had made important contribution to our planning and governance. I am confident that YDMH is well-served by the expertise and commitment that its Directors bring.

With sound governance, excellent leadership and a committed workforce, Yea and District Memorial Hospital is well placed to deal with the public health challenges that inevitably lie ahead.



Mr Ian Marshman AM
Board Chair



Administrative Structure

BOARD OF DIRECTORS

Directors:

Dr Sarah Anderson
Ms Kirstie-Bree Fotheringham
Mr Dylan Hesselberg
Dr Jennifer Keast
Ms Del Leslie
Mr Ian Marshman AM
Mr Gary Pollard
Ms Kerry Stubbings

Finance, Audit & Risk Management:

Ms Kirstie-Bree Fotheringham
Mr Dylan Hesselberg
Ms Del Leslie
Mr Ian Marshman AM
Ms Kerry Stubbings

Chair, Board of Directors:

Mr Ian Marshman AM

Chair, Finance, Audit & Risk Management:

Ms Kirstie-Bree Fotheringham

Chair, Clinical Governance:

Dr Sarah Anderson

EXECUTIVE

Chief Executive Officer:

Mr Cameron Butler,
RN, B. Bus

Director of Nursing/Manager:

Ms Lorina Gray,
RN, BHA, GDCH, AFCHSE, CHE

Director of Medical Services:

Dr Richard Lowen
MBBS, Dip ObsRCOG, FRACGP, AFCHSE

Chief Finance Officer:

Mr Peter Hutchinson
B Commerce, MIPA, AFA

Visiting Medical Officers:

Dr Martin Lowe
MBBS

Dr Teong Chuah
MBBS

Leadership Team

CHIEF EXECUTIVE OFFICER

Mr Cameron Butler

RN, B Bus

Mr Butler is currently Chief Executive Officer of Mansfield District Hospital, a role he has held since July 2016. In September 2018, the Board of Yea & District Memorial Hospital contracted CEO services from Mansfield and he has been Chief Executive Officer at Yea since this time.

Mr Butler is committed to rural health care and is passionate about the vital role that local health services play in their communities in terms of health care, employment and economic contribution. He has more than fifteen years experience as a Chief Executive Officer in Victorian Small Rural Health Services.

DIRECTOR OF FINANCE / CHIEF FINANCE OFFICER

Mr Peter Hutchinson, Goulburn Valley Health

B Commerce, MIPA, AFA

YDMH contracts Goulburn Valley Health to provide a range of financial support services, including the role of Chief Financial Officer. As Chief Finance Officer Peter Hutchinson is responsible for the overall financial management of the Health Service. Mr Hutchinson oversees finance, payroll and the health information services information and communication technology portfolios as part of the directorate. The role also contributes to the Finance, Audit and Risk Management Committee of the YDMH Board.

Mr Hutchinson commenced with Goulburn Valley Health in February 2019. He held a similar role at Eastern Health in Melbourne for the previous 18 years, being responsible for Eastern Health's financial services, management accountant services, procurement and supply, facilities and infrastructure, security, property and retail and information communication technology. Currently he is also Chair of the Product Planning Group Financial Management Information System and the Industry Finance Committee Benchmarking Group.

He holds a Bachelor of Commerce from the University of Melbourne and is a fellow of the Australian Health Services Financial Management Association and also a Member of the Institute Public Accountants.

DIRECTOR OF NURSING / MANAGER

Ms Lorina Gray

RN, BHA, GDCH, AFCHSE, CHE

The Director of Nursing/Manager is responsible for the management of all clinical and non-clinical services within the organisation. This includes Nursing, Residential Aged Care, Community Health, Hotel Services, Clerical Services, Maintenance, Allied Health Services, Student Placements and Volunteers. Ms Gray also oversees the operational management of Quality Improvement, Risk Management, Occupational Health and Safety, Infection Control, Complaints Management and Freedom of Information requests.

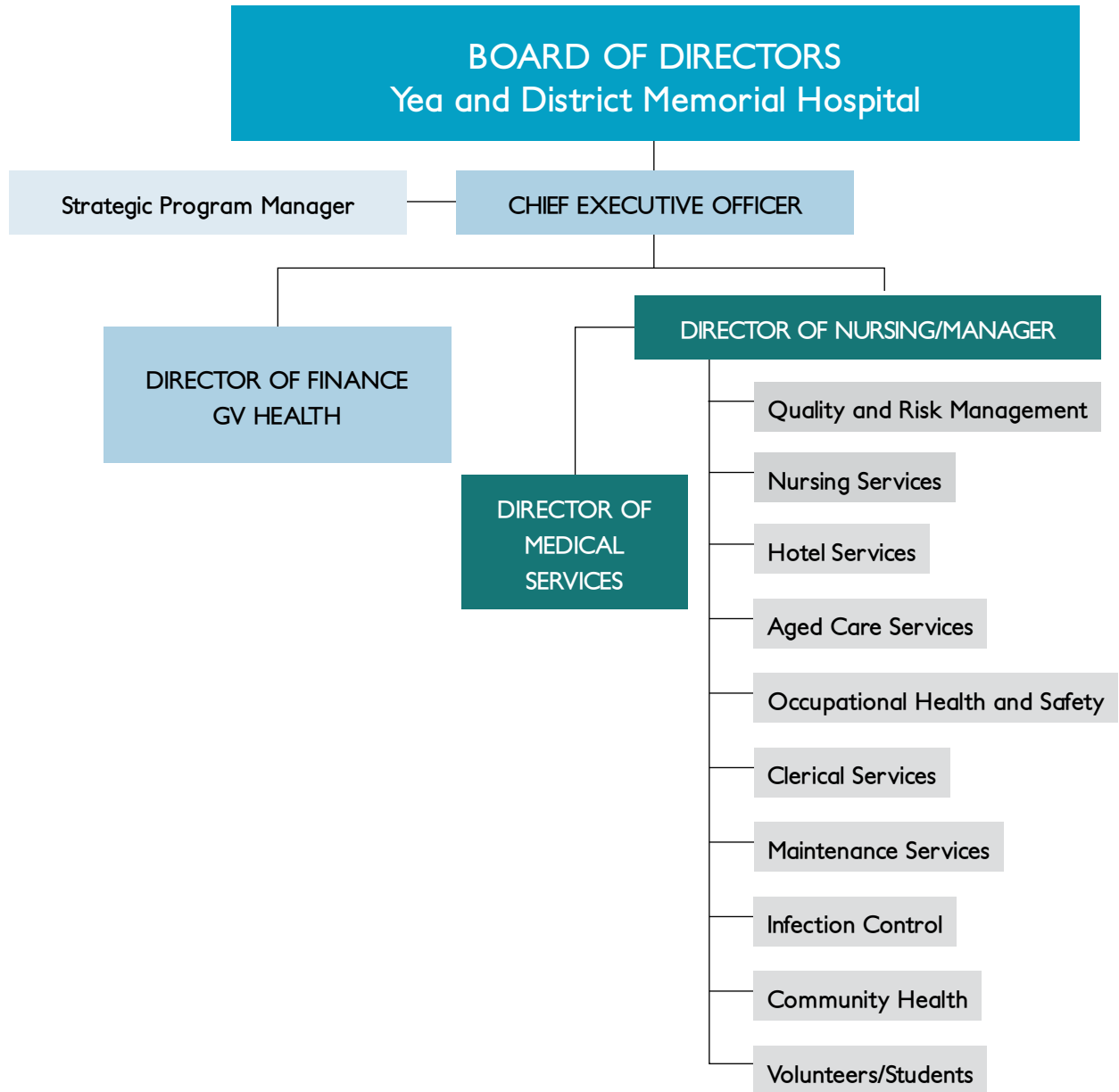
DIRECTOR OF MEDICAL SERVICES

Dr Richard (Rick) Lowen

MBBS, DipObsRCOG, FRACGP, AFCHSE

The Director of Medical Services provides clinical advice to the organisation, contributes to Clinical Governance Committee meetings and supports Yea's Visiting Medical Officers. Dr Lowen attends the Yea and District Memorial Hospital monthly, during which time he attends Medical Staff Group meetings, reviews clinical policies of the Hospital, provides advice and support to the Director of Nursing/Manager and staff and responds to day to day operational issues of medical importance.

Organisational Structure



Workforce Data

Yea & District Memorial Hospital adheres to the public sector employment principles. Together with our organisational values they define the working environment we offer to our employees. We strive for a workplace culture underpinned by strong and collegial relationships, where employees feel supported to safely raise their concerns and are provided with opportunities to develop both personally and professionally.

Yea & District Memorial Hospital Values:

INTEGRITY – We are honest and fair in our dealings with our clients, our staff and our community. We are truthful in our communications and do so in a way that is clear and easy to understand. We strive to ensure that we all act in accordance with our beliefs.

RESPECT – We respect the rights, dignity and independence of our clients. We demonstrate empathy, kindness and understanding. We are mindful that we are caring for people who may be vulnerable and fearful and we work closely with them and their families to build trust.

ACCOUNTABILITY – We recognise that we are accountable to our community and operate within the framework specified by the Victorian government. We hold ourselves responsible for our actions and never lose sight of the responsibility that we hold in our role as a provider of health care to our community. We value feedback and use this to learn and improve.

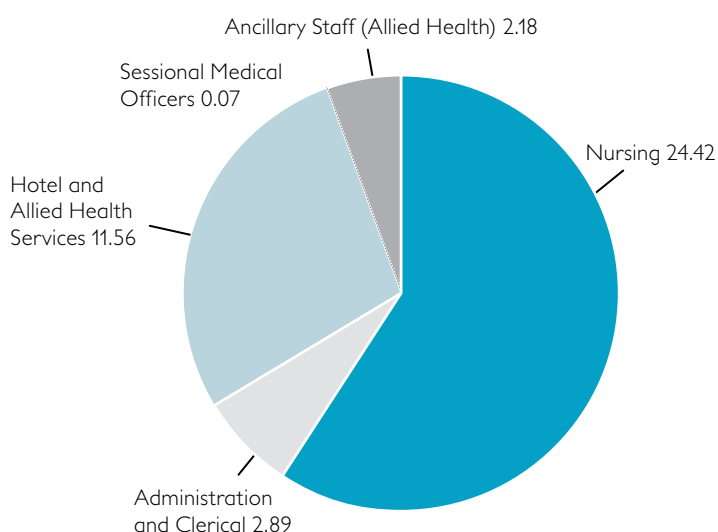
RESPONSIVENESS – We are flexible and responsive to the needs of individuals. We know and understand our community as a whole and the individuals within it. We use this knowledge to tailor our care to meet their needs in a timely way. We collaborate in a way that allows us to work together to meet the health needs of the community.

IMPARTIALITY – We provide evidence-based health services designed to best meet the needs of clients in all circumstances. We are an inclusive organisation that values uniqueness of an individual. We welcome and value diversity as a means to help us develop and broaden our understanding.

All employees have been correctly classified in workforce data collections

Labour Category	JUNE Current Month FTE		Average Monthly FTE	
	2019	2020	2019	2020
Nursing	23.30	24.30	22.68	24.42
Administration and Clerical	2.93	3.06	3.36	2.89
Hotel and Allied Services	11.95	8.89	11.68	11.56
Sessional Medical Officers	0.11	0.01	0.07	0.07
Ancillary Staff (Allied Health)	1.51	4.32	1.44	2.18
Total	39.80	40.58	39.23	41.24

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



Statutory Requirements

OCCUPATIONAL HEALTH AND SAFETY

Yea & District Memorial Hospital is committed to workplace safety. All employees, clients and members of the public should feel that the environment is safe and secure. The Health Service complies with the requirements of the Occupational Health and Safety Act (Vic) 2004 and the Victorian Occupational Health and Safety Regulations 2017.

Health and Safety Representatives take an active role in finding ways to eliminate or mitigate the risk of injury within the workplace. Where injury has occurred, the organisation seeks to achieve the safe, appropriate, supportive and timely return to work of its employees.

REPORTED INCIDENTS

Occupational Health and Safety Statistics	2019-20	2018-19	2017-18
The number of reported hazards / incidents for the year per 100 FTE	0.52	1	0.81
The number of 'lost time' standard WorkCover claims for the year per 100 FTE	0	0	0
The average cost per WorkCover claim for the year ('000)	\$0	\$0	\$0

YDMH has a strong commitment to the reduction of workplace injuries. The Occupational Health and Safety Committee deals with matters of workplace safety through the early identification of workplace risks and timely and effective risk mitigation. All employees are encouraged and supported to report hazards and incidents.

