

DEPARTMENT OF
HEALTH

**ANNUAL
REPORT**

2019 – 20



Tasmanian
Government

Department of Health Annual Report 2019-20

© Government of Tasmania 2020

For further information, please contact:

Department of Health
Office of the Secretary
GPO Box 125
Hobart TAS 7001

Telephone: 1300 135 513

Website: www.health.tas.gov.au

Published October 2020

ISBN 978-0-9924618-2-9



Hon Sarah Courtney MP
Minister for Health
Minister for Women
Minister for Strategic Growth
Minister for Small Business, Hospitality and Events



Hon Jeremy Rockliff MP
Deputy Premier
Minister for Education and Training
Minister for Trade
Minister for Advanced Manufacturing and Defence
Industries
Minister for Disability Services and Community
Development
Minister for Mental Health and Wellbeing

Dear Ministers

Department of Health Annual Report 2019-20

In accordance with the requirements of Section 30 of the *Tasmanian Health Service Act 2018*, Section 36 of the *State Service Act 2000* and Section 42 of the *Financial Management Act 2016*, I have pleasure in presenting the Department of Health Annual Report for the financial year ending 30 June 2020.

Please note that this report also includes reports from the Council of Obstetric and Paediatric Mortality and Morbidity and the Tasmanian Pharmacy Authority.



Kathrine Morgan-Wicks
Secretary, Department of Health
7 October 2020

This page is intentionally blank

Contents Page

INTRODUCTION

Message from the Secretary	2
COVID-19 Response	5
Governance	9

OUR DEPARTMENT

Department Overview	14
System Manager and THS Service Plan	25
Quality and Patient Safety	30
Consumer and Community Engagement	33
Workforce Overview	36
Awards and Agreement	43

SUPPLEMENTARY INFORMATION

Capital Works	46
Asset Management	49
Consultancies, Contracts and Tenders	50
Funded Community Sector Organisations	66
Insurable Risk	71
Pricing Policy	72
Superannuation Declaration	72
Right to Information	73
Public Interest Disclosure	76
Performance Audit	76
Legislation	77
Other Annual Reports	
Council of Obstetric and Paediatric Mortality and Morbidity	79
Tasmanian Pharmacy Authority	83

FINANCIAL STATEMENTS

Department of Health	102
Notes to and Forming Part of Financial Statements	108
Independent Auditors Report	189
Ambulance Tasmania	194
Notes to and Forming Part of Financial Statements	200
Independent Auditors Report	233
Tasmanian Health Service	236
Notes to and Forming Part of Financial Statements	242
Independent Auditors Report	284

This page is intentionally blank



I INTRODUCTION

Message from the Secretary



Usually when sitting down to write a foreword to an annual report, I automatically turn my thoughts to the achievements that the department, as a collective, has achieved. I think back over the many policy developments, project plans, budget and finance considerations, and any number of decisions that typify day-to-day departmental operations.

But this year, there is overwhelmingly one thing that, quite rightly, should be highlighted above all others – our people.

When I reflect on the past year, the efforts of the people who make up the Department of Health family, are nothing short of remarkable.

Whether they are part of the Tasmanian Health Service (THS), Ambulance Tasmania, or the Department, our people have displayed the highest levels of dedication and professionalism for the benefit of the entire Tasmanian community.

While pandemic planning is part of our usual business, I don't believe anyone could have predicted the impact of coronavirus on not just our state, but our country and, for that matter, the entire world.

To deal with the immense challenge that coronavirus posed to our state and the health system, we have relied on every single person charged with a role caring for the health of Tasmanians to do what they do to the very best of their ability.

And that is exactly what they have done.

From our hospital staff, our paramedics, and every single person whose job it is to support them, our people have stood up on behalf of the Tasmanian community. Whether it be standing up and leading our health emergency coordination and operations centres, testing, treating, or conducting business as usual, every single person has contributed to the overall task.

I would like to specifically acknowledge the THS staff at our hospitals in Burnie, Latrobe and Launceston.

COVID-19 hit our regions harder than anywhere else in the state. The outbreak forced us to take action that can only be described as unprecedented – specifically in that two hospitals, the North West Regional Hospital and the North West Private Hospital – had to be closed, cleaned, and reopened, at the same time as all of the hospital staff and their households being placed into quarantine.

The fact that these hospitals and all supporting health services reopened inside four weeks is a testament in itself to the hard work and commitment of staff, who were undoubtedly supported by their families, friends and the broader community.

In Tasmania we are used to seeing communities stand together in adversity. I would argue that never before have we seen the entire state stand together to achieve what has been achieved in the past few months.

These reflections cannot omit the sad reality that coronavirus delivered, despite our best efforts. To the families of the 13 Tasmanians who died with the virus, I offer on behalf of the Department, my sincere condolences.

To those who have had the virus, to those with family members affected by the virus, I would like to underline our commitment that we did all we could as a health system to support and assist, just as we strive to do when any Tasmanian falls ill or requires health care.

It can be difficult to see in this document, amid the numbers and tables, the real stories of the people who make up this Department.

They are the people who wake up every day and set off to make someone else's day just that little bit better.

As I write this, several of our staff remain in Victoria where they are assisting care for people in aged care facilities as that state grapples with the full effects of a deadly pandemic. Typically, when the call for help went out, Tasmanians stood up to be on the front line. It's not something that surprises us, such is our dedication to our broader community, but one we should recognise nevertheless.

To all of our people: thank you. We simply could not have done this without you.

And the work isn't finished. We continue to plan and respond, relying on the best advice from Public Health Services in order to assist the public at every turn. We acknowledge that everyone in Tasmania has had to make changes to their lifestyle because of this virus, and we acknowledge that often what we ask for is difficult – particularly for those whose businesses and livelihoods have suffered directly as a result.

While it has not been our intention, it has been a necessity, and we do understand the sacrifices many people have had to make in order for our community to remain free of coronavirus.

Outside of the dark veil of coronavirus, there has been significant achievements for the Department and its agencies.

K-Block, the centrepiece of the Royal Hobart Hospital (RHH) Redevelopment, has been completed. The building represents state-of-the-art medical facilities and the highest level of hospital care for all Tasmanians.

In itself, this project has been a massive undertaking. The fact that it started taking patients during the coronavirus pandemic with little fanfare further underlines the challenges we were facing.



On 4 May 2020, the new dual capability Hyperbaric / Hypobaric Chamber was used to treat its first patient. The state-of-the-art chamber is the first with combined Hyperbaric / Hypobaric capabilities in Australia.

Figure 2 Patients in the new Hyperbaric / Hypobaric Chamber

On 6 May 2020, aero-medical retrieval operations commenced from the Helipad on the roof of K-Block. This lifesaving infrastructure allows medics to respond to critical incidents faster, delivers patients to treatment sooner and reduces preventable adverse outcomes due to avoidable transit delays.

Figure 3 Aero-medical Operations on RHH Helipad



Figure 1 A team effort to tackle COVID-19



Works continued on the expansion and redevelopment of the 4K Children's Ward at the Launceston General Hospital with Stage 1 works achieving operational handover on 22 May 2020 and Stage 2 works commencing on 15 June 2020.

The Community Rapid Response Service (ComRRS) pilot has been expanded in the South and North West building on the successful pilot in Launceston to build better connections between acute and primary care. ComRRS is a hospital avoidance service within Community Health Nursing Services that offers responsive and high intensity intermediate management and treatment for people in the community with an acute illness, injury or an exacerbation of a pre-existing condition, who would otherwise require a period of hospitalisation.

The Statewide Access Solutions and Patient Flow Program continues to build on work already complete or underway, to deliver sustainable improvement in the performance of our hospitals and health services against key indicators of service quality. In addition to the delivery of additional fast tracked beds in K Block, pilot access projects are well underway in the South, including Medtasker, Pharmacy Charting and Hospital in the Home, with evaluation to inform proposed roll-out statewide. In the North we have recently trialled a subacute rehabilitation model of care at the Deloraine District Hospital which saw an additional 572 bed days made available at the Launceston General Hospital, with extension discussion now underway.

The Tasmanian Mental Health Reform Program commenced in August 2019 with the key task of implementing the recommendations from the Report of the Mental Health Integration Taskforce and Government Response to fundamentally change the way mental health services are delivered in Tasmania.

A Mental Health Hospital in the Home trial commenced in southern Tasmania in March 2019 to allow clients, who may have otherwise received an inpatient service, to receive intensive, short term support in their home.

The Department also contributed to the Tasmanian bush fire response to ensure the health system was prepared and able to rapidly support Tasmanian's affected by bushfire. Support included public health advice, emergency accommodation, psychosocial and mental health support, and meals to emergency services personnel.

In closing, over the last 12 months, it has been a pleasure to work with the extended family that makes up the Department of Health and all of its agencies working partners and stakeholders. Arguably more this year than ever, our Department has demonstrated that it is absolutely committed to the health and wellbeing of Tasmanians, no matter where they live.

It is an honour to serve as the Secretary of the Department of Health and I endorse this 2019-20 Annual Report on behalf of the many people and their stories that lie behind the numbers, tables and graphs. Your contribution has been immense.



Kathrine Morgan-Wicks
COVID-19 State Health Commander
Secretary, Department of Health
30 September 2020

COVID-19 Response

On 17 March 2020, in response to the spread of COVID-19 across the world, the Director of Public Health declared a Public Health Emergency in Tasmania under the *Public Health Act 1997*. This declaration provides the Director of Public Health with emergency powers, including the ability to issue Directions to require a person to quarantine, isolate, or undergo a clinical assessment, ban entry of people to an area or remove people from an area, and take any action required to manage the threat COVID-19 poses to public health.

On 19 March 2020, the Tasmanian Government declared a State of Emergency for Tasmania in response to COVID-19.

Emergency Management Framework

Tasmania's response to the pandemic was initially guided by its pre-existing state emergency management framework and national planning. This included the State Special Emergency Management Plan: Pandemic Influenza 2019, which outlined health and whole-of-government arrangements such as management authority, escalation triggers and responses, and cross-agency responsibilities. Subsequently, dedicated COVID-19 response plans were developed and updated in line with new and emerging information. This included the development of a State Special Emergency Management Plan specific to COVID-19. Standing emergency management Interoperability Arrangements for Sharing Skilled Resources in Tasmania were also utilised to quickly redirect staff across agencies to support the response, allowing for sharing of staff between Tasmanian Government agencies during an emergency.

The Secretary, assuming the role of State Health Commander to provide oversight and direction, established the Department's Emergency Coordination Centre (ECC), and on 3 March 2020 appointed an Incident Controller to lead the ECC. This enabled the Director of Public Health to focus on continued leadership of the public health response, providing advice to government and liaising and collaborating with national counterparts.

Figure 4 Staff working together in COVID-19 response



The Emergency Coordination Centre is a dedicated team responsible for system-wide consequence management, including the strategic leadership, coordination and direction of system-wide and service level COVID-19 preparedness and response activities and consequence management arrangements. The timely establishment of the ECC ensured operational and service areas were not avoidably diverted from continuing to provide DoH core business functions. The ECC draws on specialist advice of all departmental areas and service groups to manage and coordinate responses to demand on the health system. The ECC is staffed by people from across the Department and beyond with specific expertise in key areas including logistics and resourcing, communications, health systems operation and service delivery, and health emergency planning and policy.

The Emergency Coordination Centre is supported by three Emergency Operation Centres (EOC), each led by an EOC Commander responsible for the direction, management and coordination of specific service-level COVID-19 emergency response operations. The EOCs comprise Public Health, the THS and Ambulance Tasmania. Three Regional Health Emergency Management Teams (RHEMTS) were activated to support the THS EOC, playing a key role in managing and coordinating THS regional level emergency response operations, with broad membership to liaise closely with key stakeholders.

As set out in the State Special Emergency Management Plan: COVID-19, Tasmania's response to COVID-19 is supported by an existing legal framework including powers under the *Emergency Management Act 2006* and *Public Health Act 1997* used by the Director of Public Health and State Controller to respond to minimise the impact of COVID-19 in Tasmania.

Service Response

An integral element of our COVID-19 response has been to ensure our hospitals and ambulance service are resourced, equipped, trained and ready to provide the best clinical care we can to COVID-19 positive patients, while limiting disruption to our everyday services. This includes an assessment of our health capacity to provide business as usual health services, identifying surge capacity to respond to an outbreak, and maintaining our bed capacity, including re-configuration plans for our hospitals for Emergency Department capacity, COVID-19 wards and Intensive Care Unit (ICU) surge bed capacity. It also includes closely managing our levels of critical Personal Protective Equipment (PPE), ventilators, blood products, medications and consumables.

To support all of these factors, comprehensive Escalation Management Plans are in place for our hospitals and ambulance service in each region. The plans include four-tier escalation response with trigger points for each level of escalation and the actions to be taken when escalation occurs. Plans have also been developed for our Respiratory Clinics, ICUs and Rural Health Services.

Through the Department's strong established relationships with private providers in Tasmania, the THS progressed early planning with regional private hospitals to support and increase public hospital capacity in the event of a surge in demand.

Hospitals commenced planning aimed at ensuring a suitably trained workforce was available to service an increase in bed numbers. This planning included a focus on identifying appropriately trained health care workers to staff increased ICU beds in the event of a surge in critically unwell or ventilated patients. Hospitals were also reconfigured to allow for triaging and treatment of patients with COVID-19 while limiting the exposure to other patients. Our public hospital emergency departments were reconfigured so as to provide separate areas for the care of those presenting with acute respiratory illness, in whom COVID-19 infection could not be excluded. Dedicated isolation wards were also established in each hospital to reduce the risk of transmission of COVID-19 from a hospitalised case.

While COVID-19 placed unprecedented pressure on supply chains worldwide, impacting the availability of critical medical resource, DoH worked to secure supplies of PPE, ventilators and other crucial COVID-19 supplies. Further processes were established to monitor and manage COVID-19 stock in Tasmania centrally, complementing those implemented nationally, with particular focus on increasing the number of ventilators in Tasmania. For pharmaceutical supplies, stock levels were managed through stock management plans, identifying medicines required for the management of COVID-19 patients, and analysing the manageable volume of elective surgery.

The temporary national suspension of all non-urgent elective surgery in the public and private sector was announced by the Prime Minister on 25 March 2020. This played a vital role to increase Tasmania's health system capacity to respond to COVID-19 by ensuring facilities could accept and manage any COVID-19 patients and that adequate supplies of PPE and other necessary supplies were maintained for this purpose.

When National Cabinet announced some non-urgent elective surgeries could recommence from 27 April 2020, the Department worked closely with the THS and private hospitals to increase the availability of elective surgery, so as to ensure the increase in elective surgery activity did not adversely impact on our capacity to treat COVID-19 patients.

All health services developed business continuity plans and management guidelines to prevent the further transmission of COVID-19 and respond to an outbreak.

For example, on 30 March 2020 Oral Health Services Tasmania restricted its services to emergency/urgent services only in Devonport, Burnie, New Town, Launceston, Clarence and Glenorchy, and fully closed its small community clinics.

In line with Public Health advice and the need for ongoing social distancing, telehealth has been available in all hospital outpatient clinics and some speciality clinics based on the clinical need of the patient. The use of telehealth has been positive in pre-screening new patients to reduce the number of visits to clinics.

North West Outbreak

Following increasing case numbers across the North-West Regional Hospital (NWRH) and North West Private Hospital (NWPH) sites, the State took operational control of the NWPH and the State Health Commander closed both sites, furloughing all staff members and their households and ordering a deep clean of both sites prior to re-opening.

A plan was developed to close the NWRH and NWPH sites, transfer patients to other facilities, and mitigate risk for specific clinical disciplines, including but not limited to emergency medicine services, maternity services, cancer services, inpatient and ICU services, and mental health services. The plan also outlined a deep clean of both facilities and a quarantine execution plan.

During the Outbreak, the Emergency Department at the Mersey Community Hospital (MCH) was also closed and is now operating on a reduced hours model due to staffing constraints and the impact of COVID-19 on the ability to source locum staff.

Following the cleaning process and while staff completed their required quarantine requirements, the DoH engaged an Australian Medical Assistance Team, working with Australian Defence Force personnel, and provide service at the Emergency Department at the NWRH and assist the closure and reopening of health facilities and services including the MCH and NWRH.



Figure 5 Australian Defence Force working at NWRH

The decision to close the NWRH and NWPH was unprecedented and difficult, and impacted other public and private health facilities significantly. Appropriate planning and existing strong networks and relationships across the private and public health sectors enabled the Department to leverage other resources and patients were still able to be cared for in appropriate and safe clinical settings. The Department bolstered ambulance capacity in the North West (including additional aeromedical support) and worked closely with local GPs to deliver increased primary care capacity wherever possible, including providing funding for practices to support increased hours. Pharmacists also provided increased coverage during this time. The MCH, Launceston General Hospital and Calvary North assisted with patients care following the closure of NWRH and NWPH, including the relocation of maternity services from the North West to Launceston.

Staff were supported in their return to work during the re-commissioning of services. This included COVID-19 testing for all employees across both sites, online resilience and wellbeing programs for staff and their families and updated training modules for the use of Personal Protective Equipment.

On 29 April 2020, the Department published the COVID-19 North West Regional Hospital Outbreak Interim Report, with 17 recommendations to strengthen structures, processes and culture, to reduce the likelihood of future outbreaks in Tasmanian hospitals and to ensure a timely and appropriate response to future outbreaks should they occur. These recommendations are now fully implemented.

We welcome the Independent Review of the Response to the North West Tasmania COVID-19 Outbreak as an opportunity to draw further learnings from the outbreak.

COVID-19 Testing

The Tasmanian Public Health hotline provides support for information enquiries contact management and arrangements for COVID-19 testing.

The first tests in our clinics were undertaken on 5 March 2020. Testing is facilitated through the expanded laboratory at the Royal Hobart Hospital enabling 1 000 to 1 200 tests per day to be processed, with surge testing capacity of up to 2 000 tests.



Sample collection occurs through the Respiratory Clinics in Hobart, Launceston, East Devonport and Burnie, together with GPs and Commonwealth funded GP-led Clinics in St Helens, Launceston, Devonport and Hobart. During restrictions, the use of Mobile and demountable clinics also allowed for members of the community to be tested in their local area.

Figure 6 Testing clinic team in Burnie

Our testing strategy is designed to detect cases of COVID-19 quickly to receive appropriate clinical management, isolation, and contacts identification. This enables chains of transmission and outbreaks to be identified early and controlled. It also informs an understanding of how the virus is spreading in the community through collecting information on the number of tests performed over time, on which groups of people, and the proportion of these who tested positive, so that policy and practice can be adapted to control the spread.

Working with the Multicultural Community

A range of COVID-19 communication strategies for the migrant community has been applied. Public Health Services worked closely with the Department of Communities Tasmania and Department of Home Affairs (Tasmanian Office), to address needs related to communication and information, translation and interpreting, service delivery, and impact of travel restrictions on specific communities. Strong partnerships with community organisations have led to the development of information and resources in a range of formats such as audio resources in multiple languages and Easy English. Key contacts in the migrant support service were also identified to provide rapid connection and communication with community leaders in the event of an outbreak.

Supporting Staff

Additional online training on PPE use and broader infection control management and a resilience and wellbeing program were implemented in health care settings for all health care staff. Internal scenario based simulation training exercises also took place to support staff in their preparation and response.

In a rapidly evolving situation, daily updates were provided to staff, with a daily 'COVID-19 – What's New' email from the Incident Controller. Staff were provided with updates on key developments and links to newly released information. The State Health Commander also regularly informed staff of emerging issues.

Through the pandemic, the Department also supported staff to work from home, where appropriate, by rapidly introducing new policies and technological solutions.

Our Continuing Role

The Department is committed to continuous improvement to ensure Tasmania's health system is in the best possible position to respond to any potential future COVID-19 outbreaks.

Strengthening Governance Arrangements

The Department of Health is committed to ensuring our health system is operating with the most effective governance structure possible. In March 2020, we commenced transitioning to our new executive structure to enhance accountability, drive improved decision-making, and further empower local hospital management to assist them to best manage local demand.

The new structure responds directly to recommendations made in recent reports of the Auditor-General, our undertakings at the Access Solution Meeting held last year and previous stakeholder feedback.

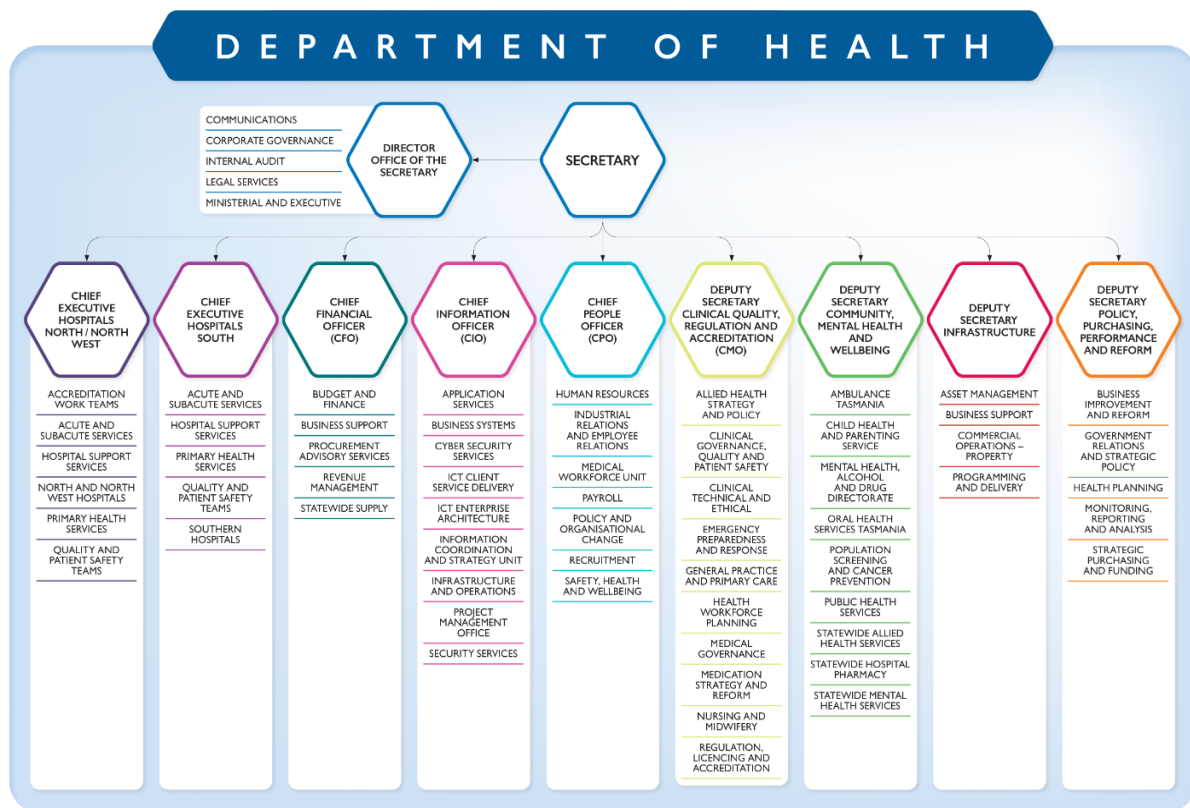


Figure 7 Department of Health Organisation Chart

The structure provides improved clarity and support for staff within our health system, delivers an even greater focus on community-based care and health system reform and provides new opportunities for clinicians and consumers to inform and shape key decisions about how healthcare is delivered in Tasmania.

Establishing an effective streamlined governance structure is critical to improving healthcare across our public health system. It ensures accountability, transparency and responsiveness to change in order to:

- Clarify and confirm local decision-making authority and accountability.
- Provide a clear and consistent strategic direction across the Department and THS.
- Support coordination and clinical/business consistency.
- Provide a greater focus on community-based care and health system reform.
- Provide new opportunities for clinicians and consumers to inform and shape key decisions about how healthcare is delivered in Tasmania.

Corporate Governance Committees

To support the governance framework and strengthen local decision-making authority and accountability while continuing to build a stronger sense of collaboration, cooperation and shared purpose within the department, the corporate governance committee structure has been developed to streamline the business of the Department.

Health Executive

The Secretary, as the accountable officer of the Department and in discharging their responsibilities under the *Tasmanian Health Service Act 2018* is supported by the Health Executive. Our new streamlined executive structure, through one Health Executive, will enable us to work as one team, with an appropriate level of visibility and participation of key functions and ensure that our strategic direction is influenced by local business requirements.

Health Executive members are:

- Kathrine Morgan-Wicks, Secretary
- Lisa Howes, Director Office of the Secretary.
- Eric Daniels, Chief Executive Hospitals North / North West
- Susan Gannon, Chief Executive Hospitals South
- Craig Jeffery, Chief Financial Officer
- Warren Prentice, Chief Information Officer
- Renee Anderson, Chief People Officer
- Dale Webster, Deputy Secretary Community, Mental Health and Wellbeing
- Shane Gregory, Deputy Secretary Infrastructure
- Matthew Eastham, Acting Chief Executive Ambulance Tasmania
- Craig Watson, Executive Director Business Improvement and Reform
- Professor Anthony Lawler, Chief Medical Officer and Deputy Secretary, Clinical, Quality Regulation and Accreditation
- Ross Smith, Deputy Secretary Planning, Purchasing, Performance and Reform.

To provide focus and consistency within decision making, the Health Executive is supported by the following subcommittees:

- **Audit and Strategic Risk:** provides independent oversight of governance, risk and internal control for the Department and provides a forum for discussing risks and issues that may affect the operations of the Department.
- **Budget and Finance:** provide strategic oversight of the Department's budget and financial management responsibilities.
- **Business Improvement and Reform Oversight:** oversees the business improvement and reform programme to ensure decision making aligns with the overarching strategic direction of the Department.
- **Clinical Executive:** will act as the peak clinical governance committee, and to provide the Health Executive with informed clinical advice.
- **Infrastructure Oversight:** ensures that investment in, and management of, the Department's infrastructure assets supports the effective and efficient delivery of health services in Tasmania.

- People and Culture: is responsible for strategic human resources, industrial relations and workforce matters across the Department in line with Government direction and compliance with relevant legislation.
- Strategic Information Management and Technology: is responsible for directing, guiding and overseeing the ICT and information management governance across the Department including strategies, policies and initiatives.
- System Performance and Forecasting: provide strategic oversight and direction of the Department's performance management responsibilities and provide advice and recommendations in relation to health service activity modelling and forecasting.
- Work Health and Safety: provides strategic advice and supports implementation on major work health and safety operations to reduce risk and improve safety performance and the health and wellbeing of all employees.

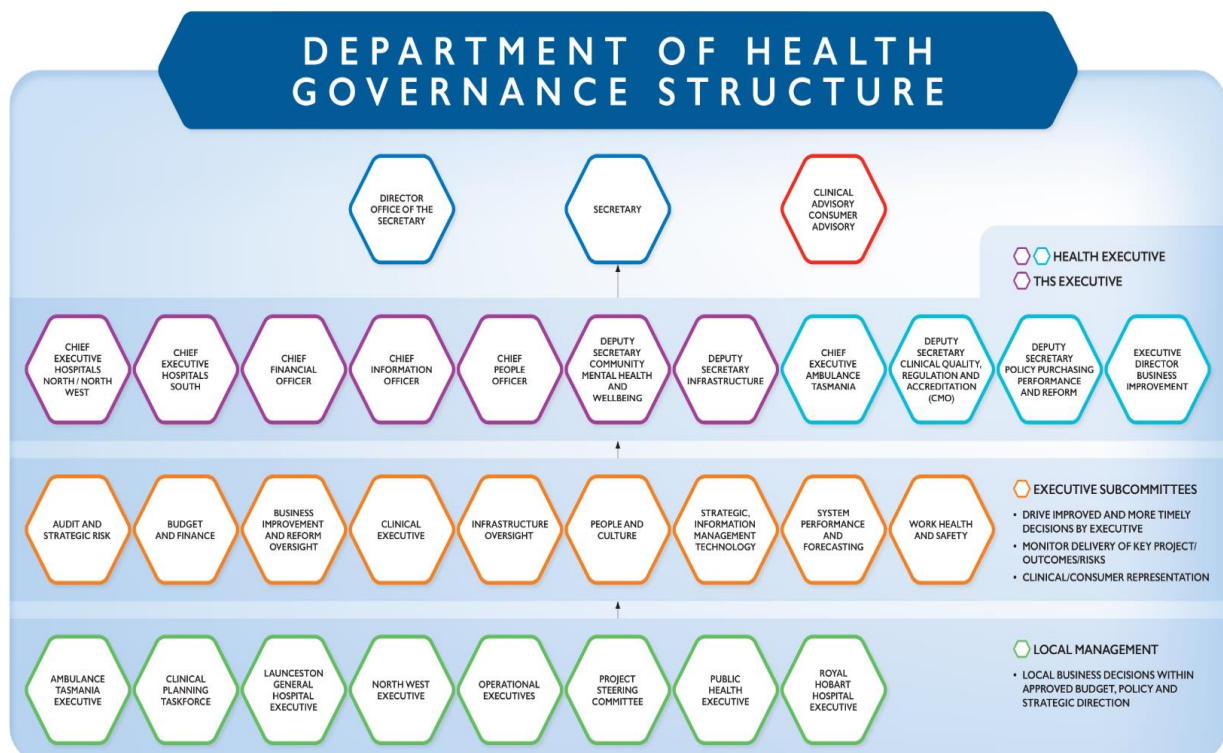


Figure 8 Department of Health Governance Committee Structure

Strengthening Risk Management

The Departmental Enterprise Risk Management Framework supports staff to implement a consistent approach to risk management across the Department. It aligns with the AS/NZS ISO 31000:2018 Risk Management – Principles and Guidelines streamlines and embeds risk management to support the Department in achieving its strategic and operational objectives.

Work continues to review risk management systems to align with organisational governance change to incorporate additional risk monitoring and reporting.

This page is intentionally blank



2

OUR DEPARTMENT

Overview of the Department

The Department provides a high quality, safe and sustainable health services system for all Tasmanians. It is actively engaged in positive reforms to provide care and services for patients and clients in the best possible way through an integrated system that is people focused and supports individuals and communities to be active in their own health and wellbeing management. Our commitment is to work together with patients, clients, partners and the community.

The information below explains the key roles and functions of each area and provides performance information for those areas delivering health services.

Clinical Quality, Regulation and Accreditation

Clinical Quality, Regulation and Accreditation, led by Chief Medical Officer Professor Anthony Lawler, consolidates specialist clinical and professional advice on clinical quality, regulation, accreditation and workforce issues impacting the Tasmanian health system and in response to national and international agendas and trends. The area also supports the execution of responsibilities for emergency preparedness, response and recovery. Professional lead roles include the Chief Nurse and Midwifery Officer and Chief Allied Health Advisor.

Clinical Quality, Regulation and Accreditation ensures there are policy, regulatory, quality and medical governance frameworks across public and private health services in Tasmania to support the role of all elements of the health system to safeguard patient, client and employee safety, structured credentialing and scope of practice processes for medical professionals, high-quality, safe, equitable and cost-effective use of medicines and high quality research within the health system aimed at improving outcomes for Tasmanian patients and facilitating equity of access to National and International research trials.

In terms of regulation and standards, the area supports the implementations of the Australian Commission on Safety and Quality in Health Care standards for public and private health care services to ensure effective compliance monitoring and enforcement systems are in place. The area works on the establishment of robust systems for monitoring compliance and enforcing regulatory standards under the *Health Service Establishments Act 2006* and Health Service Establishments Regulations 2011; and for Non-Emergency Patient Transport under section 35D of the *Ambulance Service Act 1982*.

Community, Mental Health and Wellbeing

Community Mental Health and Wellbeing, led by Deputy Secretary Dale Webster (with acting appointments from March to August 2020), manages the delivery of a broad range of community-facing health services, with a strong focus on preventative health and health promotion and improvement services.

Ambulance Tasmania

Ambulance Tasmania, led by Acting Chief Executive Matthew Eastham (since February 2020), provides integrated, high quality, pre-hospital emergency and health transport and retrieval services to the Tasmanian community. There are 52 ambulance response locations across the State, including two aircraft response locations to dispatch and coordinate road ambulances, fixed wing, rotary wing and non-emergency patient transport services through the State Operations Centre.

Highly qualified paramedics in urban and rural areas across the State, including approximately 500 Volunteer Ambulance Officers, provide response services, and Extended Care Paramedics provide services to allow patients to be treated at home without the requirement to attend hospital.

There are 1 007 community defibrillators registered with Ambulance Tasmania, with 829 readily available for dispatch under the life-saving Early Access to Defibrillation Program.

Performance Measure	Unit of Measure	2016-17 Actual	2017-18 Actual	2018-19 Actual	2019-20 Actual
Total Ambulance Responses ¹	Number	83 764	89 220	89 606	93 165
Emergency Ambulance Responses	Number	43 064	44 895	45 763	46 302
Satisfaction with Ambulance Services ²	%	97	98	98	na
Median Emergency Response Times (Statewide) ³	Mins	13.8	12.8	12.9	13.8
Median Emergency Response Times (Burnie) ³	Mins	11.0	10.2	10.6	11.0
Median Emergency Response Times (Devonport) ³	Mins	10.6	9.8	10.1	11.0
Median Emergency Response Times (Hobart) ³	Mins	12.6	11.5	11.7	13.1
Median Emergency Response Times (Launceston) ³	Mins	12.2	11.1	11.1	12.3
Ambulance Services expenditure per person ⁴	\$	144.13	160.50	181.19	na

Notes:

1. An ambulance response is a resource being mobilised to an incident. There can be multiple ambulance responses to an incident.
2. The Satisfaction with Ambulance Services metric is calculated based on the results of the Patient Satisfaction Survey which is undertaken in May/June each year. The results for 2020 are not yet available.
3. The ambulance emergency response time is the difference in time between an emergency 000 call being received at the Ambulance Tasmania Communications Centre and the first vehicle arriving at the location to treat the sick or injured patient. The Median Emergency Response Time (MERT) is the middle time value when all the response times are ordered from the shortest to the longest. The MERT can be broadly interpreted as the time within which approximately 50 per cent of the first responding ambulance resources arrive at the scene of an emergency.
4. The Ambulance Services expenditure per person metric is calculated by the Productivity Commission and is published each year in the Report on Government Services. The results for 2019-20 are not yet available. The figures here are as published in the Annual Report on Government Services and may differ from those in previous reports due to statistical parameter adjustments.

Child Health and Parenting Service

The Child Health and Parenting Service (CHaPS), led by Nursing Director Dominica Kelly, provides a statewide universal child health service to families with children between 0-5 years of age. CHaPS have a nurse led service model aligned with the National Framework for Universal Child and Family Health Services and receives a referral for every child born in Tasmania. Child and Family Health Service delivery includes nationally recommended growth and development screening and surveillance from newborn to school age, child health information, advice and support to parents such as perinatal mental health screening, breastfeeding support, developmentally focused parent/child relationship and behaviour management.

Performance Measure	Unit of Measure	2016-17 Actual	2017-18 Actual	2018-19 Actual	2019-20 Actual
Community Services					
Mothers attending the eight week Child Health Assessment	%	89.9	91.0	91.8	91.2

Services are delivered via home visits or in clinical settings in over 70 sites statewide including standalone CHaPS centres, co-location with other services (eg Non-Government Organisations, THS), and all Department of Education Child and Family Centres. CHaPS has Parenting Centres in the South, North and North-West which provide a range of secondary and targeted parenting services.

Mental Health, Alcohol and Drug Directorate

The Mental Health, Alcohol and Drug Directorate, led by General Manager Jeremy Harbottle, provides a system focus to support the delivery of mental health, alcohol and drug and forensic health services that are strongly consumer and carer focussed, sustainable, accessible, safe and of a high quality.

The Directorate undertakes strategic and service planning and implementation of whole of system projects and reform, research and policy development, performance, monitoring and evaluation, grants management and promotion, prevention and early intervention measures, and stigma-reduction initiatives to promote and raise public awareness of mental health and alcohol and drug use issues. The Directorate works alongside the statutory role of the Chief Psychiatrist.

The Office of the Chief Psychiatrist, led by Dr Aaron Groves, is responsible for oversight and review of legislation under the *Mental Health Act 2013*. The role of Chief Psychiatrists (Chief Civil Psychiatrist and Chief Forensic Psychiatrist), are established within the Act and are responsible for ensuring the objects of the Act are met in respect of patients and the running of approved facilities. This includes issuing Clinical Guidelines and Standing Orders, approving and revoking Medical Practitioners, Mental Health Officers and Approved Nurses, ensuring statutory functions are delegated appropriately, and Statewide and Mental Health Services is in compliance of the Act and powers to directly intervene.

The Office of the Chief Psychiatrist and Mental Health Alcohol and Drug Directorate work in close partnership on Tasmanian mental health and suicide prevention strategic planning and reform.

Oral Health Services Tasmania

Oral Health Services Tasmania, led by Acting Group Manager Rick Monty (since April 2020), provides dental services to eligible Tasmanians including adults who are holders of a current health care card or pensioner concession card. The children's dental service is a universal service for all Tasmanians aged 0-17 years. The service operates from over 30 sites across Tasmania including major centres in Burnie, Devonport, Launceston, Clarence, Glenorchy and Hobart, one and two surgery clinics in urban and rural community health centres and district hospitals and at a number of public school sites, three special care dental units located in the major hospitals, two mobile dental units that service rural areas and three school-based dental vans.

Performance Measure	Unit of Measure	2016-17 Actual	2017-18 Actual	2018-19 Actual	2019-20 Actual
Oral Health Services¹					
Adult – occasions of services – general	Number	12 933	11 152	13 912	7 054
Adult – occasions of services – episodic	Number	31 487	33 576	32 072	28 588
Adult – occasions of services – dentures	Number	19 929	17 901	18 498	13 960
Children – occasions of services	Number	62 122	63 686	64 883	49 909
General (adults) waiting list	Number	8 901	10 462	12 113	15 381
Dentures waiting list	Number	222	170	246	647

Note:

- This Key Performance Indicator has been affected by the impacts of COVID-19. The Service transitioned to an emergency service only from April to June 2020, limiting the amount of non-urgent care provided.

Population Screening and Cancer Prevention

Population Screening and Cancer Prevention, led by Director Gail Ward, oversees the delivery of the three national cancer screening programs to the Tasmanian population:

BreastScreen Tasmania provides free screening mammography every two years to women aged 40 and over (women aged 50-74 are the priority age cohort) in 34 locations in Tasmania through its two fixed locations in Hobart and Launceston, and its two mobile screening units that visit outer regional and remote areas.

Tasmanian Bowel Cancer Prevention Program (National Bowel Cancer Screening Program) sends a bowel screening kit every two years to all Australians aged 50-74. Tasmanian bowel screening nurses support Program participants with a positive screening test to access colonoscopy for a definitive diagnosis.

Tasmanian Cervical Cancer Prevention Program (National Cervical Screening Program) recommends women aged 25-74 see their health care provider for a Cervical Screening Test every five years.

The area's health promotion unit, Screening Recruitment and Cancer Prevention, is responsible for encouraging Tasmanians to participate in the screening programs and provides community education and support, in collaboration with other agencies, to encourage cancer-preventing health behaviours by Tasmanians.

Performance Measure	Unit of Measure	2016-17 Actual	2017-18 Actual	2018-19 Actual	2019-20 Actual
Cancer Screening¹					
Eligible women screened for breast cancer	Number	31 491	34 103	32 431	29 487
BreastScreen – percentage of clients assessed with 28 days of screening ¹	%	85.5	97.9	93.9	94.3

Note:

- This Key Performance Indicator has been affected by the impacts of COVID-19. During 2019-20 the number of eligible women screened for breast cancer was affected due to service closures in response to COVID-19.

Public Health Services

Public Health Services, led by Acting Chief Executive Officer Carole Owen (since April 2020), protects and improves the health of all Tasmanians by helping Tasmanians to make healthy choices and to live in safe environments. The service also includes the statutory role of the Director of Public Health, Dr Mark Veitch, who leads public health responses, such as COVID-19.

Public Health Services develops and delivers public health policy, plans and programs, public health information; and administers public health legislation including the *Public Health Act 1997*, *Radiation Protection Act 2005* and *Food Act 2003*.

Performance Measure	Unit of Measure	2016-17 Actual	2017-18 Actual	2018-19 Actual	2019-20 Actual
Radiation Protection					
Radiation Management Plan – Notification of review by licence holder ¹	%	84.0 ¹	94.0 ¹	87.0	78.0
Recertification prior to expiry ¹	%	96.0	96.0 ¹	94.0	95.0
Immunisation					
Vaccine coverage in children aged 12-15 months ²	%	93.8	94.6	94.1	94.1

Performance Measure	Unit of Measure	2016-17 Actual	2017-18 Actual	2018-19 Actual	2019-20 Actual
Vaccine coverage in children aged 24-27 months ²	%	92.0	90.9	91.7	91.0
Move Well Eat Well					
Primary School Membership	%	81.0	82.4	82.0	82.0
Primary School Awarded ³	%	25.8 ⁴	27.2	28.7	26.0 ⁵
Early Childhood Membership	%	85.8 ⁴	79.7	80.5	80.6
Early Childhood Awarded ³	%	24.8 ⁴	25.2	30.1	34.7

Notes:

1. Figures updated from previously reported data that was sourced as point in time data.
2. Data Source: Australian Immunisation Register as at 31 March 2020 for all children aged 12-15 months and 24-27 months between 1 January 2019 and 31 December 2019.
3. Percentage Awarded is calculated using the number of schools or services awarded and the total number of schools or services eligible for membership.
4. Figures updated from previously reported data due to data source review.
5. Since June 2019, Move Well Eat Well schools and services listed as 'Awarded' are now only those which are current.

Statewide Allied Health Services

Statewide Allied Health Services, led by Executive Director Paula Hyland, oversees National Disability Insurance Scheme (NDIS) and International Dysphagia Diet Standardisation Initiative implementation into the THS, allied health activity data, maintenance and reporting of the Disability Action Plan for THS, and development of the THS Allied Health Research Strategy and Pain Management Strategy for Tasmania.

It also provides a dual reporting line for the three Directors of Allied Health in each region, alongside their respective Chief Executive and has direct reporting responsibility for the Statewide TasEquip Program which provides essential equipment to palliative care clients, those discharging from hospital and eligible clients in the community.

Statewide Hospital Pharmacy

Statewide Hospital Pharmacy, led by Executive Director Tom Simpson, provides hospital pharmacy services to patients of Tasmania's acute public hospitals through on-site pharmacy departments, and a remote service to the district hospitals.

Services include clinical and specialist pharmacy services, dispensing medications, on-site doses of chemotherapy, involvement in local national and international clinical trials and specialist support services including the telehealth-based Remote Clinical Pharmacy service.

Statewide Mental Health Services

Statewide Mental Health Services (SMHS), led by Clinical Executive Director Adrienne Gibbons, supports a wide range of clients including people experiencing complex and chronic disease, severe mental health illness, alcohol and drug issues, including clients within the corrections and justice system. Services include the provision of inpatient, hospital based, and community-based services, with many provided in partnership with community sector organisations.

The Mental Health Services Helpline services clients across the state, providing advice, assessment and emergency responses. The 24/7 Helpline is a central point of entry to Mental Health Services for all and is supported by a dedicated crisis assessment and treatment team.

The SMHS group consists of the following services:

Adult Mental Health Service delivers care to people aged between 18 to 65 years who have severe and complex mental health conditions through assessment, treatment, support and education via a range of community-based services and inpatient services.

Alcohol and Drug Service is a statewide service that provides treatment to individuals and their families for alcohol, tobacco and other drug issues. It has four service delivery areas: Withdrawal Management, Opioid Pharmacotherapy Program, Consultation Liaison and Psychosocial Interventions and operates other specialist programs as required.

Child and Adolescent Mental Health assists infants, children and young people up to 18 years who are experiencing severe and complex mental health difficulties, and their families or care givers.

Correctional Primary Health Services provides primary health care, treatment and specialist referral for people within the Tasmanian Prison Service and across a range of correctional facilities. Services include emergency care; general health assessments; medical officer consultations, diagnosis and treatment; specialist psychiatric consultations and treatment; mental health, emotional, suicide and self-harm assessments and treatments; drug and alcohol assessments, treatment and referral; opioid substitution; health promotion; inpatient care (with six beds for primary health care and observation); and outpatient nursing clinics.

Forensic Mental Health Services undertake highly specialised interventions and clinical activities providing community and inpatient mental health care for people who are in contact with the justice system and experiencing a mental illness. There are community teams in the North and South, and inpatient care provided at the Wilfred Lopes Centre in the South.

Older Persons Mental Health delivers care to people who are 65 years or older who have a serious mental illness, or behavioural and psychological symptoms of Dementia. Care within the community is emphasised in partnership with consumers, their family and carers. Statewide inpatient services are provided at the Roy Fagan Centre based in the South.

Perinatal Mental Health Services provide assessment and treatment for mothers during pregnancy and early parenthood.

Performance Measure	Unit of Measure	2016-17 Actual	2017-18 Actual	2018-19 Actual	2019-20 Actual
Mental Health and Alcohol and Drug Service					
Inpatient Separations	Number	2 044	1 795	1 670	1 917
Community and Residential – active clients	Number	7 828	7 865	8 032	8 202
28-day readmissions rate	%	14.3	15.3	12.5	13.4
Proportion of persons with a mental illness whose needs are met by health services	%	62.1	61.3	68.2	71.5
Average length of acute inpatient stay	Days	11.3	13.3	15.0	13.1
Alcohol and Drug Services – closed episodes of treatment	Number	3 389	3 574	3 591	na ¹
Pharmacotherapy Program – total active patients	Number	946	907	895	na ¹
Withdrawal Unit – bed occupancy	%	48.4	54.8	58.2	55.7
Withdrawal Unit – average length of stay	Days	6.7	6.3	5.8	5.4

Notes:

1. Data was not available at the time of preparing the Annual Report.

Finance and Business Support

Finance and Business Support, led by Chief Financial Officer Craig Jeffery, undertakes finance, revenue, procurement, supply and business support activities for the Department, including the Tasmanian Health Service. The area develops and manages the Department's budget in liaison with operational areas and the Department of Treasury and Finance.

Finance and Business Support reviews, analyses and reports on financial outcomes across the Department through cost accounting, business analysis, taxation compliance (superannuation, GST, FBT and payroll tax), financial risk management and fraud prevention.

The area also develops and manages procurement and supply systems and strategies in compliance with Treasurer's Instructions when purchasing goods and services.

Human Resources

Human Resources, led by Chief People Officer Renee Anderson, provides expert support and advice on all workforce-related matters across the Department, including the Tasmanian Health Service. The area provides leadership in recruitment, workplace health, safety and wellbeing and HR policy. Human Resources also provides specialist HR advice and support and leads the management and negotiation of statewide awards, agreements and industrial disputes.

The area is also responsible for managing the payroll and benefits for all staff.

Hospitals North/North West

Hospitals North/North West is led by Chief Executive Eric Daniels. Services delivered include acute, subacute, outpatient, emergency, primary health care, residential aged care, in-home settings and palliative care.

Hospitals North/North West runs several health facilities including the Launceston General Hospital (LGH), North West Regional Hospital (NWRH) and Mersey Community Hospital (MCH), and 28 District Hospitals and Community Health Centres.

Hospitals North/North West also provides a range of services at community level including allied health, community nursing, home care, palliative care, dementia services, specialised case management services, aids and appliances and health promotion programs. These are generally provided from community health centres and rural facilities, but can also be provided in patients' homes, schools and workplaces.

Hospitals South

Hospitals South is led by Chief Executive Susan Gannon. Services delivered include acute, subacute, emergency, non-admitted, primary health care, palliative care and community services such as allied health, community nursing, home care and health promotion. Hospitals South also provide a number of statewide services.

Hospitals South runs a number of health facilities including the Royal Hobart Hospital (RHH)(across several sites), two rural hospitals, residential aged care services at the Midlands Multi-purpose Centre and 12 health centres.

Statewide services include:

DonateLife coordinates a locally focussed organ and tissue donation service for all Tasmanians, working to improve and provide quality care of the donor family at end of life, utilising the best practice model for organ and tissue donation and implementing routine referral at end of life.

Gynaecology Oncology Services provides co-ordination and care of women with gynaecological malignancy, providing expertise in radical pelvic and abdominal surgery through the RHH, with outreach clinics at the LGH and NWRH.

Gynaecology Services provides inpatient and outpatient emergency gynaecology services including Early Pregnancy Assessment Service, Fertility Service with links to the private IVF Centre, Urogynaecology, Adolescent Gynaecology Service and Outpatient Hysteroscopy Service.

Jack Jumper Allergy Program is the State referral centre for sting insect allergy and venom immunotherapy. The program manufactures Jack Jumper Ant venom products for treatment of patients with anaphylaxis to Jack Jumper sting in Tasmania, Victoria and South Australia.

Maternity Services delivers complex care and closely links to the Neonatology Service, providing obstetric care in collaboration with specialist services including the Maternal Foetal Medicine (MFM) Service, Intensive Care Unit, Coronary Care Unit, Neurosurgical Unit, Specialist Medical and Interventional Imaging and all the surgical and medical subspecialties. It also acts as a referral service for all lower-level services.

Neonatal and Paediatric Emergency Transport Service provides safe inter-hospital emergency and non-emergency transportation, neonates and critically ill children from hospitals intra-state and inter-state, via road, single fixed wing aircraft or helicopter transport.

Paediatric Neurology Service is a multidisciplinary service to improve the health outcomes of infants, children and adolescents with disorders of the brain, nerves and muscles. Areas of expertise include epilepsy, demyelination, neuromuscular diseases, paediatric stroke and suspected degenerative neurological disorders.

Paediatric Oncology and Hematology Services provides care and treatment for children and their families with the diagnosis and management of childhood cancer. A multi-disciplinary approach to care is taken, and where possible care is delivered close to home, or in collaboration with the Royal Children's Hospital and Peter MacCallum Cancer Centre in Victoria.

Paediatric Rehabilitation Service provides support with care planning and resources associated with St.Giles therapy services are specialists in early childhood intervention and NDIS disability support services.

Paediatric Surgery Service is a consultant-delivered specialist service to babies and children up to 14 years of age providing general surgery, paediatric urology and neonatal surgery and outreach clinics at the LGH.

Statewide Adult Cystic Fibrosis provides proactive management, delivered by an interdisciplinary network, meeting the health needs of individuals affected by Cystic Fibrosis, optimising well being and patient safety, and promoting self-management.

Statewide Paediatric Cystic Fibrosis Service provides care across three multidisciplinary teams caring for children and their families affected by cystic fibrosis, based at the RHH, LGH and NWRH and in some cases in collaboration with the Royal Children's Hospital, Victoria.

Statewide Sexual Health Service operates clinics in Hobart, Launceston and an outreach clinic Devonport. The service delivers a range of clinical and counselling services that relate to gender identity, HIV care, sexual activities, sexual health checks, sexual response and desire and sexually transmitted infection diagnosis and treatment.

Tasmanian Clinical Genetics Service provides assessment, diagnosis, genetic testing, management advice, counselling and support for individuals and families who have, or are at risk of having, a genetic condition.

Tasmanian Gender Service provides assistance to children and young people up to 16 years, and their families, who are experiencing gender related issues. The service works closely with the Gender Service of the Royal Children's Hospital in Melbourne and has linkages with other specialist gender services across Australia.

The performance information below provides statewide figures for our Hospitals.

Performance Measure	Unit of Measure	2016-17 Actual	2017-18 Actual	2018-19 Actual	2019-20 Actual
Admitted Services					
Admitted patients – National Weighted Activity Unit	Number	109 641	114 796	118 223	na ¹
Elective Surgery patients seen on time ^{2,3}					
Category 1	%	78.0	75.6	71.8	68.0
Category 2	%	59.0	61.4	43.1	36.7
Category 3	%	81.0	86.8	66.4	59.2
Elective surgery patients – average overdue wait time for those waiting beyond the recommended time ^{2,3}					
Category 1	Days	23.6	49.7	58.0	84.9
Category 2	Days	87.9	100.1	125	161.4
Category 3	Days	66.4	55.0	95.4	150.2
Elective surgery admissions ³	Number	19 205	17 564	17 858	15 065
Hand hygiene compliance ⁴	%	80.4	79.3	79.4	81.5
Healthcare associated staphylococcus aureus (including MSRA) bacteraemia (rate per 10 000 patient days) ⁵	Rate	1.0	1.0	1.0	1.1
Cost per weighted separation	\$	5 085	5 048	5 508	na ¹
Non-admitted Services					
Outpatient attendances ⁶	Number	548 034	561 286	580 753	412 219
Emergency Department (ED) Services⁷					
Department of Emergency Medicine presentations	Number	156 587	162 441	165 994	153 738
Emergency Department patients who are admitted, referred for treatment or discharged within four hours	%	64.7	64.4	62.0	60.0
Percentage of all ED patients seen within the recommended triage time	%	64.8	65.5	64.0	64.6
Community and Aged Care Services					
Rural hospitals – separations	Number	4 024	4 002	4 020	3 921
Rural hospitals – occupancy rate	%	62.0	59.2	56.1	53.5
Community nursing – occasions of service	Number	174 010	169 232	173 810	171 913
Residential aged care – occupancy rate	%	91.0	89.3	87.6	89.6
Residential Care Assessment Program – completed assessments	Number	3 999	4 443	4 648	4 648

Notes:

1. Data was not available at the time of preparing the Annual Report.
2. This Key Performance Indicator has been affected by the impacts of COVID-19. All non-urgent elective surgery was suspended between 25 March - 27 April 2020 due to decisions by National Cabinet and the State's response to COVID-19. Only Category 1 and some exceptional Category 2 surgery was performed during this period. From mid-May 2020 elective surgery began being restored back toward normal activity.
3. The 2019-20 result is preliminary.
4. The 2019-20 result is preliminary and only includes two of the three audit periods.
5. The 2019-20 result is preliminary and only includes the nine months to March 2020.
6. The figure for 2019-20 is for the first nine months of the financial year.
7. This Key Performance Indicator has been affected by the impacts of COVID-19. Emergency Department activity was impacted from mid-March 2020 onwards by the State's response to COVID-19 with temporary closures and restricted operating hours of Emergency Departments in the North-West.

Information Management and Technology Services

Information Management and Technology Services is led by Chief Information Officer Warren Prentice. The service provides strategic leadership in the planning, development, implementation, and effective management and use of information systems, and information and communication technologies to enable the delivery of safe, effective and high-quality integrated patient and client care.

The area is also responsible for program management, security advice and vendor management and provides high-level advice on IMT strategy and investment, the implementation of information systems and technologies for effective information management.

Infrastructure

Infrastructure, led by Deputy Secretary Shane Gregory, is responsible for the planning, delivery and management of the Department's capital asset portfolio, to provide optimal support and amenity to staff and clients in a manner that minimises total (capital and lifecycle) costs consistent with the delivery of quality services and compliance with relevant codes, regulations and statutes. The role of Deputy Secretary Infrastructure was established in late 2019 to consolidate management of the health asset portfolio, with a greater emphasis on strategic asset management and capital program delivery.

The key roles of the area include strategic asset management and planning, developing and delivering the Capital Works program, promoting and supporting the efficient and effective use of Departmental assets, managing risk associated with Departmental assets and motor vehicle fleet management.

Policy, Purchasing Performance and Reform

Policy, Purchasing, Performance and Reform, led by Deputy Secretary Ross Smith, fulfils the core system management functions of strategy and planning, purchasing, performance management, monitoring, reporting and analysis. This ensures that health services are planned and purchased in an evidence-based, effective and efficient manner and have the greatest impact on improving the health and wellbeing of Tasmanians.

Policy, Purchasing, Performance and Reform has an important role in working with our service delivery partners to purchase and deliver joined-up service systems that meet the needs of client and the community. They clarify, promote and embed the role and functions of system management within the Department and THS and with external stakeholders and implement Department-led system reforms, policy initiatives and pilot programs to provide better access to higher quality health services throughout Tasmania (right care, right place, right person, right time).

The area also represents the interests of Tasmania at the local and national level and translates the incorporation of national policy, funding and pricing directions into practice. It manages the Department's government relations agenda such as negotiating intergovernmental agreements and providing advice to the Executive in relation to Ministerial Councils and their sub-committees.

Office of the Secretary

The Office of the Secretary, led by Director Lisa Howes, provides high level public administration, parliamentary, corporate governance, audit, communications and legal support and advice to the Secretary, portfolio Ministers and more broadly, the Department.

Communications provides advice and coordinates the Department's communication and media activities. The area oversees communication policies, guidelines and tools; manages media relations and internal communications; provides graphic design services; and manages the Department's online presence.

Corporate Governance supports Department-wide governance frameworks and corporate planning to support sound decision making, accountability and high performance including the Enterprise Risk Management Framework, Policy Management Framework and Corporate Delegations and Administrative Authorities Framework.

Internal Audit provides an objective assurance and systematic approach to the evaluation of governance, risk management, and control environments and recommends improvements. Internal Audit provides support to the independent Audit and Risk Committee to deliver advice and assurance to the Secretary that the Department's financial and operational controls are operating in an efficient, effective, economical and ethical manner.

Legal Services provides a specialist high level legislative review, legal policy advice and legal support advisory service to the portfolio Ministers, Secretary, and Executive staff. The service manages the Department's legislative development and review program, facilitates seeking legal services from Crown Law and manages the Department's Right to Information program.

Ministerial and Executive services provide the day-to-day interface that facilitates the flow of timely and accurate information between the Secretary, Minister, and Department including Cabinet, Ministerial and parliamentary processes, corporate governance committees and whole-of-agency and whole-of-government reporting processes.

System Manager and THS Service Plan

Health System Management

Performance Measure	Unit of Measure	2016-17 Actual	2017-18 Actual	2018-19 Actual	2019-20 Actual
Implementation of Government reform agenda goals achieved within published timeframe ^{1,2}	%	96	92	91	72 ³
Service Plan developed and administered in accordance with the THS Act, and policy settings endorsed by the Minister for Health ⁴	Number	1	1	1	1

Notes:

- Figures for dates prior to 1 July 2018 relate to activities administered by the then Department of Health and Human Services (DHHS). Figures from 1 July 2018 relate to activities administered by the Department of Health (DoH).
- The health reform goals for 2019-20 are those specified in the Government's Second Year Agenda (Quarters Two, Three and Four).
- This Key Performance Indicator has been affected by the impacts of COVID-19, due to major capital works process being affected by the pandemic.
- The *Tasmanian Health Service Act 2018* requires a Service Plan to be prepared by the Secretary. The Service Plan replaces the previous requirement for a Service Agreement.

The *Tasmanian Health Service Act 2018* requires an annual Service Plan between the Minister for Health and Tasmanian Health Service (THS) to be in place by 30 June for the forthcoming financial year. It is the key agreement between the Minister for Health and the THS and sets out the agreed expectations of the THS, outlining key deliverables and performance targets to be achieved by the THS within the allocated annual budget for that year.

As system manager, it is the responsibility of the Department of Health to ensure that THS performance against the requirements of the Service Plan is monitored and managed.

In 2019-20, the Department progressed work on an outcomes and monitoring framework for health service consumers. To ensure harmonisation with national and international developments, the work has considered progress in the areas of safety and quality and value-based health care. Internal consultation on a draft framework is expected to commence in 2020-21.

There was one amendment to the Service Plan issued in August 2019, which included:

- an updated Women's Health Initiative target to provide procedures that specifically target women who had waited the longest on the elective surgery waiting list for their procedures
- additional funding for a new Mental Health Service Avoidance Program, aimed at preventing and reducing the duration of Emergency Department presentations and subsequent admissions and
- additional elective procedures and surgery operations funded by the Australian Government.

Tasmanian Health Service 2019-20 Service Plan – Performance

In accordance with the *Tasmanian Health Service Act 2018*, the THS and Secretary carry out their functions consistent with the Ministerial Charter issued under the Act.

The National and State response to COVID-19 had significant impact on the performance of several Service Plan Key Performance Indicators (KPIs) in 2019-20.

National Cabinet's temporary suspension of all non-urgent elective surgery from 25 March 2020 until 27 April 2020 (with the exception of Category 1 and some exceptional Category 2 surgery), the closure of the North West Regional and North West Private Hospitals for a deep clean due to the outbreak of COVID-19 in the North West in April 2020, and other restrictions in place such as social distancing, had significant bearing on the THS' ability to meet the targets established in the 2019-20 Service Plan. Most notably, the following KPIs were impacted:

- Eligible women screened for breast cancer (KPI 1.1)
- Elective Surgery (KPIs 9.1, 10.1, 10.2, 13.3 and 13.4)
- Dental Weighted Activity Units (KPI 13.5).

Performance Responses

Performance monitoring and reporting on the deliverables and targets within the 2019-20 Service Plan occur monthly to identify and respond to emerging performance issues in accordance with the THS Performance Framework; which is the mechanism for oversight of the performance of the THS.

From March 2020, monthly performance reports were reviewed by the Health Executive as the streamlined governing structure comprising Department and THS Executives. Prior to this they were provided to the State Health Service Joint Executive.

During 2019-20, the following Service Plan KPIs were progressed to Performance Response Level 2, in accordance with the THS Performance Framework:

- Initial Reportable Event Briefs sent to the Department's Clinical Governance Officer within 48 hours
- Root Cause Analysis reports sent to the Department's Clinical Governance Officer within 70 calendar days
- Discharge summaries transmitted within 48 hours of separation
- Ambulance offload delay - within 15 minutes
- Ambulance offload delay - within 30 minutes
- Emergency Department patients with an Emergency Department (ED) length of stay less than four hours
- Patients admitted through the ED with an ED length of stay less than eight hours
- Emergency Department patients with an ED length of stay less than 24 hours
- Emergency Department presentations seen within recommended time – all Triage categories
- Variation from funding - full year projected.

Emergency Department performance and patient flow action plan reporting continued to Health Executive (State Health Joint Executive) through the ED Access Solutions project which subsequently transitioned into the Access Solutions and Patient Flow Program. Reporting on other KPIs continued through the standard monthly reporting process.

Performance Domain	KPI No.	KPI Name	KPI Target	2019-20 End of Year Result ¹
Effectiveness	1.1	Eligible women screened for breast cancer ¹	36 149 (statewide)	29 487
	1.2	Clients assessed within 28 days of a screen-detected abnormality	Not less than 90% (statewide)	94.3%
Safety	2.1	Hand Hygiene compliance ²	RHH (≥80%)	80.4%
			LGH (≥80%)	82.4%
			NWRH (≥80%)	80.3%
			MCH (≥80%)	87.6%
	2.2	Healthcare associated staphylococcus aureus (including MRSA) bacteraemia infection rate per 10 000 patient days ³	RHH (≤2.0 per 10 000)	1.2
			LGH (≤2.0 per 10 000)	1.2
			NWRH (≤2.0 per 10 000)	0.3
			MCH (≤2.0 per 10 000)	1.2
	3.1	Mental Health inpatient seclusion rate (events per 1 000 patient days)	Less than 8 per 1 000 (Statewide)	7.4
	4.1	Initial Reportable Event Briefs sent to the Department's Clinical Governance Officer within 48 hours ³	Not less than 80% (statewide)	50.0%
4.2	Root Cause Analyses sent to the Department's Clinical Governance Officer within 70 calendar days ³	Not less than 80% (statewide)	33.3%	
Appropriateness	5.1	Consumer experience – per cent of clients surveyed ⁴	RHH (≥30%)	15.4%
			LGH (≥30%)	35.0%
			NWRH (≥30%)	23.6%
			MCH (≥30%)	26.8%
	5.2	Consumer experience – per cent of responses expressing satisfaction ⁵	RHH (≥80%)	80.0%
			LGH (≥80%)	80.8%
Accessibility	6.1	Re-admissions within 28 days - Mental Health ⁶	Not more than 14% (statewide)	13.4%
	6.2	Post discharge community care follow up within seven days – Mental Health	Not less than 85% (statewide)	70.7%
	7.1	Discharge summaries transmitted within 48 hours of separation	Not less than 100% (statewide)	57.5%

Performance Domain	KPI No.	KPI Name	KPI Target	2019-20 End of Year Result ¹
Accessibility	8.1	Ambulance offload delay - within 15 minutes	RHH (≥85%)	68.8%
			LGH (≥85%)	69.6%
			NWRH (≥85%)	90.4%
			MCH (≥85%)	92.7%
	8.2	Ambulance offload delay - within 30 minutes	RHH (100%)	75.6%
			LGH (100%)	75.7%
			NWRH (100%)	95.1%
			MCH (100%)	96.2%
	9.1	Elective Surgery Category 1 – admit within recommended time ⁷	100%	68.0%
	10.1	Elective Surgery Category 2 – treat in turn rates ⁷	Not less than 60%	16.3%
	10.2	Elective Surgery Category 3 – treat in turn rates ⁷	Not less than 60%	17.7%
	11.1	Emergency patients with an Emergency Department (ED) length of stay less than four hours	RHH (≥90%)	56.5%
			LGH (≥90%)	53.2%
			NWRH (≥90%)	63.5%
			MCH (≥90%)	77.6%
	11.2	Patients admitted through the ED with an ED length of stay of less than eight hours	RHH (≥90%)	58.8%
			LGH (≥90%)	55.6%
			NWRH (≥90%)	67.5%
			MCH (≥90%)	76.6%
	11.3	Patients with an ED length of stay less than 24 hours	RHH (100%)	96.9%
			LGH (100%)	93.9%
			NWRH (100%)	99.1%
			MCH (100%)	99.3%
	12.1	ED presentations seen within recommended time - Triage I	RHH (100%)	100.0%
LGH (100%)			100.0%	
NWRH (100%)			100.0%	
		MCH (100%)	100.0%	
12.2	ED presentations seen within recommended time – all Triage categories	RHH (≥80%)	59.1%	
		LGH (≥80%)	60.8%	
		NWRH (≥80%)	71.1%	
		MCH (≥80%)	78.5%	

Performance Domain	KPI No.	KPI Name	KPI Target	2019-20 End of Year Result ¹
Accessibility	12.3	ED presentations who do not wait to be seen	RHH ($\leq 5\%$)	3.4%
			LGH ($\leq 5\%$)	4.5%
			NWRH ($\leq 5\%$)	4.0%
			MCH ($\leq 5\%$)	3.0%
	13.1	National Weighted Activity Units	163 312	151 502
13.2	Elective surgery admissions (baseline) ⁷	14 500	14 617	
13.3	Women's Health Initiative – Elective surgery admissions ⁷	458	366	
13.4	Australian Government – Additional elective procedures and surgery funding ⁷	2 248	1 427	
13.5	Dental Weighted Activity Units ⁹	44 153	37 368	
Efficiency and Sustainability	14.1	Variation from funding - full year projected	Expenditure within funding allocation	The THS achieved a balanced budget
	15.1	Admitted patient episode coding (clinical coding) including contracted care – timeliness within 42 days of separation (March 2020)	Not less than 100 per cent (Statewide)	49.8%
	15.2	Admitted patient episode coding (clinical coding) including contracted care – accuracy within 30 days of advice of error from the Department (April 2020) ⁸	Not less than 100 per cent (Statewide)	90.9%

Notes:

- This Key Performance Indicator (KPI) has been affected by the impacts of COVID-19. During 2019-20, the number of 'Eligible women screened for breast cancer' was affected due to COVID-19 related service closures.
- Preliminary result only, includes two of the three audit periods.
- Preliminary result only, includes the nine months to March 2020. Significant work has been undertaken to improve this KPI in the April to June quarter and meet accreditation audit targets.
- While the 2019-20 Service Plan did not specify a target for this KPI, current literature indicates a survey response rate of 30 per cent is considered acceptable.
- While the 2019-20 Service Plan did not specify a target for this KPI, current literature indicates a satisfaction level of 80 per cent is considered acceptable.
- This KPI has been affected by the impacts of COVID-19. Closure of the North West Regional Hospital on 13 April 2020 due to COVID-19 stopped any new admissions and potential readmissions from March 2020.
- This KPI has been affected by the impacts of COVID-19. All non-urgent elective surgery was suspended between 25 March and 27 April 2020, only Category 1 and some exceptional Category 2 surgery was performed during this period. From mid-May elective surgery began being restored back toward normal activity.
- Preliminary result only, includes the 11 months to May 2020.
- This KPI has been affected by the impacts of COVID-19. Only emergency dental surgery was undertaken during the COVID-19 reduced service period.

