ANNUAL REPORT
ON HEALTH IN TASMANIA
2018–19

Department of Health
Tasmanian Health Service

Tasmanian Government

Annual Report on Health in Tasmania 2018-19

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27 September 2019

Hon Sarah Courtney MP
Minister for Health
Minister for Women

Hon Jeremy Rockliff MP
Deputy Premier
Minister for Education and Training
Minister for Mental Health and Wellbeing
Minister for Sport and Recreation

Dear Ministers

Annual Report on Health in Tasmanian 2018-19

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 27 of the *Financial Management and Audit Act 1990*, I have pleasure in presenting the Annual Report 2018-19 for the Department of Health and the Tasmanian Health Service.

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

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INTRODUCTION

Message from the Secretary

I am pleased to present my first Annual Report as Secretary, Department of Health, having been formally appointed to the role in September 2019.

Firstly, I want to express my thanks to Professor Michael Pervan for his dedication in this role over a number of years, and particularly over the past twelve months in bringing the Department and the Tasmanian Health Service (THS) closer together to better serve our community.

In the short time that I have been with the Department, I have seen first-hand the commitment and passion our staff apply to providing the many and varied health services we deliver to Tasmanians, often in their time of greatest need. It is evident the critical role we all play in our community and how important the services are that we deliver.

I consider it a great privilege to work alongside our staff and I really look forward to meeting with and hearing from our staff, patients and stakeholders in the coming months so that I can better understand the key issues we are facing and the challenges ahead for our Department.

Since the end of 2018-19, the State Government has made changes to the leadership of Tasmania's public health system. I would like to thank the former Minister for Health, the Hon Michael Ferguson MP for his commitment and achievements in leading the state's health services during a period of significant transformation.

A new portfolio, Mental Health and Wellbeing, has been created under the leadership of the Hon Jeremy Rockliff MP, in addition to his ministerial portfolios of Education and Training and Sport and Recreation. I welcome the Hon Sarah Courtney MP, whom has been appointed as the Minister for Health in addition to her portfolio as Minister for Women.

I look forward to working with our new Ministers and our people to deliver the key priorities in the coming year.

Kathrine Morgan-Wicks
Secretary
Department of Health

27 September 2019

Year in Review 2018-19

Delivered the 30-year Royal Hobart Hospital Masterplan. In addition to identifying key developments on the city site over the next 30 years, the plan outlines the use of the repatriation campus as a dedicated subacute and mental health facility.	In addition to installing helipads at the State's major hospitals, the expansion of the Aeromedical and Retrieval Service has seen flight paramedics and medical consultants deployed to Hobart Airport. The increased ability to rapidly deploy staff to the helicopter saves crucial minutes in emergencies.
Introduced the new Hospital in the Home program in the South to provide out-of-hospital coordinated care for Tasmanians with chronic illness.	Commenced design works, in consultation with the Project Users Group, to redevelop the Peacock Centre in Hobart to develop a contemporary community mental health service hub.
Released the State of Public Health Report 2018 describing the health of Tasmanians and the factors that influence their health and wellbeing.	Increased support to our volunteer ambulance officers, through a new training structure and processes for management and training coordination positions.
Continued to work towards completion of the Royal Hobart Hospital Redevelopment project to provide increased capacity and improved facilities and services for all Tasmanians in the State's largest public hospital.	Announced the recipients of 90 Automatic External Defibrillators (AEDs) in the first round of Ambulance Tasmania's Community Defibrillator Fund. A further 90 AEDs will be delivered as part of the second round currently underway.
Created the new Department of Health and implemented changed governance arrangements for the Tasmanian Health Service to bring the two organisations closer together and create a stronger sense of collaboration, cooperation and shared purpose.	Department of Health and Tasmanian Health Service employees and services worked together with other agencies and volunteers in assisting throughout the Tasmanian bushfire emergency response to support individuals, families and communities affected.

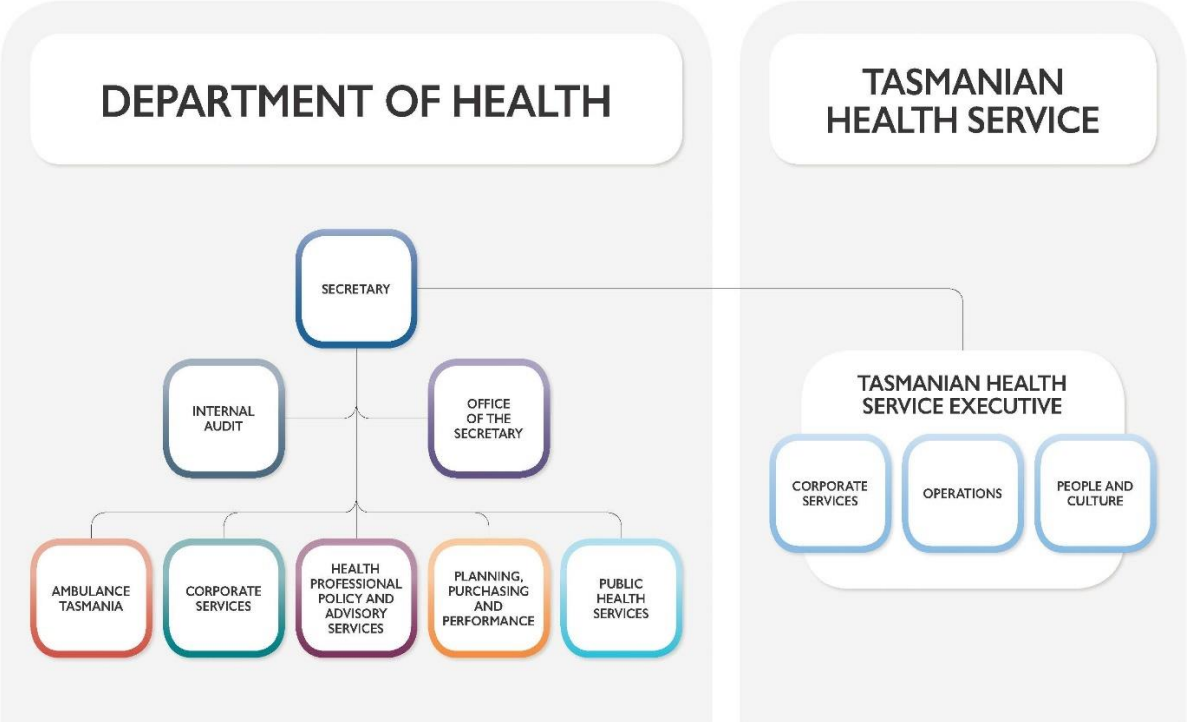
Opened the new $12.1 million St Helens District Hospital to significantly enhance the healthcare provided to the greater East Coast community.	Commenced the recruitment of 42 additional paramedics to improve ambulance responses in regional areas of Tasmania.
Provided free meningococcal ACWY immunisation clinics in the South, North and North-West to thousands of Tasmanians aged between six weeks and 21 years. Tasmania now has the highest rate of vaccination against these strains of disease in Australia.	Co-hosted a Tasmanian Government and Australasian College for Emergency Medicine meeting of more than 50 key stakeholders, influencers, staff and consumer representatives to develop clear strategies to streamline patients' admission through the emergency department and into the Royal Hobart Hospital.
Opened 22 new beds at the Repatriation Hospital to help address some of the demand and capacity pressures facing the Royal Hobart Hospital.	Under the Women's Health Initiative, delivered more elective surgery procedures for women. This has resulted in a reduction of 402 from the elective surgery waitlists.
The Winter Demand Management Plan was released in May 2019 to ensure we were well prepared to support patients and staff during the busy winter months.	Delivered the first round of paramedic recruitment for the Wynyard Ambulance Station which will be upgraded to a Double Branch Station, with a paramedic rostered on at all times.
In an Australian first, community pharmacists can now provide flu vaccinations for children aged 10 and over.	Completed the $1.8 million Latrobe Ambulance Station upgrade to provide improved facilities for paramedics.
Provided $1 million for Community Innovation Grants to community organisations for preventive health initiatives to promote smoking cessation, healthy eating, physical activity, and to reduce the high number of overweight Tasmanians.	Opened the new Kingston Health Centre which will increase in-community care in the high-growth Kingborough and Huon municipalities. The $6.5 million health centre will include community nursing, physiotherapy, oral health, child health and parenting services, and social work.

Governance

On 1 July 2018, the Department of Health was established with responsibility for Ambulance Tasmania, Corporate Services, Health Professional Policy and Advisory Services, Planning, Purchasing and Performance and Public Health Services.

The commencement of the *Tasmanian Health Service Act 2018* on 1 July 2018 also marked the beginning of a new governance model for the administration and oversight of the Tasmanian Health Service (THS). The key feature of the model was the establishment of the role of the Secretary, Department of Health as the single point of accountability for the performance of the THS.

Further refinement of the governance structure for the Department and THS will be undertaken in 2019-20.



A Shared Purpose

The Department and THS deliver a wide range of services and perform many roles across the State.

Despite the diversity of functions, roles and professions across the health system, there's one thing that unites us, and it's the same thing that inspires us: serving the Tasmanian community – our neighbours, friends and loved ones; the people across the street and across the state.

To provide this service to the community, often at the time of their greatest need, we work together with our health system partners and in an inclusive way with our clients and patients.

This collective purpose is directed at the one objective:

Together we provide access to services that help Tasmanians to live healthier lives.

Working together as a single team gives us all a greater sense of purpose and our working lives more meaning. Most importantly, it will help us to better deliver the services our communities need and deserve.

Our Service

The Department and THS 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

Our commitment is to work together with patients, clients, partners and the community.

The Department has established a range of corporate and clinical governance activities, principles and practices over several years, providing a strong foundation for effective public sector decision-making and accountability.

Executive Team

The Secretary is supported by the Executive, including:

- Ross Smith, Deputy Secretary, Planning, Purchasing and Performance
- Michael Reynolds, Deputy Secretary Corporate Services
- Siobhan Harpur, Chief Executive Officer Public Health Services
- Neil Kirby, Chief Executive Ambulance Tasmania
- Professor Anthony (Tony) Lawler, Chief Medical Officer
- Craig Watson, Chief Corporate Officer
- Nicola Dymond, Chief Operating Officer
- Rebecca Howe, A/Chief People and Culture Officer
- Lisa Howes, Director Office of the Secretary.

Corporate Governance Committees

During 2018-19, the Secretary was supported by the following corporate governance committees:

- Audit Committee: 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 and the THS. The Committee has a work plan that includes consideration of key governance frameworks and regular briefings from Departmental Executive members on organisational risks. The Audit Committee meets five times a year.
- State Health Service Joint Executive: provides strategic direction for service delivery and is a forum for addressing high level strategic and operational business issues for the state health service.
- Budget and Finance Sub-Committee: is a Sub-Committee of the State Health Service Joint Executive and provides leadership and oversight of the Departmental and THS budget.
- Clinical Executive: provides leadership and support to ensure the achievement of clinical, safety and quality, and professional leadership priorities.
- Procurement Review Committee: reviews all procurement processes valued at $100 000 or more (excluding GST) including open tenders, selective tenders and quotations prior to a contract being awarded. The Committee is bound by the Treasurer's Instructions (TIs) and bases their decisions on compliance with the TIs.

Strengthening Risk Management Approaches

The Departmental Enterprise Risk Management Framework supports staff to implement a consistent approach to risk management, agency-wide.

Following organisational governance change, the Department undertook a review of the framework and is currently implementing key recommendations approved by the State Health Service Joint Executive in May 2019. These recommendations include risk ownership to be shared across the Corporate Governance committees and classifying risks across the areas of Quality, Demand, Budget, Governance and Workforce.

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SERVICE OPERATIONS

Department of Health

The Department has an important role as a steward and strategic partner in health service delivery as system manager. We also have operational groups involved in the direct provision of services to the public including Ambulance Tasmania and Public Health Services.

Ambulance Tasmania

Ambulance Tasmania (AT), led by the Chief Executive Neil Kirby, provides integrated, high quality, pre-hospital emergency and health transport and medical retrieval services to the Tasmanian community.

The range of services includes:

- dispatching and coordination of road ambulances, fixed wing, rotary wing and non-emergency patient transport services through the State Operations Centre. There are 54 ambulance response locations across the State, plus two aircraft response locations
- highly qualified paramedics throughout urban and rural areas across the State, including approximately 480 Volunteer Ambulance Officers
- Extended Care Paramedics who can provide services that allow patients to be treated at home without the requirement to attend hospital, and
- 955 community defibrillators registered with Ambulance Tasmania, with 689 readily available for dispatch under the life-saving Early Access to Defibrillation Program.

Corporate Services

Corporate Services (CS), led by the Deputy Secretary Michael Reynolds, provides corporate strategy, policy, expert advice to support the delivery of an efficient and effective statewide health services system.

The key roles of CS include:

- budget and financial services to support the Department's critical business functions and improve financial sustainability
- asset management services
- human resource management and strategy, including industrial relations and payroll services
- information and communication technology services, including the management of business systems
- legal services to support the delivery of the Department's legislative responsibilities
- managing intergovernmental relations
- leading the implementation of strategic policy and reform initiatives on behalf of portfolio Ministers and the Secretary, and
- providing professional advice, via the Mental Health, Alcohol and Drug Directorate and Chief Psychiatrist.

Health Professional Policy and Advisory Services

The Health Professional Policy and Advisory Services Group (HPPAS), led by Chief Medical Officer Professor Anthony Lawler, consolidates the provision of specialist clinical professional advice to the Secretary and portfolio Ministers on health professional, policy and clinical issues impacting the Tasmanian health system. These functions support a health system driven by continuous improvement in the safety and quality of care.

The key roles of HPPAS include:

- providing clinical and professional policy and advice, via the lead professional roles of Chief Medical Officer, Chief Nurse and Midwifery Officer and Chief Allied Health Advisor
- facilitating well-informed independent, evidence-based advice to the Secretary for the planning, delivery, evaluation and improvement of health services in Tasmania, including oversight of the Clinical Executive and Clinical Planning Taskforce
- ensuring there are policy, regulatory and quality governance frameworks across public and private health services in Tasmania to support the:
    - administration and regulation of the health professions
    - high-quality, safe, equitable and cost-effective use of medicines
    - execution of responsibilities for emergency preparedness, response and recovery
    - implementation 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
    - establishment of robust systems for monitoring compliance and enforcing regulatory standards under the under the *Health Service Establishments Act 2006* and Health Service Establishments Regulations 2011, and for Private Non Emergency Patient Transport under the *Ambulance Service Act* 1982, Section 35D, and
    - role of all elements of the health system to understand and enact their regulatory and quality governance responsibilities to safeguard patient, client and employee safety.

Planning, Purchasing and Performance

Planning, Purchasing and Performance (PPP), led by the Deputy Secretary Ross Smith, fulfils core system management functions of strategy and planning, purchasing, performance management, monitoring, reporting and analysis.

The key roles of PPP include:

- clarifying, promoting and embedding the role and functions of system management within the Department, THS and with external stakeholders
- ensuring 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
- working with our service delivery partners to purchase and deliver joined-up service systems that meet the needs of clients and the community

- implementing 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)
- representing the interests of Tasmania at the local and national level and translate the incorporation of national policy, funding and pricing directions into practice, and
- acting as the single point of access to statistical information for performance monitoring, analysis and reporting for services purchased by the Department.

Public Health Services

Public Health Services (PHS), led by the Chief Executive Officer Siobhan Harpur, protects and improves the health of all Tasmanians by helping Tasmanians to make healthy choices and to live in safe environments.

PHS develops and delivers public health policy, plans and programs, public health information; and administers public health legislation including the *Public Health Act 1997*, the *Radiation Protection Act 2005* and the *Food Act 2003*. PHS also manages public health threats and risks, such as communicable disease outbreaks and public health emergencies.

In 2018-19, these services included:

- 452 smoke-free area checks (including approximately 83 schools, playgrounds and skate parks)
- 41 Controlled Purchase Operations – to test tobacco retailers with the ban on sales to children
- licensing of 673 tobacco and e-cigarette premises
- 951 Compliance point of sale inspections
- provision of vaccines and support services to 205 immunisation providers, including 29 councils, 97 high schools and 11 colleges
- over 90 000 doses of meningococcal ACWY vaccine were distributed in response to a community outbreak in the northern suburbs of Hobart, and a statewide program, and
- a total of 8 947 calls to the Public Health Hotline.

Office of the Secretary

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

Internal Audit

Internal Audit, led by the Manager Frances Hall, provides an objective assurance and systematic approach to the evaluation of governance, risk management, and control environment and recommends improvements.

Tasmanian Health Service

The Secretary appointed a three person team to perform the functions and powers assigned to the THS Executive under the Act. This team works collectively and individually to administer and manage the THS as Tasmania's single public health service delivery organisation.

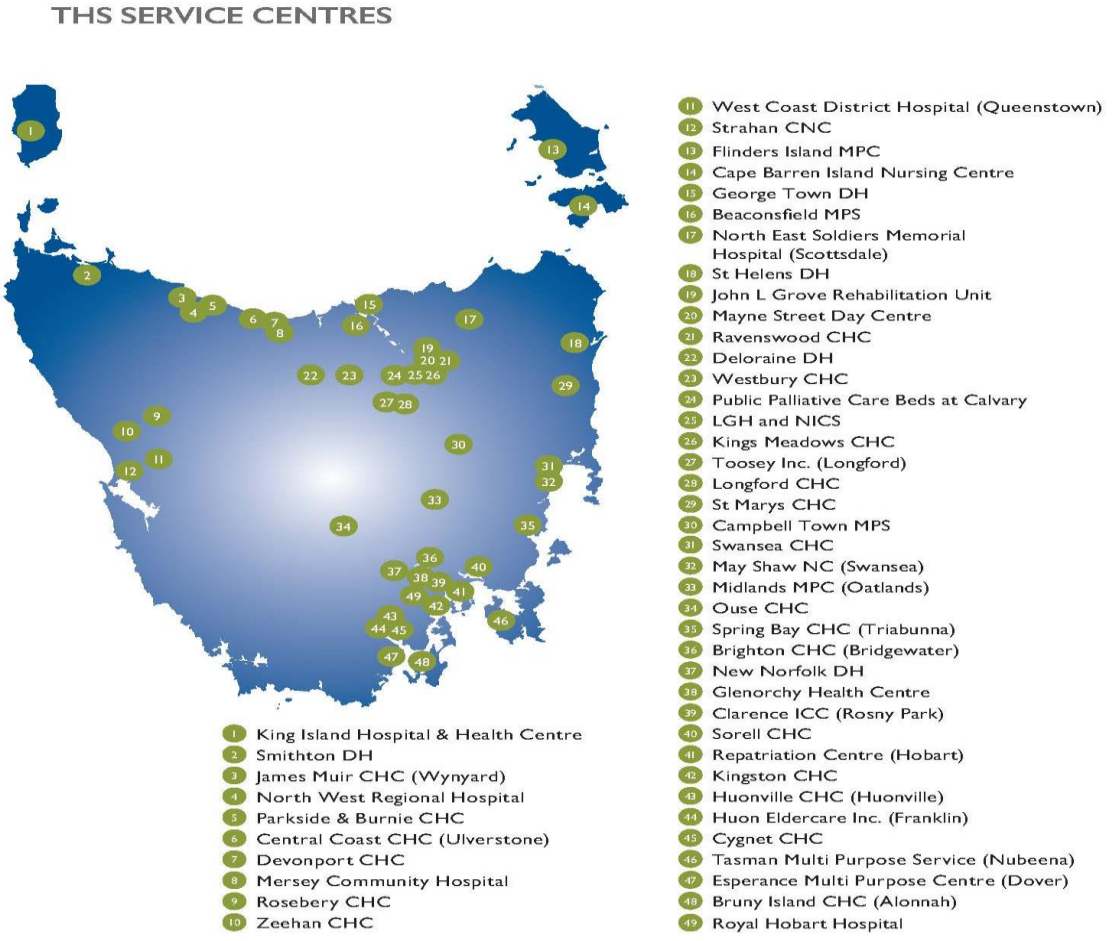
The THS is led by the executive including the Chief Corporate Officer Craig Watson, the Chief Operating Officer Nicola Dymond and the A/Chief People and Culture Officer Rebecca Howe.