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	0
Number of occupational violence incidents reported per 100 FTE	0
Percentage of occupational violence incidents resulting in a staff injury, illness or condition	0

DEFINITIONS

For the purposes of the above statistics the following definitions apply

- **Occupational violence** - any incident where an employee is abused, threatened or assaulted in circumstances arising out of, or in the course of their employment.
- **Incident** - an event or circumstance that could have resulted in, or did result in, harm to an employee. Incidents of all severity ratings are included. Code Grey reporting is not included, however, if an incident occurred during the course of a planned or unplanned Code Grey it is included.
- **Accepted WorkCover claims** - accepted WorkCover claims that were lodged in 2019-20
- **Lost time** - lost time is defined as greater than one day.
- **Injury, illness or condition** - includes all reported harm as a result of the incident, regardless of whether the employee required time off work or submitted a claim.

INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) EXPENDITURE

The total ICT expenditure incurred during 2019 - 20 is \$192,594 (excluding GST) with the details shown below.

Business As Usual (BAU) ICT expenditure			
Non-Business As Usual (non-BAU) ICT expenditure			
Total (excluding GST)	Total = Operational expenditure and capital expenditure (excluding GST)	Operational expenditure (excluding GST)	Capital expenditure (excluding GST)
\$192,594	\$60,757	\$-	\$60,757

CONSULTANCIES

Details of consultancies (under \$10,000)

In 2019-20 there was one consultancies where the total fees payable to the consultant was less than \$10,000 (exc. GST). The total expenditure during 2019-20 in relation to these consultancies is \$5,200 (exc. GST).

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

In 2019-20 there were no consultancies where the total fees payable to the consultants were \$10,000 or greater (exc. GST).

FREEDOM OF INFORMATION ACT 1982

The organisation is subject to the provisions of the *Freedom of Information Act 1982*.

In 2019-20 there was one (1) application made to the organisation under these provisions. The request was approved and processed.

Freedom of Information applications are made to the Freedom of Information Officer and are dealt with in accordance with the Act. Any charges applied are in accordance with the Act and Regulations.

Information on making a Freedom of Information request can be found at <https://yeahospital.org.au/foi-request/>

Applications may be submitted by post or in person.

BUILDING ACT 1993

Yea & District Memorial Hospital has met the requirements of the *Building Act 1993* in accordance with DHS Capital Development Guidelines (Minister for Finance Guideline Building Act 1993/Standards for Publicly Owned Buildings 1994/Building (Interim) Regulations 2005 and Building Code of Australia 2004).

PUBLIC INTEREST DISCLOSURE ACT 2012

Complaints about certain serious misconduct or corruption involving public health services in Victoria can be made by individuals directly to the Independent Broad-based Anti-corruption Commission (IBAC). Yea & District Memorial Hospital encourages individuals to raise their concerns about corrupt or improper conduct directly with IBAC.

Yea & District Memorial Hospital is committed to the protections under the *Public Interest Disclosure Act 2012* (Vic) to individuals who make protected disclosures under that Act, or who cooperate with investigations into protected disclosures. Websites of interest for complaint procedures regarding this Act are: <http://www.ombudsman.vic.gov.au> and <http://www.health.vic.gov.au/hsc>

No disclosures were made in 2019-20

NATIONAL COMPETITION POLICY

Yea & District Memorial Hospital complies with the National Competition Policy and with the requirements of the *Competitive Neutrality Policy Victoria*.

CARERS RECOGNITION ACT 2012

The organisation recognises and supports its responsibilities and obligations under the Act for people in care relationships and the role of carers in our community. Yea & District Memorial Hospital has strategies and actively works with carers to find ways for people in care relationships to have a say in care planning and service delivery complying with all requirements of the Act. Yea & District Memorial Hospital has complied with its obligations under Section 11 of the Act for the reporting period 1st July 2019 to 30th June 2020.

Statutory Requirements continued

ENVIRONMENTAL PERFORMANCE

GREENHOUSE GAS EMISSIONS

	2019/20	2018/19	2017/18
Total greenhouse gas emissions (tonnes CO2e)			
Total	463	479	489

STATIONARY ENERGY

	2019/20	2018/19	2017/18
Total stationary energy purchased by energy type (GJ)			
Electricity	1,143	1,249	1,219
Liquefied Petroleum Gas	2,291	1,778	2,036
Total	3,434	3,027	3,255

WATER

	2019/20	2018/19	2017/18
Total water consumption by type (kL)			
Potable Water	5,436	4,755	5,316
Total	5,436	4,755	5,316

WASTE AND RECYCLING

	2019/20	2018/19	2017/18
Waste (kg)			
Total waste to landfill	7,840	11,581	11,470
Percentage of Total waste to recycling rate %	57.76	45.39	45.73
Total waste generated	17,120	20,205	20,269

LOCAL JOBS FIRST POLICY

There were no contracts undertaken requiring reporting in this category in 2019-20.

ADDITIONAL INFORMATION AVAILABLE UPON REQUEST

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

- Declarations of pecuniary interests have been duly completed by all relevant officers
- Details of shares held by senior officers as nominee or held beneficially;
- Details of publications produced by Yea & District Memorial Hospital about itself, and how these can be obtained;
- Details of changes in prices, fees, charges, rates and levies charged by the Health Service;
- Details of any major external reviews carried out on the Health Service;
- Details of major research and development activities undertaken by the Health Service that are not otherwise covered either in the report of operations or in a document that contains the financial statements and report of operations;
- Details of overseas visits undertaken including a summary of the objectives and outcomes of each visit;
- Details of major promotional, public relations and marketing activities undertaken by the Health Service to develop community awareness of the Health Service and its services;
- Details of assessments and measures undertaken to improve the occupational health and safety of employees;
- Information on industrial relations matters within the Health Service and details of time lost through industrial accidents and disputes, which is not otherwise detailed in the report of operations;
- A list of major committees sponsored by the Health Service, the purposes of each committee and the extent to which those purposes have been achieved;
- Details of all consultancies and contractors including consultants/contractors engaged, services provided, and expenditure committed for each engagement

Statement of Priorities

Part A - Strategic Priorities for 2019-20

The Statement of Priorities is an accountability agreement between Yea & District Memorial Hospital and the Minister for Health containing key performance expectations, targets and funding for the year as well as government service priorities.

Better Health Goals: A system geared to prevention as much as treatment Everyone understands their own health and risks Illness is detected and managed early Healthy neighbourhoods and communities encourage healthy lifestyles	Strategies Reduce statewide risks Build healthy neighbourhoods Help people to stay healthy Target health gaps
Deliverable: <ul style="list-style-type: none">Implement the RESPOND program in partnership with Deakin University and Lower Hume Primary Care Partnership to address childhood obesity in accordance with the regional integrated health promotion priorities with at least five community groups supporting the development and delivery of community led actionsWork collaboratively with Seymour Health through the Murray Primary Health Network on the Potentially Avoidable Hospitalisation (PAH) project through facilitating education, referrals and infrastructure to run a minimum of four outreach programs at Yea & District Memorial Hospital in 2019-20	
Outcome: <ul style="list-style-type: none">RESPOND - Community workshops were run in both Alexandra and Yea during July of 2019 and the outcomes of the mapping of factors affecting children's health were completed. During the workshops current actions/programs that contributed to increased healthy eating and physical activity were identified and possible actions to address the factors identified were raised. The RESPOND project has been renamed 'Grow Well Dindi' and continues to progress work focused on tackling childhood obesity in our local area.Potentially Avoidable Hospitalisation (PAH) - An introductory meeting between agencies to discuss the project occurred in July 2019. Education for staff in the Acute Ward, Urgent Care Centre and the hospital's Visiting Medical Officers occurred in November and December 2019, focusing on patient identification/referring. Project ran for six months and finished in early 2020.	

Statement of Priorities continued

Part A - Strategic Priorities for 2019-20

Better Access Goals: Care is always there when people need it Better access to occur in the home and community People are connected to the full range of care and support they need Equal access to care	Strategies Plan and invest Unlock innovation Provide easier access Ensure fair access
Deliverable: <ul style="list-style-type: none"> Support access to urgent care medical advice when there is no access to a local doctor through implementation of My Emergency Doctor through the development of pathways and education by 30 June 2020 Provide a minimum of two senior representatives on the Better Health Murrindindi Partnership that aims to strengthen collaboration, coordination and system integration for health care in the region 	
Outcome: <ul style="list-style-type: none"> My Emergency Doctor - YDMH entered into a contract for the My Emergency Doctor service. Funding for this service is now provided through Murray PHN following a successful EOI. Training sessions for staff have been completed and the application installed/upgraded and ready for use on a dedicated iPad if required by YDMH staff. Better Health Murrindindi - One senior staff member and two Board of Director members represent YDMH on the Better Health Murrindindi partnership and have been working on collaborative projects that strengthen integration and improved delivery of healthcare services. 	

Better Care Goals: Targeting zero avoidable harm Healthcare that focusses on outcomes Patients and carers are active partners in care Care fits together around people's needs	Strategies Put quality first Join up care Partner with patients Strengthen the workforce Embed evidence Ensure equal care
Deliverable: <ul style="list-style-type: none"> Develop a community stakeholder communication and engagement plan by June 2020 Explore best practice consumer engagement and volunteer practices and develop structures within the organisation that support and encourage consumer engagement with an increase in consumer participation Of 50 per cent by June 2020. 	
Outcome: <ul style="list-style-type: none"> The community stakeholder communication and engagement strategy has been developed in collaboration with the Board of Directors and senior staff at YDMH and includes feedback from our local community Best practice consumer engagement and volunteering practices were explored in consultation with the Board of Directors and senior staff at YDMH. Opportunities for increased engagement were developed and implemented through use of the YDMH Facebook Page, Contact Us link on our website as well as links to community surveys that requested feedback on consumer engagement. Local newspaper articles, representation at local community group meetings by senior staff and or Board members have also occurred frequently throughout the year. 	

Supporting the Mental Health System

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

Deliverables:

- Consumers with mental health needs are identified and a clear stepped model with local referral pathways developed and implemented within the organisation to provide identified people with mental health needs appropriate support and referral for treatment and care by the end of June 2020.

Outcome:

- In collaboration with the Lower Hume PCP and other local health agencies, the Stepped Care Model has been implemented leading to increased visibility, access, and integration of mental health in the Murrindindi Shire. This has resulted in the establishment of a Goulburn Mental Health Steering Committee with representation from YDMH and other key services who have a shared commitment to work together with health and community services across the Goulburn area.
- Promotion of COVID 19 mental health and wellbeing support availability options occurring internally for staff and externally for community (via website, Facebook and notice boards).

Addressing Occupational Violence

Foster an organisational wide occupational health and safety risk management approach, including identifying security risks and implementing controls, with a focus on prevention and improved reporting and consultation.

Implement the department's security training principles to address identified security risks.

Deliverables:

- Develop an action plan to address the organisation's identified security risks arising from the External Security Audit undertaken in May 2019, implementing at least one recommendation by December 2019.

Outcome:

- Security cameras have been installed in key locations across the organisations as a direct result of staff feedback gained from the security and safety audit. These provide a live display at the key staff base and record images for later viewing if required.

Addressing Bullying and Harassment

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

Implement the department's *Framework for promoting a positive workplace culture: preventing bullying, harassment and discrimination and Workplace culture and bullying, harassment and discrimination training: guiding principles for Victorian health services*.

Deliverables:

- Develop and implement strategies that are in line with the Department's Framework for creating a positive workplace culture; preventing bullying, harassment and discrimination to promote a positive workplace culture to prevent bullying, harassment and discrimination to decrease reported behaviours against comparator organisations in the annual People Matter Survey by 10 per cent.

Outcome:

- Staff Education on workplace bullying, harassment and discrimination included in mandatory education suite for all staff. The promotion of the YDMH culture and values included in staff meetings and via newsletters.

Supporting Vulnerable Patients

Partner with patients to develop strategies that build capability within the organisation to address the health needs of communities and consumers at risk of poor access to health care.

Deliverables:

- Attend a minimum of five community organisations and/or events to explore the barriers to accessing local health care and develop a plan of action by June 2020.

Outcome:

- The allocation of staffing resources to COVID 19 work, in addition to restrictions on face to face meetings, has impacted progression of the activity. However, work has been ongoing with Murrindindi Shire Council regarding services access at YDMH since March 2020 as part of the localised COVID 19 Pandemic management and response.

Statement of Priorities continued

Part A - Strategic Priorities for 2019-20

Supporting Aboriginal Cultural Safety

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

Deliverables:

- Work together with support of the Lower Hume Aboriginal Health and Wellbeing Officer and Regional Aboriginal Development Officer to implement organisational cultural plans with 50 per cent of actions completed by June 2020.

Outcome:

- Ongoing work being undertaken with the Lower Hume Aboriginal Health and Wellbeing Officer, in particular discussions on specific YDMH staff education. Work continues also continues regarding further embedding the Asking the Question prompts in all areas and supportive cultural resources and welcoming spaces.

Addressing Family Violence

Strengthen responses to family violence in line with the *Multiagency Risk Assessment and Risk Management Framework* (MARAM) and assist the government in understanding workforce capabilities by championing participation in the census of workforces that intersect with family violence.