Quality and Patient Safety

The clinical governance, quality and patient safety services section of the Department support clinicians and staff who are accountable for the quality of care, continuous improvement in health outcomes, risk minimisation and fostering a culture of safety for patients who have contact with Tasmanian publicly funded health care services. Key initiatives delivered in 2019-20 are listed below.

Governance Frameworks

Quality Governance Framework

The *Quality Governance Framework for Tasmania's Publicly Funded Health Services* has now been completed. It is a progression from the Statewide Clinical Governance Framework for Tasmania's Public Healthcare System which was endorsed by the Minister in 2013. This iteration and its accompanying suite of support documents endeavours to ensure that structures, systems and processes are in place to define the minimum acceptable standard of quality and safety in service delivery in the Tasmanian health services.

Clinical Governance Framework

In 2019, the *Tasmanian Health Service (THS) Clinical Governance Framework* was implemented as a core requirement mandated under the National Safety and Quality Health Service Standards (NSQHS), 2nd ed, Standard 1 'Clinical Governance Standard (1.1-1.2). It also aligns to the requirement of the Quality Governance Framework.

The THS Clinical Governance Framework is aligned to the Australian Commission on Safety and Quality in Health Care (ACSQHC) National Model Clinical Governance Framework and seeks to:

1. Describe THS clinical governance structures and processes.
2. Define key roles and responsibilities in achieving effective clinical governance.
3. Embed a fractal quality governance approach to link all levels of the organisation, support peer learning and accountability and effectively use available resources.
4. Enable services to define meaningful key priorities and align strategic directions for safe high-quality clinical care.
5. Achieve alignment with THS Business Plans and Quality Improvement Plans.

The THS Clinical Governance Framework is supported by a range of governance standards and structures, and quality, compliance, risk management and audit frameworks.

Electronic Patient Safety Systems

Audit is a key component of monitoring safe systems and enables assessment of performance against identified regulatory standards. The NSQHS Standards and Aged Care Quality Standards (ACQS) require audit to validate compliance to safe systems and to demonstrate effective quality improvement where opportunities have been identified.

The THS Clinical Governance Framework requires the service to use an organisation-wide system that collects, analyses and evaluates the quality of performance data to drive improvements and report performance outcomes, as part of its Patient Safety and Quality Improvement Systems component.

In September 2019, the online auditing program Measurement Analysis Reporting Solution (MARS) to capture and report audit data was implemented. The aim of MARS is to introduce a system that will streamline auditing processes, reduce variation in audit methodology and increase governance through increased transparency of results.

From February 2020, the THS has been reporting deaths to Births Deaths and Marriages and the Coroner's Office electronically via the Safety Reporting and Learning System. This new initiative has significantly enhanced the reporting of deaths, not only improving the timeliness, but standardisation of the death reporting across the state. This work was driven using the knowledge and skills of clinicians, patient safety services, external stakeholders, IT and Department project management specialists.

Health Service Consumer Engagement

We welcome consumer feedback and engagement as it helps us to review and improve health services. Formal consumer feedback interactions were recorded as follows in 2019-20:

- 1 117 Compliments
- 1 289 Complaints.

In 2019-20, we commenced patient experience surveys in accordance with the Australian Hospital Patient Experience Question Set. The quality of treatment and care received by patients showed that 89 per cent rated their experience as Good or Very Good.

Several Departmental policy documents were reviewed and updated to ensure appropriate clinical governance structures, systems and processes are in place and that these policies have taken patient and consumer needs into account. This included reviews and reworks of:

- Policy on Safety Event Management incorporating the statewide CARE Call process, a safety net that enables a CARE Call process to be enacted for patients whose family members/carers note a deterioration in the patient's condition.
- Policy on Open Disclosure clarifying the Department's mandatory requirements with policy compliance and supporting the achievement of a more open culture and a consistent statewide approach to discussing errors with patients and/or their family members/carers.
- Clinical Consent Policy to achieve minimum mandatory requirements for healthcare professionals in obtaining a patient's valid, informed consent to treatment and promoting a collaborative healthcare culture that supports and encourages consumers and their families to ask questions, be presented with all treatment options (including doing nothing), and have their values and preferences be heard in a process of shared decision making.
- Separation Summary Policy to achieve minimum mandatory requirements and timeframes for communicating what occurred while the patient was admitted to hospital or the Emergency Department and what the expectations are for care once the patient separates from the hospital. This communication is for both patients and the primary health care providers and should be distributed within 48 hours of discharge from the hospital.

Accreditation

Accreditation is a crucial part of ensuring the safety and quality of our health system, as it gives both government and the community assurance that systems are present in health services to protect the public from harm and improve the quality of health service provision. In early 2020, the THS transitioned to undertaking NSQHS Short Notice Assessment Pathway (SNAP). Health Services are given 48 hours' notice prior to the assessment teams onsite visit. Services that are required to comply with the ACQS already participate in short notice unannounced surveys.

The NSQHS standards have been developed by the ACSQHC. The eight Standards, which provide a nationally consistent statement on the standard of care consumers can expect from their health service, outline Clinical Governance, Partnering with Consumers, Preventing and Controlling Healthcare Associated Infection, Medication Safety, Comprehensive Care, Communicating and Safety, Blood Management, and Recognising and Responding to Acute Deterioration. All Australian hospitals, day procedure centres and public dental services must be accredited against the Standards.

The ACSQHC requires Health Service organisations to submit an annual Attestation Statement to their accrediting Agency. Attestation is a formal process that involves authorised officers of a health service organisation confirming compliance, in this case to the NSQHS Standards. This occurred in September 2019, with the Secretary attesting that a robust system of Clinical Governance was present across the organisation. Each annual attestation statement covers the previous 12-month period.

Area	Last Survey	Last Accreditation Event
Primary Health North - Commonwealth Home Support	Home Care Standards	March 2018
South Community Health Nursing and Home Care Commonwealth Home	Home Care Standards	December 2018
Alcohol and Drug Services	National Safety and Quality in Health Care Standards	March 2017
Forensic Health Services	National Safety and Quality in Health Care Standards	March 2017
Launceston General Hospital	National Safety and Quality in Health Care Standards	May 2018
Mersey Community Hospital	National Safety and Quality in Health Care Standards	11 February 2020
North West Community Health Nursing and Home Care	National Safety and Quality in Health Care Standards	February 2019
North West District Hospitals (Smithton, King Island and West Coast)	National Safety and Quality in Health Care Standards	July 2016 Periodic Review October 2018
North West Regional Hospital	National Safety and Quality in Health Care Standards	11 February 2020
Primary Health North (District Hospitals)	National Safety and Quality in Health Care Standards	May 2018
Statewide Mental Health Services	National Safety and Quality in Health Care Standards	March 2017 May 2018 (North)
Statewide Oral Health Service	National Safety and Quality in Health Care Standards	March 2016
THS South (RHH subacute, New Norfolk and Midlands Multipurpose Health Centres)	National Safety and Quality in Health Care Standards	4 February 2020
Flinders Island Residential Aged Care	Residential Aged Care Standards	March 2019
Lyell House	Residential Aged Care Standards	January 2019
Midlands Residential Aged Care	Residential Aged Care Standards	11 October 2018
Netherby Home	Residential Aged Care Standards	February 2018

Consumer and Community Engagement

The Department is committed to providing the Tasmanian community with opportunities to engage in planning and decision-making processes to ensure that its policies, programs and services are effective and appropriate. Engagement with the community enables the development of more resilient relationships with stakeholders and clients and can improve the quality of policies and services by making them more practical and relevant. This year consumers have participated and worked with us on activities like sitting on interview panels, being working group members and reviewing consumer literature and communications.

We recognise the support of the many stakeholders, volunteers, auxiliaries and community groups who help us to continue providing health care to our community.

Some examples of how the Department engages with the community are detailed below.

Lesbian, Gay, Bisexual, Transgender Intersex Queer+

The Department's Lesbian, Gay, Bisexual, Transgender, Intersex and Queer+(LGBTIQ+) Reference Group was established in 1999. Membership includes representatives from the Department, community organisations and Primary Health Tasmania to work collaboratively to improve health outcomes and access to services for LGBTIQ+ Tasmanians.

The Group works in line with the principles and action areas of the LGBTIQ+ Whole of Government Framework to improve our services to be more LGBTIQ+ friendly. This is through professional development for our staff; networking for our staff with diverse sexualities and gender identities; and improve information systems to enable recording of diverse sexuality and gender identities.

The Department provides funding for several community-based organisations that work with LGBTIQ+ people, including Working it Out and TasCAHRD.

Better Healthcare for Aboriginal People

Culturally respectful healthcare is essential to improve Aboriginal health and wellbeing and close the gap in health outcomes between Aboriginal and non-Aboriginal people.

Staff are working to improve cultural respect through participation in cultural awareness training, partnerships with Aboriginal community-controlled organisations, Acknowledgements of Country, improved visibility of Tasmanian Aboriginal people and culture in our health system and working in line with the Aboriginal Cultural Respect in Tasmania's Health Services – Community Consultation Report and the national Cultural Respect Framework for Aboriginal and Torres Strait Islander Health 2016–2026.

The 'Ask Away' film project with a series of four short episodes exploring lived experiences of Aboriginal people in Tasmania is in the final stages of production. The project shares a uniquely Tasmanian perspective through an all Aboriginal cast and production crew. The series explores identity, stereotypes, feeling welcome and history. It will be used to complement existing online learning resources and for other face to face cultural respect staff training opportunities.

Multicultural communities

The Department funds the Australian Red Cross to deliver the statewide Bi-cultural Health Program. This program works within a community development framework, assisting newly arrived individuals, groups and communities of culturally and linguistically diverse backgrounds (especially those from refugee backgrounds) to better understand and independently access the health system.

Tasmania's migrant communities have skilled, respected, informed and connected community leaders who have long played a key role in the health and wellbeing of communities. Working with communities and their leaders continues to be a key strategy.

Consumer and Community Engagement Councils and Health Consumers Tasmania

The Department is guided in its approach to consumer and community engagement by the National Safety and Quality Health Service, Governance and Partnering with Consumers Standards. To enable this approach, three regional Consumer and Community Engagement Councils (CCEC) are supported. Each of the regional CCECs provide an opportunity for members of the Tasmanian community to participate actively in shaping the direction of health services through contributing their unique consumer perspective in the interests of patients and other users of the health service. This engagement enables the organisation to have consumers as partners in planning, design, delivery, measurement and evaluation of services to improve systems, direct resources and ensure patients are partners in their own care.

Under the *Tasmanian Health Service Act 2018*, a Consumer Advisory Panel was established, bringing together the Chairs of each CCEC throughout the year to discuss issues health service issues that matter to consumers and community.

The Consumer and Community Engagement Councils have engaged in a number of positive activities such as focusing on recruitment for experienced and varied consumer members through engaging with Health Consumers Tasmania (HCT), training for members focussing on consumer objectives, the development of the Consumer and Community Engagement Principles, review of the THS Consumer Rights and Engagement Policy, and The Patient Will See You Now THS, Consumer Engagement Model of Care: A Framework for Patient Centred Care.

Engaging consumers consistently in our health system is important to strengthening our governance structure. And we continue to build on existing relationships with the Consumer and Community Engagement Councils.

Along with Primary Health Tasmania, the Department also funds HCT. HCT is Tasmania's peak health consumer organisation and provides a voice for consumers, carers and communities to help improve health services and the Tasmanian health system.

Reporting

Health System Dashboard

The Health System Dashboard 'HealthStats' is released each quarter to provide transparent and timely information on our health system to ensure accountability and openness. It can be found at <https://www.healthstats.dhhs.tas.gov.au/>.

Publications

For the Public

We develop plans and strategies to ensure we are providing effective and efficient care and support for all Tasmanians. These publications can be found at [www.health.tas.gov.au/about the department/our plans and strategies](http://www.health.tas.gov.au/about-the-department/our-plans-and-strategies).

Journal articles, books and chapters by staff can be found at [www.health.tas.gov.au/about the department/publications/annual reports](http://www.health.tas.gov.au/about-the-department/publications/annual-reports).

For Staff

We produce numerous regular internal publications to keep our staff up to date on important work-related issues. For example, all staff receive regular communications from the Secretary.

Library Services

Library Services supports staff information and research needs. It comprises the Wingfield Library and Ambulance Tasmania Library in the south, and the Ramsay Library and Buttfield Library in the north.

Library Services publish academic research and publications written by our staff in its monthly Who's in Print newsletter.

Our Electronic Portal for Online Clinical Help allows users to search for quality health information simply and quickly.

Publications

A list of high-level publications released in 2019-20 follows.

Key Publications 2019-20	
2019-20 Service Plan Tasmanian Health Service	2019
Annual Report on Health Services in Tasmania 2018-19	2019
COVID-19 North West Regional Hospital Outbreak Interim Report	2020
Mental Health Integration Taskforce Report	2019

Research

There has been significant progress in establishing a research framework and strategy with growth in research collaborations with other health care providers and the university sector.

A major program of work continues in the public hospital and ambulance sectors to improve and establish clear governance processes for conducting clinical trials and investigator-initiated research projects. A Research Governance Policy Framework; Research Strategy and suite of Standard Operating Procedures provides focus to consumer engagement in research and aligns with the National Safety and Quality Health Service Standards. The national standards give the consumer confidence that the treatment they receive ensures their well-being and meets the highest quality and safety standards.

The Department continues to scope electronic research governance management tools to further streamline ethics and governance processes and increase visibility to researchers, health care providers and the community sector to have greater understanding of the research being conducted and outcomes achieved.

Strong collaboration exists between the University of Tasmania and other higher education providers, the Clifford Craig Foundation and the Royal Hobart Hospital Research Foundation, fostering and supporting local research on issues that matter to Tasmanians and Tasmanian researchers.

Research and Trial information can be found at: www.health.tas.gov.au/research.

Workforce

Several positive workplace initiatives were undertaken in 2019-20. A few examples are listed below.

With business unit investment, we continued to centrally support training and development of staff, through delivering internal face-to-face and online courses, and supporting the coordination of several State Service development initiatives through activities including:

- The continued rollout of the Standard Adult Mental Health First Aid training to employees; training another 147 staff in this well-respected national program.
- Supporting employee participation in management and leadership development opportunities, including the State Service Strategic Management Program (S3MP), the Manager Essentials Program, our pilot Women in Leadership program, and development opportunities offered through the Tasmanian Training Consortium and the Australian and New Zealand School of Government.
- Continuing to offer HECS-free and scholarship opportunities in postgraduate tertiary qualifications study through our Academic Program, provided in partnership with the University of Tasmania.
- Providing comprehensive training and support for clinical employees, supporting them to meet registration and accreditation requirements and on-going professional development.

We support entry-level career pathways into the Department, such as through hosting trainees, supporting our Transition to Practice Nursing program, Medical and Ambulance Internships and Graduate Programs, as well as participating in the whole-of-government Graduate Program. We also worked with the Office of the Chief Nurse to implement a placement program for nurses and midwives seeking re-entry to the workforce following a hiatus.

In partnership with Family Violence Counselling and Support Service, we continued to implement positive workplace initiatives associated with taking action on family violence, such as:

- Rolling out new face-to-face manager training and e-learning modules for staff on supporting colleagues experiencing family violence (in the reporting period 1 365 people participated).
- Developing a new package of resources for managers and employees to help them to support their colleagues experiencing violence (including factsheets, guides and a template Safety Plan).
- Running another successful Share the Dignity Drive, collecting over 400 bags full of everyday luxuries from employees to donate to Family Violence Counselling and Support Service clients.
- Co-hosting the Walk for the Elimination of Violence Against Women.

We also work with business units and key stakeholders to progress work under whole-of-government diversity and inclusion strategies. For example:

- We acknowledged Days of Significance, such as celebrating Mental Health Week, World Suicide Prevention Day and R U Ok Day.
- The Department held celebrations for NAIDOC Week across the state between 7-14 July 2019, celebrating this year's theme of 'Voice. Treaty. Truth.' Organised by the Department's Aboriginal Liaison Officers, this included lunchtime and breakfast celebrations with employees and community members at the Royal Hobart and Launceston General Hospitals, screenings of the film 'Vote Yes' for employees, and cultural displays.
- Staff marched under our Department and THS banner at this year's Pride Parade in Hobart on 8 February 2020 as a celebration of Tasmania's LGBTIQ+ community.
- We launched the Disability Confident Workforce e-learning module, as part of our commitments under our Disability Action Plan.

Current Workforce Profile

Total Number of Full Time Equivalent (FTE) Paid Employees by Award

	2018-19	2019-20 ¹
Allied Health Professional	1 043.13	1 086.49
Ambulance	423.94	487.34
Dental	36.87	35.98
Health and Human Services	3 674.22	3 796.76
Medical Practitioners	988.85	1 048.36
No Award	2.18	3.32
Nursing	4 027.65	4 221.99
Radiation Therapist	53.36	56.33
Senior Executive Service ²	19.00	22.00
Visiting Medical Officers ³	44.15	42.17
Total	10 313.35⁴	10 800.74

Note:

1. The increase in total FTE for the period 2019-20 primarily reflects increased staffing to support the opening of additional needs in K-Block (Royal Hobart Hospital) and to support service delivery and response during COVID-19.
2. Senior Executive Services figures include Head of Agency.
3. Includes Rural Medical Practitioners.
4. Figure includes Head of Agency.

Total Number Paid by Employment Category¹

	2018-19	2019-20
Permanent full-time	3 807	4 076
Permanent part-time	5 740	6 087
Fixed-term full-time	1 058	976
Fixed-term part-time	1 189	1 133
Part 6 ¹	29	31
Casual	1 291	1 313
Total	13 114	13 616

Note:

1. Head of Agency, holders of Prescribed Offices and Senior Executives and equivalents.

Total Number of Paid Employees by Award 2019-20

Allied Health Professional	1 323
Ambulance Tasmania Award	521
Dental Award	51
Health and Human Services	4 699
Medical Practitioners	1 171
No Award	6
Nursing	5 589
Senior Executive Service ²	22
Radiation Therapist	61
Visiting Medical Officers ¹	173
Total	13 616

Note:

1. Includes Rural Medical Practitioners.
2. Includes Head of Agency.

Total Number of Paid Employees by Age Profile

	2018-19	2019-20
15-19 years	44	59
20-24 years	806	880
25-29 years	1 344	1 481
30-34 years	1 442	1 537
35-39 years	1 382	1 497
40-44 years	1 280	1 327
45-49 years	1 554	1 522
50-54 years	1 736	1 727
55-59 years	1 847	1 807
60+ years	1 679	1 779
Total	13 114	13 616

Gender Diversity

Gender Profile

The Department's gender profile has been relatively stable over the past four years. As at 30 June 2020, the overall gender profile was 24.74 per cent male, 75.25 per cent female and 0.01 per cent Indeterminate/Intersex/Unspecified.

	2018-19	2019-20
Male	3 211	3 369
Female	9 902	10 246
Indeterminate/Intersex/Unspecified	1	1
Total	13 114	13 616

Senior Executive Service

The *Tasmanian Women's Strategy 2018-2021* and *Gender Diversity in the State Service Policy* have identified developing women's leadership and participation as a key priority to support gender equality for the benefit of the whole community.

As part of our commitments under these strategies, we have committed to achieving 50/50 gender diversity in the Senior Executive Service, with a goal of at least 40 per cent representation women by 2020. The Senior Executive Service profile (including Head of Agency) in the reporting period was 52 per cent male and 48 per cent female. The Head of Agency is female.

Senior Executive Service by Gender¹

	2018-19	2019-20
Male	10	11
Female	9	11
Total	19	22

Note:

1. Table excludes Acting Senior Executive Service (SES) arrangements and includes Head of Agency.

Senior Executive Service Level by Gender¹

	2018-19		2019-20	
	Male	Female	Male	Female
SES 1	3	2	3	3
SES 2	1	6	0	6
SES 3	5	0	7	1
SES 4	0 ²	1	1	0
Head of Agency	1	0	0	1
Total	10	9	11	11

Note:

1. Table excludes Acting SES arrangements.
2. The 2018-19 figure has been correctly updated.

Classifications by Gender

The following information identifies the gender profile of employee classification groups in 2019-20. Data is by headcount and data has been removed that might identify the individual that has self-selected Indeterminate/Intersex/Unspecified.

Allied Health Professionals¹

Classification	Male	Female
AHP 1-2	87	416
AHP 3	105	474
AHP 4	50	116
AHP 5	28	42
AHP 6	2	2

Note:

1. This does not include Allied Health Professionals employed as an SES Equivalent Specialist under Part 6 of the *State Service Act 2000*.

Ambulance

Classification	Male	Female
Paramedic Intern	26	20
Paramedic	128	128
Clinical Support Officer	7	7
Paramedic Educator	9	2
Communications Officer	3	6
Emergency Medical Dispatch Officer	20	28
Branch Station Officer	63	16
Ambulance Manager	38	19

Dental Officers

Classification	Male	Female
DO 1-3	26	20
DO 4	4	0
DO 6	1	0

General Stream

Classification	Male	Female
Bands 1-5	385	1 676
Bands 6-8	163	240
Bands 9-10	3	3
Graduate	6	3
Health Services Officer	647	1 487
Information and Communication Technology	76	10

Medical Practitioners

Classification	Male	Female
Rural Medical Practitioner	25	12
Visiting Medical Practitioner	89	47
Intern	41	52
Resident	87	89
Senior Resident	3	4
Registrar	198	175
Senior Registrar - Fellow	2	0
Senior Registrar – Dual Fellow	0	1
Career Medical Officer	19	9
Specialist	213	161
Senior Specialist	90	27

Nursing

Classification	Male	Female
Grade 1	14	92
Grade 2	58	510
Grade 3-4	455	3 330
Grade 5	76	413
Grade 6	43	332
Grade 7	29	139
Grade 8	10	74
Grade 9	4	10
Chief Nurse I		1

Note:

I. The Chief Nurse is employed as an SES Equivalent Specialist under Part 6 of the *State Service Act 2000*.

Radiation Therapists

Classification	Male	Female
RT 1-2	7	29
RT 3	6	9
RT 4	6	1
RT 5	1	2

Workplace Health and Safety

The Department recognises the importance of Work Health and Safety (WHS). We strive for continual improvement in the WHS environment and support a range of activities and strategies.

In 2019-20, WHS initiatives have included:

- Regular review and updating of policies, procedures and training materials relating to Safety, Health and Wellbeing with ongoing WHS training provided for all staff, including manager/supervisor and Officer training.
- A Peer Support Program has been established to better support staff within the THS, with the Ambulance Tasmania program continuing to provide a valued support to all staff and volunteers.
- The continuation of Mental Health First Aid Training and Connecting with People Program.
- Implementation of the Ambulance Offload Delay Protocol, Procedure and Policy for the Royal Hobart Hospital.
- Ambulance Tasmania continues to work with the Department of Police, Fire and Emergency Management to deliver the Wellbeing Program across the emergency services.
- A renewed and expanded focus on workplace inspections and associated training.
- Assistance in development, implementation and review of the COVID Safety Plans across the Department, for all sites and facilities.
- Development of a combined WHS risk register.

- Increased focus on Risk Assessing of new equipment prior to implementation/release and potential high-risk activities undertaken by Ambulance Tasmania.
- Providing of a wellbeing team step challenge, that was open to all staff.
- Establishment of an online resilience and self-care program for North West staff in response to COVID-19, inclusive of peer support training.
- Development of online training resources for Manual Handling and Occupational Violence to address deficiencies in not being able to deliver face to face training.

Workplace Health and Safety Key Measurable Objectives¹²

Objective	Measures/Targets	DoH Outcomes		THS Outcomes	
		2018-19	2019-20	2018-19	2019-20
Reduce the total number of workers compensation claims	Number of injuries resulting in new workers compensation claims	65	82	516	544
Reduce cost of workers compensation	Total cost of workers compensation (including carry over claims)	\$5.30 million	\$5.84 million	\$15.49 million	\$17.11 million
Reduce the Lost Time Injury Frequency Rate (LTIFR)	Percentage of injuries resulting in >1 day off work per 1 000 000 hours worked	21.1	26.9	22.2	24.0
Reduce the Lost Time Injury Severity Rate (LTISR)	Number of days lost per 1 000 000 hours worked	2 451	3 730	1 220	1 587

Note:

1. At the time of writing, work health and safety is managed by separate teams for the Department and the THS, and as such, the above data has been kept distinct.
2. There are 46 Workers Compensation claims that are attributed to the COVID-19 situation at the North West Regional Hospital.

Awards and Agreements

In 2019-20, several Agreements with public sector unions were finalised and implemented

The following is a list of current industrial instruments covering wages and conditions for the various employee cohorts in the Department.

Administrative and Operational

- Health and Human Services (Tasmanian State Service) Award
- Public Sector Unions Wages Agreement 2019

Allied Health Professionals

- Health and Human Services (Tasmanian State Service) Award
- Allied Health Professionals Public Sector Unions Wages Agreement 2019
- Radiation Therapists Agreement 2019

Ambulance Tasmania

- Tasmanian Ambulance Service Award
- Ambulance Tasmania Industrial Agreement 2019

Dental Officers

- Health and Human Services (Tasmanian State Service) Award
- Dental Officers Agreement 2019

Medical Practitioners

- Medical Practitioners (Public Sector) Award
- Rural Medical Practitioners (Tasmanian State Service) Agreement 2018
- Rural Medical Practitioners (Public Sector) Agreement 2017
- Rural Medical Practitioners (Public Sector) Agreement 2011
- Rural Medical Practitioners (Public Sector) Agreement 2009
- Salaried Medical Practitioners (Tasmanian State Service) Agreement 2017
- Salaried Medical Practitioners (AMA Tasmania/DHHS) Agreement 2009
- Tasmanian Visiting Medical Practitioners (Tasmanian State Service) Agreement 2018
- Tasmanian Visiting Medical Practitioners (Public Sector) Agreement 2016
- Department of Health and Human Services Tasmanian Visiting Medical Practitioners (Public Sector) Agreement 2009

Nurses and Midwives

- Nurses and Midwives (Tasmanian State Service) Award
- Nurses and Midwives (Tasmanian State Service) Agreement 2019
- Nurses and Midwives (Tasmanian State Service) Interim Agreement 2013

- Nurses and Midwives Work Value Agreement 2015
- Caseload Midwifery Industrial Agreement 2019

Various

- Department of Health and Human Services - Roy Fagan Centre Shift Work Arrangements Agreement 2020
- Department of Health and Human Services - Wilfred Lopes Centre - Care Assistant Shift Arrangements 2006
- Department of Health and Human Services Northside Clinic Attendant Shift Arrangements Agreement 2010
- Department of Health and Human Services Mental Health Services NW Crisis Assessment Team 10 Hour Shift Arrangements Agreement 2012
- Tasmanian Health Service - Southern Region Microbiology Laboratory Agreement 2016
- Department of Health and Human Services Public and Environmental Health Services Staff Availability and Recall Agreement 2015

3

SUPPLEMENTARY INFORMATION

Capital Works

During 2019-20, construction commenced on the Campbell Town, George Town and St Helens Ambulance Stations (under the Statewide Rural Hospital and Ambulance Station Upgrade Fund), the Launceston General Hospital (LGH) carpark expansion, Level 5 Airbridge and 39 Frankland Street refurbishment, the Mersey Community Hospital (MCH) new carparking and lift refurbishment and Stage 2 of the King Island Hospital Redevelopment.

Works continue on the expansion and redevelopment of the 4K Children's Ward at the LGH with Stage 1 completed during 2019-20.

Completion and occupancy of the new Royal Hobart Hospital (RHH) K-Block was a significant achievement in 2019-20.

COVID-19 restrictions had significant impact on progress of the Capital Works Program during 2019-20, causing delays to most projects including Stage 2 of the King Island Hospital Redevelopment, Better Accommodation for Health Professionals on Flinders Island, the Statewide Rural Hospital and Ambulance Program, Royal Hobart Hospital Stage 2 and LGH Redevelopment.

Completed Major Capital Works 2019-20

Completed Major Capital Works in 2019-20	Total Cost \$'000
Ambulance Tasmania Training Equipment and Stretchers	1 100
Community Rapid Response Establishment	360
Glenorchy Health Centre	21 141
Kingston Health Centre	6 488
Royal Hobart Hospital Redevelopment K-Block	589 236 ¹
Statewide Cancer Services	63 073
St Helens District Hospital	11 935 ²

Notes:

1. Forecast final cost taking into account outstanding variations and includes the capital works element of the project.
2. Construction for the St Helens District Hospital was completed in February 2019. The final expenditure occurred in 2019-20.

Ongoing Major Capital Works 2019-20

	2019-20 Expenditure	Estimated total cost	Estimated cost to complete	Estimated completion year
Ongoing Major Capital Works in 2019-20	\$'000	\$'000	\$'000	
27 New Mental Health Beds in Southern Tasmania	1 243	20 740	19 348	2021-22
Aeromedical Helicopter Services ¹	467	1 615	581	2020-21
Air Conditioning Upgrades – Statewide ⁷	384	5 900	4 276	2020-21
Better Accommodation for Health Professionals on Flinders Island ^{1,2}	20	690	580	2020-21
Burnie Ambulance Station ¹	165	6 000	5 795	2022-23
Campbell Town Ambulance Station	1 037	2 960	1 862	2020-21
Glenorchy Ambulance Station ¹	131	6 000	5 798	2022-23
Health Transport and Coordination Infrastructure	886	10 000	2 570	2020-21
Launceston General Hospital - More Car Parking	2 379	5 000	2 332	2020-21
Launceston General Hospital - Redevelopment	11 066	87 331	75 240	2023-24
Launceston General Hospital - Ward 4K ⁸	2 465	9 664	1 048	2020-21
Maternity Services at the North West Regional Hospital ⁴	69	4 300	4 191	2021-22
Mersey Community Hospital Capital Upgrades ⁵	575	37 386	32 969	2022-23
Midlands Multipurpose Centre (Oatlands Hospitals) Upgrade	1 939	2 500	11	2020-21
Public Building Maintenance Fund ³	316	16 000	15 685	2020-21
Royal Hobart Hospital Pharmacy Redevelopment	18	3 761	3 743	2021-22
Royal Hobart Hospital Stage 2 Redevelopment (RHH Ward Upgrades)	1 331	91 080	89 749	2023-24
Smithton Ambulance Training Facility	42	1 130	1 018	2020-21
Stage 2 of the King Island Hospital Redevelopment ¹	2 732	10 500	7 254	2020-21
Statewide Hospital Critical Facility Upgrades ⁶	83	6 990	3 304	2021-22
Statewide Rural Ambulance Station Upgrade Fund ³	739	10 000	9 165	2022-23
Statewide Rural Health Facility Infrastructure Upgrades	736	4 700	2 600	2021-22
Statewide Rural Hospital Upgrade Fund ³	2 381	15 000	12 176	2022-23

Notes:

1. This has been affected by the impacts of COVID-19. COVID-19 restrictions has led to delays in the work.
2. \$190 000 transferred from Statewide Rural Hospitals Upgrade.
3. The Statewide Rural Hospital and Ambulance Station Upgrade Fund are now two separate items as additional funding was provided in 2019-20.
4. \$2.2 million transferred from Statewide Hospital Critical Facility Upgrades.
5. Revised budget includes a \$454 000 contribution from Mersey Community Hospital (MCH) untied funds towards the Lift Replacement project, and a transfer of MCH SCIF Funds of \$950 000 in 2019-20 and \$979 000 in 2020-21 towards the additional carpark project.
6. Estimated total cost reduced due to budget transfers to LGH Ceiling Tile Compliance (\$650 000), LGH Ward 4K (\$660 000) and Ante-Natal Clinic at the North West Regional Hospital (\$2.2 million).
7. Total project cost increased due to LGH Ceiling Tile Compliance.
8. Total project cost increased due to staging costs, hazmat remediation and additional playground works.

Royal Hobart Hospital Redevelopment – K-Block Commissioning

The Tasmanian Government accepted Practical Completion of K-Block at the RHH on 17 March 2020. This project jointly funded by the Australian and Tasmanian Governments is one of the most significant hospital infrastructure developments in Tasmania's history.

On 20 April 2020, service delivery commenced on K-Block's Ground Floor and the first of the inpatient services commenced operation in the General and Respiratory Medicine precinct on 23 April 2020.

K-Block has delivered many 'firsts' for the RHH.

The RHH now has a helipad allowing aeromedical retrieval teams to deliver critically ill or injured patients to treating teams within a few minutes of landing on K-Block. The helipad is used approximately twice a day to provide lifesaving care to patients that have a health emergency.

New audio-visual equipment, not previously available at the RHH, will bring high-resolution imaging information into theatres including x-rays, CTs and imagery from angiography and the cardiac catheter lab.

Most women will now have the option to utilise water immersion in labour as seven of the birthing suites have a large bath. During May, the Surgical Wards and the Women's, Adolescents' and Children's Wards progressively opened.

Patients can have a CT scan without leaving the operating theatre because K-Block has the state's first public mobile CT scanner; a first for the Tasmanian Health Service and one of only eight in the country.

The multi-place hyperbaric chamber has dual-capability to pressurise (hyperbaric) and depressurise (hypobaric) and is the first of its kind in the southern hemisphere.

There are five new Operating Theatres in K-Block, as well as a new Cardiac Catheterisation Laboratory and a new Angiography Suite, that use the latest digital technologies to improve surgical care.

The operating theatres are supported by the central sterilising department which provides a state-of-the-art loan equipment room, electronic instrument tracker and robot that takes instrument trays to the steriliser, reducing repetitious activity, and supporting staff health and safety. The RHH is the first Australian hospital site to use the equipment.

Asset Management

Buildings

In 2019-20, Asset Management continued to implement initiatives to improve the management of Department assets.

The Consumer, Building and Occupational Services (CBOS), Department of Justice completed a three-year audit program of electrical installations in high risk Department of Health buildings which identified safety and compliance issues. These issues have been resolved throughout the program and CBOS will issue a final audit report.

Energy audits were completed at several sites that identified areas where cost savings could be made by upgrading infrastructure.

The remote energy use monitoring system continued to be installed. This system is used to remotely monitor energy use in real time and has been used to identify faults and prove savings from efficiency upgrades such as the installation of solar panels; and the upgrade of heating, ventilation and air conditioning systems.

Maintenance

A Maintenance Register is used to ensure essential building services maintenance is undertaken on Department properties.

In 2019-20, work continued to manage statutory building compliance for Asset Management managed properties and where required, works were completed in compliance with the *Building Act 2000*.

Work also continues to ensure the Department identifies any future program of improvement works across facilities to ensure Department buildings are accessible for the public and employees, in line with Accessible Island: Tasmanian's Disability Framework for Action 2018-2021.

Asset Management implemented several high priority traffic calming and road safety changes at St Johns Park, New Town, that were identified by a Traffic Engineering Consultant review.

Acquisitions

The Department purchased one real estate asset during 2019-20 at 5/15 Gellibrand Street, Zeehan.

Disposals

There were no property disposals during 2019-20.

Transport

At 30 June 2020, the Department operated 963 leased light vehicles, comprising 204 executive vehicles and 759 operational vehicles. This is an increase of 23 from 30 June 2019, due to additional vehicles required by the Ambulance Tasmania and carpool fleets.

In 2019-20, the Department's vehicle fleet costs decreased by \$394 772 compared to 2018-19. This saving is predominantly due to the decreased cost of fuel per litre.

Consultancies, Contracts and Tenders

The Department ensures procurement is undertaken in accordance with the mandatory requirements of the Treasurer's Instructions relating to procurement, including that Tasmanian businesses are given every opportunity to compete for business.

There were no contract extensions approved pursuant to TI PP-6.

Table 1: Summary of Participation by Local Businesses

Table 1 provides a summary of the level of participation by local businesses for contracts, tenders and/or quotations with a value of \$50 000 or over (excluding GST).

Total number of contracts awarded	175
Total number of contracts awarded to Tasmanian businesses	108
Value of contracts awarded ^{1,2}	\$216 714 242
Value of contracts awarded to Tasmanian businesses ^{1,2}	\$162 682 578
Total number of tenders called and/or quotation processes run	91
Total number of bids and/or written quotations received	419
Total number of bids and/or written quotations received from Tasmanian businesses	232

Notes:

1. In accordance with the requirements of the Treasurer's Instructions, the values in this table do not include the value of any options to extend.
2. All values exclude GST.

Table 2: Consultancies Awarded¹

Consultancies awarded during 2019-20 year with a value of \$50 000 or over (excluding GST).

Consultant Name	Location	Consultancy Description	Period of Consultancy	Total Value \$ ²
Artas Pty Ltd	Tas	Mersey Community Hospital (MCH) – Medical Ward Redevelopment – Principal Consultant	30/04/2020 - 31/08/2023	458 746
Artas Pty Ltd	Tas	MCH – Outpatient Clinics and Operating Theatres – Principal Consultant	15/01/2020 - 30/09/2023	1 152 245
BPSM Pty Ltd	Tas	Royal Hobart Hospital (RHH) – Intensive Care Unit Expansion – Principal Consultant	29/01/2020 - 30/06/2023	792 510
BPSM Pty Ltd	Tas	RHH – Pharmacy Expansion Project – Principal Consultant	22/11/2019 - 17/09/2022	238 163
BPSM Pty Ltd	Tas	RHH Redevelopment – C Block Ground Floor Entry, Level 4 Admissions and Liverpool Street Seating – Principal Consultant	01/08/2019 - 31/08/2020 Option to extend ³ 01/09/2020 - 29/01/2021	176 004 293 456

Consultant Name	Location	Consultancy Description	Period of Consultancy	Total Value \$ ²
Browne and McDermott Medical Pty Ltd	Tas	Child and Adolescent Mental Health – Models of Care - Consultant	09/01/2020 - 30/06/2020	208 800
Gartner Australia Pty Ltd	NSW	Specialised ICT Industry Advisory and Consultancy Services	01/04/2020 - 31/03/2022	228 902
Jacob Allom Wade Pty Ltd	Tas	RHH – Emergency Department Expansion – Principal Consultant	28/01/2020 - 30/06/2023	2 131 185
Loop Architecture Pty Ltd	Tas	Burnie Ambulance Station Redevelopment – Principal Consultant	24/02/2020 - 30/06/2022	394 110
Philp Lighton Architects Pty Ltd	Tas	Launceston General Hospital (LGH) Masterplan	16/01/2020 - 29/05/2020	150 000
Philp Lighton Architects Pty Ltd	Tas	RHH – Paediatric Outpatients Relocation – Principal Consultant	15/05/2020 - 15/05/2021	353 350

Notes:

1. Where an overarching procurement process exists (for example Common Use Contracts and Agency Panel arrangements) individual engagements are not reported.
2. All values exclude GST.
3. The period of a contract for reporting purposes includes the value, or estimated value, of any possible options to extend. Where applicable, the principal period of the contract is identified as well as any options to extend; this does not signify that the options have been or will be exercised.

Table 3: Contracts Awarded¹

Contracts awarded during 2019-20 with a value of \$50 000 or over (excluding GST), excluding consultancy contracts.

Contractor Name	Location	Contract Description	Period of Contract	Total Value \$ ²
3M Australia Pty Ltd	NSW	Pharmaceutical Products	01/11/2018 - 31/10/2020	30 304 ⁶
			Option to extend ⁴ 01/11/2020 - 31/10/2022	30 304 ⁶
Abbott Australasia Pty Ltd	NSW	Supply of Coronary Stents	01/09/2020 - 28/02/2021 ⁷	116 666
Abbvie Pty Ltd	NSW	Pharmaceutical Products	01/11/2018 - 31/10/2020	913 238
			Option to extend ⁴ 01/11/2020 - 31/10/2022	913 238
Adactin Group Pty Ltd	NSW	Provision of short term Staff/Labour Hire Services	01/07/2019 - 30/06/2022	0 ⁵
Advanced Lifecare Pty Ltd	Tas	RHH Redevelopment – Anaesthetic Carts	30/10/2019 ⁸	76 968
Advanced Lifecare Pty Ltd	Tas	RHH Redevelopment – Patient Seating	21/02/2020 ⁸	207 675

Contractor Name	Location	Contract Description	Period of Contract	Total Value \$²
AE Smith Services Pty Ltd	Vic ³	RHH Redevelopment – Maintenance of Mechanical Services	08/06/2020 - 08/06/2021	289 281
AFT Pharmaceuticals Pty Ltd	NSW ³	Pharmaceutical Products	01/11/2018 - 31/10/2020 Option to extend ⁴ 01/11/2020 - 31/10/2022	951 180 951 180
Aidacare Pty Ltd	Tas	Overbed Tables and Bedside Lockers	29/07/2019 ⁸	179 505
Aintree Contracting Pty Ltd	Tas	Testing and Tagging Compliance Services	31/07/2019 - 30/07/2022	236 250
Air Liquide Healthcare Pty Ltd	NSW ³	Assisted Ventilation Equipment and Associated Services	01/05/2020 - 31/10/2020	471 724
AJR Construct Pty Ltd	Tas	Devonport Community and Health Services Centre – Roof and Enclosure Project	27/01/2020 - 31/03/2020	180 231
AlphaXRT Ltd	NSW	Replacement Radiation Oncology Equipment	20/01/2020 - 19/01/2025	193 140
Amgen Australia Pty Ltd	NSW	Pharmaceutical Products	01/11/2018 - 31/10/2020 Option to extend ⁴ 01/11/2020 - 31/10/2022	5 108 024 5 108 024
Anspec Pty Ltd	NSW	Pharmaceutical Products	01/11/2018 - 31/10/2020 ⁷ Option to extend ⁴ 01/11/2020 - 31/10/2022	15 286 ⁶ 15 286 ⁶
Apotex Pty Ltd	NSW ³	Pharmaceutical Products	01/11/2018 - 31/10/2020 ⁷ Option to extend ⁴ 01/11/2020 - 31/10/2022	718 984 718 984
Astellas Pharma Australia Pty Ltd	NSW	Pharmaceutical Products	01/11/2018 - 31/10/2020 ⁷ Option to extend ⁴ 01/11/2020 - 31/10/2022	314 426 314 426
AstraZeneca Pty Ltd	NSW ³	Pharmaceutical Products	01/11/2018 - 31/10/2020 ⁷ Option to extend ⁴ 01/11/2020 - 31/10/2022	674 916 674 916
B Braun Australia Pty Ltd	NSW	Needles, Syringes and Associated Consumables	18/08/2019 - 17/08/2022 Option to extend ⁴ 18/08/2022 - 17/08/2026	0 ⁵ 0 ⁵
B Braun Australia Pty Ltd	NSW	Pharmaceutical Products	01/11/2018 - 31/10/2020 ⁷ Option to extend ⁴ 01/11/2020 - 31/10/2022	306 366 306 366
Bausch & Lomb (Australia) Pty Ltd	NSW ³	Pharmaceutical Products	01/11/2018 - 31/10/2020 ⁷ Option to extend ⁴ 01/11/2020 - 31/10/2022	66 138 66 138

Contractor Name	Location	Contract Description	Period of Contract	Total Value \$²
Bayer Australia Limited	NSW ³	Pharmaceutical Products	01/11/2018 - 31/10/2020 ⁷	147 350
			Option to extend ⁴	
			01/11/2020 - 31/10/2022	147 350
Becton Dickinson Pty Ltd	NSW	Needles, Syringes and Associated Consumables	18/08/2019 - 17/08/2022	0 ⁵
			Option to extend ⁴	
			18/08/2022 - 17/08/2026	0 ⁵
Bennett Construction (Tas) Pty Ltd	Tas	Community Youth Justice – Karingal Workshop and Associated Works	06/12/2019 - 27/03/2020	441 704
Bidfood Australia Limited	Tas	Provision of Food and Beverage Products	01/08/2020 - 31/01/2021 ⁷	495 736
Biotronik Australia Pty Ltd	NSW	Supply of Coronary Stents	01/09/2020 - 28/02/2021 ⁷	1 16 666
BOC Limited	NSW ³	Medical Oxygen and Rental of Home Oxygen Therapy Equipment	01/08/2019 - 31/07/2022	1 299 597
			Option to extend ⁴	
			01/08/2022 - 31/07/2026	1 732 796
Boston Scientific Pty Ltd	NSW	Supply of Coronary Stents	01/09/2020 - 28/02/2021 ⁷	1 16 666
Brainlab Australia Pty Ltd	NSW	RHH Redevelopment – Mobile Intraoperative CT Scanner and Image Guided Surgical Navigation System and Associated Equipment	01/01/2020 - 01/01/2028	4 096 601
Bunzl Outsourcing Services Limited	Tas	Washroom Paper Products	01/06/2020 - 30/11/2020	263 790
Canon Medical Systems ANZ Pty Ltd	NSW ³	Replacement Radiation Oncology Equipment	15/10/2019 - 10/02/2030	2 881 692
Cardinal Health Australia 503 Pty Ltd	NSW	Supply of Coronary Stents	01/09/2020 - 28/02/2021 ⁷	1 16 666
Care Park Pty Ltd	Vic ³	Provision of Car Parking Management Services for the LGH Precinct, NWRH and MCH	14/12/2019 - 01/12/2024	3 224 344
			Option to extend ⁴	
			02/12/2024 - 01/12/2034	4 695 004
CJD Equipment Pty Ltd	Tas	RHH – Food Services Refrigerated Truck	29/04/2020 ⁸	185 577
Clifford Hallam Healthcare Pty Ltd	NSW ³	Pharmaceutical Products	01/11/2018 - 31/10/2020 ⁷	31 457 862
			Option to extend ⁴	
			01/11/2020 - 31/10/2022	31 457 862

Contractor Name	Location	Contract Description	Period of Contract	Total Value \$²
Clinect Pty Ltd	Vic	Pharmaceutical Products	01/11/2018 - 31/10/2020 ⁷	40 640 ⁶
			Option to extend ⁴	
			01/11/2020 - 31/10/2022	40 640 ⁶
Consultant Pathology Services Pty Ltd	Tas	Pathology Services to the Tasmanian Health Service North West Region	01/01/2020 - 31/12/2021	9 000 000
			Option to extend ⁴	
			01/01/2022 - 31/12/2024	13 500 000
Contact Electrical Pty Ltd	Tas	LGH – Fire Detection Panel Replacement	20/01/2020 - 27/08/2020	531 365
Contact Electrical Pty Ltd	Tas	Midlands Multi Purpose Health Centre – Nurse Call and Body Protection Upgrade	19/06/2020 - 30/09/2020	406 087
Contact Electrical Pty Ltd	Tas	RHH Redevelopment – Hydraulic Maintenance Services	08/06/2020 - 08/06/2021	54 960
			Option to extend ⁴	
			08/06/2021 - 08/06/2022	60 000
ConvaTec (Australia) Pty Ltd	Vic	Clinical Protective Apparel and Drapes	01/04/2020 - 31/03/2023	0 ⁵
			Option to extend ⁴	
			01/04/2023 - 31/03/2025	0 ⁵
Cripps Nubake Pty Ltd	Tas	Provision of Food and Beverage Products	01/08/2020 - 31/01/2021 ⁷	116 442
Darcon Constructions Pty Ltd	Tas	Campbell Town Ambulance Station	04/02/2020 - 31/10/2020	1 436 792
Darcon Constructions Pty Ltd	Tas	Deloraine District Hospital – Expansion to Day Centre, Physio and Pharmacy – Minor Works	20/01/2020 - 13/03/2020	252 792
Degree C Pty Ltd	Tas	NWRH – Heating, Ventilation and Air Conditioning upgrade	04/02/2020 - 12/05/2020	310 000
Draeger Australia Pty Ltd	Vic	RHH Redevelopment – Neonatal Ventilators	26/02/2020 - 26/02/2027	268 116
Draeger Australia Pty Ltd	Vic	Supply of Ventilators for Intensive Care Units	01/04/2020 - 31/03/2023	0 ⁵
			Option to extend ⁴	
			01/04/2023 - 31/03/2029	0 ⁵
Dtect Innovation Pty Ltd	NSW	Replacement Radiation Oncology Equipment	22/11/2019 - 21/11/2024	709 060
Duratec Australia Pty Ltd	WA ³	RHH – A Block Façade – Investigative Works	10/10/2019 - 31/10/2019	52 410
EBSCO International Inc	NSW	Online reference resources	01/01/2019 - 31/12/2021	498 849
Emerge Health Pty Ltd	Vic	Pharmaceutical Products	01/11/2018 - 31/10/2020 ⁷	146 128
			Option to extend ⁴	
			01/11/2020 - 31/10/2022	146 128

Contractor Name	Location	Contract Description	Period of Contract	Total Value \$²
Everlight Radiology Pty Ltd	NSW	RHH – Provision of Teleradiology Services	01/01/2020 - 31/12/2022	2 465 750
			Option to extend ⁴ 01/01/2023 - 31/12/2028	4 931 501
Facilities First Australia Pty Ltd	NSW ³	2 Terry Street Glenorchy – Cleaning Services	30/07/2019 - 29/07/2021	77 370
			Option to extend ⁴ 30/07/2021 - 29/07/2024	1 11 420
Fairbrother Pty Ltd	Tas	39 Frankland Street, Launceston – Level 2 Fit Out and Lift Upgrade Works	06/04/2020 - 01/10/2020	2 357 592
Fairbrother Pty Ltd	Tas	LGH – Fire Hydrant and Heads Remediation	20/01/2020 - 29/03/2021	2 008 642
Fairbrother Pty Ltd	Tas	LGH – Sterile Store Expansion	06/01/2020 - 31/01/2020	66 398
Fairmont Commercial Furniture Pty Ltd	Tas	RHH Redevelopment – Lounge Seating	11/03/2020 ⁸	88 751
Ferno Australia Pty Ltd	Qld	Supply of Powered Stretchers	01/09/2019 - 31/10/2020	0 ⁵
FIP Electrical Pty Ltd	Tas	RHH Redevelopment – Electrical Maintenance Services	08/06/2020 - 08/06/2021	574 910
			Option to extend ⁴ 08/06/2021 - 08/06/2022	600 000
Forth Farm Produce Pty Ltd	Tas	Provision of Food and Beverage Products	01/08/2020 - 31/01/2021 ⁷	199 416
Fresenius Kabi Australia Pty Ltd	NSW	Pharmaceutical Products	01/11/2018 - 31/10/2020 ⁷	360 444
			Option to extend ⁴ 01/11/2020 - 31/10/2022	360 444
Fresenius Kabi Australia Pty Ltd	NSW	Supply of Medical Pumps and Consumables	01/04/2020 - 31/03/2025	13 340 000
			Option to extend ⁴ 01/04/2025 - 31/03/2027	3 740 000
Freshline Tasmania Pty Ltd	Tas	Provision of Food and Beverage Products	01/08/2020 - 31/01/2021 ⁷	322 512
Fujifilm Sonosite Australasia Pty Ltd	NSW	RHH Redevelopment – Point of Care Ultrasound Systems	31/01/2020 ⁸	232 140
Gallay Medical & Scientific Pty Ltd	Vic	Automated Flexible Endoscope Reprocessors, Forced Air Drying Cabinets and an Archiving and Tracking System	01/07/2019 - 30/06/2024	1 560 000
			Option to extend ⁴ 01/07/2024 - 30/06/2027	0 ⁵
Gamma Gurus Pty Ltd	NSW	Replacement Radiation Oncology Equipment	19/12/2019 - 18/12/2024	4 660 ⁶
GE Healthcare Australia Pty Ltd	NSW ³	RHH – 3T MRI Unit – Maintenance Service Agreement	19/07/2019 - 18/07/2022	540 450

Contractor Name	Location	Contract Description	Period of Contract	Total Value \$²
GE Healthcare Australia Pty Ltd	Vic ³	RHH – Echocardiography Machine	29/10/2019 - 30/11/2026	375 600
			Option to extend ⁴ 01/12/2026 - 30/11/2029	74 250
GE Healthcare Australia Pty Ltd	Vic ³	RHH – SPECT/CT Gamma Camera	04/10/2019 - 04/01/2030	2 005 510
GE Healthcare Australia Pty Ltd	Vic ³	RHH Redevelopment – Anaesthetic Machines and Monitors	02/12/2019 - 02/12/2022	2 084 755
			Option to extend ⁴ 03/12/2022 - 03/12/2025	05
Getinge Australia Pty Ltd	NSW	RHH Redevelopment- Anaesthetic Machines and Monitors	02/12/2019 - 02/12/2022	0 ⁵
			Option to extend ⁴ 03/12/2022 - 03/12/2025	0 ⁵
Halmed Pty Ltd	Vic	Pharmaceutical Products	01/11/2018 - 31/10/2020 ⁷	359 480
			Option to extend ⁴ 01/11/2020 - 31/10/2022	359 480
Hansen Yuncken Pty Ltd	Tas	RHH Redevelopment – C Block Ground Floor Entry, Forecourt and Level 4 DOSA Upgrade	08/01/2020 - 31/08/2020	4 691 000
Hays Specialist Recruitment (Aust) Pty Ltd	Tas	Provision of short term Staff/Labour Hire Services	01/07/2019 - 30/06/2022	0 ⁵
Health Communication Network Pty Limited	NSW	Electronic Portal for Online Clinical Help (EPOCH) and associated online reference resources	11/04/2017 - 31/12/2019 ⁷	2 801 611
			Option to extend ⁴ 01/01/2020 - 31/12/2021	1 900 000
Health House International Pty Ltd	WA	Pharmaceutical Products	01/11/2018 - 31/10/2020 ⁷	1 800 ⁶
			Option to extend ⁴ 01/11/2020 - 31/10/2022	1 800 ⁶
HL Pharma Pty Ltd	Vic ³	Pharmaceutical Products	01/11/2018 - 31/10/2020 ⁷	30 518 ⁶
			Option to extend ⁴ 01/11/2020 - 31/10/2022	30 518 ⁶
Hologic Australia Pty Ltd	NSW	Mammography X-Ray Unit including Tomosynthesis and Stereotactic Biopsy Capability for BreastScreen Tasmania	08/11/2019 - 08/11/2025	535 235
			Option to extend ⁴ 08/11/2025 - 08/11/2029	134 988
Howrah Plumbing Pty Ltd	Tas	Hydraulic Services Corrective Maintenance	26/02/2020 - 25/02/2022	0 ⁵
			Option to extend ⁴ 26/02/2022 - 25/02/2024	
Ikaria Australia Pty Ltd	Vic	RHH – Nitric Oxide Delivery System	29/01/2020 - 28/01/2022	203 632
Imaging Solutions Pty Ltd	Qld	RHH Redevelopment – X-Ray Protective Garments	12/09/2019 ⁸	54 760

Contractor Name	Location	Contract Description	Period of Contract	Total Value \$²
Independence Australia Group Ltd	Vic3	Supply of Continence Management Products	16/12/2019 - 15/12/2022	2 077 011
			Option to extend ⁴ 16/12/2022-15/12/2026	2 769 348
InfoMedix Pty Ltd	Vic	Digital Medical Record System – Support and Maintenance	23/08/2019 - 22/08/2024	1 315 000
			Option to extend ⁴ 23/08/2024 - 22/08/2029	1 315 000
International Teleradiology Corporation Pty Ltd	SA	Teleradiology Services – Oral Health Services	28/05/2020 - 28/05/2023	180 000
Intraspace	Vic	RHH Redevelopment – Storage Solutions	22/11/2019 ⁸	157 781
Juicy Isle Pty Ltd	Tas	Provision of Food and Beverage Products	01/08/2020 -31/01/2021 ⁷	1 112 ⁶
Juno Pharmaceuticals Pty Ltd	Vic	Pharmaceutical Products	01/11/2018 -31/10/2020 ⁷	1 560 390
			Option to extend ⁴ 01/11/2020-31/10/2022	1 560 390
Lazaro Pty Ltd	Tas	RHH Redevelopment – K Block Pre-Occupation Cleaning	11/02/2020 - 11/06/2020	500 000
			Option to extend ⁴ 11/06/2020 - 11/09/2020	200 000
Link Medical Products Pty Ltd	NSW	Pharmaceutical Products	01/11/2018 -31/10/2020 ⁷	330 864
			Option to extend ⁴ 01/11/2020 - 31/10/2022	330 864
M2 Logistics Pty Ltd	Tas	Supply of Hand Sanitiser	30/04/2020 -31/08/2020	271 600
M2 Logistics Pty Ltd	Tas	Supply of Hand Sanitiser	10/06/2020 -31/12/2020	680 000
Mader International Pty Ltd	Tas	Special Purpose Medical Retrieval Ambulance	05/12/2019 ⁸	128 900
Maintenance Systems Pty Ltd	Tas	LGH – Kitchen Floor Covering Replacement	01/12/2019 - 24/01/2020	86 925
Manpower Services (Australia) Pty Ltd	Tas	Provision of short term Staff/Labour Hire Services	01/07/2019 - 30/06/2022	0 ⁵
Medifarm Pty Ltd	Qld	Pharmaceutical Products	01/11/2018 -31/10/2020 ⁷	1 560 ⁶
			Option to extend ⁴ 01/11/2020-31/10/2022	1 560 ⁶
Medsurge Healthcare Pty Ltd	Vic	Pharmaceutical Products	01/11/2018-31/10/2020 ⁷	534 440
			Option to extend ⁴ 01/11/2020-31/10/2022	534 440
Medtronic Australasia Pty Ltd	NSW ³	RHH Redevelopment – Electrosurgical Devices	01/06/2020 - 01/06/2026	170 380
Medtronic Australasia Pty Ltd	NSW	Supply of Coronary Stents	01/09/2020 -28/02/2021 ⁷	116 666

Contractor Name	Location	Contract Description	Period of Contract	Total Value \$²
Merck Sharp and Dohme (Australia) Pty Ltd	NSW ³	Pharmaceutical Products	01/11/2018 - 31/10/2020 ⁷	6 700 874
			Option to extend ⁴ 01/11/2020 - 31/10/2022	6 700 874
Michael Gregory Barratt t/a Coastline Plumbing Services	Tas	Tasman Health Centre – Tank Replacement	18/05/2020 - 30/09/2020	356 328
MMS Security Pty Ltd	Tas	22 Elizabeth Street – Reception and Security Desk Services	22/06/2020 - 21/06/2023	277 402
Multigate Medical Devices Pty Ltd	NSW	Clinical Protective Apparel and Drapes	01/04/2020 - 31/03/2023	0 ⁵
			Option to extend ⁴ 01/04/2023 - 31/03/2025	0 ⁵
Multigate Medical Devices Pty Ltd	NSW	Needles, Syringes and Associated Consumables	18/08/2019 - 17/08/2022	0 ⁵
			Option to extend ⁴ 18/08/2022 - 17/08/2026	05
Novo Nordisk Pharmaceuticals Pty Ltd	NSW	Pharmaceutical Products	01/11/2018 - 31/10/2020 ⁷	1 798 116
			Option to extend ⁴ 01/11/2020 - 31/10/2022	1 798 116
O&M Halyard Australia Pty Ltd	NSW	Clinical Protective Apparel and Drapes	01/04/2020 - 31/03/2023	0 ⁵
			Option to extend ⁴ 01/04/2023 - 31/03/2025	0 ⁵
Online Fire Services	Qld ³	RHH Redevelopment- Maintenance of Fire and Exit and Emergency Light Services	08/06/2020 - 08/06/2021	1 11 110
Open Text Pty Ltd	NSW	Upgrade to Scanning/OCR Platform	08/07/2019 - 31/01/2020	200 700
Orion Laboratories Pty Ltd t/a Perrigo Australia	WA	Pharmaceutical Products	01/11/2018 - 31/10/2020 ⁷	779 880
			Option to extend ⁴ 01/11/2020 - 31/10/2022	779 880
Ortek Pty Ltd	Tas	RHH Redevelopment – Storage Solutions	22/11/2019 ⁸	617 524
PFD Food Services Pty Ltd	Tas	Provision of Food and Beverage Products	01/08/2020 - 31/01/2021 ⁷	1 080 566
Philips Electronics Australia Ltd	Vic ³	NWRH – Patient Monitoring Equipment Upgrade	11/02/2020 ⁸	158 802
Philips Electronics Australia Ltd	Vic ³	RHH Redevelopment – Anaesthetic Machines and Monitors	02/12/2019 - 02/12/2022	2 466 081
			Option to extend ⁴ 03/12/2022 - 03/12/2025	0 ⁵
Philips Electronics Australia Ltd	Vic ³	RHH Redevelopment – CTG Machines (Foetal/Maternal)	29/11/2019 - 29/11/2023	112 234

Contractor Name	Location	Contract Description	Period of Contract	Total Value \$²
Philips Electronics Australia Ltd	Vic ³	RHH Redevelopment – Mobile Image Intensifier	29/11/2019 - 29/11/2027	306 442
Philips Electronics Australia Ltd	Vic ³	RHH Redevelopment – Mobile X-Ray Imaging Machine	01/02/2020 - 01/02/2027	385 290
Pinnacle Scientific Australia Pty Ltd	Qld	RHH Redevelopment – Clinical Monitored Refrigerators and Freezers	09/01/2020 ⁸	245 385
Plus Medical Pty Ltd	NSW	Clinical Protective Apparel and Drapes	01/04/2020 - 31/03/2023	0 ⁵
			Option to extend ⁴ 01/04/2023 - 31/03/2025	0 ⁵
Precision Medical Pty Ltd	NSW	RHH Redevelopment – Instrument Tracking System	11/03/2020 - 11/03/2026	412 935
			Option to extend ⁴ 11/03/2026 - 11/03/2028	43 500
Prensa Pty Ltd	Vic ³	Update of Asbestos Register Information – Southern Region	18/11/2019 - 28/02/2020	99 540
Print Mail Logistics Limited	Tas	eLetter Mail Posting Services	01/11/2019 - 31/10/2024	2 329 684
			Option to extend ⁴ 01/11/2024 - 31/10/2029	2 329 684
Pro-Dig Earthworks	Tas	34 Howick Street, Launceston – Demolition of buildings	06/01/2020 - 24/01/2020	86 350
Programmed Skilled Workforce Limited	Tas	Provision of short term Staff/Labour Hire Services	01/07/2019 - 30/06/2022	0 ⁵
Projex Furniture Pty Ltd	Tas	RHH Redevelopment – Seating and Loose Furniture	03/02/2020 ⁸	215 083
Quality Innovation Performance Limited	Qld	Accreditation Services – North West District Hospitals	10/03/2020 - 10/03/2023	64 500
Quality Innovation Performance Limited	Qld	Accreditation Services – NWRH and MCH	08/10/2019 - 08/10/2022	66 000
Quality Innovation Performance Limited	Qld	Accreditation Services – Oral Health Service Tasmania	08/10/2019 - 08/10/2022	107 493
Quality Innovation Performance Limited	Qld	Accreditation Services – RHH, Annex and Rural Hospitals	08/10/2019 - 08/10/2022	105 000
Reitsema Packaging Pty Ltd	Tas	Provision of Food and Beverage Products	01/08/2020 - 31/01/2021 ⁷	25 202 ⁶
Roche Diagnostics Australia Pty Ltd	NSW ³	LGH – Chemistry and Immunoassay System – Consumables and Maintenance	01/11/2019 - 31/10/2021	800 000
			Option to extend ⁴ 01/11/2021 - 22/11/2022	400 000

Contractor Name	Location	Contract Description	Period of Contract	Total Value \$²
Roche Diagnostics Australia Pty Ltd	NSW ³	RHH – Chemistry and Immunoassay System – Consumables and Maintenance	08/12/2019 - 07/12/2020	800 000
Roche Diagnostics Australia Pty Ltd	NSW ³	RHH and LGH – Supply of Haematology Analysers	01/09/2019 - 31/08/2024 Option to extend ⁴ 01/09/2024 - 31/08/2029	1 500 349 1 140 349
Searson Buck Pty Ltd	Tas	Provision of short term Staff/Labour Hire Services	01/07/2019 - 30/06/2022	0 ⁵
Sentry Medical Pty Ltd	NSW	Clinical Protective Apparel and Drapes	01/04/2020 - 31/03/2023 Option to extend ⁴ 01/04/2023 - 31/03/2025	0 ⁵ 0 ⁵
Shaw Contracting (Aust) Pty Ltd	Tas	MCH – Carpark Redevelopment	11/05/2020 - 11/09/2020	1 083 254
Siemens Healthcare Pty Ltd	Vic ³	LGH – Supply and Installation of Digital Radiography Equipment	01/08/2019 - 31/07/2029	538 563
Siemens Healthcare Pty Ltd	Vic ³	RHH – CT Scanner – Service Maintenance Agreement	11/01/2020 - 10/01/2022	246 684
Siemens Limited	Vic ³	LGH-Coagulation Analyser-Support and Consumables	05/06/2020 - 04/06/2022	144 600
Smith & Nephew Surgical Pty Ltd	NSW ³	Pharmaceutical Products	01/11/2018 - 31/10/2020 ⁷ Option to extend ⁴ 01/11/2020 - 31/10/2022	16 932 ⁶ 16 932 ⁶
Southern Cross Pharma Pty Ltd	Vic	Pharmaceutical Products	01/11/2018 - 31/10/2020 ⁷ Option to extend ⁴ 01/11/2020 - 31/10/2022	327 070 327 070
Spectran Pty Ltd	Tas	St Johns Park – Traffic Calming Road Works	09/12/2019 - 14/02/2020	222 618
Squires Plumbing Pty Ltd	Tas	Hydraulic Services Corrective Maintenance	26/02/2020 - 25/02/2022 Option to extend ⁴ 26/02/2022 - 25/02/2024	0 ⁵ 0 ⁵
Stryker Australia Pty Ltd	NSW	Supply of Powered Stretchers	01/09/2019 - 31/10/2020	0 ⁵
Symbion Pty Ltd	Vic ³	Pharmaceutical Products	01/11/2018 - 31/10/2020 ⁷ Option to extend ⁴ 01/11/2020-31/10/2022	5 320 018 5 320 018
Tas City Building Pty Ltd	Tas	39 Frankland Street, Launceston – Demolition and Essential Services Works	05/10/2019 - 29/11/2019	458 145

Contractor Name	Location	Contract Description	Period of Contract	Total Value \$ ²
Tas City Building Pty Ltd	Tas	George Town Ambulance Station – Accommodation Extension	23/03/2020 - 03/07/2020	165 945
Tascon Constructions Pty Ltd	Tas	3 Warragul Avenue, New Town – Refurbishment of Lower Ground Floor	23/03/2020 - 14/05/2020	229 230
Tasmanian Meat Wholesalers Pty Ltd	Tas	Provision of Food and Beverage Products	01/08/2020 - 31/01/2021 ⁷	27 681 ⁶
Terumo Australia Pty Ltd	NSW	Needles, Syringes and Associated Consumables	18/08/2019 - 17/08/2022 Option to extend ⁴ 18/08/2022 - 17/08/2026	0 ⁵ 0 ⁵
Terumo Australia Pty Ltd	NSW	Supply of Coronary Stents	01/09/2020 - 28/02/2021 ⁷	116 666
Teva Pharma Australia Pty Ltd	NSW	Pharmaceutical Products	01/11/2018 - 31/10/2020 ⁷ Option to extend ⁴ 01/11/2020 - 31/10/2022	94 974 94 974
The Oak Group (UK) Ltd	UK	Clinical Utilisation Review Tool	15/10/2019 - 31/01/2023 Option to extend ⁴ 01/02/2023 - 31/01/2025	775 540 473 040
Tilray Australia New Zealand Pty Ltd	NSW	Pharmaceutical Products	01/11/2018 - 31/10/2020 ⁷ Option to extend ⁴ 01/11/2020 - 31/10/2022	2 368 ⁶ 2 368 ⁶
Top Centre Laundry Pty Ltd	Tas	Supply of Linen and Laundry Services to Hospitals North / North West Sites	01/03/2020 - 30/11/2022	2 925 939
Total Building and Excavations Pty Ltd	Tas	St Helens Ambulance Station New Two Bedroom Accommodation	06/03/2020 - 27/07/2020	242 950
Van Diemen's Land Dairy Pty Ltd	Tas	Provision of Food and Beverage Products	01/08/2020 - 31/01/2021 ⁷	273 537
Varian Medical Systems Australasia Pty Ltd	NSW ³	Replacement Radiation Oncology Equipment – Linear Accelerators	30/09/2019 - 30/09/2034	21 140 179
Varian Medical Systems Australasia Pty Ltd	NSW ³	Replacement Radiation Oncology Equipment – Treatment Planning System	31/10/2019 - 31/10/2024	2 800 849
Varian Medical Systems Australasia Pty Ltd	NSW ³	Replacement Radiation Oncology Equipment – Treatment Planning System Support and Maintenance	31/10/2019 - 31/10/2024 Option to extend ⁴ 01/11/2024 - 01/11/2019	816 000 1 185 075
Vos Construction and Joinery Pty Ltd	Tas	King Island Hospital Stage 2 Redevelopment	04/02/2020 - 27/04/2021	7 688 560

Contractor Name	Location	Contract Description	Period of Contract	Total Value \$²
Vos Construction and Joinery Pty Ltd	Tas	LGH – Car Park Expansion Project	21/10/2019 - 30/08/2020	3 746 500
Vos Construction and Joinery Pty Ltd	Tas	LGH – Wards 5A and 5B Sprinkler Installation	01/07/2020 - 11/12/2020	681 255
W J Ludbey & M L Stacey t/a Back in a Flash Constructions	Tas	Flinders Island – Construction of Residential Property	20/01/2020 - 10/05/2020	513 933
Woolston Printing Pty Ltd	Tas	Supply of National Inpatient Medication Charts	30/04/2020 -30/04/2022	193 856
Yellow Goat Design	Qld	RHH Redevelopment – Play Structure for Children’s Playground	06/08/2019 ⁸	125 789

Notes:

1. Where an overarching procurement process exists (for example Common Use Contracts and Agency Panel arrangements) individual engagements are not reported.
2. All values exclude GST.
3. An organisation whose principal place of business is not in Tasmania but has a permanent office or presence in Tasmania and employs Tasmanian workers.
4. The period of a contract for reporting purposes includes the value, or estimated value, of any possible options to extend. Where applicable, the principal period of the contract is identified as well as any options to extend; this does not signify that the options have been or will be exercised.
5. A ‘0’ contract value signifies a contract for which a value for each supplier cannot be estimated, being dependent on future purchasing patterns.
6. Contracts with a value of less than \$50 000 reported above are those that form part of a combined procurement valued at \$50 000 or over.
7. Where a commencement date is prior to 1 July 2019 or from 1 July 2020 onwards, the contractual arrangements for the procurement were finalised in 2019-20.
8. One-off purchase.