Corporate Services is responsible for providing strategic leadership in the development and implementation of financial management systems and strategies that enable the THS to deliver safe, efficient, effective and high-quality integrated patient and client care.

Operations leads the clinical services redesign and delivery programs; as well as introducing integrated operations centres to manage patient flow and access and improve utilisation of capacity across the state.

People and Culture covers the functions of human resources which includes: workplace health and safety, recruitment, organisational development and employee relations.

The THS provides and coordinates public sector health services and health support services through a range of inpatient, outpatient, community health, residential aged care and in-home settings.



Services delivered by the THS include acute, subacute, emergency, non-admitted, primary health care, palliative care, oral health, cancer screening, mental health and alcohol and drug services, and community based child health services for children 0-5 years and their families. To provide an integrated, holistic and patient-centred approach to health care delivery, services are flexible to target specific needs at the different stages of a patient's health journey.

The THS operates four major hospitals, each with a specific role in the system:

- the Royal Hobart Hospital (RHH) is the principal referral hospital for residents of Southern Tasmania and provides a number of tertiary services for the State
- the Launceston General Hospital (LGH) is the principal referral hospital for the North and North West of Tasmania and provides a number of tertiary services for residents of those areas
- the North West Regional Hospital (NWRH) in Burnie provides acute general hospital services in the North West Region, and
- the Mersey Community Hospital (MCH) at Latrobe is a dedicated elective surgery centre for all Tasmanians and will continue to provide a mixture of general hospital services to the local community.

Sub-acute inpatient care is provided at the major hospitals and the THS network of rural hospitals (including multi-purpose services and multi-purpose centres). The rural hospitals also provide some emergency care as well as a wide range of community health services. Some rural facilities also provide residential aged care.

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

Statewide Mental Health Services

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

A Mental Health Hospital in the Home, two-year 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.

SMHS also delivers the Mental Health Services Helpline to clients across the state, providing advice, assessment and referral. The Helpline is a central point of entry to Mental Health Services for all Tasmanians and is a 24-hours-a-day, seven-days-a-week phone line. It is supported by a dedicated crisis assessment and treatment team that operates across all services and who manage referrals from the Mental Health Services Helpline. The team also provides emergency responses to urgent referrals seven days a week.

The SMHS group consists of the following clinical services:

Child and Adolescent Mental Health

Child and Adolescent Mental Health Services assists infants, children and young people (up to 18 years old) who are experiencing severe and complex mental illness or disorders, and their families or care givers.

Adult Mental Health

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

Older Persons Mental Health

Older Persons Mental Health Services delivers care to people who are 65 years or older who have a mental illness and/or impaired cognitive functioning with challenging behaviour. Services are provided in the community and the statewide inpatient services, the Roy Fagan Centre based in the south.

Forensic Mental Health Services

Forensic Mental Health Services operate statewide and undertake highly specialised interventions and clinical activities providing community and inpatient mental health care for people experiencing a mental health disorder, who are involved with or at risk of becoming involved with the criminal justice system. There are community teams in the North and South, and inpatient care is provided at the Wilfred Lopes Centre in the South.

Alcohol and Drug Services

Alcohol and Drug Services is managed statewide with services located in Hobart, Launceston and Ulverstone. It has four service delivery areas: Withdrawal Management, Opioid Pharmacotherapy Program, Consultation Liaison and Psychosocial Interventions. It also operates other specialist programs as required.

Correctional Primary Health Services

Correctional Primary Health Services provides primary health care and treatment and specialist referral for people held 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 and inpatient care with six beds for primary health care and observation and outpatient nursing clinics.

Oral Health Services Tasmania

Oral Health Services Tasmania 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 and Hobart, a number of special care dental units and two mobile dental units.

Population Screening and Cancer Prevention Services

Population Screening and Cancer Prevention Services manage the population screening programs for the prevention and early detection of breast, cervical and bowel cancers. The screening programs are jointly funded by the Australian and Tasmanian governments. The service is actively engaged in the development of national quality standards for monitoring of the outcomes and effectiveness of the screening programs.

Child Health and Parenting Service

The Child Health and Parenting Service (CHaPS) is a community-based service providing early childhood services to parents, babies and children between 0-5 years of age through child health, growth and developmental assessments, parent support and information, and early intervention services. CHaPS works in collaboration with local communities through schools, neighbourhood houses and local organisations.

CHaPS provides a universal service for screening and surveillance with a focus on increasing equity and access to services appropriate to need. Services include:

- cu@home is a program for young first-time parents 15-19 years of age. The Program will ensure children born to young parents have equal opportunity for optimal development to become creative, competent, caring and resilient young people and adults.
- The Child Development Unit is a specialist multidisciplinary service for children 0-5 years who are at risk of or have some level of developmental delay.
- Parenting Centres offer intensive support for families experiencing difficulties relating to early childhood (0-5 years).

Statewide Sexual Health Service

The Statewide Sexual Health Service operates clinics in Hobart, Launceston and Devonport. The service is staffed by doctors, nurses, counsellors and psychologists who deliver a range of clinical and counselling services that relate to gender identity, HIV care, sexual activities and safety, sexual health checks, sexual response and desire, sex worker issues and STI diagnosis and treatment.

Consumer and Community Engagement

The Department and THS is committed to providing the Tasmanian community with opportunities to engage in planning and decision-making processes to ensure that its policies, programs and the services it provides 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. 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 and THS engages with the community are detailed below.

Lesbian, Gay, Bisexual, Transgender and Intersex Working Group

The Department's Lesbian Gay, Bisexual, Transgendered and Intersex (LGBTI) Working Group was established in 1999 and was the first of its kind in Australia. Membership includes representatives from the Department, THS, community organisations and members and Primary Health Tasmania to work collaboratively to improve health outcomes and access to services for LGBTI Tasmanians.

The Whole of Government Framework for LGBTI sets the principles and action areas for the group. Key areas of focus are improving our services to be more LGBTI friendly through professional development for our staff; developing a network for our staff with diverse sexualities and gender identities; and to improve our information systems to enable recording of diverse sexuality and gender identities.

The Department provides funding for several community-based organisations that work with LGBTI 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.

Our understanding of the health service needs of Aboriginal people matured with the inception and development of community-controlled health services; instrumental in improving the health of Aboriginal people. Now, we are learning from community-controlled organisations to make mainstream health services culturally respectful and accessible for Aboriginal people.

Staff are working to improve cultural respect through participation in cultural awareness training, partnerships with Aboriginal community-controlled organisations, Acknowledgements of Country and improved visibility of Tasmanian Aboriginal people and culture in our health system.

The Department has engaged staff across the health system to develop an action plan strongly informed by the Aboriginal Cultural Respect in Tasmania's Health Services – Community Consultation Report released in July 2018 and the national Cultural Respect Framework for Aboriginal and Torres Strait Islander Health 2016–2026. The action plan will provide the guidance and context for achieving a culturally respectful health system in Tasmania.

Consumer and Community Engagement Principles

The THS is guided in its approach to consumer and community engagement by Standard 2 of the National Safety and Quality Health Service Standards, focusing on ensuring all health services have consumers as partners in planning, design, delivery, measurement and evaluation of systems and services and patients as partners in their own care, to the extent that they choose.

The THS has worked with consumers to develop the following guiding principles:

- Participation - Consumers have the right to participate in and about their own health, wellbeing and welfare in a meaningful way. Consumers and community are involved in the design and shaping of policies and decisions relating to the Tasmanian health system.
- People-Centred - Meaningful engagement processes embrace the values and the needs of consumers, their families, carers, and the community.
- Mutual Respect - Engagement is undertaken with mutual respect and valuing each other's experiences and contributions.
- Accessible and Inclusive - Consumers and their families are a diverse group. Given this diversity, consumer participation opportunities need to be accessible and inclusive, with flexibility and a range of options for consumer participation. The needs of consumers and community experiencing barriers to service access and engagement are considered.
- Partnership - Working relationships between engagement partners are built on transparent and accountable processes which are publicly provided to consumers.
- Diversity - The engagement process values and supports all consumers, carers and community.
- Support - Community advisory and engagement councils take a formal leadership role in ensuring consumers, carers and community are provided with the support they need to engage meaningfully with the health and community services systems.
- Influence - Consumers, carers and community engagement influence policy, planning and system reform.
- Continuous Improvement - Consumer, carer and community engagement is regularly reviewed and evaluated to drive continuous improvement.

Consumer and Community Engagement Councils

The THS formally supports three regional Consumer and Community Engagement Councils (CCECs) to provide a strong consumer voice in the planning, design, delivery, measurement and evaluation of health care in the THS. Each of the regional CCECs provide an opportunity for people in the community to participate actively in the future direction of health services and the opportunity for all CCECs to come together was provided through the annual consumer forum held in November 2018.

The CCECs have contributed to the planning, delivery and evaluation of health services and we are grateful to all members for their passion, commitment and time they give. Positive contributions have been made to a range of activities including: the development of draft THS strategic directions, participation in governance processes, policy and protocol development, and improvements to consumer information and health facility design.

Under the *Tasmanian Health Service Act 2018*, the former Secretary established a Consumer Advisory Panel, bringing together the Chairs of each CCEC on a quarterly basis to create a forum to discuss issues about the health service that matter to consumers and the community.

Experience-based Co-design

Co-design is a design approach to help ensure that the result of care design meets the needs of patients and staff. In mid-2018, the Department, THS and Primary Health Tasmania partnered to sponsor a series of experience-based co-design (EBCD) workshops facilitated by Dr Lynne Maher of the Ko Awatea health innovation and improvement institute located in New Zealand. These workshops were attended by staff from the three organisations and focused on the principles of partnership, respect, teamwork and safety for building capability and confidence to partner with consumers and care givers for successful co-design.

The THS also sponsored an extended program with Dr Maher designed to provide participants with the knowledge, skills and support to use EBCD methods to improve aspects of health service delivery. Dr Maher has guided teams through an initial full day masterclass, monthly web sessions and a follow up face to face workshop. Projects are now underway and due for completion in 2019 on a range of services and ideas for example: improving the journey through the emergency department for people with hearing difficulties; improving discharge planning for autologous bone marrow transplant patients; improving written medication-related documentation provided to patients by Pharmacy on discharge from hospital; and providing technology to support rehabilitation in the home.

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.
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.

Journal articles, books and chapters by staff can be found at 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 the weekly News and Announcements e-bulletin and regular communications from the Secretary.

Library Services

The Library Services supports staff information and research needs. It comprises the Wingfield Library and AT 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 Who's in Print newsletter.

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

A list of high-level publications released in 2018-19 follows.

Key Publications 2018-19

Publication	Year
Aboriginal Cultural Respect in Tasmania's Health Services – Community Consultation Report	2018
2018-19 Service Plan Tasmanian Health Service	2018
DHHS Annual Report 2017-18	2018
Tasmanian Health Service Annual Report 2017-18	2018
State of Public Health Report	2019
Royal Hobart Hospital Masterplan	2019
Winter Demand Management Plan 2019	2019
RHH Access Solutions Occasional Papers	2019
RHH Access Solutions Action Plan	2019

Research

A strong program of quality improvement and service evaluation is in evidence around the state, and there is growing involvement in research collaborations with other health care providers and the university sector.

A major program of work is occurring in the public hospital and ambulance sector to improve and establish clear governance processes for conducting clinical trials and investigator-initiated research projects. This work has already resulted in a draft research governance framework and policy, a research strategy and a suite of Standard Operating Procedures. The draft documents align with work on clinical trials research being progressed within the National Safety and Quality Health Service Standards and with work from other national bodies that will allow Tasmanian researchers access to ethics and governance processes that they have not previously been able to access.

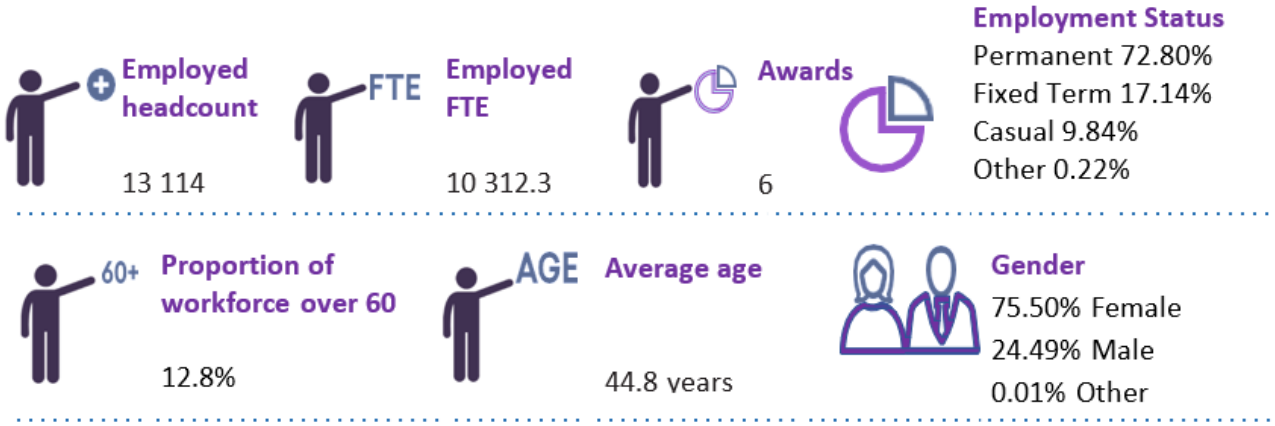
In addition, the Department is scoping electronic research governance management tools that will allow not only for the governance processes to be standardised and visible to researchers and managers but will also allow the sector to have a greater understanding of the research being conducted and outcomes achieved.

Strong collaboration exists between the University of Tasmania and other higher education providers, the Clifford Craig Medical Research Trust and the Royal Hobart 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.

OUR PEOPLE AND FINANCES

Workforce Overview



Our key workforce initiatives in 2018-19 included:

Preparing for the workforce of the future

Working with our health system partners, the Health Workforce Planning Unit continued to develop the Health Workforce 2040 report.

The Health Workforce 2040 report will provide information and analysis on the health workforce across the public and private sectors. It will support strategic, tactical and operational decision makers by providing information on the current health workforce, modelling of the medical and nursing and midwifery workforces and profiling over 90 individual health professions and areas of practice.

Investing in a supportive workplace culture

A number of workplace initiatives were undertaken in 2018-19 to support our values and key workforce priority areas, such as diversity and inclusion. A few highlights are listed below.

- We continued to centrally offer information sessions and webinars on areas of interest to staff. For example, we hosted a Mental Health Week event in October 2018, and a session about employing staff with disability with the Premier's Disability Advisory Council during the same month.
- Alongside central efforts, areas also held regular webinars open to all staff, such as the Public Health Services session on the new MyHealth Record system.
- We continued to implement the State Service Diversity and Inclusion Framework, including celebrating 'days of significance', such as NAIDOC week and Harmony Day.
- We continued to support entry-level career pathways across all occupations within the DoH and THS including, participation in State Service School-based Apprenticeship Program, and business units' hosting of trainees, supporting our Transitions to Practice Nursing, Medical and Ambulance Interns and Graduate Programs.
- A number of individual units embrace a variety of positive wellbeing activities on a regular basis, including morning teas, pet walls and social events. We undertook a number of positive wellbeing activities such as: our Festive Fever/Christmas Decorating competitions; and our annual free flu vaccination program.

- We supported staff participation in whole-of-service activities, such as the International Women's Day luncheons and awards; the Aboriginal Employee Gathering; the 'New Parent Survey' (partnership between the Department and UTAS and the whole of government Employee Survey.
- We launched our new Disability Action Plan 2018-2021, which includes our commitment to deliver services in a way that is inclusive and accessible to people with disability. To support this, we held an information session in October 2018 on employing people with disability; hosted a four-week volunteer placement in our Asset Management team; and participated in AccessAbility Day (November). A number of individual units have embraced employing people with disabilities and are supported through various mechanisms.

Building employee capability

Alongside business unit investment, we continued to centrally support training and development of staff, such as through our internal training calendar, delivering a number of internal face-to-face and online courses, and supporting the coordination of a number of other agency and State Service development initiatives.

We continued to centrally support a number of manager and leader development opportunities, such as staff participation in the State Service Strategic Management Program (S3MP) and our pilot 2018-19 Women in Leadership program.

We continued to invest in staff development through our internal training calendar and external development opportunities, such as those provided through the Tasmanian Training Consortium (TTC), the Institute of Public Administration (IPAA) and Australian and New Zealand School of Government (ANZSOG). We invested approximately $202 397 in 2018-19 on TTC/ANZSOG/IPAA arranged courses.

We supported 170 staff to undertake HECS-free postgraduate tertiary qualifications through our Academic Program, provided in partnership with UTAS.

We provide comprehensive training and support for our clinical staff to facilitate meeting of registration and accreditation requirements and to also support on-going professional development.

We continued to partner with other institutions, such as TasTAFE and Swinburne University of Technology, to offer our employees subsided places in their courses – for example, Swinburne's Certificate IV Project Management Practice.

Our internal instructors delivered Mental Health First Aid training to 307 staff to help them support their colleagues' wellbeing.

Taking Action Against Violence Against Women

As an action under *Safe Homes, Safe Families: Tasmania's Family Violence Action Plan 2015-20*, the Department has continued to undertake the White Ribbon Accreditation Program in partnership with the Department of Communities Tasmania.

Key achievements during the reporting period include:

- A number of awareness raising activities, including: co-hosting of the White Ribbon Walk 2018; leading the successful Share the Dignity campaign across the Department, Communities Tasmania and the THS (450 bags collected for women experiencing homelessness); and the White Ribbon Dragon Boating team in the 2019 Corporate Challenge.

- Updating resources and information about internal supports for staff experiencing violence, including a new Manager Guide, Workplace Safety Plan template, and a series of Factsheets for managers and staff.
- Internal creation and delivery of face-to-face manager training.

Alongside this, DoH and THS work together to promote awareness raising initiatives and sharing learnings and resources – such as our updated departmental policies, procedures and resources.

Supporting units through change

We continued to support a number of business units undertake change processes. These include:

- Supporting the creation of the Department of Communities Tasmania and the transition of corporate staff and services.
- Changes to the governance structure of the THS.
- Relocating rehabilitation services from the North West Regional Hospital to the Mersey Community Hospital.
- Service implementation of the Adult and Community Mental Health Services within Mental Health South.