Deliverables:

- Identify, develop and implement action items that support family violence initiatives and pathways that include internal capacity building demonstrated by 80 per cent of staff having participated in family violence training.

Outcome:

- YDMH has participated in SHRFV State wide project during the year with a focus on training for staff. YDMH attained a 100 per cent staff participation rate in the training by March 2020. A YDMH SHRFV Action Plan was submitted to DHHS with updates as required in line with project funding. YDMH staff also attended regional and onsite project meetings. Site specific resources to be use by staff were developed.

Implementing Disability Action Plans (DAP)

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

Deliverables:

- Implement actions in the organisation's disability action plan with a focus on staff education and training demonstrated by 10 per cent improvement in reported organisational culture relating to the care and attitudes of those with a disability in the annual People Matter Survey.

Outcome:

- Final DAP endorsed and initial work commenced. Staff education survey undertaken in December 2019 for clinical education update/interest requirements. Outcomes from survey being worked into monthly in-service scheduling and individual education plans. Restriction on attendance by external training providers / site auditors and reduced staff availability due to COVID 19 has meant some planned activities have been postponed to a later date.

Supporting Environmental Sustainability

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

Deliverables:

- Installation of solar panels with a reduction of power usage by 20 per cent by June 2020.

Outcome:

- Due to COVID 19 not progressed to full implementation as per deliverable.

Statement of Priorities

Part B - Performance Priorities for 2019-20

HIGH QUALITY AND SAFE CARE

Key performance measure	Target	Result
ACCREDITATION		
Compliance with Aged Care Standards	Full compliance	Full compliance
Infection prevention and control		
Compliance with the Hand Hygiene Australia program	83%	94.6%**
Percentage of healthcare workers immunised for influenza	84%	93%
PATIENT EXPERIENCE		
Victorian Healthcare Experience Survey – percentage of positive patient experience responses - Quarter 1	95%	Full compliance*
Victorian Healthcare Experience Survey – percentage of positive patient experience responses – Quarter 2	95%	Full compliance*
Victorian Healthcare Experience Survey – percentage of positive patient experience responses – Quarter 3	95%	Full compliance*
Victorian Healthcare Experience Survey – percentage of very positive responses to questions on discharge care – Quarter 1	75%	Full compliance*
Victorian Healthcare Experience Survey – percentage of very positive responses to questions on discharge care – Quarter 2	75%	Full compliance*
Victorian Healthcare Experience Survey – percentage of very positive responses to questions on discharge care – Quarter 3	75%	Full compliance*
Victorian Healthcare Experience Survey – patient's perception of cleanliness – Quarter 1	70%	Full compliance*
Victorian Healthcare Experience Survey – patient's perception of cleanliness – Quarter 2	70%	Full compliance*
Victorian Healthcare Experience Survey – patient's perception of cleanliness – Quarter 3	70%	Full compliance*

* Less than 42 responses were received for the period due to the relative size of the Health Service.

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

Statement of Priorities continued

Part B - Performance Priorities for 2019-20

STRONG GOVERNANCE, LEADERSHIP AND CULTURE

Key performance measure	Target	Result
ORGANISATIONAL CULTURE		
People Matter Survey - percentage of staff with an overall positive response to safety and culture questions	80%	93%
People Matter Survey – percentage of staff with a positive response to the question, “I am encouraged by my colleagues to report any patient safety concerns I may have”	80%	100%
People Matter Survey – percentage of staff with a positive response to the question, “Patient care errors are handled appropriately in my work area”	80%	90%
People Matter Survey – percentage of staff with a positive response to the question, “My suggestions about patient safety would be acted upon if I expressed them to my manager”	80%	93%
People Matter Survey – percentage of staff with a positive response to the question, “The culture in my work area makes it easy to learn from the errors of others”	80%	100%
People Matter Survey – percentage of staff with a positive response to the question, “Management is driving us to be a safety-centred organisation”	80%	100%
People Matter Survey – percentage of staff with a positive response to the question, “This health service does a good job of training new and existing staff”	80%	77%
People Matter Survey – percentage of staff with a positive response to the question, “Trainees in my discipline are adequately supervised”	80%	85%
People Matter Survey – percentage of staff with a positive response to the question, “I would recommend a friend or relative to be treated as a patient here”	80%	97%

EFFECTIVE FINANCIAL MANAGEMENT

Key performance measure	Target	2019/20 Result
Operating result (\$m)	0.01	0.28
Average number of days to pay trade creditors	60 days	27
Average number of days to receive patient fee debtors	60 days	67
Adjusted current asset ratio	0.7 or 3% improvement from health service base target	1.99
Forecast number of days available cash (based on end of year forecast)	14 days	333
Actual number of days available cash, measured on the last day of each month.	14 days	304
Variance between forecast and actual Net result from transactions (NRFT) for the current financial year ending 30 June.	Variance < \$250,000	\$200,000

Statement of Priorities

Part C - Performance

Small Rural	2019/20 Achievement	Units
Small Rural Acute	250	WIES equivalent
Small Rural Primary Health & HACC		
- Nursing	241	Service Hours
- Counselling/Casework	1,003	Service Hours
- Dietetics	507	Service Hours
- Speech Therapy	287	Service Hours
Small Rural Residential Care	8,237	Bed days

Attestations and Declarations

FINANCIAL MANAGEMENT COMPLIANCE ATTESTATION

I, Ian Marshman AM, on behalf of the Responsible Body, certify that Yea & District Memorial Hospital has no Material Compliance Deficiency with respect to the applicable Standing Directions under the *Financial Management Act 1994* and Instructions.



Ian Marshman AM
Responsible Officer
Yea & District Memorial Hospital
31st August 2020

DATA INTEGRITY

I, Cameron Butler, certify that Yea & District Memorial Hospital has put in place appropriate internal controls and processes to ensure that reported data accurately reflects actual performance. Yea & District Memorial Hospital has critically reviewed these controls and processes during the year.



Cameron Butler
Accountable Officer
Yea & District Memorial Hospital
31st August 2020

CONFLICT OF INTEREST

I, Cameron Butler, certify that Yea & District Memorial Hospital has put in place appropriate internal controls and processes to ensure that it has complied with the requirements of hospital circular 07/2017 Compliance reporting in health portfolio entities (Revised) and has implemented a Conflict of Interest policy consistent with the minimum accountabilities required by the VPSC. Declaration of private interest forms have been completed by all executive staff within Yea & District Memorial Hospital and members of the Board, and all declared conflicts have been addressed and are being managed. Conflict of interest is a standard agenda item for declaration and documentation at each executive board meeting.



Cameron Butler
Accountable Officer
Yea & District Memorial Hospital
31st August 2020

INTEGRITY, FRAUD AND CORRUPTION

I, Cameron Butler, certify that Yea & District Memorial Hospital has put in place appropriate internal controls and processes to ensure that integrity, fraud and corruption risks have been reviewed and addressed at Yea & District Memorial Hospital during the year.



Cameron Butler
Accountable Officer
Yea & District Memorial Hospital
31st August 2020

SAFE PATIENT CARE ACT 2015

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

Five Year Financial Summary

For The Year Ended 30 June 2020

Summary of the financial results for the year

	2020 \$'000	2019 \$'000	2018 \$'000	2017 \$'000	2016 \$'000
OPERATING RESULT*	276	333	181	2	168
Total revenue	6,549	6,152	5,797	5,611	5,401
Total expenses	(6,825)	(6,434)	(6,232)	(6,074)	(5,724)
Net result from transactions	(276)	(282)	(435)	(463)	(323)
Total other economic flows	(12)	(41)	(5)	29	(13)
Net result	(288)	(323)	(440)	(434)	(336)
Total assets	19,021	19,094	18,064	18,803	18,380
Total liabilities	(5,553)	(5,337)	(4,928)	(6,177)	(5,320)
Net assets/Total equity	13,468	13,757	13,136	12,626	13,060

* The Operating result is the result for which YDMH is monitored in the Statement of Priorities.

Reconciliation of Net Result From Transactions and Operating Result

	2020 \$'000	2019 \$'000	2018 \$'000	2017 \$'000	2016 \$'000
NET OPERATING RESULT*	276	333	181	2	168
Capital purpose income	143	89	142	189	146
Specific income	-	-	-	-	-
COVID 19 State Supply Arrangements - Assets received free of charge or for nil consideration under the State Supply	7	-	-	-	-
State supply items consumed up to 30 June 2020	(7)	-	-	-	-
Expenditure for capital purpose	14	(28)	(110)	(2)	(18)
Specific expenses	-	-	-	(2)	-
Depreciation and amortisation	(710)	(656)	(613)	(618)	(614)
Impairment of non-financial assets	-	-	-	-	-
Finance costs (other)	-	(20)	(35)	(33)	(5)
Net results from transactions	(277)	(282)	(435)	(463)	(323)

*The Net operating result is the result for which YDMH is monitored in the Statement of Priorities.

Five Year Financial Summary continued

For The Year Ended 30 June 2020

SUMMARY OF SIGNIFICANT CHANGES IN FINANCIAL POSITION

Total cash increased by \$0.361m due to a combination of factors including: an increase in aged care accommodation bonds that are held in trust, a decrease in trade creditors payable, and an increase in receivables. Total liabilities increased by \$0.215m as a result of the aged care accommodation bond and Department of Health & Human Services loan for the solar panels.

SUMMARY OF OPERATIONAL AND BUDGETARY OBJECTIVES AND FACTORS AFFECTING PERFORMANCE

As a public health service, Yea & District Memorial Hospital is required to negotiate a Statement of Priorities (SoP) with the Department Health & Human Services (DHHS) each year. The SoP is a key accountability agreement between Yea & District Memorial Hospital and the Minister for Health. It recognises that resources are limited and that the allocation of these scarce resources needs to be prioritised. The SoP incorporates both system-wide priorities set by the Victorian Government and agency specific priorities. A \$10,400 operating surplus (excluding capital, depreciation and specific items) was agreed in the 2019/2020 SoP for Yea & District Memorial Hospital. The final result for the year was an operating surplus of \$277,000. The major factors contributing to the surplus for the year were additional DHHS grant revenue, additional Transition Care Program (TCP) patient revenue achieved, and labour cost efficiencies.

EVENTS SUBSEQUENT TO BALANCE DATE

The COVID-19 pandemic has created unprecedented economic uncertainty. Actual economic events and conditions in the future may be materially different from those estimated by Yea & District Memorial Hospital at the reporting date. As responses by government continue to evolve management recognises that it is difficult to reliably estimate with any degree of certainty the potential impact of the pandemic after the reporting date on Yea & District Memorial Hospital its operations, its future results and financial position. The state of emergency in Victoria was extended on 13 September 2020 until 19 October 2020 and the state of disaster is still in place. No other matters or circumstances have arisen since the end of the financial year which significantly affect or may significantly affect the operations of Yea & District Memorial Hospital the results of its operations or its state of affairs in future years.

Disclosure Index

The annual report of the Yea & District Memorial Hospital is prepared in accordance with all relevant Victorian legislation. This index has been prepared to facilitate identification of the Department's compliance with statutory disclosure requirements.

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Financial Report |

2019-20

2019-20

YEA AND DISTRICT MEMORIAL HOSPITAL

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Yea and District Memorial Hospital has presented its audited general purpose financial statements for the financial year ended 30 June 2019 in the following structure to provide users with the information about Yea and District Memorial Hospital's stewardship of resources entrusted to it.

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Yea & District Memorial Hospital
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 Yea & District Memorial Hospital have been prepared in accordance with Direction 5.2 of the Standing Directions of the Assistant Treasurer under the *Financial Management Act 1994*, applicable Financial Reporting Directions (FRDs), 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 Yea & District Memorial Hospital at 30 June 2020.

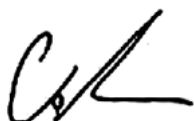
At the time of signing, we are not aware of any circumstance which would render any particulars included in the financial statements to be misleading or inaccurate.

We authorise the attached financial statements for issue on the 31st August 2020.