Table 4: Direct/Limited Submission Sourcing

Treasurer's Instruction PP-2 provides the Head of Agency with the discretion, where specified circumstances exist, to approve the direct sourcing or seeking of limited submissions from a supplier or suppliers without the need to seek quotations or call for tenders.

Treasurer's Instruction (TI) PF-7 *COVID-19 Emergency Procurement Measures* was issued on 19 March 2020 in recognition of the potential impediment of the Treasurer's Instructions to procurement requiring urgent delivery and response due to COVID-19. The Department worked under this Treasurer's Instruction to respond to COVID-19. Treasurer's Instruction PF-7 provides an Accountable Authority with the flexibility to vary procurement and contracting methods or individual process requirements and relaxed the period of reporting to a reasonable time period.

Table 4 provides a summary of contracts awarded by the Department in 2019-20 as a result of a direct/limited submission sourcing process approved in accordance with Treasurer's Instruction PP-2.

Contractor Name	Contract Description	Reasons for Approval	Total Value \$ ^{1,2}
AE Smith Services Pty Ltd	RHH Redevelopment – Maintenance of Mechanical Services	Additional deliveries by the original supplier	289 281
CJD Equipment Pty Ltd	RHH – Food Services Refrigerated Truck	Exceptional circumstances	185 577
Gartner Australia Pty Ltd	Specialised ICT Industry Advisory and Consultancy Services	Single supplier	228 902
GE Healthcare Australia Pty Ltd	RHH – 3T MRI Unit – Maintenance Service Agreement	Single supplier	540 450
InfoMedix Pty Ltd	Digital Medical Record System – Support and Maintenance	Single supplier	2 630 000
M2 Logistics Pty Ltd	Supply of Hand Sanitiser	Urgency	271 600
M2 Logistics Pty Ltd	Supply of Hand Sanitiser	Urgency	680 000
Online Fire Services	RHH Redevelopment – Maintenance of Fire and Exit and Emergency Light Services	Additional deliveries by the original supplier	1 111 110
Open Text Pty Ltd	Upgrade to Scanning/OCR Platform	Single supplier	200 700
Philips Electronics Australia Ltd	NWRH – Patient Monitoring Equipment Upgrade	Single supplier	158 802
Roche Diagnostics Australia Pty Ltd	LGH – Chemistry and Immunoassay System – Consumables and Maintenance	Additional deliveries by the original supplier	1 200 000
Roche Diagnostics Australia Pty Ltd	RHH – Chemistry and Immunoassay System – Consumables and Maintenance	Additional deliveries by the original supplier	800 000
Siemens Healthcare Pty Ltd	RHH – CT Scanner – Service Maintenance Agreement	Single supplier	246 684
Siemens Limited	LGH – Coagulation Analyser – Support and Consumables	Single supplier	144 600

Notes:

1. The values in this table include the value, or estimated value, of any possible options to extend.
2. All values exclude GST.

Table 5: Disaggregation Exemptions

Treasurer's Instruction PF-2 provides the Head of Agency with discretion to approve an exemption from the requirement to disaggregate substantial contracts where the benefits of aggregation clearly outweigh the potential negative impact on local small and medium sized enterprises/the local economy.

Table 5 provides a summary of contracts awarded by the Department in 2019-20 where approval to aggregate the procurement was obtained in accordance with Treasurer's Instruction PF-2.

Contract Description	Total Value \$^{1,2}
3 Warragul Avenue, New Town – Refurbishment of Lower Ground Floor	229 230
39 Frankland Street, Launceston – Demolition and Essential Services Works	458 145
39 Frankland Street, Launceston – Level 2 Fit Out and Lift Upgrade Works	2 357 592
Automated Flexible Endoscope Reprocessors, Forced Air Drying Cabinets and an Archiving and Tracking System	1 560 000
Burnie Ambulance Station Redevelopment-Principal Consultant	394 110
Campbell Town Ambulance Station	1 436 792
Clinical Protective Apparel and Drapes	12 300 000
Clinical Utilisation Review Tool	1 248 580
Community Youth Justice – Karingal Workshop and Associated Works	441 704
Deloraine District Hospital – Expansion to Day Centre, Physio and Pharmacy – Minor Works	252 792
eLetter Mail Posting Services	4 659 368
Flinders Island – Construction of Residential Property	513 933
King Island Hospital-Stage 2 Redevelopment	7 688 560
LGH – Car Park Expansion Project	3 746 500
LGH – Fire Detection Panel Replacement	531 365
LGH – Fire Hydrant and Heads Remediation	2 008 642
LGH – Supply and Installation of Digital Radiography Equipment	538 563
LGH – Wards 5A and 5B Sprinkler Installation	681 255
Mammography X-Ray Unit including tomosynthesis and stereotactic biopsy capability for BreastScreen Tasmania	670 223
Medical Oxygen and Rental of Home Oxygen Therapy Equipment	3 032 393
MCH – Medical Ward Redevelopment-Principal Consultant	458 746
MCH – Outpatient Clinics and Operating Theatres-Principal Consultant	1 152 245
Midlands Multi Purpose Health Centre – Nurse Call and Body Protection Upgrade	406 087
Needles, Syringes and Associated Consumables	6 368 680
NWRH – Heating, Ventilation and Air Conditioning upgrade	310 000
Pathology Services to the Tasmanian Health Service North West Region	22 500 000
Provision of Car Parking Management Services for the LGH Precinct, NWRH and MCH	7 919 348
Replacement Radiation Oncology Equipment	24 928 731
RHH – Echocardiography Machine	449 850

Contract Description	Total Value \$ ^{1,2}
RHH – Emergency Department Expansion-Principal Consultant	2 131 185
RHH – Intensive Care Unit Expansion-Principal Consultant	792 510
RHH – Paediatric Outpatients Relocation-Principal Consultant	353 350
RHH – Provision of Teleradiology Services	7 397 251
RHH – SPECT/CT Gamma Camera	2 005 510
RHH Redevelopment – Anaesthetic Machines and Monitors	4 550 836
RHH Redevelopment – C Block Ground Floor Entry, Forecourt and Level 4 DOSA Upgrade	4 691 000
RHH Redevelopment – Electrical Maintenance Services	1 174 910
RHH Redevelopment – Hydraulic Maintenance Services	114 960
RHH Redevelopment – Instrument Tracking System	456 435
RHH Redevelopment – K Block Pre-Occupation Cleaning	700 000
RHH Redevelopment – Mobile Image Intensifier, Mobile Intraoperative CT Scanner and Image Guided Surgical Navigation System and associated equipment	4 403 043
RHH Redevelopment – Point of Care Ultrasound Systems	232 140
RHH Redevelopment – Seating and Loose Furniture	215 083
RHH Redevelopment – Storage Solutions	775 306
Supply of Continence Management Products	4 846 359
Supply of Haematology Analysers	2 640 698
Supply of Linen and Laundry Services to Hospitals North / North West Sites	2 925 939
Supply of Medical Pumps and Consumables	17 080 000
Tasman Health Centre – Tank Replacement	356 328

Notes:

1. The values in this table include the value, or estimated value, of any possible options to extend.
2. All values exclude GST.

Funded Community Sector Organisations

Non-government organisations in the community sector fulfil a vital role in delivering community-based health services to Tasmanians.

During 2019-20, the Department provided a total of \$64.3 million under its Central Grants Program to 119 organisations to assist them to deliver services across the State.

This highlights the value the Department places on services provided by the community sector. This funding was inclusive of indexation applied at a rate of 2.25 per cent plus Equal Remuneration Order funding supplementation, which assisted organisations to meet the increasing costs of delivering services.

The following table lists grant funding that the Department administered under its Central Grants Program. It should be noted other funds distributed to the sector by other parts of the Department may be listed elsewhere in this report.

Program and Organisation	Funding
Alcohol Tobacco and Other Drug (ATOD) - services provided under the Illicit Drug Diversion Initiative and the National Drug Strategy	Total Funding \$7 436 427
Advocacy Tasmania Inc	318 946
Alcohol and Drug Foundation Inc	581 067
Alcohol, Tobacco and other Drugs Council (Tas) Inc	805 883
Anglicare Tasmania Inc	885 854
Circular Head Aboriginal Corporation	43 518
Drug Education Network Inc	854 638
Eastern Health	69 251
Holyoake Tasmania Inc	340 506
Launceston City Mission Inc	767 539
Pathways Tasmania Inc	207 154
The Link Youth Health Service Inc	676 691
The Salvation Army Property Trust Tasmania	1 121 412
Youth, Family and Community Connections Inc	763 968
Alcohol Tobacco and Other Drug Total	\$7 436 427
Home and Community Care - community nursing, home help and maintenance, respite, personal care, transport, packages of care and delivered meals across the State	Total Funding \$13 766 438
Advocacy Tasmania Inc	192 659
Anglicare Tasmania Inc	1 981 608
Australian Red Cross Society	279 140
Baptcare Ltd	125 198
Bucaan Community House Inc	32 948
Care Assessment Consultants Pty Ltd	1 137 658
Carers Tasmania Inc	220 270

Program and Organisation	Funding
Circular Head Aboriginal Corporation	20 953
Clarence City Council	25 799
Community Based Support Inc	2 280 711
Community Care NESB Inc	98 296
Community Transport Services Tasmania Inc	896 533
Dementia and Alzheimer's Association (Tas) Inc	296 214
Elders Council of Tasmania Aboriginal Corporation	17 243
Emmerton Park Inc	4 029
Family Based Care Association North West Inc	1 533 470
Glenview Community Services Inc	48 898
Good Neighbour Council of Tasmania	5 288
Greek Orthodox Archdiocese of Australia Consolidated Trust	39 187
Hobart District Nursing Service Inc	616 490
Independent Living Centre Tas Inc	79 009
integratedliving Australia Ltd	1 223 661
Italian-Australian Pensioners Welfare Association of Tasmania Inc	854
Karadi Aboriginal Corporation	1 748
KinCare Health Services Pty Ltd	170 401
Launceston VFC Services Inc	70 128
Lifeline Tasmania Inc	141 324
Meals on Wheels Association of Tasmania Inc	374 424
Meercroft Care Inc	2 519
Mersey Community Care Association	265 744
Migrant Resource Centre (Southern Tasmania) Inc	103 150
Polish Association in Hobart Inc	7 377
RSL Care RDNS Limited	457 605
South East Tasmanian Aboriginal Corporation	27 729
South Eastern Nursing & Home Care Assn Inc	389 189
St Helens Community Car Group Inc	4 562
St Johns Ambulance Australia Tasmania Inc	28 968
Tandara Lodge Community Care Inc	6 824
Tasmanian Independent Services Pty Ltd	43 081
Uniting (Victoria and Tasmania) Limited	5 599
Uniting AgeWell	25 052
Volunteering Tasmania Inc	222 930
Wyndarra Centre Inc for Wyndarra Board of Management	261 968
Home and Community Care Total	\$13 766 438

Program and Organisation	Funding
Mental Health Services - treatment support and management of mental disorders to maximise mental health, wellbeing and quality of life; funding covers assessment, treatment, care and rehabilitation in the community as well as information services and community-based accommodation	Total Funding \$29 645 782
Advocacy Tasmania Inc	515 596
Anglicare Tasmania Inc	5 471 465
Australian Huntington's Disease Association Tasmania Inc	15 365
Australian Red Cross Society	257 866
Baptcare Ltd	2 510 000
Beyond Blue Ltd	88 102
Butterfly Foundation	200 000
Caroline House Inc	391 035
Colony 47 Inc	674 186
Family Based Care Association North West Inc	105 240
Flourish Mental Health Action in Our Hands Inc	228 614
Grow (Tas)	146 407
Langford Support Services Inc	1 200 399
Launceston City Mission Inc	1 822 500
Life Without Barriers	1 000 000
Lifeline Australia Ltd	35 000
Lifeline Tasmania Inc	951 958
Mental Health Council of Tasmania Inc	1 392 996
Mental Health Families and Friends Tasmania Inc	237 727
Migrant Resource Centre (Southern Tasmania) Inc	291 598
Primary Health Tasmania Limited	112 771
Relationships Australia Tasmania Inc	431 792
Richmond Fellowship of Tasmania Inc	5 669 704
Rural Alive and Well Inc	1 175 072
The Salvation Army Property Trust Tasmania	1 832 006
Wellways Australia Ltd	2 888 383
Mental Health Services Total	\$29 645 782
Planning, Purchasing and Performance - payments to organisations to assist in activities including the recruitment of General Practitioners in Tasmania	Total Funding \$3 153 896
CanTeen - The Australian Organisation for Young People Living with Cancer	27 153
Clarence City Council	25 000
Diabetes Australia - Tasmania	100 000
Epilepsy Assoc of Tasmania Inc	440 000

Program and Organisation	Funding
General Practice Workforce Inc	210 668
Health Consumers Tasmania Ltd	215 000
Hobart District Nursing Service Inc	500 000
Integrated Care Services Pty Ltd	168 000
Northern Suburbs Community Centre Inc	13 500
Palliative Care Tasmania Limited	891 000
Starting Point Neighbourhood House Inc	13 500
The Trustee for MPMS Telephone Triage Unit Trust	361 712
The Trustee for Patrick Street Clinic Services Unit Trust	25 000
University of Tasmania	163 363
Planning, Purchasing and Performance Total	\$3 153 896

Public Health Services - services to prevent illness, protect the Tasmanian community and promote health gain	Total Funding
Anglicare Tasmania Inc.	506 088
Arthritis Foundation of Tasmania Inc	178 677
Asthma Australia Ltd	103 179
Australian Red Cross Society	172 985
Burnie Community House Inc	47 031
Cancer Council of Tasmania Inc	1 432 762
Carers Tasmania Inc	90 324
Central Highlands Council	89 000
Child Health Association Inc	129 685
Cornerstone Youth Services Ltd	47 000
Delta Society Australia Ltd	16 160
Devonport City Council	15 670
Diabetes Australia – Tasmania	578 063
Dunalley Tasman Neighbourhood House Inc	61 812
Eat Well Tasmania Incorporated	455 182
Family Planning Tasmania	1 626 658
Flinders Island Council	10 000
George Town Council	97 472
Glenhaven Family Care Inc	17 132
Hobart City Council	24 109
Huon Valley Council	50 000
Jireh House Association Inc	23 050
Jordan River Service Inc	149 723

Program and Organisation	Funding
Kidsafe Tasmania Inc.	62 846
Launceston Police and Community Youth Club Inc	50 000
Migrant Resource Centre (Southern Tasmania) Inc	32 768
National Stroke Foundation	314 608
Northern Midlands Council	34 410
Polish Association in Hobart Inc	15 000
Pregnancy Counselling and Support Tas Inc	40 000
Scarlet Alliance, Australian Sex Workers Association Incorporated	60 000
Tasmanian Aboriginal Corporation	65 500
Tasmanian School Canteen Association Inc	163 087
The Link Youth Health Service Inc	540 680
The Pharmacy Guild of Australia	24 538
The Salvation Army Property Trust Tasmania	96 557
Tasmanian Council on AIDS and Related Diseases Inc	547 432
University of New South Wales	19 940
University of Tasmania (Menzies Research Institute of Tasmania)	562 626
Waratah-Wynyard Council	90 410
Women's Health Tasmania Inc	674 611
Womensport and Recreation Tasmania Inc	108 713
Working It Out Inc	417 862
Youth, Family and Community Connections Inc	41 436
Zeehan Neighbourhood Centre Inc	6 000
Public Health Services Total	\$9 890 786
Tasmanian Health Service - governing and delivering high quality, efficient and integrated healthcare services through the public hospital system and primary and community health services	Total Funding \$437 197
Cancer Council of Tasmania Inc	335 640
Hospice Care Association of North West Tasmania Inc	101 557
Tasmanian Health Services Total	\$437 197
Grand Total	\$64 330 526

Insurable Risk

The Department has coverage for various classes of insurable risk through the Tasmanian Risk Management Fund, administered by the Department of Treasury and Finance.

Risk by Class	Excess Period/\$	Contribution \$ (GST Exclusive)	GST \$	Number of claims	Claims incurred \$ (GST Exclusive)
Personal Injury					
Workers Compensation	26 weeks	20 022 221	2 002 222	627	19 197 289
Personal Accident	50 weeks				
Asbestos Levy ¹	-	600 667	0	-	-
Aero Medical Retrieval	-	91 000	9 100	-	-
Property					
General Property	14 000	1 123 739	112 374	4	761 904
Catastrophe Insurance - DoH	5 000 000	491 817	49 182	-	-
Motor Vehicles - Fleet Vehicles	500/1 000	223 214	22 321	109	283 939
Motor Vehicles - Miscellaneous	500	52 391	5 239	42	108 787
Liability					
General Liability	40 000	26 680	2 668	4	286 860
Medical Liability	50 000	9 960 186	996 019	35	6 962 069
Miscellaneous					
Government Contingency		10 413	1 041	-	-
Travel	Various	9 434	679	-	-
	-	32 611 762	3 200 845	821	27 600 848

Notes:

1. The Asbestos Levy is based on three per cent of the contribution for personal injury.

Pricing Policy

The Department has activities for which the pricing of goods and services is required. Fee/charging programs are conducted with reference to the Government's policy and guidelines on fees and charges.

The guidelines clarify in the cost-recovery assessment process when the social implications of applying fees or charges should be considered in determining whether a subsidy or concession is provided.

Any amendment to fees charged under regulations are assessed by the Department of Treasury and Finance for any necessary regulatory impact statement consultation process.

Fees and charges are levied in accordance with the provisions of the following Acts and their Regulations:

- *Ambulance Service Act 1982*
- *Anatomical Examinations Act 2006*
- *Health Act 1997*
- *Food Act 2003*
- *Health Service Establishments Act 2006*
- *Pharmacy Control Act 2001*
- *Poisons Act 1971*
- *Public Health Act 1997*
- *Radiation Protection Act 2005*
- *Tasmanian Health Service Act 2018.*

Superannuation Declaration

I, Kathrine Morgan-Wicks, Secretary, Department of Health, hereby certify that, to the best of my knowledge, the Department has met its obligations under the *Commonwealth's Superannuation Guarantee (Administration) Act 1992* in respect of any employee who is a member of a complying superannuation scheme to which the Department contributes.



Kathrine Morgan-Wicks
Secretary
30 September 2020

Right to Information

The *Right to Information Act 2009* (the Act) gives members of the public the right to obtain information contained in the records of the Government and public authorities unless it is exempt from disclosure under the Act. The Act provides a framework for the disclosure of information to the Tasmanian community to improve transparency in government and encourages routine disclosure of information.

In accordance with the Premier's June 2015 announcement that Right to Information (RTI) decisions made by agencies are to be published, the Department listed three decisions on the public disclosure log. This approach ensures a greater level of transparency in the way information is released to the public. The publication of information does not apply to personal information, but provides for the broader release of data, reports and other information of general public interest.

The Department, in line with the whole-of-government initiative of releasing the same category of information routinely, continues to provide access to information that includes organisational structures, governance policies, workforce statistics, senior executive service details, telecommunications expenditure and contracts and consultancies information. Furthermore, the Department is progressing procedures to encourage active disclosures that will contribute in a reduction in the number of assessed disclosure applications being submitted.

The total number of pages considered for assessment was 2 840 pages.

The Department offers statewide RTI training for staff and central coordination of the RTI function and is committed to improving its RTI processes to support applicants participating in this process.

The Department also managed RTI applications for the Department of Communities Tasmania. The numbers in the table below reflect only RTI applications to the Department of Health.

Number of Applications

1	Number of applications for assessed disclosure received during 2019-20	59
2	Number of applications for assessed disclosure accepted for decision	27
3	Number of applications for assessed disclosure received not accepted for decision	12

Applications Decided

1	Number of applications for assessed disclosure determined	27
1.1	Number of applications accepted during 2019-20 and decided during 2019-20	26
1.2	Number of applications accepted during 2018-19 and decided during 2019-20	1

Outcome of Applications

1	Number of determinations where the information applied for was provided in full	7
2	Number of determinations where the information applied for was provided in part with the balance refused or claimed as exempt	6
3	Number of determinations where all the information applied for was refused or claimed as exempt	8
3.1	Number of applications where the information applied for was not in the possession of the public authority	6

Reasons for Refusal¹

s.5 s.11 s.17	Refusal where information requested was not within the scope of the Act (s.5 – Not official business; s.11 – available at Archives Office and s.17 – Deferred)	0
s.9 s.12	Refusal where information is otherwise available or will become otherwise available in the next 12 months	1
s.10 s.19	Refusal where resources of public authority unreasonably diverted	3
s.20	Refusal where application repeated; or Vexatious; or Lacking in definition after negotiation	12

Note:

1. Applications can be refused for one or more of the above reasons.

Exemptions

s.25	Executive Council Information	0
s.26	Cabinet Information	0
s.27	Internal briefing information of a Minister	0
s.28	Information not relating to official business	0
s.29	Information affecting national or state security, defence or international relations	0
s.30	Information relating to the enforcement of the law	3
s.31	Legal professional privilege	0
s.32	Information relating to closed meetings of council	0
s.34	Information communicated by other jurisdictions	2
s.35	Internal deliberative information	5
s.36	Personal information of a person other than the applicant	7
s.37	Information relating to the business affairs of a third party	0
s.38	Information relating to the business affairs of a public authority	0
s.39	Information obtained in confidence	2
s.40	Information on procedures and criteria used in certain negotiations of public authority	0
s.41	Information likely to affect the State economy	0
s.42	Information likely to affect cultural, heritage and natural resources of the State	0

Withdrawn or Transferred

1	Number of applications withdrawn by the applicant	2
2	Number of applications for assessed disclosure transferred or part transferred to another public authority	0

Time to Make Decisions

Number of requests determined within the following timeframes.		
1	1 - 20 working days of the application being accepted.	10
2	More than 20 working days of the application being accepted.	17
3	Number of requests which took more than 20 working days to decide that involved an extension negotiated under s.15(4)(a).	2
4	Number of requests which took more than 20 working days to decide that involved an extension gained through an application to the Ombudsman under s.15(4)(b).	4
5	Number of requests which took more than 20 working days to decide that involved consultation with a third party under s.15(5)	0

Reviews

Internal Reviews

Number of internal reviews were requested in 2019-20	1
Number of internal reviews determined in this 2019-20	1
Number where the original decision was upheld in full	1
Number where the original decision was upheld in part	0
Number where the original decision was reversed in full	0

External Reviews (Reviews by the Ombudsman)

Number of external reviews requested in 2019-20	0
Number of external reviews determined in 2019-20	0
Number where the original decision was upheld in full	0
Number where the original decision was upheld in part	0
Number where the original decision was reversed in full	0

Public Interest Disclosure

We value transparency and accountability in administrative and management practices, and do not tolerate improper conduct by our workers, or reprisals against those who come forward to disclose such conduct. Under the *Public Interest Disclosures Act 2002*, we provide support to people who make disclosures that reveal corrupt conduct, conduct involving substantial mismanagement of public resources or conduct involving a substantial risk to public health and safety or the environment.

One public interest disclosure report was received by the Department's Public Interest Disclosure Officer during the reporting period.

Public Interest Disclosures 2019-20	Number
Number of disclosures made to the public body during the year that relate to improper conduct	1
Number of disclosures made to the public body during the year that relate to detrimental action	1
Number of disclosures determined to be a public interest disclosure	0
Number of disclosures determined by the public body to be public interest disclosures that were investigated during the year	0
Number and types of disclosed matters referred to the public body by the Ombudsman for investigation	0
Number and types of disclosures referred by the public body to the Ombudsman for investigation	0
Number and types of investigations taken over from the public body by the Ombudsman	0
Number and types of disclosed matters that the public body has declined to investigate	0
Number and types of disclosed matters that were substantiated upon investigation and the action taken on completion of the investigation	0
Any recommendations made by the Ombudsman that relate to the public body	0

Performance Audit

Performance audits by the Tasmanian Audit Office (TAO) examine whether a State entity is carrying out its activities effectively, economically and efficiently. Audits may cover all or part of a State entity's operations or consider particular issues across a number of State entities.

During 2019-20, the Department was involved in two performance audits conducted by the TAO.

The Report of the Auditor-General, No. 4 of 2019-20: Rostering of specialists in Tasmania's major hospitals, was released in November 2019. The focus of the audit was to form a limited assurance conclusion on the efficiency and effectiveness of the rostering of specialists in Tasmania's major hospitals, with a focus on assessing whether the rostering of specialists was controlled and managed in a transparent and fair manner.

The performance audit found that rostering was not effectively controlled, with many of the rostering practices being largely manual, rather than technology-based. The TAO's recommendations are currently being considered, with a Project having been established to implement a comprehensive Human Resources Information System, which includes online and integrated rostering and payroll functionality.

The Report of the Auditor-General, No. 5 of 2019-20: Royal Hobart Hospital Redevelopment Project was also released in November 2019. The focus of this audit was to assess the effectiveness of Royal Hobart Hospital Redevelopment Project processes relating to project governance, management and reporting; risk management; budgetary and financial management; and building and operational commissioning.

This performance audit assessed the robustness of the governance of the Royal Hobart Hospital Redevelopment Project. Governance elements subject to audit included strategic project management, leadership, the approach to risk, budgeting and financial management and operational commissioning. The TAO concluded that the Project had been managed effectively and that Project governance, management, reporting and financial and risk management all effectively supported the Project. The recommendations contained in the Report have been accepted and actioned accordingly.

The TAO's complete reports including recommendations are available from the TAO website <https://www.audit.tas.gov.au/publication-category/performance-audit/>.

Legislation

As detailed in the Administrative Arrangements Order 2020, made under the *Administrative Arrangements Act 1990*, the Department administers a wide range of legislation.

An Administrative Arrangements Order assigns portfolio responsibility for enactments to Ministers. The Order also assigns responsibility for administration of enactments to particular Departments.

As at 30 June 2020, the Department administers 24 Acts and associated subordinate legislation for the Minister for Health and administers two Acts for the Minister for Mental Health and Wellbeing.

Minister for Health

Alcohol and Drug Dependency Act 1968

Ambulance Service Act 1982

Anatomical Examinations Act 2006

Blood Transfusion (Limitation of Liability) Act 1986

Fluoridation Act 1968

Food Act 2003

Health Act 1997

Health Practitioner Regulation National Law (Tasmania) Act 2010

Health Professionals (Special Events Exemption) Act 1998

Health Service Establishments Act 2006

Human Cloning for Reproduction and Other Prohibited Practices Act 2003

Human Embryonic Research Regulation Act 2003

Human Tissue Act 1985

National Health Funding Administration Act 2012

Obstetric and Paediatric Mortality and Morbidity Act 1994

Optometry Offences Act 2010

Pharmacy Control Act 2001

Poisons Act 1971 - except in so far as it relates to the Poppy Advisory and Control Board (which are administered by the Department of Primary Industries, Parks, Water and Environment under the Minister for Primary Industries and Water)

Public Health Act 1997

Radiation Protection Act 2005

Reproductive Health (Access to Terminations) Act 2013

Royal Derwent Hospital (Sale of Land) Act 1995

Tasmanian Health Service Act 2018

Therapeutic Goods Act 2001

Minister for Mental Health and Wellbeing

Mental Health Act 2013 - except Parts 2 and 3 of Chapter 3, and Schedules 3, 4 and 5 (which are administered by the Department of Justice under the Attorney-General/Minister for Justice)

Mental Health (Transitional and Consequential Provisions) Act 2013

Bills Tabled

During 2019-20, the following Bills were introduced into Parliament:

- Alcohol and Drug Dependency Repeal Bill 2019
- Poisons Amendment Bill 2019.

Key Changes to Legislation

The key legislative changes involving the Department in 2019-20 are described below, including Bills introduced and other legislative projects.

The Alcohol and Drug Dependency Repeal Bill 2019 was introduced to Tasmanian Parliament on 24 September 2019. The purpose of the Bill is to repeal the *Alcohol and Drug Dependency Act 1968* and associated subordinate legislation. The Bill also proposes minor amendments to other legislation including the *Poisons Act 1971*.

The *Poisons Amendment Act 2019* commenced on 31 January 2020 and amended the *Poisons Act 1971* to ban the sale and display of ice pipes by retailers and wholesalers.

Subordinate Legislation

- Ambulance Service (Non-emergency Patient Transport) Regulations 2019
- Health Service Establishments Amendment Regulations 2019
- Poisons Amendment (Miscellaneous) Regulations 2020
- Poisons Amendment Regulations 2020
- Public Health (Infringement Notices) Amendment Regulations 2020
- Public Health (Infringement Notices) Amendment Regulations (No.2) 2020
- Public Health (Smoking Product Licence) Regulations 2019.

Council of Obstetric and Paediatric Mortality and Morbidity

Annual Report

For year ended 30 June 2020

Table of Contents

Role and Function of Council	80
Council Membership	80
Council Meetings	81
Council Administration	81
Representation on National Bodies	81
Registration	81
Review of Activities	81
Financial Statements as at 30 June 2020	82

Role and Function of Council

The Council of Obstetric and Paediatric Mortality and Morbidity (the Council) was established under the *Obstetric and Paediatric Mortality and Morbidity Act 1994* (the Act). This legislation requires Council to perform a number of functions as outlined below.

- a) To investigate the circumstances surrounding and the conditions that have, or may have, caused:
 - (i) maternal, late maternal and perinatal deaths in Tasmania
 - (ii) mortality and morbidity of children in Tasmania in the age group from 29 days to 17 years (inclusive)
 - (iii) congenital abnormalities in children born in Tasmania and
 - (iv) injuries, illness or defects suffered by pregnant women or viable foetuses in Tasmania at any time before or during childbirth.
- b) To maintain a perinatal data collection.
- c) To provide information for the education and instruction in medical theory and practice in obstetrics and paediatrics for medical practitioners, registered nurses, enrolled nurses and midwives.
- d) To investigate and report on any other matters relating to obstetric and paediatric mortality and morbidity referred to the Council by the Minister or the Secretary:
 - (da) to investigate and report to the Minister, a relevant Minister or the Secretary of its own motion on any matter relating to obstetric and paediatric mortality and morbidity that it considers necessary and
 - (db) to communicate to the Minister, or a relevant Minister, the Secretary or a prescribed body, information relating to
 - (i) a child death, maternal death or late maternal death or
 - (ii) the morbidity of a child or a woman who is or had been pregnant.
- e) To perform any other function imposed by this Act or any other Act or the regulations.

The Act contains very strict confidentiality provisions such that the Council and its members are precluded from providing information to other persons except in very limited circumstances.

Council Membership

The former Minister for Health appointed the following members to the new term as specified in the *Obstetric and Paediatric Mortality and Morbidity Act 1994* commencing on 27 May 2019 and ending 27 May 2022.

- Dr Michelle Williams (Chair), nominee of the Paediatrics and Child Health Division of the Royal Australasian College of Physicians nominated by the Tasmanian State Committee of that College
- Dr Jill Camier, nominee of the Tasmanian Branch of the Royal Australian College of General Practitioners
- Ms Kate Cuthbertson, additional member nominated by Council to represent community interests
- Professor Peter Dargaville, nominee of the Secretary employed in the delivery of Neonatal Services
- Associate Professor Amanda Dennis, nominee of the University of Tasmania
- Dr Tania Hingston, nominee of the Tasmanian Regional Committee of the Royal Australian and New Zealand College of Obstetricians and Gynaecologists

- Dr Anagha Jayakar, nominee of the University of Tasmania
- Ms Sue McBeath, nominee of the Tasmanian Branch of the Australian College of Midwives Incorporated
- Dr Scott McKeown, nominee of the Secretary employed in the Department of Health
- Ms Leanne McLean, Commissioner for Children and Young People.

Council Meetings

The Council's quarterly meetings were held in August and November 2019; and February and June 2020. The June 2020 meeting was held on-line following the emergence of COVID-19 to ensure compliance with restrictions and the safety of its members and staff.

Council Administration

Contact details are detailed below:

Dr Jo Jordan, Manager, Council of Obstetric and Paediatric Mortality and Morbidity

Clinical Quality, Regulation and Accreditation

Department of Health

Address: c/- Level 2, 22 Elizabeth Street
HOBART TAS 7000

Email jo.jordan@health.tas.gov.au

Telephone: (03) 6166 1052

Website: <http://www.dhhs.tas.gov.au/copmm>

Representation on National Bodies

The Council continues to be represented on the Australian and New Zealand Child Death Review and Prevention Group (ANZCDR&PG) and provides representation to the National Perinatal Data Development Committee and advice to the National Maternity Council's Maternal and Perinatal Committee. In addition, Council is represented on the National Perinatal Mortality Report Advisory Group. The Council also continues to provide its unidentified data to Queensland to include in Queensland's Annual Report on Child Deaths. The impact of COVID-19 on meetings in 2020 is particularly noted with the face-to-face meeting for the ANZCDR&PG having been cancelled in April 2020.

Registration

Not applicable.

Review of Activities

The Council's comprehensive 2017 Annual Report was tabled in Parliament in late October 2019. A key aim of the Annual Report was to provide epidemiological information on the women who gave birth to liveborn or stillborn babies in 2017, and on their children. The Annual Report included all four Council committee reports detailing relevant key trends arising during 2017 and recommendations based upon committee investigations and findings. National comparisons were made where possible in relation to these trends.

Throughout 2019-20, efforts have continued to progress Council's 2018 Annual Report as well as finalise the preliminary 2019 Paediatric Mortality and Morbidity Committee Report.

Recommendations that are highlighted in recent Annual Reports continue to be archived on the Council of Obstetric and Paediatric Mortality and Morbidity website (<http://www.health.tas.gov.au/copmm>). Furthermore, key issues and recommendations arising from finalised preliminary reports based on latest data will be highlighted in the Council's newsletters prior to the end of next financial year where possible. Council newsletters are archived on the website and serve to highlight pertinent clinical issues to promote improved healthcare.

The ongoing activities of Council's four committees have continued to be progressed throughout 2019-20 to fulfil its legislative requirements. The sustained efforts, commitment and contributions to Council's functions especially by its busy clinical members are fully acknowledged and commended especially in unprecedented times with the extensive impact of COVID-19. The positive efforts of the various Departmental organisations to address the Council's recommendations where possible continue to be appreciated by the Council.

Financial Statements as at 30 June 2020

Not applicable.

Tasmanian Pharmacy Authority

Annual Report

For the Year Ended 20 June 2020

Table of Contents

Establishment of the Authority	84
Authority Roles and Functions	84
Membership of the Authority	84
Meeting of the Authority	85
Administration	85
Representation on National Bodies	85
Registration	86
Review of Activities and Operations 2019-20	88
Legation	89
Complaints and Disciplinary	89
Financial Statements as at 30 June 2020	90

Establishment of the Authority

The Tasmanian Pharmacy Authority is a body corporate, established under section 6(1) of the *Pharmacy Control Act 2001* (the Act).

Historically, the former Pharmacy Board of Tasmania had functions including registration of pharmacists and registration of pharmacy premises (regulating the ownership and standards of pharmacy premises).

The first function (registration of pharmacists) is now undertaken by the Australian Health Practitioners Regulatory Authority (Ahpra).

The second function (registration of pharmacy premises), as in other States, is still regulated by a State body. In Tasmania, this is the Tasmanian Pharmacy Authority, which was established on 1 February 2011.

Authority Roles and Functions

Function of the Authority

Section 8 of the Act prescribes the following functions for the Authority:

- a) to administer the scheme of registration of pharmacy business premises
- b) to approve the ownership of, and interests in, pharmacy businesses
- c) to ensure that the services that pharmacy businesses provide from pharmacy business premises to the public are of the highest possible standard
- d) to prosecute offences against this Act
- e) to advise the Minister on matters relating to the Act and
- f) such other functions as are imposed on the Authority by this or any other Act or as may be prescribed.

Role of the Authority

Section 9 of the Act empowers the Authority to do all things necessary or convenient to be done in connection with the performance of its functions.

Membership of the Authority

Membership of the Authority is prescribed under section 7 of the Act.

The Authority consists of:

- two registered pharmacists nominated by the Minister from a list of names submitted by such bodies representing the professional interests of pharmacists as the Minister determined and
- one person to be a non-pharmacist, nominated by the Minister to represent the interests of the consumers of the services that pharmacists provide.

Membership during the reporting period:

The members of the Authority during the year ending 30 June 2020 were:

Chairman Mr Rhys Jones, B.Pharm

Members Ms Kim Fitzmaurice, B.Pharm Pharmacist Representative from 1 October 2018

Ms Christine Arnott, LLB, Consumer Representative from 1 October 2018.

Meetings of the Authority

The Authority held monthly meetings during the reporting period. This year, an additional meeting was held in May 2020 to discuss the draft legislation for the introduction of pharmacy depots.

The January 2020 meeting is an electronic meeting as well as March 2020. Since the COVID-19 emergency, the Authority has introduced the use of telephone conference meetings.

Ms Arnott occasionally attends meetings by telephone due to distance. On four occasions, Chief Inspector Tara Fox, attended Authority Meetings.

Authority Members	Meetings held while an Authority Member	Meetings Attended
Mr R Jones	13	13
Ms K Fitzmaurice	13	12
Mc C Arnott	13	12

Administration

Contact and Registrar Details

Ms Sharon Armstrong continued in the role of Registrar this financial year.

The postal address of the Authority is PO Box 1082, Sandy Bay, TAS 7006 and the mobile phone number is 0417 752 348. The Authority does not have a facsimile machine.

The Authority's ABN is 34 562 572 269.

Sitting Fees of the Authority

Sitting Fees determined by the Minister for Health, since 1 July 2019, were:

Chair:	\$457
Members:	\$347

The sitting fees were increased in line with the Tasmanian State Service Award in November 2019 and backdated to 1 July 2019. The increase of fees are as follows:

Chair:	\$468
Members:	\$355

Backpay for sitting fees will be paid in the 2020-21 financial year.

Representation on National Bodies

During the year, the Pharmacy Premises Registering Authorities of Australia (PPRAA) met once in November 2019 in Melbourne. The November 2019 meeting was attended by the Authority Chair and the Registrar. The April 2020 meeting was cancelled due to COVID-19 and travel restrictions.

The PPRAA is a forum for State and Territory pharmacy premises registering bodies whose responsibility is to protect the public in registering/approving pharmacy premises. PPRAA activities are intended to allow for the consideration and potential development of a nationally consistent framework by which pharmacists and pharmacy services providers may undertake the provision of pharmacy services within registered premises consistent with nominated scopes of practice.

The present members of PPRAA are representatives of the premises registering bodies in Australian Capital Territory, New South Wales, Northern Territory, Queensland, South Australia, Tasmania, Victoria and Western Australia.

While there are differences in each jurisdiction's legislation, it is generally acknowledged that these bodies should be responsible for the standards within pharmacy premises. It is noted that the Pharmacy Board of Australia's powers are limited to the registration of pharmacists and dealing with notifications against pharmacists. It does not extend to the standards of practice within pharmacy premises or standards of the premises themselves.

At the November 2018 Meeting of PPRAA, it was proposed and accepted by member states to fund the salary of a part time Project Officer. Each state has committed to fund \$1 500 annually for this purpose. The Tasmanian Pharmacy Authority paid this contribution of \$1 500 in October 2019.

Registration

Register of Pharmacy Premises

The number of pharmacy business premises registered with the Authority at 30 June 2020 was 161, up from 160 in 2018-19.

At 30 June 2020, 86 (90 in 2018-19) body corporates and 91 (96 in 2018-19) individuals (in their own right or as trustees of a trust) held an Eligibility Certificate for their interests in a pharmacy business.

Many applications for the approval of new owners involved trust structures, with either an individual or body corporate as the trustee, rather than straightforward ownership by the pharmacist. This is an increasing trend, both in Tasmania and other jurisdictions.

The names of some pharmacy business premises changed during the year, many of these reflecting changes to, and some mergers of, large buying groups.

During the year, the Authority approved the following applications:

New or relocating pharmacies	4 (4 in 2018-19)
Applications for a new Body Corporate owner	11 (9 in 2018-19)
Applications for a new individual owner	1 (8 in 2018-19)
Exempt Premises (Music Festival)	1 (1 in 2018-19)

There were 30 applications for alterations of Pharmacy Business Premises or Vaccination Areas were lodged and considered by the Authority with one application not approved. As at 30 June 2020, 80 (72 – 2018-19) pharmacy premises had approved permanent vaccination areas.

Registration Policy

Pharmacy premises registrations and the issuing of Eligibility Certificates continued to be managed in accordance with the requirements of the Act. Pharmacists intending to buy or sell an existing pharmacy, change its ownership structure, or to move or re-name it, applied to the Authority for approval by submitting the appropriate forms and paying the prescribed fees. As indicated above, the development of a vaccination area also follows an application and approval process.

Fees

The prescribed fees were increased in accordance with the value of a Statutory Fee Unit to \$1.62.

The fees for 2019-20 as defined by the regulations were:

Type of Fee	Section of Act	Fee Unit	Fees 2019-20 @\$1.62 \$
Eligibility Certificate - Initial Application			
Each individual involving no Trust	61B	35	56.70
Each individual involving one Trust	61B	275	445.50
Each individual with more than one Trust	61B	550	891.00
Each body corporate with no Trust	61B	350	567.00
Each body corporate with one Trust	61B	620	1 004.40
Each body corporate with more than one Trust	61B	900	1 458.00
Annual Renewals			
Individual eligibility certificate	61E	70	113.40
Body Corporate eligibility certificate	61E	140	226.80
Premises Registration			
Initial registration of pharmacy business premises	71D	310	502.20
Premises Renewal			
Certificate of Premises Registration	71K	250	405.00
Late Fees			
Individual Eligibility Certificate	61E	15	24.30
Body Corporate Eligibility Certificate	61E	50	81.00
Premises Registration	71K	100	162.00
Other Fees			
Application to exempt premises from registration	71J	35	56.70
Fee for inspection of register	71M	15	24.30
Fee for a copy or extract from register - per page	71M	5	8.10
Fee for a copy of notice - per page	71M	5	8.10
Application for a Pharmacy Depot	-	-	TBA

The Authority continued discussions with the Department regarding the adjustment of fees to make them more consistent, for example, the fees for an individual renewal are higher than the initial application and this is not the case with a corporate renewal. The addition of a fee for alterations has also been considered and should be introduced in the new financial year, along with a fee for a Pharmacy Depot which will be applicable once the legislation for Pharmacy Depots is approved.

Review of Activities and Operations 2019-20

Achievements

Pharmacy Control Act 2001

The Tasmanian Pharmacy Authority was established under the Act which commenced on 1 February 2011. Amendments to the Act were proclaimed on 1 January 2017, which addressed many ambiguities and inconsistencies which had been identified.

It has been the role of the Authority to implement and administer this Act, which includes considering all applications for alterations, new or relocated premises, transfers of ownership and consideration of ownership eligibility.

The Authority administered the issuing of Eligibility Certificates in accordance with Part 5A of the Act. The complexities of pharmacy ownership when companies and trusts were involved make determining the interests of parties difficult, and the Authority routinely referred company and trust documents to Crown Law for advice.

As far as the Authority is aware, all ownership structures comply with the Act, and no individual has an interest in more than four pharmacy business premises in Tasmania.

Authority Inspections

At 30 June 2020, five inspectors were contracted with the Authority. One Inspector, Justin Cousins, resigned during the year and has been replaced by Georgina Palmer.

The Authority continued its inspection and premises registration processes which require owners to make formal declarations about the completion of premises' works and the suitability of the premises to operate as a pharmacy business. Following advice of the completion of works (be it for new or altered premises), the Authority then inspected the pharmacy premises to ensure their compliance with the Act.

In addition, the Authority inspected pharmacy business premises after sale on those occasions where there was a total change of ownership.

The Authority continued to work closely with the Pharmaceutical Services Branch (PSB) of Department of Health, with PSB receiving copies of each Inspection Report and Alteration Applications. In addition, the Authority alerts the Ahpra to potential issues which fall under its jurisdiction.

Until the suspension of inspections from mid-March 2020, due to COVID-19, the Authority made inspections a focus, endeavouring to inspect pharmacies which had not been inspected for some time as well as the inspections which are required to be undertaken following changes of ownership, alterations, new pharmacies, and relocations.

In 2019-20, the Authority undertook 32 inspections, greatly reducing the number of pharmacies which had not been inspected for more than three years.

Pharmacy Depots

The Authority has continued to pursue the adoption of the legislation to permit the operation of a pharmacy depot. A pharmacy depot is defined as a shop or other premises which receives prescriptions on behalf of an operating pharmacy which then dispenses the prescriptions through the depot.

The Regulations are now at drafting stage and the Authority is liaising with the Department of Health to refine the regulations and allow the legislation to be put before Parliament.

Conflict of Interest

The Authority continued its practice of requiring an annual update by all employees and independent contractors of its TPA Disclosure of Interest and Confidential Information Form to ensure actual or potential conflicts of interest were declared by employees and independent contractors and that risks were properly identified, assessed and managed. In addition, each Authority meeting includes Declaration of Interest as a Standing Item

Legislation

Pharmacy Control Act 2001

The *Pharmacy Control Act 2001* was proclaimed on 1 February 2011. Following some years of consultation with the then Department of Health and Human Services and Crown Law to progress amendments to the Act, the Pharmacy Control Amendment Bill 2016 was passed on 22 June 2016 and proclaimed on 1 January 2017. Amendment to the Regulations to make provision for a new fee for applications for alterations to pharmacy premises was not completed by 30 June 2020 but is expected to be introduced in 2020-21.

Personal Information Protection Act 2004

The Authority approved its Personal Information Protection Statement on 3 October 2012. There were no matters raised under the *Personal Information Protection Act 2004* during the 12 months ended 30 June 2020.

Public Interest Disclosure Act 2002

The Authority approved an Application for Assessed Disclosure Form on 3 October 2012. There were no matters raised under the *Public Interest Disclosures Act 2002* during the 12 months ended 30 June 2020.

Right to Information Act 2009

The Authority approved a Right to Information Statement on 3 October 2012. There were no requests for information under the *Right to Information Act 2009* in the 12 months ended 30 June 2020.

Complaints and Disciplinary

The administration of complaints and disciplinary issues for pharmacists was transferred to the National Registration and Accreditation Scheme prior to the commencement of the Tasmanian Pharmacy Authority in 2011. All matters became the responsibility of Ahpra. As a result of this, the Authority has no role in such issues, and referred any complaints received during the year to Ahpra.

The Authority itself received no complaints about its operations and had no disciplinary issues during the year.

Financial Statements

The Authority re-appointed Crowe Horwath (now Findex) during the year, as its Auditors; and obtained the permission of the Auditor-General to dispense with the audits by the Tasmanian Audit Office.

Attached are the Audited Financial Statements.

Tasmanian Pharmacy Authority

Financial Report

For the Year Ended 30 June 2020

Table of Contents

Statement by the Registrar	91
Statement of Comprehensive Income	92
Statement of Financial Position	93
Statement of Changes in Equity	94
Statement of Cash Flows	94
Notes to the Financial Statements	95
Auditors' Independence Declaration	98
Independent Audit Report	98

Tasmanian Pharmacy Authority

Statement by the Registrar

The Registrar has determined that the Authority is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

In the opinion of the Registrar:

1. The financial statements and notes, as set out on pages 92 to 98, present fairly the Authority's financial position as at 30 June 2020 and its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements and
2. At the date of the statement, there are reasonable grounds to believe that the Authority will be able to pay its debts as and when they become due and payable.

This statement is made in accordance with a resolution of the Authority, and is signed for and on behalf of the Authority by:

Registrar
Dated this 07 day of OCTOBER 2020.

Tasmanian Pharmacy Authority
Statement of Comprehensive Income
For the Year Ended 30 June 2020

	2020	2019
	\$	\$
Income		
Annual renewal - body corp eligibility certificate	19 586	17 353
Annual renewal - individual eligibility certificate	10 417	9 267
Annual renewal - premises eligibility certificate	63 200	60 440
Application - for new premises	2 009	1 960
Application fee - individual eligibility certificate	57	822
Application fee – individual with trust eligibility certificate	-	435
Application fee - new body eligibility certificate	7 074	8 311
Exempt applications - premises	57	55
Interest	6	204
Total Income	102 136	98 847
Expenditure		
Accounting fees	2 450	2 830
Administration expenses	4 661	2 891
Website design	2 350	-
Depreciation	1 062	1 373
Inspection expenses	21 659	6 486
Late fees paid	28	6 291
Member reimbursement for expenses	966	1 883
Consultant registrar	4 343	22 865
Registrar fees	37 370	35 573
Sitting fees	14 323	18 220
Sundry expenses	83	(179)
Superannuation	5 812	34 602
Telephone and fax	698	690
Travel	3 911	2 810
Total Expenses	99 716	136 335
Net surplus/(deficit) for the year	2 420	(37 488)
Other comprehensive Income	-	-
Total comprehensive income for the year	2 420	(37 488)

Tasmanian Pharmacy Authority

Statement of Financial Position

As At 30 June 2020

	Note	2020 \$	2019 \$
Assets			
Current Assets			
Cash and cash equivalents	3	162 661	158 808
Trade and other receivables	4	1 296	2 245
Total Current Assets		163 957	161 053
Non-Current Assets			
Plant and equipment	5	6 141	3 972
Total Non-Current Assets		6 141	3 972
Total Assets		170 098	165 025
Liabilities			
Current Liabilities			
Trade and other payables	6	8 811	14 019
Deferred income	7	89 505	81 644
Total Liabilities		98 316	95 663
Net Assets		71 782	69 362
Equity			
Accumulated surpluses		71 782	69 362
Total Equity		71 782	69 362

Tasmanian Pharmacy Authority

Statement of Changes in Equity

For the year ended 30 June 2020

2019	Accumulated Surpluses \$	Total \$
Balance at 1 July 2019	69 362	69 362
Net surplus/(deficit) for the year	2 420	2 420
Balance at 30 June 2020	<u>71 782</u>	<u>71 782</u>

2018	Accumulated Surpluses \$	Total \$
Balance at 1 July 2018	106 850	106 850
Net surplus/(deficit) for the year	(37 488)	(37 488)
Balance at 30 June 2019	<u>69 362</u>	<u>69 362</u>

Statement of Cash Flows

For the Year Ended 30 June 2020

	Note	2020 \$	2019 \$
Cash Flows from Operating Activities:			
Statutory Fees from Entities		112 711	97 438
Interest received		6	204
Payments to suppliers, sitting members and contractors		(105 633)	(126 839)
Net cash provided by (used in) operating activities	8	<u>7 084</u>	<u>(29 197)</u>
Cash Flows from Investing Activities:			
Purchase of plant and equipment		(3 231)	-
Net cash used in investing activities		<u>(3 231)</u>	-
Net increase (decrease) in cash and cash equivalents held		3 853	(29 197)
Cash and cash equivalents at beginning of year		158 808	188 005
Cash and cash equivalents at end of financial year	3	<u>162 661</u>	<u>158 808</u>

Notes to the Financial Statements

For the year ended 30 June 2020

I Summary of Significant Accounting Policies

This financial report covers Tasmanian Pharmacy Authority as an individual entity. Tasmanian Pharmacy Authority is incorporated in Tasmania under the *Pharmacy Control Act 2001*.

(a) Basis of preparation

This financial report is a special purpose financial report prepared in order to satisfy the financial reporting requirements of the *Pharmacy Control Act 2001*. The Registrar has determined that the not-for-profit Authority is not a reporting entity. The Authority is a not-for-profit entity for financial reporting purposes.

The financial report, except for the cash flow information, has been prepared on an accruals basis and is based on historic costs and does not take into account changing money values or, except where specifically stated, current valuations of non-current assets. Financial information, where presented, has been rounded to the nearest dollar.

No assessment has been made as to the compliance with recognition and measurement requirements in Australian Accounting Standards. The following significant accounting policies, which are consistent with the previous period unless otherwise stated, have been adopted in the preparation of this financial report.

(b) Comparative figures

Comparative figures have been adjusted to conform to changes in presentation for the current financial year.

(c) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments.

(d) Trade and other receivables

The Authority considers accounts receivable to be fully collectible; accordingly, no allowance for doubtful accounts is required.

(e) Plant and equipment

Plant and equipment are carried at cost. All assets are depreciated over their useful lives to the Authority.

The depreciation rates used for each class of depreciable asset are shown below:

Fixed asset class	Depreciation rate
Computer equipment	20 per cent

(f) Trade and other payables

Trade and other payables represent the liability at the end of the reporting period for goods and services received by the Authority during the reporting period which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

(g) Income tax

The Authority is self assessed as being exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*, being an exempt entity - a public authority constituted under Australian law.

(h) Revenue and other income

Registration and application fee income is recognised in the period to which it relates.

Interest revenue is recognised in the period to which it relates.

All revenue is stated net of the amount of goods and services tax (GST).

(i) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

2 Critical Accounting Estimates and Judgments

The Registrar and the Authority make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

3 Cash and Cash Equivalents

	2020	2019
	\$	\$
Cash at bank	162 661	158 808
	<u>162 661</u>	<u>158 808</u>

4 Trade and Other Receivables

	2020	2019
	\$	\$
GST receivable	1 296	2 245
	<u>1 296</u>	<u>2 245</u>

5 Property, Plant and Equipment

	2020	2019
	\$	\$
Computer equipment - at cost	11 094	7 863
Accumulated depreciation	(4 953)	(3 891)
	<u>6 141</u>	<u>3 972</u>

6 Trade and Other Payables

	2020	2019
	\$	\$
Trade payables	5 230	1 759
PAYG withholding	2 449	2 830
Superannuation payable	1 132	9 430
	<u>8 811</u>	<u>14 019</u>

7 Deferred Income

	2020	2019
	\$	\$
Deferred Income		
- Premises Renewal in advance	61 155	55 695
- Application fee for new body eligibility certificate	9 752	9 018
- Annual renewal - body corp eligibility certificate	18 598	16 931
	<u>89 505</u>	<u>81 644</u>

8 Cash Flow Information

(a) Reconciliation of result for the year to cashflows from operating activities

Reconciliation of net income to net cash provided by operating activities:

	2020	2019
	\$	\$
Net surplus/(deficit) for the year	2 420	(37 488)
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit:		
- depreciation	1 062	1 373
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	950	(445)
- increase/(decrease) in trade and other payables	(5 209)	12 724
- increase/(decrease) in deferred income	7 861	(5 361)
Cashflow from operations	<u>7 084</u>	<u>(29 197)</u>

9 Contingent Liabilities and Contingent Assets

The Authority is currently the subject of a court action initiated by a previous registrar. The decision of the court case is yet to be determined and the financial liability, if any, unable to be reliably determined at this time. (2019, per 2020).

In the opinion of the Authority there were not any contingent assets as at the reporting date to be disclosed. (2019: Nil).

10 Events after the end of the Reporting Period

Subsequent to balance date, the COVID-19 pandemic continues to impact both communities and businesses throughout the world, including Australia and the community where the Authority operates.

This is considered a non-adjusting subsequent event as at 30 June 2020, however, this pandemic will likely have a financial impact for the Authority in the 2021 financial year and potentially beyond. The scale, timing and duration of the potential impacts on the Authority is unknown. The Authority will continue to monitor the impacts of COVID-19 and respond accordingly.

No other matters or circumstances have arisen since the reporting date which significantly affected or may significantly affect the operations of the Authority, the results of the operation, or the state of affairs of the Authority in the future financial years.

11 Authority Details

The postal address of the Authority is:

Tasmanian Pharmacy Authority

PO Box 1082

SANDY BAY TAS 7005



Crowe Audit Australia
 ABN 13 969 921 386
 Level 1, 142-146 Elizabeth Street
 Hobart TAS 7000 Australia
 GPO Box 392
 Hobart TAS 7001 Australia
 Tel 03 6210 2525
 Fax 03 6210 2524
www.crowe.com.au

Tasmanian Pharmacy Authority

Auditors' Independence Declaration To the Registrar of Tasmanian Pharmacy Authority

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2020, there have been:

- (i) no contraventions of the auditor independence requirements as set out in the *Accounting Professional Ethical Pronouncements* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

Alison Flakemore

Crowe Audit Australia



Alison Flakemore
Senior Partner

Dated this 30th day of September, 2020.

Hobart, Tasmania.

Liability limited by a scheme approved under Professional Standards Legislation.

The title 'Partner' conveys that the person is a senior member within their respective division, and is among the group of persons who hold an equity interest (shareholder) in its parent entity, Findex Group Limited. The only professional service offering which is conducted by a partnership is the Crowe Australasia external audit division. All other professional services offered by Findex Group Limited are conducted by a privately owned organisation and/or its subsidiaries.

Findex (Aust) Pty Ltd, trading as Crowe Australasia is a member of Crowe Global, a Swiss Verein. Each member firm of Crowe Global is a separate and independent legal entity. Findex (Aust) Pty Ltd and its affiliates are not responsible or liable for any acts or omissions of Crowe Global or any other member of Crowe Global. Crowe Global does not render any professional services and does not have an ownership or partnership interest in Findex (Aust) Pty Ltd. Services are provided by Crowe Audit Australia, an affiliate of Findex (Aust) Pty Ltd.
 © 2020 Findex (Aust) Pty Ltd



Crowe Audit Australia
 ABN 13 969 921 386
 Level 1, 142-146 Elizabeth Street
 Hobart TAS 7000 Australia
 GPO Box 392
 Hobart TAS 7001 Australia
 Tel 03 6210 2525
 Fax 03 6210 2524
 www.crowe.com.au

Tasmanian Pharmacy Authority

Independent Audit Report to the Tasmanian Pharmacy Authority

Opinion

We have audited the financial report of Tasmanian Pharmacy Authority (the Authority), which comprises the statement of financial position as at 30 June 2020, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the statement by the members of the Authority.

In our opinion, the accompanying financial report presents fairly, in all material respects, the financial position of the Authority as at 30 June 2020, and of its financial performance for the year then ended in accordance with the accounting policies described in Note 1 to the financial statements and the *Pharmacy Control Act 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Authority in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter – Basis of Accounting

We draw attention to Note 1 to the financial statements, which describe the basis of accounting. The financial report has been prepared to assist the Authority to meet the requirements of the *Pharmacy Control Act 2001*. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Responsibilities of the Authority for the Financial Report

The Authority is responsible for the preparation and fair presentation of the financial report and have determined that the basis of preparation described in Note 1 to the financial statements is appropriate to meet the needs of the members in accordance with the financial reporting requirements of the applicable legislation and for such internal control as the Authority determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Authority members are responsible for assessing the Authority's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the Authority either intends to liquidate or cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives 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 our 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.

Liability limited by a scheme approved under Professional Standards Legislation.

The title 'Partner' conveys that the person is a senior member within their respective division, and is among the group of persons who hold an equity interest (shareholder) in its parent entity, PwC Group Limited. The only professional service offering which is conducted by a partnership is the Crowe Australasia external audit division. All other professional services offered by PwC Group Limited are conducted by a privately owned organisation and/or its subsidiaries.

PwC (Aust) Pty Ltd, trading as Crowe Australasia is a member of Crowe Global, a Swiss entity. Each member firm of Crowe Global is a separate and independent legal entity. PwC (Aust) Pty Ltd and its affiliates are not responsible or liable for any acts or omissions of Crowe Global or any other member of Crowe Global. Crowe Global does not render any professional services and does not have an ownership or partnership interest in PwC (Aust) Pty Ltd. Services are provided by Crowe Audit Australia, an affiliate of PwC (Aust) Pty Ltd.
 © 2020 PwC (Aust) Pty Ltd



Crowe Audit Australia
 ABN 13 969 921 386
 Level 1, 142-146 Elizabeth Street
 Hobart TAS 7000 Australia
 GPO Box 392
 Hobart TAS 7001 Australia
 Tel 03 6210 2525
 Fax 03 6210 2524
 www.crowe.com.au

Tasmanian Pharmacy Authority

Independent Audit Report to the Tasmanian Pharmacy Authority

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We 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 our 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 Authority's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Authority.
- Conclude on the appropriateness of the Authority'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 Authority's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Authority 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.

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


 Crowe Audit Australia



Alison Flakemore
 Senior Partner

Dated this8th..... day ofOctober..... 2020.

Hobart, Tasmania.

Liability limited by a scheme approved under Professional Standards Legislation.

The title Partner conveys that the person is a senior member within their respective division, and is among the group of persons who hold an equity interest (shareholder) in its parent entity, PwC Group Limited. The only professional service offering which is conducted by a partnership is the Crowe Australasia external audit division. All other professional services offered by PwC Group Limited are conducted by a privately owned organization and/or its subsidiaries.

*PwC (Aust) Pty Ltd, trading as Crowe Australasia is a member of Crowe Global, a Swiss entity. Each member firm of Crowe Global is a separate and independent legal entity. PwC (Aust) Pty Ltd and its affiliates are not responsible or liable for any acts or omissions of Crowe Global or any other member of Crowe Global. Crowe Global does not render any professional services and does not have an ownership or partnership interest in PwC (Aust) Pty Ltd. Services are provided by Crowe Audit Australia, an affiliate of PwC (Aust) Pty Ltd.
 © 2020 PwC (Aust) Pty Ltd*



4

FINANCIAL STATEMENTS

Department of Health Financial Statements

For the year ended 30 June 2020

Table of Contents

Statement of Certification	103
Statement of Comprehensive Income for the year ended 30 June 2020	104
Statement of Financial Position as at 30 June 2020	105
Statement of Cash Flows for the year ended 30 June 2020	106
Statement of Changes in Equity for the year ended 30 June 2020	107
Notes to and forming part of the Financial Statements for the year ended 30 June 2020	108

Statement of Certification

The accompanying Financial Statements of the Department of Health (the Department) are in agreement with the relevant accounts and records and have been prepared in compliance with the Treasurer's Instructions issued under the provisions of the *Financial Management Act 2016* to present fairly the financial transactions for the year ended 30 June 2020 and the financial position as at the end of the year.

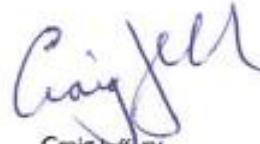
At the date of signing, I am not aware of any circumstances which would render the particulars included in the Financial Statements misleading or inaccurate.