Industrial Relations

The industrial relations area has seen the continuation of negotiations for a number of Agreements, including the Nurses and Midwives Agreement, the Ambulance Tasmania Agreement and the Allied Health Professional Agreement, each having an expiry date of 30 June 2018.

This bargaining process has included negotiations with public sector unions to identify areas of potential improvement in wages, conditions and employment matters.

Current Workforce Profile

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

Workforce	DoH 2017-18[1]	DoH 2018-19	THS 2017-18	THS 2018-19
Allied Health Professional	42.62	51.20	949.64	991.93
Ambulance	375.78	423.94	-	-
Dental	-	-	39.08	36.87
Health and Human Services	540.90	557.03	3 021.69	3117.19
Medical Practitioners	14.21	16.74	917.60	972.11
No Award	1.00	1.55	2.52	0.63
Nursing	24.77	29.95	3 837.44	3 997.70
Radiation Therapist	-	-	53.02	53.36
Senior Executive Service	16.00	11.00	7.00	7.00
Visiting Medical Officers[2]	0.50	0.50	42.30	43.65
Total	**1 015.78**	**1 091.90**	**8 870.29**	**9 220.44**

Notes:

1. Due to the organisational change involved with the creation of the Department of Communities Tasmania, data for previous years has been recast to the current organisational structure. These figures therefore differ from those previously published in the 2017-18 DHHS Annual Report.
2. Includes Rural Medical Practitioners.

Total Number Paid by Employment Category: Permanent, Full Time, Part Time, Fixed Term and Casual

Category	DoH 2017-18[1]	DoH 2018-19	THS 2017-18	THS 2018-19
Permanent full-time	733	732	2 992	3 075
Permanent part-time	218	240	5 249	5 500
Fixed-term full-time	106	152	882	906
Fixed-term part-time	36	42	1 042	1 147
Part 6[2]	17	15	18	14
Casual	24	20	1 220	1 271
Total	**1 134**	**1 201**	**11 403**	**11 913**

Notes:

1. Due to the organisational change involved with the creation of the Department of Communities Tasmania, data for previous years has been recast to the current organisational structure. These figures therefore differ from those previously published in the 2017-18 DHHS Annual Report.
2. Head of Agency, holders of Prescribed Offices and Senior Executives and equivalents.

Total Number of Paid Employees by Award 2018-19

Employee	DoH	THS
Allied Health Professional	61	1 225
Ambulance Tasmania Award	459	-
Dental Award	-	50
Health and Human Services	611	3 969
Medical Practitioners	19	1 078
No Award	3	9
Nursing	36	5 335
Senior Executive Service (SES)	11	7
Radiation Therapist	-	58
Visiting Medical Officers[1]	1	182
Total	**1 201**	**11 913**

Notes:

1. Includes Rural Medical Practitioners.

Total Number of Paid Employees by Age Profile

Age Profile	DoH 2017-18[1]	DoH 2018-19	THS 2017-18	THS 2018-19
15-19 years	0	2	45	42
20-24 years	54	55	685	751
25-29 years	94	111	1 157	1 233
30-34 years	133	141	1 181	1 301
35-39 years	160	175	1 094	1 207
40-44 years	130	144	1 084	1 136
45-49 years	160	153	1 424	1 401
50-54 years	167	179	1 594	1 557
55-59 years	137	140	1 666	1 707
60+ years	99	101	1 473	1 578
Total	**1 134**	**1 201**	**11 403**	**11 913**

Note:

1. Due to the organisational change involved with the creation of the Department of Communities Tasmania, data for previous years has been recast to the current organisational structure. These figures therefore differ from those previously published in the 2017-18 DHHS Annual Report.

Gender Diversity

Women in Leadership Pilot Program

The Women in Leadership Pilot Program has been developed to support the whole-of-government *Gender Diversity in the State Service Strategy*.

The 12-month Program commenced in September 2018, and is free for participants from the Department, THS and the Department of Communities Tasmania. There was strong interest in participating, with 110 applications received for 30 positions in the pilot cohort.

Governance has been provided by a Steering Committee of senior leaders across the three areas, and a working group of staff from Human Resources teams and Public Health Services.

Investing in learning and development opportunities for women not only aligns with our commitments under whole-of-service strategies and the Workforce Diversity Plan 2017-2020.

Gender Profile

The Department's gender profile has been relatively stable over the past four years. As at 30 June 2019, the overall gender profile was 24.49 per cent male, 75.50 per cent female and 0.01 per cent Indeterminate/Intersex/Unspecified.

Senior Executive Service

The *Tasmanian Women's Strategy 2018-2021* and the *Gender Diversity in the State Service* 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 by 2020. The Senior Executive Service profile in the reporting period was 53 per cent male and 47 per cent female.

Senior Executive Service by Gender[1]

	DoH		THS	
	2017-18	**2018-19**	**2017-18**	**2018-19**
Male	12	8	3	2
Female	5	4	4	5
Total	**17**	**12**	**7**	**7**

Note:

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

Senior Executive Service Level by Gender[1]

Level	DoH 2017-18 Male	DoH 2017-18 Female	DoH 2108-19 Male	DoH 2018-19 Female	THS 2017-18 Male	THS 2017-18 Female	THS 2018-19 Male	THS 2019-19 Female
SES 1	3	2	3	1	-	1	-	1
SES 2	3	3	-	3	2	2	1	3
SES 3	5	-	4	-	1	-	1	-
SES 4	1	-	1	-	-	1	-	1
Total	**12**	**5**	**8**	**4**	**3**	**4**	**2**	**5**

Note:

1. Table excludes Acting SES arrangements.

Gender Profile

	DoH		THS	
	2017-18	2018-19	2017-18	2018-19
Male	520	535	2 569	2 676
Female	613	665	8 834	9 237
Indeterminate/Intersex/Unspecified[1]	1	1		-
Total	**1 134**	**1 201**	**11 403**	**11 913**

Note:

1. To support anonymity, in the following sections we have removed data that might identify the individual that has self-selected 'Indeterminate/Intersex/Unspecified'.

Classifications by Gender

The following information identifies the gender profile of employee classification groups in 2018-19. Data is by headcount.

Allied Health Professionals

Classification	DoH Male	DoH Female	THS Male	THs Female
AHP 1-2	3	3	76	396
AHP 3	3	22	97	447
AHP 4	6	12	42	100
AHP 5	3	5	26	40
AHP 6	2	2	-	-

Ambulance

Classification	DoH Male	DoH Female	THS Male	THS Female
Paramedic Intern	17	24	-	-
Paramedic	119	116	-	-
Clinical Support Officer	8	7	-	-
Paramedic Educator	8	2	-	-
Communications Officer	2	6	-	-
Emergency Medical Dispatch Officer	17	29	-	-
Branch Station Officer	54	8	-	-
Ambulance Manager	29	12	-	-

Dental Officers

Classification	DoH Male	DoH Female	THS Male	THS Female
DO 1-3	-	-	26	19
DO 4	-	-	4	-
DO 6	-	-	1	-

General Stream

Classification	DoH Male	DoH Female	THS Male	THS Female
Bands 1-5	48	210	327	1 404
Bands 6-8	92	136	78	101
Bands 9-10	3	3	-	-
Graduate	6	4	2	-
Health Services Officer	22	6	588	1 467
Information and Communication Technology	72	9	2	-

Medical Practitioners

Classification	DoH Male	DoH Female	THS Male	THS Female
Rural Medical Practitioner	-	-	30	12
Visiting Medical Practitioner	-	1	98	42
Intern	-	-	46	48
Resident	-	-	78	79
Senior Resident	1	1	4	5
Registrar	-	-	178	169
Senior Registrar - Fellow	-	-	2	3
Senior Registrar – Dual Fellow	-	1	1	2
Career Medical Officer	-	-	19	7
Specialist	5	5	199	135
Senior Specialist	5	1	78	25

Nursing

Classification	DoH Male	DoH Female	THS Male	THS Female
Grade 1	-	-	11	90
Grade 2	-	-	59	503
Grade 3-4	2	6	433	3 267
Grade 5	-	-	58	345
Grade 6	-	17	42	291
Grade 7	-	2	27	134
Grade 8	-	8	8	56
Grade 9	-	-	3	7
Chief Nurse	-	1	-	-

Radiation Therapists

Classification	DoH Male	DoH Female	THS Male	THS Female
RT 1-2	-	-	8	25
RT 3	-	-	7	7
RT 4	-	-	5	3
RT 5	-	-	1	2

Indicators of Organisational Health

	DoH		THS	
	2017-18[1]	2018-19	2017-18	2018-19
Annual Leave				
Average number of days used per paid full time equivalent (FTE)	21.5	22.2	18.8	18.9
Long Service Leave (includes maternity leave)				
Average number of days used per paid FTE	3.8	3.9	3.5	3.6
Personal Leave Days (includes sick, carers and family leave)				
Personal leave days per average paid FTE	11.3	12.6	12.6	12.1
Overtime Hours (includes callback and overtime hours)				
Overtime/callback paid hours per average paid FTE	72.3	84.8	54.7	55.8
Turnover Rate[123]				
Total number of separations (FTEs) divided by the average paid FTE	6.2%	8.8%	9.1%	9.0%

Notes:

1. Due to organisational changes, data has been remapped to the current organisational structure.
2. The turnover rate is the rate at which people were leaving THS as at 30 June each year.
3. This includes all fixed term employment contracts such as graduate programs and doctors in training.

Workplace Health and Safety

Both the Department and THS recognise 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 2018-19, 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 staff, including manager and supervisors.
- A Peer Support Program established to better support Ambulance Tasmania staff and volunteers, with a network of trained and accredited Peer Support Officers available from September 2018.
- The continuation of Mental Health First Aid Training within the workplace. In addition, Ambulance Tasmania has commenced roll-out across the service of the Connecting with People program, an accredited mental health and suicide prevention program, as well as introducing a Mental Health and Wellbeing Officer to focus on proactively supporting the physical and mental health of staff and volunteers.

- Ongoing work to support the development and implementation of the Ambulance Offload Delay Protocol, Procedure and Policy.
- Ambulance Tasmania continues to work with the Department of Police, Fire and Emergency Management to deliver the Wellbeing Program across the emergency services.
- The THS continues to undertake a project over the past 12 months to review statewide practices in the management of Occupational Violence and Aggression. A training package has been procured and is being implemented across the state with a focus on identified areas of need. The project will be reviewed over the coming months including recommendations regarding the ongoing management.
- Development of a holistic Health and Wellbeing Framework, based on a four pillar model in the areas of:
    - healthy minds
    - healthy bodies
    - positive workplaces, and
    - safe workplaces.

Workplace Health and Safety Key Measurable Objectives

		DoH Outcomes		THS Outcomes	
Objective	**Measures/Targets**	**2017-18**	**2018-19**	**2017-18**	**2018-19**
Reduce the total number of workers compensation claims	Number of injuries resulting in new workers compensation claims	71	65	471	516
Reduce cost of workers compensation	Total cost of workers compensation (including carry over claims)	$4.46 million	$5.30 million	$13.10 million	$15.49 million
Reduce the Lost Time Injury Frequency Rate (LTIFR)	Percentage of injuries resulting in >1 day off work per 1 000 000 hours worked	24.9	21.1	23.5	22.2
Reduce the Lost Time Injury Severity Rate (LTISR)	Number of days lost per 1 000 000 hours worked	2 587	2 451	1 364	1 220

Quality and Patient Safety

Key Initiatives

The Quality and Patient Safety Service has undertaken a number of quality improvement initiatives over the previous 12 months. These initiatives have focused on system enhancements, quality of performance, core competencies and transition to newly introduced regulatory standards including the National Safety and Quality Health Service Standards and the Aged Care Quality Standards.

With communication being a contributory factor of all serious adverse safety events, a taskforce was formed to develop a communication strategy across the THS. Within the taskforce working group, key representatives across the organisation identified that effective communication at clinical handover is an essential component for improving patient safety and reducing adverse outcomes.

As an outcome of the working group, in September 2018, the Clinical Handover Protocol was introduced with the acronym iSoBAR (identify-situation-observations-background-agreed plan-read back) consistently adopted across the THS supported by clinician involvement and leadership.

In 2018-19, a number of improvement strategies including 'Purposeful Hourly Patient Rounding' and 'Safety Huddles' had been introduced within various areas of the THS to assist in reducing patient safety events. Both of these strategies are supported by the New South Wales Clinical Excellence Commission (CEC) and seek to improve patient experience through the application of a structured approach to partnering with patients/carers and their families in the delivery of safe, quality care.

Consumer Feedback

Consumer feedback and engagement within services is a key area of review and improvement opportunities across the THS. Along with 1 649 complaint interactions, 2 558 other consumer feedback formal interactions were recorded for the 2018-19 reporting period including:

- Compliments (2 347). The service of CAMHS, Critical Care, Clinical Support and Investigations, LGH Medicine, and MCH Surgical Department were highlighted in their service division by the high number of compliments received
- Comments/Suggestions (191), and
- Queries (20), many of which were operational enquiries such as bookings.

In improving shared learnings for consumer feedback, including complaints, the development and use of 'Patient Story' videos continued throughout 2018-19. The patient stories enable the consumer voice to be communicated in a meaningful and patient centred way. More and more patients and families had been able to talk about their experiences of the THS.

Accreditation

All Australian Hospitals must be accredited against the National Safety and Quality in Health Services (NSQHS) Standards.

From January 2019, the NSQHS Standards Second Edition applicable to acute, mental health, oral health, and multi-purpose services came into effect.

From July 2019 the revised Aged Care Quality Standards also came into effect for organisations providing Commonwealth subsidised aged care services.

The main changes are that the new standards explicitly recognise the importance of leadership and culture in establishing clinical governance systems to maintain and improve the safety and quality of care, and the role of governing bodies and clinical leaders.

Area	Last Survey	Last Accreditation Event
Statewide Oral Health Service	National Safety and Quality in Health Care Standards	March 2016
Statewide Mental Health Services	National Safety and Quality in Health Care Standards	March 2017 May 2018 (North)
Forensic Health Services	National Safety and Quality in Health Care Standards	March 2017
Alcohol and Drug Services	National Safety and Quality in Health Care Standards	March 2017
THS South (RHH Subacute and community)	National Safety and Quality in Health Care Standards	November 2015 Periodic Review August 2018
Mersey Community Hospital	National Safety and Quality in Health Care Standards	March 2016
North West Regional Hospital	National Safety and Quality in Health Care Standards	March 2016
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 Community Health Nursing and Home Care	National Safety and Quality in Health Care Standards	February 2019
Community Health Nursing and Home Care Commonwealth Home	Home Care Standards	December 2018
Netherby Home	Residential Aged Care Standards	February 2018
Lyell House	Residential Aged Care Standards	January 2019
Launceston General Hospital and Mental Health Services North	National Safety and Quality in Health Care Standards	May 2018
Primary Health North (District Hospitals)	National Safety and Quality in Health Care Standards	May 2018
Primary Health North - Commonwealth Home Support	Home Care Standards	March 2018
Flinders Island Residential Aged Care	Residential Aged Care Standards	March 2019

Awards and Agreements

The following lists include the industrial instruments covering wages and conditions for various employee cohorts in the Department and THS. The lists include the underpinning Award first, followed by the various Agreements. Agreements that operate on a smaller scale, for instance to regulate rosters in certain work locations, have been listed under "Various".

Administrative and Operational

- Health and Human Services (Tasmanian State Service) Award
- Public Sector Unions Wages Agreement 2013
- Public Sector Unions Wages Agreement 2016

Allied Health Professionals

- Health and Human Services (Tasmanian State Service) Award
- Allied Health Professionals (Tasmanian State Service) Agreement 2012
- Allied Health Professionals (Tasmanian State Service) Agreement 2014
- Allied Health Professionals Public Sector Unions Wages Agreement 2016
- Radiation Therapists (State Service) Union Agreement 2013
- Radiation Therapists Agreement 2016

Ambulance Tasmania

- Tasmanian Ambulance Service Award
- Ambulance Tasmania Agreement 2015
- Ambulance Tasmania Agreement 2016

Dental Officers

- Health and Human Services (Tasmanian State Service) Award
- Dental Officers Agreement 2016

Medical Practitioners

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

- Tasmanian Visiting Medical Practitioners (Public Sector) Agreement 2016

Nurses

- Nurses and Midwives (Tasmanian State Service) Award
- Nurses and Midwives (Tasmanian State Service) Interim Agreement 2013
- Public Sector Unions Wages Agreement 2013 Extension
- Nurses and Midwives (Tasmanian State Service) Agreement 2014
- Nurses and Midwives Work Value Agreement 2015
- Nurses and Midwives (Tasmanian State Service) Agreement 2016
- Caseload Midwifery Industrial Agreement 2017

Various

- Department of Health and Human Services - Roy Fagan Centre Shift Work Arrangements Agreement 2003
- 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

Financial Overview

The financial statements of the Department of Health include the operations of the THS and Ambulance Tasmania. In preparing the Department's financial statements, significant transactions between the Department, THS and Ambulance Tasmania have been eliminated.

Budgeted Activity 2018-19

In 2018-19, the total budgeted expenditure for the Department was $1.81 billion and the budgeted annual appropriation from the Consolidated Fund for recurrent services was $1.07 billion.

The Department's 2018-19 budgeted expenditure distributed by Output included:

- Health Services System Management 10.1 per cent
- Tasmanian Health Service 83.6 per cent
- Statewide Services 5.9 per cent, and
- Special Capital Investment Funds 0.4 per cent.

Expenses

Health Expenditure Budget 2018-19

Budget Expenditure by Output 2018-19	**DoH**	**AT**	**THS**
	$'000	**$'000**	**$'000**
Health Services System Management	183 237	-	-
Tasmanian Health Service	1 510 446	-	1 510 446
Statewide Services	107 370	81 865	-
Special Capital Investment Funds	6 500	-	-
Total	**1 807 553**	**81 865**	**1 510 446**

Actual Results 2018-19

The Department had $1.66 billion in physical assets under its control in 2018-19, and the annual appropriation from the Consolidated Fund for recurrent services was $1.17 billion.

The Statement of Comprehensive Income identified that total actual expenses for 2018-19 amounted to $1.97 billion.

Operating expenses incurred throughout the Department are varied, but the major categories include:

- salaries and employee related expenses of $1.30 billion
- patient and client services and medical, surgical and pharmacy supplies of $311 million, and
- property, including rent, rates, maintenance and electricity of $48 million.

- Capital Expenditure for property, plant and equipment in 2018-19 totalled $237 million, which included expenditure on works at the major hospitals, community health centres and ongoing capital programs.

Further details on the capital program are available in the Financial Statements section of this Annual Report.