Ian Marshman AM
Board Chair

Yea
31st August 2020



Cameron Butler
Chief Executive Officer

Yea
31st August 2020



Peter Hutchinson
Chief Finance Officer

Yea
31st August 2020

Independent Auditor's Report

To the Board of Yea & District Memorial Hospital

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



Travis Derricott
as delegate for the Auditor-General of Victoria

Yea & District Memorial Hospital
Comprehensive Operating Statement
For the Financial Year Ended 30 June 2020

	Note	Total 2020 \$	Total 2019 \$
Income from Transactions			
Operating activities	2.1	6,341,916	5,950,962
Non-operating activities	2.1	206,789	201,347
Total Income from Transactions		6,548,705	6,152,309
Expenses from Transactions			
Employee expenses	3.1	(4,456,673)	(4,184,468)
Supplies and consumables	3.1	(464,404)	(450,860)
Finance costs	3.1	(7,458)	(20,195)
Depreciation and amortisation	4.3	(709,687)	(655,932)
Other administrative expenses	3.1	(754,234)	(734,787)
Other operating expenses	3.1	(433,002)	(388,354)
Total Expenses from Transactions		(6,825,458)	(6,434,596)
Net Result from Transactions - Net Operating Balance		(276,753)	(282,287)
Other Economic Flows included in Net Result			
Other gain/(loss) from other economic flows	3.2	(11,746)	(41,076)
Total Other Economic Flows included in Net Result		(11,746)	(41,076)
Net Result for the Year		(288,499)	(323,363)
Other Comprehensive Income			
Items that will not be reclassified to Net Result			
Changes in property, plant and equipment revaluation surplus	4.1(b)	-	944,192
Total Other Comprehensive Income		-	944,192
Comprehensive Result for the Year		(288,499)	620,829

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

Yea & District Memorial Hospital
Balance Sheet as at 30 June 2020

	Note	Total 2020 \$	Total 2019 \$
Current Assets			
Cash and cash equivalents	6.2	9,177,909	8,817,010
Receivables	5.1	271,643	146,365
Other financial assets		54,252	81,856
Total Current Assets		9,503,804	9,045,231
Non-Current Assets			
Receivables	5.1	330,637	311,782
Property, plant and equipment	4.1	9,174,122	9,726,379
Intangible assets	4.2	11,981	9,842
Total Non-Current Assets		9,516,740	10,048,003
TOTAL ASSETS		19,020,544	19,093,234
Current Liabilities			
Payables	5.2	336,482	526,074
Borrowings	6.1	16,178	6,872
Provisions	3.4	1,106,288	1,167,808
Other liabilities	5.3	3,854,168	3,473,975
Total Current Liabilities		5,313,116	5,174,729
Non-Current Liabilities			
Borrowings	6.1	56,683	5,589
Provisions	3.4	182,513	156,185
Total Non-Current Liabilities		239,196	161,774
TOTAL LIABILITIES		5,552,312	5,336,503
NET ASSETS		13,468,232	13,756,731
Equity			
Property, plant and equipment revaluation surplus	4.1(f)	8,841,434	8,841,434
General purpose surplus		3,476,449	3,476,449
Restricted specific purpose surplus	SCE	45,478	45,478
Contributed capital	SCE	2,447,448	2,447,448
Accumulated deficits	SCE	(1,342,577)	(1,054,078)
TOTAL EQUITY		13,468,232	13,756,731

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

Yea & District Memorial Hospital
Statement of Changes in Equity
For the Financial Year Ended 30 June 2020

	Property, Plant & Equipment Revaluation Surplus \$	General Purpose Surplus \$	Restricted Specific Purpose Surplus \$	Contributed Capital \$	Accumulated Deficits \$	Total \$
Balance at 1 July 2018	7,897,242	3,476,449	45,478	2,447,448	(730,715)	13,135,902
Net Result for the Year	-	-	-	-	(323,363)	(323,363)
Other comprehensive income for the year	944,192	-	-	-	-	944,192
Balance at 30 June 2019	8,841,434	3,476,449	45,478	2,447,448	(1,054,078)	13,756,731
Net Result for the Year	-	-	-	-	(288,499)	(288,499)
Balance at 30 June 2020	8,841,434	3,476,449	45,478	2,447,448	(1,342,577)	13,468,232

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

Yea & District Memorial Hospital
Cash Flow Statement
For the Financial Year Ended 30 June 2020

	Note	Total 2020 \$	Total 2019 \$
Cash Flows from Operating Activities			
Operating grants from government		5,104,622	4,692,544
Capital grants from government - Commonwealth		13,825	24,821
Patient and resident fees received		643,439	757,250
GST received from ATO		162,409	11,175
Interest and investment income received		198,214	203,215
Other receipts		317,975	421,882
Total Receipts		6,440,484	6,110,886
Employee expenses paid		(4,430,876)	(3,862,011)
Non salary labour costs		(174,400)	(147,848)
Payments for supplies and consumables		(1,572,126)	(1,358,723)
Payments for medical indemnity insurance		(24,339)	(26,149)
Payments for repairs and maintenance		(136,099)	(96,155)
Finance costs		(235)	(577)
GST paid to ATO		(9,145)	(127,887)
Payment for share of Hume Rural Health Alliance		(69,920)	(51,954)
Total Payments		(6,417,140)	(5,671,303)
Net Cash Flows from / (used in) Operating Activities	8.1	23,344	439,583
Cash Flows from Investing Activities			
Purchase of non-financial assets		(146,798)	(69,950)
Capital donations and bequests received		49,732	23,974
Purchase of intangible assets		(5,972)	(3,847)
Net Cash Flows from / (used in) Investing Activities		(103,038)	(49,823)
Cash Flows from Financing Activities			
Proceeds from Borrowings		65,427	-
Receipt of Accommodation Deposits		1,370,000	1,628,243
Repayment of Accommodation Deposits		(989,807)	(1,329,096)
Repayment of Finance Leases		(5,027)	(1,835)
Net Cash Flows from / (used in) Financing Activities		440,593	297,312
Net Increase / (Decrease) in Cash and Cash Equivalents Held		360,899	687,072
Cash and Cash Equivalents at Beginning of Year		8,817,010	8,129,938
Cash and Cash Equivalents at End of Year	6.2	9,177,909	8,817,010

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

Basis of preparation

These financial statements are presented 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 Yea & District Memorial Hospital for the year ended 30 June 2020. The report provides users with information about Yea & District Memorial Hospital's stewardship of resources entrusted to it.

(a) Statement of Compliance

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

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

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

(b) Reporting Entity

The financial statements include all the controlled activities of Yea & District Memorial Hospital.

Its principal address is:

45 Station Street

Yea, Victoria 3717

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

(c) Basis of Accounting Preparation and Measurement

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

The accounting policies have been applied in preparing the financial statements for the year ended 30 June 2020, and the comparative information presented in these financial statements for the year ended 30 June 2019.

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

These financial statements are presented in Australian dollars, the functional and presentation currency of Yea & District Memorial Hospital.

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

Yea & District Memorial Hospital operates on a fund accounting basis and maintains three funds; Operating, Specific Purpose and Capital Funds.

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

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

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

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

Note 1: Summary of Significant Accounting Policies (continued)

- Defined benefit superannuation expense (refer to Note 3.5 Superannuation); and
- Employee benefit provisions are based on likely tenure of existing staff, patterns of leave claims, future salary movements and future discount rates (refer to Note 3.4 Employee Benefits in the Balance Sheet).

COVID-19

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

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

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

For further details refer to Note 2.1 Revenue and income that funds the delivery of our services, 3.1 Expenses from transactions and Note 4.1 Property, plant and equipment.

Goods and Services Tax (GST)

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

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

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

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

(d) Jointly Controlled Operation

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

In respect of any interest in joint operations, Yea & District Memorial Hospital recognises in the financial statements:

- its assets, including its share of any assets held jointly;
- any liabilities including its share of liabilities that it had incurred;
- its revenue from the sale of its share of the output from the joint operation;
- its share of the revenue from the sale of the output by the operation; and
- its expenses, including its share of any expenses incurred jointly.

Yea & District Memorial Hospital is a Member of the Hume Rural Health Alliance (HRHA) and retains joint control over the arrangement, which it has classified as a joint operation (refer to Note 8.8 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 Yea & District Memorial Hospital.

Transfers of net assets arising from administrative restructurings are treated as distributions to or contributions by owners. Transfers of net liabilities arising from administrative restructurings are treated as distributions to owners.

Other transfers that are in the nature of contributions or distributions or that have been designated as contributed capital are also treated as contributed capital.

Specific Restricted Purpose Surplus

The Specific Restricted Purpose Surplus is established where Yea & District Memorial Hospital has possession or title to the funds but has no discretion to amend or vary the restriction and/or condition underlying the funds received.

Note 2: Funding delivery of our services

Yea & District Memorial Hospital's overall objective is to provide quality health services that promote healthy communities and improve the quality of life of Victorians.

Yea & District Memorial Hospital is predominantly funded by accrual based grant funding for the provision of agreed outputs. Yea & District Memorial Hospital also receives income from the supply of services.

Structure

2.1 Revenue and income that funds the delivery of our services

Note 2.1: Revenue and income that funds the delivery of our services

(a) Income from Transactions

	Total 2020 \$	Total 2019 \$
Government grants (State) - Operating	3,992,927	3,537,851
Government grants (Commonwealth) - Operating	1,201,129	1,238,868
Government grants (State) - Capital	13,825	24,820
Government grants (Commonwealth) - Capital	73,516	34,895
Patient and resident fees	695,786	701,857
Commercial activities ⁱ	82,707	65,757
Assets received free of charge of for nominal consideration	56,530	23,974
Other revenue from operating activities (including non-capital donations)	225,496	322,940
Total Income from Operating Activities	6,341,916	5,950,962
Capital interest	48,003	36,279
Other interest	158,786	165,068
Total Income from Non-Operating Activities	206,789	201,347
Total Income from Transactions	6,548,705	6,152,309

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

Impact of COVID-19 on revenue and income

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

Government Grants

Income from grants that are enforceable and with sufficiently specific performance obligations are accounted for under AASB 15 *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, are recognised when Yea & District Memorial Hospital has an unconditional right to receive the cash which usually coincides with receipt of cash. On initial recognition of the asset, Yea & District Memorial Hospital recognises any related contributions by owners, increases in liabilities, decreases in assets, and revenue ('related amounts') in accordance with other Australian Accounting Standards. Related amounts may take the form of;

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

Performance obligations

Yea & District Memorial Hospital holds no government grants recognised under AASB15 *Revenue from Contracts with Customers*.

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 Yea & District Memorial Hospital without receiving approximately equal value in return. While grants may result in the provision of some goods or services to the transferring party, they do not provide a claim to receive benefits directly of approximately equal value (and are termed 'non-reciprocal' transfers).

Note 2.1: Income from Transactions (continued)

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

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

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

Patient and Resident Fees

The performance obligations related to patient fees are to ensure that patients receive health care services that are equitable, appropriate and timely to meet their clinical needs. These performance obligations have been selected as they align with the Continuum of Care policy which Yea & District Memorial Hospital has in place. Revenue is recognised as these performance obligations are met. Yea & District Memorial Hospital exercises judgement over whether performance obligations related to patient care and services are met. This is measured by addressing the type of care provided, the number of days spent in care and the discharge notes.

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

Private Practice Fees

The performance obligations related to private practice fees are to ensure that patients receive health care services that are equitable, appropriate and timely to meet their clinical needs and that facilities are provided to Private Practitioners. These performance obligations have been selected as they align with the terms and conditions agreed with the private provider. Revenue is recognised as these performance obligations are met. Private practice fees include recoupments from the private practice for the use of hospital facilities. Yea & District Memorial Hospital exercises judgement over whether performance obligations related to patient care and services and provision of medical facilities are met. This is measured by addressing the type of care provided, the number of days spent in care and reading and charging the prescribed fees as per the discharge notes.

Commercial Activities

Revenue from commercial activities includes items such as catering and medical clinic fees. Performance obligations related to commercial activities are directly in line with the type of activity utilised such as ensuring that patients receive health care services that are equitable, appropriate and timely to meet their clinical needs within the medical clinic. These performance obligations have been selected as they align with the terms and conditions per the contract with the provider of the commercial activities. Yea & District Memorial Hospital exercises judgement over whether performance obligations related to the provision of commercial activities are met. This is measured by addressing the number and type of commercial activities that have been undertaken at any point in time.

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

	Total 2020 \$	Total 2019 \$
Cash donations and gifts	49,732	23,974
Assets received free of charge under State supply arrangements	6,798	-
Total fair value of assets and services received free of charge or for nominal consideration	56,530	23,974

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.

Note 2.1: Income from Transactions (continued)

Voluntary Services

Contributions in the form of services are only recognised when a fair value can be reliably determined, and the services would have been purchased if not donated. Yea & District Memorial Hospital did not receive any volunteer services and does not depend on volunteers to deliver its service.

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

Performance obligations and revenue recognition policies

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

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

(c) Other Income

	Total 2020 \$	Total 2019 \$
Capital interest	48,003	36,279
Other interest	158,786	165,068
Total other income	206,789	201,347

Other Income

Other income is recognised as revenue when received. Other income includes recoveries for salaries and wages and external services provided, and donations and bequests. If donations are for a specific purpose, they may be appropriated to a surplus, such as the specific restricted purpose surplus.

Interest Income

Interest revenue is recognised on a time proportionate basis that takes in 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 Yea & District Memorial 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 services are recorded.