Kathrine Morgan-Wicks

Secretary

Dated 10 September 2020



Craig Jeffery

Chief Financial Officer

Dated 10 September 2020

Statement of Comprehensive Income for the year ended 30 June 2020

	Notes	2020 Budget \$'000	2020 Actual \$'000	2019 Actual \$'000
Income from continuing operations				
Revenue from Government				
Appropriation revenue - operating	6.1	1 180 798	1 360 246	1 168 497
Appropriation revenue - capital	6.1	95 993	24 677	110 821
Other revenue from Government	6.1	....	13 121	10 768
Revenue from Special Capital Investment Funds	6.2	....	1 185	5 759
Grants	6.3	565 618	591 689	581 046
Sales of goods and services	6.4	203 363	190 137	194 786
Interest	6.5	334	100	381
Contributions received	6.6	....	12 882	180
Other revenue	6.7	22 671	51 367	51 209
Total revenue from continuing operations		2 068 777	2 245 404	2 123 447
Net gain/(loss) on non-financial assets	7.1	13	(73)	(166)
Net gain/(loss) on financial instruments and statutory receivables/payables	7.2	....	(1 239)	(1 067)
Total income from continuing operations		2 068 790	2 244 092	2 122 214
Expenses from continuing operations				
Employee benefits	8.1	1 216 692	1 423 412	1 300 616
Depreciation and amortisation	8.2	67 777	63 965	51 340
Supplies and consumables	8.3	488 241	517 113	505 686
Grants and subsidies	8.4	115 915	84 402	79 766
Finance costs	8.5	1 471	651	....
Other expenses	8.6	38 799	48 683	33 628
Total expenses from continuing operations		1 928 895	2 138 226	1 971 036
Net result from continuing operations		139 895	105 866	151 178
<i>Other comprehensive income</i>				
Items that will not be reclassified to net result in subsequent periods				
Net actuarial gains/(losses) on superannuation defined benefit plans	10.4	....	(698)	(9 008)
Changes in property plant and equipment revaluation surplus	12.1	30 908	24 170	37 547
Total other comprehensive income		30 908	23 472	28 539
Comprehensive result		170 803	129 338	179 717

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

Budget information refers to original estimates and has not been subject to audit.

Explanations of material variances between budget and actual outcomes are provided in Note 4 of the accompanying notes.

Statement of Financial Position as at 30 June 2020

	Notes	2020 Budget \$'000	2020 Actual \$'000	2019 Actual (Restated!) \$'000
Assets				
<i>Financial Assets</i>				
Cash and cash equivalents	13.1	137 369	185 304	161 352
Receivables	9.1	27 810	35 080	37 608
Contract assets	9.2	....	11 155	....
Other financial assets	9.3	22 345	20 233	21 103
<i>Non-financial assets</i>				
Inventories	9.4	13 687	39 227	13 788
Assets held for sale	9.5	....	....	79
Property, plant and equipment	9.6	1 841 589	1 636 141	1 584 814
Right-of-use assets	9.7	....	25 899	....
Intangible assets	9.8	7 776	3 830	9 005
Other assets	9.9	90 257	31 325	9 147
Total assets		2 140 833	1 988 194	1 836 896
Liabilities				
Payables	10.1	96 976	100 148	120 502
Lease liabilities	10.2	76 164	26 259	....
Contract liabilities	9.2	....	5 655	....
Employee benefit liabilities	10.3	275 321	327 358	325 451
Superannuation	10.4	(4 804)	6 146	4 586
Other liabilities	10.5	20 629	36 255	28 789
Total liabilities		464 286	501 821	479 328
Net assets (liabilities)		1 676 547	1 486 373	1 357 568
Equity				
Reserves	12.1	412 081	338 439	312 809
Accumulated funds		1 264 466	1 147 934	1 044 759
Total equity		1 676 547	1 486 373	1 357 568

Note:

1. The comparative figures have been restated to reflect the correction of a prior year error. Refer to Note 19.11 for details.

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

Budget information refers to original estimates and has not been subject to audit.

Explanations of material variances between budget and actual outcomes are provided in Note 4 of the accompanying notes.

Statement of Cash Flows for the year ended 30 June 2020

	Notes	2020 Budget \$'000	2020 Actual \$'000	2019 Actual \$'000
Cash flows from operating activities				
<i>Cash inflows</i>				
Appropriation receipts - operating		1 180 798	1 353 774	1 174 969
Appropriation receipts - capital		95 993	6 467	5 273
Receipts from Special Capital Investment Funds - continuing operations		....	....	1 035
Grants - continuing operations		565 699	543 167	478 856
Sales of goods and services		202 597	185 052	200 271
GST receipts		44 856	81 793	77 474
Interest received		334	100	381
Other cash receipts		22 671	51 367	49 190
Total cash inflows		2 112 948	2 221 720	1 987 449
<i>Cash outflows</i>				
Employee benefits		(1 244 362)	(1 400 225)	(1 274 105)
Finance costs		(1 471)	(651)	....
GST payments		(44 486)	(76 696)	(81 519)
Grants paid		(115 996)	(84 402)	(79 766)
Supplies and consumables		(485 212)	(578 671)	(477 084)
Other cash payments		(38 797)	(34 311)	(33 210)
Total cash outflows		(1 930 324)	(2 174 956)	(1 945 684)
Net cash from / (used by) operating activities	13.2	182 624	46 764	41 765
Cash flows from investing activities				
<i>Cash inflows</i>				
Proceeds from the disposal of non-financial assets		13	3 632	158
Receipts from non-operational capital funding - capital		....	24 264	112 197
Receipts from non-operational capital funding - Special Capital Investment Funds		....	....	4 615
Receipts from non-operational capital funding - Grants		....	43 633	101 396
Cash inflow on administrative restructure		....	....	40 789
Total cash inflows		13	71 529	259 155
<i>Cash outflows</i>				
Payments for acquisition of non-financial assets		(169 348)	(87 218)	(237 084)
Cash outflow on administrative restructure		....	....	(71 702)
Total cash outflows		(169 348)	(87 218)	(308 786)
Net cash from / (used by) investing activities		(169 335)	(15 689)	(49 631)
Cash flows from financing activities				
<i>Cash outflows</i>				
Repayment of leases liabilities (excluding interest)		(8 587)	(7 123)	....
Total cash outflows		(8 587)	(7 123)	....
Net cash from / (used by) financing activities		(8 587)	(7 123)	....
Net increase / (decrease) in cash and cash equivalents held		4 702	23 952	(7 866)
Cash and cash equivalents at the beginning of the reporting period		132 667	161 352	169 218
Cash and cash equivalents at the end of the reporting period	13.1	137 369	185 304	161 352

This Statement of Cash Flows should be read in conjunction with the accompanying notes. Budget information refers to original estimates and has not been subject to audit. Explanations of material variances between budget and actual outcomes are provided in Note 4 of the accompanying notes.

Statement of Changes in Equity for the year ended 30 June 2020

	Notes	Contributed Equity \$'000	Reserves \$'000	Accumulated Funds \$'000	Total Equity \$'000
Balance as at 1 July 2019		....	312 809	1 044 759	1 357 568
Net Result		....	....	105 866	105 866
Other comprehensive income		....	24 170	(698)	23 472
Total comprehensive result		....	24 170	105 168	129 338
Transfers to asset revaluation reserve from accumulated funds	12.1	....	1 460	(1 460)	....
Transactions with owners in their capacity as owners:					
Administrative restructure - Distributions to owners	12.2	....	....	(533)	(533)
Balance as at 30 June 2020		....	338 439	1 147 934	1 486 373

	Notes	Contributed Equity \$'000	Reserves \$'000	Accumulated Funds \$'000	Total Equity \$'000
Balance as at 1 July 2018		6 094	1 958 735	(92 487)	1 872 342
Adjustment due to change in accounting policy		....	....	343	343
Correction of error	19.11	....	....	(78 817)	(78 817)
Restated balance as at 1 July 2018		6 094	1 958 735	(170 961)	1 793 868
Net Result		....	....	151 178	151 178
Other comprehensive income		....	37 547	(9 008)	28 539
Total comprehensive result		....	37 547	142 170	179 717
Transfers to asset revaluation reserve from accumulated funds	12.1	....	14	(14)	....
Transactions with owners in their capacity as owners:					
Withdrawal of equity		....	....	(62)	(62)
Administrative restructure - Contributions by owners	12.2	....	239 935	565 157	805 092
Administrative restructure - Distributions to owners	12.2	(6 094)	(1 923 422)	508 469	(1 421 047)
Balance as at 30 June 2019		....	312 809	1 044 759	1 357 568

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

Notes to and forming part of the Financial Statements for the year ended 30 June 2020

Note 1 Administered Financial Statements	111
1.1 Schedule of Administered Income and Expenses	111
1.2 Schedule of Administered Assets and Liabilities	112
1.3 Schedule of Administered Cash Flows	112
1.4 Schedule of Administered Changes in Equity	113
Note 2 Departmental Output Schedules	113
2.1 Output group information	113
2.2 Reconciliation of total output groups comprehensive result to Statement of Comprehensive Income	122
2.3 Reconciliation of total output groups net assets to Statement of Financial Position	122
2.4 Administered Output Schedule	123
2.5 Reconciliation of total administered output groups comprehensive result to schedule of Administered Income and expenses	123
2.6 Reconciliation of total administered output groups net assets to Schedule of Administered Assets and Liabilities	123
Note 3 Expenditure under Australian Government Funding Arrangements	124
Note 4 Explanations of Material Variances between Budget and Actual Outcomes	124
4.1 Statement of Comprehensive Income	124
4.2 Statement of Financial Position	126
4.3 Statement of Cash Flows	128
Note 5 Underlying Net result	129
Note 6 Revenue	129
6.1 Revenue from Government	129
6.2 Revenue from Special Capital Investment Fund	130
6.3 Grants	131
6.4 Sales of goods and services	132
6.5 Interest	133
6.6 Contributions received	133
6.7 Other revenue	134
Note 7 Net Gains/(losses)	134
7.1 Net gain/(loss) on non financial assets	134
7.2 Net gain/(loss) on financial instruments and statutory receivables/payables	135
Note 8 Expenses	135
8.1 Employee benefits	135
8.2 Depreciation and amortisation	139

8.3	Supplies and consumables	140
8.4	Grants and subsidies	140
8.5	Finance costs	141
8.6	Other expenses	141
Note 9	Assets	141
9.1	Receivables	141
9.2	Contract Assets and Liabilities	142
9.3	Other financial assets	143
9.4	Inventories	143
9.5	Assets held for sale	143
9.6	Property, plant and equipment	144
9.7	Right-of-use assets	150
9.8	Intangible assets	150
9.9	Other assets	151
Note 10	Liabilities	151
10.1	Payables	151
10.2	Lease liabilities	152
10.3	Employee benefit liabilities	153
10.4	Superannuation	153
10.5	Other liabilities	158
Note 11	Commitments and Contingencies	158
11.1	Schedule of commitments	158
11.2	Contingent assets and liabilities	158
Note 12	Reserves	163
12.1	Reserves	163
12.2	Administrative restructuring	164
Note 13	Cash Flow Reconciliation	165
13.1	Cash and cash equivalents	165
13.2	Reconciliation of Net Result to Net Cash from Operating Activities	166
13.3	Acquittal of Capital Investment and Special Capital Investment Funds	166
13.4	Financing facilities	168
13.5	Reconciliation of liabilities arising from financing activities	168
Note 14	Financial Instruments	169
14.1	Risk exposures	169
14.2	Categories of Financial Assets and Liabilities	171

14.3	Derecognition of Financial Assets	171
14.4	Comparison between carrying amount and net fair value of financial assets and liabilities	172
14.5	Net fair value of financial assets and liabilities	172
Note 15	Details of Aggregated Entities	173
15.1	List of entities	173
Note 16	Notes to Administered Statements	174
16.1	Explanations of material variances between budget and actual outcomes	174
16.2	Administered Underlying net result	175
16.3	Administered Grants	175
16.4	Administered Grants and subsidies	175
16.5	Administered Receivables	175
16.6	Administered Contract assets and liabilities	176
16.7	Administered Other liabilities	176
16.8	Administered Cash and cash equivalents	177
16.9	Reconciliation of Administered net result to net cash from administered operating activities	177
16.10	Administered Financial instruments	177
16.11	Categories of Administered Financial assets and liabilities	179
16.12	Derecognition of Administered financial assets	179
16.13	Comparison between carrying amount and net fair value of financial assets and liabilities	179
16.14	Net fair value of administered Financial assets and liabilities	179
Note 17	Transactions and Balances Relating to a Trustee or Agency Arrangement	180
17.1	Activities undertaken under a trustee or agency arrangement	180
Note 18	Events Occurring After Balance Date	180
Note 19	Other Significant Accounting Policies and Judgements	181
19.1	Objectives and funding	181
19.2	Basis of accounting	181
19.3	Reporting entity	182
19.4	Functional and presentation currency	182
19.5	Changes in accounting policies	182
19.6	Foreign currency	185
19.7	Comparative figures	185
19.8	Rounding	185
19.9	Taxation	186
19.10	Goods and services tax	186
19.11	Correction of error	186

Note 1 ADMINISTERED FINANCIAL STATEMENTS

The Department administers, but does not control, certain resources on behalf of the Government as a whole. It is accountable for the transactions involving such administered resources, but does not have the discretion to deploy resources for the achievement of the Department's objectives.

Tasmania signed the National Partnership on COVID-19 Response with all other states and territories. This provided national guidance on the joint responsibility states and territories have to act to protect the Australian community by ensuring that the health system can respond effectively to the outbreak of COVID-19. The key objective of the National Partnership on COVID-19 Response is to provide financial assistance for the additional costs incurred by state health services in responding to the COVID-19 outbreak.

One form of financial assistance provided by the National Partnership on COVID-19 Response is Financial Viability Payments (FVP) for private hospitals, including day hospitals to private health service operators. The FVPs are intended to guarantee the viability of Operators in order to retain capacity for responding to COVID-19 and enable them to resume operations at the end of the pandemic.

In relation to the FVP's, effectively the Department makes the FVP payments to operators on behalf of the Australian Government and has no discretion to utilise the funding for any other purpose.

1.1 SCHEDULE OF ADMINISTERED INCOME AND EXPENSES

	Notes	2020 Budget \$'000	2020 Actual \$'000	2019 Actual \$'000
Administered revenue				
Grants	16.3	....	16 510	....
Total administered revenue		....	16 510	....
Administered expenses				
Grants and subsidies	16.4	....	16 510	....
Total administered expenses		....	16 510	....
Administered net result		....	....	....
Administered comprehensive result		....	....	....

This Schedule of Administered Income and Expenses should be read in conjunction with the accompanying notes.

Budget information refers to original estimates and has not been subject to audit.

Explanations of material variances between budget and actual outcomes are provided in Note 16.1 of the accompanying notes.

1.2 SCHEDULE OF ADMINISTERED ASSETS AND LIABILITIES

	Notes	2020 Budget \$'000	2020 Actual \$'000	2019 Actual \$'000
Administered assets				
<i>Administered financial Assets</i>				
Cash and cash equivalents	16.8	....	16 384	....
Receivables	16.5	....	800	....
Total administered assets		....	17 184	....
Administered liabilities				
Contract liabilities	16.6	....	16 384	....
Other liabilities	16.7	....	800	....
Total administered liabilities		....	17 184	....
Administered net assets (liabilities)		....	....	....
Administered equity				
Accumulated funds		....	....	....
Total administered equity		....	....	....

This Schedule of Administered Assets and Liabilities should be read in conjunction with the accompanying notes.

Budget information refers to original estimates and has not been subject to audit.

Explanations of material variances between budget and actual outcomes are provided in Note 16.1 of the accompanying notes.

1.3 SCHEDULE OF ADMINISTERED CASH FLOWS

	Notes	2020 Budget \$'000	2020 Actual \$'000	2019 Actual \$'000
Administered cash flows from operating activities				
<i>Administered cash inflows</i>				
Grants - continuing operations		....	32 894	....
GST receipts		....	1 447	....
Total administered cash inflows		....	34 341	....
<i>Administered cash outflows</i>				
GST payments		....	(1 447)	....
Grants and subsidies		....	(16 510)	....
Total administered cash outflows		....	(17 957)	....
Administered net cash from / (used by) operating activities	16.9	....	16 384	....
Net increase/(decrease) in administered cash and cash equivalents held		....	16 384	....
Administered cash and cash equivalents held at the beginning of the reporting period		....	....	....
Administered cash and cash equivalents held at the end of the reporting period	16.8	....	16 384	....

This Schedule of Administered Cash Flows should be read in conjunction with the accompanying notes.

Budget information refers to original estimates and has not been subject to audit.

Explanations of material variances between budget and actual outcomes are provided in Note 16.1 of the accompanying notes.

1.4 SCHEDULE OF ADMINISTERED CHANGES IN EQUITY

	Accumulated Funds \$'000	Total Equity \$'000
Balance as at 1 July 2019
Net Result
Other comprehensive income
Balance as at 30 June 2020

This Schedule of Administered Changes in Equity should be read in conjunction with the accompanying notes.

Note 2 DEPARTMENTAL OUTPUT SCHEDULES

2.1 OUTPUT GROUP INFORMATION

During 2019-20, new Output Groups have been created in response to the COVID-19 event, for which no comparative or budget information will be reported. The new Output Groups include:

- Public Building Maintenance Fund
- Health Emergency Assistance.

Applying the principles of AASB 10 *Consolidated Financial Statements*, all internal transactions are eliminated, however, an allocation of revenue and expenditure is still required between Output Groups to provide accurate Output Group reporting.

This treatment results in some items of income and expenses being reported as having negative values in the Output Group disclosures yet ensures that the summation of the Output Groups agrees to the Statement of Comprehensive Income and the other detailed disclosures throughout the financial statements.

Significant allocations include:

- Corporate services fees and information management and technology services fees are included in Other supplies and consumables. These represent a share of centralised services and are allocated from the Health Service System Management Output Group to the Tasmanian Health Service Output Group and Statewide Services Output Group.
- Capital grants which are included in Grant revenue. These mainly represent the transfer of completed capital works from the Capital Investment Program and Special Capital Investment Funds to the Tasmanian Health Service Output Group.

The following table provides details of the impact of these transactions on the Output Groups:

Internal Offsets	Output Group 1 – Health Services System Management	Output Group 2 – Tasmanian Health Service	Output Group 3 – Statewide Services	Output Group – Capital Investment Program	Output Group – Special Capital Investment Funds	Total
Revenue						
Grants	(12 035)	436 776	(31)	(405 880)	(18 830)	....
Expenses						
Supplies and consumables	(30 649)	34 093	(3 541)	97	....	....
Grants and subsidies	....	4 183	....	(4 183)	....	....

Comparative information has not been restated for administrative restructures.

Budget information refers to original Budget estimates reflected in the 2019-20 Budget Papers and has not been subject to audit.

Output group 1 – Health Services System Management

This Output provides support for corporate services, policy, planning, regulation, funding, monitoring and service improvement across health services. This Output also provides support to the Secretary in establishing output priorities, including service improvement and supporting the THS to develop consistent, collaborative models of care particularly for chronic and complex conditions.

	2020 Budget \$'000	2020 Actual \$'000	2019 Actual \$'000
Income from continuing operations			
Revenue from appropriation	147 992	123 856	125 192
Grants	12 466	8 091	10 325
Sales of goods and services	982	1 799	2 599
Interest	....	1	12
Other revenue	22 447	5 802	9 384
Total revenue from continuing operations	183 887	139 549	147 512
Net gain/(loss) on non-financial assets	6	(10)	(52)
Net gain/(loss) on financial instruments and statutory receivables/payables	....	(36)	(32)
Total income from continuing operations	183 893	139 503	147 428
Expenses from continuing operations			
Employee benefits			
Salaries and wages	42 703	50 173	42 985
Other employee related expenses	538	635	1 306
Superannuation expenses	6 794	5 666	5 224
Depreciation and amortisation	9 286	6 887	2 738
Supplies and consumables			
Consultants	1 495	1 385	2 403
Maintenance, property services and rental payments	8 198	7 552	7 194
Communications	1 133	776	749
Information Technology	11 284	19 883	22 047
Travel, transport and vehicle leasing payments	(1 236)	1 238	(114)
Medical, surgery and pharmacy supplies	680	1 957	663
Advertising and promotion	14	308	367
Other supplies and consumables	7 915	(24 951)	7 849
Grants and subsidies	98 035	62 714	63 847
Finance costs	229	75	....
Other expenses	2 229	2 408	1 737
Total expenses from continuing operations	189 297	136 706	158 995
Net result from continuing operations	(5 404)	2 797	(11 567)
<i>Other comprehensive income</i>			
Items that will not be reclassified to net result in subsequent periods			
Changes in property, plant and equipment revaluation surplus	2 893	3 786	1 325
Total other comprehensive income	2 893	3 786	1 325
Comprehensive result	(2 511)	6 583	(10 242)
Expense by output			
I.1 Health Services System Management	189 297	136 706	158 995
Total	189 297	136 706	158 995
Net assets			
Total assets deployed for Health Services System Management		176 916	135 002
Total liabilities incurred for Health Services System Management		(46 288)	(24 548)
Net assets deployed for Health Services System Management		130 628	110 454

Output group 2 – Tasmanian Health Service

This Output provides admitted acute, non-admitted acute, emergency department, forensic medicine, community and aged care, oral health and mental health services to patients through Tasmania's major public and rural hospitals, residential aged care and community health based services. The State contribution to the THS is included in this Output.

	2020 Budget \$'000	2020 Actual \$'000	2019 Actual \$'000
Income from continuing operations			
Revenue from appropriation	929 250	1 097 698	951 076
Grants	488 283	927 452	459 294
Sales of goods and services	191 015	175 159	181 788
Interest	334	99	196
Contributions received	....	2 147	180
Other revenue	(2 922)	43 420	40 302
Total revenue from continuing operations	1 605 960	2 245 975	1 632 836
Net gain/(loss) on non-financial assets	1	(209)	(229)
Net gain/(loss) on financial instruments and statutory receivables/payables...		(851)	(343)
Total income from continuing operations	1 605 961	2 244 915	1 632 264
Expenses from continuing operations			
Employee benefits			
Salaries and wages	967 881	1 124 293	1 036 482
Other employee related expenses	10 132	12 079	13 354
Superannuation expenses	104 916	126 243	115 826
Depreciation and amortisation	55 271	53 605	46 169
Supplies and consumables			
Consultants	1 290	1 140	1 726
Maintenance, property services and rental payments	51 213	56 400	60 588
Communications	7 617	8 449	8 200
Information Technology	7 791	8 240	8 753
Travel, transport and vehicle leasing payments	9 981	11 345	12 291
Medical, surgery and pharmacy supplies	279 866	261 723	265 491
Advertising and promotion	405	72	137
Other supplies and consumables	75 046	110 638	69 195
Grants and subsidies	7 485	11 202	7 169
Finance costs	1 113	498	....
Other expenses	32 670	32 497	28 779
Total expenses from continuing operations	1 612 677	1 818 424	1 674 160
Net result from continuing operations	(6 716)	426 491	(41 896)
<i>Other comprehensive income</i>			
Items that will not be reclassified to net result in subsequent periods			
Changes in property, plant and equipment revaluation surplus	26 881	18 491	35 072
Total other comprehensive income	26 881	18 491	35 072
Comprehensive result	20 165	444 982	(6 824)
Expense by output			
2.1 Admitted Services	932 379	1 001 139	916 763
2.2 Non-admitted services	202 260	244 791	223 215
2.3 Emergency Department services	146 083	181 185	161 995
2.4 Community and Aged Care services	209 935	245 537	233 258
2.5 Statewide and Mental Health services	119 621	144 224	137 466
2.6 Forensic Medicine service	2 399	1 548	1 463
Total	1 612 677	1 818 424	1 674 160
Net assets			
Total assets deployed for Tasmanian Health Service		1 635 547	1 198 234
Total liabilities incurred for Tasmanian Health Service		(407 159)	(400 677)
Net assets deployed for Tasmanian Health Service		1 228 388	797 557

Output group 3 – Statewide Services

This Output includes Ambulance Services and Public Health Services. Ambulance Services provides integrated emergency and medical services, health transport, aero-medical retrieval services to the Tasmanian community. Public Health Services includes Public and Environmental Health Services, which monitors the health of the Tasmanian population and implements programs to protect and promote health; and Population and Health Priorities, which implements programs to prevent or reduce risk factors that lead to chronic conditions.

	2020 Budget \$'000	2020 Actual \$'000	2019 Actual \$'000
Income from continuing operations			
Revenue from appropriation	103 556	139 512	94 691
Grants	10 185	36 444	10 132
Sales of goods and services	11 366	13 179	10 327
Interest	....	....	173
Contributions received	....	10 735	....
Other revenue	3 146	2 127	1 516
Total revenue from continuing operations	128 253	201 997	116 839
Net gain/(loss) on non-financial assets	6	159	115
Net gain/(loss) on financial instruments and statutory receivables/payables	....	(346)	(692)
Total income from continuing operations	128 259	201 810	116 262
Expenses from continuing operations			
Employee benefits			
Salaries and wages	74 046	88 657	72 715
Other employee related expenses	234	1 278	958
Superannuation expenses	9 448	10 467	8 668
Depreciation and amortisation	3 220	3 473	2 433
Supplies and consumables			
Consultants	54	423	177
Maintenance, property services and rental payments	1 631	3 874	1 676
Communications	803	579	773
Information Technology	2 232	3 724	2 980
Travel, transport and vehicle leasing payments	1 700	3 134	2 819
Medical, surgery and pharmacy supplies	1 484	4 602	5 371
Advertising and promotion	228	99	328
Other supplies and consumables	17 366	17 399	12 546
Grants and subsidies	10 395	8 359	8 750
Finance costs	129	78	....
Other expenses	3 900	13 774	3 121
Total expenses from continuing operations	126 870	159 920	123 315
Net result from continuing operations	1 389	41 890	(7 053)
<i>Other comprehensive income</i>			
Items that will not be reclassified to net result in subsequent periods			
Net actuarial gains/(losses) on superannuation defined benefit plans	....	(698)	(9 008)
Changes in property, plant and equipment revaluation surplus	1 134	1 893	1 150
Total other comprehensive income	1 134	1 195	(7 858)
Comprehensive result	2 523	43 085	(14 911)
Expense by output			
3.1 Ambulance services	101 021	121 877	94 242
3.2 Public Health services	25 849	38 043	29 073
Total	126 870	159 920	123 315
Net assets			
Total assets deployed for Statewide Services		105 931	53 591
Total liabilities incurred for Statewide Services		(41 341)	(31 282)
Net assets deployed for Statewide Services		64 590	22 309

Output group – Public Building Maintenance Fund

This Output provides financial information on the Government's COVID-19 economic stimulus initiative to accelerate the maintenance of public buildings.

	2020 Budget \$'000	2020 Actual \$'000	2019 Actual \$'000
Income from continuing operations			
Grants	220	....
Total revenue from continuing operations	220	....
Total income from continuing operations	220	....
Expenses from continuing operations			
Employee benefits			
Salaries and wages	21	....
Superannuation expenses	3	....
Supplies and consumables			
Consultants	45	....
Maintenance, property services and rental payments	370	....
Other supplies and consumables	10	....
Total expenses from continuing operations	449	....
Net result from continuing operations	(229)	....
Comprehensive result	(229)	....
Expense by output			
Public Building Maintenance Fund	449	....
Total	449	....
Net assets			
Total assets deployed for Public Building Maintenance Fund		6	....
Total liabilities incurred for Public Building Maintenance Fund		(208)	....
Net assets deployed for Public Building Maintenance Fund		(202)	....

Output group – Health Emergency Assistance

This Output provides financial information on the Government's COVID-19 support initiatives for Primary Health Care Workers and programs to support individuals experiencing mental health difficulties as a result of issues associated with the pandemic.

	2020 Budget \$'000	2020 Actual \$'000	2019 Actual \$'000
Income from continuing operations			
Revenue from appropriation	5 652	....
Total revenue from continuing operations	5 652	....
Total income from continuing operations	5 652	....
Expenses from continuing operations			
Supplies and consumables			
Medical, surgery and pharmacy supplies	1	....
Other supplies and consumables	62	....
Grants and subsidies	5 579	....
Total expenses from continuing operations	5 642	....
Net result from continuing operations	10	....
Comprehensive result	10	....
Expense by output			
C19 – Health support	3 681	....
C19 – Health care and front line workers accommodation	71	....
C19 – Mental Health program	1 890	....
Total	5 642	....
Net assets			
Total assets deployed for Health Emergency Assistance		62	....
Total liabilities incurred for Health Emergency Assistance	
Net assets deployed for Health Emergency Assistance		62	....

Output group – Capital Investment Program

This Output provides financial information on the Department's Capital Investment Program.

	2020 Budget \$'000	2020 Actual \$'000	2019 Actual \$'000
Income from continuing operations			
Revenue from appropriation	95 993	31 326	119 127
Grants	54 684	(361 688)	101 295
Sales of goods and services	....	....	72
Other revenue	....	18	7
Total revenue from continuing operations	150 677	(330 344)	220 501
Net gain/(loss) on non-financial assets	....	(13)	....
Net gain/(loss) on financial instruments and statutory receivables/payables	....	(6)	....
Total income from continuing operations	150 677	(330 363)	220 501
Expenses from continuing operations			
Employee benefits			
Salaries and wages	....	3 472	2 553
Other employee related expenses	....	20	59
Superannuation expenses	....	402	281
Supplies and consumables			
Consultants	....	1 674	906
Maintenance, property services and rental payments	....	5 205	7 293
Communications	....	250	69
Information Technology	....	2 403	496
Travel, transport and vehicle leasing payments	....	44	93
Medical, surgery and pharmacy supplies	....	482	10
Advertising and promotion	....	10	6
Other supplies and consumables	....	4 299	2 015
Grants and subsidies	....	(3 452)	....
Other expenses	....	4	(8)
Total expenses from continuing operations	....	14 813	13 773
Net result from continuing operations	150 677	(345 176)	206 728
Comprehensive result	150 677	(345 176)	206 728
Expense by output			
Capital Investment Program	....	14 813	13 773
Total	....	14 813	13 773
Net assets			
Total assets deployed for Capital Investment Program		63 314	423 391
Total liabilities incurred for Capital Investment Program		(6 825)	(20 245)
Net assets deployed for Capital Investment Program		56 489	403 146

Expenditure in Output – Capital Investment Program which does not qualify for capitalisation remains in this Output Group.

Output group – Special Capital Investment Funds

This Output identifies capital works by the Department from the State Government's Special Capital Investment Funds. Whilst the funding for this program concluded on 30 June 2019, the Department carried forward the unspent funds.

	2020 Budget \$'000	2020 Actual \$'000	2019 Actual \$'000
Income from continuing operations			
Revenue from Special Capital Investment Funds	....	1 185	5 759
Grants	....	(18 830)	....
Total revenue from continuing operations	....	(17 645)	5 759
Total income from continuing operations	....	(17 645)	5 759
Expenses from continuing operations			
Employee benefits			
Salaries and wages	....	1	182
Superannuation expenses	....	2	23
Supplies and consumables			
Consultants	....	260	126
Maintenance, property services and rental payments	....	1 603	298
Communications	....	1	....
Information Technology	....	405	107
Travel, transport and vehicle leasing payments	....	1	1
Medical, surgery and pharmacy supplies	51	....	1
Advertising and promotion	....	....	35
Other supplies and consumables	....	(1)	21
Other expenses	....	....	(1)
Total expenses from continuing operations	51	2 272	793
Net result from continuing operations	(51)	(19 917)	4 966
Comprehensive result	(51)	(19 917)	4 966
Expense by output			
Special Capital Investment Funds	51	2 272	793
Total	51	2 272	793
Net assets			
Total assets deployed for Special Capital Investment Funds		6 418	26 678
Total liabilities incurred for Special Capital Investment Funds		....	(2 576)
Net assets deployed for Special Capital Investment Funds		6 418	24 102

Expenditure in Output – Special Capital Investment Funds which does not qualify for capitalisation remains in this Output Group.

2.2 RECONCILIATION OF TOTAL OUTPUT GROUPS COMPREHENSIVE RESULT TO STATEMENT OF COMPREHENSIVE INCOME

	2020 Budget \$'000	2020 Actual \$'000	2019 Actual \$'000
Total Comprehensive result of Output Groups			
Reconciliation to comprehensive result			
Health Services System Management	(2 511)	6 583	(10 242)
Tasmanian Health Service	20 165	444 982	(6 824)
Statewide Services	2 523	43 085	(14 911)
Public Building Maintenance Fund	....	(229)	....
Health Emergency Assistance	....	10	....
Capital Investment Program	150 677	(345 176)	206 728
Special Capital Investment Funds	(51)	(19 917)	4 966
Comprehensive result	170 803	129 338	179 717

2.3 RECONCILIATION OF TOTAL OUTPUT GROUPS NET ASSETS TO STATEMENT OF FINANCIAL POSITION

	2020 Actual \$'000	2019 Actual \$'000
Total net assets deployed for Output Groups		
Reconciliation to net assets		
Health Services System Management	130 628	110 454
Tasmanian Health Service	1 228 388	797 557
Statewide Services	64 590	22 309
Public Building Maintenance Fund	(202)	....
Health Emergency Assistance	62	....
Capital Investment Program	56 489	403 146
Special Capital Investment Funds	6 418	24 102
Net assets	1 486 373	1 357 568

2.4 ADMINISTERED OUTPUT SCHEDULE

Comparative information has not been restated for administrative restructures.

Budget information refers to original estimates and has not been subject to audit.

Output group 1 – National Partnership on COVID-19: Financial Viability Payments for Private Operators

	2020 Budget \$'000	2020 Actual \$'000	2019 Actual \$'000
Administered income			
Grants	16 510	....
Total administered revenue	16 510	....
Administered expenses from continuing operations			
Grants and subsidies	16 510	....
Total administered expenses	16 510	....
Administered net result
Administered comprehensive result
Administered expense by output			
National Partnership on COVID-19	16 510	....
Total	16 510	....
Administered net assets			
Total administered assets deployed for National Partnership on COVID-19		17 184	....
Total administered liabilities incurred for National Partnership on COVID-19		(17 184)	....
Administered net assets deployed for National Partnership on COVID-19	

2.5 RECONCILIATION OF TOTAL ADMINISTERED OUTPUT GROUPS COMPREHENSIVE RESULT TO SCHEDULE OF ADMINISTERED INCOME AND EXPENSES

	2020 Budget \$'000	2020 Actual \$'000	2019 Actual \$'000
Total administered net result of Output Groups
Administered comprehensive result

2.6 RECONCILIATION OF TOTAL ADMINISTERED OUTPUT GROUPS NET ASSETS TO SCHEDULE OF ADMINISTERED ASSETS AND LIABILITIES

	2020 Budget \$'000	2020 Actual \$'000	2019 Actual \$'000
Total administered net assets deployed for Output Groups
Administered net assets

Note 3 EXPENDITURE UNDER AUSTRALIAN GOVERNMENT FUNDING ARRANGEMENTS

	State Funding		Australian Government Funding	
	2020 Actual \$'000	2019 Actual \$'000	2020 Actual \$'000	2019 Actual \$'000
Specific Purpose Payments				
Activity Based Funding	460 850	419 588	362 922	345 244
Block Funding	671 838	579 056	72 667	70 851
Public Health Services	4 502	9 202	8 849	8 441
National Partnership Program				
Health Services	49 544	84 350	85 123	116 240
Community Services	12 249	14 493	202	256
Commonwealth Own Purpose Expenditure				
Other	20 042	19 436	46 295	39 194
Total	1 219 025	1 126 125	576 058	580 226

Specific Purpose Payments are payments from the Australian Government to the Tasmanian Government arising from national agreements that set out the Australian Government's agreed objectives and outcomes, outputs, roles and responsibilities and performance indicators for each sector. Specific Purpose Payments are distributed to the states on the basis of their population shares.

National Partnership Payments are similar to Specific Purpose Payments but are provided for the purpose of the delivery of specified projects, facilitate reforms or reward jurisdictions that deliver nationally significant reforms.

Commonwealth Own Purpose Expenditure (COPES) is funding paid directly from the Australian Government to the states and territories for the provision of services identified by the Australian Government.

COPES funding includes a State contribution to supplement COPES funded projects where Australian Government funding is exceeded, primarily in relation to the Home and Community Care program.

Note 4 EXPLANATIONS OF MATERIAL VARIANCES BETWEEN BUDGET AND ACTUAL OUTCOMES

Budget information refers to original estimates as disclosed in the 2019-20 Budget Papers and is not subject to audit.

Variances are considered material where the variance exceeds the greater of 10 per cent of Budget estimate and \$5 million.

4.1 STATEMENT OF COMPREHENSIVE INCOME

	Notes	Budget \$'000	Actual \$'000	Variance \$'000	Variance %
Appropriation revenue – operating	(a)	1 180 798	1 360 246	179 448	15.2
Appropriation revenue – capital	(b)	95 993	24 677	(71 316)	(74.3)
Other revenue from Government	(c)	....	13 121	13 121	n/a
Contributions received	(d)	....	12 882	12 882	n/a
Other revenue	(e)	22 671	51 367	28 696	126.6
Employee benefits	(f)	1 216 692	1 423 412	206 720	17.0
Grants and subsidies	(g)	115 915	84 402	(31 513)	(27.2)
Other expenses	(h)	38 799	48 683	9 884	25.5
Changes in property, plant and equipment revaluation surplus	(i)	30 908	24 170	(6 738)	(21.8)

Notes to Statement of Comprehensive Income variances

- (a) The variance in Appropriation revenue – operating reflects approved changes to funding of the Department's operations during the year. The most significant increase in funding relates to the Tasmanian Health Service and the response to COVID-19.
- (b) The variance in Appropriation revenue – capital reflects approved changes to the funding of specific capital projects due to disruptions caused by COVID-19 during the year. The most significant decrease in funding relates to the Royal Hobart Hospital Redevelopment Project.
- (c) Other revenue from Government represents approved section 8A(2) carry forward appropriation revenue from 2018-19, which was spent in 2019-20. At the time the 2019-20 budget was prepared, it was not anticipated that there would be a carryover of appropriation funds into 2019-20.
- (d) The variance in Contributions received largely represents the estimated service value of volunteers to Ambulance Tasmania and the Tasmanian Health Service. This revenue item is offset by an equal value recorded as Other Expenses. As this is the first year that the contribution by volunteers was estimated for inclusion in the financial statements and there was no impact on overall funding, no estimate was included in the 2019-20 budget.
- (e) The variance in Other revenue primarily reflects an underestimation of the recovery of salaries, wages and workers compensation payments when preparing the 2019-20 budget. This variance is offset by additional employee benefits in the Statement of Comprehensive Income.
- (f) The variance in Employee benefits expense reflects the increase in the Department's appropriation in response to an increase in the demand for health and ambulance services. There was also a budget reallocation of expenses of \$26 million from Grant and subsidies to Employee benefits.
- (g) The decrease of Grants and subsidies expense was largely due to the budget reallocation of \$26 million to Employee benefits.
- (h) The increase in Other expenses primarily relates to the estimated value of volunteers to Ambulance Tasmania and the Tasmanian Health Service.
- (i) The variance in Changes in property, plant and equipment revaluation surplus reflects an overall lower revaluation increment than was originally estimated when preparing the 2019-20 budget.

4.2 STATEMENT OF FINANCIAL POSITION

Budget estimates for the 2019-20 Statement of Financial Position were compiled prior to the completion of the actual outcomes for 2019-20. As a result, the actual variance from the Original Budget estimate will be impacted by the difference between estimated and actual opening balances for 2019-20. The following variance analysis therefore includes major movements between the 30 June 2019 and 30 June 2020 actual balances.

	Notes	Budget \$'000	2020 Actual \$'000	2019 Actual \$'000	Budget Variance \$'000	Actual Variance \$'000
Cash and cash equivalents	(a)	137 369	185 304	161 352	47 935	23 952
Receivables	(b)	27 810	35 080	37 608	7 270	(2 528)
Contract assets	(c)	....	11 155	....	11 155	11 155
Inventories	(d)	13 687	39 227	13 788	25 540	25 439
Property, plant and equipment	(e)	1 841 589	1 636 141	1 584 814	(205 448)	51 327
Right-of-use assets	(f)	....	25 899	....	25 899	25 899
Intangible assets	(g)	7 776	3 830	9 005	(3 946)	(5 175)
Other assets	(h)	90 257	31 325	9 147	(58 932)	22 178
Payables	(i)	96 976	100 148	120 502	3 172	(20 354)
Lease liabilities	(j)	76 164	26 259	....	(49 905)	26 259
Contract liabilities	(k)	....	5 655	....	5 655	5 655
Employee benefit liabilities	(l)	275 321	327 358	325 451	52 037	1 907
Superannuation	(m)	(4 804)	6 146	4 586	10 950	1 560
Other liabilities	(n)	20 629	36 255	28 789	15 626	7 466

Notes to Statement of Financial Position Budget variances

- (a) The increase in Cash and cash equivalents predominately reflects a \$28.7 million higher than anticipated opening cash balance. The remaining variance of \$19.2 million reflects deferred operational activity as a result of responding to the COVID-19 pandemic. The Department's Cash and cash equivalent balances includes \$73.2 million associated with the grants, provisions, donations and industry funds, where the funds are required to be used for specific purposes. The remaining \$112.1 million represents the Department's working capital used to fund day-to-day operations, including funding capital works and goods and services tax in advance of receiving reimbursements. A portion of these funds is also allocated to specific departmental projects where appropriation revenue is not available.
- (b) The increase in Receivables primarily reflects a higher than anticipated opening balance related to the delayed refund of the GST by the Australian Taxation Office.
- (c) Contract assets and contract liabilities relate to the implementation of AASB 15 *Revenue from Contracts with Customers*. The balance as at 30 June 2020 represents guaranteed Australian Government funding under the National Health Reform Agreement which was not received during 2019-20.
- (d) The variance in Inventories is largely related to the increases in stock levels of personal protective equipment and other medical supplies in response to the COVID-19 pandemic.
- (e) The variance in Property, plant and equipment is primarily the result of the prior period adjustment of \$78.6 million, while the opening balance was \$36 million lower than the opening balance in the original budget. Also, due to disruptions caused by COVID-19, planned works across multiple sites have been delayed.
- (f) In the original Budget Papers, Right-of-use assets totalling \$76.2 million were incorrectly included in Other assets. The variance between this amount and the actual balance of Right-of-use assets primarily reflects the changed treatment for motor vehicles and office accommodation.

- (h) In the original Budget Papers, Right-of-use assets totalling \$76.2 million were incorrectly included in Other assets - refer to (f) above. The remaining variance in Other assets is primarily represented by orders for additional personal protective equipment and medical equipment in response to the COVID 19 pandemic.
- (j) Refer to Note (f) above.
- (k) Refer to Note (c) above.
- (l) The variance in Employee benefit liabilities is partly attributable to the actual opening balance of employee leave entitlements being \$10.8 million higher than the opening budgeted balance. The remaining variance is the result of the original budget not including any increase in employee leave entitlements, which increased \$40.8 million during the year. This increase is primarily due to less leave being taken as a result of bushfires in January 2020 and the COVID-19 travel restrictions.
- (m) The variance in Superannuation liabilities is the result of the opening actual balance being \$9.4 million greater than the opening budgeted balance. This difference was reported in the 2018-19 financial statements. Due to the uncertainty of investment markets, no estimate of future movements is included in the compilation of the budget.
- (n) The variance in Other liabilities reflects withholding tax and superannuation contributions from the final payroll of the year.

Notes to Statement of Financial Position Actual Variances

- (a) As per Budget Variance above.
- (c) As per Budget Variance above.
- (d) As per Budget Variance above.
- (f) The variance in Right-of-use assets represents the closing balance of this class of asset. As this is the first year of applying the updated AASB 16 *Leases*, there is no comparative information.
- (g) The variance in Intangible assets is the result of a review of the remaining useful lives which found that several of the Department's software assets had remaining lives shorter than originally predicted. Amortisation of intangible assets includes a one-off adjustment of \$4 million to reflect the reassessed remaining useful lives.
- (h) The variance in Other assets is primarily represented by orders for additional personal protective equipment and medical equipment in response to the COVID-19 pandemic.
- (i) The reduction in Payables is the result of implementing Treasurer's Instruction FC-7 Managing Receipts, Payments and Bank Accounts, which reduced the agreed terms for paying invoices from 30 days to 14 days.
- (j) As per Budget Variance above.
- (k) As per Budget Variance above.
- (n) As per Budget Variance above.

4.3 STATEMENT OF CASH FLOWS

	Notes	Budget \$'000	Actual \$'000	Variance \$'000	Variance %
Appropriation receipts – operating	(a)	1 180 798	1 353 774	172 976	14.6
Appropriation receipts – capital	(b)	95 993	6 467	(89 526)	(93.3)
GST receipts	(c)	44 856	81 793	36 937	82.3
Other cash receipts	(d)	22 671	51 367	28 696	126.6
Employee benefits	(e)	(1 244 362)	(1 400 225)	(155 863)	12.5
GST payments	(f)	(44 486)	(76 696)	(32 210)	72.4
Grants paid	(g)	(1 15 996)	(84 402)	31 594	(27.2)
Supplies and consumables	(h)	(485 212)	(578 671)	(93 459)	19.3
Receipts from non-operational capital funding – Capital	(i)	....	24 264	24 264	n/a
Receipts from non-operational capital funding – Grants	(j)	....	43 633	43 633	n/a
Payment for acquisition of non-financial assets	(k)	(169 348)	(87 218)	82 130	(48.5)

Notes to Statement of Cash Flows variances

- (a) As per Notes to Statement of Comprehensive Income Variances (a).
- (b) The variance in Appropriation receipts – capital is due to a reallocation from operating activities to investing activities within the Statement of Cash Flows.
- (c) The variance in GST receipts and GST payments primarily reflects an understatement of \$28.1 million in the original budget.
- (d) As per Notes to Statement of Comprehensive Income Variances (e).
- (e) As per Notes to Statement of Comprehensive Income Variances (f).
- (f) As per (c) above.
- (g) As per Notes to Statement of Comprehensive Income Variances (g).
- (h) The increase in Supplies and consumables reflects the increase in Inventory levels and the reduction of Payables. Refer to Notes to Statement of Financial Position Budget Variances (d) and Notes to Statement of Financial Position Actual Variances (i).
- (i) Refer to Note (b) above and Notes to Statement of Comprehensive Income Variances (b).
- (j) The variance in Receipts from non-operational capital funding - Grants is due a reallocation from operating activities to investing activities within the Statement of Cash Flows.
- (k) As per Notes to Statement of Financial Position Budget Variances (f).

Note 5 UNDERLYING NET RESULT

Non-operational capital funding is the income from continuing operations relating to funding for capital projects. This funding is classified as revenue from continuing operations and included in the Net result from continuing operations. However, the corresponding capital expenditure is not included in the calculation of the Net result from continuing operations. Accordingly, the Net result from continuing operations will portray a position that is better than the true underlying financial result.

For this reason, the Net result from continuing operations is adjusted to remove the effects of funding for capital projects.

	Notes	2020 Budget \$'000	2020 Actual \$'000	2019 Actual \$'000
Net result from continuing operations		139 895	105 866	151 178
<i>Less impact of:</i>				
<i>Grants to acquire/construct a recognisable non-financial asset and non-operational capital funding</i>				
Other Australian Government Grants – Capital		54 684	44 192	101 295
<i>Other non-operational capital funding</i>				
Output Group – Capital Investment Program				
Revenue from appropriation	2.1	95 993	31 326	119 127
Other revenue		....	....	79
Output Group – Special Capital Investment Funds				
Revenue from Special Capital Investment Funds	2.1	....	1 185	5 759
<i>Total expenses from continuing operations included in capital Output Groups</i>				
Output Group – Capital Investment Program	2.1	....	(14 813)	(13 773)
Output Group – Special Capital Investment Funds	2.1	(51)	(2 272)	(793)
<i>Capital contributions included in the Net result from continuing operations</i>				
Contributions received – fair value of assets assumed	6.6	....	296	180
Grants provided – assets transferred		....	....	(180)
Total		150 626	59 914	211 694
Underlying Net result from continuing operations		(10 731)	45 952	(60 516)

The COVID-19 pandemic has significantly impacted the 2019-20 operations of the Department and this impact is continuing into the 2020-21 financial year. Additional information is included in Note 18 Events Occurring After Balance Date.

Note 6 REVENUE

Income is recognised in the Statement of Comprehensive Income when an increase in future economic benefits related to an increase in an asset or a decrease of a liability has arisen that can be measured reliably.

Until 30 June 2019, income is recognised in accordance with AASB 111 *Construction Contracts*, AASB 118 *Revenue* and AASB 1004 *Contributions*.

From 1 July 2019, income is recognised in accordance with the requirements of AASB 15 *Revenue from Contracts with Customers* or AASB 1058 *Income of Not-for-Profit Entities*, dependent on whether there is a contract with a customer defined by AASB 15.

6.1 REVENUE FROM GOVERNMENT

Appropriations, whether operating or capital, are recognised as revenues in the period in which the Department gains control of the appropriated funds. Except for any amounts identified as carried forward, control arises in the period of appropriation.

Revenue from Government included revenue from appropriations, appropriations carried forward under section 8A(2) of the *Public Account Act 1986* and Items Reserved by Law.

As a result of the commencement of the *Financial Management Act 2016*, from 2020-21 Revenue from Government will include revenue from appropriations, unexpended appropriations rolled over under section 23 of the *Financial Management Act 2016* and Items Reserved by Law.

Section 8A(2) of the Public Account Act allowed for an unexpended balance of an appropriation to be transferred to an Account in the Special Deposits and Trust Fund for such purposes and conditions as approved by the Treasurer. In the initial year, the carry forward was recognised as a liability, Revenue Received in Advance (refer Note 10.5). The carry forward from the initial year was recognised as revenue in the reporting year, assuming that the conditions of the carry forward were met and the funds were expended.

Section 23 of the *Financial Management Act 2016* allows for an unexpended appropriation at the end of the financial year, as determined by the Treasurer, to be issued and applied from the Public Account in the following financial year. The amount determined by the Treasurer must not exceed five per cent of an Agency's appropriation for the financial year. Rollover of unexpended appropriations under section 23 will be disclosed under the *Financial Management Act 2016* for the first time in 2020-21.

The Budget information is based on original estimates and has not been subject to audit.

	2020 Budget \$'000	2020 Actual \$'000	2019 Actual \$'000
<i>Continuing operations</i>			
Appropriation revenue - operating			
Current year	1 180 798	1 360 246	1 168 497
Appropriation revenue - capital	95 993	24 677	110 821
Other revenue from Government			
Appropriation carried forward under section 8A(2) of the <i>Public Account Act 1986</i> taken up as revenue in the current year	....	13 121	10 768
Total revenue from Government	1 276 791	1 398 044	1 290 086

6.2 REVENUE FROM SPECIAL CAPITAL INVESTMENT FUND

Funding for major infrastructure projects is provided through Special Capital Investment Funds. The Department is allocated funding for specific projects from the Special Capital Investment Funds as part of the Budget process.

Whilst the funding for the Special Capital Investment program concluded on 30 June 2019, the Department has carried forward the unspent funds.

	2020 Actual \$'000	2019 Actual \$'000
<i>Non-operational capital funding</i>		
Health Infrastructure Fund	1 185	4 991
Hospitals Capital Fund	....	768
Total revenue from Special Capital Investment Funds	1 185	5 759

Details of total Special Capital Investment Funds revenues and expenses are provided as part of Note 2 Departmental Output Schedules. Details of total cash flows for each project are at Note 13.3.

6.3 GRANTS

In 2018-19, Grants payable by the Australian Government were recognised as revenue when the Department gains control of the underlying assets. Where grants are reciprocal, revenue was recognised as performance occurred under the grant.

Non-reciprocal grants were recognised as revenue when the grant is received or receivable. Conditional grants were reciprocal or non-reciprocal depending on the terms of the grant.

From 1 July 2019, Grants revenue, where there is a sufficiently specific performance obligation attached, are recognised when the Department satisfies the performance obligation and transfers the promised goods or services. The Department typically satisfies its performance obligations when services have been provided in line with the agreed terms as set out in funding contracts. The Department recognises revenue associated with performance obligations upon receipt of the revenues, which is typically using the input method on a straight line basis.

Note 9.2 outlines the transaction price that is allocated to the performance obligations that have not yet been satisfied at the end of the year and when it is expected to be recognised as revenue. The Department has assessed all revenues that are deemed to be grants revenue with a sufficiently specific performance obligation and found that as at 30 June 2020:

- there is a Contract Asset in relation to Australian Government Recurrent Grants - Activity Based Funding, in relation to performance obligations that have been satisfied where revenues are yet to be received and
- there is a Contract Liability in relation to National Partnership Agreement for COVID-19 Response, in relation to grant funds received in advance of providing the required goods or services.

Grants revenue without a sufficiently specific performance obligation are recognised when the Department gains control of the asset (typically Cash).

Grants to acquire/construct a recognisable non-financial asset to be controlled by the Department are recognised as revenue when the Department satisfies its performance obligations as the non-financial assets are being constructed using the input method.

	2020 Actual \$'000
Grants with sufficiently specific performance obligations	
Australian Government Recurrent Grants – Activity Based Funding	374 077
COPES receipts	9 267
Other Australian Government Grants	41 566
Total	424 910
Grants without sufficiently specific performance obligations	
Australian Government Recurrent Grants – Block Funding	81 509
COPES receipts	30 831
Other Australian Government Grants	9 712
State Grants – Other	535
Total	122 587
Grants to acquire/construct a recognisable non-financial asset	
Other Australian Government Grants - Capital	44 192
Total	44 192
Total revenue from Grants	591 689

	2019 Actual \$'000
Continuing operations	
Grants from the Australian Government	
Australian Government Recurrent Grants – Block Funding	79 283
Australian Government Recurrent Grants – Activity Based Funding	345 244
COPEs receipts	38 170
Other Australian Government Grants	17 054
Total	479 751
Non-operational capital funding	
Grants from the Australian Government	
Other Australian Government Grants – Capital	101 295
Total	101 295
Total revenue from Grants	581 046

Under the *National Health Reform Funding Agreement* (NHRFA), the Department is guaranteed Australian Government Recurrent Grants for 2019-20 totalling \$449.7 million. In accordance with AASB 15, the obligations under the NHRFA have been dissected into two components, being:

- Activity Based Funding, which has sufficiently specific performance obligations attached and
- Block Funding, without sufficiently specific performance obligations attached.

In 2019-20, Grants to acquire/construct a recognisable non-financial asset from the Australian Government include \$44.4 million for the Royal Hobart Hospital Redevelopment.

6.4 SALES OF GOODS AND SERVICES

In 2018-19, amounts earned in exchange for the provision of goods were recognised when the significant risks and rewards of ownership had been transferred to the buyer. Revenue from the provision of services was recognised in proportion to the stage of completion of the transaction at the reporting date. The stage of completion was assessed by reference to surveys of work performed.

From 1 July 2019, revenue from Sales of goods are recognised when the Department satisfies a performance obligation by transferring the goods to the customer. The Department typically satisfies its performance obligations when the goods have been delivered to the satisfaction of the customer. The Department recognises revenue associated with performance obligations upon receipt of the revenues, which is typically using the input method on a straight line basis.

Revenue from the provision of services is recognised when the Department satisfies its performance obligation by transferring the promised services. The Department typically satisfies its performance obligations when the services have been delivered to the satisfaction of the customer. The Department recognises revenue associated with performance obligations upon receipt of the revenues which is typically using the input method on a straight line basis.

	2020 Actual \$'000	2019 Actual \$'000
Pharmacy non-pharmaceutical benefits scheme	1 975	2 027
Prosthesis	6 059	6 257
Inpatient, outpatient nursing home fees	60 976	60 739
Ambulance fees	9 574	7 052
Dental	6 035	7 409
Pharmaceutical benefits scheme co-payments	517	507
Pharmaceutical benefits scheme revenue from Medicare	58 205	55 802
Private patient scheme	31 840	35 590
Other client revenue	879	884
Other user charges	14 077	18 519
Total	190 137	194 786

Other user charges includes licence fees, other fees and cost recoveries. Licence fees include radiation control and tobacco licences. Other fees include microbiology fees, fees for the Home and Community Care Program services and critical care and advice service fees. Other user charges also includes revenue from franchise fees, equipment hire, car parking fees and cost recoveries for work performed on behalf of other agencies.

6.5 INTEREST

Interest on funds is recognised as it accrues using the effective interest rate method.

6.6 CONTRIBUTIONS RECEIVED

Services received free of charge by the Department are recognised as income when a fair value can be reliably determined and when the services would have been purchased if they had not been donated. Use of those resources is recognised as an expense.

Contributions of assets at no cost of acquisition or for nominal consideration are recognised at their fair value when the Department obtains control of the asset, it is probable that future economic benefits comprising the contribution will flow to the Department and the amount can be measured reliably. However, where the contribution received is from another government department as a consequence of restructuring of administrative arrangements, they are recognised as contributions by owners directly within equity. In these circumstances, book values from the transferor department have been used.

The Department has recognised an inflow of resources in the form of volunteer services as income where the fair value of those services can be measured reliably, and the services would have been purchased if they had not been donated.

Key estimate and judgement

Fair value of volunteer services provided for the Tasmanian Health Service is based upon weekly hours volunteered at comparable recurrent salary rates for equivalent tasks performed.

Fair value of volunteer services provided for Ambulance Tasmania is estimated based upon statewide volunteer hours at a salary rate reflecting that an ambulance volunteer's pre-requisite skill level is first aid training and also that ambulance functions are performed under the direction of a paramedic.

	2020 Actual \$'000	2019 Actual \$'000
Fair value of assets assumed at no cost or for nominal consideration	296	180
Fair value of volunteer services provided	12 586	....
Total	12 882	180

The Fair value of assets assumed at no cost or for nominal consideration represents blood gas analysers.

6.7 OTHER REVENUE

Other revenue primarily relates to the recovery of costs incurred and is recognised when an increase in future economic benefits relating to an increase in an asset or a decrease of a liability has arisen that can be reliably measured.

Lease income from operating leases where the Department is a lessor is recognised on a straight line basis. The Department does not have any finance leases as lessor.

	2020 Actual \$'000	2019 Actual \$'000
Operating lease income – residential rent	828	647
Operating lease income – commercial rent	3 973	1 372
Wages and salaries recoveries	23 000	21 161
Food recoveries	4 724	5 174
Multipurpose centre recoveries	228	252
Workers compensation recoveries	5 978	5 102
Operating recoveries	5 371	7 680
Donations	1 562	1 975
Corporate services revenue	1 670	1 104
Industry funds	4 033	2 311
Digital Transformation Priority Expenditure Program 2018-19	....	4 431
Total	51 367	51 209

Food recoveries represents revenue earned from cafeterias and the provision of catering services.

Industry funds and Donations are amounts received from organisations and individuals to fund services and projects.

Note 7 NET GAINS/(LOSSES)

7.1 NET GAIN/(LOSS) ON NON-FINANCIAL ASSETS

Gains or losses from the sale of non-financial assets are recognised when control of the assets has passed to the buyer.

Key Judgement

Impairment exists when the recoverable amount of an asset is less than its carrying amount. Recoverable amount is the higher of fair value less costs to sell and value in use.

Specialised non-financial assets are not used for the purpose of generating cash flows; therefore their recoverable amount is expected to be materially the same as fair value, as determined under AASB 13 *Fair Value Measurement*.

All other non-financial assets are assessed to determine whether any impairment exists, with impairment losses recognised in Statement of Comprehensive Income.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the Estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

	2020 \$'000	2019 \$'000
Net gain/(loss) on disposal of physical assets	(73)	(166)
Total net gain/(loss) on non-financial assets	(73)	(166)

7.2 NET GAIN/(LOSS) ON FINANCIAL INSTRUMENTS AND STATUTORY RECEIVABLES/PAYABLES

Financial assets are impaired under the expected credit loss approach required under AASB 9 *Financial Instruments*. The expected credit loss is recognised for all debt instruments not held at fair value through profit or loss.

Key Judgement

An impairment loss using the expected credit loss method for all trade debtors uses a lifetime expected loss allowance. The expected loss rates are based upon historical observed loss rates that are adjusted to reflect forward looking macroeconomic factors.

For other financial instruments that are not trade receivables, contract assets or lease receivables, the Department has measured the expected credit loss using a probability-weighted amount that takes into account the time value of money and forward looking macroeconomic factors.

To date, there has been no increase in the observed loss rates as a result of the economic downturn due to COVID-19.

	2020	2019
	\$'000	\$'000
Impairment of loans and receivables	(1 239)	(1 067)
Total net gain/(loss) on financial instruments	(1 239)	(1 067)

Note 8 EXPENSES

Expenses are recognised in the Statement of Comprehensive Income when a decrease in future economic benefits related to a decrease in asset or an increase of a liability has arisen that can be measured reliably.

8.1 EMPLOYEE BENEFITS

Employee benefits include, where applicable, entitlements to wages and salaries, annual leave, sick leave, long service leave, superannuation and any other post-employment benefits.

(a) Employee expenses

	2020	2019
	\$'000	\$'000
Wages and salaries	1 119 690	1 029 396
Annual leave	78 779	67 230
Long service leave	27 281	21 189
Sick leave	40 867	37 102
Superannuation - defined contribution and defined benefits schemes	142 783	130 022
Other employment expenses – recruitment and staff development	12 394	13 643
Other employee expenses – other staff allowances	1 618	2 034
Total	1 423 412	1 300 616

Superannuation expenses relating to defined benefit schemes relate to payments into the Public Account. The amount of the payment is based on a department contribution rate determined by the Treasurer, on the advice of the State Actuary. The current department contribution is 12.95 per cent (2019: 12.95 per cent) of salary.

Superannuation expenses relating to defined contribution schemes are paid directly to superannuation funds at a rate of 9.5 per cent (2019: 9.5 per cent) of salary. In addition, departments are also required to pay into the Public Account a “gap” payment equivalent to 3.45 per cent (2019: 3.45 per cent) of salary in respect of employees who are members of defined contribution schemes.

(b) Remuneration of key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Department, directly or indirectly.

As of 2 March 2020, there was a restructure of the Department which resulted in a change in the executive structure and therefore the composition of key management personnel.

Remuneration during 2019-20 for key personnel is set by the *State Service Act 2000*. Remuneration and other terms of employment are specified in employment contracts. Remuneration includes salary, motor vehicle and other non-monetary benefits. Long term employee expenses include long service leave and superannuation obligations.

Acting Arrangements

When members of key management personnel are unable to fulfil their duties, consideration is given to appointing other members of senior staff to their position during their period of absence. Individuals are considered members of key management personnel when acting arrangements are for more than a period of one month.

The following were key management personnel of the Department at any time during the financial year and unless otherwise indicated were key management personnel for the entire year.

2020	Short term benefits		Long-term benefits		Termination benefits ⁵	Total
	Salary ¹	Other benefits ²	Super-annuation ³	Other benefits and Long Service Leave ⁴		
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Key management personnel						
Kathrine Morgan-Wicks Secretary (from 02/09/2019)	337	15	32	1	....	385
Craig Jeffery Chief Financial Officer (from 01/03/2020)	57	7	7	2	....	73
Renee Anderson Chief People Officer (from 21/10/2019)	103	13	10	3	....	129
Susan Gannon Chief Executive Hospitals South (from 02/03/2020)	63	16	10	2	....	91
Eric Daniels Chief Executive Hospitals North/North West from (02/03/2020)	57	8	10	2	....	77
Shane Gregory Deputy Secretary (from 03/02/2020)	82	11	8	2	....	103
Warren Prentice Chief Information Officer (from 20/01/2020)	108	8	16	2	....	134
Neil Kirby Chief Executive Ambulance Tasmania (to 14/02/2020)	111	23	16	3	....	153
Anthony Lawler Chief Medical Officer (to 01/03/2020) Deputy Secretary Clinical Quality, Regulation and Accreditation (from 02/03/2020)	427	27	55	5	....	514
Ross Smith Deputy Secretary Planning, Purchasing and Performance (to 01/03/2020) Deputy Secretary Policy, Purchasing, Performance and Reform (from 02/03/2020) Acting Deputy Secretary Community, Mental Health and Wellbeing (from 02/03/2020 to 01/04/2020)	210	44	27	6	....	287

2020 (continued)	Short term benefits		Long-term benefits		Termination benefits ⁵	Total
	Salary ¹	Other benefits ²	Super-annuation ³	Other benefits and Long Service Leave ⁴		
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Craig Watson Chief Corporate Officer (to 01/03/2020) Executive Director Business Improvement and Reform (from 02/03/2020) Acting Deputy Secretary Community, Mental Health and Wellbeing (from 02/04/2020)	185	16	39	(10)	....	230
Michael Pervan Secretary (to 30/08/2019)	81	6	8	2	....	97
Siobhan Harpur Chief Executive Officer, Public Health Services (to 01/03/2020)	101	17	17	3	....	138
Nicola Dymond Chief Operating Officer (to 01/03/2020)	215	17	21	....	125	378
Suzanne McCavanagh Chief People and Culture Officer (Termination benefits relating to the position)	....	....	....	....	83	83
Acting key management personnel						
Matthew Eastham Acting Chief Executive Officer, Ambulance Tasmania (from 15/02/2020)	46	8	7	2	....	63
Lisa Howes Acting Director, Office of the Secretary (from 02/03/2020)	40	3	5	1	....	49
Michael Reynolds Acting Deputy Secretary Corporate Services (to 11/02/2020)	146	10	29	(1)	....	184
Rebecca Howe Acting Chief People and Culture Officer (to 01/03/2020)	81	7	33	2	....	123
Total	2 450	256	350	27	208	3 291

2019	Short term benefits		Long-term benefits		Termination benefits ⁵	Total
	Salary ¹	Other benefits ²	Superannuation ³	Other benefits and Long Service Leave ⁴		
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Key management personnel						
Michael Pervan						
Secretary	419	18	40	21	....	498
Neil Kirby						
Chief Executive Officer, Ambulance Tasmania	168	34	25	5	....	232
Siobhan Harpur						
Chief Executive Officer, Public Health Services	148	16	25	(2)	....	187
Ross Smith						
Deputy Secretary Planning, Purchasing and Performance	190	22	24	6	....	242
Anthony Lawler						
Chief Medical Officer	425	28	55	7	....	515
Nicola Dymond						
Chief Operating Officer	290	82	30	6	....	408
Craig Watson						
Chief Corporate Officer	225	20	26	5	....	277
Suzanne McCavanagh						
Chief People and Culture Officer (to 13/03/2019)	176	50	18	4	....	248
Acting key management personnel						
Michael Reynolds						
Acting Deputy Secretary Corporate Services	236	18	46	3	....	303
Rebecca Howe						
Acting Chief People and Culture Officer (from 14/03/2019)	52	12	5	....	....	69
Eleanor Patterson						
Acting Chief Financial Officer (to 30/09/2018)	45	7	10	1	....	63
Total	2 374	307	304	56	....	3 042

Notes:

- 1 Salary includes all forms of consideration paid and payable for services rendered and compensated absences during the period.
- 2 Other short-term benefits includes all other forms of non-salary benefits such as motor vehicles and parking, fringe benefit tax payable in respect of these benefits, payments in lieu of leave, annual leave movements and any other compensation paid or payable.
- 3 Superannuation means the contribution to the superannuation fund of the individual.
- 4 Other long term benefits and long service leave includes the movements in the discounted long service leave balances.
- 5 Termination Benefits include accrued annual and long service leave entitlements and termination payments.