Revenue

Health Actual Revenue 2018-19 by Major Category

Revenue	DoH	AT	THS
	$'000	$'000	$'000
Revenue from Government	1 290 086	76 031	-
Revenue from Special Capital Investment Funds	5 759	-	-
Grants	581 046	1 469	1 425 839
Sales of goods and services	196 805	10 509	183 428
Interest	381	172	196
Contributions received	180	-	180
Other revenue	49 190	3 669	38 662
Total revenue and other income from transactions	**2 123 447**	**91 850**	**1 648 305**

Expenditure

Health Actual Expenditure 2018-19 by Output

Actual Expenditure by Output	DoH	AT	THS
	$'000	$'000	$'000
Health Services System Management	158 995	-	-
Tasmanian Health Service	1 674 160	-	1 703 747
Statewide Services	123 315	94 242	-
Capital Investment Program	13 773	-	-
Special Capital Investment Funds	793	-	-
Total	**1 971 036**	**94 242**	**1 703 747**

Health Actual Expenditure 2018-19 by Major Category

Actual Expenditure by Type	**DoH** **$'000**	**AT** **$'000**	**THS** **$'000**
Salaries and wages	1 029 396	50 482	927 585
Other employee related expenses	141 198	10 975	122 251
Superannuation expenses	130 022	7 205	115 826
Depreciation and amortisation	513 40	2 255	46 169
Consultants	5 338	31	1 726
Maintenance and property services	77 049	1 324	60 588
Communications	9 791	576	8 200
Information technology	34 383	1 705	8 753
Travel and transport	15 090	2 501	12 291
Medical, surgical and pharmacy supplies	271 536	1 459	265 491
Patient and Client Services	39 280	8 415	32 160
Service Fees	7 297	460	1 575
Other supplies and consumables	45 922	3 742	65 186
Grants and subsidies	79 766	17	7 169
Other expenses	33 628	3 095	28 777
Total	**1 971 036**	**94 242**	**1 703 747**

Net Assets

Health Net Assets 2018-19

Net Assets	DoH $'000	AT $'000	THS $'000
Total Assets	1 915 713	37 264	1 192 776
Total Liabilities	479 328	27 224	408 598
Net Assets	1 436 385	10 040	784 178

Further financial information on the Department's activities are available in the Financial Statements section of this Annual Report.

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OUR PERFORMANCE

Performance Measures 2018-19

The Department strives to improve performance in areas that lead to strong health outcomes for Tasmanians. Our performance measures give an insight into how we measure performance and plan improvements.

The following provides a high-level overview of our performance across Ambulance Tasmania, Public Health Services and Health System Management.

Ambulance Tasmania

Performance Measure	Unit of Measure	2015-16 Actual	2016-17 Actual	2017-18 Actual	2018-19 Actual
Total Ambulance Responses [1]	Number	81 409	83 764	89 220	89 606
Emergency Ambulance Responses	Number	49 644	43 064[2]	44 895	45 763
Satisfaction with Ambulance Services[3]	%	98	97	98	98
Median Emergency Response Times (Statewide)[4]	Mins	12.9	13.8	12.8	12.9
Median Emergency Response Times (Burnie) [4]	Mins	10.1	11.0	10.2	10.6
Median Emergency Response Times (Devonport) [4]	Mins	10.5	10.6	9.8	10.1
Median Emergency Response Times (Hobart) [4]	Mins	11.9	12.6	11.5	11.7
Median Emergency Response Times (Launceston) [4]	Mins	11.7	12.2	11.1	11.1
Ambulance Services expenditure per person[5]	$	137.0	140.5	157.6	na

Notes:

1. A response is where an ambulance resource begins responding to an incident. This indicator includes emergency, urgent and non-urgent responses. The indicator excludes non emergency patient transport responses (8 022), ambulance standby responses (3 748) and ambulance contract responses (104).

2. In August 2016, a clinical audit was undertaken of priority dispatching determinants and a number of dispatch codes were reclassified from emergency to a lower level priority resulting in a decrease in Emergency Ambulance Responses and a corresponding increase in lower priority cases.

3. Level of patient satisfaction is defined as the total number of patients who were either 'satisfied' or 'very satisfied' with ambulance services they had received in the previous 12 months, divided by the total number of patients that responded to the Patient Experience Survey. The Patient Experience Survey results for 2018-19 will be published in the Report on Government Services (ROGS) in January 2020. The figure provided for 2018-19 is a target.

4. The ambulance emergency response time is calculated as the time interval between AT recording the first keystroke on receipt of a triple zero call in the State Operations Centre, and the first vehicle arriving at the location to treat a sick or injured patient. The median emergency response time (MERT) is the middle time value when all response times for emergency incidents are ordered from shortest to 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.

5. Historical rates for Ambulance Tasmania's expenditure per person may differ from those in previous reports, as historical data have been adjusted using the General Government Final Consumption Expenditure (GGFCE) chain price deflator. The figures here are those reported in ROGS. The figure for 2018-19 is not yet available and will be published in ROGS in January 2020.

In 2018-19, the demand for ambulance services resulted in 89 606 responses, which represents a small increase from 89 220 in 2017-18.

Ambulance Tasmania has been successful in stabilising the statewide median emergency response time (MERT), with approximately 50 per cent of emergency calls responded to within 12.9 minutes, compared to 12.8 minutes in 2017-18. A number of factors affect ambulance response times in Tasmania, including a higher proportion of people living in rural areas (compared to other states and territories), an ageing population and a reliance on Volunteer Ambulance Officers in many areas.

In 2018-19, under the Government's Investing in Ambulance Services funding, three additional Branch Station Officers were employed at Wynyard Ambulance Station, enabling a paramedic to be rostered on 24 hours, seven days a week.

The upgrade of the Latrobe Ambulance Station was completed in late 2018. A focus on infrastructure has seen significant planning for the new Glenorchy and Burnie station builds, both of which will be delivered in 2021. Other building work has commenced to upgrade a number of rural stations.

The commencement of the Aero-Medical Retrieval (AMR) service saw an increase in medical specialists and flight paramedics, located at the Hobart Airport, improving response times over rostered periods.

Ambulance Tasmania has worked with other Government agencies to invest in new technological solutions to enhance service delivery. In March 2019 the Triple Zero Project saw the implementation of a new emergency call platform, which has modernised and supported a more efficient call-taking approach.

In June 2019, Ambulance Tasmania implemented the Emergency Services Computer Aided Dispatch (ESCAD) system, which provides a contemporary dispatch system, with a common platform to enhance and support multi-agency communication in responding to emergency situations.

Ambulance Tasmania has further invested in its Peer Support Program, supporting early intervention to support the mental health of paramedics and volunteers. In addition, this has included training personnel in the Connecting with People training, a suicide prevention intervention.

Public Health Services

Performance Measure	Unit of Measure	2015-16 Actual	2016-17 Actual	2017-18 Actual	2018-19 Actual
Radiation Protection					
Radiation Management Plan – Notification of review by licence holder[1]	%	78.0	84.0[1]	94.0[1]	87.0
Recertification prior to expiry[1]	%	98.0	96.0	96.0[1]	94.0
Immunisation					
Vaccine coverage in children aged 12-15 months[2]	%	92.9	93.8	94.6	94.1
Vaccine coverage in children aged 24-27 months[2]	%	89.7	92.0	90.9	91.7
Move Well Eat Well					
Primary School Membership	%	80.1	81.0	82.4	82.0
Primary School Awarded[3]	%	24.0	25.8[4]	27.2	28.7
Early Childhood Membership	%	84.0	85.8[4]	79.7	80.5
Early Childhood Awarded[3]	%	23.0	24.8[4]	25.2	30.1

Notes:

1. Figures updated from previously reported data that was sourced as point in time data.
2. Data Source: Australian Immunisation Register as at 2 July 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.

Radiation Protection

Reported approved radiation management plans and recertification of radiation sources are a point-in-time calculation. Authorised Officers follow up non-compliance and seek evidence that radiation safety and documentation is being maintained.

Immunisation

From 2017-18 to 2018-19, reported vaccination coverage in the 12-15 month age cohort decreased slightly and is equal to the Australian national average of 94.1 per cent.

The reported vaccination coverage in the 24-27 month age cohort increased by 0.8 per cent from 90.9 per cent in 2017-18 to 91.7 per cent in 2018-19. The vaccination coverage in this age range in Tasmania is higher than the national average of 91.2 per cent.

Move Well Eat Well

As at 30 June 2019, there were 183 member primary schools, 64 of which have achieved a Move Well Eat Well (MWEW) Award. This represents stability in membership and a modest increase in the number of award schools since last year. The early childhood membership as at 30 June 2019 was 99 with 37 achieving a MWEW Award. This represents an increase in both membership and awards and reflects increased engagement in this sector in the North and North West of the State.

Health System Management

Performance Measure	Unit of Measure	2015-16 Actual	2016-17 Actual	2017-18 Actual	2018-19 Actual
Implementation of Government reform agenda goals achieved within published timeframe[1,2]	%	75	96	92	91
Service Plan developed and administered in accordance with the THS Act, and policy settings endorsed by the Minister for Health[3]	Number	1	1	1	1

Notes:

1. 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).
2. The health reform goals for 2018-19 are those specified in the Government's First Year Agenda (Quarters Two, Three and Four) and Second Year Agenda (Quarter One).
3. 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.

Tasmanian Health Service 2018-19 Service Plan

The *Tasmanian Health Service Act 2018,* which came into effect on 1 July 2018 requires an annual Service Plan between the Minister for Health and the 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.

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

In 2018-19, the Department and THS commenced an evaluation of options for monitoring and reporting on outcomes for health service consumers. Although a limited range of data has been identified that may be suitable for outcomes reporting, the Department and the THS are planning to develop an outcomes monitoring and reporting framework (including a strategic implementation plan) in 2019-20.

As a result of the transition from the *Tasmanian Health Organisations Act 2011* to the *Tasmanian Health Service Act 2018*, transitional regulations were developed by Parliamentary Counsel, permitting the 2018-19 Service Plan to be signed by the Minister for Health on 6 August 2018.

There were two amendments to the Service Plan; the first in November 2018 and the second in June 2019.

The November 2018 amendment included additional funding of:

- $7.2 million over two years for the Women's Health Initiative, and
- $1.5 million for the Winter Package – Emergency Department services.

The June 2019 amendment included provision of additional funding of $100 million to:

- meet additional health demand, and
- increase staffing to the Royal Hobart Hospital Emergency Department (ED).

Performance Escalations

At 1 July 2018, the establishment of new governance arrangements meant that all pre-existing performance escalations ceased. The State Health Services Joint Executive reviewed monthly performance reports to identify and respond to emerging performance issues and focus on the following Service Plan Key Performance Indicators (KPIs):

- percentage of all ED presentations seen within recommended time
- percentage of all emergency patients with an ED length of stay (EDLOS) less than four hours
- percentage of patients admitted through the ED with EDLOS less than eight hours
- percentage of all ED patients with an EDLOS less than 24 hours and
- ambulance offload within 30 minutes of arrival.

Emergency Department performance also became the focus of the RHH Access Solutions Meeting in early June 2019, and action plans were developed to improve performance.

Emergency Department performance and underlying patient flow factors were the focus of the Auditor-General's Report No. 11: Performance of Tasmania's four major hospitals in the delivery of Emergency Department services, issued in May 2019. The Department and THS has commenced work on actions to address the recommendations.

Performance Against Tasmanian Health Service, Service Plan

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 Service Plan is the key service delivery agreement between the THS and the Department. It outlines key deliverables and performance targets to be achieved by the THS within the allocated annual budget for 2018-19.

The 2018-19 Service Plan for the THS consisted of:

- Part A: Tasmanian Public Health System – Responsibilities
- Part B: Health Planning
- Part C: Election Commitments and Other Key Initiatives
- Part D: Funding Allocation and Activity Schedule
- Part E: Performance Framework
- Part F: Key Performance Indicators

Performance Domain	KPI No.	KPI Name	KPI Target	2018-19 End of Year Result
Effectiveness	1.1	Elective Surgery - admit within the recommended time	Not less than 90% (Statewide)	58.2%
	2.1	Elective Surgery Category 2 treat in turn rates	Not less than 60%	11.5%
	2.2	Elective Surgery Category 3 treat in turn rates	Not less than 60%	20.2%
	3.1	Elective Surgery – Category 1 Maximum wait days	Not more than 30	686
	3.2	Elective Surgery – Category 2 maximum wait days	Not more than 100	781
	3.3	Elective Surgery – Category 3 maximum wait days	Not more than 400	850
	4.1	Eligible women screened for breast cancer	33 380 Statewide	32 431
	4.2	Percentage of clients assessed within 28 days of screening mammogram	Not less than 90%	81.9%

Performance Domain	KPI No.	KPI Name	KPI Target	2018-19 End of Year Result
Safety	5.1	Hand Hygiene compliance	RHH (>80%)	79.1% (March 2019)
			LGH (>80%)	78.2% (March 2019)
			NWRH (>80%)	79.4% (March 2019
			MCH (>80%)	84.5% (March 2019)
	5.2	Healthcare associated staphylococcus aureus (including MRSA) bacteraemia infection rate	RHH (<2.0 per 10 000)	0.2 (March 2019)
			LGH (<2.0 per 10 000)	1.2 (March 2019)
			NWRH (<2.0 per 10 000)	0.8 (March 2019)
			MCH (<2.0 per 10 000)	2.1 (March 2019)
	6.1	Seclusion rates. Rate per 1 000 patient days	Less than 8 per 1 000	2.5
	7.1	Percentage of Initial Reportable Event Briefs sent to the Department's Clinical Governance Officer within 48 hours	Not less than 80% statewide	71.4% (March 2019)
	7.2	Percentage of Reportable Event Brief Investigation Reports sent to the Department's Clinical Governance Officer within 70 calendar days	Not less than 80% statewide	0.0%* (March 2019) *Figure not yet available
Continuity of Care	8.1	Percentage of all emergency patients with an ED length of stay less than four hours	RHH Performance Improvement Trajectory Target: >54.0%	56.6%
			LGH Performance Improvement Trajectory Target: >69.0%	56.6%
			NWRH Performance Improvement Trajectory Target: >80.0%	68.8%
			MCH Performance Improvement Trajectory Target: >80.0%	78.1%

Performance Domain	KPI No.	KPI Name	KPI Target	2018-19 End of Year Result
	8.2	Percentage of patients admitted through the ED with an ED length of stay less than eight hours	RHH Performance Improvement Trajectory Target: >60.0%	55.0%
			LGH Performance Improvement Trajectory Target: >69.0%	55.1%
			NWRH Performance Improvement Trajectory Target: >80.0%	73.1%
			MCH Performance Improvement Trajectory Target: >90.0%	84.0%
	8.3	Percentage of all ED patients with an ED length of stay less than 24 hours	RHH Performance Improvement Trajectory Target: 98.0%	96.6%
			LGH Performance Improvement Trajectory Target: 99.0%	95.2%
			NWRH Performance Improvement Trajectory Target: 99.0%	99.7%
			MCH Performance Improvement Trajectory Target: 99.0%	99.9%
	9.1	Readmissions within 28 days (Mental Health)	Not more than 14%	12.9%
	9.2	Post discharge community care follow up within 7 days (Mental Health)	Not less than 85%	48.5%
	10.1	Discharge summaries transmitted within 48 hours of separation	Not less than 100%	56.0%
Efficiency and Sustainability	11.1	Percentage of Triage 1 emergency department presentations seen within recommended time	RHH (100%)	100%
			LGH (100%)	100%
			NWRH (100%)	100%
			MCH (100%)	100%
	11.2	Percentage of all emergency department presentations seen within recommended time	RHH (>80%)	51.6%
			LGH (>80%)	56.1%
			NWRH (>80%)	72.2%
			MCH (>80%)	78.4%

Performance Domain	KPI No.	KPI Name	KPI Target	2018-19 End of Year Result
	11.3	Percentage of all emergency department presentations who do not wait to be seen	RHH (≤5%)	3.1%
			LGH (≤5%)	3.1%
			NWRH (≤5%)	2.4%
			MCH (≤5%)	1.6%
	12.1	Ambulance offload delay – within 15 minutes	RHH (>85%)	64.1%
			LGH (>85%)	77.4%
			NWRH (>85%)	94.6%
			MCH (>85%)	92.6%
	12.2	Ambulance offload delay – within 30 minutes	RHH (100%)	70.9%
			LGH (100%)	83.1%
			NWRH (100%)	98.1%
			MCH (100%)	97.2%
	13.1	National Weighted Activity Units (NWAUs)	163 312 (Statewide)	161 938
	13.2	Elective surgery admissions	17 978 (Statewide)	17 827
	13.3	Dental Weighted Activity Units (DWAUs)	50 100 (Statewide)	49 653
	14.1	Variation from funding – full year projected	Expenditure within funding allocation	$5.4 million deficit
	15.1	Admitted patient episode coding (clinical coding) including contracted care - timeliness	100% within 42 days of separation (Statewide)	77.8%
	15.2	Admitted patient episode coding (clinical coding) including contracted care - accuracy	100% within 30 days of advice of error from the Department (Statewide)	90%

SUPPLEMENTARY INFORMATION

Capital Works

Overview

Asset Management Services (AMS) is responsible for delivering key property management elements of planning, procurement and sustainability for the Department and THS. AMS undertakes a range of projects and initiatives to improve asset management and safety as part of its proactive approach to the ongoing management of the Department's fixed assets.

Capital works are delivered by AMS and the Royal Hobart Hospital (RHH) Redevelopment Team.

The majority of the capital works projects undertaken by AMS are delivered on behalf of the THS.

Major Capital Works Program

In 2018-19, AMS commenced, progressed and delivered a significant number of capital works projects, while the RHH Redevelopment Team continued oversight of the construction program on the RHH site.

A number of minor capital works projects were completed in 2018-19 including an expanded plating line at the Cambridge Kitchen, a new 22 bed rehabilitation ward at the Repatriation Hospital, the Mersey Community Hospital (MCH) Rehabilitation Ward, both the Kingston and Glenorchy Health Centres, the new St Helens District Hospital and a new Ambulance Station also located at the MCH.

Works continued on the expansion and redevelopment of the 4K Children's Ward at the Launceston General Hospital (LGH).

Planning and design has commenced for a number of new projects including the Midlands Multipurpose Centre Sub-Acute Upgrade, new residential accommodation on Flinders Island and Stage 2 of the King Island Hospital Redevelopment. Several new ambulance projects also commenced planning and design including the Campbell Town ambulance station; super stations at Burnie and Glenorchy; and a redevelopment at Smithton.

The new Rehabilitation Centre at the MCH is the first project to be completed as part of the Government's $35 million commitment to upgrade the campus. A master planning exercise has been completed for the MCH and works will commence in 2019-20 on the next stage of the capital works program.

The first stage of the $87 million redevelopment of the LGH commenced with construction of the new Women's and Children's Outpatient Clinic. The planning and design of additional car parking at the LGH has also commenced.

The Statewide Rural Health Facility Infrastructure Upgrades will see a range of facilities continue to have roof repairs or replacements and upgrades to heat and ventilation air conditioning (HVAC) systems.

A number of rural health and ambulance sites will also have works undertaken as part of $15 million Rural Hospital and Ambulance Station Upgrade Fund.