Structure

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

Note 3.1: Expenses from transactions

	Total 2020 \$	Total 2019 \$
Salaries and Wages	3,452,492	3,111,585
On-costs	795,054	860,859
Fee for Service Medical Officer Expenses	158,545	164,276
Workcover Premium	50,582	47,748
Total Employee Expenses	4,456,673	4,184,468
Drug Supplies	42,087	30,758
Medical and Surgical Supplies (including Prostheses)	48,742	44,166
Diagnostic and Radiology Supplies	9,426	12,485
Other Supplies and Consumables	364,149	363,451
Total Supplies and Consumables	464,404	450,860
Finance Costs	7,458	20,195
Total Finance Costs	7,458	20,195
Other Administrative Expenses	754,234	734,787
Total Other Administrative Expenses	754,234	734,787
Fuel, Light, Power and Water	139,085	147,199
Repairs and maintenance	123,726	106,839
Maintenance contracts	103,374	82,802
Medical indemnity insurance	24,339	26,149
Expenses related to short term leases	4,734	6,531
Expenditure for capital purposes	37,744	18,834
Total Other Operating Expenses	433,002	388,354
Total Operating Expenses	6,115,771	5,778,664
Depreciation and Amortisation (refer Note 4.3)	709,687	655,932
Total Depreciation and Amortisation	709,687	655,932
Total Non-Operating Expense	709,687	655,932
Total Expenses from Transactions	6,825,458	6,434,596

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 in Note 1, Yea & District Memorial Hospital's daily activities were impacted by the pandemic. This resulted in an increase in costs directly associated with testing and screening of patients. The majority of the increased costs relate to salaries and wages, however other cost items such as consumables with an increase in Personal Protective Equipment (PPE) required.

Employee Expenses

Employee expenses include:

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

Supplies and consumables

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

Finance costs

Finance costs include:

- Interest on bank overdrafts and short-term and long-term borrowings (Interest expense is recognised in the period in which it is incurred);
- Interest on RAC Accommodation Deposits
- Finance charges in respect of finance leases recognised in accordance with AASB 16 Leases.

Note 3.1: Expenses from transactions (continued)

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).

The Department of Health and Human Services also makes certain payments on behalf of Yea & District Memorial Hospital. These amounts have been brought to account as grants in determining the operating result for the year by recording them as revenue and also recording the related expense.

Non-operating expenses

Other non-operating expenses generally represent expenditure for outside the normal operations such as depreciation and amortisation, and assets and services provided free of charge or for nominal consideration.

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

Other gains/(losses) from other economic flows

Net gain/(loss) arising from revaluation of long service liability

Total other gains/(losses) from other economic flows

Total other gains/(losses) from economic flows

	Total 2020 \$	Total 2019 \$
Net gain/(loss) arising from revaluation of long service liability	(11,746)	(41,076)
Total other gains/(losses) from other economic flows	(11,746)	(41,076)
Total other gains/(losses) from economic flows	(11,746)	(41,076)

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

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

Note 3.3: Analysis of expense and revenue by internally managed and restricted specific purpose funds

	Expense		Revenue	
	Total 2020 \$	Total 2019 \$	Total 2020 \$	Total 2019 \$
Commercial Activities				
Catering Services	34,246	27,503	31,108	18,615
Medical Clinic	879	1,913	51,600	47,142
Total Commercial Activities	35,125	29,416	82,707	65,757

Note 3.4: Employee benefits in the Balance Sheet

Current Provisions

Employee Benefitsⁱ

Accrued Days Off

- Unconditional and expected to be settled wholly within 12 monthsⁱⁱ

Annual Leave

- Unconditional and expected to be settled wholly within 12 monthsⁱⁱ
- Unconditional and expected to be settled wholly after 12 monthsⁱⁱⁱ

Long Service Leave

- Unconditional and expected to be settled wholly within 12 monthsⁱⁱ
- Unconditional and expected to be settled wholly after 12 monthsⁱⁱⁱ

Provisions related to Employee Benefit On-Costs

Unconditional and expected to be settled wholly within 12 monthsⁱⁱ

Unconditional and expected to be settled wholly after 12 monthsⁱⁱⁱ

Total Current Provisions

Non-Current Provisions

Conditional Long Service Leave

Provisions related to Employee Benefit On-Costs

Total Non-Current Provisions

Total Provisions

	Total 2020 \$	Total 2019 \$
	1,600	6,881
	385,850	423,851
	35,311	37,883
	84,880	73,210
	491,547	512,687
	999,188	1,054,512
	49,946	53,573
	57,154	59,723
	107,100	113,296
	1,106,288	1,167,808
	164,614	140,868
	17,899	15,317
	182,513	156,185
	1,288,801	1,323,993

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

ⁱⁱ The amounts disclosed are nominal amounts.

ⁱⁱⁱ The amounts disclosed are discounted to present values.

(a) Employee Benefits and Related On-Costs

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 \$
	639,103	649,602
	465,382	510,216
	1,803	7,990
	1,106,288	1,167,808
	182,513	156,185
	182,513	156,185
	1,288,801	1,323,993

(b) Movement in On-Cost Provision

Balance at beginning 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 \$
	128,613	114,826
	40,536	55,903
	1,152	4,028
	(49,399)	(46,145)
	120,902	128,613

Note 3.4: Employee benefits in the Balance Sheet (Continued)

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 Yea & District Memorial Hospital has a present obligation, the future sacrifice of economic benefits is probable, and the amount of the provision can be measured reliably.

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

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 Yea & District Memorial Hospital does not have an unconditional right to defer settlements of these liabilities.

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

- Nominal value – if Yea & District Memorial Hospital expects to wholly settle within 12 months; or
- Present value – if Yea & District Memorial Hospital does not expect to wholly settle within 12 months.

Long Service Leave

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

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

The components of this current LSL liability are measured at:

- Nominal value – if Yea & District Memorial Hospital expects to wholly settle within 12 months; or
- Present value – if Yea & District Memorial Hospital does not expect to wholly settle within 12 months.

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

Termination Benefits

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

On-Costs Related to Employee Benefits

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

Note 3.5: Superannuation

	Paid Contribution for the Year	
	Total 2020 \$	Total 2019 \$
Defined Benefit Plans ⁱ	12,189	12,128
Defined Contribution Plans	357,840	312,602
Total	370,029	324,730

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

There were no outstanding superannuation contributions due at the 30th June 2020.

Employees of Yea & District Memorial Hospital 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.

Note 3.5: Superannuation (continued)

Defined Benefit Superannuation Plans

The costs represent the contributions made by Yea & District Memorial Hospital to the superannuation plans in respect of the services of current Yea & District Memorial Hospital's staff during the reporting period. Superannuation contributions are made to the plans based on the relevant rules of each plan and are based upon actuarial advice.

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

However, superannuation contributions paid or payable for the reporting period are included as part of employee benefits in the Comprehensive Operating Statement of Yea & District Memorial Hospital.

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

Yea & District Memorial Hospital controls infrastructure and other investments that are utilised in meeting its objectives and delivering its activities. They represent the key resources that have been entrusted to Yea & District Memorial Hospital to be utilised for delivery of its outputs and services.

Structure

- 4.1 Property, plant and equipment
- 4.2 Intangible assets
- 4.3 Depreciation and amortisation

Note 4.1: Property, plant and equipment

Initial Recognition

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

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

The initial cost for non-financial physical assets under finance lease (refer to Note 6.1) 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.

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

Yea & District Memorial Hospital recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost which comprises the initial amount of the lease liability adjusted for:

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

Note 4.1: Property, plant and equipment (continued)

Subsequent measurement

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

Right-of-use asset – Subsequent measurement

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

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

Revaluations of Non-Current Physical Assets

Non-current physical assets are measured at fair value and are revalued in accordance with FRD 103H Non-Current Physical Assets. This revaluation process normally occurs every five years, based upon the asset's Government Purpose Classification, but may occur more frequently if fair value assessments indicate material changes in values. Independent valuer's 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, Yea & District Memorial Hospital's non-current physical assets were assessed to determine whether revaluation of the non-current physical assets was required.

Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

For the purpose of fair value disclosures, Yea & District Memorial Hospital has determined classes of assets on the basis of the nature, characteristics and risks of the asset and the level of the fair value hierarchy as explained above.

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

The Valuer-General Victoria is Yea & District Memorial Hospital's independent valuation agency.

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

Valuation hierarchy

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

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

Note 4.1: Property, plant and equipment (continued)

Identifying unobservable inputs (level 3) fair value measurements

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

Unobservable inputs 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 paragraph AASB 13 *Fair Value Measurement* paragraph 29, Yea & District Memorial Hospital has assume the current use of a non-financial physical asset is its HBU unless market or other factors suggest that a different use by market participants would maximise the value of the asset.

Non-Specialised Land and Non-Specialised Buildings

Non-specialised land, non-specialised buildings and cultural assets 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 2020.

Specialised Land and Specialised Buildings

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

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

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

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

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

An independent valuation of Yea & District Memorial Hospital's specialised land and specialised buildings was performed by the Valuer-General Victoria. The valuation was performed using the market approach adjusted for CSO. The effective date of the valuation is 30 June 2019.

Vehicles

Yea & District Memorial Hospital acquires new vehicles and at times disposes of them before completion of their economic life. The process of acquisition, use and disposal in the market is managed by 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).

Note 4.1: Property, plant and equipment (continued)

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.

(a) Gross carrying amount and accumulated depreciation

	Total 2020 \$	Total 2019 \$
Land		
Land	731,000	731,000
Total Land at Fair Value	731,000	731,000
Buildings		
Buildings at Fair Value	8,783,290	8,775,000
Less Accumulated Depreciation	(621,508)	-
	8,161,782	8,775,000
Building work in progress at cost	9,024	-
Total Buildings	8,170,806	8,775,000
Plant and Equipment		
Plant and Equipment at Fair Value	256,892	223,831
Less Accumulated Depreciation	(193,547)	(174,609)
	63,345	49,222
Vehicles		
Vehicles at Fair Value	60,876	60,876
Less Accumulated Depreciation	(52,316)	(49,002)
	8,560	11,874
Medical Equipment		
Medical Equipment at Fair Value	162,718	147,205
Less Accumulated Depreciation	(132,268)	(117,891)
	30,450	29,314
Computers & Communication Equipment		
Computers and Communication at Fair Value	303,930	249,359
Less Accumulated Depreciation	(198,924)	(170,282)
	105,006	79,077
Furniture & Fittings		
Furniture and Fittings at Fair Value	113,876	81,638
Less Accumulated Depreciation	(59,983)	(49,109)
	53,893	32,529
HRHA Plant and Equipment		
Plant and Non Medical Equipment at Fair Value	11,310	11,759
Less Accumulated Depreciation	(7,594)	(5,948)
	3,716	5,811
Right of use - Buildings, Plant, equipment, furniture and fittings	9,770	44,129
Less Accumulated Depreciation	(2,424)	(31,577)
	7,346	12,552
Total HRHA Plant and Equipment	11,062	18,363
Total Property, Plant and Equipment	9,174,122	9,726,379

Note 4.1: Property, plant and equipment (continued)
(b) Reconciliations of the carrying amounts of each class of asset

	Note	Land	Buildings	Work In Progress	Plant & Equipment	Vehicles	Medical Equipment	Computers & Communication Equipment	Furniture & Fittings	HRHA	Total
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2018		683,000	8,448,182	3,273	51,897	15,187	44,536	74,352	22,681	22,905	9,366,013
Additions		-	-	8,290	17,141	-	-	19,043	17,790	7,688	69,952
Revaluations increments/(decrements)		48,000	896,191	-	-	-	-	-	-	-	944,191
Net Transfers between Classes		-	11,563	(11,563)	-	-	-	-	-	-	-
Depreciation	4.3	-	(580,936)	-	(19,816)	(3,313)	(15,222)	(14,318)	(7,942)	(12,230)	(653,777)
Balance at 1 July 2019	4.1(a)	731,000	8,775,000	-	49,222	11,874	29,314	79,077	32,529	18,363	9,726,379
Additions		-	8,290	9,024	33,063	-	15,511	54,572	32,239	2,482	155,181
Disposals		-	-	-	-	-	-	-	-	(1,585)	(1,585)
Depreciation	4.3	-	(621,508)	-	(18,940)	(3,314)	(14,375)	(28,643)	(10,875)	(8,198)	(705,853)
Balance at 30 June 2020	4.1(a)	731,000	8,161,782	9,024	63,345	8,560	30,450	105,006	53,893	11,062	9,174,122

Land and Buildings and Leased Assets Carried at Valuation

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

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

The VGV indices, which are based on data to March 2020, indicate an average increase of 0.95% across all land parcels and a 0.5% decrease in buildings.

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

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

The land and building balances are considered to be sensitive to market conditions. To trigger a managerial revaluation a increase in the land indice of 9.05% and a increase in the building indice of 9.5% would be required.