(c) Related party transactions

There are no significant related party transactions requiring disclosure.

8.2 DEPRECIATION AND AMORTISATION

All applicable non-financial assets having a limited useful life are systematically depreciated over their useful lives in a manner which reflects the consumption of their service potential. Land and Heritage and cultural assets, being assets with unlimited useful lives, are not depreciated.

Key estimate and judgement

Depreciation is provided for on a straight line basis, using rates which are reviewed annually. Major depreciation periods are:

Vehicles	5 years
Plant and equipment	2-20 years
Medical equipment	4-20 years
Buildings	40-50 years

All intangible assets having a limited useful life are systematically amortised over their useful lives reflecting the pattern in which the asset's future economic benefits are expected to be consumed by the Department.

Major amortisation rates are:

Software	20 per cent
Right-of-use assets	2-22 years

(a) Depreciation

	2020	2019
	\$'000	\$'000
Plant, equipment and vehicles	13 112	12 915
Buildings	38 139	37 162
Total	51 251	50 077

(b) Amortisation

	2020	2019
	\$'000	\$'000
Intangible assets	5 231	1 263
Right-of-use assets	7 483	....
Total	12 714	1 263
Total depreciation and amortisation	63 965	51 340

8.3 SUPPLIES AND CONSUMABLES

	2020 \$'000	2019 \$'000
Audit fees	410	607
Consultants	4 927	5 338
Property services and rental payments	45 537	47 519
Maintenance	29 467	29 530
Communications	10 055	9 791
Information technology	34 655	34 383
Travel, transport and vehicle leasing payments	15 762	15 090
Medical, surgical and pharmacy supplies	268 765	271 536
Advertising and promotion	489	873
Patient and client services	43 532	39 280
Other licencing costs	4 479	5 091
Leasing expenses	4 129	....
Equipment and furniture	14 395	8 259
Administration	10 252	9 987
Food production costs	10 227	10 126
Corporate overhead charge	455	....
Service fees	11 479	7 297
Other supplies and consumables	8 098	10 979
Total	517 113	505 686

Audit fees paid or payable to the Tasmanian Audit Office for the audit of the Department's financial statements were \$301 430 (2019, \$301 430).

In 2018-19, leasing expenses were included in Property services and rental payments and Other licencing costs.

8.4 GRANTS AND SUBSIDIES

Grant and subsidies expenditure is recognised to the extent that:

- the services required to be performed by the grantee have been performed or
- the grant eligibility criteria have been satisfied.

A liability is recorded when the Department has a binding agreement to make the grants, but services have not been performed or criteria satisfied. Where grant monies are paid in advance of performance or eligibility, a prepayment is recognised.

	2020 \$'000	2019 \$'000
Other Grants		
Grant – Alcohol Tobacco and Other Drugs	5 297	5 193
Grant – COVID-19	5 911	....
Grant – Equal Remuneration Order	6 364	5 598
Grant – Mental Health	28 443	22 663
Grant –NDIS Bilateral Agreement Budget Neutral Adjustment	10 986	10 610
Grant – Planning, Purchasing and Performance	1 779	3 134
Grant – Public Health	9 073	7 860
Grant – Other Health Services	4 123	10 805
Total Other Grants	71 976	65 863
Subsidies		
Subsidies – Home and Community Care	12 426	13 903
Total Subsidies	12 426	13 903
Total	84 402	79 766

In 2019-20, COVID-19 grants were provided to assist primary healthcare workers, including general practitioners, and programs to support individuals experiencing mental health difficulties as a result of issues associated with the pandemic.

In accordance with the Bilateral Agreement between the Australian Government and Tasmania for the transition to the National Disability Insurance Scheme (NDIS), a Budget Neutral Adjustment is made each year to offset the additional cost to the Australian Government of net additional responsibilities taken on as part of the National Health Care Reform (ie the additional cost to the Australian Government of Home and Community Care for older people, and the cost of specialist disability services for older people, less the costs of responsibilities transferred to Tasmania for younger people in aged care).

8.5 FINANCE COSTS

All finance costs are expensed as incurred using the effective interest method.

Finance costs primarily include:

- lease charges and
- interest on superannuation defined benefit plans.

	Note	2020 \$'000	2019 \$'000
Interest expense			
Interest on leases liabilities		626	....
Interest on superannuation defined benefit plans	10.4(d)	25	....
Total		651	....

8.6 OTHER EXPENSES

Other expenses are recognised when a decrease in future economic benefits related to a decrease in an asset or an increase of a liability has arisen that can be reliably measured.

	2020 \$'000	2019 \$'000
Salary on-costs	21 891	16 696
Fair value of volunteer services	12 586	....
Tasmanian Risk Management Fund premium	12 499	14 650
Other	1 707	2 282
Total	48 683	33 628

Fair value of volunteer services represents the estimated service value of volunteers to Ambulance Tasmania and the Tasmanian Health Service. This expense item is offset by an equal value recorded as Contributions received.

Note 9 ASSETS

Assets are recognised in the Statement of Financial Position when it is probable that the future economic benefits will flow to the Department and the asset has a cost or value that can be measured reliably.

9.1 RECEIVABLES

Receivables are initially recognised at fair value plus any directly attributable transaction costs. Trade receivables that do not contain a significant financing component are measured at the transaction price.

Key judgement

Receivables are held with the objective to collect the contractual cash flows and are subsequently measured at amortised cost using the effective interest method. Any subsequent changes are recognised in the net result for the year when impaired, derecognised or through the amortisation process. An allowance for expected credit losses is recognised for all debt financial assets not held at fair value through profit and loss.

The expected credit loss is based on the difference between the contractual cash flows and the cash flows that the entity expects to receive, discounted at the original effective interest rate.

For trade receivables, a simplified approach in calculating expected credit losses is applied, with a loss allowance based on lifetime expected credit losses recognised at each reporting date. The Department has established a provision matrix based on its historical credit loss experience for trade receivables, adjusted for forward-looking factors specific to the receivable.

	2020 \$'000	2019 \$'000
Receivables	36 458	38 542
Less: Expected credit loss	(1 378)	(934)
Total	35 080	37 608
Sales of goods and services (inclusive of GST)	27 324	23 178
Tax assets	7 756	14 430
Total	35 080	37 608
Settled within 12 months	35 080	37 608
Total	35 080	37 608

(a) Reconciliation of movement in expected credit loss for receivables

	2020 \$'000	2019 \$'000
Carrying amount at 1 July	934	1 082
Administrative restructure – net assets transferred	....	(304)
Amounts written off during the year	(794)	(911)
Increase/(decrease) in provision recognised in profit or loss	1 238	1 067
Carrying amount at 30 June	1 378	934

For ageing analysis of the financial assets, refer to Note 14.1.

9.2 CONTRACT ASSETS AND LIABILITIES

A Contract Asset is the Department's right to consideration in exchange for goods or services that the Department has transferred to the customer.

A Contract Liability relates to the Department's obligation to transfer goods or services to a customer for which the Department has received consideration.

	Australian Government Funding \$'000	Other \$'000	Total \$'000
Contract assets			
Balance at 1 July 2019	....	....	....
Balance at 30 June 2020	11 155	....	11 155
Contract liabilities			
Balance at 1 July 2019	....	....	....
Balance at 30 June 2020	5 655	....	5 655
			2020 \$'000
Revenue from performance obligations met during the current period			380 888
Revenue from performance obligations partially satisfied in the current period			36 864

The transaction price allocated to unsatisfied performance obligations as at 30 June 2020 is as follows:

	2020 \$'000
Australian Government Grants	5 655
Other	...
Total	5 655

9.3 OTHER FINANCIAL ASSETS

Other financial assets are classified and measured at amortised cost. Impairment losses are recorded in the Statement of Comprehensive Income. Any gain or loss arising on derecognition is recognised directly in net results and presented in other gains/(losses).

	2020 \$'000	2019 \$'000
Accrued revenue	18 134	18 844
Inter-entity balance	2 099	2 259
Total	20 233	21 103
Settled within 12 months	20 233	21 103
Total	20 233	21 103

The Inter-entity balance represents goods and services tax settlement entries arising between the Department and the Department of Communities Tasmania.

9.4 INVENTORIES

Inventories held for distribution are valued at cost adjusted, when applicable, for any loss of service potential. Inventories acquired for no cost or nominal consideration are valued at current replacement cost.

	2020 \$'000	2019 \$'000
<i>Pharmacy</i>	13 727	8 713
<i>Catering</i>	285	288
<i>Linen</i>	980	945
<i>General supplies</i>	24 235	3 842
Total	39 227	13 788
Consumed within 12 months	39 227	13 788
Total	39 227	13 788

The Inventories balance has increased significantly during 2019-20, due to the Department holding a higher stock supply for pharmaceutical items and personal protective equipment, due to the COVID-19 pandemic.

9.5 ASSETS HELD FOR SALE

Assets held for sale (or disposal groups comprising assets and liabilities) that are expected to be recovered primarily through sale rather than continuing use are classified as held for sale. Immediately before classification as held for sale, fair value assets (or components of a disposal group) are remeasured in accordance with the Departmental policy. Upon initial classification to assets held for sale, assets are remeasured at the lower of carrying amount and fair value less costs to sell. An impairment loss is recognised in profit or loss for any initial and subsequent write-down from the carrying amount measured immediately before re-measurement to fair value less costs of disposal. Such assets are no longer amortised or depreciated upon being classified as held for sale.

(a) Carrying amount

	2020 \$'000	2019 \$'000
Land (Fair value Level 2)	5
Buildings (Fair value Level 2)	74
Total	79
Settled within 12 months	79
Settled in more than 12 months
Total	79

Assets sold during the year include Unit 5/15 Gellibrand Street, Zeehan which settled on 4 July 2019.

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at measurement date. It is based on the principle of exit price and refers to the price an entity expects to receive when it sells an asset, or the price an entity expects to pay when it transfers a liability.

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly or indirectly.

Level 3 inputs are unobservable inputs for the asset or liability. Unobservable inputs shall be used to measure fair value to the extent that relevant observable inputs are not available.

9.6 PROPERTY, PLANT AND EQUIPMENT

Key estimate and judgement

(i) Valuation basis

Land, buildings, leasehold improvements and heritage and cultural assets are recorded at fair value less accumulated depreciation. All other non-current physical assets, including work in progress, are recorded at historic cost less accumulated depreciation and accumulated impairment losses. All assets within a class of assets are measured on the same basis.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The costs of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Fair value is based on the highest and best use of the asset. Unless there is an explicit Government policy to the contrary, the highest and best use of an asset is the current purpose for which the asset is being used or occupied.

(ii) Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Department and its costs can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of day to day servicing of property, plant and equipment are recognised in the Statement of Comprehensive Income as incurred.

(iii) Asset recognition threshold

The asset capitalisation threshold adopted by the Department are:

Vehicles	\$10 000
Plant and equipment	\$10 000
Land and Buildings	\$10 000
Leasehold improvements	\$10 000
Heritage and cultural assets	\$10 000

Assets valued at less than the threshold amount are charged to the Statement of Comprehensive Income in the year of purchase (other than where they form part of a group of similar items which are material in total).

(iv) Revaluations

The Department's land and building assets were revalued independently by the Valuer-General as at 30 June 2018. These assets were valued in accordance with the Australian Accounting Standards (AASB 116 *Property, Plant and Equipment*) and Treasurer's Instructions.

In 2019-20, these assets received a desktop indice valuation performed by the Valuer-General as at 30 June 2020. This was based on a review of market movement factors and building construction cost.

The Valuer-General has advised that the valuation indices provided do not account for significant fluctuations in cost and value which may occur as a result of COVID-19. Implications for the construction industry and property market are anticipated due to the global pandemic but it is currently too early to assess the impact.

An exception to the desktop indice valuation, is the Royal Hobart Hospital's new K Block, for which a separate valuation was obtained from the Valuer-General. The Valuer-General has advised that, due to COVID-19 restrictions on hospital access, this assessment of Fair Value is a desktop valuation only based on information provided to the Office of the Valuer-General by the Royal Hobart Hospital Redevelopment Team.

Assets are grouped on the basis of having a similar nature or function in the operations of the Department.

Revaluations are shown on a gross basis where a replacement cost basis of valuations has been used. Asset revaluations based on a market basis are disclosed on a net basis; however, the Department has endeavoured to obtain replacement cost valuations where possible to enable gross values to be disclosed.

In accordance with the Department's revaluation policy, the next valuation will take place in three years time with the Valuer-General assisting in the determination of Adjusted Interim Carrying Amounts for the real property for the interim three financial years.

(v) Assets in respect of leases where the Department is the lessor

The Department leases building assets (including office accommodation, consulting rooms, residential accommodation and medical equipment) under operating leases with rental payments payable in instalments as per agreed terms with the tenants. Lease payments may include amounts for outgoings and rent escalation for a fixed percentage, dollar increase per year or future index or rate.

(a) Carrying amount

	2020 \$'000	2019 \$'000
Land		
At fair value	114 150	102 775
Total	114 150	102 775
Buildings		
At fair value	1 984 575	1 534 959
Less: Accumulated depreciation	(621 695)	(570 887)
	1 362 880	964 072
Work in progress (at cost)	54 224	432 273
Total buildings	1 417 104	1 396 345
Leasehold improvements at fair value	22 458	20 909
Less: Accumulated amortisation	(13 426)	(11 743)
Total leasehold improvements	9 032	9 166
Total Buildings	1 426 136	1 405 511
Plant, equipment and vehicles		
At cost	154 651	146 907
Less: Accumulated depreciation	(98 242)	(91 154)
	56 409	55 753
Work in progress	35 215	16 747
Total plant, equipment and vehicles	91 624	72 500
Heritage and cultural assets		
At fair value	3 306	3 106
	3 306	3 106
Work in progress (at cost)	925	922
Total heritage and cultural assets	4 231	4 028
Total Property, plant and equipment	1 636 141	1 584 814

In 2019-20, Stage 1 of the Royal Hobart Hospital Redevelopment project was completed, with the commissioning of the new K Block. This resulted in a transfer from Work in progress to Buildings at fair value.

(b) Reconciliation of movements (including fair value levels)

Reconciliations of the carrying amounts of each class of Property, plant and equipment at the beginning and end of the current and previous financial year are set out below. Carrying value means the net amount after deducting accumulated depreciation and accumulated impairment losses.

2020	Land	Buildings	Plant, equipment and vehicles	Heritage and cultural assets	Total
	Level 2	Level 3		Level 2	
	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying value at 1 July	102 775	1 405 511	72 500	4 028	1 584 814
Administrative restructure – net assets transferred	(360)	(412)	....	....	(772)
Additions	....	49 980	33 842	212	84 034
Disposals	....	....	(202)	....	(202)
Revaluation increments (decrements)	10 005	14 165	....	....	24 170
Transfer between levels	1 730	(1 730)	....	....	....
WIP expensed	....	(3 240)	(1 403)	(9)	(4 652)
Depreciation	....	(38 138)	(13 113)	....	(51 251)
Carrying value at 30 June	114 150	1 426 136	91 624	4 231	1 636 141

2019	Notes	Community housing stock	Rental Dwellings	Land	Buildings	Plant, equipment and vehicles	Heritage and cultural assets	Total
		Level 2	Level 2	Level 2	Level 3		Level 2	
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying value at 1 July		39 234	1 377 293	62 571	341 302	11 792	1 919	1 834 111
Administrative restructure – net assets transferred	12.2	(39 234)	(1 377 293)	31 114	864 666	56 822	63	(463 862)
Additions		....	....	....	219 585	18 099	215	237 899
Disposals		....	....	(10)	(126)	(1 189)	....	(1 325)
Revaluation increments (decrements)		....	....	8 842	26 873	....	1 832	37 547
Assets held for sale		....	....	(5)	(75)	....	....	(80)
Transfer between levels		....	....	263	(1 053)	790	....	....
WIP expensed		....	....	....	(8 500)	(900)	(1)	(9 401)
Depreciation		....	....	....	(37 161)	(12 914)	....	(50 075)
Carrying value at 30 June		....	....	102 775	1 405 511	72 500	4 028	1 584 814

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at measurement date. It is based on the principle of an exit price and refers to the price an entity expects to receive when it sells an asset, or the price an entity expects to pay when it transfers a liability.

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly or indirectly.

Level 3 inputs are unobservable inputs for the asset or liability. Unobservable inputs shall be used to measure fair value to the extent that relevant observable inputs are not available.

(c) Carrying amount of property, plant and equipment held and used by the Department

	2020 \$'000	2019 \$'000
Land		
At fair value	112 494	101 197
Total	112 494	101 197
Buildings		
At fair value	1 890 830	1 444 019
Less: Accumulated depreciation	(563 888)	(516 876)
	1 326 942	927 143
Work in progress (at cost)	54 224	432 273
Total buildings	1 381 166	1 359 416
Leasehold improvements at fair value	22 458	20 909
Less: Accumulated depreciation	(13 426)	(11 743)
Total leasehold improvements	9 032	9 166
Total buildings	1 390 198	1 368 582
Plant, equipment and vehicles		
At cost	154 651	146 907
Less: Accumulated depreciation	(98 242)	(91 154)
	56 409	55 753
Work in progress (at cost)	35 215	16 747
Total plant, equipment and vehicles	91 624	72 500
Heritage and cultural assets		
At fair value	3 306	3 106
	3 306	3 106
Work in progress (at cost)	925	922
Total heritage and cultural assets	4 231	4 028
Total Property, plant and equipment	1 598 547	1 546 307

(d) Reconciliation of movements (including fair value levels) of property, plant and equipment held and used by the Department

Reconciliations of the carrying amounts of each class of Property, plant and equipment held and used by the Department at the beginning and end of the current financial year are set out below. Carrying value means the net amount after deducting accumulated depreciation and accumulated impairment losses.

2020	Land	Buildings	Plant, equipment and vehicles	Heritage and cultural assets	Total
	Level 2	Level 3		Level 2	
	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying value at 1 July	101 197	1 368 582	72 500	4 028	1 546 307
Administrative restructure – net assets transferred	(360)	(412)	....	....	(772)
Additions	....	49 977	33 842	212	84 031
Disposals	....	....	(202)	....	(202)
Revaluation increments (decrements)	9 927	13 160	....	....	23 087
Transfer between levels	1 730	(1 730)	....	....	....
WIP expensed	....	(3 240)	(1 403)	(9)	(4 652)
Depreciation	....	(36 139)	(13 113)	....	(49 252)
Carrying value at 30 June	112 494	1 390 198	91 624	4 231	1 598 547

- (e) Carrying amount of property, plant and equipment where the Department is the lessor under operating leases

	2020 \$'000	2019 \$'000
Land		
At fair value	1 656	1 578
Total	1 656	1 578
Buildings		
At fair value	93 745	90 940
Less: Accumulated depreciation	(57 807)	(54 011)
Total buildings	35 938	36 929
Total Property, plant and equipment	37 594	38 07

- (f) Reconciliation of movements (including fair value levels) of property, plant and equipment where the Department is the lessor under operating leases

Reconciliations of the carrying amounts of each class of Property, plant and equipment held and used by the Department at the beginning and end of the current financial year are set out below. Carrying value means the net amount after deducting accumulated depreciation and accumulated impairment losses.

2020	Land	Buildings	Plant, equipment and vehicles	Heritage and cultural assets	Total
	Level 2	Level 3		Level 2	
	\$'000	\$'000	\$'000	\$'000	
Carrying value at 1 July	1 578	36 929	....	....	38 507
Additions	....	3	....	....	3
Revaluation increments (decrements)	78	1 005	....	....	1 083
Depreciation	....	(1 999)	....	....	(1 999)
Carrying value at 30 June	1 656	35 938	....	....	37 594

- (g) Maturity analysis of lease payments receivable in respect of operating leases

	2020 \$'000	2019 \$'000
One year or less	924	980
From one to two years	611	964
From two to three years	524	612
From three to four years	502	524
From four to five years	486	502
More than five years	2 648	3 135
Total	5 695	6 717

- (h) Level 3 significant valuation inputs and relationship to fair value

	Fair value at 30 June \$'000	Significant unobservable inputs used in valuation	Possible alternative values for Level 3 inputs	Sensitivity of fair value to changes in Level 3 inputs
Buildings	1 426 136	A - Construction costs B - Age and condition of asset C - Remaining useful life	When valuing these assets, their existing and alternative uses are taken into account by valuers. As a result, it is unlikely that alternative values will arise unless there are changes in known inputs.	Tasmanian construction indexes have remained stable over the past 12 months. Design and useful lives are reviewed regularly but generally remain unchanged. As a result, it is unlikely that significant variations in values will arise in the short term.

- (i) Assets where current use is not the highest and best use

The Department has no assets where the current use is not the highest and best use.

9.7 RIGHT-OF-USE ASSETS

From 1 July 2019, AASB 16 requires the Department to recognise a right-of-use asset, where it has control of the underlying asset over the lease term. A right-of-use asset is measured at the present value of initial lease liability, adjusted by any lease payments made at or before the commencement date and lease incentives, any initial direct costs incurred, and estimated costs of dismantling and removing the asset or restoring the site. Right-of-use assets includes assets in respect of leases previously treated as operating leases under AASB 117, and therefore not recognised in the Statement of Financial Position.

The Department has elected not to recognise right-of-use assets and lease liabilities arising from short term leases, rental arrangements for which Treasury has substantive substitution rights over the assets and leases for which the underlying asset is of low-value. Substantive substitution rights relate primarily to office accommodation. An asset is considered low-value when it is expected to cost less than \$10 000.

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

2020	Buildings	Plant and equipment	Total
	\$'000	\$'000	\$'000
Carrying value at 1 July	28 458	2 921	31 379
Additions	2 002	....	2 002
Amortisation	(6 678)	(804)	(7 482)
Carrying value at 30 June	23 782	2 117	25 899

9.8 INTANGIBLE ASSETS

An intangible asset is recognised where:

- it is probable that an expected future benefit attributable to the asset will flow to the Department and
- the cost of the asset can be reliably measured.

Intangible assets held by the Department, where no active market exists, are valued at cost less any accumulated amortisation and any accumulated impairment losses.

Intangible assets with a finite useful life held by the Department principally comprise computer software.

- (a) Carrying amount

	2020	2019
	\$'000	\$'000
Intangible assets with a finite useful life		
Other non-current assets at cost	17 184	17 239
Less: Accumulated amortisation	(15 161)	(10 026)
	2 023	7 213
Capital works in progress	1 807	1 792
Total	3 830	9 005
Total intangible assets	3 830	9 005

(b) Reconciliation of movements (including fair value levels)

	2020 \$'000	2019 \$'000
Carrying amount at 1 July	9 005	9 810
Administrative restructure – net assets transferred	....	153
Additions	57	304
Amortisation	(5 232)	(1 262)
Carrying amount at 30 June	3 830	9 005

9.9 OTHER ASSETS

Other assets are recorded at amortised cost and include prepayments.

(a) Carrying amount

	2020 \$'000	2019 \$'000
Other current assets		
Prepayments	31 253	8 993
Total	31 253	8 993
Other non-current assets		
Prepayments	72	154
Total	72	154
Recovered within 12 months	31 253	8 993
Recovered in more than 12 months	72	154
Total	31 325	9 147

In 2019-20, prepayments include the advance payment for personal protective equipment and medical equipment, in order to secure supply of the items needed in response to the COVID-19 pandemic.

Prepayments include information technology expenditure for hardware and software support and software licencing contracts, in addition to equipment maintenance contracts, property rental and National Blood Authority supplies.

(b) Reconciliation of movements

	2020 \$'000	2019 \$'000
Carrying amount at 1 July	9 147	9 329
Additions	31 171	8 858
Utilised	(8 993)	(9 040)
Carrying amount at 30 June	31 325	9 147

Note 10 LIABILITIES

Liabilities are recognised in the Statement of Financial Position when it is probable that an outflow of resources embodying economic benefits will result from the settlement of a present obligation and the amount at which the settlement will take place can be measured reliably.

10.1 PAYABLES

Payables, including goods received and services incurred but not yet invoiced, are recognised at amortised cost, which due to the short settlement period, equates to face value, when the Department becomes obliged to make future payments as a result of a purchase of assets or services.

	2020 \$'000	2019 \$'000
Creditors	36 450	46 418
Accrued expenses	63 446	73 785
Paid Parental Leave Scheme liabilities	252	299
Total	100 148	120 502
Settled within 12 months	62 123	64 363
Settled in more than 12 months	38 025	56 139
Total	100 148	120 502

Accrued expenses predominantly relate to medical services provided to Tasmanian residents in other states and territories of Australia, less the medical services provided in Tasmania to residents from other states and territories. Due to the complexity of the calculations, there is two to three years delay in settlement.

Settlement of Creditors is usually made within 14 days.

10.2 LEASE LIABILITIES

On 1 July 2019, a lease liability was measured at the present value of the lease payments that are not paid at that date. The discount rate used to calculate the present value of the lease liability is the rate implicit in the lease. Where the implicit rate is not known and cannot be determined, the Tascorp indicative lending rate including the relevant administration margin is used.

The Department has elected not to recognise right-of-use assets and lease liabilities arising from short term leases, rental arrangements for which Treasury has substantive substitution rights over the assets and leases for which the underlying asset is of low-value. Substantive substitution rights relate primarily to office accommodation. An asset is considered low-value when it is expected to cost less than \$10 000.

The Department has entered into the following leasing arrangements:

Class of right-of-use asset	Details of leasing arrangements	
Plant and equipment	These leases are paid monthly or quarterly. Lease payments include rent escalation for a fixed percentage, dollar increase per year or future index or rate.	
Buildings	These leases are paid monthly or quarterly. Lease payments include rent escalation for a fixed percentage, dollar increase per year or future index or rate. Some leases include options to extend the lease term.	
		2020 \$'000
Current		
Lease liabilities		7 213
Non-current		
Lease liabilities		19 046
Total		26 259

The following amounts are recognised in the Statement of Comprehensive Income:

	2020 \$'000
Interest on lease liabilities included in Note 4.5	626
Lease expenses included in Note 8.3:	
Short term leases	3 716
Variable lease payments	413
Net expenses from leasing activities	4 755

10.3 EMPLOYEE BENEFIT LIABILITIES

Liabilities for wages and salaries and annual leave are recognised when an employee becomes entitled to receive a benefit. Those liabilities expected to be realised within 12 months are measured as the amount expected to be paid. Other employee entitlements are measured as the present value of the benefit at 30 June, where the impact of discounting is material, and at the amount expected to be paid if discounting is not material.

Key estimate and judgement

A liability for long service leave is recognised, and is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date.

	2020 \$'000	2019 \$'000
Accrued salaries	18 669	57 372
Annual leave	121 034	100 702
Long service leave	164 021	147 083
Sabbatical leave	11 653	9 992
Development leave	9 300	7 885
Other employee benefits	2 681	2 417
Total	327 358	325 451
Expected to settle wholly within 12 months	126 538	152 066
Expected to settle wholly after 12 months	200 820	173 385
Total	327 358	325 451

Other employee benefits is comprised of Purchased Leave Scheme, Time off in lieu provisions, Excess on-call leave and State Service Accumulated Leave Scheme entitlements.

10.4 SUPERANNUATION

(i) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an expense when they fall due.

(ii) Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan.

Key estimate and judgement

With the exception noted below, the Department does not recognise a liability for the accruing superannuation benefits of Departmental employees. This liability is held centrally and is recognised within the Finance-General Division of the Department of Treasury and Finance.

The Department's superannuation obligations, in respect of the contributory service of current and past Ambulance Tasmania employees under the Tasmanian Ambulance Service Superannuation Scheme, are recognised at the latest actuarial assessment of the member's entitlements, net of scheme assets. The valuation is determined by discounting to present value, the gross benefit payments at a current, market-determined, risk-adjusted discount rate appropriate to the plan.

Actuarial gains or losses arising from the actuarial revaluation of Ambulance Tasmania superannuation liabilities are recognised in the Statement of Comprehensive Income.

No adjustment has been made for the potential downturn in investment markets as a result of future COVID-19 outbreaks and measures taken by various government to contain the virus.

(a) Type of plan

Tasmanian Ambulance Service Superannuation Scheme

The Tasmanian Ambulance Service Superannuation Scheme is a defined benefit scheme where members receive lump sum benefits on resignation, retirement, death or invalidity.

The Tasmanian Ambulance Service Superannuation Scheme balances reported are provided in respect of those employees who are defined benefit members.

The Scheme is closed to new members.

The Scheme forms part of the Retirement Benefits Fund (RBF) and operates under the *Public Sector Superannuation Reform Act 2016*. The rules of the Scheme are set out in the Tasmanian Ambulance Service Superannuation Scheme Trust Deed.

The Superannuation Commission has fiduciary responsibility for, and oversees the administration of, the Scheme. The day to day running of the Scheme is managed by the Office of the Superannuation Commission within the Department of Treasury and Finance.

There are a number of risks to which the Scheme exposes the Department. The more significant risks relating to the defined benefits are:

- Investment risk – The risk is that investment returns will be lower than assumed and employers will need to increase contributions to offset this shortfall over the long term.
- Salary growth risk – The risk is that wages or salaries (on which future benefit amounts will be based) will rise more rapidly than assumed, increasing defined benefit amounts and the associated employer contributions over the long term.
- Legislative risk – The risk is that legislative changes could be made which increase the cost of providing the defined benefits.

There were no Scheme amendments, curtailments or settlements during the year.

The unfunded liability is reflected in the difference between net assets available to pay benefits and the amount of accrued benefits as at 30 June 2020.

An independent actuarial assessment is undertaken into the Tasmanian Ambulance Service Superannuation Scheme as at 30 June each financial year.

The State Actuary undertook a revaluation of the present value of the defined benefit obligation and the fair value of the plan assets as at 30 June 2020 using the process outlined in AASB 119 *Employee Benefits*. As a result of the revaluation, it was determined that the Tasmanian Ambulance Service Superannuation Scheme was in deficit by \$6.1 million (2019: \$4.6 million deficit).

(b) Reconciliation of movements in fair value of scheme assets

	Tasmanian Ambulance Service Superannuation Scheme	
	2020	2019
	\$'000	\$'000
Fair value balance at 1 July	55 860	57 406
Included in profit or loss		
Employer contributions	1 325	1 325
Interest income	793	1 553
Taxes, premiums and expenses paid	(199)	(199)
	1 919	2 679
Included in other comprehensive income		
Return on plan assets excluding interest	456	343
	456	343
Other		
Contributions by plan participants	912	1 007
Benefits paid	(2 612)	(5 575)
	(1 700)	(4 568)
Fair value balance at 30 June	56 535	55 860

(c) Reconciliation of the Defined Benefit Obligation

	Tasmanian Ambulance Service Superannuation Scheme	
	2020	2019
	\$'000	\$'000
Present value of defined benefit obligations at beginning of the year[^]	60 446	52 727
Current service cost	2 163	1 753
Interest expense	817	1 381
Contributions by scheme participants	912	1 007
Actuarial (gains)/losses arising from changes in financial assumptions	2 694	7 481
Actuarial (gains)/losses arising from liability experience	(1 540)	1 870
Benefits paid	(2 612)	(5 574)
Taxes, premiums and expenses paid	(199)	(199)
Present value of defined benefit obligations at the end of the year^l	62 681	60 446

Note:

- l. Includes defined benefit contributions tax provision.

(d) Reconciliation of movements in present value of superannuation liability

	Tasmanian Ambulance Service Superannuation Scheme	
	2020 \$'000	2019 \$'000
Balance at 1 July	4 586	(4 679)
Included in profit or loss		
Current service cost	2 162	1 754
Interest income	....	(172)
Interest cost	25	....
	2 187	1 582
Included in other comprehensive income		
Re-measurement loss/(gain):		
Actuarial loss/(gain)	1 154	9 351
Return on plan assets excluding interest	(456)	(343)
Actuarial (gains)/losses	698	9 008
Other		
Employer contributions	(1 325)	(1 325)
	(1 325)	(1 325)
Balance at 30 June	6 146	4 586

(e) Scheme assets at fair value

*Tasmanian Ambulance Service Superannuation Scheme*Scheme assets as at 30 June 2020¹ comprise:

Asset Category	Level 1 Quoted in active market		Level 2 Observable inputs, not quoted		Level 3 Unobservable inputs		Total Fair value at 30 June	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
	Cash and cash equivalents	839	1 619
Australian equities	....	9 384	11 533	....	....	....	11 533	9 384
International equities	1 979	8 658	....	2 570	5 314	....	7 293	11 228
Infrastructure	....	2 346	14 248	5 251	....	....	14 248	7 597
Diversified fixed interest	....	....	10 176	12 457	....	....	10 176	12 457
Property	....	....	4 240	8 770	....	....	4 240	8 770
Alternative investments	....	....	9 045	3 966	....	....	9 045	3 966
Total	1 979	21 227	49 242	34 633	5 314	....	56 535	55 860

Note:

1. Estimated based on estimated scheme assets as at 30 June 2020 and asset allocation of the RBF Scheme as at 30 June 2019

The fair value of Scheme assets includes no amounts relating to:

- any of the Departments own financial instruments.
- any property occupied by, or other assets used by the Department.

(f) Key actuarial assumptions

Tasmanian Ambulance Service Superannuation Scheme

Assumptions to Determine Defined Benefit Cost		
	2020 %	2019 %
Discount rate	1.45	2.80
Expected salary increase rate	3.00	3.00

Assumptions to Determine Defined Benefit Obligation		
	2020 %	2019 %
Discount rate	1.00	1.45
Expected salary increase rate	3.00	3.00

(g) Sensitivity analysis

Tasmanian Ambulance Service Superannuation Scheme

The defined benefit obligation as at 30 June 2020 under several scenarios is presented below.

Scenario A and B relate to discount rates sensitivity. Scenario C and D relate to expected pension increase rate sensitivity.

Scenario A: 0.5% pa lower discount rate assumption.

Scenario B: 0.5% pa higher discount rate assumption.

Scenario C: 0.5% pa lower than expected pension increase rate assumption.

Scenario D: 0.5% pa higher than expected pension increase rate assumption.

Defined benefit obligations	Base Case	Scenario A -0.5% pa discount rate	Scenario B +0.5% pa discount rate	Scenario C -0.5% pa pension increase rate	Scenario D +0.5% pa pension increase rate
Discount rate (% pa)	1.00	0.50	1.50	1.00	1.00
Pension increase rate (% pa)	3.00	3.00	3.00	2.50	3.50
Defined Budget Obligation ¹ (A\$'000s)	62 681	65 904	59 700	60 254	65 262

Note

1. Includes defined benefit contribution tax provision.

The defined benefit obligation has been recalculated by changing the assumptions as outlined above, whilst retaining all other assumptions.

(h) Funding arrangements

Contributions to the Tasmanian Ambulance Superannuation Scheme in respect of defined benefit schemes are made on an emerging cost basis.

The Department expects to make a contribution of \$1.3 million (2019: \$1.4 million) to the defined benefit plan for the Tasmanian Ambulance Superannuation Scheme during the next financial year.

As at 30 June 2020, the weighted average duration of the defined benefit obligation for the Scheme was 8.6 years (2019: 9.3 years).

10.5 OTHER LIABILITIES

Other liabilities are recognised in the Statement of Financial Position when it is probable that an outflow of resources embodying economic benefits will result from the settlement of a present obligation and the amount at which the settlement will take place can be measured reliably.

Other liabilities include revenue received in advance and on-costs associated with employee benefit liabilities. Revenue received in advance is measured at amortised cost. On-costs associated with employee benefit liabilities expected to be realised within 12 months are measured at the amount expected to be paid. Other on-costs associated with employee benefit liabilities are measured at the present value of the cost at 30 June 2020, where the impact of discounting is material, and at the amount expected to be paid if discounting is not material.

	2020 \$'000	2019 \$'000
Revenue received in advance		
Appropriation carried forward from current and previous years under section 8A(2) of the <i>Public Account Act 1986</i>	....	13 121
Other revenue received in advance	1 780	3 182
Other liabilities		
Employee benefit liabilities – on-costs	6 532	4 750
Payroll suspense	19 493	211
Funds held for distribution – Private Patients Scheme	8 398	7 497
Other liabilities	52	28
Total	36 255	28 789
Settled within 12 months	31 974	25 696
Settled in more than 12 months	4 281	3 093
Total	36 255	28 789

The increase in the Payroll suspense account represents payroll related payables which will be disbursed in 2020-21, relating to the final payroll of 2019-20.

Funds held for distribution are funds held by the THS for distribution under the Private Patients Scheme.

Note 11 COMMITMENTS AND CONTINGENCIES

11.1 SCHEDULE OF COMMITMENTS

In 2018-19, the Department had entered into a number of operating lease agreements for property, plant and equipment, where the lessors effectively retain all the risks and benefits incidental to ownership of the items leased. Equal instalments of lease payments were charged to the Statement of Comprehensive Income over the lease term, as this is representative of the pattern of benefits to be derived from the leased property.

From 2019-20, leases are recognised as right of use assets and lease liabilities in the Statement of Financial Position, excluding short term leases and leases for which the underlying asset is of low value, which are recognised as an expense in the Statement of Comprehensive Income.

	2020 \$'000	2019 \$'000
<i>By type</i>		
Capital commitments		
Property, plant and equipment	74 538	118 188
Total capital commitments	74 538	118 188
Lease Commitments		
Medical equipment	417	7 702
Motor vehicles	....	11 363
Rent on buildings	5 163	73 776
Total lease commitments	5 580	92 841
Other commitments		
Aurora Energy - electricity supply retail services	17	12 130
Council of Ambulance Authorities	240	....
COVID - personal protective equipment	12 524	....
Critical Incident Stress Management Program	234	....
Department of Police, Fire and Emergency Management Communication Support	1 219	....
Emergency Services Computer-Aided Dispatch	546	1 092
Helicopter Services	2 850	....
Information technology	72 370	79 623
Maternity Services contract	49 132	59 624
Medical Priority Enterprise Maintenance Agreement	540	....
Miscellaneous goods and services contracts	66 090	52 727
Miscellaneous grants	118 705	135 913
Motor vehicles held by the Department of Treasury and Finance	9 379	....
Ochre Health – provision of medical services to rural sites	17 749	43 203
Pathology	18 000	....
Radiology contract	51 051	49 782
Rent on buildings held by the Department of Treasury and Finance	64 332	....
Royal Flying Doctors Service air ambulance standing charge	4 695	18 520
Royal Hobart Hospital K Block goods and services contracts	14 751	....
Tasmanian Government Radio Network	3 257	1 086
Tasmanian Police rescue helicopter	7 161	10 800
Total other commitments	514 842	464 500
Total	594 960	675 529
<i>By maturity</i>		
Capital commitments		
One year or less	64 947	113 252
From one to five years	8 876	4 221
More than five years	715	715
Total capital commitments	74 538	118 188
Lease commitments		
One year or less	2 324	18 074
From one to five years	2 770	45 496
More than five years	486	29 271
Total lease commitments	5 580	92 841
Other commitments		
One year or less	180 791	167 450
From one to five years	279 574	280 233
More than five years	54 477	16 817
Total other commitments	514 842	464 500
Total	594 960	675 529

Capital commitments

Property, plant and equipment

Property, plant and equipment commitments primarily include commitments to either build or improve existing properties and also the purchase of equipment. The balance represents contractual commitments, primarily associated with:

- Redevelopment of the Launceston General Hospital
- Rural Hospitals, Health Facilities and Ambulance Station Upgrades
- King Island Hospital
- Ante-Natal Clinic at the North West Regional Hospital
- Ambulance vehicles and medical equipment.

Lease commitments

Medical equipment

The Department is party to a Master Facility Agreement. No restrictions, provisions for price adjustments or purchase options are contained in the lease agreement. Terms of leases are set for specific periods. The average period of a lease is six years with an option to renew for a period of twelve months or the initial term, whichever is the lesser. From 2019-20, applicable leases are recognised as right of use assets and lease liabilities in the Statement of Financial Position.

Rent on buildings

The Department leases a range of properties/tenancies around the State for service delivery purposes.

Other commitments

Aurora Energy – electricity supply retail services

The Department is committed to the purchase of electricity and associated retail services under an existing contract with Aurora Energy Pty Ltd due to expire on 30 June 2021. The contract includes value added services such as metering, on-line access to near real-time data and energy reporting. During 2019-20, the Department's commitment was reassessed and now only includes fixed costs and does not include the variable energy component.

Council of Ambulance Authorities (CAA)

The CAA is the peak body for the Australian, New Zealand and Papua New Guinea ambulance sector. The CAA represents the eleven statutory ambulance services across Australia, New Zealand and Papua New Guinea, which employ paramedics. The commitment is Ambulance Tasmania's financial contribution to the CAA.

COVID - personal protective equipment

The Department has entered into contracts to ensure a higher stock supply for personal protective equipment, due to the COVID-19 pandemic.

Critical Incident Stress Management Program (CISM)

Ambulance Tasmania is committed to the CISM Program, which assists in managing the impact of critical incidents on emergency services personnel (including careers and volunteers).

Department of Police, Fire and Emergency Management (DPFEM) Communication Support

The Memorandum of Understanding details the services that DPFEM provides to support Ambulance Tasmania, particularly communications, systems and technology support (paging and consoles), Triple Zero and Emergency Services Computer Aided Dispatch Systems.

Emergency Services Computer Aided Dispatch (ESCAD)

ESCAD is the integrated dispatch system across Tasmania Police, Tasmania Fire Service, State Emergency Service and Ambulance Tasmania. This system provides the capability to deliver the best possible response to emergencies and calls for assistance, with enhanced safety for the community and emergency services personnel.

Helicopter Services

To support the Department's approach to the COVID-19 pandemic and move patients across the North West coast, following the reduction in services at the Mersey Community Hospital. The Government funded an additional Bell 412 Helicopter.

Information technology

Information technology includes software licence commitments.

Maternity Services contract

There is one hospital on the North West that provides maternity services, being the North West Private Hospital. This hospital is not part of the THS and, as such, the THS contracts the hospital to deliver all public maternity services, both inpatient and outpatient. This contract is to 31 October 2024, at which point it will be reviewed.

Medical Priority Enterprise Maintenance Agreement (EMA)

The EMA ensures that Ambulance Tasmania's emergency dispatch and call taking software/systems are maintained to ensure that protocols are in accordance with scientifically validated, updated, and dynamic protocols.

Miscellaneous goods and services contracts

The Department is party to contracts for the supply of various clinical and non clinical services, including security, pathology, radiology, maternity and other medical services.

Miscellaneous grants

The Department provides grants to external service providers to deliver a range of services including, mental health support services, public health services, alcohol and drug rehabilitation services, as well as palliative, respite and home and community care.

Motor vehicles held by the Department of Treasury and Finance

The Government Motor Vehicle Fleet is managed as part of a Whole-of-Government arrangement with the Department of Treasury and Finance. Rental payments vary according to the type of vehicle and, where applicable, the price received for trade-in vehicles. Rental terms for the majority of existing vehicles are for a period of three years or 60 000 km, whichever comes first, with no change to the rental rate.

Ochre Health – provision of medical services to rural sites

Provision of medical services at a number of THS rural sites are outsourced to Ochre as it has been beyond the THS's capacity to staff on a permanent basis. Sites include Flinders Island, Scottsdale, St Helens, Queenstown and King Island.

Pathology

Pathology services in the North West are delivered by an external contractor, namely North West Pathology, as the North West does not have its own pathology service within the THS. The contract is until December 2021, however there is a three year option to extend until December 2024.

Radiology contract

All radiology services on the North West are outsourced to Regional Imaging.

Rent on buildings held by the Department of Treasury and Finance

Commitments represent rental agreements between the Department and the Department of Treasury and Finance, in relation to office accommodation leasing contracts held by the Department of Treasury and Finance. The Department's office accommodation rental commitments predominantly relate to 22 Elizabeth St Hobart (ANZ Building) and 16-24 Charles St Launceston (CH Smith Building).

Royal Flying Doctor Service air ambulance standing charge

The Royal Flying Doctor Service charge covers availability of the aircraft and a back-up aircraft with pilots available 24 hours a day and other fixtures include a hangar.

Royal Hobart Hospital K Block goods and services contracts

Goods and services contracts for K Block are predominantly equipment service contracts. Equipment for service are mainly Mobile Computed Tomography and Surgical Navigation, Cardiology, Catheterisation Laboratory and Angiography, Central Sterilising, Anaesthetic Machines and Patient Monitoring and Campus Interoperability with the broader Royal Hobart Hospital.

Tasmanian Government Radio Network

The Tasmanian Government Radio Network is a collaborative project to transition eight core user organisations, currently using five disparate radio communications networks, onto one unified digital and interoperable radio network. The Memorandum of Understanding relates to support and maintenance for the network.

Tasmania Police rescue helicopter

The Aero-Medical and Medical Retrieval Division of Ambulance Tasmania provides inter-facility transport and mobile critical care for patients requiring movement within and outside Tasmania. Ambulance Tasmania utilises a range of transport options for Aero-Medical and Medical Retrieval activity which includes road ambulances, the fixed-wing air ambulance, special operations vehicles and occasionally the Tasmanian Police Rescue Helicopter.

11.2 CONTINGENT ASSETS AND LIABILITIES

Contingent assets and liabilities are not recognised in the Statement of Financial Position due to uncertainty regarding any possible amount or timing of any possible underlying claim or obligation.

(a) Quantifiable contingencies

A quantifiable contingent asset is any possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

A quantifiable contingent liability is any possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or any present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation. To the extent that any quantifiable contingencies are insured, details provided below are recorded net.

	2020 \$'000	2019 \$'000
<i>Quantifiable contingent liabilities</i>		
Contingent claims		
Legal claims (including medical negligence and workers compensation)	9 011	2 971
Bank Guarantees	350	350
Total quantifiable contingent liabilities	9 361	3 321

Legal Claims

At 30 June 2020, the Department had a number of legal claims against it for professional negligence and other matters. These claims are reported at the estimated net cost to the Department.

The amount disclosed for Legal claims in the comparative information was understated, as it did not include the balance of the 26 week period for workers compensation claims, where the Department funds the employees salary and wages.

The Department manages its legal claims through the Tasmanian Risk Management Fund. An excess is payable for every claim (\$40 000 for general liability and \$50 000 for medical liability) and amounts over the excess are met by the Tasmanian Risk Management Fund.

(b) Unquantifiable Contingencies

At 30 June 2020, there remained a number of unresolved issues of potential non-compliance with taxation and superannuation legislation, which at the time of finalising the financial statements remained unquantified. These matters particularly relate to the Private Patient Scheme and have been referred to legal counsel for specific superannuation and taxation advice.

Stage 1 of the Royal Hobart Hospital Redevelopment project has been completed, however, there are continuing negotiations between the managing contractor and the Department. Also, the building is still within its defect period and as such additional costs may be incurred.

Note 12 RESERVES

12.1 RESERVES

2020	Land \$'000	Buildings \$'000	Heritage and cultural assets \$'000	Total \$'000
Asset revaluation reserve				
Balance at beginning of financial year	35 091	275 737	1 981	312 809
Transfers to/(from) accumulated funds	(168)	1 628	...	1 460
Revaluation increments/(decrements)	10 004	14 166	...	24 170
Balance at end of financial year	44 927	291 531	1 981	338 439

2019	Communit y Housing \$'000	Rental Dwellings \$'000	Land \$'000	Buildings \$'000	Heritage and cultural assets \$'000	Total \$'000
Asset revaluation reserve						
Balance at beginning of financial year	52 537	1 501 582	44 213	360 355	48	1 958 735
Administrative restructure – ARR transferred	(52 537)	(1 501 582)	(17 965)	(111 505)	102	(1 683 487)
Transfers to/(from) accumulated funds	...	...	...	14	...	14
Revaluation increments/(decrements)	...	...	8 843	26 873	1 831	37 547
Balance at end of financial year	...	...	35 091	275 737	1 981	312 809

(a) Nature and purpose of reserves

Asset revaluation reserve

The Asset revaluation reserve is used to record increments and decrements on the revaluation of Non-financial assets, as described in Note 9.6.

Transfers to/from accumulated funds are in relation to the disposal of assets which had a corresponding asset revaluation adjustment in the Statement of Changes Equity.

12.2 ADMINISTRATIVE RESTRUCTURING

Net assets received under a restructuring of administrative arrangements are designated as contributions by owners and adjusted directly against equity. Net assets relinquished are designated as distributions to owners. Net assets transferred are initially recognised at the amounts at which they were recognised by the transferring department immediately prior to the transfer.

Subsequent to the creation of the Department of Communities Tasmania, a number of positions from the community sector grants unit were transferred to Communities Tasmania in 2019-20.

Additionally, the former St Helens Hospital in Cecilia Street, St Helens was transferred to Communities Tasmania during 2019-20.

During 2018-19, the administrative restructure of the Department and the introduction of the *Tasmanian Health Act 2018*, resulted in a transfer of assets and liabilities to and from the Department on 1 July 2018.

In respect of activities assumed, the net book values of assets and liabilities transferred to the Department from the THS for no consideration and recognised as at the date of transfer were:

	2020 \$'000	2019 \$'000
Contributions by owners		
Cash and deposits	40 789
Receivables	20 579
Other financial assets	16 693
Inventories	9 404
Property, plant and equipment	1 069 924
Intangibles	3 237
Other assets	4 675
Total assets recognised	1 165 301
Payables	82 599
Employee benefits	262 566
Other liabilities	15 044
Total liabilities recognised	360 209
Net assets (liabilities) assumed on restructure	805 092
Administrative restructure - Contributions by owners	805 092

In respect of activities relinquished, the Department transferred the following assets and liabilities to the Department of Communities Tasmania:

	2020 \$'000	2019 \$'000
Distributions to owners		
Cash and deposits	....	71 702
Receivables	....	1 277
Loan advances	....	1 158
HomeShare investments	....	17 633
Other financial assets	....	806
Assets held for resale	....	2 033
Property, plant and equipment	773	1 533 785
Intangibles	....	3 083
Other assets	....	54
Total assets relinquished	773	1 631 531
Payables	....	8 869
Interest bearing liabilities	....	165 515
Employee benefits	236	17 586
Superannuation	....	7 416
Other liabilities	4	11 100
Total liabilities relinquished	240	210 486
Net assets/(liabilities) relinquished on restructure	533	1 421 047
Administrative restructure - Distributions to owners	533	1 421 047

Note 13 CASH FLOW RECONCILIATION

Cash means notes, coins, any deposits held at call with a bank or financial institution, as well as funds held in Specific Purpose Accounts, being short term of three months or less and highly liquid. Deposits are recognised at amortised cost, being their face value.

13.1 CASH AND CASH EQUIVALENTS

Cash and cash equivalents includes the balance of the Specific Purpose Accounts held by the Department, and other cash held, excluding those accounts which are administered or held in a trustee capacity or agency arrangement.

	2020 \$'000	2019 \$'000
Specific Purpose Account balances		
DoH Private Patient Account	17 623	....
DoH Operating Account	167 193	111 431
THS Patient Trust and Bequest Account	....	18 639
THS Operating Account	....	30 784
Total	184 816	160 854
Other cash held		
Other cash and equivalents not included above	488	498
Total	488	498
Total Cash and cash equivalents	185 304	161 352

Other cash equivalents primarily represents the payroll advance account balance as well as petty cash and cash floats.

13.2 RECONCILIATION OF NET RESULT TO NET CASH FROM OPERATING ACTIVITIES

	2020 \$'000	2019 \$'000
Net result from continuing operations	105 866	151 178
Non-actuarial gains/(losses) on superannuation defined benefit plans	862	(7 159)
Depreciation and amortisation	63 965	51 337
Recognition of non-cash contributions	(296)	(180)
Non-operational capital funding	(24 264)	(116 812)
Capital grants income	(43 633)	(101 396)
WIP expensed	4 652	9 401
Transfer of assets due to administrative restructure	239	(265 680)
Net gain/(loss) on non-financial assets	73	166
Net gain/(loss) on financial instruments and statutory receivables/payables	1 239	1 067
Decrease (increase) in Receivables	1 289	(30 354)
Decrease (increase) in Contract assets	(11 155)	....
Decrease (increase) in Other assets	(21 308)	(15 218)
Decrease (increase) in Inventories	(25 439)	(10 134)
Increase (decrease) in Employee benefit liabilities	1 907	271 729
Increase (decrease) in Payables	(20 354)	98 813
Increase (decrease) in Contract liabilities	5 655	....
Increase (decrease) in Other liabilities	7 466	5 007
Net cash from/(used by) operating activities	46 764	41 765

13.3 ACQUITTAL OF CAPITAL INVESTMENT AND SPECIAL CAPITAL INVESTMENT FUNDS

The Department received Capital Appropriation funding and revenues from Special Capital Investment Funds to fund specific projects.

Cash outflows relating to these projects are listed below by category.

Budget information refers to original estimates and has not been subject to audit.

(a) Project expenditure

	2020 Budget \$'000	2020 Actual \$'000	2019 Actual \$'000
Capital Investment Program			
Aeromedical Helicopter Services	350	467	566
Air Conditioning Upgrades - Statewide (RHH)	1 410	54	....
Air Conditioning Upgrades - Statewide (LGH)	900	105	1 305
Air Conditioning Upgrades - Statewide (NWRH)	190	225	39
Better Accommodation for Health Professionals on Flinders Island	390	20	90
Burnie Ambulance Station	2 880	165	40
Community Rapid Response - Establishment	....	360	....
Glenorchy Ambulance Station	2 980	131	71
Campbell Town Ambulance Station	2 180	1 037	61
Health Transport and Coordination Infrastructure	884	886	3 968
Launceston General Hospital - Ward 4K Upgrade	....	2 465	4 816
Launceston General Hospital - More Car Parking	1 375	2 379	289
Launceston General Hospital - Redevelopment	11 497	11 066	1 025
Maternity Services at the North West Regional Hospital	1 950	69	40
Mersey Community Hospital Capital Upgrades	10 000	575	3 189
Midlands Multipurpose Centre (Oatlands Hospital) Upgrade	1 872	1 939	550
New AT Training Equipment and Stretchers	....	1 100	....
NPA on Community Health Hospital Infrastructure Projects - LGH Birthing Suites Upgrade	....	60	....
Priority Infrastructure Works - Health	....	771	1 961
Royal Hobart Hospital Pharmacy Redevelopment	1 000	18	....
Royal Hobart Hospital Redevelopment	82 269	44 155	189 397
Royal Hobart Hospital Stage 2 Redevelopment (RHH Ward Upgrades)	4 240	1 331	....
Smithton Ambulance Training Station	1 030	42	56
Stage 2 of the King Island Hospital Redevelopment	3 790	2 732	514
Statewide – Rural Hospital and Ambulance Station Upgrade Fund	8 148	3 120	540
Statewide Hospital Critical Facility Upgrades	3 000	83	1 590
Statewide Rural Health Facility Infrastructure Upgrades	1 500	736	864
St Helens District Hospital	....	99	8 393
THS Infrastructure Upgrades	720	....	....
27 New Mental Health Beds in Southern Tasmania - 12 New Beds at St Johns Park	2 378	827	17
27 New Mental Health Beds in Southern Tasmania - 15 New Beds at the Peacock Centre	4 090	416	132
Hobart Repatriation Hospital Redevelopment	....	....	1 367
State-wide Cancer Services	....	87	....
Total Capital Investment Program	151 023	77 521	220 880

	2020 Budget \$'000	2020 Actual \$'000	2019 Actual \$'000
Special Capital Investment Funds			
<i>Health Infrastructure</i>			
Glenorchy – Tier Three Community Health Services Facility	....	162	811
Kingston – Tier Three Community Health Services Facility	800	588	4 727
<i>Hospitals Capital Fund</i>			
Mersey Community Hospital Upgrade	1 000	....	221
Total Special Capital Investment Fund	1 800	750	5 759

	2020 Budget \$'000	2020 Actual \$'000	2019 Actual \$'000
Government Maintenance Program			
Public Building Maintenance Fund	316	....
Total Government Maintenance Program	316	....

(b) Classification of cash flows

The project expenditure above is reflected in the Statement of Cash Flows as follows.

	2020 \$'000	2019 \$'000
Cash outflows		
Employee benefits	3 889	3 207
Supplies and consumables	13 351	7 418
Payments for acquisition of assets	61 347	216 014
Total cash outflows	78 587	226 639

13.4 FINANCING FACILITIES

The Department does not have any financing facilities. The balance of the Department's Westpac Banking Corporation Credit Card Settlement account as at 30 June 2020 was \$78 708 (30 June 2019: \$389).

13.5 RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

Liabilities arising from financing activities are liabilities for which cash flows were, or future cash flows will be, classified in the Statement of Cash Flows as cash flows from financing activities.

2020	Borrowings \$'000	Lease Liabilities \$'000
Balance as at 1 July 2019	31 380
Acquisitions / New leases	2 002
Changes from financing cash flows:		
Cash Repayments	(7 123)
Balance as at 30 June 2020	26 259

2019	Borrowings \$'000	Lease Liabilities \$'000
Balance as at 1 July 2018	165 515	....
Administrative restructure – liabilities transferred	(165 515)	....
Balance as at 30 June 2019	....	....

Note 14 FINANCIAL INSTRUMENTS

During 2019-20, the Department reassessed the categorisation of the assets and liabilities and this has resulted with additional classes of assets being included in the financial instruments note.

14.1 RISK EXPOSURES

(a) Risk management policies

The Department has exposure to the following risks from its use of financial instruments:

- credit risk
- liquidity risk and
- market risk.

The Accountable Authority has overall responsibility for the establishment and oversight of the Department's risk management framework. Risk management policies are established to identify and analyse risks faced by the Department, to set appropriate risk limits and controls, and to monitor risks and adherence to limits.

(b) Credit risk exposures

Credit risk is the risk of financial loss to the Department if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

Financial Instrument	Accounting and strategic policies (including recognition criteria, measurement basis and credit quality of instrument)	Nature of underlying instrument (including significant terms and conditions affecting the amount, timing and certainty of cash flows)
Financial Asset		
Receivables	Receivables are recognised at the nominal amounts due, less any provision for impairment. Collectability of debts is reviewed on a monthly basis. Provisions are made when the collection of the debt is judged to be less rather than more likely.	Receivables credit terms are generally 30 days.
Contract assets	Other financial assets are recognised at the nominal amounts due, less any provision for impairment.	Contract assets credit terms are generally 30 days.
Other financial assets	Other financial assets are recognised at the nominal amounts due, less any provision for impairment.	Other financial assets credit terms are generally 30 days.
Cash and cash equivalents	Cash and deposits are recognised at face value.	Cash means notes, coins and any deposits held at call with a bank or financial institution.

The Department has made no changes to its credit risk policy during 2019-20. The Department does not hold any security instrument for its cash and cash equivalents, other financial assets and receivables.

No credit terms on any departmental financial assets have been renegotiated.

The carrying amount of financial assets recorded in the Financial Statements, net of any allowances for losses, represents the Department's maximum exposure to credit risk without taking into account of any collateral or other security.

Expected credit loss analysis of receivables

The simplified approach to measuring expected credit losses is applied, which uses a lifetime expected loss allowance for all trade receivables.

The expected loss rates are based on historical observed loss rates adjusted for forward looking factors that will have an impact on the ability to settle the receivables. The loss allowance for trade debtors as at 30 June are as follows:

2020	Not past due	Past due 1-30 days	Past due 31-60 days	Past due 61-90 days	Past due 91+ days	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Expected credit loss rate (A)	0.17%	0.54%	4.80%	14.07%	8.40%	4.80%
Total gross carrying amount (B)	7 355	5 595	1 389	1 075	13 288	28 702
Expected credit loss (A x B)	14	30	67	151	1 116	1 378

2019	Not past due	Past due 1-30 days	Past due 31-60 days	Past due 61-90 days	Past due 91+ days	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Expected credit loss rate (A)	0.25%	0.51%	3.83%	14.27%	8.48%	3.87%
Total gross carrying amount (B)	11 212	2 749	854	1 214	8 082	24 111
Expected credit loss (A x B)	28	14	33	173	686	934

(c) Liquidity risk

Liquidity risk is the risk that the Department will not be able to meet its financial obligations as they fall due. The Department's approach to managing liquidity is to ensure that it will always have sufficient liquidity to meet its liabilities when they fall due.

Financial Instrument	Accounting and strategic policies (including recognition criteria, measurement basis and credit quality of instrument)	Nature of underlying instrument (including significant terms and conditions affecting the amount, timing and certainty of cash flows)
Financial Liabilities		
Payables	Payables, including goods received and services incurred but not yet invoiced, are recognised at amortised cost, which due to the short settlement period equates to face value, when the Department becomes obliged to make future payments as a result of a purchase of assets or services.	Settlement is usually made within 14 days.
Lease liabilities	Lease liabilities are enforceable commitments relating the Department's right-of-use assets.	Contractual payments are made in accordance with contractual terms.
Other financial liabilities	Other financial liabilities are recognised at amortised cost, which due to the short settlement period equates to face value, when the Department becomes obliged to make payments as a result of the purchase of assets or services. The Department regularly reviews budgeted and actual cash outflows to ensure that there is sufficient cash to meet all obligations.	Settlement is usually made within 30 days.

Maturity analysis for financial liabilities

The following tables detail the undiscounted cash flows payable by the Department by remaining contractual maturity for its financial liabilities. It should be noted that as these are undiscounted, totals may not reconcile to the carrying amounts presented in the Statement of Financial Position:

2020	1 year	2 years	3 years	4 years	5 years	5+ years	Undiscounted Total	Carrying Amount
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial liabilities								
Payables	62 123	22 625	15 400	....	....	....	100 148	100 148
Lease liabilities	7 696	6 536	6 275	3 370	1 434	2 207	27 518	26 259
Other financial liabilities	30 682	3 793	....	....	....	....	34 475	34 475
Total	100 501	32 954	21 675	3 370	1 434	2 207	162 141	160 882

2019	1 year	2 years	3 years	4 years	5 years	5+ years	Undiscounted Total	Carrying Amount
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial liabilities								
Payables	120 502	....	....	....	....	....	120 502	120 502
Other financial liabilities	9 746	2 740	....	....	....	....	12 486	12 486
Total	130 248	2 740	....	....	....	....	132 988	132 988

(d) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices or interest rates. As the Department does not have any interest bearing financial assets or liabilities, the exposure to this risk is considered negligible.

14.2 CATEGORIES OF FINANCIAL ASSETS AND LIABILITIES

	2020 \$'000	2019 \$'000
Financial assets		
Financial assets at amortised cost	251 772	220 063
Total	251 772	220 063
Financial Liabilities		
Financial liabilities measured at amortised cost	160 882	132 988
Total	160 882	132 988

14.3 DERECOGNITION OF FINANCIAL ASSETS

No derecognition of Financial assets occurred during 2019-20.

14.4 COMPARISON BETWEEN CARRYING AMOUNT AND NET FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

	Carrying amount 2020 \$'000	Net fair value 2020 \$'000	Carrying amount 2019 \$'000	Net fair value 2019 \$'000
Financial assets				
Cash at bank	488	488	498	498
Cash in Special Deposits and Trust Fund	184 816	184 816	160 854	160 854
Other financial assets:				
Receivables	35 080	35 080	37 608	37 608
Contract assets	11 155	11 155	....	....
Other financial assets	20 233	20 233	21 103	21 103
Total financial assets	251 772	251 772	220 063	220 063
Financial liabilities (recognised)				
Lease liabilities	26 259	26 259	....	....
Other financial liabilities:				
Payables	100 148	100 148	120 502	120 502
Other liabilities	34 475	34 475	12 486	12 486
Total financial liabilities (recognised)	160 882	160 882	132 988	132 988

14.5 NET FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

2020	Net Fair Value Level 1 \$'000	Net Fair Value Level 2 \$'000	Net Fair Value Level 3 \$'000	Net Fair Value Total \$'000
Financial assets				
Cash at bank	488	....	....	488
Cash in Specific Purpose Accounts	184 816	....	....	184 816
Other financial assets				
Receivables	35 080	....	....	35 080
Contract assets	11 155	....	....	11 155
Other financial assets	20 233	....	....	20 233
Total financial assets	251 772	....	....	251 772
Financial liabilities (recognised)				
Lease liabilities	26 259	....	....	26 259
Other financial liabilities				
Payables	100 148	....	....	100 148
Other liabilities	34 475	....	....	34 475
Total financial liabilities (recognised)	160 882	....	....	160 882

2019	Net Fair Value Level 1 \$'000	Net Fair Value Level 2 \$'000	Net Fair Value Level 3 \$'000	Net Fair Value Total \$'000
Financial assets				
Cash at bank	498	....	....	498
Cash in Specific Purpose Accounts	160 854	....	....	160 854
Other financial assets				
Receivables	37 608	....	....	37 608
Other financial assets	21 103	....	....	21 103
Total financial assets	220 063	....	....	220 063
Financial liabilities (recognised)				
Other financial liabilities				
Payables	120 502	....	....	120 502
Other liabilities	12 486	....	....	12 486
Total financial liabilities (recognised)	132 988	....	....	132 988

The recognised fair values of financial assets and financial liabilities are classified according to the fair value hierarchy that reflects the significance of the inputs used in making these measurements. The Department uses various methods in estimating the fair value of a financial instrument. The methods comprise:

Level 1 the fair value is calculated using quoted prices in active markets;

Level 2 the fair value is estimated using inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and

Level 3 the fair value is estimated using inputs for the asset or liability that are not based on observable market data.

(a) Transfer between categories

The Department did not transfer any Financial Assets or Financial Liabilities between Level 1 and Level 2.

(b) Reconciliation of Level 3 fair value movements

The Department does not have any Level 3 instruments.

Financial Assets

The net fair values of cash and non-interest bearing monetary financial assets approximate their carrying amounts.

Financial Liabilities

The net fair values for trade creditors are approximated by their carrying amounts.

Unrecognised Financial Instruments

The net fair values of indemnities are regarded as the maximum possible loss which the State faces while the indemnity remains current.

Note 15 DETAILS OF AGGREGATED ENTITIES

15.1 LIST OF ENTITIES

The following entities have been aggregated by the Department:

Commissioner of Ambulance Tasmania	100 per cent
Tasmanian Health Service	100 per cent

Further information is provided at Note 19.3.

Note 16 NOTES TO ADMINISTERED STATEMENTS

The administered program is an Australian Government initiative to increase the capacity of the health system to treat potential COVID-19 sufferers, by securing private hospital facilities and staffing. As this program commenced in April 2020, it is was not included in the original budget and there is no prior year comparative information.

Variances are considered material where the variance exceeds the greater of 10 per cent of Budget estimate and \$5 million.

16.1 EXPLANATIONS OF MATERIAL VARIANCES BETWEEN BUDGET AND ACTUAL OUTCOMES

(a) Schedule of Administered Income and Expenses

	Notes	Budget \$'000	2020 Actual \$'000	Budget Variance \$'000
Grants	(a)	....	16 510	16 510
Grants and subsidies	(a)	....	16 510	16 510

Notes to Schedule of Administered Income and Expenses variances

(a) Grants revenue corresponds to the Grants and subsidies paid to private hospital operators.