Completed Major Capital Works 2018-19

Completed Major Capital Works in 2018-19	Total Cost $'000
Hobart Repatriation Hospital Redevelopment	7 000

Ongoing Major Capital Works 2018-19

Ongoing Major Capital Works in 2018-19[1]	2018-19 Expenditure $'000	Estimated total cost $'000	Estimated cost to complete $'000	Estimated completion year
Essential Maintenance	1 559	na	na	Ongoing
27 New Mental Health Beds in Southern Tasmania[2]	149	20 740	20 591	2021
Aeromedical Helicopter Services[2]	566	1 615	1 049	2019
Air Conditioning Upgrades - Statewide[2]	1 344	4 900	3 659	2021
Ambulance Tasmania Training Equipment and Stretchers[2]	-	1 100	1 100	2020
Ante-Natal Clinic at the North West Regional Hospital[2]	40	2 100	2 060	2020
Better Accommodation for Health Professionals on Flinders Island[2]	90	500	410	2019
Burnie Ambulance Station[2]	40	6 000	5 960	2021
Campbell Town Ambulance Station	61	2 960	2 899	2021
Community Rapid Response - Establishment[2]	-	360	86 306	2019
Glenorchy Ambulance Super Station[2]	71	6 000	5 929	2021
Glenorchy Health Centre	811	21 000	20	2019[3]
Health Transport Infrastructure[4]	3 968	10 000	3 456	2021[5]
Kingston Health Centre	4 727	6 500	719	2019[6]
Launceston General Hospital - More Car Parking[2]	289	5 000	4 711	2021
Launceston General Hospital - Cladding Replacement	917	2 000	961	2019
Launceston General Hospital Redevelopment[2]	1 025	87 331	86 305	2024
Launceston General Hospital Ward 4K Upgrade	4 816	7 850	2 101	2020
Mersey Community Hospital Redevelopment	3 189	35 000	31 615	2021
Mersey Community Hospital - Special Capital Investment Funds Project	221	1 900	1 118	2020[7]
Midlands Multipurpose Centre (Oatlands Hospital) Upgrade[2]	550	2 500	1 950	2020
Priority Infrastructure Works - Health	1 007	1 132	247	2020
Royal Hobart Hospital - Inpatient Precinct Project[8]	189 397	569 200	93 693	2020
Royal Hobart Hospital - Pharmacy Redevelopment	-	3 761	3 761	2021[9]

Ongoing Major Capital Works in 2018-19[1]	2018-19 Expenditure $'000	Estimated total cost $'000	Estimated cost to complete $'000	Estimated completion year
Royal Hobart Hospital Stage 2 Redevelopment[2]	-	91 080	91 080	2022
Smithton Ambulance Training Facility[2]	56	1 130	1 074	2020
St Helens District Hospital	8 393	12 100	263	2019[10]
Stage 2 of the King Island Hospital Redevelopment[2]	514	10 500	9 986	2022
Statewide Rural Hospital and Ambulance Station Upgrade Fund[2]	540	15 000	144 60	2022
Statewide Cancer Services[11]	-	63 274	73	2019
Statewide Hospital Critical Facility Upgrades	1 590	10 500	6 596	2021
Statewide Rural Health Facility Infrastructure Upgrades	864	4 700	3 336	2021

Notes:

1. This Table does not include expenditure prior to 1 July 2018. The Table reflects 2018-19 expenditure and anticipated expenditure in future periods.
2. This project was one of the initiatives announced during the 2018 Election.
3. Completion of the Glenorchy Health Centre (formerly referred to as the Glenorchy Community Health Centre) was temporarily delayed while a review of the Integrated Care Centre model of care was undertaken. Construction commenced in early 2017 and practical completion was achieved in March 2018. Minor fit out updates were finished in late 2018-19. Final expenditure will be incurred early in the 2019-20 financial year.
4. Expenditure for improved infrastructure is associated with changes to patient coordination, transport and accommodation arising from the One Health System reforms.
5. The Telehealth Expansion Project was converted to the Telehealth Transition Project and extended until 30 June 2021. This project will provide video conferencing facilities to rural and remote communities, which will provide better access to health professionals based in the State's four major hospitals
6. Finalisation of the Kingston Health Centre (formerly referred to as the Kingston Community Health Centre) project has been temporarily delayed by a contractual issue with the Kingborough Council. Construction commenced in early 2018 and was completed March 2019.
7. The estimated completion date for this project has changed from that reported last year as the funding has temporarily been redirected to support the consultancy costs for the Mersey Community Hospital Capital Upgrades.
8. The estimated total cost of this component of the RHH Redevelopment project is $569.2 million, which reflects $340 million of Australian Government funding and $229.2 million of State Government funding.
9. The expected completion date for this project has changed from that reported last year due to the Royal Hobart Hospital Masterplan.
10. Construction of the St Helens District Hospital was completed in February 2019. Final expenditure is expected to occur early in 2019-20 to resolve subsequent fit out issues.
11. The total Australian Government commitment to the Statewide Cancer Services project is $36.3 million, with $23.9 million also funded by the State Government and $2.8 million provided through donations.

Royal Hobart Hospital Redevelopment

The RHH has been serving the Tasmanian community for over 200 years. However, the configuration and condition of existing buildings has made it increasingly difficult to provide contemporary health services at the hospital. In addition, some of the hospital's buildings are nearing the end of their functional life. The redevelopment and expansion of the site will help ensure the RHH can continue to meet the changing health needs of our community.

The Australian and Tasmanian Governments committed a total of $689 million to the RHH Redevelopment (RHHR) Project, making it the largest ever health infrastructure project in Tasmania. This substantial investment provides an opportunity to transform Australia's second oldest hospital so that it can deliver safe and high quality health services to Tasmanians into the future.

The structure of K-Block was completed on 8 August 2018, with the Managing Contractor then proceeding with the fit-out of K-Block

During November and December 2018, the Helipad was installed on the roof of K-Block. The helipad is a major piece of infrastructure that will allow health professionals to respond to critical incidents faster, deliver patients to treatment sooner and reduce preventable adverse outcomes due to avoidable transit delays. Critically ill and seriously injured patients will get the lifesaving treatment they need sooner.

Having a helipad on the roof of K-Block means patients who have a health emergency can get to the Operating Theatre or the Emergency Department within minutes of landing at the hospital.

Children and young people will get better care and will have a better hospital experience in the purpose-built wards on Level 6 of K-Block.

The Project's architects have created a design that is friendly, fun and calming, and will provide a distraction from the often stressful, frightening and lonely hospital experience for children and young people. The wards will have an Antarctic theme recognising Hobart's pivotal role as Australia's gateway to Antarctica and the Southern Oceans. Custom designed bedheads featuring Antarctic images are complemented by an Antarctic voyage map which will be etched into the foyer's walls. The RHH and the Australian Antarctic Division are working together to extend the Antarctic theme into diversional therapy and education for children and young people in hospital.

The Managing Contractor is anticipating Practical Completion of the building in late 2019. Operational Commissioning will occur in the months that follow. It is critical that the necessary preparatory Operational Commissioning is completed successfully to ensure the safe and efficient relocation of inpatient services into K-Block with minimal impact on operations.

Asset Management

In 2018-19, Asset Management Services (AMS) continued to implement initiatives to improve the management of Department and THS assets.

Following the creation of the Department of Communities Tasmania on 1 July 2018, AMS identified several properties that accommodate staff and non-government organisations supported by Department of Communities Tasmania. To align these properties with their service delivery and program management areas these properties will be transferred to Department of Communities Tasmania in late 2019.

AMS continued working with the Consumer, Building and Occupational Services (CBOS) section of the Department of Justice on a three-year plan to audit electrical installations of high-risk buildings. CBOS has identified a number of the Department buildings it will audit so they can identify safety and compliance issues. This program is expected to be completed in late 2019.

AMS is rolling out a remote energy use monitoring system that currently monitors the energy use at approximately 50 properties. This system has also been used to prove savings from efficiency upgrades such as a recent upgrade of heating, ventilation and air conditioning system at the Repatriation Centre in Hobart.

Acquisitions

The Department purchased two real estate assets during 2018-19:

- 6 Munro Place, Whitemark – vacant land for $77 000; and
- 16 Torquay Road, Latrobe – residential property for $247 000.

Disposals

Disposal of all the Department and THS managed properties is undertaken by AMS.

During 2018-19 one property was sold:

- Residential property in Waratah for $68 000.

Maintenance

In 2018-19, AMS continued to manage statutory building compliance for AMS managed properties. Where required, works were completed to ensure compliance with the *Building Act 2000*. AMS maintains a register to ensure essential building services maintenance is undertaken on Department and THS properties. AMS on call staff also responded to a number of emergency maintenance calls.

AMS engaged a Traffic Engineering Consultant to review vehicle movements at St Johns Park, New Town. AMS will implement several of the recommendations identified in the review in 2019-20.

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

Asset Management and the Disability Action Plan

From the built environment perspective, AMS continued to be a key contributor to the Department's Disability Action (DDA) Plan.

Various works were completed at the St Johns Park campus including the installation of DDA compliant access at Gellibrand House.

DDA compliance audits continue to be undertaken to identify a future program of improvement works across all Department facilities.

Transport

At 30 June 2019, the Department operated 439 leased light vehicles, comprising 19 executive vehicles and 420 operational vehicles. This is a decrease of 37 from 30 June 2018, due to the creation of the Department of Communities Tasmania and the transfer of vehicles.

In 2018-19, the Department fleet vehicle lease costs decreased by $26 916 compared to 2017-18. This slight decrease is again due to the creation of the Department of Communities Tasmania.

At 30 June 2019, THS operated 501 leased light vehicles, comprising 187 executive vehicles and 314 operational vehicles. This is an increase of 19 from 30 June 2018, due to recruitment of additional clinical staff who are eligible for a vehicle under their industrial entitlements.

Consultancies, Contracts and Tenders

The Department and THS ensures procurement is undertaken in accordance with the requirements of the Treasurer's Instructions relating to procurement. This includes ensuring that Tasmanian businesses are given every opportunity to compete for business. It is the Department's policy to support Tasmanian businesses whenever they offer best value for money for the Government.

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).

Tables 2 and 3 provide detailed information on consultancies and other contracts with a value of $50 000 or over (excluding GST).

Table 4 provides a summary of contracts awarded as a result of a direct/limited submission sourcing process approved in accordance with Treasurer's Instructions 1114 or 1217.

Table 5 provides a summary of contracts where approval to aggregate the procurement was obtained in accordance with Treasurer's Instructions 1119 and 1225.

Table 6 provides a summary of contract extensions approved in accordance with Treasurer's Instruction 1115(2). There were no contract extensions approved pursuant to Treasurer's Instruction 1115(2) for the Department.

Table 1: Summary of Participation by Local Businesses

Department of Health

Participation by local businesses for contracts, tenders and/or quotation processes with a value of $50 000 or over.

Total number of contracts awarded	99
Total number of contracts awarded to Tasmanian businesses	65
Value of contracts awarded[1,2]	$74 396 626
Value of contracts awarded to Tasmanian businesses[1,2]	$64 645 897
Total number of tenders called and/or quotation processes run	59
Total number of bids and/or written quotations received	213
Total number of bids and/or written quotations received from Tasmanian businesses	124

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.

Tasmanian Health Service

Participation by local businesses for contracts, tenders and/or quotation processes with a value of $50 000 or over.

Participation	Value
Total number of contracts awarded	59
Total number of contracts awarded to Tasmanian businesses	20
Value of contracts awarded[1,2,3]	$161 927 683
Value of contracts awarded to Tasmanian businesses[1,2,3]	$68 491 084
Total number of tenders called and/or quotation processes run	18
Total number of bids and/or written quotations received	81
Total number of bids and/or written quotations received from Tasmanian businesses	22

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.
3. The significant increase in the value of contracts awarded for 2018-19 can be attributed to the procurement of Locum Services with an estimated value of $91 million over the initial three-year term with the majority of specialist recruitment firms based interstate; and a contract for Radiography and Radiology Services for the North West and St Helens with an estimated value of $53 million over 7 years.

Table 2: Consultancies Awarded

Department of Health

Consultancies awarded during the 2018-19 financial year with a value of $50 000 or over.

Consultant Name	Location	Consultancy Description	Period of Consultancy	Total Value $[2]
AIM Medical	Qld[3]	Royal Hobart Hospital Redevelopment - Provision of Resourcing for Medical Procurement and Commissioning of Furniture, Fittings and Equipment	02/08/2018 - 31/12/2020	250 000
Architects Designhaus Pty Ltd	Tas	Campbell Town Ambulance Station and Relief Accommodation Development - Principal Consultant	26/02/2019 - 28/10/2022	207 660
Artas Pty Ltd	Tas	Launceston General Hospital - Additional Car Parking - Principal Consultant	01/10/2018 - 01/12/2020	253 243
Edwards and Simpson Pty Ltd	Tas	Smithton Ambulance Station Extension and Refurbishment - Principal Consultant	17/12/2018 - 07/12/2020	139 413
EHWB Pty Ltd t/a Heffernan Button Voss Architects	Tas	King Island Stage 2 Redevelopment - Principal Consultant	09/07/2018 - 30/06/2022	646 117
Engineering Solutions Tasmania	Tas	Launceston General Hospital - Fire Services Upgrade Consultancy	17/12/2018 - 31/12/2019	94 500

Consultant Name	Location	Consultancy Description	Period of Consultancy	Total Value $[2]
Engineering Solutions Tasmania	Tas	Mersey Community Hospital – Building Condition Audit	15/08/2018 - 30/10/2018	65 000
Herbert Smith Freehills[4]	WA	Hobart Private Hospital Co-location Agreement	27/07/2018 – 26/07/2021	0[5]
KP Health (Aus) Pty Ltd	Tas	Hobart Private Hospital Co-location Agreement - Specialist Analysis and Advice[1]	06/09/2018 - 15/12/2018	50 000
KPMG	Tas	ICT Advisory Services and IT Infrastructure[1]	01/02/2019 - 31/08/2019	100 000
Mingara Australasia Pty Ltd	Vic	Independent Review of Ambulance Tasmania State Operations Centre	13/11/2018 - 24/12/2018	65 000
Morrison & Breytenbach Architects Pty Ltd	Tas	Glenorchy Ambulance Station - Principal Consultant	11/02/2019 - 01/12/2020	379 126
Paxon Consulting Group Pty Ltd	NSW	Hobart Private Hospital Co-location Agreement - Lease Negotiations and Term Sheet	06/09/2018 - 15/12/2018	200 000
Philp Lighton Architects Pty Ltd	Tas	Royal Hobart Hospital - A Block Façade Remediation - Principal Consultant	24/06/2019 - 30/06/2023	600 000
Prensa Pty Ltd	Vic[3]	Royal Hobart Hospital Redevelopment - Industrial Hygienist	31/07/2018 - 31/12/2020	604 480
Robert Carroll & Associates Pty Ltd	Tas	North West Regional Hospital Antenatal Development - Principal Consultant	08/02/2019 - 06/12/2020	163 015
Silver Thomas Hanley (Aus) Pty Ltd	Vic	Royal Hobart Hospital - Master Plan Review	17/11/2018 - 15/02/2019	200 000
The Litmus Group Pty Ltd	Tas	Urgent Care Centres Feasibility Study[1]	15/10/2018 - 21/12/2018	240 000
Xsquared Architects Pty Ltd	Tas	Southern Mental Health Beds Development - Principal Consultant	18/02/2019 - 31/12/2021	758 315
Xsquared Architects Pty Ltd	Tas	Peacock Centre Redevelopment - Principal Consultant	01/10/2018 - 30/06/2022	642 395

Notes:

1. Where an overarching procurement process exists (for example Common Use Contracts and Agency Panel arrangements) individual engagements are not required to be reported. Where possible the information has been captured for reporting transparency.
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. In accordance with Treasurers Instruction 1118, the Office of the Crown Solicitor procured Herbert Smith Freehills to provide specialist transactional legal services and advice.
5. A '0' consultancy value signifies a consultancy for which a value for each supplier cannot be estimated, being dependent on future purchasing patterns.

Tasmanian Health Service

Consultancies awarded during the 2018-19 financial year with a value of $50 000 or over.

Consultant Name	Location	Consultancy Description	Period of Consultancy	Total Value $[2]
KPMG	Tas	Perioperative Intensive Excellence Project Reset[1]	19/11/2018 - 18/03/2019	106 000

Notes:

1. Where an overarching procurement process exists (for example Common Use Contracts and Agency Panel arrangements) individual engagements are not required to be reported. Where possible the information has been captured for reporting transparency.
2. The value excludes GST.

Table 3: Contracts Awarded[1]

Department of Health

Contracts awarded during the 2018-19 financial year with a value of $50 000 or over, excluding consultancy contracts.

Contractor Name	Location	Contract Description	Period of Contract	Total Value $[2]
3M Australia Pty Ltd	NSW	Patient Monitoring Products	01/02/2019 - 31/01/2022 Option to extend[4] 01/02/2022 - 31/01/2024	0[5] 0[5]
4 Mental Health Ltd	UK	Suicide Risk Mitigation Training - Additional Training	06/05/2019 - 30/06/2021	100 781
Abacus DX Pty Ltd	Qld	Adult and Paediatric Manikins	10/05/2019[8]	177 457
Access Solutions (Tasmania) Pty Ltd	Tas	Mersey Community Hospital – Lift Replacement Project	03/06/2019 - 30/04/2020	628 672
Advanced Lifecare Pty Ltd	Tas	Supply of Beds for Women's and Children's Service	13/02/2019 - 31/10/2020	0[5]
Aidacare Pty Ltd	Tas	Supply of Beds for Women's and Children's Service	13/02/2019 - 31/10/2020	0[5]
Aidacare Pty Ltd	Tas	Royal Hobart Hospital Redevelopment - Motors, Sling Bars and Handsets	25/02/2019[8]	215 405
AJR Construct Pty Ltd	Tas	Mersey Community Hospital – Helipad	17/09/2018 - 13/02/2019	1 361 729
Ambu Australia Pty Ltd	NSW	Patient Monitoring Products	01/02/2019 - 31/01/2022 Option to extend[4] 01/02/2022 - 31/01/2024	0[5] 0[5]

Contractor Name	Location	Contract Description	Period of Contract	Total Value $[2]
Andrew Mathers Removals & Storage	Tas	Storage and Removalist Services	01/11/2018 - 31/10/2021 Option to extend[4] 01/11/2021 - 31/10/2027	0[5] 0[5]
Assemble Anything	Tas	Storage and Removalist Services	01/11/2018 - 31/10/2021 Option to extend[4] 01/11/2021 - 31/10/2027	0[5] 0[5]
Atris Pty Ltd	NSW	Patient Monitoring Products	01/02/2019 - 31/01/2022 Option to extend[4] 01/02/2022 - 31/01/2024	0[5] 0[5]
Australasian Medical & Scientific Ltd	NSW[3]	Blood Glucose Meters and Consumables	30/07/2018 - 29/07/2022 Option to extend[4] 30/07/2022 - 29/07/2026	875 895 901 950
Australian Medical Supplies Pty Ltd	WA	Patient Monitoring Products	01/02/2019 - 31/01/2022 Option to extend[4] 01/02/2022 - 31/01/2024	0[5] 0[5]
Baxter Healthcare Pty Ltd	NSW	Volumetric Infusion Pumps	01/10/2018 - 31/03/2020	3 300 000
BOC Limited	NSW[3]	Supply of Medical and Industrial Gases	01/12/2018 - 30/11/2021 Option to extend[4] 01/12/2021 - 30/11/2025	5 222 330 6 963 107
Chris Bell Removals Pty Ltd	Tas	Storage and Removalist Services	01/11/2018 - 31/10/2021 Option to extend[4] 01/11/2021 - 31/10/2027	0[5] 0[5]
Construction 3 Pty Ltd	Tas	Wingfield Library Relocation	06/08/2018 - 31/08/2018	95 000
Contact Electrical Pty Ltd	Tas	Smithton District Hospital Nurse Call Upgrade	18/03/2019 - 15/07/2019	322 864