Note 4.1: Property, plant and equipment (continued)

(c) Fair Value measurement hierarchy for assets

	Total Carrying Amount \$	Fair Value measurement at end of reporting period using:		
		Level 1 ⁱ \$	Level 2 ⁱ \$	Level 3 ⁱ \$
Balance at 30 June 2020				
Land at Fair Value				
Non-Specialised Land	96,000	-	96,000	-
Specialised Land				
Yea & District Memorial Hospital - Station Street, Yea	635,000	-	-	635,000
Total of Land at Fair Value	731,000	-	96,000	635,000
Buildings at Fair Value				
Non-Specialised Buildings	338,100	-	338,100	-
Specialised Buildings	7,823,682	-	-	7,823,682
Total of Buildings at Fair Value	8,161,782	-	338,100	7,823,682
Plant and Equipment at Fair Value	63,345	-	-	63,345
Motor Vehicles at Fair Value	8,560	-	-	8,560
Medical Equipment at Fair Value	30,450	-	-	30,450
Computers and Communications at Fair Value	105,006	-	-	105,006
Furniture and Fittings Fair Value	53,893	-	-	53,893
Total Other Plant and Equipment at Fair Value	261,254	-	-	261,254
HRHA Plant and Equipment				
Plant and Non-Medical Equipment at Fair Value	3,716	-	-	3,716
Total HRHA Plant and Equipment	3,716	-	-	3,716
Total Property, Plant & Equipment	9,157,752	-	434,100	8,723,652

ⁱ Classified in accordance with the Fair Value hierarchy.

There have been no transfers between levels during the period.

Note 4.1: Property, plant and equipment (continued)

(c) Fair Value measurement hierarchy for assets

	Total Carrying Amount \$	Fair Value measurement at end of reporting period using:		
		Level 1 ⁱ \$	Level 2 ⁱ \$	Level 3 ⁱ \$
Balance at 30 June 2019				
Land at Fair Value				
Non-Specialised Land	96,000	-	96,000	-
Specialised Land				
Yea & District Memorial Hospital - Station Street, Yea	635,000	-	-	635,000
Total of Land at Fair Value	731,000	-	96,000	635,000
Buildings at Fair Value				
Non-Specialised Buildings	364,000	-	364,000	-
Specialised Buildings	8,411,000	-	-	8,411,000
Total of Buildings at Fair Value	8,775,000	-	364,000	8,411,000
Plant and Equipment at Fair Value	49,222	-	-	49,222
Motor Vehicles at Fair Value	11,874	-	-	11,874
Medical Equipment at Fair Value	29,314	-	-	29,314
Computers and Communications at Fair Value	79,077	-	-	79,077
Furniture and Fittings Fair Value	32,529	-	-	32,529
Total Other Plant and Equipment at Fair Value	202,016	-	-	202,016
HRHA Plant and Equipment				
Plant and Non-Medical Equipment at Fair Value	5,811	-	-	5,811
Total HRHA Plant and Equipment	5,811	-	-	5,811
Total Property, Plant & Equipment	9,713,827	-	460,000	9,253,827

ⁱ Classified in accordance with the Fair Value hierarchy.

There have been no transfers between levels during the period.

Note 4.1: Property, plant and equipment (continued)
(d) Reconciliation of Level 3 fair value

	Land	Buildings	Plant & Equipment	Vehicles	Medical Equipment	Computers & Communication Equipment	Furniture & Fittings	HRHA
	\$	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2018	588,000	8,307,590	51,897	15,187	44,536	74,352	22,681	22,906
Additions/(Disposals)	-	11,563	17,141	-	-	19,043	17,790	7,688
Gains/(Losses) recognised in Net Result								
- Depreciation and Amortisation	-	(565,518)	(19,816)	(3,313)	(15,222)	(14,318)	(7,942)	(12,230)
Items recognised in Other Compensable Income								
- Revaluation	47,000	657,365	-	-	-	-	-	-
Balance at 30 June 2019	635,000	8,411,000	49,222	11,874	29,314	79,077	32,529	18,363
Balance at 1 July 2019	635,000	8,411,000	49,222	11,874	29,314	79,077	32,529	18,363
Additions/(Disposals)	-	8,290	33,063	-	15,511	54,572	32,239	897
Gains/(Losses) recognised in Net Result								
- Depreciation and Amortisation	-	(595,608)	(18,940)	(3,314)	(14,375)	(28,643)	(10,875)	(8,198)
Balance at 30 June 2020	635,000	7,823,682	63,345	8,560	30,450	105,006	53,893	11,062

Note 4.1: Property, plant and equipment (continued)

(e) Fair Value determination

Asset Class	Likely valuation approach	Significant inputs (Level 3 Only)
Non-specialised land	Market approach	N/A
Specialised land (Crown / Freehold)	Market approach	Community Service Obligations (CSO) adjustments ⁱ
Non-specialised buildings	Market approach	N/A
Specialised buildings	Depreciated replacement cost approach	- Cost per square metre - Useful life
Motor Vehicles	Market approach	N/A
	Depreciated replacement cost approach	- Cost per unit - Useful life
Plant and Equipment	Depreciated replacement cost approach	- Cost per square metre - Useful life
Medical Equipment	Depreciated replacement cost approach	- Cost per unit - Useful life

ⁱ CSO adjustment of 20% was applied to reduce the market approach value for the Yea & District Memorial Hospital's specialised land.

(f) Revaluation Surplus

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
Plant and Equipment
Total

Note	Total 2020 \$	Total 2019 \$
	8,841,434	7,897,242
4.1 (b)	-	48,000
4.1 (b)	-	896,192
	8,841,434	8,841,434
	349,090	349,090
	8,491,202	8,491,202
	1,142	1,142
	8,841,434	8,841,434

Note 4.2: Intangible assets

(a) Intangible assets - Gross carrying amount and accumulated amortisation

	Total 2020 \$	Total 2019 \$
Software	26,423	21,335
Less Accumulated Amortisation	(22,713)	(21,335)
Total Software	3,710	-
HRHA Software	16,424	15,327
Less Accumulated Amortisation	(8,153)	(5,485)
Total HRHA Software	8,271	9,842
Total Intangible Assets	11,981	9,842

Note 4.2: Intangible assets (continued)

(b) Intangible assets - Reconciliation of the carrying amounts by class of asset

	Note	Software \$	HRHA \$	Total \$
Balance at 1 July 2018		46	8,105	8,151
Additions		-	3,846	3,846
Amortisation	4.3	(46)	(2,109)	(2,155)
Balance at 1 July 2019		-	9,842	9,842
Additions		5,088	886	5,974
Amortisation	4.3	(1,378)	(2,457)	(3,835)
Balance at 30 June 2020		3,710	8,271	11,981

Intangible assets represent identifiable non-monetary assets without physical substance such as computer software.

Intangible assets are initially recognised at cost. Subsequently, intangible assets with finite useful lives are carried at cost less accumulated amortisation and accumulated impairment losses. Costs incurred subsequent to initial acquisition are capitalised when it is expected that additional future economic benefits will flow to Yea & District Memorial Hospital.

Purchased intangible assets

Are initially recognised at cost. When the recognition criteria in AASB 138 *Intangible Assets* is met, internally generated intangible assets are recognised at cost. Subsequently, intangible assets with finite useful lives are carried at cost less accumulated amortisation and accumulated impairment losses. Depreciation and amortisation begins when the asset is available for use, that is, when it is in the location and condition necessary for it to be capable of operating in the manner intended by management.

Internally generated intangible asset

An internally generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following are demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- an intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

Note 4.3: Depreciation and amortisation

	Total 2020 \$	Total 2019 \$
Depreciation		
Buildings	621,508	580,936
Plant and Equipment	18,940	19,816
Vehicles	3,314	3,313
Medical Equipment	14,375	15,222
Computers and Communications	28,643	14,318
Furniture and Fittings	10,875	7,942
HRHA - Depreciation	8,198	12,230
Total Depreciation	705,853	653,777
Amortisation		
Software	1,378	46
HRHA - Amortisation	2,457	2,109
Total Amortisation	3,835	2,155
Total Depreciation and Amortisation	709,688	655,932

Note 4.3: Depreciation and amortisation (continued)

Depreciation

All 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. Yea & District Memorial Hospital 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.

Amortisation

Amortisation is the systematic allocation of the depreciable amount of an asset over its useful life.

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

	2020	2019
Buildings	9 to 34 years	9 to 34 years
Plant and Equipment	5 to 10 years	5 to 10 years
Medical Equipment	5 to 15 years	5 to 15 years
Computers and Communication	3 to 10 years	3 to 10 years
Furniture and Fittings	5 to 10 years	5 to 10 years
Motor Vehicles	7 years	7 years
Intangible assets	1 to 3 years	1 to 3 years

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

Note 5: Other assets and liabilities

This section sets out the assets and liabilities that arose from Yea & District Memorial Hospital operations.

Structure

5.1 Receivables

5.2 Payables

5.3 Other Liabilities

Note 5.1: Receivables

	Total 2020 \$	Total 2019 \$
Current		
Contractual		
Trade Debtors	22,860	17,097
Patient and Resident Fees	145,165	108,796
Accrued Revenue	11,891	11,334
HRHA - Receivables	14,974	21,136
Trade Debtors	-	(25,491)
Sub-total contractual receivables	194,890	132,872
Statutory		
Accrued Revenue - Department of Health and Human Services	63,669	-
GST Receivable	13,084	13,493
Sub-total statutory receivables	76,753	13,493
Total Current Receivables	271,643	146,365
Non Current		
Statutory		
Long Service Leave - Department of Health and Human Services	330,637	311,782
Total Non-Current Receivables	330,637	311,782
Total Receivables	602,280	458,147

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

	Total 2020 \$	Total 2019 \$
Balance at beginning of year	25,491	2,921
Amounts written off during the year	(7,912)	-
Reversal of unused allowance recognised in the net result	(17,579)	-
Increase in allowance recognised in the net result	-	22,570
Balance at end of year	-	25,491

Receivables recognition

Receivables consist of:

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

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

Impairment losses of contractual receivables

Refer to Note 7.1(c) Contractual receivables at amortised costs for Yea & District Memorial Hospital's contractual impairment losses.

Note 5.2: Payables

	Total 2020 \$	Total 2019 \$
Current		
Contractual		
Trade Creditors	108,315	149,824
Accrued Salaries and Wages	19,754	134,990
Accrued Expenses	124,722	103,477
HRHA - Payables	77,419	60,599
Total Contractual Payables	330,210	448,890
Statutory		
GST Payable		
Contract Liabilities - Income in advance	6,272	77,184
Total Statutory Payables	6,272	77,184
Total Current Payables	336,482	526,074

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 Yea & District Memorial Hospital prior to the end of the financial year that are unpaid; and
- Statutory payables, that are recognised and measured similarly to contractual payables, but are not classified as financial instruments and not included in the category of financial liabilities at amortised cost, because they do not arise from contracts.

The normal credit terms for accounts payable are usually Nett 30 days.

Maturity analysis of payables

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

Note 5.3: Other Liabilities

	Total 2020 \$	Total 2019 \$
Current		
Monies Held in Trust*		
Refundable Accommodation Deposits	3,854,168	3,473,975
Total Other Liabilities	3,854,168	3,473,975
*Total Monies Held in Trust Represented by the following assets:		
Cash Assets	3,854,168	3,473,975
Total	3,854,168	3,473,975

Refundable Accommodation Deposit (RAD)/Accommodation Bond liabilities

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

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

Note 6: How we finance our operations

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

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

Structure

6.1 Borrowings

6.2 Cash and cash equivalents

6.3 Commitments for expenditure

Note 6.1: Borrowings

	Total 2020 \$	Total 2019 \$
Current		
Lease Liability - HRHA ⁱ	2,933	6,872
Advances from government ⁱⁱ	13,245	-
Total Current Borrowings	16,178	6,872
Non Current		
Lease Liability - HRHA ⁱ	4,501	5,589
Advances from government ⁱⁱ	52,182	-
Total Non-Current Borrowings	56,683	5,589
Total Borrowings	72,861	12,461

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

ⁱⁱ These are unsecured loans which bear no interest.

Maturity analysis of borrowings

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

Defaults and breaches

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

Lease Liabilities

Repayments in relation to leases are payable as follows:

	Minimum future lease payments		Present value of minimum future lease payments	
	Total 2020 \$	Total 2019 \$	Total 2020 \$	Total 2019 \$
Not later than one year	3,616	7,299	2,933	6,872
Later than 1 year and not later than 5 years	5,246	5,971	4,501	5,589
Minimum lease payments	8,862	13,270	7,434	12,461
Less future finance charges	(396)	(809)	-	-
Total	8,466	12,461	7,434	12,461
Included in the financial statements as:				
Current borrowings - lease liability	3,472	6,872	2,933	6,872
Non-current borrowings - lease liability	4,995	5,589	4,501	5,589
Total	8,466	12,461	7,434	12,461

The weighted average interest rate implicit in the lease is 2.00% (2019: 1.64%)

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.