(b) Schedule of Administered Assets and Liabilities

Budget estimates for the 2019-20 Schedule of Administered Assets and Liabilities were compiled prior to the completion of the actual outcomes for 2019-20. As a result, the actual variance from the Original Budget estimate will be impacted by the difference between estimated and actual opening balances for 2019-20. The following variance analysis therefore includes major movements between the 30 June 2019 and 30 June 2020 actual balances.

	Notes	Budget \$'000	2020 Actual \$'000	Budget Variance \$'000
Cash and cash equivalents	(a)	....	16 384	16 384
Contract liabilities	(a)	....	16 384	16 384

Notes to Schedule of Administered Assets and Liabilities variances

(a) Cash and cash equivalents correspond to the Contract liabilities and represents the balance of the cash advanced to the Department prior to balance date by the Australian Government that had not been paid to private hospital operators by 30 June 2020.

(c) Schedule of Administered Cash Flows

	Notes	Budget \$'000	Actual \$'000	Variance \$'000	Variance %
(Specify line item)	(a)	....	32 894	32 894	n/a
Grants and subsidies	(b)	....	(16 510)	(16 510)	n/a

Notes to Schedule of Administered Cash Flows variances

(a) Grants – Continuing operations represents the cash advance received from the Australian Government.

(b) Grants and subsidies represent the amount paid to private hospital operators.

16.2 ADMINISTERED UNDERLYING NET RESULT

Administered non-operational capital funding is the income relating to funding for capital projects. This funding is classified as revenue and included in the Net result. However, the corresponding capital expenditure is not included in the calculation of the Net result. Accordingly, the result will portray a position that is better than the true underlying financial result.

For this reason, the Net result is adjusted to remove the effects of funding for capital projects.

	2020 Budget \$'000	2020 Actual \$'000	2019 Actual \$'000
Net result
<i>Less impact of:</i>			
<i>Non-operational capital funding</i>
Underlying net result

16.3 ADMINISTERED GRANTS

For significant Accounting Policies relating to Administered Grants please refer to Note 6.3.

	2020 Actual \$'000	2019 Actual \$'000
Grants with sufficiently specific performance obligations		
NPA COVID-19 Response	16 510	....
Total	16 510	....
Grants without sufficiently specific performance obligations		
Other Australian Government grants	....	....
Total	....	....
Total administered revenue from Grants	16 510	....

16.4 ADMINISTERED GRANTS AND SUBSIDIES

For significant Accounting Policies relating to Administered Grants and subsidies please refer to Note 4.4.

	2020 \$'000	2019 \$'000
Grants paid	16 510	....
Total	16 510	....

16.5 ADMINISTERED RECEIVABLES

For significant Accounting Policies relating to Administered Receivables please refer to Note 9.1.

	2020 \$'000	2019 \$'000
Receivables	800	....
Less: Provision for impairment	....	....
Total	800	....
Sales of goods and services (inclusive of GST)	....	....
Tax assets	800	....
Total	800	....
Settled within 12 months	800	....
Total	800	....

16.6 ADMINISTERED CONTRACT ASSETS AND LIABILITIES

For significant Accounting Policies relating to Administered Contract assets and liabilities please refer to Note 9.2.

	Australian Government Funding \$'000	Other \$'000	Total \$'000
Contract assets			
Balance at 1 July 2019	....	....	....
Balance at 30 June 2020	....	....	....
Contract liabilities			
Balance at 1 July 2019	....	....	....
Balance at 30 June 2020	16 384	....	16 384
			2020 \$'000
Revenue from performance obligations met during the current period			....
Revenue from performance obligations partially satisfied in the current period			16 510

The transaction price allocated to unsatisfied performance obligations as at 30 June 2020 is as follows:

	2020 \$'000
Australian Government Grants	16 384
Other	....
Total	16 384

16.7 ADMINISTERED OTHER LIABILITIES

For significant Accounting Policies relating to Administered Other liabilities please refer to Note 10.5.

	2020 \$'000	2019 \$'000
Other liabilities		
Inter-entity balance	800	....
Total	800	....
Settled within 12 months	800	....
Total	800	....

The Inter-entity balance represents GST settlement entries arising between the Department and accounts which are administered.

16.8 ADMINISTERED CASH AND CASH EQUIVALENTS

For Significant Accounting Policies relating to Administered Cash and cash equivalents please refer to Note 13.1.

	2020 \$'000	2019 \$'000
Specific Purpose Account balances		
DoH Operating Account	16 384	....
Total	16 384	....
Total cash and cash equivalents	16 384	....

16.9 RECONCILIATION OF ADMINISTERED NET RESULT TO NET CASH FROM ADMINISTERED OPERATING ACTIVITIES

	2020 \$'000	2019 \$'000
Administered Net result	....	....
Decrease (increase) in Receivables	(800)	....
Increase (decrease) in Contract liabilities	16 384	....
Increase (decrease) in Other liabilities	800	....
Net cash from (used by) operating activities	16 384	....

16.10 ADMINISTERED FINANCIAL INSTRUMENTS

(a) Risk management policies

The Department has exposure to the following risks from its use of financial instruments:

- credit risk
- liquidity risk and
- market risk.

The Accountable Authority has overall responsibility for the establishment and oversight of the Department's risk management framework. Risk management policies are established to identify and analyse risks faced by the Department, to set appropriate risk limits and controls, and to monitor risks and adherence to limits.

(b) Credit risk exposures

Credit risk is the risk of financial loss to the Department if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

Financial Instrument	Accounting and strategic policies (including recognition criteria, measurement basis and credit quality of instrument)	Nature of underlying instrument (including significant terms and conditions affecting the amount, timing and certainty of cash flows)
Financial Asset		
Receivables	Receivables are recognised at the nominal amounts due, less any provision for impairment. Collectability of debts is reviewed on a monthly basis. Provisions are made when the collection of the debt is judged to be less rather than more likely.	Receivables credit terms are generally 30 days.
Cash and cash equivalents	Cash and deposits are recognised at face value.	Cash means notes, coins and any deposits held at call with a bank or financial institution.

The Department has made no changes to its credit risk policy during 2019-20. The Department does not hold any security instrument for its cash and cash equivalents, other financial assets and receivables.

No credit terms on any departmental financial assets have been renegotiated.

The carrying amount of financial assets recorded in the Financial Statements, net of any allowances for losses, represents the Department's maximum exposure to credit risk without taking into account of any collateral or other security.

Expected credit loss analysis of receivables

The simplified approach to measuring expected credit losses is applied, which uses a lifetime expected loss allowance for all trade receivables.

The expected loss rates are based on historical observed loss rates adjusted for forward looking factors that will have an impact on the ability to settle the receivables. The loss allowance for trade debtors as at 30 June are as follows:

2020	Not past due \$'000	Past due 1-30 days \$'000	Past due 31-60 days \$'000	Past due 61-90 days \$'000	Past due 91+ days \$'000	Total \$'000
Expected credit loss rate (A)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Total gross carrying amount (B)	....	....	....	....	....	....
Expected credit loss (A x B)	....	....	....	....	....	....

(c) Liquidity risk

Liquidity risk is the risk that the Department will not be able to meet its financial obligations as they fall due. The Department's approach to managing liquidity is to ensure that it will always have sufficient liquidity to meet its liabilities when they fall due.

Financial Instrument	Accounting and strategic policies (including recognition criteria, measurement basis and credit quality of instrument)	Nature of underlying instrument (including significant terms and conditions affecting the amount, timing and certainty of cash flows)
Financial Liabilities		
Other financial Liabilities	Other financial liabilities are recognised at amortised cost, which due to the short settlement period equates to face value, when the Department becomes obliged to make payments as a result of the purchase of assets or services. The Department regularly reviews budgeted and actual cash outflows to ensure that there is sufficient cash to meet all obligations.	Settlement is usually made within 30 days.

Maturity analysis for financial liabilities

The following tables detail the undiscounted cash flows payable by the Department by remaining contractual maturity for its financial liabilities. It should be noted that as these are undiscounted, totals may not reconcile to the carrying amounts presented in the Statement of Financial Position:

2020	1 year	2 years	3 years	4 years	5 years	5+ years	Undiscounted Total	Carrying Amount
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial liabilities								
Other financial liabilities	800	....	....	....	....	....	800	800
Total	800	....	....	....	....	....	800	800

(d) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices or interest rates. As the Department does not have any interest bearing financial assets or liabilities, the exposure to this risk is considered negligible.

16.11 CATEGORIES OF ADMINISTERED FINANCIAL ASSETS AND LIABILITIES

	2020 \$'000	2019 \$'000
Financial assets		
Financial assets at amortised cost	17 184	....
Total	17 184	....
Financial Liabilities		
Financial liabilities measured at amortised cost	800	....
Total	800	....

16.12 DERECOGNITION OF ADMINISTERED FINANCIAL ASSETS

No derecognition of Financial assets occurred during 2019-20.

16.13 COMPARISON BETWEEN CARRYING AMOUNT AND NET FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

	Carrying amount 2020 \$'000	Net fair value 2020 \$'000	Carrying amount 2019 \$'000	Net fair value 2019 \$'000
Financial assets				
Cash in Specific Purpose Accounts	16 384	16 384	....	....
Other financial assets:				
Receivables	800	800	....	....
Total financial assets	17 184	17 184	....	....
Financial liabilities (recognised)				
Other financial liabilities:				
Other liabilities	800	800	....	....
Total financial liabilities (recognised)	800	800	....	....

16.14 NET FAIR VALUE OF ADMINISTERED FINANCIAL ASSETS AND LIABILITIES

2020	Net fair value Level 1 \$'000	Net fair value Level 2 \$'000	Net fair value Level 3 \$'000	Net fair value total \$'000
Financial assets				
Cash in Specific Purpose Accounts	16 384	....	....	16 384
Other financial assets				
Receivables	800	....	....	800
Total financial assets	17 184	....	....	17 184
Financial liabilities				
Other financial liabilities				
Other liabilities	800	....	....	800
Total financial liabilities (recognised)	800	....	....	800

The recognised fair values of financial assets and financial liabilities are classified according to the fair value hierarchy that reflects the significance of the inputs used in making these measurements. The Department uses various methods in estimating the fair value of a financial instrument.

The methods comprise:

Level 1 the fair value is calculated using quoted prices in active markets;

Level 2 the fair value is estimated using inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and

Level 3 the fair value is estimated using inputs for the asset or liability that are not based on observable market data.

(a) Transfer between categories

The Department did not transfer any Financial Assets or Financial Liabilities between Level 1 and Level 2.

(b) Reconciliation of Level 3 fair value movements

The Department does not have any Level 3 instruments.

Financial Assets

The net fair values of cash and non-interest bearing monetary financial assets approximate their carrying amounts.

Financial Liabilities

The net fair values for trade creditors are approximated by their carrying amounts.

Unrecognised Financial Instruments

The net fair values of indemnities are regarded as the maximum possible loss which the State faces while the indemnity remains current.

Note 17 TRANSACTIONS AND BALANCES RELATING TO A TRUSTEE OR AGENCY ARRANGEMENT

17.1 ACTIVITIES UNDERTAKEN UNDER A TRUSTEE OR AGENCY ARRANGEMENT

Transactions relating to activities undertaken by the Department in a trust or fiduciary (agency) capacity do not form part of the Department's activities. Trustee and agency arrangements, and transactions/balances relating to those activities, are neither controlled nor administered.

Fees, commissions earned and expenses incurred in the course of rendering services as a trustee or through an agency arrangement are recognised as controlled transactions.

Account / Activity	Opening balance	Net transactions during 2019-20	Closing balance
	\$'000	\$'000	\$'000
Patient Trust and Bequest Account	6 329	1 563	7 892
Mental Health Services Client Trust Account	24	....	24

Note 18 EVENTS OCCURRING AFTER BALANCE DATE

The COVID-19 Pandemic has developed rapidly in 2020, with a significant number of cases across the world. Tasmania has no active cases as at the signing date of these statements, however measures taken by various governments to contain the virus have affected economic activity.

Internally, the Department has taken measures to monitor and mitigate the effects of COVID-19, such as safety and health measures for our people (including infection control procedures, provision of personal protective equipment, social distancing and working from home).

At this stage, the additional costs incurred by the Department has been offset by additional funding from the Australian and State governments. The impact on the financial position of both the Australian and State Governments, due to the costs of containing COVID-19, treating those infected with the virus and providing economic stimulus payments, has been extensive.

The Department is unable to predict the likely increases in expenditure as a result of the COVID-19 virus or long-term impact on the funding of the Department.

Note 19 OTHER SIGNIFICANT ACCOUNTING POLICIES AND JUDGEMENTS

19.1 OBJECTIVES AND FUNDING

The Department's objective is to improve the health and wellbeing of patients, clients and the Tasmanian community through a sustainable, high quality and safe health system.

The Department achieves this through the following strategic priorities: promoting health and wellbeing and intervening early when needed; planning and delivering services; delivering the benefits of reform; strengthening sustainability; and shaping our workforce.

Departmental activities are classified as either controlled or administered.

Controlled activities involve the use of assets, liabilities, revenues and expenses controlled or incurred by the Department in its own right. Administered activities involve the management or oversight by the Department, on behalf of the Government, of items controlled or incurred by the Government, as reported at Note 2.4.

The Department is a Tasmanian Government not-for-profit entity that is predominantly funded through Parliamentary appropriations. The Department includes Ambulance Tasmania and the Tasmanian Health Service.

In addition to Parliamentary appropriations, Ambulance Tasmania provides services to fee paying patients, or patients who will receive compensation due to the circumstances surrounding their injury.

Under the National Health Reform Agreement, funding is provided to the THS on the basis of activity through Activity Based Funding wherever practicable. Funding for smaller regional or rural hospitals is provided on a block funding basis. Funds for teaching, training and research are also provided on a block funding basis. Pricing under the National Health Reform Agreement is determined by an Independent Hospitals Pricing Authority. Funding due to the THS under Australian Government National Partnership Agreements and Commonwealth Own Purpose Expenditure programs is paid as grants. The THS also provides services to fee paying privately insured patients, or patients who will receive compensation due to the circumstances surrounding their injury.

The financial statements encompass all funds through which the Department controls resources to carry on its functions.

19.2 BASIS OF ACCOUNTING

The Financial Statements are a general purpose financial report and have been prepared in accordance with:

- Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and
- The Treasurer's Instructions issued under the provisions of the *Financial Management Act 2016*.

The Financial Statements were signed by the Secretary of the Department of Health and the Chief Financial Officer on 10 September 2020.

Compliance with the Australian Accounting Standards (AAS) may not result in compliance with International Financial Reporting Standards (IFRS), as the AAS include requirements and options available to not-for-profit organisations that are inconsistent with IFRS. The Department is considered to be not-for-profit and has adopted some accounting policies under the AAS that do not comply with IFRS.

The Financial Statements have been prepared on an accrual basis and, except where stated, are in accordance with the historical cost convention. The accounting policies are generally consistent with the previous year except for those changes outlined in Note 19.5.

The Financial Statements have been prepared as a going concern. The continued existence of the Department in its present form, undertaking its current activities, is dependent on Government policy and on continuing appropriations by Parliament for the Department's administration and activities.

The Department has made no assumptions concerning the future that may cause a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

19.3 REPORTING ENTITY

The Financial Statements include all the controlled activities of the Department. The Financial Statements consolidate material transactions and balances of the Department and entities included in its output groups, being Ambulance Tasmania and the THS. Material transactions and balances between the Department, Ambulance Tasmania and the THS have been eliminated or offset, so as to not overstate the Department's account balances, yet provide accurate output group reporting.

19.4 FUNCTIONAL AND PRESENTATION CURRENCY

These Financial Statements are presented in Australian dollars, which is the Department's functional currency.

19.5 CHANGES IN ACCOUNTING POLICIES

(a) Impact of new and revised Accounting Standards

In the current year, the Department has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board that are relevant to its operations and effective for the current annual reporting period. These include:

- *AASB 15 Revenue from Contracts with Customers* – This Standard establishes principles that require an entity to apply to report useful information to users of financial statements about the nature, amount, timing, and uncertainty of revenue and cash flows arising from a contract with a customer.

AASB 15 supersedes *AASB 111 Construction Contracts*, *AASB 118 Revenue* and related Interpretations and it applies, with limited exceptions, to all revenue arising from contracts with customers. *AASB 15* establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The Standard requires the Department to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The Standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the Standard requires relevant disclosures.

The Department has adopted *AASB 15* retrospectively with the cumulative effect of applying the Standard recognised from 1 July 2019 by adopting the transitional practical expedient permitted by the Standard.

The effect of adopting *AASB 15* on the Statement of Comprehensive Income is as follows:

2020	Notes	With adoption of <i>AASB 15</i> \$'000	Adjustment \$'000	Without adoption of <i>AASB 15</i> \$'000
Revenue				
Grants	(a)	591 689	(5 500)	586 189

The effect of adopting AASB 15 on the Statement of Financial Position is as follows:

2020	Notes	With adoption of AASB 15 \$'000	Adjustment \$'000	Without adoption of AASB 15 \$'000
Assets				
Contract assets	(b)	11 155	(11 155)	....
		11 155	(11 155)	....
Liabilities				
Contract liabilities	(c)	5 655	(5 655)	....
		5 655	(5 655)	....
Equity				
Accumulated funds	(a)	1 147 934	(5 500)	1 142 434

Explanation for AASB 15 adjustments

- (a) The Department has recorded the transaction value for the revenue related to:
- o performance obligations delivered as at 30 June 2020, for which funding is yet to be received. This has resulted in the Department increasing the grants revenue, with a corresponding Contract asset being recognised.
 - o Australian Government Funding received, for which performance obligations not yet been met. This has resulted in the Department decreasing the grants revenue, with a corresponding Contract liability being recognised.

The net effect of these items is that recorded grant revenue is higher than it would have been prior to the adoption of AASB 15.

- (b) The Contract asset balance as at 30 June 2020, represents guaranteed Australian Government funding under the National Health Reform Agreement, which was not received during the financial year.
- (c) The Contract liabilities balance reflects funding received under the National Partnership Agreement for COVID-19 response, which has been received in advance of providing goods or services to customers.
- AASB 16 *Leases* – This Standard introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities. The standard results in most of the Department's operating leases being brought onto the Statement of Financial Position and additional note disclosures. The calculation of the lease liability takes into account appropriate discount rates, assumptions about the lease term, and required lease payments. A corresponding right to use asset is recognised, which is amortised over the term of the lease. Operating lease costs are no longer shown. In the Statement of Comprehensive Income, impact of leases is through amortisation and interest charges. In the Statement of Cash Flows, lease payments is shown as cash flows from financing activities instead of operating activities. The Department has adopted AASB 16 retrospectively with the cumulative effect of applying the standard recognised from 1 July 2019 by adopting the transitional practical expedient permitted by the Standard.

The Department elected to use the practical expedient to expense lease payments for lease contracts that, at their commencement date, have a lease term of 12 months or less and do not contain a purchase option (short-term leases), and lease contracts for which the underlying asset is valued at \$10 000 or under when new (low value assets).

In applying AASB 16 for the first time, the Department has used the following practical expedients permitted by the standard:

- not reassess whether a contract is, or contains, a lease at 1 July 2019, for those contracts previously assessed under AASB 117 and Interpretation 4
- applying a single discount rate to a portfolio of leases with reasonably similar characteristics
- relying on its previous assessment on whether leases are onerous immediately before the date of initial application as an alternative to performing an impairment review
- not recognise a lease liability and right-of-use-asset for short-term leases that end within 12 months of the date of initial application
- excluding the initial direct costs from the measurement of the right-of-use asset at the date of initial application and
- using hindsight in determining the lease term where the contract contained options to extend or terminate the lease.

The effect of adopting AASB 16 on the Statement of Financial Position is as follows:

	\$'000
Assets	
Right-of-use assets	31 380
Liabilities	
Lease liabilities	31 380
Equity	
Accumulated funds	...

Reconciliation of operating lease commitments as at 30 June 2019 to lease liabilities on 1 July 2019:

	\$'000
Operating lease commitments as at 30 June 2019 (ex GST)	92 842
Weighted average incremental borrowing rate as at 1 July 2019	2.0%
<i>Reconciliation:</i>	
Discounted operating lease commitments as at 1 July 2019	87 155
Add:	
Less practical expedients:	
Commitments relating to short-term leases	(5 266)
Add/(less):	
Contracts re-assessed as lease contracts	(50 134)
Adjustments relating to changes in the index or rate affecting variable payments	(375)
Lease liabilities as at 1 July 2019	31 380

- AASB 1058 *Income of Not-for-Profit Entities* - This Standard establishes principles for not-for-profit entities that applies to transactions where the consideration to acquire an asset is significantly less than fair value, principally to enable a not-for-profit entity to further its objectives, and the receipt of volunteer services.

The timing of income recognition under AASB 1058 depends on whether a transaction gives rise to a liability or other performance obligation, or a contribution by owners, related to an asset (such as cash or another asset) received. If the transaction is a transfer of a financial asset to enable the Department to acquire or construct a recognisable non-financial asset to be controlled by the Department (ie an in-substance acquisition of a non-financial asset), the Department recognises a liability for the excess of the fair value of the transfer over any related amounts recognised. The Department will recognise income as it satisfies its obligations under the transfer, similarly to income recognition in relation to performance obligations under AASB 15 as discussed above.

Revenue recognition for the Department's appropriations, taxes, royalties and most grants and contributions will not change under AASB 1058, as compared to AASB 1004. Revenue will continue to be recognised when the Department gains control of the asset (eg cash or receivable) in most instances.

Under AASB 1058, the Department will continue to recognise volunteer services only when the services would have been purchased if they had not been donated, and the fair value of the services can be measured reliably.

The Department has adopted AASB 1058 retrospectively with the cumulative effect of applying the Standard recognised from 1 July 2019 by adopting the transitional practical expedient permitted by the Standard. The Department has also adopted the transitional practical expedient as permitted by the Standard, whereby existing assets acquired for consideration significantly less than fair value principally to enable the entity to further its objectives, remain recorded at cost and are not restated to their fair value.

The effect of adopting AASB 1058 on the Statement of Comprehensive Income is as follows:

2020	Notes	With adoption of AASB 1058 \$'000	Adjustment \$'000	Without adoption of AASB 1058 \$'000
Revenue				
Contributions received	(a)	12 882	(12 586)	296
Expenses				
Other expenses	(a)	48 683	(12 586)	36 097

Explanation for AASB 1058 adjustments

- (a) The Department has recorded the estimated value of services provided by Ambulance Tasmania and Tasmanian Health Service volunteers as Contributions received. As this is a non-monetary contribution, the Contributions received is offset by Other expenses, resulting in no net impact on the Statement of Comprehensive Income or the Statement of Financial Position.
- (b) Impact of new and revised Accounting Standards yet to be applied

The following applicable Standards have been issued by the AASB and are yet to be applied:

- AASB 1059 *Service Concession Arrangements: Grantors* – The objective of this Standard is to prescribe the accounting for a service concession arrangement by a grantor that is a public sector entity. This Standard applies on or after 1 January 2020. The impact of this Standard is enhanced disclosure in relation to service concession arrangements for grantors that are public sector entities. It has been assessed that there is no financial impact for the Department as these types of arrangements are not provided.

19.6 FOREIGN CURRENCY

Transactions denominated in a foreign currency are converted at the exchange rate at the date of the transaction. Foreign currency receivables and payables are translated at the exchange rates current as at balance date.

19.7 COMPARATIVE FIGURES

Comparative figures have been adjusted to reflect any changes in accounting policy or the adoption of new standards. Details of the impact of changes in accounting policy on comparative figures are at Note 12.5.

Amendments to comparative figures arising from correction of error are disclosed in Note 19.11.

Where amounts have been reclassified within the Financial Statements, the comparative statements have been restated.

Restructures of Outputs within the Department (internal restructures) that do not affect the results shown on the face of the Financial Statements are reflected in the comparatives in the Departmental Output Schedules at Note 2.

The comparatives for external administrative restructures are not reflected in the Financial Statements.

19.8 ROUNDING

All amounts in the Financial Statements have been rounded to the nearest thousand dollars, unless otherwise stated. As a consequence, rounded figures may not add to totals. Amounts less than \$500 are rounded to zero and are indicated by the symbol "...".

19.9 TAXATION

The Department is exempt from all forms of taxation except Fringe Benefits Tax and Goods and Services Tax.

19.10 GOODS AND SERVICES TAX

Revenue, expenses and assets are recognised net of the amount of Goods and Services Tax, except where the GST incurred is not recoverable from the Australian Taxation Office. Receivables and payables are stated inclusive of GST. The net amount recoverable, or payable, to the Australian Taxation Office is recognised as an asset or liability within the Statement of Financial Position.

In the Statement of Cash Flows, the GST component of cash flows arising from operating, investing or financing activities which is recoverable from, or payable to, the Australian Taxation Office is, in accordance with the Australian Accounting Standards, classified as operating cash flows.

19.11 CORRECTION OF ERROR

During 2019-20, it was identified that the Work in Progress in relation to the Royal Hobart Hospital Redevelopment Project was incorrectly recorded in the 2017-18 Financial Statements. The Work in Progress included \$62.9 million which related to sections of work which had been completed and was in use by the Tasmanian Health Service prior to 30 June 2018. Also, the Work in Progress included \$15.9 million of project related expenditure, accumulated since the commencement of the Project, that did not qualify for capitalisation.

The correct treatment is to expense Project costs which do not qualify for capitalisation, in the year incurred and to transfer the completed Work in Progress to the Tasmanian Health Service, which was not part of the Department at this time.

Overall, the resultant impact for the Department of Health as at 30 June 2018 was a reduction in the carrying value of Work in Progress of \$78.8 million and a reduction in the closing value of Accumulated Funds of \$78.8 million. The net result from continuing operations of \$160.4 million as reported by the Department for the year ended 30 June 2018 was also overstated by this amount.

Further, the Tasmanian Health Service, which was amalgamated with the Department of Health on 1 July 2018, made an error in how it recorded receipt of the completed assets in its separate 30 June 2018 financial statements. This error resulted in a \$62.9 million mis-allocation between the Asset revaluation reserve and Accumulated funds. As the erroneously reported figures formed the basis of the accounting when the Tasmanian Health Service became part of the Department on 1 July 2018, this mis-allocation was also reflected in the Department's 2018-19 financial statements. To correct this error, the impact of the Administrative restructure recorded on 1 July 2018 has been adjusted to reflect the reallocation of \$62.9 million from the Department's Asset revaluation reserve to Accumulated funds.

The following table discloses the impact of this error on the relevant sections of the 2017-18 financial statements:

	As previously reported \$'000	Adjustment \$'000	As Restated \$'000
Statement of Comprehensive Income			
Grants and subsidies expenses	1 294 317	62 916	1 357 233
Supplies and consumables	200 490	15 901	216 391
Net result from continuing operations	160 394	(78 817)	81 577
Statement of Financial Position			
Buildings	420 120	(78 817)	341 303
Property, plant and equipment	1 912 928	(78 817)	1 834 111
Accumulated funds (deficits)	(92 487)	(78 817)	(171 304)

The following table discloses the impact of this error on the relevant sections of the 2018-19 financial statements:

	As previously reported \$'000	Adjustment \$'000	As Restated \$'000
Statement of Financial Position			
Buildings	1 484 328	(78 817)	1 405 511
Property, plant and equipment	1 663 631	(78 817)	1 584 814
Reserves	375 725	(62 916)	312 809
Accumulated funds (deficits)	1 060 660	(15 901)	1 044 759
Statement of Changes in Equity			
Administrative restructure - contributions by owners (Reserves)	302 851	(62 916)	239 935
Administrative restructure - contributions by owners (Accumulated funds)	502 241	62 916	565 157



Independent Auditor's Report

To the Members of Parliament

Department of Health

Report on the Audit of the Financial Statements

Opinion

I have audited the financial statements of the Department of Health (the Department), which comprise the statement of financial position as at 30 June 2020 and statements of comprehensive income, changes in equity and cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, other explanatory notes and the statement of certification by the Secretary of the Department.

In my opinion, the accompanying financial statements:

- (a) present fairly, in all material respects, the Department's financial position as at 30 June 2020 and its financial performance and its cash flows for the year then ended
- (b) are in accordance with the *Financial Management Act 2016* and Australian Accounting Standards.

Basis for Opinion

I conducted the audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Department in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants (Including Independent Standards)* (the Code) that are relevant to my audit of the financial statements in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code.

The *Audit Act 2008* further promotes the independence of the Auditor-General. The Auditor-General is the auditor of all Tasmanian public sector entities and can only be removed by Parliament. The Auditor-General may conduct an audit in any way considered appropriate and is not subject to direction by any person about the way in which audit powers are to be exercised. The Auditor-General has for the purposes of conducting an audit, access to all documents and property and can report to Parliament matters which in the Auditor-General's opinion are significant.

...1 of 5

To provide independent assurance to the Parliament and Community on the performance and accountability of the Tasmanian Public sector.
Professionalism | Respect | Camaraderie | Continuous Improvement | Customer Focus

Strive | Lead | Excel | To Make a Difference

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

My audit is not designed to provide assurance on the accuracy and appropriateness of the budget information in the Department's financial statements.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

Why this matter is considered to be one of the most significant matters in the audit	Audit procedures to address the matter included
<p>Revenue from sale of goods and services <i>Refer to note 6.4</i></p> <p>The Department recognises significant revenue from the sales of goods and services, \$190.1m.</p> <p>The majority of services are for fee paying privately insured or otherwise compensable patients, reimbursements of services provided to other organisations and Medicare or pharmaceutical benefits scheme government payments.</p> <p>Sales of goods and services are recognised when consideration is received or receivable in respect of a wide range of services rendered captured through discrete systems.</p> <p>Due to the number of revenue streams and systems at varying sites across the Department, the manual nature of some billing processes, and the significant revenue amounts received, we identified a number of significant risks around the accuracy and completeness of revenue.</p>	<ul style="list-style-type: none"> • Evaluating the design and implementation of relevant application controls in selected systems. • Confirming process controls to support the completeness, accuracy and integrity of patient billing in selected systems. • Examining reconciliations of information from subsidiary systems to the general ledger. • Performing substantive testing over a sample of sales of goods and services transactions. • Performing analytical procedures to assess the reasonableness of revenue generated. • Assessing the adequacy of relevant disclosures in the financial statements.
<p>Property, plant and equipment <i>Refer to note 9.6</i></p> <p>Property, plant and equipment at 30 June 2020 includes land, buildings and leasehold improvements totalling \$1 486.1m recognised at fair value.</p>	<ul style="list-style-type: none"> • Evaluating the appropriateness of the valuation methodology applied to determine the fair values. • Assessing the scope, expertise and independence of experts engaged to

...2 of 5

To provide independent assurance to the Parliament and Community on the performance and accountability of the Tasmanian Public sector.
Professionalism | Respect | Camaraderie | Continuous Improvement | Customer Focus

Strive | Lead | Excel | To Make a Difference

The fair value of land is valued with reference to observable prices in an active market. Inputs consider recent market conditions for comparable assets.

The valuation of buildings is based on either:

- observable prices for similar buildings or capitalisation of assessed rental income
- current replacement cost, which considers the cost to construct assets with similar utility.

The calculation of fair values is judgemental and highly dependent on a range of assumptions and estimates.

In 2019-20, the Valuer-General performed a valuation of the recently completed Royal Hobart Hospital K-Block. Due to COVID-19 restrictions on hospital access, this valuation was a desk top assessment based on information provided to the Valuer-General by the Department. The remaining land and building assets were adjusted by an indexation factor provided by the Valuer-General.

Capital payments for the year ended 30 June 2020 totalled \$87.2m. Capital projects can contain a combination of enhancement and maintenance activity which are not distinct and therefore the allocation of costs between capital and operating expenditure is inherently judgemental.

conduct the valuation of K-Block and assist in the indexation of land and buildings.

- Testing, on a sample basis, the mathematical accuracy of the indexation calculations.
- Assessing the Department's capitalisation policy to determine compliance with relevant accounting standards.
- Testing, on a sample basis, costs capitalised to work in progress.
- Evaluating management's assessment of the stage of completion for capital works in progress.
- Evaluating the adequacy of disclosures in the financial statements for compliance with Australian Accounting Standards.

Responsibilities of the Secretary for the Financial Statements

The Secretary is responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards, and the financial reporting requirements of Section 42 (1) of the *Financial Management Act 2016*. This responsibility includes such internal control as determined necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Secretary is responsible for assessing the Department's ability to continue as a going concern unless the Department's operations will cease as a result of an administrative restructure. The assessment must disclose, as applicable, matters related to going concern and the appropriateness of using the going concern basis of accounting.

...3 of 5

To provide independent assurance to the Parliament and Community on the performance and accountability of the Tasmanian Public sector.
Professionalism | Respect | Camaraderie | Continuous Improvement | Customer Focus

Strive | Lead | Excel | To Make a Difference

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are 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 the financial statements.

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 statements, 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 Department's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Secretary.
- Conclude on the appropriateness of the Secretary'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 Department'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 statements or, if such disclosures are inadequate, to modify my opinion. My conclusion is based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Department to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Secretary 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.

...4 of 5

To provide independent assurance to the Parliament and Community on the performance and accountability of the Tasmanian Public sector.
Professionalism | Respect | Camaraderie | Continuous Improvement | Customer Focus

Strive | Lead | Excel | To Make a Difference

From the matters communicated with the Secretary, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



Leigh Franklin
Assistant Auditor-General, Financial Audit Services
Delegate of the Auditor-General

Tasmanian Audit Office

14 September 2020
Hobart

...5 of 5

To provide independent assurance to the Parliament and Community on the performance and accountability of the Tasmanian Public sector.
Professionalism | Respect | Camaraderie | Continuous Improvement | Customer Focus

Strive | Lead | Excel | To Make a Difference

Ambulance Tasmania Special Purpose Financial Report

For the year ended 30 June 2020

Table of Contents

Statement of Certification	194
Statement of Comprehensive Income for the year ended 30 June 2020	195
Statement of Financial Position as at 30 June 2020	196
Statement of Cash Flows for the year ended 30 June 2020	197
Statement of Changes in Equity for the year ended 30 June 2020	198
Notes to and forming part of the Financial Statements for the year ended 30 June 2020	199

Statement of Certification

The accompanying Special Purpose Financial Report of the Commissioner of Ambulance Tasmania (Ambulance Tasmania) is in agreement with the relevant accounts and records and has been prepared in compliance with the Treasurer's Instructions issued under the provisions of the *Financial Management Act 2016* to present fairly the financial transactions for the year ended 30 June 2020 and the financial position as at the end of the year.

At the date of signing, we are not aware of any circumstances which would render the particulars included in the Special Purpose Financial Report misleading or inaccurate.



Kathrine Morgan-Wicks
Commissioner of Ambulance Tasmania

Dated 10 September 2020



Matthew Eastham
Acting Chief Executive Officer, Ambulance Tasmania

Dated 11 September 2020



Craig Jeffery
Chief Financial Officer, Department of Health

Dated 10 September 2020

Statement of Comprehensive Income for the year ended 30 June 2020

	Notes	2020 Actual \$'000	2019 Actual \$'000
Income from continuing operations			
Revenue from Government			
Appropriation revenue – operating	2.1	93 415	75 712
Other revenue from Government	2.1	....	319
Grants	2.2	2 326	1 469
Sales of goods and services	2.3	11 019	10 509
Interest	2.4	....	172
Contributions received	2.5	10 735	....
Other revenue	2.6	2 390	3 669
Total revenue from continuing operations		119 885	91 850
Net gain/(loss) on non-financial assets	3.1	160	117
Net gain/(loss) on financial instruments and statutory receivables/payables	3.2	(345)	(687)
Total income from continuing operations		119 700	91 280
Expenses from continuing operations			
Employee benefits	4.1	80 429	68 662
Depreciation and amortisation	4.2	3 114	2 255
Supplies and consumables	4.3	24 581	20 213
Grants and subsidies	4.4	24	17
Finance costs	4.5	74	....
Other expenses	4.6	13 655	3 095
Total expenses from continuing operations		121 877	94 242
Net result from continuing operations		(2 177)	(2 962)
<i>Other comprehensive income</i>			
Items that will not be reclassified to net result in subsequent periods			
Net actuarial gains/(losses) on superannuation defined benefit plans	6.4	(698)	(9 008)
Changes in property plant and equipment revaluation surplus	8.1	1 702	1 086
Total other comprehensive income		1 004	(7 922)
Comprehensive result		(1 173)	(10 884)

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

Statement of Financial Position as at 30 June 2020

	Notes	2020 Actual \$'000	2019 Actual \$'000
Assets			
<i>Financial Assets</i>			
Cash and cash equivalents	9.1	1 661	509
Receivables	5.1	2 557	2 092
Other financial assets	5.2	842	765
<i>Non-financial assets</i>			
Inventories	5.3	1 695	1 280
Property, plant and equipment	5.4	37 479	32 347
Right-of-use assets	5.5	2 146	....
Intangible assets	5.6	59	75
Other assets	5.7	179	196
Total assets		46 618	37 264
Liabilities			
Payables	6.1	3 099	1 378
Lease liabilities	6.2	2 170	....
Employee benefit liabilities	6.3	25 522	20 516
Superannuation	6.4	6 146	4 586
Other liabilities	6.5	814	744
Total liabilities		37 751	27 224
Net assets		8 867	10 040
Equity			
Reserves	8.1	11 828	10 126
Accumulated funds/(deficit)		(2 961)	(86)
Total equity		8 867	10 040

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

Statement of Cash Flows for the year ended 30 June 2020

	Notes	2020 Actual \$'000	2019 Actual \$'000
Cash flows from operating activities			
<i>Cash inflows</i>			
Appropriation receipts – operating		93 415	75 712
Grants - continuing operations		2 191	....
Sales of goods and services		10 184	11 461
GST receipts		2 486	1 464
Other cash receipts		2 390	3 669
Total cash inflows		110 666	92 306
<i>Cash outflows</i>			
Employee benefits		(74 561)	(65 811)
Finance costs		(74)	....
GST payments		(2 445)	(1 873)
Grants paid		(24)	(17)
Supplies and consumables		(23 401)	(19 173)
Other cash payments		(2 786)	(3 397)
Total cash outflows		(103 291)	(90 271)
Net cash from / (used by) operating activities	9.2	7 375	2 035
Cash flows from investing activities			
<i>Cash inflows</i>			
Proceeds from the disposal of non-financial assets		193	157
Cash inflow on internal reallocation of cost centres		....	319
Total cash inflows		193	476
<i>Cash outflows</i>			
Payments for acquisition of non-financial assets		(5 675)	(2 150)
Total cash outflows		(5 675)	(2 150)
Net cash from / (used by) investing activities		(5 482)	(1 674)
Cash flows from financing activities			
<i>Cash outflows</i>			
Repayment of leases liabilities (excluding interest)		(741)	....
Total cash outflows		(741)	....
Net cash from / (used by) financing activities		(741)	....
Net increase / (decrease) in cash and cash equivalents held		1 152	361
Cash and cash equivalents at the beginning of the reporting period		509	148
Cash and cash equivalents at the end of the reporting period	9.1	1 661	509

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

Statement of Changes in Equity for the year ended 30 June 2020

	Notes	Reserves \$'000	Accumulated Funds \$'000	Total Equity \$'000
Balance as at 1 July 2019		10 126	(86)	10 040
Net result		(2 177)	(2 177)
Other comprehensive income		1 702	(698)	1 004
Total comprehensive result		1 702	(2 875)	(1 173)
Balance as at 30 June 2020		11 828	(2 961)	8 867

	Notes	Reserves \$'000	Accumulated Funds \$'000	Total Equity \$'000
Balance as at 1 July 2018		9 026	11 696	20 722
Adjustment due to change in accounting policy		....	284	284
Restated balance as at 1 July 2018		9 026	11 980	21 006
Net Result		....	(2 962)	(2 962)
Other comprehensive income		1 086	(9 008)	(7 922)
Total comprehensive result		1 086	(11 970)	(10 884)
Transfers to asset revaluation reserve from accumulated funds	8.1	14	(14)	....
Transactions with owners in their capacity as owners:				
Withdrawal of equity		....	(62)	(62)
Internal reallocation of cost centres		....	(20)	(20)
Balance as at 30 June 2019		10 126	(86)	10 040

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

Notes to and forming part of the Financial Statements for the year ended 30 June 2020

Note 1 Underlying Net result	201
Note 2 Revenue	201
2.1 Revenue from Government	201
2.2 Grants	202
2.3 Sales of goods and services	203
2.4 Interest	203
2.5 Contributions received	203
2.6 Other revenue	204
Note 3 Net Gains/(Losses)	204
3.1 Net gain/(loss) on non financial assets	204
3.2 Net gain/(loss) on financial instruments and statutory receivables/payables	205
Note 4 Expenses	205
4.1 Employee benefits	205
4.2 Depreciation and amortisation	206
4.3 Supplies and consumables	207
4.4 Grants and subsidies	207
4.5 Finance costs	208
4.6 Other expenses	208
Note 5 Assets	208
5.1 Receivables	208
5.2 Other financial assets	209
5.3 Inventories	209
5.4 Property, plant and equipment	210
5.5 Right-of-use assets	212
5.6 Intangible assets	213
5.7 Other assets	213
Note 6 Liabilities	214
6.1 Payables	214
6.2 Lease liabilities	214
6.3 Employee benefit liabilities	215
6.4 Superannuation	215
6.5 Other liabilities	220
Note 7 Commitments and Contingencies	220
7.1 Schedule of commitments	220

7.2	Contingent assets and liabilities	223
	Note 8 Reserves	224
8.1	Reserves	224
	Note 9 Cash Flow Reconciliation	224
9.1	Cash and cash equivalents	225
9.2	Reconciliation of Net Result to Net Cash from Operating Activities	225
9.3	Financing facilities	225
9.4	Reconciliation of liabilities arising from financing activities	225
Note 10	Transactions and Balances Relating to a Trustee or Agency Arrangement	226
10.1	Activities undertaken under a trustee or agency arrangement	226
Note 11	Events Occurring After Balance Date	226
Note 12	Other Significant Accounting Policies	226
12.1	Objectives and funding	226
12.2	Basis of accounting	226
12.3	Reporting entity	227
12.4	Functional and presentation currency	227
12.5	Changes in accounting policies	227
12.6	Foreign currency	230
12.7	Comparative figures	230
12.8	Rounding	230
12.9	Taxation	230
12.10	Goods and services tax	231

Note 1 UNDERLYING NET RESULT

Non-operational capital funding is the income from continuing operations relating to funding for capital projects. This funding is classified as revenue from continuing operations and included in the Net result from continuing operations. However, the corresponding capital expenditure is not included in the calculation of the Net result from continuing operations. Accordingly, the Net result from continuing operations will portray a position that is better than the true underlying financial result.

For this reason, the Net result from continuing operations is adjusted to remove the effects of funding for capital projects.

	Notes	2020 Actual \$'000	2019 Actual \$'000
Net result from continuing operations		(2 177)	(2 962)
<i>Less impact of:</i>			
<i>Non-operational capital funding</i>			
Grants received – assets transferred	2.2	131	....
Total		131	....
Underlying Net result from continuing operations		(2 308)	(2 962)

The COVID-19 pandemic has significantly impacted the 2019-20 operations of Ambulance Tasmania and this impact is continuing into 2020-21. Additional information is included in Note 11 Events Occurring After Balance Date.

Note 2 REVENUE

Income is recognised in the Statement of Comprehensive Income when an increase in future economic benefits related to an increase in an asset or a decrease of a liability has arisen that can be measured reliably.

Until 30 June 2019, income was recognised in accordance with AASB 111 *Construction Contracts*, AASB 118 *Revenue* and AASB 1004 *Contributions*.

From 1 July 2019, income is recognised in accordance with the requirements of AASB 15 *Revenue from Contracts with Customers* or AASB 1058 *Income of Not-for-Profit Entities*, dependent on whether there is a contract with a customer defined by AASB 15.

2.1 REVENUE FROM GOVERNMENT

Appropriations, whether operating or capital, are recognised as revenues in the period in which Ambulance Tasmania gains control of the appropriated funds. Except for any amounts identified as carried forward, control arises in the period of appropriation.

Revenue from Government included revenue from appropriations, appropriations carried forward under section 8A(2) of the *Public Account Act 1986* and Items Reserved by Law.

As a result of the commencement of the *Financial Management Act 2016*, from 2020-21, Revenue from Government will include revenue from appropriations, appropriations rolled over under section 23 of the *Financial Management Act* and Items Reserved by Law.

Section 8A(2) of the *Public Account Act* allowed for an unexpended balance of an appropriation to be transferred to an Account in the Special Deposits and Trust Fund for such purposes and conditions as approved by the Treasurer. In the initial year, the carry forward was recognised as a liability, Revenue Received in Advance. The carry forward from the initial year was recognised as revenue in the reporting year, assuming that the conditions of the carry forward were met and the funds were expended.

Section 23 of the *Financial Management Act 2016* allows for an unexpended appropriation at the end of the financial year, as determined by the Treasurer, to be issued and applied from the Public Account in the following financial year.

The amount determined by the Treasurer must not exceed five per cent of an Agency's appropriation for the financial year. Rollover of unexpended appropriations under section 23 will be disclosed under the *Financial Management Act 2016* for the first time in 2020-21.

	2020 Actual \$'000	2019 Actual \$'000
<i>Continuing operations</i>		
Appropriation revenue - operating		
Current year	93 415	75 712
Other revenue from Government		
Appropriation carried forward under section 8A(2) of the <i>Public Account Act 1986</i> taken up as revenue in the current year	....	319
Total revenue from Government	93 415	76 031

2.2 GRANTS

In 2018-19, Grants payable by the Australian Government were recognised as revenue when Ambulance Tasmania gained control of the underlying assets. Where grants are reciprocal, revenue was recognised as performance occurred under the grant. Non-reciprocal grants were recognised as revenue when the grant is received or receivable. Conditional grants were reciprocal or non-reciprocal depending on the terms of the grant.

From 1 July 2019, Grants revenue, where there is a sufficiently specific performance obligation attached, are recognised when Ambulance Tasmania satisfies the performance obligation and transfers the promised goods or services. Ambulance Tasmania typically satisfies its performance obligations when services have been provided in line with the agreed terms as set out in funding contracts. Ambulance Tasmania recognises revenue associated with performance obligations upon receipt of the revenues, which is typically using the input method on a straight line basis.

Grants revenue without a sufficiently specific performance obligation are recognised when Ambulance Tasmania gains control of the asset (typically Cash).

Grants to acquire/construct a recognisable non-financial asset to be controlled by Ambulance Tasmania are recognised as revenue when Ambulance Tasmania satisfies its performance obligations as the non-financial assets are being constructed using the input method.

	2020 Actual \$;000
Grants with sufficiently specific performance obligations	
Other Australian Government Grants	871
Total	871
Grants without sufficiently specific performance obligations	
Other Australian Government Grants	30
Internal grants	1 294
Total	1 324
Grants to acquire/construct a recognisable non-financial asset	
Assets transferred	131
Total	131
Total revenue from Grants	2 326

	2019 Actual \$,000
<i>Non-operational capital funding</i>	
Capital grants	
Assets transferred	1 469
Total	1 469
Total revenue from Grants	1 469

In 2019-20, capital grants for Assets transferred related to the transfer of Church Street Oatlands from the Tasmanian Health Service to Ambulance Tasmania.

2.3 SALES OF GOODS AND SERVICES

In 2018-19, amounts earned in exchange for the provision of goods were recognised when the significant risks and rewards of ownership had been transferred to the buyer. Revenue from the provision of services was recognised in proportion to the stage of completion of the transaction at the reporting date. The stage of completion was assessed by reference to surveys of work performed.

From 1 July 2019, revenue from Sales of goods are recognised when Ambulance Tasmania satisfies a performance obligation by transferring the goods to the customer. Ambulance Tasmania typically satisfies its performance obligations when the goods have been delivered to the satisfaction of the customer. Ambulance Tasmania recognises revenue associated with performance obligations upon receipt of the revenues, which is typically using the input method on a straight line basis.

Revenue from the provision of services is recognised when Ambulance Tasmania satisfies its performance obligation by transferring the promised services. Ambulance Tasmania typically satisfies its performance obligations when the services have been delivered to the satisfaction of the customer. Ambulance Tasmania recognises revenue associated with performance obligations upon receipt of the revenues which is typically using the input method on a straight line basis.

	2020 Actual \$,000	2019 Actual \$,000
Ambulance fees	9 574	9 613
Other user charges	1 445	896
Total	11 019	10 509

During 2019-20, other user charges include COVID-19 remote community medical evacuation and retrieval funding for aeromedical scale up.

2.4 INTEREST

Interest on funds is recognised as it accrues using the effective interest rate method.

2.5 CONTRIBUTIONS RECEIVED

Services received free of charge by Ambulance Tasmania are recognised as income when a fair value can be reliably determined and when the services would have been purchased if they had not been donated. Use of those resources is recognised as an expense.

Ambulance Tasmania has recognised an inflow of resources in the form of volunteer services as income where the fair value of those services can be measured reliably, and the services would have been purchased if they had not been donated.

Key estimate and judgement

Fair value of volunteer services provided for Ambulance Tasmania is estimated based upon statewide volunteer hours at a salary rate reflecting that an ambulance volunteer's pre-requisite skill level is first aid training and also that ambulance functions are performed under the direction of a paramedic.

	2020 Actual \$'000	2019 Actual \$'000
Fair value of volunteer services provided	10 735	....
Total	10 735	....

2.6 OTHER REVENUE

Other revenue primarily relates to the recovery of costs incurred and is recognised when an increase in future economic benefits relating to an increase in an asset or a decrease of a liability has arisen that can be reliably measured.

	2020 \$'000	2019 \$'000
Wages and salaries recoveries	136	....
Workers compensation recoveries	1 570	1 127
Operating recoveries	1	7
Donations	....	1
Corporate services revenue	....	2 061
Corporate overhead funding	683	473
Total	2 390	3 669

Corporate services revenue primarily reflects additional funding provided by the Department of Health above Ambulance Tasmania's approved budget allocation.

Corporate overhead funding represents a contribution by the Department of Health to offset the Corporate Overhead Charge levied against Ambulance Tasmania for costs related to administrative functions performed by the Department of Health.

Note 3 NET GAINS/(LOSSES)**3.1 NET GAIN/(LOSS) ON NON-FINANCIAL ASSETS**

Gains or losses from the sale of non-financial assets are recognised when control of the assets has passed to the buyer.

Key Judgement

Impairment exists when the recoverable amount of an asset is less than its carrying amount. Recoverable amount is the higher of fair value less costs to sell and value in use.

Specialised non-financial assets are not used for the purpose of generating cash flows, therefore their recoverable amount is expected to be materially the same as fair value, as determined under AASB 13 *Fair Value Measurement*

All other non-financial assets are assessed to determine whether any impairment exists, with impairment losses recognised in the Statement of Comprehensive Income.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

	2020	2019
	\$'000	\$'000
Net gain/(loss) on disposal of physical assets	160	117
Total net gain/(loss) on non-financial assets	160	117

3.2 NET GAIN/(LOSS) ON FINANCIAL INSTRUMENTS AND STATUTORY RECEIVABLES/PAYABLES

Financial assets are impaired under the expected credit loss approach required under AASB 9 *Financial Instruments*. The expected credit loss is recognised for all debt instruments not held at fair value through profit or loss.

Key Judgement

An impairment loss using the expected credit loss method for all trade debtors uses a lifetime expected loss allowance. The expected loss rates are based upon historical observed loss rates that are adjusted to reflect forward looking macroeconomic factors.

For other financial instruments that are not trade receivables, contract assets or lease receivables, Ambulance Tasmania has measured the expected credit loss using a probability-weighted amount that takes into account the time value of money and forward looking macroeconomic factors.

To date, there has been no increase in the observed loss rates as a result of the economic downturn due to COVID-19.

	2020	2019
	\$'000	\$'000
Impairment of loans and receivables	(345)	(687)
Total net gain/(loss) on financial instruments	(345)	(687)

Note 4 EXPENSES

Expenses are recognised in the Statement of Comprehensive Income when a decrease in future economic benefits related to a decrease in an asset or an increase of a liability has arisen that can be measured reliably.

4.1 EMPLOYEE BENEFITS

Employee benefits include, where applicable, entitlements to wages and salaries, annual leave, sick leave, long service leave, superannuation and any other post-employment benefits.

(a) Employee expenses

	2020	2019
	\$'000	\$'000
Wages and salaries	59 210	50 482
Annual leave	6 527	5 973
Long service leave	2 102	1 421
Sick leave	2 716	2 839
Superannuation - defined contribution and defined benefits schemes	8 760	7 205
Other employment expenses – recruitment and staff development	601	334
Other employee expenses – other staff allowances	513	408
Total	80 429	68 662

Superannuation expenses relating to defined benefit schemes relate to payments into the Public Account. The amount of the payment is based on an employer contribution rate determined by the Treasurer, on the advice of the State Actuary. The current employer contribution is 12.95 per cent (2019: 12.95 per cent) of salary.

Superannuation expenses relating to defined contribution schemes are paid directly to superannuation funds at a rate of 9.5 per cent (2019: 9.5 per cent) of salary. In addition, Ambulance Tasmania is also required to pay into the Public Account a “gap” payment equivalent to 3.45 per cent (2019: 3.45 per cent) of salary in respect of employees who are members of defined contribution schemes.

4.2 DEPRECIATION AND AMORTISATION

All applicable non-financial assets having a limited useful life are systematically depreciated over their useful lives in a manner which reflects the consumption of their service potential. Land and Heritage and cultural assets, being assets with unlimited useful lives, are not depreciated.

Key estimate and judgement

Depreciation is provided for on a straight line basis, using rates which are reviewed annually.

Major depreciation periods are:

Vehicles	5 years
Plant and equipment	2-20 years
Medical equipment	4-20 years
Buildings	40-50 years

All intangible assets having a limited useful life are systematically amortised over their useful lives reflecting the pattern in which the asset's future economic benefits are expected to be consumed by Ambulance Tasmania.

Major amortisation rates are:

Software	20 per cent
Right-of-use assets	2-22 years

(a) Depreciation

	2020	2019
	\$'000	\$'000
Plant, equipment and vehicles	1 801	1 734
Buildings	531	505
Total	2 332	2 239

(b) Amortisation

	2020	2019
	\$'000	\$'000
Intangible assets	16	16
Right-of-use assets	766	....
Total	782	16
Total depreciation and amortisation	3 114	2 255

4.3 SUPPLIES AND CONSUMABLES

	2020	2019
	\$'000	\$'000
Audit fees	44	35
Consultants	25	31
Property services and rental payments	1 301	863
Maintenance	789	461
Communications	324	576
Information technology	1 992	1 705
Travel, transport and vehicle leasing payments	2 802	2 501
Medical, surgical and pharmacy supplies	2 358	1 459
Advertising and promotion	36	16
Patient and client services	10 109	8 415
Other licencing costs	384	714
Leasing expenses	92	....
Equipment and furniture	1 077	1 050
Administration	211	136
Food production costs	86	76
Corporate overhead charge	1 168	1 606
Service fees	1 686	460
Other supplies and consumables	97	109
Total	24 581	20 213

Audit fees paid or payable to the Tasmanian Audit Office for the audit of Ambulance Tasmania's Special Purpose Financial Report were \$35 000 (2019: \$35 000).

The increase in Property services and rental payments during 2019-20, relates to additional cleaning expenses in response to the COVID-19 pandemic and the additional rental costs associated with the initiative to have more paramedics in regional areas.

During 2019-20, Patient and client services expenses have increased due to a combination of higher fees paid to the Royal Flying Doctor Service and securing helicopter services to facilitate patient transport in response to the COVID-19 pandemic.

In 2018-19, Leasing expenses were included in Property services and rental payments.

The increase in Service fees during 2019-20, primarily relates to the Helicopter Emergency Medical Service project.

4.4 GRANTS AND SUBSIDIES

Grant and subsidies expenditure is recognised to the extent that:

- the services required to be performed by the grantee have been performed or
- the grant eligibility criteria have been satisfied.

A liability is recorded when Ambulance Tasmania has a binding agreement to make the grants, but services have not been performed or criteria satisfied. Where grant monies are paid in advance of performance or eligibility, a prepayment is recognised.

	2020	2019
	\$'000	\$'000
Grant – Other	24	17
Total	24	17

4.5 FINANCE COSTS

All finance costs are expensed as incurred using the effective interest method.

Finance costs primarily include:

- lease charges and
- interest on superannuation defined benefit plans.

	Notes	2020 \$'000	2019 \$'000
Interest expense			
Interest on leases liabilities		49	....
Interest on superannuation defined benefit plans	6.4(d)	25	....
Total		74	....

4.6 OTHER EXPENSES

Other expenses are recognised when a decrease in future economic benefits related to a decrease in an asset or an increase of a liability has arisen that can be reliably measured.

	2020 \$'000	2019 \$'000
Salary on-costs	2 798	2 963
Fair value of volunteer services	10 735	....
Tasmanian Risk Management Fund premium	121	132
Other	1	....
Total	13 655	3 095

Fair value of volunteer services represents the estimated service value of volunteers to Ambulance Tasmania. This expense item is offset by an equal value recorded as Contributions received.

Note 5 ASSETS

Assets are recognised in the Statement of Financial Position when it is probable that the future economic benefits will flow to Ambulance Tasmania and the asset has a cost or value that can be measured reliably.

5.1 RECEIVABLES

Receivables are initially recognised at fair value plus any directly attributable transaction costs. Trade receivables that do not contain a significant financing component are measured at the transaction price.

Key judgement

Receivables are held with the objective to collect the contractual cash flows and are subsequently measured at amortised cost using the effective interest method. Any subsequent changes are recognised in the net result for the year when impaired, derecognised or through the amortisation process. An allowance for expected credit losses is recognised for all debt financial assets not held at fair value through profit and loss. The expected credit loss is based on the difference between the contractual cash flows and the cash flows that the entity expects to receive, discounted at the original effective interest rate.

For trade receivables, a simplified approach in calculating expected credit losses is applied, with a loss allowance based on lifetime expected credit losses recognised at each reporting date. Ambulance Tasmania has established a provision matrix based on its historical credit loss experience for trade receivables, adjusted for forward-looking factors specific to the receivable.

	2020 \$'000	2019 \$'000
Receivables	2 713	2 334
Less: Expected credit loss	(156)	(242)
Total	2 557	2 092
Sales of goods and services (inclusive of GST)	1 993	1 576
Tax assets	564	516
Total	2 557	2 092
Settled within 12 months	2 557	2 092
Total	2 557	2 092

(a) Reconciliation of movement in expected credit loss for receivables

	2020 \$'000	2019 \$'000
Carrying amount at 1 July	242	233
Amounts written off during the year	(430)	(679)
Increase/(decrease) in provision recognised in profit or loss	344	688
Carrying amount at 30 June	156	242

5.2 OTHER FINANCIAL ASSETS

Other financial assets are classified and measured at amortised cost. Impairment losses are recorded in the Statement of Comprehensive Income. Any gain or loss arising on derecognition is recognised directly in net results and presented in other gains/(losses).

	2020 \$'000	2019 \$'000
Accrued revenue	842	765
Total	842	765
Settled within 12 months	842	765
Total	842	765

Accrued revenue primarily relates to recoveries from the Australian Department of Veteran Affairs.

5.3 INVENTORIES

Inventories held for distribution are valued at cost adjusted, when applicable, for any loss of service potential. Inventories acquired for no cost or nominal consideration are valued at current replacement cost.

	2020 \$'000	2019 \$'000
Pharmacy	95	153
General supplies	1 600	1 127
Total	1 695	1 280
Consumed within 12 months	1 695	1 280
Total	1 695	1 280

For 2019-20, General supplies includes higher stock supply for general medical consumables, due to the COVID-19 pandemic.

5.4 PROPERTY, PLANT AND EQUIPMENT

Key estimate and judgement

(i) Valuation basis

Land, buildings and heritage and cultural assets are recorded at fair value less accumulated depreciation. All other non-current physical assets, including work in progress, are recorded at historic cost less accumulated depreciation and accumulated impairment losses. All assets within a class of assets are measured on the same basis.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The costs of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Fair value is based on the highest and best use of the asset. Unless there is an explicit Government policy to the contrary, the highest and best use of an asset is the current purpose for which the asset is being used or occupied.

(ii) Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to Ambulance Tasmania and its costs can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of day to day servicing of property, plant and equipment are recognised in the Statement of Comprehensive Income as incurred.

(iii) Asset recognition threshold

The asset capitalisation threshold adopted by Ambulance Tasmania are:

Vehicles	\$10 000
Plant and equipment	\$10 000
Land and Buildings	\$10 000
Heritage and cultural assets	\$10 000

Assets valued at less than the threshold amount are charged to the Statement of Comprehensive Income in the year of purchase (other than where they form part of a group of similar items which are material in total).

(iv) Revaluations

Ambulance Tasmania's land and building assets were revalued independently by the Valuer-General as at 30 June 2018. These assets were valued in accordance with the Australian Accounting Standards (AASB 116 *Property, Plant and Equipment*) and Treasurer's Instructions.

In 2019-20, these assets received a desktop indice valuation performed by the Valuer-General as at 30 June 2020. This was based on a review of market movement factors and building construction cost.

The Valuer-General has advised that the valuation indices provided do not account for significant fluctuations in cost and value which may occur as a result of COVID-19. Implications for the construction industry and property market are anticipated due to the global pandemic but it is currently too early to assess the impact.

Assets are grouped on the basis of having a similar nature or function in the operations of Ambulance Tasmania.

Revaluations are shown on a gross basis where a replacement cost basis of valuations has been used. Asset revaluations based on a market basis are disclosed on a net basis; however, Ambulance Tasmania has endeavoured to obtain replacement cost valuations where possible to enable gross values to be disclosed.

In accordance with Ambulance Tasmania's revaluation policy, the next valuation will take place in three years' time with the Valuer-General assisting in the determination of Adjusted Interim Carrying Amounts for the real property for the interim three financial years.

(a) Carrying amount

	2020 \$'000	2019 \$'000
Land		
At fair value	11 987	10 635
Total	11 987	10 635
Buildings		
At fair value	27 372	26 512
Less: Accumulated depreciation	(12 208)	(11 298)
Total buildings	15 164	15 214
Plant, equipment and vehicles		
At cost	20 422	18 995
Less: Accumulated depreciation	(14 613)	(14 029)
	5 809	4 966
Work in progress	4 424	1 437
Total plant, equipment and vehicles	10 233	6 403
Heritage and cultural assets		
At fair value	95	95
Total heritage and cultural assets	95	95
Total Property, plant and equipment	37 479	32 347

(b) Reconciliation of movements (including fair value levels)

Reconciliations of the carrying amounts of each class of Property, plant and equipment at the beginning and end of the current and previous financial year are set out below. Carrying value means the net amount after deducting accumulated depreciation and accumulated impairment losses.

2020	Land	Buildings	Plant, equipment and vehicles	Heritage and cultural assets	Total
	Level 2 \$'000	Level 3 \$'000	\$'000	\$'000	\$'000
Carrying value at 1 July	10 635	15 214	6 403	95	32 347
Additions	....	....	5 675	....	5 675
Additions – DoH capital grant	131	....	....	....	131
Disposals	....	....	(33)	....	(33)
Revaluation increments (decrements)	1 221	481	....	....	1 702
WIP expensed	....	....	(10)	....	(10)
Depreciation	....	(531)	(1 802)	....	(2 333)
Carrying value at 30 June	11 987	15 164	10 233	95	37 479

2019	Land	Buildings	Plant, equipment and vehicles	Heritage and cultural assets	Total
	Level 2	Level 3			
	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying value at 1 July	9 810	14 072	6 006	95	29 983
Additions	....	....	2 150	....	2 150
Additions – DoH capital grant	....	1 469	....	....	1 469
Disposals	(10)	(73)	(19)	....	(102)
Revaluation increments (decrements)	835	251	....	....	1 086
Depreciation	....	(505)	(1 734)	....	(2 239)
Carrying value at 30 June	10 635	15 214	6 403	95	32 347

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at measurement date. It is based on the principle of exit price, and refers to the price an entity expects to receive when it sells an asset, or the price an entity expects to pay when it transfers a liability.

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly or indirectly.

Level 3 inputs are unobservable inputs for the asset or liability. Unobservable inputs shall be used to measure fair value to the extent that relevant observable inputs are not available.

(c) Level 3 significant valuation inputs and relationship to fair value

	Fair value at 30 June \$'000	Significant unobservable inputs used in valuation	Possible alternative values for Level 3 inputs	Sensitivity of fair value to changes in Level 3 inputs
Buildings	15 164	A - Construction costs B - Age and condition of asset C - Remaining useful life	When valuing these assets, their existing and alternative uses are taken into account by valuers. As a result, it is unlikely that alternative values will arise unless there are changes in known inputs.	Tasmanian construction indexes have remained stable over the past 12 months. Design and useful lives are reviewed regularly but generally remain unchanged. As a result, it is unlikely that significant variations in values will arise in the short term.

(d) Assets where current use is not the highest and best use

Ambulance Tasmania has no assets where the current use is not the highest and best use.

5.5 RIGHT-OF-USE ASSETS

From 1 July 2019, AASB 16 requires Ambulance Tasmania to recognise a right-of-use asset, where it has control of the underlying asset over the lease term. A right-of-use asset is measured at the present value of initial lease liability, adjusted by any lease payments made at or before the commencement date and lease incentives, any initial direct costs incurred, and estimated costs of dismantling and removing the asset or restoring the site. Right-of-use assets includes assets in respect of leases previously treated as operating leases under AASB 117, and therefore not recognised in the Statement of Financial Position.

Ambulance Tasmania has elected not to recognise right-of-use assets and lease liabilities arising from short term leases, rental arrangements for which Treasury has substantive substitution rights over the assets and leases for which the underlying asset is of low-value. Substantive substitution rights relate primarily to office accommodation. An asset is considered low-value when it is expected to cost less than \$10 000.

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

2020	Buildings	Plant and equipment	Total
	\$'000	\$'000	\$'000
Carrying value at 1 July	205	2 706	2 911
Amortisation	(75)	(690)	(765)
Carrying value at 30 June	130	2 016	2 146

5.6 INTANGIBLE ASSETS

An intangible asset is recognised where:

- it is probable that an expected future benefit attributable to the asset will flow to Ambulance Tasmania and
- the cost of the asset can be reliably measured.

Intangible assets held by Ambulance Tasmania, where no active market exists, are valued at cost less any accumulated amortisation and any accumulated impairment losses.

Intangible assets with a finite useful life held by Ambulance Tasmania principally comprise computer software.

(a) Carrying amount

	2020	2019
	\$'000	\$'000
Intangible assets with a finite useful life		
Other non-current assets at cost	270	270
Less: Accumulated amortisation	(211)	(195)
Total intangible assets	59	75

(b) Reconciliation of movements (including fair value levels)

	2020	2019
	\$'000	\$'000
Carrying amount at 1 July	75	92
Amortisation	(16)	(17)
Carrying amount at 30 June	59	75

5.7 OTHER ASSETS

Other assets are recorded at amortised cost and include prepayments.