Contractor Name	Location	Contract Description	Period of Contract	Total Value $[2]
Contact Electrical Pty Ltd	Tas	St Marys Community Health Centre - Lighting Upgrade	20/06/2019 - 31/01/2020	125 186
Data#3 Limited	Tas	Quest Change Auditor Licences	21/12/2018 - 20/12/2019	112 279
Debetrek	Qld[3]	Royal Hobart Hospital Redevelopment - Supply of Brackets: Patient Entertainment Portal Wall Mounted	13/05/2019[8]	193 848
Degree C Pty Ltd	Tas	Devonport Community and Health Services Centre – Heating Ventilation Air Conditioning Upgrade	13/05/2019 - 30/09/2019	697 040
Device Technologies Australia Pty Ltd	NSW[3]	Royal Hobart Hospital Redevelopment - Digital Operating Theatre Solution	07/11/2018 - 01/12/2028	5 412 305
Device Technologies Australia Pty Ltd	NSW[3]	Aeromedical and Medical Retrieval Ventilators	29/03/2019[8]	389 005
Device Technologies Australia Pty Ltd	NSW[3]	Royal Hobart Hospital Redevelopment - Central Sterilising Department Equipment	21/08/2018 - 20/08/2027	4 472 989
Draeger Medical Australia Pty Ltd	Vic	Royal Hobart Hospital Redevelopment - Neonatal Paediatric Intensive Care Unit Pendants	31/10/2018 - 01/12/2028	618 316
DXC Technology Australia Pty Ltd	NSW[3]	iPM and iPharmacy - Support and Maintenance Agreement	05/05/2018 - 04/05/2021[7] Option to extend[4] 05/05/2021 - 04/05/2023	4 200 000 2 800 000
Fairbrother Pty Ltd	Tas	Launceston General Hospital - Ward Cooling Ceiling Tile Installation	29/01/2019 - 29/03/2019	909 533
Fairbrother Pty Ltd	Tas	Midlands Multi-Purpose Health Centre Redevelopment	28/02/2019 - 30/09/2019	2 259 995
Fisher & Paykel Healthcare Pty Ltd	Vic	Royal Hobart Hospital Redevelopment - Infant Warmers including Infant Resuscitation Equipment	24/07/2018[8]	247 736
FYB Pty Ltd	Vic	HP Records Manager Annual Software Maintenance	01/08/2018 - 30/04/2020 Option to extend[4] 01/05/2020 - 30/04/2021	230 069 144 942
General and Window Cleaning Pty Ltd	Tas	McDougall Building Cleaning	28/02/2019 - 28/02/2021 Option to extend[4] 28/02/2021 - 28/02/2024	32 321 47 520

Contractor Name	Location	Contract Description	Period of Contract	Total Value $[2]
Grace Worldwide (Australia) Pty Ltd	NSW[3]	Storage and Removalist Services	01/11/2018 - 31/10/2021 Option to extend[4] 01/11/2021 - 31/10/2027	0[5] 0[5]
Hardes and Associates Pty Ltd	NSW	Hospital Activity Modelling and Forecasting Services	01/03/2019 - 31/08/2022 Option to extend[4] 01/09/2022 - 31/08/2024	408 000 272 000
Healthlink Group Pty Ltd	NSW	Secure Messaging Service	11/08/2017 - 10/08/2019[7] Option to extend[4] 11/08/2019 - 10/08/2021	120 000 120 000
Hill-Rom Pty Ltd	NSW	Supply of Beds for Women's and Children's Service	13/02/2019 - 31/10/2020	0[5]
Howard Wright Ltd	NZ	Supply of Beds for Women's and Children's Service	13/02/2019 - 31/10/2020	0[5]
Intuit Technologies Pty Ltd	Tas	Citrix Support and Maintenance	01/10/2018 - 30/09/2021 Option to extend[4] 01/10/2021 - 30/09/2023	472 335 331 057
Intuit Technologies Pty Ltd	Tas	CommVault HyperScale (Add On) for Data Protection 2018-19	12/11/2018 - 12/11/2019	199 999
Intuit Technologies Pty Ltd	Tas	Provision of VMware Licensing, Support and Maintenance Services	01/02/2019 - 31/01/2022 Option to extend[4] 01/02/2022 - 31/01/2024	1 143 243 692 551
Kent Relocation Group Pty Ltd	Vic[3]	Storage and Removalist Services	01/11/2018 - 31/10/2021 Option to extend[4] 01/11/2021 - 31/10/2027	0[5] 0[5]
Leigh Kelly Agencies Pty Ltd	Tas	Supply of Corporate Uniforms	13/08/2018 - 12/08/2021 Option to extend[4] 13/08/2021 - 12/08/2027	338 853 677 706

Contractor Name	Location	Contract Description	Period of Contract	Total Value $[2]
Mead Con Pty Ltd	Tas	Devonport Community Health Centre - Minor Works	27/08/2018 - 24/09/2018	105 078
Mediquip Pty Ltd	Qld	Royal Hobart Hospital Redevelopment - Nitrous Oxide/Oxygen Analgesic Gas Mixing and Delivery System	06/12/2018[8]	107 940
Medtronic Australasia Pty Ltd	NSW[3]	Supply of Sequential Compression Devices and Consumables	01/11/2018 - 31/10/2021 Option to extend[4] 01/11/2021 - 31/10/2023	1 182 000 788 000
Medtronic Australasia Pty Ltd	NSW[3]	Patient Monitoring Products	01/02/2019 - 31/01/2022 Option to extend[4] 01/02/2022 - 31/01/2024	0[5] 0[5]
Megavar Pty Ltd	Tas	Statewide High Voltage Maintenance Services	04/09/2018 - 03/09/2020 Option to extend[4] 04/09/2020 - 03/09/2021	105 141 42 635
Melbourne Health	Vic	Support and Maintenance for Guidance MS Software	19/11/2017 - 19/11/2020[7]	196 311
Midmed Pty Ltd	Qld	Supply of Beds for Women's and Children's Service	13/02/2019 - 31/10/2020	0[5]
Midmed Pty Ltd	Qld	Ambulance Extrication Boards	16/05/2019[8]	169 650
Parker Healthcare Pty Ltd	Vic	Supply of Beds for Women's and Children's Service	13/02/2019 - 31/10/2020	0[5]
Parker Healthcare Pty Ltd	Vic	Patient Monitoring Products	01/02/2019 - 31/01/2022 Option to extend[4] 01/02/2022 - 31/01/2024	0[5] 0[5]
Pfizer Australia Pty Ltd	NSW	Meningococcal Vaccination Program	26/07/2018[8]	0[5]
Prices Removals & Storage Pty Ltd	Tas	Storage and Removalist Services	01/11/2018 - 31/10/2021 Option to extend[4] 01/11/2021 - 31/10/2027	0[5] 0[5]

Contractor Name	Location	Contract Description	Period of Contract	Total Value $[2]
Primary Health Tasmania Limited	Tas	Tasmanian Provider Directory - Data Management Services	01/09/2017 - 31/08/2019[7] Option to extend[4] 01/09/2019 - 31/08/2020	180 000 90 000
RAAP Australia Pty Ltd	Vic	Ambulance Response Kit Bags	23/05/2019[8]	174 848
Radcliffe Pty Ltd	Tas	Storage and Removalist Services	01/11/2018 - 31/10/2021 Option to extend[4] 01/11/2021 - 31/10/2027	0[5] 0[5]
Radiant Heating and Cooling Solutions	NSW	Launceston General Hospital - Hydronic Radiant Ceiling System for Wards 5A and 5B	24/10/2018[8]	193 000
REM Systems Pty Ltd	NSW	Patient Monitoring Products	01/02/2019 - 31/01/2022 Option to extend[4] 01/02/2022 - 31/01/2024	0[5] 0[5]
Sanofi-Aventis Australia Pty Ltd	NSW	Meningococcal Vaccination Program	26/07/2018[8]	0[5]
Siemens Healthcare Pty Ltd	Vic[3]	Royal Hobart Hospital Redevelopment - Interventional Angiography and Cardiac Catheterisation Imaging Equipment	05/02/2019 - 01/06/2027	7 380 600
Stryker Australia Pty Ltd	NSW	Supply of Beds for Women's and Children's Service	13/02/2019 - 31/10/2020	0[5]
Stryker Australia Pty Ltd	NSW	Royal Hobart Hospital Redevelopment - Surgical Waste Equipment	15/10/2018[8]	249 541
Synateq Pty Ltd	Tas	Environmental Health Information System	21/08/2018 - 21/01/2019 Option to extend[4] 21/01/2019 - 21/01/2022	184 400 34 800
Tas Gas Networks Pty Ltd	Tas	Royal Hobart Hospital - Provision of Natural Gas Distribution Services	01/09/2018 - 30/06/1932	3 062 000
Teleflex Medical Australia Pty Ltd	NSW	Intraosseous Devices and Consumables	10/05/2019[8]	103 360
The Workwear Group Pty Ltd	Tas	Supply of Corporate Uniforms	13/08/2018 - 12/08/2021 Option to extend[4] 13/08/2021 - 12/08/2027	1 713 525 3 427 050

Contractor Name	Location	Contract Description	Period of Contract	Total Value $[2]
Think Big Printing	Tas	Royal Hobart Hospital Redevelopment - Production and Supply of Wayfinding Signage	27/08/2018 - 19/10/2018	84 089
ThyssenKrupp Elevators Australia Pty Ltd	Vic[3]	New Norfolk District Hospital - Lift Upgrade	10/09/2018 - 22/11/2018	86 850
Toll Transport Pty Ltd	Vic[3]	Provision of Vaccine Storage and Distribution Services	01/04/2019 - 31/03/2022	1 353 173
University of South Australia	SA	Suicide Risk Mitigation Training - Additional Training	06/05/2019 - 30/06/2021	29 550[6]
USL Medical Pty Ltd	Qld	Supply of Beds for Women's and Children's Service	22/02/2019 - 31/10/2020	0[5]
Virtual Information Technology Pty Ltd	Tas	Red Hat Linux Support and Maintenance Service	01/03/2019 - 28/02/2021 Option to extend[4] 01/03/2021 - 29/02/2024	437 364 656 046
Vos Construction and Joinery Pty Ltd	Tas	Launceston General Hospital - Holman Clinic Alterations	29/07/2019 - 18/11/2019[7]	385 685
Welch Allyn Australia Pty Ltd	NSW	Patient Monitoring Products	01/02/2019 - 31/01/2022 Option to extend[4] 01/02/2022 - 31/01/2024	0[5] 0[5]
Winc Australia Pty Ltd	Tas	Multi-Function Device Fleet Management Services	01/02/2019 - 31/01/2026	8 371 104
Winc Australia Pty Ltd	Tas	Provision of CommVault Support and Maintenance	01/10/2018 - 30/09/2021 Option to extend[4] 01/10/2021 - 30/09/2023	342 625 228 417
ZINFRA Pty Ltd	Tas	St Johns Park - Partial Power Pole Upgrade	24/05/2019 - 21/06/2019	106 804
ZircoDATA Pty Ltd	Tas	Records Archiving and Storage	01/10/2018 - 30/09/2021 Option to extend[4] 01/10/2021 - 30/09/2027	890 670 1 781 340

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. In accordance with Treasurer's Instruction 1111, 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 by the Department.
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 2018 or from 1 July 2019 onwards, the contractual arrangements for the procurement were finalised in 2018-19.
8. One-off purchase.

Tasmanian Health Service

Contracts awarded during the 2018-19 financial year with a value of $50 000 or over, excluding consultancy contracts.

Contractor Name	Location	Contract Description	Period of Contract	Total Value $[2]
1 Medical Pty Ltd	NSW	Provision of Services for the Engagement of Locum Medical Officers and the Recruitment of Medical Practitioners	01/10/2018 - 30/09/2021 Option to extend[4] 01/10/2021 - 30/09/2023	0[5] 0[5]
3M Australia Pty Ltd	NSW	Clinical Coding Software Solution	01/07/2018 - 30/06/2023 Option to extend[4] 01/07/2023 - 30/06/2028	1 579 984 1 579 984
Antipodean Medical Recruitment Pty Ltd	NSW	Provision of Services for the Engagement of Locum Medical Officers and the Recruitment of Medical Practitioners	01/10/2018 - 30/09/2021 Option to extend[4] 01/10/2021 - 30/09/2023	0[5] 0[5]
AUSSTAT	Qld	Provision of Services for the Engagement of Locum Medical Officers and the Recruitment of Medical Practitioners	01/10/2018 - 30/09/2021 Option to extend[4] 01/10/2021 - 30/09/2023	0[5] 0[5]

Contractor Name	Location	Contract Description	Period of Contract	Total Value $[2]
Automatic Heating	Vic	Launceston General Hospital - Replacement Boiler Shells	03/01/2019 - 13/03/2019	127 990
Baxter Healthcare Pty Ltd	NSW	Supply of Anaesthetic Gases State-wide	01/01/2019 - 31/12/2021 Option to extend[4] 01/01/2022 - 31/12/2022	796 500 265 500
BCI Dental Laboratory	Tas	Removable and Fixed Dental Prosthetic Appliances and Related Construction Components	31/08/2018 - 01/09/2020 Option to extend[4] 01/09/2020 - 31/08/2021	0[5] 0[5]
Blueline Laundry Inc	Tas	Linen and Laundry Services - Southern Region	01/10/2018 - 30/11/2022	3 400 000
Blugibbon Pty Ltd	NSW	Provision of Services for the Engagement of Locum Medical Officers and the Recruitment of Medical Practitioners	01/10/2018 - 30/09/2021 Option to extend[4] 01/10/2021 - 30/09/2023	0[5] 0[5]
Calvary Health Care Tasmania Limited	Tas	Provision of Oral Health Hospital Theatre Sessions	07/02/2019 - 30/06/2019 Option to extend[4] 01/07/2019 - 30/06/2020	100 000 100 000
Challis Recruitment Pty Ltd	NSW	Provision of Services for the Engagement of Locum Medical Officers and the Recruitment of Medical Practitioners	01/10/2018 - 30/09/2021 Option to extend[4] 01/10/2021 - 30/09/2023	0[5] 0[5]
Charterhouse Medical Pty Ltd	NSW	Provision of Services for the Engagement of Locum Medical Officers and the Recruitment of Medical Practitioners	01/10/2018 - 30/09/2021 Option to extend[4] 01/10/2021 - 30/09/2023	0[5] 0[5]
CR Kennedy Pty Ltd	Vic	Royal Hobart Hospital - 3D Endoscopy System	07/02/2019[6]	204 494
Device Technologies Australia Pty Ltd	NSW[3]	Royal Hobart Hospital - Transport and Paediatric Intensive Care Ventilators	16/08/2018[6]	204 454
Diagnostic Services Pty Ltd and Consultant Pathology Services Pty Ltd	Tas	Pathology Services - North West	01/01/2019 - 31/12/2019	3 292 469

Contractor Name	Location	Contract Description	Period of Contract	Total Value $[2]
Dr Oncall Pty Ltd	NSW	Provision of Services for the Engagement of Locum Medical Officers and the Recruitment of Medical Practitioners	01/10/2018 - 30/09/2021 Option to extend[4] 01/10/2021 - 30/09/2023	0[5] 0[5]
Dtect Innovation Pty Ltd	NSW	Physics QA Equipment for Stereotactic Body Radiation Therapy	19/09/2018[6]	124 460
Everlight Radiology Pty Ltd	NSW	Royal Hobart Hospital - Provision of Teleradiology Services	01/01/2019 - 31/12/2019	206 000
G H Varley Pty Ltd	NSW	Fissure Sealant and Fluoride Varnish Program – Self Drive Vans	03/12/2018 - 10/09/2019	988 815
Global Medics Pty Ltd	NSW	Provision of Services for the Engagement of Locum Medical Officers and the Recruitment of Medical Practitioners	01/10/2018 - 30/09/2021 Option to extend[4] 01/10/2021 - 30/09/2023	0[5] 0[5]
Healthcare Australia Pty Ltd	NSW	Provision of Services for the Engagement of Locum Medical Officers and the Recruitment of Medical Practitioners	01/10/2018 - 30/09/2021 Option to extend[4] 01/10/2021 - 30/09/2023	0[5] 0[5]
Healthlinc Pty Ltd	NSW[3]	Royal Hobart Hospital - Medical Imaging - Referrer PACS Portal	20/11/2018 - 19/11/2020	80 000
Heritage Building Solutions Pty Ltd	Tas	Midlands Multi-Purpose Health Centre - Minor Works	28/09/2018 - 23/12/2018	161 721
Horner Recruitment Systems Pty Ltd	Vic[3]	Provision of Services for the Engagement of Locum Medical Officers and the Recruitment of Medical Practitioners	01/10/2018 - 30/09/2021 Option to extend[4] 01/10/2021 - 30/09/2023	0[5] 0[5]
International Medical Recruitment Pty Ltd	Vic	Provision of Services for the Engagement of Locum Medical Officers and the Recruitment of Medical Practitioners	01/10/2018 - 30/09/2021 Option to extend[4] 01/10/2021 - 30/09/2023	0[5] 0[5]
Jon & Jon Consulting Pty Ltd	NSW	Provision of Services for the Engagement of Locum Medical Officers and the Recruitment of Medical Practitioners	01/10/2018 - 30/09/2021 Option to extend[4] 01/10/2021 - 30/09/2023	0[5] 0[5]

Contractor Name	Location	Contract Description	Period of Contract	Total Value $[2]
JPS Medical Recruitment Pty Ltd	Qld	Provision of Services for the Engagement of Locum Medical Officers and the Recruitment of Medical Practitioners	01/10/2018 - 30/09/2021 Option to extend[4] 01/10/2021 - 30/09/2023	0[5] 0[5]
Locum Life Recruitment Pty Ltd	NSW	Provision of Services for the Engagement of Locum Medical Officers and the Recruitment of Medical Practitioners	01/10/2018 - 30/09/2021 Option to extend[4] 01/10/2021 - 30/09/2023	0[5] 0[5]
Maybo Australia	NSW	Aggression Management Training Services	18/02/2019 - 17/02/2022	218 100
edic Oncall Pty Ltd	Vic	Provision of Services for the Engagement of Locum Medical Officers and the Recruitment of Medical Practitioners	01/10/2018 - 30/09/2021 Option to extend[4] 01/10/2021 - 30/09/2023	0[5] 0[5]
Medical Locum Services Pty Ltd	Vic	Provision of Services for the Engagement of Locum Medical Officers and the Recruitment of Medical Practitioners	01/10/2018 - 30/09/2021 Option to extend[4] 01/10/2021 - 30/09/2023	0[5] 0[5]
Medipeople Pty Ltd	NSW	Provision of Services for the Engagement of Locum Medical Officers and the Recruitment of Medical Practitioners	01/10/2018 - 30/09/2021 Option to extend[4] 01/10/2021 - 30/09/2023	0[5] 0[5]
MedRecruit Pty Ltd	Qld	Provision of Services for the Engagement of Locum Medical Officers and the Recruitment of Medical Practitioners	01/10/2018 - 30/09/2021 Option to extend[4] 01/10/2021 - 30/09/2023	0[5] 0[5]
Melbourne Emergency & Trauma Specialists Pty Ltd	Vic	Provision of Services for the Engagement of Locum Medical Officers and the Recruitment of Medical Practitioners	01/10/2018 - 30/09/2021 Option to extend[4] 01/10/2021 - 30/09/2023	0[5] 0[5]
Msoft eSolutions Ltd	UK	Equipment and Assistive Technology Management System (CES360) - Support and Maintenance	01/08/2018 - 31/07/2023	371 082