Yea & District Memorial Hospital's leasing activities

As a member of the Hume Rural Health Alliance, Yea & District Memorial holds a percentage share of the financial liabilities relating to Leases entered into by HRHA on behalf of the agencies under the joint arrangement, these leases relate to;

- Various computer hardware equipment
- Network Infrastructure - WAN & LAN
- Leased Premises

For any new contracts entered into on or after 1 July 2019, Yea & District Memorial Hospital 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 Yea & District Memorial Hospital 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 Yea & District Memorial Hospital and for which the supplier does not have substantive substitution rights;
- Yea & District Memorial Hospital 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 Yea & District Memorial Hospital has the right to direct the use of the identified asset throughout the period of use; and
- Yea & District Memorial Hospital 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 Yea & District Memorial Hospitals 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

Yea & District Memorial Hospital 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.

Note 6.1: Borrowings (continued)

Presentation of right-of-use assets and lease liabilities

Yea & District Memorial Hospital 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.

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.

Yea & District Memorial Hospital 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 Yea & District Memorial Hospital 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.

Leases

Entity as lessee

Leases are recognised as assets and liabilities at amounts equal to the fair value of the lease property or, if lower, the present value of the minimum lease payment, each determined at the inception of the lease. Minimum lease payments are apportioned between reduction of the outstanding lease liability, and the periodic finance expense which is calculated using the interest rate implicit in the lease, and charged directly to the Comprehensive Operating Statement. Contingent rentals associated with finance leases are recognised as an expense in the period in which they are incurred.

Borrowings

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

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

Note 6.2: Cash and cash equivalents

	Total 2020 \$	Total 2019 \$
Cash on Hand (excluding monies held in trust)	400	400
Cash at Bank (excluding monies held in trust)	69,437	85,489
Cash at Bank - CBS (excluding monies held in trust)	5,090,825	5,142,346
Cash at Bank - CBS (monies held in trust)	3,855,663	3,473,975
HRHA - Cash at Bank	161,584	114,800
Total Cash and Cash Equivalents	9,177,909	8,817,010

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

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

Note 7: Risks, contingencies and valuation uncertainties

Yea & District Memorial Hospital is exposed to risks 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 Yea & District Memorial Hospital is related mainly to fair value determination.

Structure

7.1 Financial instruments

Note 7.1: Financial instruments

Financial instruments arise out of contractual agreements that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Due to the nature of Yea & District Memorial Hospital 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) Financial Instruments: Categorisation

2020	Note	Financial Assets at Amortised Cost \$	Financial Liabilities at Amortised Cost \$	Total \$
Contractual Financial Assets				
Cash and Cash Equivalents	6.2	9,177,909	-	9,177,909
Receivables - Trade Debtors	5.1	22,860	-	22,860
Other Receivables	5.1	172,030	-	172,030
Total Financial Assets¹		9,372,799	-	9,372,799
Financial Liabilities				
Payables	5.2	-	330,210	330,210
Borrowings	6.1	-	72,861	72,861
Other Financial Liabilities - Refundable Accommodation Deposits	5.3	-	3,854,168	3,854,168
Total Financial Liabilities¹		-	4,257,239	4,257,239

¹ The carrying amount excludes statutory receivables (i.e. GST receivable and DHHS receivable) and statutory payables (i.e. Revenue in Advance and DHHS payable).

2019		Financial Assets at Amortised Cost \$	Financial Liabilities at Amortised Cost \$	Total \$
Contractual Financial Assets				
Cash and Cash Equivalents	6.2	8,817,010	-	8,817,010
Receivables - Trade Debtors	5.1	17,097	-	17,097
Other Receivables	5.1	115,775	-	115,775
Total Financial Assets¹		8,949,882	-	8,949,882
Financial Liabilities				
Payables	5.2	-	448,890	448,890
Borrowings	6.1	-	12,461	12,461
Other Financial Liabilities - Refundable Accommodation Deposits	5.3	-	3,473,975	3,473,975
Total Financial Liabilities¹		-	3,935,326	3,935,326

¹ The carrying amount excludes statutory receivables (i.e. GST receivable and DHHS receivable) and statutory payables (i.e. Revenue in Advance and DHHS payable).

Note 7.1: Financial instruments (continued)

Categories of financial instruments

Categories of financial assets under AASB 9 *Financial Instruments* :

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

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 Yea & District Memorial Hospital to collect the contractual cash flows, and
- the assets' contractual terms give rise to cash flows that are solely payments of principal and interests.

These assets are initially recognised at fair value plus any directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method less any impairment.

Yea & District Memorial Hospital recognises the following assets in this category:

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

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. Yea & District Memorial Hospital recognises the following liabilities in this category:

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

Derecognition of financial assets

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

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

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

Yea & District Memorial Hospital has transferred its rights to receive cash flows from the asset and either:

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

Derecognition of financial liabilities

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

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

Reclassification of financial instruments

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

Note 7.1: Financial instruments (continued)

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

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

				Maturity Dates			
2020	Note	Carrying Amount \$	Nominal Amount \$	Less than 1 Month \$	1 - 3 Months \$	3 Months - 1 Year \$	1 - 5 Years \$
Financial Liabilities at amortised cost							
Payables	5.2	330,210	330,210	330,210	-	-	-
Borrowings	6.1	72,861	72,861	1,348	2,696	12,134	56,683
Other Financial Liabilities ⁽ⁱ⁾							
- Accommodation Deposits	5.3	3,854,168	3,854,168	3,854,168	-	-	-
Total Financial Liabilities		4,257,239	4,257,239	4,185,726	2,696	12,134	56,683
2019							
Financial Liabilities at amortised cost							
Payables	5.2	448,890	448,890	448,890	-	-	-
Borrowings	6.1	12,461	12,461	573	1,145	5,154	5,589
Other Financial Liabilities ⁽ⁱ⁾							
- Accommodation Deposits	5.3	3,473,975	3,473,975	3,473,975	-	-	-
Total Financial Liabilities		3,935,326	3,935,326	3,923,438	1,145	5,154	5,589

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

(c) Contractual receivables at amortised cost

	Current \$	Less than 1 Month \$	1 - 3 Months \$	3 Months - 1 Year \$	1 - 5 Years \$	Total \$
1 July 2019						
Expected loss rate	1.00%	1.00%	1.00%	1.00%	-	
Gross carrying amount of contractual receivables	71,263	55,427	20,587	11,086	-	158,363
Loss allowance	1,784	3,314	8,922	11,471	-	25,491
	Current \$	Less than 1 Month \$	1 - 3 Months \$	3 Months - 1 Year \$	1 - 5 Years \$	Total \$
30 June 2020						
Expected loss rate						
Gross carrying amount of contractual receivables	139,891	24,574	25,339	9,244	4,773	194,890
Loss allowance	-	-	-	-	-	-

Impairment of financial assets under AASB 9 Financial Instruments

Yea & District Memorial Hospital records the allowance for expected credit loss for the relevant financial instruments, in accordance with AASB 9 *Financial Instruments* 'Expected Credit Loss' approach. Subject to AASB 9 *Financial Instruments* impairment assessment includes Yea & District Memorial Hospital contractual receivables and statutory receivables.

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

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

On this basis, Yea & District Memorial Hospital has determined that the opening loss allowance and the closing loss allowance at end of the financial as an immaterial effect.

Note 7.1: Financial instruments (continued)

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

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

Statutory receivables and debt investments at amortised cost

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

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

Note 8: Other disclosures

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

Structure

- 8.1 Reconciliation of net result for the year to net cash inflow / (outflow) from operating activities
- 8.2 Responsible persons disclosures
- 8.3 Remuneration of Executives
- 8.4 Related parties
- 8.5 Remuneration of auditors
- 8.6 Ex-gratia expenses
- 8.7 Events occurring after the Balance Sheet date
- 8.8 Jointly Controlled Operations
- 8.9 Economic dependency
- 8.10 Changes in accounting policy and revision of estimates
- 8.11 AASBs Issued that are not yet effective
- 8.12 Glossary of terms and style conventions

Note 8.1: Reconciliation of net result for the year to net cash inflow / (outflow) from operating activities

		Total 2020 \$	Total 2019 \$
Net Result for the Year	OS	(288,499)	(323,363)
Non-Cash Movements:			
Depreciation and Amortisation	4.3	709,687	655,932
Assets Received Free of charge	2.1(b)	(6,798)	-
Movements Included in Investing and Financing Activities:			
Less cash inflow/outflow from investing and financing activities		(49,732)	(23,974)
Movements in Asset and Liabilities:			
<i>Change in Operating Assets and Liabilities</i>			
(Increase)/Decrease in Receivables		(144,134)	19,426
(Increase)/Decrease in Prepayments		27,603	(147)
Increase/(Decrease) in Payables		(189,592)	(45,943)
Increase/(Decrease) in Provisions		(35,191)	157,652
Net Cash Inflow from Operating Activities		23,344	439,583

Note 8.2: Responsible persons disclosures

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

Responsible Ministers:	Period	
The Honourable Jenny Mikakos, Minister for Health and Minister for Ambulance Services	1/07/2019	30/06/2020
The Honourable Martin Foley, Minister for Mental Health	1/07/2019	30/06/2020
The Honourable Luke Donnellan, Minister for Child Protection, Minister for Disability, Ageing and Carers	1/07/2019	30/06/2020
Governing Board		
Ian Marshman AM (Chair of the Board)	1/07/2019	30/06/2020
Dr. Sarah Anderson	1/07/2019	30/06/2020
Kirstie Fotheringham	1/07/2019	30/06/2020
Dylan Hesselberg	1/07/2019	30/06/2020
Dr. Jennifer Keast	1/07/2019	30/06/2020
Delys Leslie	1/07/2019	30/06/2020
Gary Pollard	1/07/2019	30/06/2020
Kerry Stubbings	1/07/2019	30/06/2020
Accountable Officer		
Cameron Butler (Chief Executive Officer)	1/07/2019	30/06/2020

Remuneration of Responsible Persons

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

Income Band	2020 No.	2019 No.
\$ 0 - \$9,999	8	7
Total Numbers	8	7
	Total 2020 \$	Total 2019 \$
Total remuneration received or due and receivable by Responsible Persons from the Reporting entity amounted to:	24,056	15,352

Note 8.2: Responsible persons disclosures (continued)

Amounts relating to the Governing Board Members are disclosed in Yea & District Memorial Hospital's financial statements.

The Accountable Officer is employed by Mansfield District Hospital. Information regarding the remuneration of the Accountable Officer is disclosed within the respective financial statements of Mansfield District Hospital.

During the year Yea & District Memorial Hospital paid \$47,636 (2019: \$32,000) to Mansfield District Hospital in relation to services provided by the Accountable Officer.

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

Note 8.3: Remuneration of Executives

The Chief Finance Officer is employed by GV Health. Information regarding the remuneration the Chief Finance Officer is disclosed within the respective financial statements of GV Health.

During the year Yea & District Memorial Hospital paid \$207,556 (2019: \$166,278) to GV Health in relation to services provided by the Chief Finance Officer and administrative staff.

Note 8.4: Related parties

Yea & District Memorial Hospital is a wholly owned and controlled entity of the State of Victoria. Related parties of the health service include:

- All key management personnel (KMP) and their close family members;
- Cabinet ministers (where applicable) and their close family members;
- Jointly Controlled Operation - A member of the Hume Rural Health Alliance; and
- All hospitals and public sector entities that are controlled and consolidated into the State of Victoria financial statements.

KMPs are those people with the authority and responsibility for planning, directing and controlling the activities of Yea & District Memorial Hospital directly or indirectly.

The Board of Directors, the Accountable Officer and Chief Financial Officer of Yea & District Memorial Hospital are deemed to be KMPs.

Entity	KMP's	Position Title
Yea & District Memorial Hospital	Ian Marshman AM	Chair of the Board
Yea & District Memorial Hospital	Dr. Sarah Anderson	Director
Yea & District Memorial Hospital	Kirstie Fotheringham	Director
Yea & District Memorial Hospital	Dylan Hesselberg	Director
Yea & District Memorial Hospital	Dr. Jennifer Keast	Director
Yea & District Memorial Hospital	Delys Leslie	Director
Yea & District Memorial Hospital	Gary Pollard	Director
Yea & District Memorial Hospital	Kerry Stubbings	Director
Yea & District Memorial Hospital	Cameron Butler	Chief Executive Officer
Yea & District Memorial Hospital	Peter Hutchinson	Chief Finance Officer

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

Compensation - KMP's

Short-term benefitsⁱ

Totalⁱⁱ

Total Remuneration	
Total 2020	Total 2019
\$	\$
76,456	47,352
76,456	47,352

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 During the year Yea & District Memorial Hospital paid \$ (2019: \$166,278) to GV Health in relation to services provided by the Chief Finance Officer and administrative staff

Note 8.4: Related parties (continued)

Significant Transactions with Government Related Entities

Yea & District Memorial Hospital received funding from DHHS of \$3,921,246 (2019 \$3,503,672) and indirect contributions of \$5,601 (2019 \$5,402). Yea & District Memorial Hospital also holds balances of \$65,427 (2019 nil) in loans issued by DHHS.