(a) Carrying amount

	2020	2019
	\$'000	\$'000
Other current assets		
Prepayments	179	196
Total	179	196
Recovered within 12 months	179	196
Total	179	196

Prepayments primarily relate to lease payments for medical equipment.

(b) Reconciliation of movements

	2020 \$'000	2019 \$'000
Carrying amount at 1 July	196	179
Additions	179	196
Utilised	(196)	(179)
Carrying amount at 30 June	179	196

Note 6 LIABILITIES

Liabilities are recognised in the Statement of Financial Position when it is probable that an outflow of resources embodying economic benefits will result from the settlement of a present obligation and the amount at which the settlement will take place can be measured reliably.

6.1 PAYABLES

Payables, including goods received and services incurred but not yet invoiced, are recognised at amortised cost, which due to the short settlement period, equates to face value, when Ambulance Tasmania becomes obliged to make future payments as a result of a purchase of assets or services.

	2020 \$'000	2019 \$'000
Creditors	3 059	1 332
Accrued expenses	40	46
Total	3 099	1 378
Settled within 12 months	3 099	1 378
Total	3 099	1 378

Accrued expenses primarily relate to audit fees and fringe benefits tax.

Settlement of Creditors is usually made within 14 days.

6.2 LEASE LIABILITIES

On 1 July 2019, a lease liability was measured at the present value of the lease payments that are not paid at that date. The discount rate used to calculate the present value of the lease liability is the rate implicit in the lease. Where the implicit rate is not known and cannot be determined, the Tascorp indicative lending rate including the relevant administration margin is used.

Ambulance Tasmania has elected not to recognise right-of-use assets and lease liabilities arising from short term leases, rental arrangements for which Treasury has substantive substitution rights over the assets and leases for which the underlying asset is of low-value. Substantive substitution rights relate primarily to office accommodation. An asset is considered low-value when it is expected to cost less than \$10 000.

Ambulance Tasmania has entered into the following leasing arrangements:

Class of right-of-use asset	Details of leasing arrangements
Plant and equipment	These leases are paid monthly or quarterly. Lease payments include rent escalation for a fixed percentage, dollar increase per year or future index or rate.
Buildings	These leases are paid monthly or quarterly. Lease payments include rent escalation for a fixed percentage, dollar increase per year or future index or rate. Some leases include options to extend the lease term.

	2020 \$'000
Current	
Lease liabilities	760
Non-current	
Lease liabilities	1 410
Total	2 170

The following amounts are recognised in the Statement of Comprehensive Income:

	2020 \$'000
Interest on lease liabilities included in Note 4.5	49
Lease expenses included in Note 4.3:	
Short term leases	20
Variable lease payments	72
Net expenses from leasing activities	141

6.3 EMPLOYEE BENEFIT LIABILITIES

Liabilities for wages and salaries and annual leave are recognised when an employee becomes entitled to receive a benefit. Those liabilities expected to be realised within 12 months are measured as the amount expected to be paid. Other employee entitlements are measured as the present value of the benefit at 30 June, where the impact of discounting is material, and at the amount expected to be paid if discounting is not material.

Key estimate and judgement

A liability for long service leave is recognised, and is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date.

	2020 \$'000	2019 \$'000
Accrued salaries	4 217	2 750
Annual leave	8 974	7 371
Long service leave	11 600	9 959
Sabbatical leave	177	19
Development leave	109	47
Other employee benefits	445	370
Total	25 522	20 516
Expected to settle wholly within 12 months	12 696	9 822
Expected to settle wholly after 12 months	12 826	10 694
Total	25 522	20 516

Other employee benefits is comprised of Purchased Leave Scheme and State Service Accumulated Leave Scheme entitlements.

6.4 SUPERANNUATION

(i) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an expense when they fall due.

(ii) Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan.

Key estimate and judgement

With the exception noted below, Ambulance Tasmania does not recognise a liability for the accruing superannuation benefits of State Service employees. This liability is held centrally and is recognised within the Finance-General Division of the Department of Treasury and Finance.

Ambulance Tasmania's superannuation obligations, in respect of the contributory service of current and past Ambulance Tasmania employees under the Tasmanian Ambulance Service Superannuation Scheme, are recognised at the latest actuarial assessment of the member's entitlements, net of scheme assets. The valuation is determined by discounting to present value, the gross benefit payments at a current, market-determined, risk-adjusted discount rate appropriate to the plan.

Actuarial gains or losses arising from the actuarial revaluation of Ambulance Tasmania superannuation liabilities are recognised in the Statement of Comprehensive Income.

No adjustment has been made for the potential downturn in investment markets as a result of future COVID-19 outbreaks and measures taken by various government to contain the virus.

(a) Type of plan

Tasmanian Ambulance Service Superannuation Scheme

The Tasmanian Ambulance Service Superannuation Scheme is a defined benefit scheme where members receive lump sum benefits on resignation, retirement, death or invalidity.

The Tasmanian Ambulance Service Superannuation Scheme balances reported are provided in respect of those employees who are defined benefit members.

The Scheme is closed to new members.

The Scheme forms part of the Retirement Benefits Fund (RBF) and operates under the *Public Sector Superannuation Reform Act 2016*. The rules of the Scheme are set out in the Tasmanian Ambulance Service Superannuation Scheme Trust Deed.

The Superannuation Commission has fiduciary responsibility for, and oversees the administration of, the Scheme. The day to day running of the Scheme is managed by the Office of the Superannuation Commission within the Department of Treasury and Finance.

There are a number of risks to which the Scheme exposes Ambulance Tasmania. The more significant risks relating to the defined benefits are:

- Investment risk - The risk is that investment returns will be lower than assumed and employers will need to increase contributions to offset this shortfall over the long term.
- Salary growth risk - The risk is that wages or salaries (on which future benefit amounts will be based) will rise more rapidly than assumed, increasing defined benefit amounts and the associated employer contributions over the long term.
- Legislative risk – The risk is that legislative changes could be made which increase the cost of providing the defined benefits.

There were no Scheme amendments, curtailments or settlements during the year.

The unfunded liability is reflected in the difference between net assets available to pay benefits and the amount of accrued benefits as at 30 June 2020.

An independent actuarial assessment is undertaken into the Tasmanian Ambulance Service Superannuation Scheme as at 30 June each financial year.

The State Actuary undertook a revaluation of the present value of the defined benefit obligation and the fair value of the plan assets as at 30 June 2020 using the process outlined in AASB 119 *Employee Benefits*. As a result of the revaluation, it was determined that the Tasmanian Ambulance Service Superannuation Scheme was in deficit by \$6.1 million (2019: \$4.6 million deficit).

(b) Reconciliation of movements in fair value of scheme assets

	Tasmanian Ambulance Service Superannuation Scheme	
	2020	2019
	\$'000	\$'000
Fair value balance at 1 July	55 860	57 406
Included in profit or loss		
Employer contributions	1 325	1 325
Interest income	793	1 553
Taxes, premiums & expenses paid	(199)	(199)
	1 919	2 679
Included in other comprehensive income		
Return on plan assets excluding interest	456	343
	456	343
Other		
Contributions by plan participants	912	1 007
Benefits paid	(2 612)	(5 575)
	(1 700)	(4 568)
Fair value balance at 30 June	56 535	55 860

(c) Reconciliation of the Defined Benefit Obligation

	Tasmanian Ambulance Service Superannuation Scheme	
	2020	2019
	\$'000	\$'000
Present value of defined benefit obligations at beginning of the year¹	60 446	52 727
Current service cost	2 163	1 753
Interest expense	817	1 381
Contributions by scheme participants	912	1 007
Actuarial (gains)/losses arising from changes in financial assumptions	2 694	7 481
Actuarial (gains)/losses arising from liability experience	(1 540)	1 870
Benefits paid	(2 612)	(5 574)
Taxes, premiums & expenses paid	(199)	(199)
Present value of defined benefit obligations at the end of the year[^]	62 681	60 446

Note:

1. includes defined benefit contributions tax provision.

(d) Reconciliation of movements in present value of superannuation liability

	Tasmanian Ambulance Service Superannuation Scheme	
	2020 \$'000	2019 \$'000
Balance at 1 July	4 586	(4 679)
Included in profit or loss		
Current service cost	2 162	1 754
Interest income	....	(172)
Interest cost	25	....
	2 187	1 582
Included in other comprehensive income		
Re-measurement loss/(gain):		
Actuarial loss/(gain)	1 154	9 351
Return on plan assets excluding interest	(456)	(343)
Actuarial (gains)/losses	698	9 008
Other		
Employer contributions	(1 325)	(1 325)
	(1 325)	(1 325)
Balance at 30 June	6 146	4 586

(e) Scheme assets at fair value

*Tasmanian Ambulance Service Superannuation Scheme*Scheme assets as at 30 June 2020¹ comprise:

Asset Category	Level 1		Level 2		Level 3		Total	
	Quoted in active market		Observable inputs, not quoted		Unobservable inputs		Fair value at 30 June	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Cash and cash equivalents	....	839	....	1 619	....	....	....	2 458
Australian equities	....	9 384	11 533	....	....	....	11 533	9 384
International equities	1 979	8 658	....	2 570	5 314	....	7 293	11 228
Infrastructure	....	2 346	14 248	5 251	....	....	14 248	7 597
Diversified fixed interest	....	....	10 176	12 457	....	....	10 176	12 457
Property	....	....	4 240	8 770	....	....	4 240	8 770
Alternative investments	....	....	9 045	3 966	....	....	9 045	3 966
Total	1 979	21 227	49 242	34 633	5 314	....	56 535	55 860

Note:

- Estimated based on estimated scheme assets as at 30 June 2020 and asset allocation of the RBF Scheme as at 30 June 2019.

The fair value of Scheme assets includes no amounts relating to:

- any of Ambulance Tasmania's own financial instruments and
- any property occupied by, or other assets used by Ambulance Tasmania.

(f) Key actuarial assumptions

Tasmanian Ambulance Service Superannuation Scheme

Assumptions to Determine Defined Benefit Cost		
	2020	2019
	%	%
Discount rate	1.45	2.80
Expected salary increase rate	3.00	3.00

Assumptions to Determine Defined Benefit Obligation		
	2020	2019
	%	%
Discount rate	1.00	1.45
Expected salary increase rate	3.00	3.00

(g) Sensitivity analysis

Tasmanian Ambulance Service Superannuation Scheme

The defined benefit obligation as at 30 June 2020 under several scenarios is presented below.

Scenario A and B relate to discount rates sensitivity. Scenario C and D relate to expected pension increase rate sensitivity.

Scenario A: 0.5% pa lower discount rate assumption

Scenario B: 0.5% pa higher discount rate assumption

Scenario C: 0.5% pa lower than expected pension increase rate assumption

Scenario D: 0.5% pa higher than expected pension increase rate assumption

Defined benefit obligations	Base Case	Scenario A	Scenario B	Scenario C	Scenario D
		-0.5% pa discount rate	+0.5% pa discount rate	-0.5% pa pension increase rate	+0.5% pa pension increase rate
Discount rate (% pa)	1.00	0.50	1.50	1.00	1.00
Pension increase rate (% pa)	3.00	3.00	3.00	2.50	3.50
Defined Budget Obligation ¹ (A\$'000s)	62 681	65 904	59 700	60 254	65 262

Note:

1. Includes defined benefit contribution tax provision.

The defined benefit obligation has been recalculated by changing the assumptions as outlined above, whilst retaining all other assumptions.

(h) Funding arrangements

Contributions to the Tasmanian Ambulance Superannuation Scheme in respect of defined benefit schemes are made on an emerging cost basis.

Ambulance Tasmania expects to make a contribution of \$1.3 million (2019: \$1.4 million) to the defined benefit plan for the Tasmanian Ambulance Superannuation Scheme during the next financial year.

As at 30 June 2020, the weighted average duration of the defined benefit obligation for the Scheme was 8.6 years (2019: 9.3 years).

6.5 OTHER LIABILITIES

Other liabilities are recognised in the Statement of Financial Position when it is probable that an outflow of resources embodying economic benefits will result from the settlement of a present obligation and the amount at which the settlement will take place can be measured reliably.

Other liabilities include revenue received in advance and on-costs associated with employee benefit liabilities. Revenue received in advance is measured at amortised cost. On-costs associated with employee benefit liabilities expected to be realised within 12 months are measured at the amount expected to be paid. Other on-costs associated with employee benefit liabilities are measured at the present value of the cost at 30 June 2020, where the impact of discounting is material, and at the amount expected to be paid if discounting is not material.

	2020 \$'000	2019 \$'000
Other liabilities		
Employee benefit liabilities – on-costs	445	310
Inter-entity balance	369	434
Total	814	744
Settled within 12 months	541	553
Settled in more than 12 months	273	191
Total	814	744

The Inter-entity balance represents goods and services tax settlement entries arising between Ambulance Tasmania and the Department of Health.

Note 7 COMMITMENTS AND CONTINGENCIES

7.1 SCHEDULE OF COMMITMENTS

In 2018-19, Ambulance Tasmania had entered into a number of operating lease agreements for property, plant and equipment, where the lessors effectively retain all the risks and benefits incidental to ownership of the items leased. Equal instalments of lease payments were charged to the Statement of Comprehensive Income over the lease term, as this is representative of the pattern of benefits to be derived from the leased property.

From 2019-20, leases are recognised as right of use assets and lease liabilities in the Statement of Financial Position, excluding short term leases and leases for which the underlying asset is of low value, which are recognised as an expense in the Statement of Comprehensive Income.

	2020 \$'000	2019 \$'000
<i>By type</i>		
Capital commitments		
Property, plant and equipment	3 037	1 405
Total capital commitments	3 037	1 405
Lease Commitments		
Medical equipment	....	3 082
Motor vehicles	....	658
Rent on buildings	89	....
Total lease commitments	89	3 740
Other commitments		
Council of Ambulance Authorities	240	....
Critical Incident Stress Management Program	234	....
Department of Police, Fire and Emergency Management Communication Support	1 219	....
Emergency Services Computer-Aided Dispatch contract	546	1 092
Guardian Command Computer-Aided Dispatch contract	....	26
Helicopter Services	2 850	....
Helicopter Emergency Response Service for Non-Emergency Patient Transport Services Reimbursement	480	....
In-Vehicle Information System contract	....	254
Medical Priority Enterprise Maintenance Agreement	540	....
Miscellaneous goods and services contracts	393	824
Motor vehicles held by the Department of Treasury and Finance	1 165	....
Radio Maintenance Agreement with Tasmania Fire Service	....	686
Royal Flying Doctors Service air ambulance standing charge	4 695	18 520
Tasmanian Government Radio Network	3 257	1 086
Tasmanian Police rescue helicopter	7 161	10 800
Victorian Ambulance Clinical Information System Collaboration Agreement	....	291
Total other commitments	22 780	33 579
Total	25 906	38 724
<i>By maturity</i>		
Capital commitments		
One year or less	3 037	1 405
Total capital commitments	3 037	1 405
Lease commitments		
One year or less	69	1 165
From one to five years	20	2 575
Total lease commitments	89	3 740
Other commitments		
One year or less	14 348	8 336
From one to five years	8 302	25 243
More than five years	130	....
Total other commitments	22 780	33 579
Total	25 906	38 724

Capital commitments

Property, plant and equipment

Property, plant and equipment commitments relate to the purchase of ambulance vehicles and medical equipment.

Lease commitments

Medical equipment

Ambulance Tasmania is party to a Master Facility Agreement. No restrictions, provisions for price adjustments or purchase options are contained in the lease agreement. Terms of leases are set for specific periods. Medical equipment leases primarily relate to defibrillators. From 2019-20, medical equipment leases are recognised as right of use assets and lease liabilities in the Statement of Financial Position.

Rent on buildings

Ambulance Tasmania leases a range of properties/tenancies around the State for service delivery purposes.

Other commitments

Council of Ambulance Authorities (CAA)

The CAA is the peak body for the Australian, New Zealand and Papua New Guinea ambulance sector. The CAA represents the eleven statutory ambulance services across Australia, New Zealand and Papua New Guinea, which employ paramedics. The commitment is Ambulance Tasmania's financial contribution to the CAA.

Critical Incident Stress Management Program (CISM)

Ambulance Tasmania is committed to the CISM Program, which assists in managing the impact of critical incidents on emergency services personnel (including careers and volunteers).

Department of Police, Fire and Emergency Management (DPFEM) Communication Support

The Memorandum of Understanding details the services that DPFEM provides to support Ambulance Tasmania, particularly communications, systems and technology support (paging and consoles), Triple Zero and Emergency Services Computer Aided Dispatch Systems. This agreement assumes/replaces the Radio Maintenance commitment.

Emergency Services Computer Aided Dispatch (ESCAD)

ESCAD is the integrated dispatch system across Tasmania Police, Tasmania Fire Service, State Emergency Service and Ambulance Tasmania. ESCAD provides the capability to deliver the best possible response to emergencies and calls for assistance, with enhanced safety for the community and emergency services personnel. ESCAD replaces the Guardian Command Computer Aided Dispatch (CAD) system.

Helicopter Services

To support the Department's approach to the COVID-19 pandemic and move patients across the North West coast, following the reduction in services at the Mersey Community Hospital. The Government funded an additional Bell412 Helicopter.

Helicopter Emergency Response Service for Non-Emergency Patient Transport Services

Funding was provided through the Helicopter Emergency Response Service for Non-Emergency Patient Transport Services (HEMS) project to support the development of the Neonatal Emergency Transport Service within Tasmania. The reimbursement is to cover the costs of the NETS team as provided for in the HEMS funding.

Medical Priority Enterprise Maintenance Agreement (EMA)

The EMA ensures that Ambulance Tasmania's emergency dispatch and call taking software/systems are maintained to ensure that protocols are in accordance with scientifically validated, updated, and dynamic protocols.

Miscellaneous goods and services contracts

Ambulance Tasmania's Miscellaneous goods and services contracts primarily include:

- Victorian Ambulance Clinical Information System (VACIS) Collaboration Agreement.
- The IVIS contract, which related to the maintenance and support of the on-board computer system placed in operational ambulance vehicles. This system provides a mobile interface to the State Communications Centre for ambulance crews.

Motor vehicles held by the Department of Treasury and Finance

The Government Motor Vehicle Fleet is managed as part of a Whole-of-Government arrangement with the Department of Treasury and Finance. Rental payments vary according to the type of vehicle and, where applicable, the price received for trade-in vehicles. Rental terms for the majority of existing vehicles are for a period of three years or 60 000 km, whichever comes first, with no change to the rental rate.

Royal Flying Doctor Service (RFDS) air ambulance standing charge

The RFDS charge covers availability of the aircraft and a back-up aircraft, with pilots available 24 hours a day and other fixtures, including a hangar. It does not include variable costs such as flying hours and aviation charges.

Tasmanian Government Radio Network

The Tasmanian Government Radio Network is a collaborative project to transition eight core user organisations, currently using five disparate radio communications networks, onto one unified digital and interoperable radio network. The Memorandum of Understanding relates to support and maintenance for the network.

Tasmanian Police rescue helicopter

The Aero-Medical and Medical Retrieval Division of Ambulance Tasmania provides inter-facility transport and mobile critical care for patients requiring movement within and outside Tasmania. Ambulance Tasmania utilises a range of transport options for Aero-Medical and Medical Retrieval activity which includes road ambulances, the fixed-wing air ambulance, special operations vehicles and occasionally the Tasmanian Police Rescue Helicopter.

7.2 CONTINGENT ASSETS AND LIABILITIES

Contingent assets and liabilities are not recognised in the Statement of Financial Position due to uncertainty regarding any possible amount or timing of any possible underlying claim or obligation.

(a) Quantifiable contingencies

A quantifiable contingent asset is any possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

A quantifiable contingent liability is any possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or any present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation. To the extent that any quantifiable contingencies are insured, details provided below are recorded net.

	2020 \$'000	2019 \$'000
<i>Quantifiable contingent liabilities</i>		
Contingent claims		
Legal claims (including medical negligence and workers compensation)	723	5
Total quantifiable contingent liabilities	723	5

Legal Claims

At 30 June 2020, Ambulance Tasmania had a legal claim against it for professional negligence. This claim is reported at the estimated net cost to Ambulance Tasmania.

The amount disclosed for Legal claims in the comparative information was understated, as it did not include the balance of the 26 week period for workers compensation claims, where Ambulance Tasmania funds the employees salary and wages.

Ambulance Tasmania manages its legal claims through the Tasmanian Risk Management Fund. An excess is payable for every claim (\$40 000 for general liability and \$50 000 for medical liability), and amounts over the excess are met by the Tasmanian Risk Management Fund.

Note 8 RESERVES

8.1 RESERVES

2020	Land	Buildings	Heritage and cultural assets	Total
	\$'000	\$'000	\$'000	\$'000
Asset revaluation reserve				
Balance at beginning of financial year	7 284	2 829	13	10 126
Revaluation increments/(decrements)	1 221	481	....	1 702
Balance at end of financial year	8 505	3 310	13	11 828
<hr/>				
2019	Land	Buildings	Heritage and cultural assets	Total
	\$'000	\$'000	\$'000	\$'000
Asset revaluation reserve				
Balance at beginning of financial year	6 449	2 564	13	9 026
Transfers to/(from) accumulated funds	....	14	....	14
Revaluation increments/(decrements)	835	251	....	1 086
Balance at end of financial year	7 284	2 829	13	10 126

(a) Nature and purpose of reserves

Asset revaluation reserve

The asset revaluation reserve is used to record increments and decrements on the revaluation of non-financial assets, as described in Note 5.4.

Transfers to/from accumulated funds are in relation to the disposal of assets which had a corresponding asset revaluation adjustment in the Statement of Changes in Equity.

Note 9 CASH FLOW RECONCILIATION

Cash means notes, coins, any deposits held at call with a bank or financial institution, as well as funds held in Specific Purpose Accounts, being short term of three months or less and highly liquid. Deposits are recognised at amortised cost, being their face value.

9.1 CASH AND CASH EQUIVALENTS

Cash and cash equivalents includes the balance of the Specific Purpose Accounts held by Ambulance Tasmania, and other cash held, excluding those accounts which are administered or held in a trustee capacity or agency arrangement.

	2020 \$'000	2019 \$'000
Specific Purpose Account balances		
<i>DoH Operating Account</i>	1 659	507
Total	1 659	507
Other cash held		
<i>Other cash and equivalents not included above</i>	2	2
Total	2	2
Total Cash and cash equivalents	1 661	509

Other cash equivalents primarily represents petty cash and cash floats.

9.2 RECONCILIATION OF NET RESULT TO NET CASH FROM OPERATING ACTIVITIES

	2020 \$'000	2019 \$'000
Net result from continuing operations	(2 177)	(2 962)
Non-actuarial gains/(losses) on superannuation defined benefit plans	862	257
Depreciation and amortisation	3 114	2 256
Capital grants income	(131)	(1 469)
WIP expensed	10	....
Transfer of assets due to Internal reallocation of cost centres	....	(339)
Net gain/(loss) on non-financial assets	(160)	(117)
Net gain/(loss) on financial instruments and statutory receivables/payables	345	687
Decrease (increase) in Receivables	(810)	(252)
Decrease (increase) in Other assets	(60)	740
Decrease (increase) in Inventories	(415)	242
Increase (decrease) in Employee benefit liabilities	5 006	2 434
Increase (decrease) in Payables	1 721	426
Increase (decrease) in Other liabilities	70	132
Net cash from/(used by) operating activities	7 375	2 035

9.3 FINANCING FACILITIES

Ambulance Tasmania does not have any financing facilities.

9.4 RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

Liabilities arising from financing activities are liabilities for which cash flows were, or future cash flows will be, classified in the Statement of Cash Flows as cash flows from financing activities.

2020	Lease Liabilities \$'000
Balance as at 1 July 2019	2 911
Changes from financing cash flows:	
Cash Repayments	(741)
Balance as at 30 June 2020	2 170

Note 10 TRANSACTIONS AND BALANCES RELATING TO A TRUSTEE OR AGENCY ARRANGEMENT**10.1 ACTIVITIES UNDERTAKEN UNDER A TRUSTEE OR AGENCY ARRANGEMENT**

Transactions relating to activities undertaken by Ambulance Tasmania in a trust or fiduciary (agency) capacity do not form part of Ambulance Tasmania's activities. Trustee and agency arrangements, and transactions/balances relating to those activities, are neither controlled nor administered.

Fees, commissions earned and expenses incurred in the course of rendering services as a trustee or through an agency arrangement are recognised as controlled transactions.

Account / Activity	Opening balance	Net transactions during 2019-20	Closing balance
	\$'000	\$'000	\$'000
T470 Patient Trust and Bequest Account	78	7	85

Note 11 EVENTS OCCURRING AFTER BALANCE DATE

The COVID-19 Pandemic has developed rapidly in 2020, with a significant number of cases across the world. Tasmania has no active cases as at the signing date of these statements, however measures taken by various governments to contain the virus have affected economic activity.

Internally, Ambulance Tasmania has taken measures to monitor and mitigate the effects of COVID-19, such as safety and health measures for our people (including infection control procedures, provision of personal protective equipment, social distancing and working from home).

At this stage, the additional costs incurred by Ambulance Tasmania has been offset by additional funding from the Australian and State governments. The impact on the financial position of both the Australian and State Governments, due to the costs of containing COVID-19, treating those infected with the virus and providing economic stimulus payments, has been extensive.

Ambulance Tasmania is unable to predict the likely increases in expenditure as a result of the COVID-19 virus or long-term impact on the funding of Ambulance Tasmania.

Note 12 OTHER SIGNIFICANT ACCOUNTING POLICIES**12.1 OBJECTIVES AND FUNDING**

Ambulance Tasmania provides emergency ambulance, transport and care services, and a non-emergency patient transport service. The provision of ambulance services in rural communities relies on the strength and commitment of volunteer ambulance officers working in volunteer units, branch stations and independent services.

Ambulance Tasmania is predominantly funded through appropriation funding through the Department of Health. In addition, Ambulance Tasmania provides services to fee paying patients, or patients who will receive compensation for these expenses due to the circumstances surrounding their injury.

Ambulance Tasmania's activities are classified as either controlled or administered.

Controlled activities involve the use of assets, liabilities, revenues and expenses controlled or incurred by Ambulance Tasmania in its own right. Administered activities involve the management or oversight by Ambulance Tasmania, on behalf of the Government, of items controlled or incurred by the Government. In the current financial year, there are no administered items.

12.2 BASIS OF ACCOUNTING

The Commissioner of Ambulance Tasmania has determined that, as there are no users dependent on General Purpose Financial Statements, this Special Purpose Financial Report has been prepared in order to meet the financial reporting obligations of Ambulance Tasmania and the *Audit Act 2008*.

The Special Purpose Financial Report has been prepared in accordance with:

- The recognition and measurement requirements specified by Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the disclosure requirements of AASB 101 *Presentation of Financial Statements*, AASB 107 *Statement of Cash Flows*, AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*, AASB 1048 *Interpretation of Standards*, AASB 1054 *Australian Additional Disclosures*, AASB 13 *Fair Value Measurement*, AASB 15 *Revenue from Contracts with Customers*, AASB 16 *Leases*, AASB 102 *Inventories*, AASB 116 *Property Plant and Equipment*, and AASB 138 *Intangible Assets*.
- The Treasurer's Instructions issued under the provisions of the *Financial Management Act 2016*.

Compliance with the Australian Accounting Standards (AAS) may not result in compliance with International Financial Reporting Standards (IFRS), as the AAS include requirements and options available to not-for-profit organisations that are inconsistent with IFRS. Ambulance Tasmania is considered to be not-for-profit and has adopted some accounting policies under the AAS that do not comply with IFRS.

This Special Purpose Financial Report has reduced disclosure in terms of Financial Instruments.

The Special Purpose Financial Report has been prepared on an accrual basis and, except where stated, are in accordance with the historical cost convention. The accounting policies are generally consistent with the previous year.

The Special Purpose Financial Report has been prepared as a going concern. The continued existence of Ambulance Tasmania in its present form, undertaking its current activities, is dependent on Government policy and on continuing appropriations through the Department of Health for Ambulance Tasmania's administration and activities.

Ambulance Tasmania has made no assumptions concerning the future that may cause a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

12.3 REPORTING ENTITY

The Special Purpose Financial Report includes all the controlled activities of Ambulance Tasmania. The Special Purpose Financial Report consolidates material transactions and balances of Ambulance Tasmania.

12.4 FUNCTIONAL AND PRESENTATION CURRENCY

This Special Purpose Financial Report is presented in Australian dollars, which is Ambulance Tasmania's functional currency.

12.5 CHANGES IN ACCOUNTING POLICIES

- (a) Impact of new and revised Accounting Standards

In the current year, Ambulance Tasmania has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board that are relevant to its operations and effective for the current annual reporting period. These include:

- AASB 15 *Revenue from Contracts with Customers* – This Standard establishes principles that require an entity to apply to report useful information to users of financial statements about the nature, amount, timing, and uncertainty of revenue and cash flows arising from a contract with a customer.

AASB 15 supersedes AASB 111 *Construction Contracts*, AASB 118 *Revenue* and related Interpretations and it applies, with limited exceptions, to all revenue arising from contracts with customers. AASB 15 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The Standard requires Ambulance Tasmania to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The Standard also specifies the accounting for the incremental costs of obtaining a contract

and the costs directly related to fulfilling a contract. In addition, the Standard requires relevant disclosures.

Ambulance Tasmania has adopted AASB 15 retrospectively with the cumulative effect of applying the Standard recognised from 1 July 2019 by adopting the transitional practical expedient permitted by the Standard.

The aggregate effect of all of the modifications that occur before 1 July 2019 has been assessed as nil, as there has been no change to the timing of recognition of revenue as a result of adopting the new standard.

Similarly, the adoption of AASB 15 has had no impact on Ambulance Tasmania's Net result for the year ending 30 June 2020 or Statement of Financial Position as at 30 June 2020.

- AASB 16 *Leases* – This Standard introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities. The standard results in most of Ambulance Tasmania's operating leases being brought onto the Statement of Financial Position and additional note disclosures. The calculation of the lease liability takes into account appropriate discount rates, assumptions about the lease term, and required lease payments. A corresponding right to use asset is recognised, which is amortised over the term of the lease. Operating lease costs are no longer shown. In the Statement of Comprehensive Income, impact of leases is through amortisation and interest charges. In the Statement of Cash Flows, lease payments is shown as cash flows from financing activities instead of operating activities. Ambulance Tasmania has adopted AASB 16 retrospectively with the cumulative effect of applying the standard recognised from 1 July 2019 by adopting the transitional practical expedient permitted by the Standard.

Ambulance Tasmania elected to use the practical expedient to expense lease payments for lease contracts that, at their commencement date, have a lease term of 12 months or less and do not contain a purchase option (short-term leases), and lease contracts for which the underlying asset is valued at \$10 000 or under when new (low value assets).

In applying AASB 16 for the first time, Ambulance Tasmania has used the following practical expedients permitted by the standard:

- not reassess whether a contract is, or contains, a lease at 1 July 2019, for those contracts previously assessed under AASB 117 and Interpretation 4
- applying a single discount rate to a portfolio of leases with reasonably similar characteristics
- relying on its previous assessment on whether leases are onerous immediately before the date of initial application as an alternative to performing an impairment review
- not recognise a lease liability and right-of-use-asset for short-term leases that end within 12 months of the date of initial application
- excluding the initial direct costs from the measurement of the right-of-use asset at the date of initial application and
- using hindsight in determining the lease term where the contract contained options to extend or terminate the lease.

The effect of adopting AASB 16 on the Statement of Financial Position as at 1 July 2019 is as follows:

	\$'000
Assets	
Right-of-use assets	2 911
Liabilities	
Lease liabilities	2 911
Equity	
Accumulated funds	....

Reconciliation of operating lease commitments as at 30 June 2019 to lease liabilities on 1 July 2019:

	\$'000
Operating lease commitments as at 30 June 2019 (ex GST)	3 740
Weighted average incremental borrowing rate as at 1 July 2019	2.0%
<i>Reconciliation:</i>	
Discounted operating lease commitments as at 1 July 2019	3 644
Add:	
Contracts re-assessed as lease contracts	(659)
Adjustments relating to changes in the index or rate affecting variable payments	(74)
Lease liabilities as at 1 July 2019	2 911

- AASB 1058 *Income of Not-for-Profit Entities* – This Standard establishes principles for not-for-profit entities that applies to transactions where the consideration to acquire an asset is significantly less than fair value, principally to enable a not-for-profit entity to further its objectives, and the receipt of volunteer services.

The timing of income recognition under AASB 1058 depends on whether a transaction gives rise to a liability or other performance obligation, or a contribution by owners, related to an asset (such as cash or another asset) received. If the transaction is a transfer of a financial asset to enable Ambulance Tasmania to acquire or construct a recognisable non-financial asset to be controlled by Ambulance Tasmania (i.e. an in-substance acquisition of a non-financial asset), Ambulance Tasmania recognises a liability for the excess of the fair value of the transfer over any related amounts recognised. Ambulance Tasmania will recognise income as it satisfies its obligations under the transfer, similarly to income recognition in relation to performance obligations under AASB 15 as discussed above.

Revenue recognition for Ambulance Tasmania's appropriations, taxes, royalties and most grants and contributions will not change under AASB 1058, as compared to AASB 1004. Revenue will continue to be recognised when Ambulance Tasmania gains control of the asset (e.g. cash or receivable) in most instances.

Under AASB 1058, Ambulance Tasmania will continue to recognise volunteer services only when the services would have been purchased if they had not been donated, and the fair value of the services can be measured reliability.

Ambulance Tasmania has adopted AASB 1058 retrospectively with the cumulative effect of applying the Standard recognised from 1 July 2019 by adopting the transitional practical expedient permitted by the Standard. Ambulance Tasmania has also adopted the transitional practical expedient as permitted by the Standard, whereby existing assets acquired for consideration significantly less than fair value principally to enable the entity to further its objectives, remain recorded at cost and are not restated to their fair value.

The effect of adopting AASB 1058 on the Statement of Comprehensive Income is as follows:

2020	Notes	With adoption of AASB 1058 \$'000	Adjustment \$'000	Without adoption of AASB 1058 \$'000
Revenue				
Contributions received	(a)	10 735	(10 735)	...
Expenses				
Other expenses	(a)	13 655	(10 735)	2 920

Explanation for AASB 1058 adjustments

(a) Ambulance Tasmania has recorded the estimated value of services provided by volunteers as Contributions received. As this is a non-monetary contribution, the Contributions received is offset by Other expenses, resulting in no net impact on the Statement of Comprehensive Income or the Statement of Financial Position.

(b) Impact of new and revised Accounting Standards yet to be applied

The following applicable Standards have been issued by the AASB and are yet to be applied:

- *AASB 1059 Service Concession Arrangements: Grantors* – The objective of this Standard is to prescribe the accounting for a service concession arrangement by a grantor that is a public sector entity. This Standard applies on or after 1 January 2020. The impact of this Standard is enhanced disclosure in relation to service concession arrangements for grantors that are public sector entities. It has been assessed that there is no financial impact for Ambulance Tasmania as these types of arrangements are not provided.

12.6 FOREIGN CURRENCY

Transactions denominated in a foreign currency are converted at the exchange rate at the date of the transaction. Foreign currency receivables and payables are translated at the exchange rates current as at balance date.

12.7 COMPARATIVE FIGURES

Comparative figures have been adjusted to reflect any changes in accounting policy or the adoption of new standards. Details of the impact of changes in accounting policy on comparative figures are at note 12.5.

Where amounts have been reclassified within the Special Purpose Financial Report, the comparative statements have been restated.

The comparatives for external administrative restructures are not reflected in the Financial Statements.

12.8 ROUNDING

All amounts in the Special Purpose Financial Report have been rounded to the nearest thousand dollars, unless otherwise stated. As a consequence, rounded figures may not add to totals. Amounts less than \$500 are rounded to zero and are indicated by the symbol "...".

12.9 TAXATION

Ambulance Tasmania is exempt from all forms of taxation except Fringe Benefits Tax and Goods and Services Tax.

12.10 GOODS AND SERVICES TAX

Revenue, expenses and assets are recognised net of the amount of GST, except where the GST incurred is not recoverable from the Australian Taxation Office. Receivables and payables are stated inclusive of GST. The net amount recoverable, or payable, to the Australian Taxation Office is recognised as an asset or liability within the Statement of Financial Position.

In the Statement of Cash Flows, the GST component of cash flows arising from operating, investing or financing activities which is recoverable from, or payable to, the Australian Taxation Office is, in accordance with the Australian Accounting Standards, classified as operating cash flows.



Independent Auditor's Report

To the Members of Parliament

Report on the Audit of the Special Purpose Financial Report

Opinion

I have audited the accompanying financial report, being a special purpose financial report of the Commissioner of Ambulance Tasmania (Ambulance Tasmania), which comprises the statement of financial position as at 30 June 2020, the statements of comprehensive income, changes in equity and cash flows for the year then ended, notes to the financial statements including a summary of significant accounting policies and other explanatory information and the statement of certification by management.

In my opinion, the financial report presents fairly, in all material respects, the financial position of Ambulance Tasmania as at 30 June 2020, and its financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Section 17 of the *Audit Act 2008*.

Basis for Opinion

I conducted the audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report. I am independent of Ambulance Tasmania in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (Including the Independence standards)* (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code.

The *Audit Act 2008* further promotes the independence of the Auditor-General. The Auditor-General is the auditor of all Tasmanian public sector entities and can only be removed by Parliament. The Auditor-General may conduct an audit in any way considered appropriate and is not subject to direction by any person about the way in which audit powers are to be exercised. The Auditor-General has for the purposes of conducting an audit, access to all documents and property and can report to Parliament matters which in the Auditor-General's opinion are significant.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

...1 of 3

To provide independent assurance to the Parliament and Community on the performance and accountability of the Tasmanian Public sector.
Professionalism | Respect | Camaraderie | Continuous Improvement | Customer Focus

Strive | Lead | Excel | To Make a Difference

Emphasis of Matter - Basis of Accounting

I draw attention to Note 12.2 to the financial report, which describes the basis of accounting. The financial report has been prepared to assist Ambulance Tasmania to meet the financial reporting requirements of the *Audit Act 2008*. As a result, the financial report may not be suitable for another purpose. My opinion is not modified in respect of this matter.

Responsibilities of the Commissioner for the Financial Report

The Commissioner is responsible for the preparation and fair presentation of the financial report in accordance with the financial reporting requirements of the *Audit Act 2008* and for such internal control as determined is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Commissioner is responsible for assessing Ambulance Tasmania's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless Ambulance Tasmania is to be dissolved by an Act of Parliament, or the Commissioner intends to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

My objectives 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 Ambulance Tasmania's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Commissioner.
- Conclude on the appropriateness of the Commissioner'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 Ambulance

...2 of 3

To provide independent assurance to the Parliament and Community on the performance and accountability of the Tasmanian Public sector.
Professionalism | Respect | Camaraderie | Continuous Improvement | Customer Focus

Strive | Lead | Excel | To Make a Difference

Tasmania'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 conclusion is based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause Ambulance Tasmania 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 Commissioner 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.



Leigh Franklin
Assistant Auditor-General, Financial Audit Services
Delegate of the Auditor-General

Tasmanian Audit Office

14 September 2020
Hobart

...3 of 3

To provide independent assurance to the Parliament and Community on the performance and accountability of the Tasmanian Public sector.
Professionalism | Respect | Camaraderie | Continuous Improvement | Customer Focus

Strive | Lead | Excel | To Make a Difference

Tasmanian Health Services Financial Statements

For the year ended 30 June 2020

Table of Contents

Statement of Certification	236
Statement of Comprehensive Income for the year ended 30 June 2020	237
Statement of Financial Position as at 30 June 2020	238
Statement of Cash Flows for the year ended 30 June 2020	239
Statement of Changes in Equity for the year ended 30 June 2020	240
Notes to and forming part of the Financial Statements for the year ended 30 June 2020	241

Statement of Certification

The accompanying Financial Statements of the Tasmanian Health Service (THS) are in agreement with the relevant accounts and records and have been prepared in compliance with the Treasurer's Instructions issued under the provisions of the *Financial Management Act 2016* to present fairly the financial transactions for the year ended 30 June 2020 and the financial position as at the end of the year.

At the date of signing, we are not aware of any circumstances which would render the particulars included in the Financial Statements misleading or inaccurate.



Kathrine Morgan-Wicks

Secretary

Department of Health

Dated 10 September 2020



Craig Jeffery

Chief Financial Officer

Department of Health

Dated 10 September 2020

Statement of Comprehensive Income for the year ended 30 June 2020

	Notes	2020 Actual \$'000	2019 Actual \$'000
Income from continuing operations			
Grants	4.1	2 025 149	1 425 839
Sales of goods and services	4.2	175 159	181 788
Interest	4.3	99	196
Contributions received	4.4	2 147	180
Other revenue	4.5	43 421	40 302
Total revenue from continuing operations		2 245 975	1 648 305
Net gain/(loss) on non-financial assets	5.1	(209)	(229)
Net gain/(loss) on financial instruments and statutory receivables/payables	5.2	(851)	(343)
Total income from continuing operations		2 244 915	1 647 733
Expenses from continuing operations			
Employee benefits	6.1	1 262 616	1 165 662
Depreciation and amortisation	6.2	53 604	46 169
Supplies and consumables	6.3	458 006	455 970
Grants and subsidies	6.4	11 202	7 169
Finance costs	6.5	498	....
Other expenses	6.6	32 497	28 777
Total expenses from continuing operations		1 818 423	1 703 747
Net result from continuing operations		426 492	(56 014)
<i>Other comprehensive income</i>			
Items that will not be reclassified to net result in subsequent periods			
Changes in property, plant and equipment revaluation surplus	10.1	18 490	35 072
Total other comprehensive income		18 490	35 072
Comprehensive result		444 982	(20 942)

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

Statement of Financial Position as at 30 June 2020

	Notes	2020 Actual \$'000	2019 Actual (Restated!) \$'000
Assets			
<i>Financial Assets</i>			
Cash and cash equivalents	11.1	40 711	49 466
Receivables	7.1	28 551	30 078
Contract assets	7.2	11 155	....
Other financial assets	7.3	16 529	16 978
<i>Non-financial assets</i>			
Inventories	7.4	16 042	9 732
Assets held for sale	7.5	....	79
Property, plant and equipment	7.6	1 495 113	1 077 761
Right-of-use assets	7.7	20 730	....
Intangible assets	7.8	2 592	3 287
Other assets	7.9	4 125	5 395
Total assets		1 635 548	1 192 776
Liabilities			
Payables	8.1	83 271	102 942
Lease liabilities	8.2	20 992	....
Contract liabilities	7.2	....	....
Employee benefit liabilities	8.3	284 409	286 967
Other liabilities	8.5	18 488	18 689
Total liabilities		407 160	408 598
Net assets		1 228 388	784 178
Equity			
Contributed capital		581 894	581 894
Reserves	10.1	304 321	282 734
Accumulated funds		342 173	(80 450)
Total equity		1 228 388	784 178

Note:

- The comparative figures have been restated to reflect the correction of a prior year error. Refer Note 15.11 for details.

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

Statement of Cash Flows for the year ended 30 June 2020

	Notes	2020 Actual \$'000	2019 Actual \$'000
Cash flows from operating activities			
<i>Cash inflows</i>			
Grants - continuing operations		1 583 127	1 410 879
Sales of goods and services		172 427	176 252
GST receipts		48 672	39 039
Interest received		99	196
Other cash receipts		43 421	38 662
Total cash inflows		1 847 746	1 665 028
<i>Cash outflows</i>			
Employee benefits		(1 264 273)	(1 141 383)
Finance costs		(498)	....
GST payments		(46 117)	(42 212)
Grants paid		(11 202)	(7 169)
Supplies and consumables		(484 155)	(431 199)
Other cash payments		(29 084)	(27 695)
Total cash outflows		(1 835 329)	(1 649 658)
Net cash from / (used by) operating activities	11.2	12 417	15 370
Cash flows from investing activities			
<i>Cash inflows</i>			
Proceeds from the disposal of non-financial assets		130	1
Total cash inflows		130	1
<i>Cash outflows</i>			
Payments for acquisition of non-financial assets		(15 314)	(6 694)
Total cash outflows		(15 314)	(6 694)
Net cash from / (used by) investing activities		(15 184)	(6 693)
Cash flows from financing activities			
<i>Cash outflows</i>			
Repayment of leases liabilities (excluding interest)		(5 988)	....
Total cash outflows		(5 988)	....
Net cash from / (used by) financing activities		(5 988)	....
Net increase / (decrease) in cash and cash equivalents held		(8 755)	8 677
Cash and cash equivalents at the beginning of the reporting period		49 466	40 789
Cash and cash equivalents at the end of the reporting period	11.1	40 711	49 466

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

Statement of Changes in Equity for the year ended 30 June 2020

	Notes	Contributed Equity \$'000	Reserves \$'000	Accumulated Funds \$'000	Total Equity \$'000
Balance as at 1 July 2019		581 894	282 734	(80 450)	784 178
Adjustment on asset transfer	10.1	....	1 637	(1 637)	....
Restated balance as at 1 July 2019		581 894	284 371	(82 087)	784 178
Net Result		....	....	426 492	426 492
Other comprehensive income		....	18 490	....	18 490
Total comprehensive result		....	18 490	426 492	444 982
Transfers to asset revaluation reserve from accumulated funds	10.1	....	1 460	(1 460)	....
Transactions with owners in their capacity as owners:					
Administrative restructure - Distributions to owners	10.2	....	....	(772)	(772)
Balance as at 30 June 2020		581 894	304 321	342 173	1 228 388

	Notes	Contributed Equity \$'000	Reserves \$'000	Accumulated Funds \$'000	Total Equity \$'000
Balance as at 1 July 2018		581 894	315 580	(92 382)	805 092
Adjustment due to change in accounting policy		....	....	28	28
Correction of error	15.11	....	(62 916)	62 916	....
Adjustment on opening balance roll-over	10.1	....	(5 002)	5 002	....
Restated balance as at 1 July 2018		581 894	247 662	(24 436)	805 120
Net Result		....	....	(56 014)	(56 014)
Other comprehensive income		....	35 072	....	35 072
Total comprehensive result		....	35 072	(56 014)	(20 942)
Balance as at 30 June 2019		581 894	282 734	(80 450)	784 178

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

Notes to and forming part of the Financial Statements for the year ended 30 June 2020

Note 1	Tasmanian Health Service Output Schedules	243
1.1	Establishment of the Tasmanian Health Service	243
1.2	Output group information	243
Note 2	Expenditure under Australian Government Funding Arrangements	243
Note 3	Underlying Net Result	244
Note 4	Revenue	244
4.1	Grants	245
4.2	Sales of goods and services	246
4.3	Interest	247
4.4	Contributions received	247
4.5	Other revenue	247
Note 5	Net Gains/(Losses)	248
5.1	Net gain/(loss) on non financial assets	248
5.2	Net gain/(loss) on financial instruments and statutory receivables/payables	248
Note 6	Expenses	249
6.1	Employee benefits	249
6.2	Depreciation and amortisation	251
6.3	Supplies and consumables	252
6.4	Grants and subsidies	253
6.5	Finance costs	253
6.6	Other expenses	253
Note 7	Assets	253
7.1	Receivables	253
7.2	Contract assets and liabilities	254
7.3	Other financial assets	255
7.4	Inventories	255
7.5	Assets held for sale	255
7.6	Property, plant and equipment	256
7.7	Right-of-use assets	262
7.8	Intangible assets	263
7.9	Other assets	263
Note 8	Liabilities	264
8.1	Payables	264
8.2	Lease liabilities	264

8.3	Employee benefit liabilities	265
8.4	Superannuation	266
8.5	Other liabilities	266
Note 9	Commitments and Contingencies	266
9.1	Schedule of commitments	266
9.2	Contingent assets and liabilities	268
Note 10	Reserves	269
10.1	Reserves	269
10.2	Administrative restructuring	269
Note 11	Cash Flow Reconciliation	270
11.1	Cash and cash equivalents	270
11.2	Reconciliation of Net Result to Net Cash from Operating Activities	270
11.3	Financing facilities	270
11.4	Reconciliation of liabilities arising from financing activities	271
Note 12	Financial Instruments	271
12.1	Risk exposures	271
12.2	Categories of financial assets and liabilities	274
12.3	Derecognition of financial assets	274
12.4	Comparison between carrying amount and net fair value of financial assets and liabilities	274
12.5	Net fair value of financial assets and liabilities	275
Note 13	Transactions and Balances Relating to a Trustee or Agency Arrangement	276
13.1	Activities undertaken under a trustee or agency arrangement	276
Note 14	Events Occurring After Balance Date	276
Note 15	Other Significant Accounting Policies	276
15.1	Objectives and funding	276
15.2	Basis of accounting	277
15.3	Reporting entity	277
15.4	Functional and presentation currency	277
15.5	Changes in accounting policies	278
15.6	Foreign currency	281
15.7	Comparative figures	281
15.8	Rounding	281
15.9	Taxation	281
15.10	Goods and services tax	281
15.11	Correction of error	281

Note 1 TASMANIAN HEALTH SERVICE OUTPUT SCHEDULES

1.1 ESTABLISHMENT OF THE TASMANIAN HEALTH SERVICE

The THS is a Statutory Authority that commenced operations on 1 July 2015 as a key component of the Tasmanian Government's *One State, One Health System, Better Outcomes* reform program. Prior to this, health services in Tasmania were provided through three regionally based Tasmanian Health Organisations (THOs), being THO-North, THO-North West and THO-South. The THOs were established under the *Tasmanian Health Organisation Act 2011*, as a result of the National Health Reform Agreement, and commenced on 1 July 2012. Upon commencement, the THS replaced the THOs and appointed a single Governing Council and Chief Executive Officer to oversee the provision of health services in Tasmania state-wide.

Effective from 1 July 2018, the *Tasmanian Health Service Act 2018* repealed the *Tasmanian Health Organisation Act*, under which the THS was established. Under the *Tasmanian Health Service Act 2018*, the THS continues as a separate legal entity governed by an Executive reporting directly to the Secretary of the Department of Health.

From 1 July 2018, the THS became an Output Group of the Department of Health. As a result, Budget figures are not included in the 2019-20 Financial Statements for the THS.

1.2 OUTPUT GROUP INFORMATION

Comparative information has not been restated for administrative restructures.

	2020 Actual \$'000	2019 Actual \$'000
Expense by output		
2.1 Admitted Services	1 001 138	941 629
2.2 Non-admitted services	244 791	224 919
2.3 Emergency Department services	181 185	163 603
2.4 Community and Aged Care services	245 537	234 414
2.5 Statewide and Mental Health services	144 224	137 717
2.6 Forensic Medicine service	1 548	1 465
Total	1 818 423	1 703 747

Note 2 EXPENDITURE UNDER AUSTRALIAN GOVERNMENT FUNDING ARRANGEMENTS

	State Funding		Australian Government Funding	
	2020 Actual \$'000	2019 Actual \$'000	2020 Actual \$'000	2019 Actual \$'000
Specific Purpose Payments				
Activity Based Funding	460 850	419 588	362 922	345 244
Block Funding	671 838	579 056	72 667	70 851
National Partnership Program				
Health Services	....	....	7 989	7 176
Commonwealth Own Purpose Expenditure				
Other	20 042	19 436	42 490	35 630
Total	1 152 731	1 018 080	486 068	458 901

Specific Purpose Payments are payments from the Australian Government to the Tasmanian Government arising from national agreements that set out the Australian Government's agreed objectives and outcomes, outputs, roles and responsibilities and performance indicators for each sector. Specific Purpose Payments are distributed to the states on the basis of their population shares.

National Partnership Payments are similar to Specific Purpose Payments but are provided for the purpose of the delivery of specified projects, facilitate reforms or reward jurisdictions that deliver nationally significant reforms.

Commonwealth Own Purpose Expenditure (COPEs) is funding paid directly from the Australian Government to the states and territories for the provision of services identified by the Australian Government.

COPEs funding includes a State contribution to supplement COPEs funded projects where Australian Government funding is exceeded, primarily in relation to the Home and Community Care program.

Note 3 UNDERLYING NET RESULT

Non-operational capital funding is the income from continuing operations relating to funding for capital projects. This funding is classified as revenue from continuing operations and included in the net result from continuing operations. However, the corresponding capital expenditure is not included in the calculation of the net result from continuing operations. Accordingly, the net result from continuing operations will portray a position that is better than the true underlying financial result.

For this reason, the net result from continuing operations is adjusted to remove the effects of funding for capital projects.

	Notes	2020 Actual \$'000	2019 Actual \$'000
Net result from continuing operations		426 492	(56 014)
<i>Less impact of:</i>			
<i>Non-operational capital funding</i>			
Grants received – assets transferred	4.1	430 867	14 960
Contributions received – fair value of assets assumed	4.4	296	....
Total		431 163	14 960
Underlying Net result from continuing operations		(4 671)	(70 974)

Grants received – assets transferred, which is deducted from the net result, consists of capital grants for assets transferred to the THS from the Department of Health for no consideration.

The COVID-19 pandemic has significantly impacted the 2019-20 operations of the THS and this impact is still continuing into the 2020-21 financial year. Additional information is included in note 14 Events Occurring After Balance Date.

Note 4 REVENUE

Income is recognised in the Statement of Comprehensive Income when an increase in future economic benefits related to an increase in an asset or a decrease of a liability has arisen that can be measured reliably.

Until 30 June 2019, income is recognised in accordance with AASB 111 *Construction Contracts*, AASB 118 *Revenue* and AASB 1004 *Contributions*.

From 1 July 2019, income is recognised in accordance with the requirements of AASB 15 *Revenue from Contracts with Customers* or AASB 1058 *Income of Not-for-Profit Entities*, dependent on whether there is a contract with a customer defined by AASB 15.

4.1 GRANTS

In 2018-19, Grants payable by the Australian Government were recognised as revenue when the THS gained control of the underlying assets. Where grants are reciprocal, revenue was recognised as performance occurred under the grant. Non-reciprocal grants were recognised as revenue when the grant is received or receivable. Conditional grants were reciprocal or non-reciprocal depending on the terms of the grant.

From 2019-20, Grants revenue, where there is a sufficiently specific performance obligation attached, are recognised when the THS satisfies the performance obligation and transfers the promised goods or services. The THS typically satisfies its performance obligations when services have been provided in line with the agreed terms as set out in funding contracts. The THS recognises revenue associated with performance obligations upon receipt of the revenues which is typically using the input method on a straight line basis.

Note 7.2 outlines the transaction price that is allocated to the performance obligations that have not yet been satisfied at the end of the year and when it is expected to be recognised as revenue. The THS has assessed all revenues that are deemed to be grants revenue with a sufficiently specific performance obligation and found that as at 30 June 2020, there is a Contract Asset in relation to Commonwealth Recurrent Grants - Activity Based Funding in relation to performance obligations that have been satisfied where revenues are yet to be received.

Grants revenue without a sufficiently specific performance obligation are recognised when the THS gains control of the asset (typically Cash).

Grants to acquire/construct a recognisable non-financial asset to be controlled by the THS are recognised when the THS satisfies its obligations under the transfer. The THS satisfies its performance obligations over time as the non-financial assets are being constructed using the input method upon the asset construction being completed and transferred to the THS.

	2020 Actual \$'000
Grants with sufficiently specific performance obligations	
Commonwealth Recurrent Grants - Activity Based Funding	374 077
COPES receipts	9 267
Other Commonwealth Grants	4 408
State Grants - Activity Based Funding	460 850
State Grants - Other	....
Total	848 602
Grants without sufficiently specific performance obligations	
Commonwealth Recurrent Grants - Block Funding	72 667
COPES receipts	26 661
Other Commonwealth Grants	3 538
State Grants - Block Funding	554 066
State Grants - Mersey	83 710
State Grants - Other	55
Internal grants	4 973
Total	745 670
Grants to acquire/construct a recognisable non-financial asset	
Assets transferred	430 867
WIP expenses transferred	10
Total	430 877
Total revenue from Grants	2 025 149

	2019 Actual \$'000
<i>Continuing Operations</i>	
Grants from the Australian Government	
Commonwealth Recurrent Grants - Block Funding	70 851
Commonwealth Recurrent Grants - Activity Based Funding	345 244
COPES receipts	34 835
Other Commonwealth Grants	8 365
Total	459 295
Grants from the State Government	
State Grants - Block Funding	450 878
State Grants - Activity Based Funding	419 588
State Grants - Mersey	80 880
Total	951 346
Other grants	
WIP expenses transferred	238
Total	238
<i>Non-operational capital funding</i>	
Capital grants	
Assets transferred	14 960
Total	14 960
Total revenue from Grants	1 425 839

4.2 SALES OF GOODS AND SERVICES

In 2018-19, amounts earned in exchange for the provision of goods were recognised when the significant risks and rewards of ownership had been transferred to the buyer. Revenue from the provision of services was recognised in proportion to the stage of completion of the transaction at the reporting date. The stage of completion was assessed by reference to surveys of work performed.

From 2019-20, revenue from Sales of goods are recognised when the THS satisfies a performance obligation by transferring the goods to the customer. The THS typically satisfies its performance obligations when the goods have been delivered to the satisfaction of the customer. The THS recognises revenue associated with performance obligations upon receipt of the revenues which is typically using the input method on a straight line basis.

Revenue from the provision of services is recognised when the THS satisfies its performance obligation by transferring the promised services. The THS typically satisfies its performance obligations when the services have been delivered to the satisfaction of the customer. The THS recognises revenue associated with performance obligations upon receipt of the revenues which is typically using the input method on a straight line basis.

	2020 Actual \$'000	2019 Actual \$'000
Pharmacy non-pharmaceutical benefits scheme	1 975	2 027
Prosthesis	6 059	6 257
Inpatient, outpatient nursing home fees	60 976	60 739
Ambulance fees	....	2
Dental	6 035	7 409
Pharmaceutical benefits scheme co-payments	517	507
Pharmaceutical benefits scheme revenue from Medicare	58 205	55 802
Private patient scheme	31 840	35 590
Other client revenue	879	884
Other user charges	8 763	12 571
Total	175 159	181 788

4.3 INTEREST

Interest on funds is recognised as it accrues using the effective interest rate method.

4.4 CONTRIBUTIONS RECEIVED

Services received free of charge by the THS, are recognised as income when a fair value can be reliably determined and when the services would have been purchased if they had not been donated. Use of those resources is recognised as an expense.

Contributions of assets at no cost of acquisition or for nominal consideration are recognised at their fair value when the THS obtains control of the asset, it is probable that future economic benefits comprising the contribution will flow to the THS and the amount can be measured reliably. However, where the contribution received is from another government department as a consequence of restructuring of administrative arrangements, they are recognised as contributions by owners directly within equity. In these circumstances, book values from the transferor department have been used.

The THS has recognised an inflow of resources in the form of volunteer services as income where the fair value of those services can be measured reliably, and the services would have been purchased if they had not been donated.

Key estimate and judgement

Fair value of volunteer services provided for the THS is based upon weekly hours volunteered at comparable recurrent salary rates for equivalent tasks performed.

	2020 Actual \$'000	2019 Actual \$'000
Fair value of assets assumed at no cost or for nominal consideration	296	180
Fair value of volunteer services provided	1 851	....
Total	2 147	180

The Fair value of assets assumed at no cost or for nominal consideration represents blood gas analysers.

4.5 OTHER REVENUE

Other revenue primarily relates to the recovery of costs incurred and is recognised when an increase in future economic benefits relating to an increase in an asset or a decrease of a liability has arisen that can be reliably measured.

Lease income from operating leases where the THS is a lessor is recognised on a straight line basis. The THS does not have any finance leases as lessor.

	2020 Actual \$'000	2019 Actual \$'000
Operating lease income – residential rent	828	647
Operating lease income – commercial rent	992	993
Wages and salaries recoveries	22 296	20 866
Food recoveries	4 724	5 174
Multipurpose centre recoveries	228	252
Workers compensation recoveries	4 200	3 823
Operating recoveries	4 103	4 262
Donations	1 562	1 974
Corporate services revenue	455	....
Industry funds	4 033	2 311
Total	43 421	40 302

Note 5 NET GAINS/(LOSSES)

5.1 NET GAIN/(LOSS) ON NON-FINANCIAL ASSETS

Gains or losses from the sale of non-financial assets are recognised when control of the assets has passed to the buyer.

Key Judgement

Impairment exists when the recoverable amount of an asset is less than its carrying amount. Recoverable amount is the higher of fair value less costs to sell and value in use.

Specialised non-financial assets are not used for the purpose of generating cash flows; therefore their recoverable amount is expected to be materially the same as fair value, as determined under AASB 13 *Fair Value Measurement*.

All other non-financial assets are assessed to determine whether any impairment exists, with impairment losses recognised in Statement of Comprehensive Income.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the Estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

	2020	2019
	\$'000	\$'000
Net gain/(loss) on disposal of physical assets	(209)	(229)
Total net gain/(loss) on non-financial assets	(209)	(229)

5.2 NET GAIN/(LOSS) ON FINANCIAL INSTRUMENTS AND STATUTORY RECEIVABLES/PAYABLES

Financial assets are impaired under the expected credit loss approach required under AASB 9 *Financial Instruments*. The expected credit loss is recognised for all debt instruments not held at fair value through profit or loss.

Key Judgement

An impairment loss using the expected credit loss method for all trade debtors uses a lifetime expected loss allowance. The expected loss rates are based upon historical observed loss rates that are adjusted to reflect forward looking macroeconomic factors.

For other financial instruments that are not trade receivables, contract assets or lease receivables, the THS has measured the expected credit loss using a probability-weighted amount that takes into account the time value of money and forward looking macroeconomic factors.

To date, there has been no increase in the observed loss rates as a result of the economic downturn due to COVID-19.

	2020	2019
	\$'000	\$'000
Impairment of loans and receivables	(851)	(343)
Total net gain/(loss) on financial instruments	(851)	(343)

Note 6 EXPENSES

Expenses are recognised in the Statement of Comprehensive Income when a decrease in future economic benefits related to a decrease in asset or an increase of a liability has arisen that can be measured reliably.

6.1 EMPLOYEE BENEFITS

Employee benefits include, where applicable, entitlements to wages and salaries, annual leave, sick leave, long service leave, superannuation and any other post-employment benefits.

(a) Employee expenses

	2020 \$'000	2019 \$'000
Wages and salaries	996 692	927 585
Annual leave	67 635	57 610
Long service leave	23 970	18 981
Sick leave	35 997	32 307
Superannuation - defined contribution and defined benefits schemes	126 243	115 826
Other employment expenses – recruitment and staff development	11 122	11 978
Other employee expenses – other staff allowances	957	1 375
Total	1 262 616	1 165 662

Superannuation expenses relating to defined contribution schemes are paid directly to superannuation funds at a rate of 9.5 per cent (2019: 9.5 per cent) of salary. In addition, the THS is also required to pay into the Public Account a “gap” payment equivalent to 3.45 per cent (2019: 3.45 per cent) of salary in respect of employees who are members of defined contribution schemes.

(b) Remuneration of key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the THS, directly or indirectly.

As of 2 March 2020, there was a restructure of the Department of Health and THS which resulted in a change in the executive structure and therefore composition of key management personnel.

Remuneration during 2019-20 for key personnel is set by the *State Service Act 2000*. Remuneration and other terms of employment are specified in employment contracts. Remuneration includes salary, motor vehicle and other non-monetary benefits. Long term employee expenses include long service leave and superannuation obligations.

Acting Arrangements

When members of key management personnel are unable to fulfil their duties, consideration is given to appointing other members of senior staff to their position during their period of absence. Individuals are considered members of key management personnel when acting arrangements are for more than a period of one month.

The following were key management personnel of the THS at any time during the financial year and unless otherwise indicated were key management personnel for the entire year.

2020	Short-term benefits		Long-term benefits		Termination benefits ⁵	Total
	Salary ¹	Other benefits ²	Super-annuation ³	Other benefits and Long Service Leave ⁴		
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Key management personnel						
Kathrine Morgan-Wicks						
Secretary (from 02/09/2019)	337	15	32	1	....	385
Craig Jeffery						
Chief Financial Officer (from 02/03/2020)	57	7	7	2	....	73
Renee Anderson						
Chief People Officer (from 02/03/2020)	49	11	5	1	....	66
Susan Gannon						
Chief Executive Hospitals South (from 02/03/2020)	63	16	10	2	....	91
Eric Daniels						
Chief Executive Hospitals North/North West from (02/03/2020)	57	8	10	2	....	77
Shane Gregory						
Deputy Secretary (from 02/03/2020)	69	10	7	2	....	88
Warren Prentice						
Chief Information Officer (from 02/03/2020)	82	7	13	2	....	104
Craig Watson						
Chief Corporate Officer (to 01/03/2020)						
Acting Deputy Secretary Community, Mental Health and Wellbeing (from 02/04/2020)	170	17	36	(12)	....	211
Nicola Dymond						
Chief Operating Officer (to 01/03/2020)	215	17	21	....	125	378
Suzanne McCavanagh						
Chief People and Culture Officer (Termination benefits relating to the position)	....	....	....	....	83	83
Acting key management personnel						
Rebecca Howe						
Acting Chief People and Culture Officer (to 01/03/2020)	81	7	33	2	....	123
Total	1 180	115	174	2	208	1 679

2019	Short-term benefits		Long-term benefits		Termination benefits ⁵	Total
	Salary ¹	Other benefits ²	Superannuation ³	Other benefits and Long Service Leave ⁴		
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Key management personnel						
Nicola Dymond Chief Operating Officer	290	82	30	6	....	408
Craig Watson Chief Corporate Officer	225	20	26	5	....	277
Suzanne McCavanagh Chief People and Culture Officer (to 13/03/2019)	176	50	18	4	....	248
Sharyn Cody Director Strategy and Planning	144	27	17	3	....	191
Acting key management personnel						
Rebecca Howe Acting Chief People and Culture Officer (from 14/03/2019)	52	12	5	....	....	69
Total	887	192	96	19	....	1 194

Notes:

- 1 Salary includes all forms of consideration paid and payable for services rendered and compensated absences during the period.
- 2 Other short term benefits includes all other forms of non-salary benefits such as motor vehicles and parking, fringe benefit tax payable in respect of these benefits, payments in lieu of leave, annual leave movements and any other compensation paid or payable.
- 3 Superannuation means the contribution to the superannuation fund of the individual.
- 4 Other long-term benefits and long service leave includes the movements in the discounted long service leave balances.
- 5 Termination benefits include accrued annual and long service leave entitlements and termination payments.

(c) Related party transactions

There are no significant related party transactions requiring disclosure.

6.2 DEPRECIATION AND AMORTISATION

All applicable non-financial assets having a limited useful life are systematically depreciated over their useful lives in a manner which reflects the consumption of their service potential. Land and Artwork, being assets with unlimited useful lives, are not depreciated.