Contractor Name	Location	Contract Description	Period of Contract	Total Value $[2]
Ochre Health Pty Ltd	NSW[3]	Provision of Rural Medical Services for Scottsdale	01/10/2018 - 31/12/2020 Option to extend[4] 01/01/2021 - 31/12/2025	2 580 000 5 780 000
Ochre Recruitment Pty Ltd	Tas	Provision of Services for the Engagement of Locum Medical Officers and the Recruitment of Medical Practitioners	01/10/2018 - 30/09/2021 Option to extend[4] 01/10/2021 - 30/09/2023	0[5] 0[5]
Omega Medical Pty Ltd	NSW	Provision of Services for the Engagement of Locum Medical Officers and the Recruitment of Medical Practitioners	01/10/2018 - 30/09/2021 Option to extend[4] 01/10/2021 - 30/09/2023	0[5] 0[5]
Philips Electronics Australia Ltd	NSW[3]	Launceston General Hospital - WP Holman Clinic - CT Simulator Maintenance Agreement Extension	10/12/2018 - 09/12/2019	78 790
Philips Electronics Australia Ltd	NSW[3]	Royal Hobart Hospital - WP Holman Clinic - CT Simulator Maintenance Agreement Extension	17/12/2018 - 16/12/2019	78 790
Prescript Recruitment Pty Ltd	NSW	Provision of Services for the Engagement of Locum Medical Officers and the Recruitment of Medical Practitioners	01/10/2018 - 30/09/2021 Option to extend[4] 01/10/2010 - 30/09/2023	0[5] 0[5]
Proslab Dental Laboratory Pty Ltd	Vic	Removable and Fixed Dental Prosthetic Appliances and Related Construction Components	31/08/2018 - 01/09/2020 Option to extend[4] 01/09/2020 - 31/08/2021	0[5] 0[5]
Regional Imaging Pty Ltd	NSW[3]	Radiography and Radiology Services - North West and St Helens	01/02/2019 - 17/07/2026	52 862 000
Skilled Medical Pty Ltd	Vic	Provision of Services for the Engagement of Locum Medical Officers and the Recruitment of Medical Practitioners	01/10/2018 - 30/09/2021 Option to extend[4] 01/10/2021 - 30/09/2023	0[5] 0[5]
Stubbs Constructions Pty Ltd	Tas	Spencer Clinic Reception Refurbishment	14/10/2018 - 30/11/2018	66 115

Contractor Name	Location	Contract Description	Period of Contract	Total Value $[2]
Support2Health Pty Ltd	WA	Provision of Services for the Engagement of Locum Medical Officers and the Recruitment of Medical Practitioners	01/10/2018 - 30/09/2021 Option to extend[4] 01/10/2021 - 30/09/2023	0[5] 0[5]
Swaspay Pty Ltd	Qld	Provision of Services for the Engagement of Locum Medical Officers and the Recruitment of Medical Practitioners	01/10/2018 - 30/09/2021 Option to extend[4] 01/10/2021 - 30/09/2023	0[5] 0[5]
Sydney Children's Hospital Network	NSW	Resus4Kids Paediatric Life Support Training	10/04/2019 - 31/12/2021	105 600
ThyssenKrupp Elevators Australia Pty Ltd	Vic[3]	Royal Hobart Hospital - Lift Upgrade	01/10/2018 - 04/10/2019	518 228
ThyssenKrupp Elevators Australia Pty Ltd	Vic[3]	Royal Hobart Hospital - Lift Maintenance	01/10/2018 - 30/09/2021	268 717
Tim I'Anston t/a Bayview Dental Laboratory	Tas	Removable and Fixed Dental Prosthetic Appliances and Related Construction Components	31/08/2018 - 01/09/2020 Option to extend[4] 01/09/2020 - 31/08/2021	0[5] 0[5]
Titanium Solutions Australia Limited	NZ	Oral Health Services Software - Support and Maintenance	01/08/2018 - 31/07/2023	337 965
Triple0 (Aust) Pty Ltd	Qld	Provision of Services for the Engagement of Locum Medical Officers and the Recruitment of Medical Practitioners	01/10/2018 - 30/09/2021 Option to extend[4] 18/01/2021 - 30/09/2023	0[5] 0[5]
Walch Optics Pty Ltd	Tas	Royal Hobart Hospital and Launceston General Hospital - Tissue Processors	22/02/2019[6]	119 250
Wavelength International Pty Ltd	NSW	Provision of Services for the Engagement of Locum Medical Officers and the Recruitment of Medical Practitioners	01/10/2018 - 30/09/2021 Option to extend[4] 01/09/2021 - 30/09/2023	0[5] 0[5]
Werfen Australia Pty Ltd	NSW	Launceston General Hospital - Supply of Arterial Blood Gas Analysers	02/01/2019 - 01/01/2024	557 150

Contractor Name	Location	Contract Description	Period of Contract	Total Value $[2]
Your Doctor Jobs Pty Ltd	Tas	Provision of Services for the Engagement of Locum Medical Officers and the Recruitment of Medical Practitioners	01/10/2018 - 30/09/2021 Option to extend[4] 01/10/2021 - 30/09/2023	0[5] 0[5]
ZEEP Medical Pty Ltd	NSW	Provision of Services for the Engagement of Locum Medical Officers and the Recruitment of Medical Practitioners	01/10/2018 - 30/09/2021 Option to extend[4] 01/10/2021 - 30/09/2023	0[5] 0[5]

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. In accordance with Treasurer's Instruction 1111, 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 by the THS.
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. One-off purchase.

Table 4: Direct/Limited Submission Sourcing

Department of Health

Treasurer's Instructions 1114 and 1217 provide 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.

The following table provides details of contracts awarded by the Department in 2018-19 as a result of a direct/limited sourcing process approved in accordance with Treasurer's Instruction 1114 or 1217.

Contractor Name	Contract Description	Reasons for Approval	Total Value $[1,2]
Device Technologies Australia Pty Ltd	Aeromedical and Medical Retrieval Ventilators	Additional deliveries of goods or services by the original supplier or authorised representative	389 005
Mingara Australasia Pty Ltd	Independent Review of Ambulance Tasmania State Operations Centre	Exceptional circumstances exist	65 000
4 Mental Health Ltd	Suicide Risk Mitigation Training - additional training	Additional deliveries of goods or services by the original supplier or authorised representative	100 781
Baxter Healthcare Pty Ltd	Volumetric Infusion Pumps	Purchases made under exceptionally advantageous conditions	3 300 000
Data#3 Limited	Quest Change Auditor Licences	The goods or services can be supplied only by a particular supplier	112 279
DXC Technology Australia Pty Ltd	iPM and iPharmacy - Support and Maintenance Agreement	The goods or services can be supplied only by a particular supplier	7 000 000
Fairbrother Pty Ltd	Launceston General Hospital - Ward Cooling Ceiling Tile Installation	In response to a prior tender, no suppliers satisfied the conditions for participation and the agency did not substantially modify the essential requirements of the procurement	909 533
Healthlink Group Pty Ltd	Secure Messaging Service	Additional deliveries of goods or services by the original supplier or authorised representative	240 000
Paxon Consulting Group Pty Ltd	Hobart Private Hospital Co-location Agreement	Exceptional circumstances exist	200 000
Primary Health Tasmania Limited	Tasmanian Provider Directory - Data Management Services	The goods or services can be supplied only by a particular	270 000
Radiant Heating and Cooling Solutions	Launceston General Hospital - Hydronic Radiant Ceiling System for Wards 5A and 5B	The goods or services can be supplied only by a particular supplier	193 000
University of South Australia	Suicide Risk Mitigation Training - Additional Training	Additional deliveries of goods or services by the original supplier or authorised representative	29 550

Contractor Name	Contract Description	Reasons for Approval	Total Value $[1,2]
Melbourne Health	Support and Maintenance for Guidance MS Software	The goods or services can be supplied only by the particular supplier	196 311
Pfizer Australia Pty Ltd	Meningococcal Vaccination Program	Extreme urgency brought about by events unforeseeable by the agency	0
Sanofi-Aventis Australia Pty Ltd	Meningococcal Vaccination Program	Extreme urgency brought about by events unforeseeable by the agency	0
Tas Gas Networks Pty Ltd	RHH - Provision of Natural Gas Distribution Services	The goods or services can be supplied only by a particular supplier	3 062 000

Notes:

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

Tasmanian Health Service

Treasurer's Instructions 1114 and 1217 provide 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.

The following table provides details of contracts awarded by the THS in 2018-19 as a result of a direct/limited sourcing process approved in accordance with Treasurer's Instruction 1114 or 1217.

Contractor Name	Contract Description	Reasons for Approval	Total Value $[1,2]
Automatic Heating	Launceston General Hospital - Replacement Boiler Shells	Exceptional circumstances	127 990
Msoft eSolutions Ltd	Equipment and Assistive Technology Management System (CES360) - Support and Maintenance	The goods or services can be supplied only by a particular supplier	371 082
Sydney Children's Hospital Network	Resus4Kids Paediatric Life Support Training	The cost of seeking quotations or calling public tenders outweighs the value for money benefits	105 600
Titanium Solutions Australia Limited	Oral Health Services Software - Support and Maintenance	The goods or services can be supplied only by a particular supplier	337 965

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

Department of Health

Treasurer's Instructions 1119(5) and 1225(5) provide 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.

The following table provides details of contracts awarded by the Department in 2018-19 as a result of such an approval.

Contract Description	Total Value $[1,2]
Citrix Support and Maintenance	803 392
Devonport Community and Health Services Centre – Heating Ventilation Air Conditioning Upgrade	697 040
Glenorchy Ambulance Station - Principal Consultant	379 126
King Island Stage 2 Redevelopment - Principal Consultant	646 117
Launceston General Hospital - Additional Car Parking - Principal Consultant	253 243
Launceston General Hospital - Holman Clinic Alterations	385 685
Mersey Community Hospital – Helipad	1 361 729
Mersey Community Hospital – Lift Replacement Project	628 672
Midlands Multi-Purpose Health Centre Redevelopment	2 259 995
Multi-Function Device Fleet Management Services	8 371 104
Patient Monitoring Products	2 499 785
Peacock Centre Redevelopment - Principal Consultant	642 395
Provision of CommVault Support and Maintenance	571 042
Provision of VMware Licensing, Support and Maintenance Services	1 835 794
Records Archiving and Storage	2 672 010
Red Hat Linux Support and Maintenance Service	1 093 410
Royal Hobart Hospital - A Block Façade Remediation - Principal Consultant	600 000
Smithton District Hospital Nurse Call Upgrade	322 864
Southern Mental Health Beds Development - Principal Consultant	758 315
Supply of Corporate Uniforms	6 157 134
Supply of Medical and Industrial Gases	12 185 437
Supply of Sequential Compression Devices and Consumables	1 970 000
Blood Glucose Meters and Consumables	1 777 845
Hospital Activity Modelling and Forecasting Services	680 000
Provision of Vaccine Storage and Distribution Services	1 353 173

Contract Description	Total Value $[1,2]
Royal Hobart Hospital - Provision of Natural Gas Distribution Services	3 062 000
Royal Hobart Hospital Redevelopment - Central Sterilising Department Equipment	4 472 989
Royal Hobart Hospital Redevelopment - Digital Operating Theatre Solution	5 412 305
Royal Hobart Hospital Redevelopment - Interventional Angiography and Cardiac Catheterisation Imaging Equipment	7 380 600
Royal Hobart Hospital Redevelopment - Neonatal Paediatric Intensive Care Unit Pendants	618 316
Royal Hobart Hospital Redevelopment Project - Industrial Hygienist	854 609

Notes:

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

Tasmanian Health Service

Treasurer's Instructions 1119(5) and 1225(5) provide 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.

The following table provides details of contracts awarded by the THS in 2018-19 as a result of such an approval.

Contract Description	Total Value $[1,2]
Clinical Coding Software Solution	3 159 968
Fissure Sealant and Fluoride Varnish Program – Self Drive Vans	988 815
Launceston General Hospital - Supply of Arterial Blood Gas Analysers	557 150
Provision of Rural Medical Services for Scottsdale	8 360 000
Radiography and Radiology Services - North West and St Helens	52 862 000
Removable and Fixed Dental Prosthetic Appliances and Related Construction Components	2 602 000
Royal Hobart Hospital - Lift Maintenance and Upgrade	786 945
Supply of Anaesthetic Gases Statewide	1 062 000

Notes:

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

Table 6: Contracts Extensions

Department of Health

The Department had no contract extensions approved pursuant to Treasurer's Instruction 1115(2).

Tasmanian Health Service

Treasurer's Instruction 1115 provides the Head of Agency with the discretion to approve the extension of contracts beyond existing provisions for a period of no longer than one year.

The following table provides details of contracts awarded by the THS in 2018-19 as a result of approval in accordance with Instruction 1115(2).

Contractor Name	Contract Description	Period of Extension	Total Value $[1]
Diagnostic Services Pty Ltd and Consultant Pathology Services Pty Ltd	Pathology Services - North West	01/01/2019 - 31/12/2019	3 292 469
Everlight Radiology Pty Ltd	Royal Hobart Hospital - Provision of Teleradiology Services	01/01/2019 - 31/12/2019	206 000
Philips Electronics Australia Ltd	Launceston General Hospital - WP Holman Clinics - CT Simulator Maintenance Agreement Extension	10/12/2018 - 09/12/2019	78 790
Philips Electronics Australia Ltd	Royal Hobart Hospital - WP Holman Clinics - CT Simulator Maintenance Agreement Extension	17/12/2018 - 16/12/2019	78 790

Note:

1. 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 2018-19, the Department provided a total of $62.88 million under its Central Grants Program to 127 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	
Alcohol Tobacco and Other Drug (ATOD) - services provided under the Illicit Drug Diversion Initiative and the National Drug Strategy	**Total Funding $6 993 315**
Advocacy Tasmania Inc	304 723
Alcohol and Drug Foundation Inc	577 853
Anglicare Tasmania Inc	848 154
Circular Head Aboriginal Corporation	41 520
Drug Education Network Inc	817 680
Eastern Health	67 727
Holyoake Tasmania Inc	327 170
Launceston City Mission Inc	734 630
Pathways Tasmania Inc	201 705
The Alcohol, Tobacco and other Drugs Council (TAS) Inc	643 560
The Link Youth Health Service Inc	645 626
The Salvation Army Property Trust Tasmania	1 054 063
Youth, Family and Community Connections Inc	728 897
Alcohol Tobacco and Other Drug Total	**$6 993 315**

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 $15 228 594**
Advocacy Tasmania Inc	202 886
Anglicare Tasmania Inc	2 130 352
Australian Red Cross Society	222 135
Baptcare Ltd	170 842
Bucaan Community House Inc	32 868

Program and Organisation	
Care Assessment Consultants Pty Ltd	826 651
Carers Tasmania Inc	215 423
Circular Head Aboriginal Corporation	22 028
Clarence City Council	25 423
Community Based Support Inc	2 844 898
Community Care NESB Inc	102 191
Community Transport Services Tasmania Inc	713 051
Dementia and Alzheimer's Association (Tas) Inc	301 505
Elders Council of Tasmania Aboriginal Corporation	16 497
Emmerton Park Inc	3 940
Family Based Care Association North West Inc	1 957 819
Glenview Community Services Inc	92 686
Good Neighbour Council of Tasmania	5 059
Greek Orthodox Archdiocese of Australia Consolidated Trust	38 904
Hobart District Nursing Service Inc	785 527
Independent Living Centre Tas Inc	77 270
integratedliving Australia Ltd	1 404 393
Italian-Australian Pensioners Welfare Association of Tasmania Inc	31 926
Karadi Aboriginal Corporation	1 675
KinCare Health Services Pty Ltd	212 327
Launceston VFC Services Inc	72 030
Lifeline Tasmania Inc	135 213
Meals on Wheels Association of Tasmania Inc	190 685
Meercroft Care Inc	2 464
Mersey Community Care Association	258 104
Migrant Resource Centre (Southern Tasmania) Inc	98 689
Multicap Tasmania	96 762
Polish Association in Hobart Inc	7 170
RSL Care RDNS Limited	668 659
South East Tasmanian Aboriginal Corporation	26 798
South Eastern Community Care Inc	422 006
St Giles Society Limited	35 170
St Helens Community Car Group Inc	4 461
St Johns Ambulance Australia Tasmania Inc	29 316
Tandara Lodge Community Care Inc	6 529
Tasmanian Independent Services Pty Ltd	54 623
The Parkside Foundation Pty Ltd	69 843

Program and Organisation	
Uniting (Victoria and Tasmania) Limited	5 476
Uniting AgeWell	34 424
Volunteering Tasmania Inc	213 289
Wyndarra Centre Inc for Wyndarra Board of Management	358 586
Home and Community Care (HACC) Total	**$15 228 594**

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 $27 064 86**
Advocacy Tasmania Inc	497 063
Anglicare Tasmania Inc	5 241 387
Australian Huntington's Disease Association Tasmania Inc	15 027
Australian Red Cross Society	247 071
Baptcare Ltd	2 560 000
Beyond Blue Ltd	88 102
Butterfly Foundation	200 000
Caroline House Inc	374 394
Colony 47 Inc	446 090
Family Based Care Association North West Inc	102 112
Flourish Mental Health Action in Our Hands Inc	218 516
Grow (Tas)	140 278
Langford Support Services Inc	1 149 313
Launceston City Mission Inc	1 800 000
Life Without Barriers	1 000 000
Lifeline Australia Ltd	35 000
Mental Health Carers Tasmania	227 069
Mental Health Council of Tasmania Inc	950 518
Migrant Resource Centre (Southern Tasmania) Inc	164 415
OzHelp Tasmania Foundation Association Inc	73 044
Relationships Australia Tasmania Inc	413 416
Rural Alive and Well Inc	916 105
The Richmond Fellowship of Tasmania Inc	5 627 203
The Salvation Army Property Trust Tasmania	1 809 506
Wellways Australia Ltd	2 768 651
Mental Health Services Total	**$27 064 286**

Program and Organisation	
Planning, Purchasing and Performance - Payments to organisations to assist in activities including the recruitment of General Practitioners in Tasmania	**Total Funding $4 269 185**
CanTeen - The Australian Organisation for Young People Living with Cancer	26 556
Clarence City Council	250 000
Consumers Health Forum of Australia Ltd	215 000
Cystic Fibrosis Tasmania Inc	20 000
Diabetes Australia - Tasmania	100 000
Epilepsy Assoc of Tasmania Inc	440 000
Flinders Island Aboriginal Association Inc	250 000
General Practice Workforce Inc	208 153
Hobart District Nursing Service Inc	500 000
Northern Suburbs Community Centre Inc	125 000
Palliative Care Tasmania Limited	566 000
Starting Point Neighbourhood House Inc	125 000
The Sax Institute	206 940
The Trustee for MPMS Telephone Triage Unit Trust	360 960
The Trustee for Patrick Street Clinic Services Unit Trust	250 000
University of Tasmania	625 575
Planning, Purchasing and Performance Total	**$4 269 185**