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

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

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

Transactions with KMPs and Other Related Parties

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

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

There were no related party transactions required to be disclosed for Yea & District Memorial Hospital Board of Directors, Chief Executive Officer and Executive Directors in 2020.

Note 8.5: Remuneration of auditors

	Total 2020 \$	Total 2019 \$
Victorian Auditor-General's Office		
Audit of the Financial Statements	28,055	17,325
Other Providers		
Internal Audit Services	16,725	11,145
Total Remuneration of Auditors	44,780	28,470

Note 8.6: Ex-gratia expenses

In accordance with FRD 11A Disclosure of Ex-gratia Expenses, Yea & District Memorial Hospital has made no Ex-Gratia payments in the 2019-20 financial year.

Note 8.7: Events occurring after the Balance Sheet date

The COVID-19 pandemic has created unprecedented economic uncertainty. Actual economic events and conditions in the future may be materially different from those estimated by Yea & District Memorial Hospital at the reporting date. As responses by government continue to evolve management recognises that it is difficult to reliably estimate with any degree of certainty the potential impact of the pandemic after the reporting date on Yea & District Memorial Hospital its operations, its future results and financial position. The state of emergency in Victoria was extended on 16 August 2020 until 13 September 2020 and the state of disaster still in place.

No matters or circumstances have arise since the end of the financial year which significantly affect or may significantly affect the operations of Yea & District Memorial Hospital the results of its operations or its state of affairs in future years.

Note 8.8: Jointly Controlled Operations

Name of Entity	Principle Activity	Ownership Interest	
		2020	2019
Hume Rural Health Alliance (HRHA)	The Member Entities have committed to the establishment of Information Systems - including ICT investment facilitation, project delivery, workplace services, business application services, collaboration services and vendor management.	1.85%	1.72%

Yea & District Memorial Hospital interest in the above jointly controlled operation is detailed below. The amounts are included in the financial statements under their respective asset categories:

	Total 2020 \$	Total 2019 \$
Current Assets		
Cash and Cash Equivalents	161,584	114,800
Receivables	14,974	21,136
Prepayments	2,037	4,188
Total Current Assets	178,595	140,124
Non-Current Assets		
Property, Plant and Equipment	11,062	18,363
Intangible Assets	8,271	9,842
Total Non-Current Assets	19,333	28,205
Total Assets	197,928	168,329
Current Liabilities		
Payables	77,419	60,599
Borrowings	2,933	6,872
Total Current Liabilities	80,352	67,471
Non-Current Liabilities		
Borrowings	4,501	5,589
Total Non-Current Liabilities	4,501	5,589
Total Liabilities	84,853	73,060
Net Assets	113,075	95,269

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

	Total 2020 \$	Total 2019 \$
Revenue		
Operating Activities	60,877	94,682
Other Income	92,043	56,307
Interest Income	881	1,599
Total Revenue	153,801	152,588
Expenses		
Management Fee	36,018	30,073
Other Expense from Continuing operations	92,766	104,254
Finance Costs	235	577
Depreciation and Amortisation	10,655	14,338
Total Expenses	139,674	149,242
Net Result	14,127	3,346

*Figures obtained from the unaudited Hume Rural Health Alliance annual report.

Contingent Liabilities and Capital Commitments

There are no known contingent liabilities or capital commitments held by Hume Rural Health Alliance at balance date.

Note 8.9: Economic dependency

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

Note 8.10: Changes in accounting policy and revision of estimates

Changes in accounting policy

Leases

This note explains the impact of the adoption of AASB 16 *Leases* on Yea & District Memorial Hospital's financial statements. As a member of the Hume Rural Health Alliance, Yea & District Memorial holds a percentage share of the financial liabilities relating to Leases entered into by HRHA on behalf of the agencies under the joint arrangement.

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

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

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

Leases classified as operating leases under AASB 117

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

On adoption of AASB 16, Yea & District Memorial Hospital recognised lease liabilities in relation to leases which had previously been classified as operating leases under the principles of AASB 117 *Leases*. These liabilities were measured at the present value of the remaining lease payments, discounted using Yea & District Memorial Hospital's incremental borrowing rate as of 1 July 2019. On transition, right-of-use assets are measured at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet as at 30 June 2019.

Yea & District Memorial Hospital has elected to apply the following practical expedients when applying AASB 16 to leases previously classified as operating leases under AASB 117:

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

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

Impacts on financial statements

The transition impact to AASB 16 for Yea & District Memorial Hospital has been deemed immaterial.

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

Income for Non-for-Profit Entities

In accordance with FRD 122 requirements, Hume Rural Health Alliance 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, Hume Rural Health Alliance 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.

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 8.11: 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 Yea & District Memorial Hospital of their applicability and early adoption where applicable.

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

Standard / Interpretation	Summary	Applicable for annual reporting periods beginning on	Impact on public sector entity financial statements
AASB 17 <i>Insurance Contracts</i>	The new Australian standard seeks to eliminate inconsistencies and weaknesses in existing practices by providing a single principle based framework to account for all types of insurance contracts, including reissuance contract that an insurer holds. It also provides requirements for presentation and disclosure to enhance comparability between entities. This standard currently does not apply to the not-for-profit public sector entities.	1 January 2021	The standard is not expected to have a significant impact on Yea & District Memorial Hospital.
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 Yea & District Memorial Hospital.

Note 8.11: AASBs Issued that are not yet effective (continued)

Standard / Interpretation	Summary	Applicable for annual reporting periods beginning on	Impact on public sector entity financial statements
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 Jan 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 Yea & District Memorial Hospital.

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 references 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*

Note 8.12: Glossary of terms and style conventions

Amortisation

Amortisation is the expense which results from the consumption, extraction or use over time of a non-produced physical or intangible asset.

Comprehensive result

The net result of all items of income and expense recognised for the period. It is the aggregate of operating result and other comprehensive income.

Depreciation

Depreciation is an expense that arises from the consumption through wear or time of a produced physical or intangible asset. This expense reduces the 'net result for the year'.

Effective interest method

The effective interest method is used to calculate the amortised cost of a financial asset or liability and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument, or, where appropriate, a shorter period.

Employee benefits expenses

Employee benefits expenses include all costs related to employment including wages and salaries, fringe benefits tax, leave entitlements, redundancy payments, defined benefits superannuation plans, and defined contribution superannuation plans.

Ex-gratia expenses

Ex-gratia expenses mean the voluntary payment of money or other non-monetary benefit (e.g. a write off) that is not made either to acquire goods, services or other benefits for the entity or to meet a legal liability, or to settle or resolve a possible legal liability, or claim against the entity.

Note 8.12: Glossary of terms and style conventions (continued)

Financial asset

A financial asset is any asset that is:

- cash;
- a contractual or statutory right:
 - to receive cash or another financial asset from another entity; or
 - to exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity.

Financial instrument

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets or liabilities that are not contractual (such as statutory receivables or payables that arise as a result of statutory requirements imposed by governments) are not financial instruments.

Financial liability

A financial liability is any liability that is:

- A contractual obligation:
 - to deliver cash or another financial asset to another entity; or
 - to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the entity;

Financial statements

A complete set of financial statements comprises:

- Balance sheet as at the end of the period;
- Comprehensive operating statement for the period;
- A statement of changes in equity for the period;
- Cash flow statement for the period;
- Notes, comprising a summary of significant accounting policies and other explanatory information;
- Comparative information in respect of the preceding period as specified in paragraph 38 of *AASB 101 Presentation of Financial Statements*; and
- A statement of financial position at the beginning of the preceding period when an entity applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements, or when it reclassifies items in its financial statements in accordance with paragraphs 41 of AASB 101.

Grants and other transfers

Transactions in which one unit provides goods, services, assets (or extinguishes a liability) or labour to another unit without receiving approximately equal value in return. Grants can either be operating or capital in nature.

While grants to governments may result in the provision of some goods or services to the transferor, they do not give the transferor a claim to receive directly benefits of approximately equal value. For this reason, grants are referred to by the AASB as involuntary transfers and are termed non-reciprocal transfers. Receipt and sacrifice of approximately equal value may occur, but only by coincidence. For example, governments are not obliged to provide commensurate benefits, in the form of goods or services, to particular taxpayers in return for their taxes. Grants can be paid as general purpose grants which refer to grants that are not subject to conditions regarding their use. Alternatively, they may be paid as specific purpose grants which are paid for a particular purpose and/or have conditions attached regarding their use.

General government sector

The general government sector comprises all government departments, offices and other bodies engaged in providing services free of charge or at prices significantly below their cost of production. General government services include those which are mainly non-market in nature, those which are largely for collective consumption by the community and those which involve the transfer or redistribution of income. These services are financed mainly through taxes, or other compulsory levies and user charges.

Interest expense

Costs incurred in connection with the borrowing of funds includes interest on bank overdrafts and short-term and long-term liabilities, amortisation of discounts or premiums relating to liabilities, interest component of finance leases repayments, and the increase in financial liabilities and non-employee provisions due to the unwinding of discounts to reflect the passage of time.

Note 8.12: Glossary of terms and style conventions (continued)

Interest income

Interest income includes unwinding over time of discounts on financial assets and interest received on bank term deposits and other investments.

Joint Arrangements

A joint arrangement is an arrangement of which two or more parties have joint control. A joint arrangement has the following characteristics:

- The parties are bound by a contractual arrangement.
- The contractual arrangement gives two or more of those parties joint control of the arrangement

A joint arrangement is either a joint operation or a joint venture.

Liabilities

Liabilities refers to interest-bearing liabilities mainly raised from public liabilities raised through the Treasury Corporation of Victoria, finance leases and other interest-bearing arrangements. Liabilities also include non-interest-bearing advances from government that are acquired for policy purposes.

Net result

Net result is a measure of financial performance of the operations for the period. It is the net result of items of income, gains and expenses (including losses) recognised for the period, excluding those that are classified as 'other comprehensive income'.

Net result from transactions/net operating balance Net result from transactions or net operating balance is a key fiscal aggregate and is income from transactions minus expenses from transactions. It is a summary measure of the ongoing sustainability of operations. It excludes gains and losses resulting from changes in price levels and other changes in the volume of assets.

Net worth

Assets less liabilities, which is an economic measure of wealth.

Non-financial assets

Non-financial assets are all assets that are not 'financial assets'. It includes inventories, land, buildings, infrastructure, road networks, land under roads, plant and equipment, investment properties, cultural and heritage assets, intangible and biological assets.

Non-produced assets and intangible assets

Non-produced assets are assets needed for production that have not themselves been produced. They include land, subsoil assets, and certain intangible assets. Non-produced intangibles are intangible assets needed for production that have not themselves been produced. They include constructs of society such as patents.

Non-profit institution

A legal or social entity that is created for the purpose of producing or distributing goods and services but is not permitted to be a source of income, profit or other financial gain for the units that establish, control or finance it.

Payables

Includes short and long term trade debt and accounts payable, grants, taxes and interest payable.

Produced assets and intangible assets

Produced assets include buildings, plant and equipment, inventories and certain intangible assets. Intangible produced assets may include computer software, motion picture films, and research and development costs (which does not include the start-up costs associated with capital projects).

Receivables

Includes amounts owing from government through appropriation receivable, short and long term trade credit and accounts receivable, accrued investment income, grants, taxes and interest receivable.

Sales of goods and services

Refers to income from the direct provision of goods and services and includes fees and charges for services rendered, sales of goods and services, fees from regulatory services and work done as an agent for private enterprises. It also includes rental income under operating leases and on produced assets such as buildings and entertainment, but excludes rent income from the use of non-produced assets such as land. User charges includes sale of goods and services income.

Note 8.12: Glossary of terms and style conventions (continued)

Supplies and services

Supplies and services generally represent cost of goods sold and the day-to-day running costs, including maintenance costs, incurred in the normal operations of Yea & District Memorial Hospital

Transactions

Revised Transactions are those economic flows that are considered to arise as a result of policy decisions, usually an interaction between two entities by mutual agreement. They also include flows in an entity such as depreciation where the owner is simultaneously acting as the owner of the depreciating asset and as the consumer of the service provided by the asset.

Taxation is regarded as mutually agreed interactions between the government and taxpayers. Transactions can be in kind (e.g. assets provided/given free of charge or for nominal consideration) or where the final consideration is cash.

Style conventions

Figures in the tables and in the text have been rounded. Discrepancies in tables between totals and sums of components reflect rounding. Percentage variations in all tables are based on the underlying unrounded amounts.

The notation used in the tables is as follows:

- rounded to zero
- (xxx.x) negative numbers
- 2019 2020 year period
- 2019-20 year period



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