Key estimate and judgement

Depreciation is provided for on a straight line basis, using rates which are reviewed annually. Major depreciation periods are:

Vehicles	5 years
Plant and equipment	2-20 years
Medical equipment	4-20 years
Buildings	40-50 years

All intangible assets having a limited useful life are systematically amortised over their useful lives reflecting the pattern in which the asset's future economic benefits are expected to be consumed by the THS.

Major amortisation rates are:

Software	20 per cent
Right-of-use assets	2-22 years

(a) Depreciation

	2020 \$'000	2019 \$'000
Plant, equipment and vehicles	10 657	10 446
Buildings	35 962	35 022
Total	46 619	45 468

(b) Amortisation

	2020 \$'000	2019 \$'000
Intangible assets	736	701
Right-of-use assets	6 249	....
Total	6 985	701
Total depreciation and amortisation	53 604	46 169

6.3 SUPPLIES AND CONSUMABLES

	2020 \$'000	2019 \$'000
Audit fees	249	318
Consultants	1 140	1 726
Property services and rental payments	36 416	39 962
Maintenance	22 300	20 626
Communications	8 449	8 200
Information technology	8 240	8 753
Travel, transport and vehicle leasing payments	11 345	12 291
Medical, surgical and pharmacy supplies	261 723	265 491
Advertising and promotion	72	137
Patient and client services	31 883	32 160
Other leasing and licencing costs	4 529	4 195
Equipment and furniture	9 684	6 284
Administration	9 107	9 207
Food production costs	10 107	9 984
Corporate overhead charge	34 548	27 026
Service fees	2 604	1 575
Other supplies and consumables	5 610	8 035
Total	458 006	455 970

Audit fees paid or payable to the Tasmanian Audit Office for the audit of the THS's financial statements were \$175 000 (2019, \$175 000).

6.4 GRANTS AND SUBSIDIES

Grant and subsidies expenditure is recognised to the extent that:

- the services required to be performed by the grantee have been performed or
- the grant eligibility criteria have been satisfied.

A liability is recorded when the THS has a binding agreement to make the grants but services have not been performed or criteria satisfied. Where grant monies are paid in advance of performance or eligibility, a prepayment is recognised.

	2020	2019
	\$'000	\$'000
Other Grants		
Grant – Other	11 202	7 169
Total Other Grants	<u>11 202</u>	<u>7 169</u>
Total	<u>11 202</u>	<u>7 169</u>

The THS provides Grants to external service providers to deliver alcohol and drug rehabilitation services, as well as palliative, respite and community care.

6.5 FINANCE COSTS

All finance costs are expensed as incurred using the effective interest method.

Finance costs include lease charges.

	2020	2019
	\$'000	\$'000
Interest expense		
Interest on leases liabilities	498	....
Total	<u>498</u>	<u>....</u>

6.6 OTHER EXPENSES

Other expenses are recognised when a decrease in future economic benefits related to a decrease in an asset or an increase of a liability has arisen that can be reliably measured.

	2020	2019
	\$'000	\$'000
Salary on-costs	18 160	13 503
Fair value of volunteer services	1 851	....
Tasmanian Risk Management Fund premium	11 866	14 069
Other	620	1 205
Total	<u>32 497</u>	<u>28 777</u>

Note 7 ASSETS

Assets are recognised in the Statement of Financial Position when it is probable that the future economic benefits will flow to the THS and the asset has a cost or value that can be measured reliably.

7.1 RECEIVABLES

Receivables are initially recognised at fair value plus any directly attributable transaction costs. Trade receivables that do not contain a significant financing component are measured at the transaction price.

Key judgement

Receivables are held with the objective to collect the contractual cash flows and are subsequently measured at amortised cost using the effective interest method. Any subsequent changes are recognised in the net result for the year when impaired, derecognised or through the amortisation process. An allowance for expected credit losses is recognised for all debt financial assets not held at fair value through profit and loss. The expected credit loss is based on the difference between the contractual cash flows and the cash flows that the entity expects to receive, discounted at the original effective interest rate.

For trade receivables, a simplified approach in calculating expected credit losses is applied, with a loss allowance based on lifetime expected credit losses recognised at each reporting date. The THS has established a provision matrix based on its historical credit loss experience for trade receivables, adjusted for forward-looking factors specific to the receivable.

	2020 \$'000	2019 \$'000
Receivables	29 757	30 743
Less: Expected credit loss	(1 206)	(665)
Total	28 551	30 078
Sales of goods and services (inclusive of GST)	23 285	21 007
Tax assets	5 266	9 071
Total	28 551	30 078
Settled within 12 months	28 551	30 078
Total	28 551	30 078

(a) Reconciliation of movement in expected credit loss for receivables

	2020 \$'000	2019 \$'000
Carrying amount at 1 July	665	524
Amounts written off during the year	(310)	(202)
Increase/(decrease) in provision recognised in profit or loss	851	343
Carrying amount at 30 June	1 206	665

For ageing analysis of the financial assets, refer to note 12.1.

7.2 CONTRACT ASSETS AND LIABILITIES

A Contract Asset is the THS's right to consideration in exchange for goods or services that the THS has transferred to the customer.

A Contract Liability relates to the THS's obligation to transfer goods or services to a customer for which the THS has received consideration.

	Australian Government Funding \$'000	Other \$'000	Total \$'000
Contract assets			
Balance at 1 July 2019	....	....	....
Balance at 30 June 2020	11 155	....	11 155
Less: provision for impairment	....	....	....
Contract liabilities			
Balance at 1 July 2019	....	....	....
Balance at 30 June 2020	....	....	....

	2020 \$'000
Revenue from performance obligations met during the current period	374 077
Revenue from performance obligations partially satisfied in the current period	....

Contract assets and liabilities are recognised in the 2019-20 financial year in line with the adoption of new accounting standards as detailed in note 15.5.

7.3 OTHER FINANCIAL ASSETS

Other financial assets are classified and measured at amortised cost. Impairment losses are recorded in the Statement of Comprehensive Income. Any gain or loss arising on derecognition is recognised directly in net results and presented in other gains/(losses).

The THS recognises an allowance for an expected credit loss for all debt financial assets not held at fair value through profit and loss. The expected credit loss is based on the difference between the contractual cash flows and the cash flows that the entity expects to receive, discounted at the original effective interest rate.

	2020 \$'000	2019 \$'000
Accrued revenue	16 502	16 974
Inter-entity balance	27	4
Total	16 529	16 978
Settled within 12 months	16 529	16 978
Total	16 529	16 978

The Inter-entity balance represents goods and services tax settlement entries arising between the THS and accounts which are held in a trustee capacity.

7.4 INVENTORIES

Inventories held for distribution are valued at cost adjusted, when applicable, for any loss of service potential. Inventories acquired for no cost or nominal consideration are valued at current replacement cost.

	2020 \$'000	2019 \$'000
<i>Pharmacy</i>	11 296	5 864
<i>Catering</i>	285	288
<i>Linen</i>	980	945
<i>General supplies</i>	3 481	2 635
Total	16 042	9 732
Consumed within 12 months	16 042	9 732
Total	16 042	9 732

In 2020, the Inventory balance has increased significantly which is resultant from the THS holding a higher stock supply for pharmaceutical items due to the COVID-19 response and difficulty in sourcing items. The higher stock holding is to ensure the THS is able to ensure pharmaceuticals are available to support THS service provision. The majority of personal protective equipment on hand as at 30 June 2020 is held in the Department of Health inventory balance.

7.5 ASSETS HELD FOR SALE

Assets held for sale (or disposal groups comprising assets and liabilities) that are expected to be recovered primarily through sale rather than continuing use are classified as held for sale.

Immediately before classification as held for sale, fair value assets (or components of a disposal group) are remeasured in accordance with the THS policy.

Upon initial classification to held for sale, assets are remeasured at the lower of carrying amount and fair value less costs to sell. An impairment loss is recognised in profit or loss for any initial and subsequent write-down from the carrying amount measured immediately before re-measurement to fair value less costs of disposal. Such assets are no longer amortised or depreciated upon being classified as held for sale.

(a) Carrying amount

	2020 \$'000	2019 \$'000
Land (Fair value level 2)	...	5
Buildings (Fair value level 2)	...	74
Total	...	79
Settled within 12 months	...	79
Settled in more than 12 months
Total	...	79

As at 30 June 2020, there are no assets identified as being held for sale for the THS.

Assets sold during the year include Unit 5/15 Gellibrand Street, Zeehan which settled on 4 July 2019.

7.6 PROPERTY, PLANT AND EQUIPMENT

Key estimate and judgement

(i) Valuation basis

Land, buildings, leasehold improvements and heritage and cultural assets are recorded at fair value less accumulated depreciation. All other non-current physical assets, including work in progress, are recorded at historic cost less accumulated depreciation and accumulated impairment losses. All assets within a class of assets are measured on the same basis.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The costs of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Fair value is based on the highest and best use of the asset. Unless there is an explicit Government policy to the contrary, the highest and best use of an asset is the current purpose for which the asset is being used or occupied.

(ii) Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the THS and its costs can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of day to day servicing of property, plant and equipment are recognised in the Statement of Comprehensive Income as incurred.

(iii) Asset recognition threshold

The asset capitalisation threshold adopted by the THS are:

Vehicles	\$10 000
Plant and equipment	\$10 000
Land and Buildings	\$10 000
Leasehold improvements	\$10 000

Assets valued at less than the threshold amount are charged to the Statement of Comprehensive Income in the year of purchase (other than where they form part of a group of similar items which are material in total).

(iv) Revaluations

The THS's land and building assets were revalued independently by the Valuer-General as at 30 June 2018. These assets were valued in accordance with the Australian Accounting Standards (AASB 116 *Property, Plant and Equipment*) and Treasurer's Instructions.

In 2019-20, these assets received a desktop indice valuation performed by the Valuer-General as at 30 June 2020. This was based on a review of market movement factors and building construction cost.

The Valuer-General has advised that the valuation indices provided do not account for significant fluctuations in cost and value which may occur as a result of COVID-19. Implications for the construction industry and property market are anticipated due to the global pandemic but it is currently too early to assess the impact.

An exception to the desktop indice valuation, is the Royal Hobart Hospital K-Block, which received a retrospective full valuation by the Valuer-General as at 30 June 2018 which was subsequently revalued at 30 June 2020 using the indices as provided by the Valuer-General for the 2019 and 2020 financial years.

The Valuer-General has advised that, due to COVID-19 restrictions on hospital access, this assessment of Fair Value is a desktop valuation only based on information provided to the Office of the Valuer-General by the Royal Hobart Hospital Redevelopment Team. The fair value determined by the Valuer-General has been used to recognise the transfer of K-Block from the Department of Health to the THS upon commissioning of this asset. As the transfer was at no cost to the THS, a gain arising from the transfer has been recorded in the Statement of Comprehensive income (in Grants) for this value.

Assets are grouped on the basis of having a similar nature or function in the operations of the THS.

Revaluations are shown on a gross basis where a replacement cost basis of valuations has been used. Asset revaluations based on a market basis are disclosed on a net basis; however, the THS has endeavoured to obtain replacement cost valuations where possible to enable gross values to be disclosed.

In accordance with the THS's revaluation policy, the next valuation will take place in three years time with the Valuer-General assisting in the determination of Adjusted Interim Carrying Amounts for the real property for the interim three financial years.

(v) Assets in respect of leases where the Department is the lessor

The THS leases building assets under operating leases with rental payments payable in instalments as per agreed terms with the tenants. Lease payments may include amounts for outgoings and rent escalation for a fixed percentage, dollar increase per year or future index or rate.

(a) Carrying amount

	2020 \$'000	2019 \$'000
Land		
At fair value	93 284	83 752
Total	93 284	83 752
Buildings		
At fair value	1 891 203	1 441 672
Less: Accumulated depreciation	(558 301)	(511 259)
	1 332 902	930 413
Work in progress (at cost)	2 899	3 200
Total buildings	1 335 801	933 613
Leasehold improvements at fair value	16 965	15 416
Less: Accumulated amortisation	(12 727)	(11 319)
Total leasehold improvements	4 238	4 097
Total Buildings	1 340 039	937 710
Plant, equipment and vehicles		
At cost	129 367	118 532
Less: Accumulated depreciation	(80 030)	(69 638)
	49 337	48 894
Work in progress	9 109	4 355
Total plant, equipment and vehicles	58 446	53 249
Heritage and cultural assets		
At cost	3 145	2 956
	3 145	2 956
Work in progress (at cost)	199	94
Total heritage and cultural assets	3 344	3 050
Total Property, plant and equipment	1 495 113	1 077 761

(b) Reconciliation of movements (including fair value levels)

Reconciliations of the carrying amounts of each class of Property, plant and equipment at the beginning and end of the current and previous financial year are set out below. Carrying value means the net amount after deducting accumulated depreciation and accumulated impairment losses.

2020	Notes	Land	Buildings	Plant, equipment and vehicles	Heritage and cultural assets	Total
		Level 2 \$'000	Level 3 \$'000	\$'000	\$'000	\$'000
Carrying value at 1 July		83 752	937 710	53 250	3 050	1 077 762
Administrative restructure – net assets transferred	10.2	(360)	(516)	....	....	(876)
Additions – THS acquisition		2 135	(1 454)	14 923	(37)	15 567
Additions – DoH capital grant		....	429 527	1 009	331	430 867
Disposals		....	....	(156)	....	(156)
Revaluation increments (decrements)		7 757	10 734	....	....	18 491
WIP expensed		....	....	77	....	77
Depreciation		....	(35 962)	(10 657)	....	(46 619)
Carrying value at 30 June		93 284	1 340 039	58 446	3 344	1 495 113

2019	Land	Buildings	Plant, equipment and vehicles	Heritage and cultural assets	Total
	Level 2	Level 3			
	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying value at 1 July	76 250	936 526	55 942	1 206	1 069 924
Additions – THS acquisition	....	(208)	7 811	....	7 603
Additions – DoH capital grant	....	13 545	658	4	14 207
Disposals	....	....	(958)	....	(958)
Revaluation increments (decrements)	7 244	25 989	....	1 840	35 073
Assets held for sale	(5)	(75)	....	....	(80)
Transfers between classes	....	(330)	330	....	....
WIP transfers	263	(263)	....	....	....
WIP expensed	....	(2 452)	(87)	....	(2 539)
Depreciation	....	(35 022)	(10 446)	....	(45 468)
Carrying value at 30 June	83 752	937 710	53 250	3 050	1 077 762

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at measurement date. It is based on the principle of exit price, and refers to the price an entity expects to receive when it sells an asset, or the price an entity expects to pay when it transfers a liability.

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly or indirectly.

Level 3 inputs are unobservable inputs for the asset or liability. Unobservable inputs shall be used to measure fair value to the extent that relevant observable inputs are not available.

There have been no transfers between fair value levels during 2019-20.

(c) Carrying amount of property, plant and equipment held and used by the THS

	2020 \$'000	2019 \$'000
Land		
At fair value	91 629	82 174
Total	91 629	82 174
Buildings		
At fair value	1 843 936	1 395 768
Less: Accumulated depreciation	(536 791)	(491 474)
	1 307 145	904 293
Work in progress (at cost)	2 899	3 200
Total buildings	1 310 044	907 493
Leasehold improvements at fair value	16 965	15 416
Less: Accumulated depreciation	(12 727)	(11 319)
Total leasehold improvements	4 238	4 097
Total buildings	1 314 282	911 590
Plant, equipment and vehicles		
At cost	129 367	118 532
Less: Accumulated depreciation	(80 030)	(69 638)
	49 337	48 894
Work in progress (at cost)	9 109	4 355
Total plant, equipment and vehicles	58 446	53 249
Heritage and cultural assets		
At cost	3 145	2 956
	3 145	2 956
Work in progress (at cost)	199	94
Total heritage and cultural assets	3 344	3 050
Total Property, plant and equipment	1 467 701	1 050 063

(d) Reconciliation of movements (including fair value levels) of property, plant and equipment held and used by the THS

Reconciliations of the carrying amounts of each class of Property, plant and equipment held and used by the Department at the beginning and end of the current financial year are set out below. Carrying value means the net amount after deducting accumulated depreciation and accumulated impairment losses.

2020	Land	Buildings	Plant, equipment and vehicles	Heritage and cultural assets	Total
	Level 2 \$'000	Level 3 \$'000	\$'000	\$'000	\$'000
Carrying value at 1 July	82 174	911 590	53 250	3 050	1 050 064
Administrative restructure – net assets transferred	(360)	(516)	....	....	(876)
Additions – THS acquisition	2 135	(1 457)	14 923	(37)	15 564
Additions – DoH capital grant	....	429 527	1 009	331	430 867
Disposals	....	....	(156)	....	(156)
Revaluation increments (decrements)	7 680	10 045	....	....	17 725
WIP expensed	....	....	77	....	77
Depreciation	....	(34 907)	(10 657)	....	(45 564)
Carrying value at 30 June	91 629	1 314 282	58 446	2 344	1 467 701

- (e) Carrying amount of property, plant and equipment where the THS is the lessor under operating leases

	2020 \$'000	2019 \$'000
Land		
Land at fair value	1 655	1 578
Total land	1 655	1 578
Buildings		
Buildings at fair value	47 267	45 905
Less: Accumulated depreciation	(21 510)	(19 785)
	25 757	26 120
Work in progress (at cost)	....	....
Total buildings	25 757	26 120
Leasehold improvements at fair value	....	....
Less: Accumulated depreciation	....	....
Total leasehold improvements	....	....
Total buildings	25 757	26 120
Plant, equipment and vehicles		
At cost	....	....
Less: Accumulated depreciation	....	....
Work in progress (at cost)	....	....
Total plant, equipment and vehicles	....	....
Heritage and cultural assets		
At cost	....	....
Work in progress (at cost)	....	....
Total heritage and cultural assets	....	....
Total property, plant and equipment	27 412	27 698

- (f) Reconciliation of movements (including fair value levels) of property, plant and equipment where the THS is the lessor under operating leases

Reconciliations of the carrying amounts of each class of Property, plant and equipment where the THS is the lessor under operating leases at the beginning and end of the current financial year is set out below. Carrying value means the net amount after deducting accumulated depreciation and accumulated impairment losses.

2020	Land	Buildings	Plant, equipment and vehicles	Heritage and cultural assets	Total
	Level 2	Level 3			
	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying value at 1 July	1 578	26 120	....	....	27 698
Additions – THS acquisition	....	3	....	....	3
Additions – DoH capital grant	....	....	....	....	....
Disposals	....	....	....	....	....
Revaluation increments (decrements)	77	689	....	....	766
WIP transfers	....	....	....	....	....
WIP expenses	....	....	....	....	....
Depreciation	....	(1 055)	....	....	(1 055)
Carrying value at 30 June	1 655	25 757	....	....	27 412

(g) Maturity analysis of lease payments receivable in respect of operating leases

	2020 \$'000	2019 \$'000
One year or less	917	973
From one to two years	564	917
From two to three years	495	565
From three to four years	473	495
From four to five years	457	473
More than five years	2 605	3 063
Total	5 511	6 486

(h) Level 3 significant valuation inputs and relationship to fair value

	Fair value at 30 June \$'000	Significant unobservable inputs used in valuation	Possible alternative values for Level 3 inputs	Sensitivity of fair value to changes in Level 3 inputs
Buildings	1 340 039	A - Construction costs B - Age and condition of asset C - Remaining useful life	When valuing these assets, their existing and alternative uses are taken into account by valuers. As a result, it is unlikely that alternative values will arise unless there are changes in known inputs.	Tasmanian construction indexes have remained stable over the past 12 months. Design and useful lives are reviewed regularly but generally remain unchanged. As a result, it is unlikely that significant variations in values will arise in the short term.

(i) Assets where current use is not the highest and best use

The THS has no assets where the current use is not the highest and best use.

7.7 RIGHT-OF-USE ASSETS

From 1 July 2019, AASB 16 requires the THS to recognise a right-of-use asset, where it has control of the underlying asset over the lease term. A right-of-use asset is measured at the present value of initial lease liability, adjusted by any lease payments made at or before the commencement date and lease incentives, any initial direct costs incurred, and estimated costs of dismantling and removing the asset or restoring the site. Right-of-use assets includes assets in respect of leases previously treated as operating leases under AASB 117, and therefore not recognised in the Statement of Financial Position.

The THS has elected not to recognise right-of-use assets and lease liabilities arising from short term leases, rental arrangements for which Treasury has substantive substitution rights over the assets and leases for which the underlying asset is of low-value. Substantive substitution rights relate primarily to office accommodation. An asset is considered low-value when it is expected to cost less than \$10 000.

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

2020	Buildings \$'000	Plant and equipment \$'000	Total \$'000
Carrying value at 1 July	24 762	215	24 977
Additions	2 002	....	2 002
Disposals	....	....	....
Amortisation	(6 137)	(112)	(6 249)
Carrying value at 30 June	20 627	103	20 730

7.8 INTANGIBLE ASSETS

An intangible asset is recognised where:

- it is probable that an expected future benefit attributable to the asset will flow to the THS; and
- the cost of the asset can be reliably measured.

Intangible assets held by the THS, where no active market exists, are valued at cost less any accumulated amortisation and any accumulated impairment losses.

Intangible assets with a finite useful life held by the THS principally comprise computer software.

(a) Carrying amount

	2020 \$'000	2019 \$'000
Intangible assets with a finite useful life		
Other non-current assets at cost	4 166	4 125
Less: Accumulated amortisation	(2 733)	(1 997)
	1 433	2 128
Capital works in progress	1 159	1 159
Total	2 592	3 287
Total intangible assets	2 592	3 287

(b) Reconciliation of movements (including fair value levels)

	2020 \$'000	2019 \$'000
Carrying amount at 1 July	3 287	3 237
Additions	42	...
Additions – DoH capital grant	...	752
Amortisation	(737)	(702)
Carrying amount at 30 June	2 592	3 287

7.9 OTHER ASSETS

Other assets are recorded at amortised cost and include prepayments.

(a) Carrying amount

	2020 \$'000	2019 \$'000
Other current assets		
Prepayments	4 081	5 248
Total	4 081	5 248
Other non-current assets		
Prepayments	44	147
Total	44	147
Recovered within 12 months	4 081	5 248
Recovered in more than 12 months	44	147
Total	4 125	5 395

Prepayments include information technology expenditure for hardware and software support and software licencing contracts, in addition to equipment maintenance contracts, property rental and National Blood Authority supplies.

(b) Reconciliation of movements

	2020	2019
	\$'000	\$'000
Carrying amount at 1 July	5 395	4 675
Additions	3 978	5 395
Utilised	(5 248)	(4 675)
Carrying amount at 30 June	4 125	5 395

Note 8 LIABILITIES

Liabilities are recognised in the Statement of Financial Position when it is probable that an outflow of resources embodying economic benefits will result from the settlement of a present obligation and the amount at which the settlement will take place can be measured reliably.

8.1 PAYABLES

Payables, including goods received and services incurred but not yet invoiced, are recognised at amortised cost, which due to the short settlement period, equates to face value, when the THS becomes obliged to make future payments as a result of a purchase of assets or services.

	2020	2019
	\$'000	\$'000
Creditors	19 960	30 202
Accrued expenses	63 311	72 740
Total	83 271	102 942
Settled within 12 months	45 246	46 803
Settled in more than 12 months	38 025	56 139
Total	83 271	102 942

Accrued expenses predominantly relate to medical services provided to Tasmanian residents in other states and territories of Australia, less the medical services provided in Tasmania to residents from other states and territories. Due to the complexity of the calculations, there is a two to three year delay in settlement.

Settlement of Creditors is usually made within 14 days.

8.2 LEASE LIABILITIES

On 1 July 2019, a lease liability was measured at the present value of the lease payments that are not paid at that date. The discount rate used to calculate the present value of the lease liability is the rate implicit in the lease. Where the implicit rate is not known and cannot be determined, the Tascorp indicative lending rate including the relevant administration margin is used.

The THS has elected not to recognise right-of-use assets and lease liabilities arising from short-term leases, rental arrangements for which Treasury has substantive substitution rights over the assets and leases for which the underlying asset is of low-value. Substantive substitution rights relate primarily to office accommodation. An asset is considered low-value when it is expected to cost less than \$10 000.

The THS has entered into the following leasing arrangements:

Class of right-of-use asset	Details of leasing arrangements
Medical equipment	These leases are paid monthly or quarterly. Lease payments include rent escalation for a fixed percentage, dollar increase per year of future index or rate.
Buildings	These leases are paid monthly, quarterly or annually. Lease payments include rent escalation for outgoings, a fixed percentage, dollar increase per year or future index or rate. Some lease include options to extend the lease term.

	2020 \$'000
Current	
Lease liabilities	6 040
Non-current	
Lease liabilities	14 952
Total	20 992

The following amounts are recognised in the Statement of Comprehensive Income

	2020 \$'000
Interest on lease liabilities included in note 6.5	498
Lease expenses included in note 6.3:	
Short term leases	2 586
Lease of low-value assets	....
Variable lease payments	391
Income from sub-leasing right-of-use assets	....
Net expenses from leasing activities	3 475

8.3 EMPLOYEE BENEFIT LIABILITIES

Liabilities for wages and salaries and annual leave are recognised when an employee becomes entitled to receive a benefit. Those liabilities expected to be realised within 12 months are measured as the amount expected to be paid. Other employee entitlements are measured as the present value of the benefit at 30 June, where the impact of discounting is material, and at the amount expected to be paid if discounting is not material.

Key estimate and judgement

A liability for long service leave is recognised, and is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date.

	2020 \$'000	2019 \$'000
Accrued salaries	13 864	51 822
Annual leave	106 030	88 528
Long service leave	142 174	127 149
Sabbatical leave	11 363	9 880
Development leave	9 046	7 767
Other employee benefits	1 932	1 821
Total	284 409	286 967
Expected to settle wholly within 12 months	106 483	133 411
Expected to settle wholly after 12 months	177 926	153 556
Total	284 409	286 967

Other employee benefits is comprised of Time off in lieu provisions, Excess on-call leave and State Service Accumulated Leave Scheme entitlements.

8.4 SUPERANNUATION

(i) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an expense when they fall due.

(ii) Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan.

Key estimate and judgement

The THS does not recognise a liability for the accruing superannuation benefits of State Service employees. This liability is held centrally and is recognised within the Finance-General Division of the Department of Treasury and Finance.

8.5 OTHER LIABILITIES

Other liabilities are recognised in the Statement of Financial Position when it is probable that an outflow of resources embodying economic benefits will result from the settlement of a present obligation and the amount at which the settlement will take place can be measured reliably.

Other liabilities include revenue received in advance and on-costs associated with employee benefit liabilities. Revenue received in advance is measured at amortised cost. On-costs associated with employee benefit liabilities expected to be realised within 12 months are measured at the amount expected to be paid. Other on-costs associated with employee benefit liabilities are measured at the present value of the cost at 30 June 2020, where the impact of discounting is material, and at the amount expected to be paid if discounting is not material.

	2020 \$'000	2019 \$'000
Revenue received in advance		
Other revenue received in advance	411	486
Other liabilities		
Employee benefit liabilities – on-costs	5 735	4 172
Inter-entity balance	3 977	6 524
Funds held for distribution – Private Patients Scheme	8 398	7 497
Other liabilities	(33)	10
Total	18 488	18 689
Settled within 12 months	14 695	15 949
Settled in more than 12 months	3 793	2 740
Total	18 488	18 689

The Inter-entity balance represents goods and services tax settlement entries arising between the THS and the Department of Health. Funds held for distribution are funds held by the THS for distribution under the Private Patients Scheme. Other liabilities primarily represents Tasmanian Government Card outstanding balances.

Note 9 COMMITMENTS AND CONTINGENCIES

9.1 SCHEDULE OF COMMITMENTS

The Department has entered into a number of operating lease agreements for property, plant and equipment, where the lessors effectively retain all the risks and benefits incidental to ownership of the items leased. Equal instalments of lease payments were charged to the Statement of Comprehensive Income over the lease term, as this is representative of the pattern of benefits to be derived from the leased property.

From 2019-20, leases are recognised as right of use assets and lease liabilities in the Statement of Financial Position, excluding short term leases and leases for which the underlying asset is of low value, which are recognised as an expense in the Statement of Comprehensive Income.

	2020 \$'000	2019 \$'000
<i>By type</i>		
Capital commitments		
Property, plant and equipment	9 309	2 175
Total capital commitments	9 309	2 175
Lease Commitments		
Information technology	....	....
Medical equipment	417	4 620
Motor vehicles	....	6 404
Rent on buildings	5 074	24 939
Short-term and/or low-value leases	....	....
Total lease commitments	5 491	35 963
Other commitments		
Information technology	18 979	5 373
Miscellaneous goods and services contracts	215 695	202 553
Miscellaneous grants	11 757	15 657
Motor vehicles held by the Department of Treasury and Finance	5 104	....
Total other commitments	251 535	223 583
Total	266 335	261 721
<i>By maturity</i>		
Capital commitments		
One year or less	7 494	360
From one to five years	1 100	1 100
More than five years	715	715
Total capital commitments	9 309	2 175
Lease commitments		
One year or less	2 256	10 979
From one to five years	2 750	22 496
More than five years	485	2 488
Total lease commitments	5 491	35 963
Other commitments		
One year or less	63 213	53 102
From one to five years	174 853	153 664
More than five years	13 469	16 817
Total other commitments	251 535	223 583
Total	266 335	261 721

Lease commitments

Rent on buildings

The THS leases a range of properties/tenancies around the State for service delivery purposes.

Motor vehicles

From 1 July 2019, motor vehicle leases were reviewed under the updated AASB 16 *Leases* and found not to satisfy the technical definition of a lease and have therefore been reallocated to Other commitments.

Information technology

Information technology includes infrastructure and software licence commitments.

Other commitments

Miscellaneous grants

The THS provides Grants to external service providers to deliver alcohol and drug rehabilitation services, as well as palliative, respite and community care.

Miscellaneous goods and services contracts

The THS is party to contracts for the supply of various clinical and non-clinical services, including security, pathology, radiology, maternity and other medical services.

Motor vehicles

The Government Motor Vehicle Fleet is managed as part of a Whole-of-Government arrangement with the Department of Treasury and Finance as lessor. Payments vary according to the type of vehicle and, where applicable, the price received for trade-in vehicles. Terms for the majority of existing vehicles are for a period of three years or 60 000 km, whichever comes first. No restrictions or purchase options are contained in the agreement.

9.2 CONTINGENT ASSETS AND LIABILITIES

Contingent assets and liabilities are not recognised in the Statement of Financial Position due to uncertainty regarding any possible amount or timing of any possible underlying claim or obligation.

(a) Quantifiable contingencies

A quantifiable contingent asset is any possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

A quantifiable contingent liability is any possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or any present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation. To the extent that any quantifiable contingencies are insured, details provided below are recorded net.

	2020	2019
	\$'000	\$'000
<i>Quantifiable contingent liabilities</i>		
Contingent claims		
Legal claims (including medical negligence and workers compensation)	8 135	7 297
Total quantifiable contingent liabilities	8 135	7 297

Legal Claims

At 30 June 2020, the THS had a number of legal claims against it for professional negligence, workers compensation and other matters. These claims are reported at the estimated net cost to the THS.

The THS manages its legal claims through the Tasmanian Risk Management Fund (TRMF). An excess is payable for every claim (\$40 000 for general liability and \$50 000 for medical liability), and amounts over the excess are met by the TRMF.

(b) Unquantifiable Contingencies

At 30 June 2020, there remained a number of unresolved issues of potential non-compliance with taxation and superannuation legislation, which at the time of finalising the financial statements remained unquantified. These matters particularly relate to the Private Patient Scheme and have been referred to legal counsel for specific superannuation and taxation advice.

Note 10 RESERVES

10.1 RESERVES

2020	Land	Buildings	Heritage and Cultural Assets	Total
	\$'000	\$'000	\$'000	\$'000
Asset revaluation reserve				
Balance at beginning of financial year	23 949	256 809	1 976	282 734
Adjustment of asset transfer	106	1 531	....	1 637
Transfers to/(from) accumulated funds	(168)	1 628	....	1 460
Revaluation increments/(decrements)	7 756	10 734	....	18 490
Balance at end of financial year	31 643	270 702	1 976	304 321

2019	Land	Buildings	Heritage and Cultural Assets	Total
	\$'000	\$'000	\$'000	\$'000
Asset revaluation reserve				
Balance at beginning of financial year	18 943	296 367	270	315 580
Correction of error	....	(62 916)	....	(62 916)
Adjustment on opening balance roll-over	(2 239)	(2 630)	(133)	(5 002)
Revaluation increments/(decrements)	7 245	25 988	1 839	35 072
Balance at end of financial year	23 949	256 809	1 976	282 734

(a) Nature and purpose of reserves

Asset revaluation reserve

The asset revaluation reserve is used to record increments and decrements on the revaluation of non-financial assets, as described in note 7.6.

Transfers to/from accumulated funds are in relation to the disposal of assets which had a corresponding asset revaluation adjustment in the Statement of Changes in Equity.

The adjustment on asset transfer relates to the transfer of 39 Frankland Street, Launceston from the Department of Health to the THS during 2019-20. The revaluation reserve associated with the asset was transferred to the THS.

As part of the administrative restructure in the 2018-19 financial year, asset balances were confirmed to enable transfers to be correctly accounted for. The asset revaluation reserve balance was also confirmed as part of this process. As a result, an adjustment of \$5.002 million was made in the opening balance of the asset revaluation reserve as at 1 July 2018. The corresponding adjustment was to accumulated funds.

Details of the correction of error are detailed in note 15.11.

10.2 ADMINISTRATIVE RESTRUCTURING

Net assets received under a restructuring of administrative arrangements are designated as contributions by owners and adjusted directly against equity. Net assets relinquished are designated as distributions to owners. Net assets transferred are initially recognised at the amounts at which they were recognised by the transferring department immediately prior to the transfer.

Subsequent to the creation of the Department of Communities Tasmania, the St Helens Hospital in Cecilia Street, St Helens was transferred to Communities Tasmania during 2019-20.

In respect of activities relinquished, the THS transferred the following assets to the Department of Communities Tasmania:

	2020 \$'000	2019 \$'000
Distributions to owners		
Property, plant and equipment	772	....
Total assets relinquished	772	....
Net assets/(liabilities) relinquished on restructure	772	....
Administrative restructure - Distributions to owners	772	....

Note 11 CASH FLOW RECONCILIATION

Cash means notes, coins, any deposits held at call with a bank or financial institution, as well as funds held in Specific Purpose Accounts, being short term of three months or less and highly liquid. Deposits are recognised at amortised cost, being their face value.

11.1 CASH AND CASH EQUIVALENTS

Cash and cash equivalents includes the balance of the Specific Purpose Accounts held by the THS, and other cash held, excluding those accounts which are administered or held in a trustee capacity or agency arrangement.

	2020 \$'000	2019 \$'000
Specific Purpose Account balances		
<i>DoH Private Patient Account</i>	17 623	....
<i>DoH Operating Account</i>	23 047	....
<i>THS Patient Trust and Bequest Account</i>	....	18 639
<i>THS Operating Account</i>	....	30 784
Total	40 670	49 423
Other cash held		
<i>Other cash and equivalents not included above</i>	41	43
Total	41	43
Total Cash and cash equivalents	40 711	49 466

Other cash equivalents primarily represents petty cash and cash floats.

11.2 RECONCILIATION OF NET RESULT TO NET CASH FROM OPERATING ACTIVITIES

	2020 \$'000	2019 \$'000
Net result from continuing operations	426 492	(56 014)
Depreciation and amortisation	53 604	46 169
Recognition of assets as a result of stocktake/donations	(296)	(180)
Capital grants income	(430 867)	(14 960)
WIP expensed	(77)	2 539
Transfer of assets due to administrative restructure	....	28
Net gain/(loss) on non-financial assets	209	229
Net gain/(loss) on financial instruments and statutory receivables/payables	851	343
Decrease (increase) in Receivables	677	(9 840)
Decrease (increase) in Contract assets	(11 155)	....
Decrease (increase) in Other assets	1 719	(1 005)
Decrease (increase) in Inventories	(6 310)	(328)
Increase (decrease) in Employee benefit liabilities	(2 558)	24 401
Increase (decrease) in Payables	(19 671)	20 343
Increase (decrease) in Other liabilities	(201)	3 645
Net cash from/(used by) operating activities	12 417	15 370

11.3 FINANCING FACILITIES

The THS does not have any financing facilities.

11.4 RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

Liabilities arising from financing activities are liabilities for which cash flows were, or future cash flows will be, classified in the Statement of Cash Flows as cash flows from financing activities.

2020	Lease Liabilities \$'000
Balance as at 1 July 2019	24 978
Acquisitions / New leases	2 002
Changes in fair value	....
Other movements	....
Changes from financing cash flows:	
Cash received	....
Cash Repayments	(5 988)
Balance as at 30 June 2020	20 992

Note 12 FINANCIAL INSTRUMENTS

12.1 RISK EXPOSURES

(a) Risk management policies

The THS has exposure to the following risks from its use of financial instruments:

- credit risk
- liquidity risk and
- market risk.

The Accountable Authority has overall responsibility for the establishment and oversight of the THS's risk management framework. Risk management policies are established to identify and analyse risks faced by the THS, to set appropriate risk limits and controls, and to monitor risks and adherence to limits.

(b) Credit risk exposures

Credit risk is the risk of financial loss to the THS if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

Financial Instrument	Accounting and strategic policies (including recognition criteria, measurement basis and credit quality of instrument)	Nature of underlying instrument (including significant terms and conditions affecting the amount, timing and certainty of cash flows)
Financial Asset		
Receivables	Receivables are recognised at the nominal amounts due, less any provision for impairment. Collectability of debts is reviewed on a monthly basis. Provisions are made when the collection of the debt is judged to be less rather than more likely.	Receivables credit terms are generally 30 days.
Contract assets	Other financial assets are recognised at the nominal amounts due, less any provision for impairment.	Contract assets credit terms are generally 30 days.
Other financial assets	Other financial assets are recognised at the nominal amounts due, less any provision for impairment.	Other financial assets credit terms are generally 30 days.
Cash and cash equivalents	Cash and deposits are recognised at face value.	Cash means notes, coins and any deposits held at call with a bank or financial institution.

The THS has made no changes to its credit risk policy during 2019-20. The THS does not hold any security instrument for its cash and cash equivalents, other financial assets and receivables.

No credit terms on any THS financial assets have been renegotiated.

The carrying amount of financial assets recorded in the Financial Statements, net of any allowances for losses, represents the THS's maximum exposure to credit risk without taking into account of any collateral or other security.

The THS maximum exposure to credit risk for its financial assets is \$96.9 million (2019: \$96.5 million). It does not hold, nor is a party to, any credit derivatives and no changes have occurred to the fair value of its assets as a result of market risk or credit risk. While interest rates have changed during the financial year, the value of security held is significantly more than the value of the underlying asset and no loan advances are impaired. The value of receivables is not affected by changes in interest rates. The THS actively manages its credit risk exposure for the collectability of its receivables.

Expected credit loss analysis of receivables

The simplified approach to measuring expected credit losses is applied, which uses a lifetime expected loss allowance for all trade receivables.

The expected loss rates are based on historical observed loss rates adjusted for forward looking factors that will have an impact on the ability to settle the receivables. The loss allowance for trade debtors as at 30 June are as follows:

2020	Not past due	Past due 1-30 days	Past due 31-60 days	Past due 61-90 days	Past due 91+ days	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Expected credit loss rate (A)	0.17%	0.61%	4.49%	12.53%	8.32%	4.88%
Total gross carrying amount (B)	6 832	3 802	1 028	949	12 088	24 699
Expected credit loss (A x B)	12	23	46	119	1 006	1 206

2019	Not past due	Past due 1-30 days	Past due 31-60 days	Past due 61-90 days	Past due 91+ days	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Expected credit loss rate (A)	0.17%	0.50%	3.64%	11.91%	6.80%	3.07%
Total gross carrying amount (B)	10 413	2 395	663	1 060	7 139	21 672
Expected credit loss (A x B)	18	12	24	126	485	665

(c) Liquidity risk

Liquidity risk is the risk that the THS will not be able to meet its financial obligations as they fall due. The THS's approach to managing liquidity is to ensure that it will always have sufficient liquidity to meet its liabilities when they fall due.

Financial Instrument	Accounting and strategic policies (including recognition criteria, measurement basis and credit quality of instrument)	Nature of underlying instrument (including significant terms and conditions affecting the amount, timing and certainty of cash flows)
Financial Liabilities		
Payables	Payables, including goods received and services incurred but not yet invoiced, are recognised at amortised cost, which due to the short settlement period equates to face value, when the THS becomes obliged to make future payments as a result of a purchase of assets or services.	Settlement is usually made within 14 days.
Lease liabilities	Lease liabilities are recognised at net present value calculated discounted at the rate implicit in the lease.	Contractual payments are made in accordance with contractual terms.
Other financial liabilities	Other financial liabilities are recognised at amortised cost, which due to the short settlement period equates to face value, when the THS becomes obliged to make payments as a result of the purchase of assets or services. The THS regularly reviews budgeted and actual cash outflows to ensure that there is sufficient cash to meet all obligations.	Settlement is usually made within 30 days.

Maturity analysis for financial liabilities

The following tables detail the undiscounted cash flows payable by the THS by remaining contractual maturity for its financial liabilities. It should be noted that as these are undiscounted, totals may not reconcile to the carrying amounts presented in the Statement of Financial Position:

2020	1 year	2	3	4	5	5+	Undiscounted Total	Carrying Amount
	\$'000	years	years	years	years	years	\$'000	\$'000
Financial liabilities								
Payables	45 246	22 625	15 400	...	...	...	83 271	83 271
Lease liabilities	6 418	5 267	5 113	2 853	904	1 386	21 941	20 992
Other financial liabilities	14 284	3 793	...	...	...	...	18 077	18 077
Total	65 948	31 685	20 513	2 853	904	1 386	123 289	122 340
2019	1 year	2	3	4	5	5+	Undiscounted Total	Carrying Amount
	\$'000	years	years	years	years	years	\$'000	\$'000
Financial liabilities								
Payables	46 803	12 767	43 372	...	...	...	102 942	102 942
Other financial liabilities	15 463	2 740	...	...	...	...	18 203	18 203
Total	62 266	15 507	43 372	...	...	...	121 145	121 145

(d) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices or interest rates. As the THS does not have any interest bearing financial assets or liabilities, the exposure to this risk is considered negligible.

12.2 CATEGORIES OF FINANCIAL ASSETS AND LIABILITIES

	2020 \$'000	2019 \$'000
Financial assets		
Financial assets at fair value through profit and loss – designated on initial recognition	....	....
Financial assets at fair value through other comprehensive income	....	....
Financial assets at fair value through other comprehensive income - Equity investments designated on initial recognition	....	....
Financial assets at amortised cost	96 946	96 522
Total	96 946	96 522
Financial Liabilities		
Financial liabilities at fair value through profit and loss	....	....
Financial liabilities measured at amortised cost	122 340	121 145
Total	122 340	121 145

12.3 DERECOGNITION OF FINANCIAL ASSETS

No derecognition of Financial assets occurred during 2019-20.

12.4 COMPARISON BETWEEN CARRYING AMOUNT AND NET FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

	Carrying amount 2020 \$'000	Net fair value 2020 \$'000	Carrying amount 2019 \$'000	Net fair value 2019 \$'000
Financial assets				
Cash at bank	41	41	43	43
Cash in Specific Purpose Accounts	40 670	40 670	49 423	49 423
Other financial assets:				
Receivables	28 551	28 551	30 078	30 078
Contract assets	11 155	11 155	....	....
Other financial assets	16 529	16 529	16 978	16 978
Total financial assets	96 946	96 946	96 522	96 522
Financial liabilities (recognised)				
Lease liabilities	20 992	20 992	....	....
Other financial liabilities:				
Payables	83 271	83 271	102 942	102 942
Other liabilities	18 077	18 077	18 203	18 203
Total financial liabilities (recognised)	122 340	122 340	121 145	121 145

12.5 NET FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

2020	Net Fair Value Level 1 \$'000	Net Fair Value Level 2 \$'000	Net Fair Value Level 3 \$'000	Net Fair Value Total \$'000
Financial assets				
Cash at bank	41	....	....	41
Cash in Specific Purpose Accounts	40 670	....	....	40 670
Other financial assets				
Receivables	28 551	....	....	28 551
Contract assets	11 155	....	....	11 155
Other financial assets	16 529	....	....	16 529
Total financial assets	96 946	....	....	96 946
Financial liabilities (recognised)				
Lease liabilities	20 992	....	....	20 992
Other financial liabilities				
Payables	83 271	....	....	83 271
Other liabilities	18 077	....	....	18 077
Total financial liabilities (recognised)	122 340	....	....	122 340

2019	Net Fair Value Level 1 \$'000	Net Fair Value Level 2 \$'000	Net Fair Value Level 3 \$'000	Net Fair Value Total \$'000
Financial assets				
Cash at bank	49 466	....	....	49 466
Other financial assets				
Receivables	30 078	....	....	30 078
Contract assets	....	....	....	....
Other financial assets	16 978	....	....	16 978
Total financial assets	96 522	....	....	96 522
Financial liabilities (recognised)				
Lease liabilities	....	....	....	....
Other financial liabilities				
Payables	102 942	....	....	102 942
Other liabilities	18 203	....	....	18 203
Total financial liabilities (recognised)	121 145	....	....	121 145

The recognised fair values of financial assets and financial liabilities are classified according to the fair value hierarchy that reflects the significance of the inputs used in making these measurements. The THS uses various methods in estimating the fair value of a financial instrument. The methods comprise:

Level 1 the fair value is calculated using quoted prices in active markets;

Level 2 the fair value is estimated using inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and

Level 3 the fair value is estimated using inputs for the asset or liability that are not based on observable market data.

(a) Transfer between categories

The THS did not transfer any Financial Assets or Financial Liabilities between Levels.

(b) Reconciliation of Level 3 fair value movements

The THS does not have any Level 3 instruments.

Financial Assets

The net fair values of cash and non-interest bearing monetary financial assets approximate their carrying amounts.

Financial Liabilities

The net fair values for trade creditors are approximated by their carrying amounts.

Unrecognised Financial Instruments

The net fair values of indemnities are regarded as the maximum possible loss which the State faces while the indemnity remains current.

Note 13 TRANSACTIONS AND BALANCES RELATING TO A TRUSTEE OR AGENCY ARRANGEMENT**13.1 ACTIVITIES UNDERTAKEN UNDER A TRUSTEE OR AGENCY ARRANGEMENT**

Transactions relating to activities undertaken by the THS in a trust or fiduciary (agency) capacity do not form part of the THS's activities. Trustee and agency arrangements, and transactions/balances relating to those activities, are neither controlled nor administered.

Fees, commissions earned and expenses incurred in the course of rendering services as a trustee or through an agency arrangement are recognised as controlled transactions.

Account / Activity	Opening balance	Net transactions	Closing balance
	\$'000	during 2019-20	\$'000
		\$'000	
Patient Trust and Hospital Bequest Account	6 251	1 557	7 808
Mental Health Services Client Trust Account	24	...	24

Note 14 EVENTS OCCURRING AFTER BALANCE DATE

The COVID-19 Pandemic has developed rapidly in 2020, with a significant number of cases across the world. Tasmania has no active cases as at the signing date of these statements, however measures taken by various governments to contain the virus have affected economic activity.

Internally, the THS has taken measures to monitor and mitigate the effects of COVID-19, such as safety and health measures for our people (such as infection control procedures, provision of personal protective equipment, social distancing and working from home).

At this stage, the additional costs incurred by the THS has been offset by additional funding from the Commonwealth and State governments. The impact on the financial position of both the Commonwealth and State Governments, due to the costs of containing COVID-19, treating those infected with the virus and providing economic stimulus payments, has been extensive.

The THS is unable to predict the likely increases in expenditure as a result of the COVID-19 virus or long-term impact on the funding of the THS.

Note 15 OTHER SIGNIFICANT ACCOUNTING POLICIES**15.1 OBJECTIVES AND FUNDING**

As legislated, the principal purpose of the THS is to:

- promote and maintain the health of persons who are in Tasmania and
- the provision of care and treatment to, and ease the suffering of, persons with health problems in Tasmania.

As agreed in the THS 2019-20 Service Plan and within the funding allocated in the Service Plan.

THS activities are classified as either controlled or administered.

Controlled activities involve the use of assets, liabilities, revenues and expenses controlled or incurred by the THS in its own right. Administered activities involve the management or oversight by the THS, on behalf of the Government, of items controlled or incurred by the Government. In the current financial year there are no administered items.

Under the *National Health Reform Agreement*, funding is provided to the THS on the basis of activity through Activity Based Funding wherever practicable. Funding for smaller regional or rural hospitals is provided on a block funding basis. Funds for teaching, training and research are also provided on a block funding basis. Pricing under the National Health Reform Agreement is determined by an Independent Hospitals Pricing Authority. Funding due to the THS under Australian Government National Partnership Agreements and Commonwealth Own Purpose Expenditure programs is paid as grants. The THS also provides services to fee paying privately insured patients, or patients who will receive compensation for these expenses due to the circumstances surrounding their injury.

The financial statements encompass all funds through which the THS controls resources to carry on its functions.

15.2 BASIS OF ACCOUNTING

The Financial Statements are a general purpose financial report and have been prepared in accordance with:

- Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board
- Treasurer's Instructions issued under the provisions of the *Financial Management Act 2016* and
- *Tasmanian Health Service Act 2018*.

The Financial Statements were signed by the Secretary of the Department of Health and the Chief Financial Officer on 10 September 2020.

Compliance with the Australian Accounting Standards (AAS) may not result in compliance with International Financial Reporting Standards (IFRS), as the AAS include requirements and options available to not-for-profit organisations that are inconsistent with IFRS. The THS is considered to be not-for-profit and has adopted some accounting policies under the AAS that do not comply with IFRS.

The Financial Statements have been prepared on an accrual basis and, except where stated, are in accordance with the historical cost convention. The accounting policies are generally consistent with the previous year except for those changes outlined in note 15.5.

The Financial Statements have been prepared as a going concern. The continued existence of the THS in its present form, undertaking its current activities, is dependent on Government policy and on continuing appropriations by Parliament for the THS's administration and activities.

The THS has made no assumptions concerning the future that may cause a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

15.3 REPORTING ENTITY

The Financial Statements include all the controlled activities of the THS.

15.4 FUNCTIONAL AND PRESENTATION CURRENCY

These Financial Statements are presented in Australian dollars, which is the THS's functional currency.

15.5 CHANGES IN ACCOUNTING POLICIES

(a) Impact of new and revised Accounting Standards

In the current year, the Department has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board that are relevant to its operations and effective for the current annual reporting period. These include:

- *AASB 15 Revenue from Contracts with Customers* – This Standard establishes principles that require an entity to apply to the report useful information to users of financial statements about the nature, amount, timing, and uncertainty of revenue and cash flows arising from a contract with a customer.

AASB 15 supersedes AASB 111 *Construction Contracts*, AASB 118 *Revenue* and related Interpretations and it applies, with limited exceptions, to all revenue arising from contracts with customers. AASB 15 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The Standard requires the THS to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The Standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the Standard requires relevant disclosures.

The THS has adopted AASB 15 retrospectively with the cumulative effect of applying the Standard recognised from 1 July 2019 by adopting the transitional practical expedient permitted by the Standard.

The aggregate effect of all of the modifications that occur before 1 July 2019 has been assessed as nil as there has been no change to the timing of recognition of revenue as a result of adopting the new standard.

- o identifying the satisfied and unsatisfied performance obligations
- o determining the transaction price and
- o allocating the transaction price to the satisfied and unsatisfied performance obligations.

The impact of applying the above practical expedients is not expected to significantly affect the financial statements.

The effect of adopting AASB 15 on the Statement of Comprehensive Income is as follows:

2020	Notes	With adoption of AASB 15 \$'000	Adjustment \$'000	Without adoption of AASB 15 \$'000
Revenue				
<i>Grants</i>	(a)	2 025 149	(11 155)	2 013 994
Net impact		2 025 149	(11 155)	2 013 994

The effect of adopting AASB 15 on the Statement of Financial Position is as follows:

2020	Notes	With adoption of AASB 15 \$'000	Adjustment \$'000	Without adoption of AASB 15 \$'000
Assets				
<i>Contract assets</i>	(a)	11 155	(11 155)	...
		11 155	(11 155)	...
Equity				
Accumulated funds	(a)	342 173	(11 155)	331 018

- *Explanation for AASB 15 adjustments*
 - (a) Under AASB 15, the THS has recorded the transaction value for revenue related to performance obligations delivered as at 30 June 2020 that is yet to be received. This has resulted in the THS increasing the grants revenue with a corresponding contract asset being recognised.
- AASB 16 *Leases* – This Standard introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities. The standard results in most of the THS's operating leases being brought onto the Statement of Financial Position and additional note disclosures. The calculation of the lease liability takes into account appropriate discount rates, assumptions about the lease term, and required lease payments. A corresponding right-to-use asset is recognised, which is amortised over the term of the lease. Operating lease costs are no longer shown. In the Statement of Comprehensive Income, impact of leases is through amortisation and interest charges. In the Statement of Cash Flows, lease payments is shown as cash flows from financing activities instead of operating activities. The THS has adopted AASB 16 retrospectively with the cumulative effect of applying the standard recognised from 1 July 2019 by adopting the transitional practical expedient permitted by the Standard.

The THS elected to use the practical expedient to expense lease payments for lease contracts that, at their commencement date, have a lease term of 12 months or less and do not contain a purchase option (short-term leases), and lease contracts for which the underlying asset is valued at \$10 000 or under when new (low value assets).

In applying AASB 16 for the first time, the THS has used the following practical expedients permitted by the standard:

- not reassess whether a contract is, or contains, a lease at 1 July 2019, for those contracts previously assessed under AASB 117 and Interpretation 4
- applying a single discount rate to a portfolio of leases with reasonably similar characteristics
- relying on its previous assessment on whether leases are onerous immediately before the date of initial application as an alternative to performing an impairment review
- not recognise a lease liability and right-of-use-asset for short-term leases that end within 12 months of the date of initial application
- excluding the initial direct costs from the measurement of the right-of-use asset at the date of initial application and
- using hindsight in determining the lease term where the contract contained options to extend or terminate the lease.

The effect of adopting AASB 16 on the Statement of Financial Position is as follows:

	Notes	\$'000
Assets		
Right-of-use assets	7.7	24 977
Liabilities		
Lease liabilities	8.2	24 977
Equity		
Accumulated funds		....

Reconciliation of operating lease commitments as at 30 June 2019 to lease liabilities on 1 July 2019:

	\$'000
Operating lease commitments as at 30 June 2019 (ex GST)	35 963
Weighted average incremental borrowing rate as at 1 July 2019	2.0%
<i>Reconciliation:</i>	
Discounted operating lease commitments as at 1 July 2019	34 796
Less practical expedients:	
Commitments relating to short-term leases	(5 225)
Commitments relating to leases of low-value assets	
Add/(less):	
Contracts re-assessed as lease contracts	(6 016)
Adjustments relating to changes in the index or rate affecting variable payments	1 422
Lease liabilities as at 1 July 2019	24 977

- AASB 1058 *Income of Not-for-Profit Entities* – This Standard establishes principles for not-for-profit entities that applies to transactions where the consideration to acquire an asset is significantly less than fair value, principally to enable a not-for-profit entity to further its objectives, and the receipt of volunteer services..

The timing of income recognition under AASB 1058 depends on whether a transaction gives rise to a liability or other performance obligation, or a contribution by owners, related to an asset (such as cash or another asset) received. If the transaction is a transfer of a financial asset to enable the THS to acquire or construct a recognisable non-financial asset to be controlled by the THS (ie an in-substance acquisition of a non-financial asset), the THS recognises a liability for the excess of the fair value of the transfer over any related amounts recognised. The THS will recognise income as it satisfies its obligations under the transfer, similarly to income recognition in relation to performance obligations under AASB 15 as discussed above.

Revenue recognition for the THS's appropriations, taxes, royalties and most grants and contributions will not change under AASB 1058, as compared to AASB 1004. Revenue will continue to be recognised when the THS gains control of the asset (eg cash or receivable) in most instances.

Under AASB 1058, the THS will continue to recognise volunteer services only when the services would have been purchased if they had not been donated, and the fair value of the services can be measured reliability.

The THS has adopted AASB 1058 retrospectively with the cumulative effect of applying the Standard recognised from 1 July 2019 by adopting the transitional practical expedient permitted by the Standard. The THS has also adopted the transitional practical expedient as permitted by the Standard, whereby existing assets acquired for consideration significantly less than fair value principally to enable the entity to further its objectives, remain recorded at cost and are not restated to their fair value.

The effect of adopting AASB 1058 on the Statement of Comprehensive Income is as follows:

2020	Notes	With adoption of AASB 1058 \$'000	Adjustment \$'000	Without adoption of AASB 1058 \$'000
Revenue				
<i>Contributions received</i>	(a)	2 147	(1 851)	296
<i>Other expenses</i>	(a)	32 497	(1 851)	30 646
Net impact		(30 350)	....	(30 350)

Explanation for AASB 1058 adjustments

(a) Under AASB 1058, the THS has recorded the value of services provided by volunteers. As this is a non-monetary contribution, the contribution received is offset in the Statement of Comprehensive Income resulting in a nil net impact.

(b) Impact of new and revised Accounting Standards yet to be applied

The following applicable Standards have been issued by the AASB and are yet to be applied:

- *AASB 1059 Service Concession Arrangements: Grantors* – The objective of this Standard is to prescribe the accounting for a service concession arrangement by a grantor that is a public sector entity. This Standard applies on or after 1 January 2020. The impact of this Standard is enhanced disclosure in relation to service concession arrangements for grantors that are public sector entities. It has been assessed that there is no financial impact for the THS as these types of arrangements are not provided.

15.6 FOREIGN CURRENCY

Transactions denominated in a foreign currency are converted at the exchange rate at the date of the transaction. Foreign currency receivables and payables are translated at the exchange rates current as at balance date.

15.7 COMPARATIVE FIGURES

Comparative figures have been adjusted to reflect any changes in accounting policy or the adoption of new standards. Details of the impact of changes in accounting policy on comparative figures are at note 12.5. Amendments to comparative figures arising from corrections of error are disclosed in note 15.11.

Where amounts have been reclassified within the Financial Statements, the comparative statements have been restated.

15.8 ROUNDING

All amounts in the Financial Statements have been rounded to the nearest thousand dollars, unless otherwise stated. As a consequence, rounded figures may not add to totals. Amounts less than \$500 are rounded to zero.

15.9 TAXATION

The THS is exempt from all forms of taxation except Fringe Benefits Tax and Goods and Services Tax.

15.10 GOODS AND SERVICES TAX

Revenue, expenses and assets are recognised net of the amount of GST, except where the GST incurred is not recoverable from the Australian Taxation Office. Receivables and payables are stated inclusive of GST. The net amount recoverable, or payable, to the Australian Taxation Office is recognised as an asset or liability within the Statement of Financial Position.

In the Statement of Cash Flows, the GST component of cash flows arising from operating, investing or financing activities which is recoverable from, or payable to, the Australian Taxation Office is, in accordance with the Australian Accounting Standards, classified as operating cash flows.

15.11 CORRECTION OF ERROR

During 2019-20, it was identified that the assets transferred from the Department of Health to THS in relation to the Royal Hobart Hospital Redevelopment Project had not been recorded correctly in the 2017-18 financial statements. \$62.9 million of completed works transferred from the Department of Health to the THS for no consideration should have been recorded as Grants in the Statement of Comprehensive Income.

However, as completed works related to sections of the Royal Hobart Hospital site which were valued by the Office of the Valuer-General as at 30 June 2018 the carrying value of the transferred assets was correctly recorded as at that date.

The correct treatment is to ensure that all the capital expenses relating to a property are recorded before calculating any revaluation increment or decrement.

Overall, the resultant impact of the prior period error was the 2017-18 Net result of the THS and Accumulated Funds were understated by \$62.9 million and the Asset Revaluation Reserve was overstated by \$62.9 million.

The following tables disclose the impact of this error on the relevant sections of the 2017-18 financial statements:

	As Previously Reported \$'000	Adjustment \$'000	As Restated \$'000
Statement of Comprehensive Income			
Grants	1 357 657	62 916	1 420 573
Net result (loss) from continuing operations	(51 696)	62 916	11 220
Statement of Financial Position			
Accumulated funds (deficit)	(92 382)	62 916	(29 466)
Asset revaluation reserve	315 580	(62 916)	252 664

The following tables disclose the impact of this error on the relevant sections of the 2018-19 financial statements:

	As Previously Reported \$'000	Adjustment \$'000	As Restated \$'000
Statement of Financial Position			
Accumulated funds (deficit)	(143 366)	62 916	(80 450)
Asset revaluation reserve	345 650	(62 916)	282 734



Independent Auditor's Report

To the Members of Parliament

Tasmanian Health Service

Report on the Audit of the Financial Statements

Opinion

I have audited the financial statements of the Tasmanian Health Service (the THS), which comprise the statement of financial position as at 30 June 2020 and statements of comprehensive income, changes in equity and cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, other explanatory notes and the statement of certification by the Secretary of the Department of Health.

In my opinion, the accompanying financial statements:

- (a) present fairly, in all material respects, the THS's financial position as at 30 June 2020 and its financial performance and its cash flows for the year then ended
- (b) are in accordance with the *Financial Management Act 2016* and Australian Accounting Standards.

Basis for Opinion

I conducted the audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the THS in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants (Including Independent Standards)* (the Code) that are relevant to my audit of the financial statements in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code.

The *Audit Act 2008* further promotes the independence of the Auditor-General. The Auditor-General is the auditor of all Tasmanian public sector entities and can only be removed by Parliament. The Auditor-General may conduct an audit in any way considered appropriate and is not subject to direction by any person about the way in which audit powers are to be exercised. The Auditor-General has for the purposes of conducting an audit, access to all documents and property and can report to Parliament matters which in the Auditor-General's opinion are significant.

...1 of 4

To provide independent assurance to the Parliament and Community on the performance and accountability of the Tasmanian Public sector.
Professionalism | Respect | Camaraderie | Continuous Improvement | Customer Focus

Strive | Lead | Excel | To Make a Difference

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

Why this matter is considered to be one of the most significant matters in the audit	Audit procedures to address the matter included
<p>Revenue from sale of goods and services <i>Refer to note 4.2</i></p> <p>The THS recognises significant revenue from the sales of goods and services, \$0.18bn.</p> <p>The majority of services are for fee paying privately insured or otherwise compensable patients, reimbursements of services provided to other organisations and Medicare or pharmaceutical benefits scheme government payments.</p> <p>Sales of goods and services are recognised when consideration is received or receivable in respect of a wide range of services rendered captured through discrete systems.</p> <p>Due to the number of revenue streams and systems at varying sites across the THS, the manual nature of some billing processes, and the significant revenue amounts received, we identified a number of significant risks around the accuracy and completeness of revenue.</p>	<ul style="list-style-type: none"> • Evaluating the design and implementation of relevant application controls in selected systems. • Confirming process controls to support the completeness, accuracy and integrity of patient billing in selected systems. • Examining reconciliations of information from subsidiary systems to the general ledger. • Performing substantive testing over a sample of sales of goods and services transactions. • Performing analytical procedures to assess reasonableness of revenue generated. • Assessing the adequacy of relevant disclosures in the financial statements.
<p>Property, plant and equipment <i>Refer to note 7.6</i></p> <p>Property, plant and equipment at 30 June 2020 includes land, buildings and leasehold improvements totalling \$1.43bn recognised at fair value.</p> <p>The fair value of land is valued with reference to observable prices in an active market. Inputs consider recent market conditions for comparable assets.</p>	<ul style="list-style-type: none"> • Assessing the scope, expertise and independence of experts engaged to assist in the indexation of land and buildings. • Testing the mathematical accuracy of the indexation calculations. • Evaluating the adequacy of disclosures in the financial statements for compliance with Australian Accounting Standards.

...2 of 4

To provide independent assurance to the Parliament and Community on the performance and accountability of the Tasmanian Public sector.
Professionalism | Respect | Camaraderie | Continuous Improvement | Customer Focus

Strive | Lead | Excel | To Make a Difference

The valuation of buildings is based on either:

- observable prices for similar buildings or capitalisation of assessed rental income
- current replacement cost, which considers the cost to construct assets with similar utility.

The calculation of fair values is judgemental and highly dependent on a range of assumptions and estimates.

In 2019-20, land and building assets were adjusted by an indexation factor provided by the Valuer-General.

Responsibilities of the Secretary for the Financial Statements

The Secretary is responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards, and the financial reporting requirements of Section 42 (1) of the *Financial Management Act 2016*. This responsibility includes such internal control as determined necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Secretary is responsible for assessing the THS's ability to continue as a going concern unless the THS's operations will cease as a result of an administrative restructure. The assessment must disclose, as applicable, matters related to going concern and the appropriateness of using the going concern basis of accounting.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are 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 the financial statements.

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 statements, 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.

...3 of 4

To provide independent assurance to the Parliament and Community on the performance and accountability of the Tasmanian Public sector.
Professionalism | Respect | Camaraderie | Continuous Improvement | Customer Focus

Strive | Lead | Excel | To Make a Difference

- 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 THS's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Secretary.
- Conclude on the appropriateness of the Secretary'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 THS'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 statements or, if such disclosures are inadequate, to modify my opinion. My conclusion is based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the THS to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Secretary 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.

From the matters communicated with the Secretary, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



Leigh Franklin
Assistant Auditor-General, Financial Audit Services
Delegate of the Auditor-General

Tasmanian Audit Office

14 September 2020
Hobart

...4 of 4

To provide independent assurance to the Parliament and Community on the performance and accountability of the Tasmanian Public sector.
Professionalism | Respect | Camaraderie | Continuous Improvement | Customer Focus

Strive | Lead | Excel | To Make a Difference

Key Acronyms

ACQS	Aged Care Quality Standards
AAS	Australian Accounting Standards
ACSQHC	Australian Commission on Safety and Quality in Health Care
Ahpra	Australian Health Practitioner Regulation Agency
COPMM	Council of Obstetric and Paediatric Mortality and Morbidity
ECC	Emergency Coordination Centre
EOC	Emergency Operations Centre
FTE	Full Time Equivalent
ICU	Intensive Care Unit
KPI	Key Performance Indicator
LGH	Launceston General Hospital
MCH	Mersey Community Hospital
NDIS	National Disability Insurance Scheme
NSQHS	National Safety and Quality Health Service Standards
NWRH	North West Regional Hospital
PPE	Personal Protective Equipment
RHEMT	Regional Health Emergency Management Team
ROGS	Report on Government Services
RHH	Royal Hobart Hospital
RHHR	Royal Hobart Hospital Redevelopment
RTI	Right to Information
THS	Tasmanian Health Service



Tasmanian
Government

Department of Health
GPO Box 125
Hobart TAS 7001

1300 135 513

www.health.tas.gov.au