Public Health Services - services to prevent illness, protect the Tasmanian community and promote health gain	**Total Funding $8 901 916**
Anglicare Tasmania Inc.	465 212
Arthritis Foundation of Tasmania Inc	124 892
Asthma Australia Ltd	98 717
Australian Red Cross Society	164 932
Cancer Council of Tasmania Inc	1 256 984
Cancer Council Victoria	47 500
Carers Tasmania Inc	16 586
Child Health Association Inc	126 430
Colony 47 Inc	17 672
Delta Society Australia Ltd	15 805
Diabetes Australia - Tasmania	529 013
Dorset Council	17 899
Drug Education Network Inc	25 000
East Coast Regional Development Organisation Inc	19 961

Program and Organisation	
Eat Well Tasmania Incorporated	209 930
Family Planning Tasmania	1 549 604
Flinders Island Council	5 480
George Town Council	22 545
George Town Neighbourhood House Inc	25 000
Glenorchy City Council	6 114
Good Neighbour Council Launceston Inc	5 920
Hawthorn Football Club Limited	25 000
Huon Valley Council	14 804
Jordan River Service Inc	47 642
Kidsafe Tasmania Inc.	60 128
King Island Childcare and Early Learning Centre Inc	4 545
Launceston Community FM Group Inc	25 000
Live Well Tasmania Inc	42 806
Masonic Care Tasmania Inc	22 727
National Stroke Foundation	337 527
Neighbourhood Houses Tasmania Inc	30 000
Northern Suburbs Community Centre Inc	25 000
Parkrun Inc	22 727
Pregnancy Counselling and Support Tas Inc	40 000
Scarlet Alliance, Australian Sex Workers Association Incorporated	158 000
Sorell Council	22 727
St Helens Little Athletics Centre Inc	25 000
Tasmanian Council of Social Service Inc	40 000
Tasmanian School Canteen Association Inc	128 685
The Link Youth Health Service Inc	549 331
The Pharmacy Guild of Australia	23 998
The Richmond Fellowship of Tasmania Inc.	22 727
The Salvation Army (Tasmania) Property Trust	92 679
The Tasmanian Council on AIDS and Related Diseases Inc	525 161
The University of New South Wales	15 150
University of Tasmania (Menzies Research Institute of Tasmania)	715 246
Volunteering Tasmania Inc	22 323
Women's Health Tasmania Inc	629 025
Womensport and Recreation Tasmania Inc	83 439
Working It Out Inc	359 608
Youth, Family and Community Connections Inc	39 701
Public Health Services Total	**$8 901 916**

Program and Organisation	
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 $423 024**
Cancer Council of Tasmania Inc	323 701
Hospice Care Association of North West Tasmania Inc	99 323
Tasmanian Health Services Total	**$423 024**
Grand Total	**$62 880 322**

Climate Change

The Department continues to contribute to Tasmania's greenhouse gas emissions reduction goals through implementation of energy efficiency opportunities and development of an Agency-wide Energy Management Strategy.

Department of Health Emissions[1]

		2017-18		2018-19
Activity	**Volume**	**tCO_{2-e}**	**Volume**	**tCO_{2-e}**
Electricity	7.92 GWh	1 505	7.28 GWh	1 383
Natural Gas	0.0	0	0.0	0
Unleaded Petrol	535.03 kL	1 237	530.88 kL	1 228
Diesel Fuel	200.41 kL	545	175.80 kL	478
Air Travel	2.10 million km	332	1.13 million km	178
Total		**3 620**		**2 869**

Notes:

1. tCO_{2-e} Tonnes of carbon dioxide equivalent.
2. Emissions associated with electricity are determined using the National Greenhouse Accounts factor for electricity, published by the Australian Government for use in calculating associated emissions.
3. Figures for 2017-18 include activity volumes subsequently transferred to Department of Communities Tasmania.
4. Figures for 2018-19 exclude activity volumes for Communities Tasmania which are reported separately in their annual report.

THS Emissions[1]

		2017-18		2018-19
Activity	Volume	tCO_{2-e}	Volume	tCO_{2-e}
Electricity	57.93 GWh	11 007	58.33 GWh	11084
Natural Gas	43 512 Gj	2 242	44 986 Gj	2 318
Unleaded Petrol	442.28 kL	1 023	438.34 kL	1 014
Diesel Fuel	274.38 kL	747	294.18 kL	801
Air Travel	6.55 million km	1 036	6.22 million km	983
Total		**16 054**		**16 515**

Notes:

1. tCO2-e Tonnes of carbon dioxide equivalent.
2. Emissions associated with electricity are determined using the National Greenhouse Accounts factor for electricity, published by the Australian Government for use in calculating associated emissions.

Energy Efficiency and Greenhouse Gas Emissions Reduction Activities

In 2018-19, the Department:

- Pursued minimisation of energy use, focussing primarily on electricity as the largest contributor to greenhouse gas emissions.
- Maintained currency of the Department's draft Energy Management Strategy.
- Continued rollout of the whole of organisation energy monitoring system. This provides the appropriate data for facility managers to better understand energy use within their facility, leading to identification of potential energy/emissions reduction opportunities.
- Continued installation of energy check meters to provide the necessary data for the energy monitoring system.
- Exercised the final one-year extension of the Supply of Electricity Retails Services contract with Aurora Energy Pty Ltd for 2019-20.
- Commenced procurement planning for new Supply of Electricity Retails Services contract due to commence 1 July 2020.
- Maintained the requirement for Ecologically Sustainable Design requirements in all major capital works projects
- Continued implementation of energy efficiency opportunities identified through energy audits.
- Maintained membership of the Australian Health Infrastructure Alliance, Environmentally Sustainable Design (ESD) sub-group for collaboration with other state health authorities on energy efficiency matters.
- Through the ESD sub-group, participated in the National Australian Built Environment Rating Scheme (NABERS) development of an energy rating tool for health facilities.
- Participated in the procurement process for "Energy use and greenhouse gas emissions monitoring and reporting software" for Tasmanian Government agencies led by the Tasmanian Climate Change Office (TCCO).
- Worked with TCCO and other State Government departments on implementation of the "Energy use and greenhouse gas emissions monitoring and reporting software" for capture of energy and emissions data.

Insurable Risk

The Department and THS 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 Personal Accident[1]	26-50 weeks[2]	16 176 325	1 617 633	580	15 541 732
Asbestos Levy[3]	-	485 290	0	-	-
Aero Medical Retrieval	-	88 000	8 800	-	-
Property					
General Property	14 000	1 009 299	100 930	4	158 494
Catastrophe Insurance – DoH	5 000 000	468 341	46 834	-	-
Catastrophe Insurance – Housing	-	-	-	-	-
Motor Vehicles - Fleet Vehicles	500/1 000	249 240	24 924	133	344 946
Motor Vehicles - Miscellaneous	500	52 391	5 239	51	182 917
Liability					
General Liability	40 000	56 469	5 647	1	5 445
Medical Liability	50 000	12 309 036	1 230 904	21	4 149 340
Miscellaneous					
Government Contingency	-	10 413	1 041	-	-
Travel includes GST	Various	7 167	717	-	-
Travel excludes GST		1 671	0	-	-
Travel Stamp Duty		-	-	-	-
Total	-	30 913 642	3 042 668	790	20 382 874

Notes:

1. Including 2016-17 salary adjustment.
2. 26 weeks for Workers Compensation and 50 weeks for Personal Accident.
3. 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* and
- *Tasmanian Health Service Act 2018.*

The THS maintain a Revenue Policy that provides information on the financial requirements for funding a program from sources outside of the organisation. This policy is subject to ongoing review.

Fees are charged in accordance with Tasmanian legislation including the *Health Act 1997* and the *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

27 September 2019

Transparency

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 five 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 will be implementing procedures to encourage active disclosures that will contribute in a reduction in the number of assessed disclosure applications being submitted.

Given the separation of the Department of Health and Human Services into the Department of Health and the Department of Communities Tasmania, the format of the 2018-19 report does not allow comparative analysis with past reports. Many of the applications focussed on issues such as patient personal information and health operational matters.

Under the amendments to the *Tasmanian Health Service Act 2018*, the Secretary of the Department is the principal officer for the Tasmanian Health Service under the *Right to Information Act 2009*. The THS figures are included in the information provided.

The total number of pages for considered for assessment was 1 777 pages.

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

Number of Applications

1	Number of applications for assessed disclosure received during 2018-19	33
2	Number of applications for assessed disclosure accepted for decision	27
3	Number of applications for assessed disclosure received not accepted for decision	6

Applications Decided

1	Number of applications for assessed disclosure determined	34
1.1	Number of applications for accepted during 2018-19 and decided during 2018-19	26
1.2	Number of applications for accepted during 2017-18 and decided during 2018-19	8

Outcome of Applications

1	Number of determinations where the information applied for was provided in full	12
2	Number of determinations where the information applied for was provided in part with the balance refused or claimed as exempt	5
3	Number of determinations where all the information applied for was refused or claimed as exempt	17
3.1	Number of applications where the information applied for was not in the possession of the public authority	5

Reasons for Refusal[1]

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	2
s.20	Refusal where application repeated; or Vexatious; or Lacking in definition after negotiation	3

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	2
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	0
s.31	Legal professional privilege	1
s.32	Information relating to closed meetings of council	0
s.34	Information communicated by other jurisdictions	0
s.35	Internal deliberative information	1
s.36	Personal information of a person other than the applicant	2
s.37	Information relating to the business affairs of a third party	1
s.38	Information relating to the business affairs of a public authority	0
s.39	Information obtained in confidence	1
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	0
2	Number of applications for assessed disclosure transferred or part transferred to another public authority	3

Time to Make Decisions

Number of requests determined within the following timeframes.		
1	1 - 20 working days of the application being accepted.	21
2	More than 20 working days of the application being accepted.	13
3	Number of requests which took more than 20 working days to decide that involved an extension negotiated under s.15(4)(a).	4
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).	0
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 2018-19	1
Number of internal reviews determined in this 2018-19	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 2018-19	0
Number of external reviews determined in 2018-19	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.

The Public Interest Disclosure (Whistle-Blower) Policy commits the Department to the objectives of the *Public Interest Disclosure Act 2002*. The Policy is supported by the Public Interest Disclosure (Whistle-Blower) Procedure, which provides employees and managers with practical information about how public interest disclosures are managed by the Department. More information about the Department's public interest disclosure procedures is available on the website http://www.health.tas.gov.au.

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

The THS Public Interest Disclosure Policy and Protocol were prepared in accordance with Guidelines and Standards published by the Tasmanian Ombudsman. The Policy and Protocol are available via the THS Strategic Document Management System and are reviewed by the Ombudsman every three years.

There were no public interest disclosures relating to the Tasmanian Health Service during the reporting period.

The *Public Interest Disclosures Act 2002* can be found on the Tasmanian legislation website at http://www.thelaw.tas.gov.au.

Public Interest Disclosures 2018-19	**DoH**	**THS**
Number of disclosures made to the public body during the year that relate to improper	1	0
Number of disclosures made to the public body during the year that relate to detrimental	0	0
Number of disclosures determined to be a public interest disclosure	0	0
Number of disclosures determined by the public body to be public interest disclosures that were investigated during the year	0	0
Number and types of disclosed matters referred to the public body by the Ombudsman for investigation	0	0
Number and types of disclosures referred by the public body to the Ombudsman for	0	0
Number and types of investigations taken over from the public body by the Ombudsman	0	0
Number and types of disclosed matters that the public body has declined to investigate	0	0
Number and types of disclosed matters that were substantiated upon investigation and the action taken on completion of the investigation[1]	1	0
Any recommendations made by the Ombudsman that relate to the public body	NA	NA

Note:

1. This investigation related to a disclosure made in the previous year.

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 2018-19, the Department, including the THS, was involved in two performance audits conducted by the TAO. The objectives of these audits were:

1. To assess the efficiency and effectiveness of the Emergency Departments (EDs) from the perspective of patients on their journey through an ED and whether the THS was managing EDs effectively. [1]

2. To evaluate the effectiveness of performance management in the Tasmanian State Service with a specific focus on the effectiveness of performance and development conversations between managers (including supervisors) and employees that form the basis for providing and receiving feedback. [2]

The TAO's performance audit of the EDs concluded that the THS did not perform, in terms of efficiency and effectiveness with respect to the audit criteria or the objective of the performance audit, as a whole. The recommendations contained in the TAO's report are being implemented by the Department and THS.

The second performance audit covered approximately half of the existing Tasmanian State Service including the Department. The TAO concluded that foundational elements are in place to conduct performance and development conversations, but the framework requires a greater investment in policies, training, technology and quality review to remove current barriers to achieving more effective performance and development conversations. The TAO's report included a recommendation that each Agency undertakes a self-assessment to assess the quality of their existing performance and development conversations and to develop a plan to implement improvements that links to their own level of organisational maturity and complexity and takes into account their resourcing priorities.

The TAO's complete reports including recommendations are available from the TAO website

https://www.audit.tas.gov.au/publication-category/performance-audit/

[1] Report of the Auditor-General, No. 11 of 2018-19, Performance of Tasmania's four major hospitals in the delivery of Emergency Department services, May 2019

[2] Report of the Auditor-General, No. 7 of 2018-19, Performance management in the Tasmanian State Service: A focus on quality conversations, March 2019

Legislation

As detailed in the Administrative Arrangements Order (No. 2) 2019, made under the *Administrative Arrangements Act 1990*, the Department of Health 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 2019, the Department administers 26 Acts and associated subordinate legislation for the Minister for Health.

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
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
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

Bills Tabled

During 2018-19, the following Bills were introduced into Parliament by the Minister for Health:

- Community, Health, Human Services and Related Legislation (Miscellaneous Amendments) Bill 2018
- Health Complaints Amendment (Code of Conduct) Bill 2018
- Health Miscellaneous Amendments Bill 2019.

Key Changes to Legislation

The key legislative changes involving the Department in 2018-19 are described below, including Bills introduced by the Minister for Health and other legislative projects.

The *Tasmanian Health Service Act 2018* commenced on 1 July 2018 and established new governance arrangements for the Tasmanian Health Service.

The *Community, Health, Human Services and Related Legislation (Miscellaneous Amendments) Act 2018* commenced on 18 June 2019 and made a number of minor amendments to address technical issues in legislation administered by the Departments of Health; and the Department of Communities Tasmania.

The *Health Miscellaneous Amendments Act 2019* commenced on 28 June 2019 and was a second stage of minor amendments to legislation administered by the Department.

The *Health Practitioner Regulation National Law and Other Legislation Amendment Act 2019* passed the Queensland Parliament, and will have effect in Tasmania when it commences under Tasmania's *Health Practitioner Regulation National Law (Tasmania) Act 2010*. The amendments increase the penalties for holding out offences and revise mandatory reporting requirements for treating practitioners, following a national consultation process.

The *Health Complaints Amendment (Code of Conduct) Act 2018* amends the *Health Complaints Act 1995*. The amendments will introduce a Code of Conduct for health care workers that are not registered under the National Health Practitioner Regulation Law. The Code of Conduct has been developed nationally, and reflects existing and planned arrangements in other Australian jurisdictions.

The Department developed the *Disability Services Amendment Act 2019* in close cooperation with the new Department of Communities Tasmania. This was introduced into Parliament on 9 April 2019 and commenced on 4 July 2019. The amendments implement a review of the *Disability Services Act 2011*, which the Department led when responsible for that Act in 2017-18.

Subordinate Legislation

- Ambulance Service Amendment Regulations 2018
- Ambulance Service (Fees) Amendment Regulations 2018
- Ambulance Service (Paramedic) Amendment Regulations 2018
- Health Practitioner Regulation National Law Regulation 2018 (Queensland)

- Poisons (Application of Uniform Standard) Order 2018
- Poisons (Exempted Public Institutions) Order 2018
- Poisons Regulations 2018
- Tasmanian Health Service Regulations 2018
- Tasmanian Health Service Amendment Regulations 2018
- Anatomical Examinations Amendment Regulations 2019
- Fluoridation Regulations 2019
- Health (Fees) Amendment Regulations 2019
- Poisons Amendment Regulations 2019.

Council of Obstetric and Paediatric Mortality and Morbidity

Annual Report
For year ended 30 June 2019

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Establishment of the Council

The *Obstetric and Paediatric Mortality and Morbidity Act 1994* (the Act) establishes the Council of Obstetric and Paediatric Mortality and Morbidity (the Council). The functions of the Council include the maintenance of a perinatal data collection system; investigating the circumstances surrounding maternal deaths; perinatal deaths and the deaths of children up to 17 years, and investigating and reporting on matters relating to obstetric and paediatric mortality and morbidity referred to it by the Minister for Health or Secretary, Department of Health.

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. Of note, the Act enables the Council:

- to communicate to a coroner information relevant to a coronial inquiry or possible coronial inquiry into the death of a child or woman, of its own motion or at the request of the coroner
- to investigate and report to the Secretary or Minister (or any other relevant Minister) on any matter relating to obstetric and paediatric mortality and morbidity of its own motion without a reference from the Secretary or Minister
- to communicate information regarding identified deaths or morbidities to the Secretary, a relevant Minister or a prescribed body
- to have the power to place a restriction upon subsequent use of any information or reports provided by the Council to a coroner, the Secretary, a Minister or a prescribed body
- members to communicate information that comes into their possession to the Secretary where there is a belief or suspicion, on reasonable grounds, that a child has been or is being abused or neglected or at risk of being abused or neglected and
- to report information about possible criminal offences to the Commissioner of Police.

Council Role and Function

A summary of Council functions under the Act are:

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.

Council Membership

The new term commenced in May 2019 and will end on 27 May 2022. 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*:

- Dr Michelle Williams (COPMM 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 Midwifes Incorporated
- Dr Scott McKeown, person nominated by the Secretary employed in the Department of Health
- Ms Leanne McLean, Commissioner for Children and Young People.

Meetings of Council continue to be held quarterly with two meetings already held in February and May 2019.

Council Meetings

The Council generally meets four times per year.

Administration

The Council can be contacted via:

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

Clinical Governance

Health Professional Policy and Advisory Services

Department of Health

Address: 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, the 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.

Registration

Not applicable.

Review of Activities

COPMM's 2016 Annual Report was tabled in Parliament in November 2018. A key aim of Council's Annual Report was to provide epidemiological information on the women who gave birth to liveborn or stillborn babies in 2016, and on their children. The Annual Report included all four COPMM committee reports detailing relevant key trends arising during 2016 and recommendations based upon committee investigations and findings. National comparisons were made where possible in relation to these trends.

The 2017 Annual Report was progressed during 2018-19 in preparation for tabling in Parliament in October 2019, as part of the Annual Report on Health Services in Tasmania. The preliminary 2018 Paediatric Mortality and Morbidity Committee Report was finalised before the end of the 2018-19 financial year.

The 2018 Annual Report will be progressed during 2019-20 in preparation for tabling in Parliament in October 2020.

Recommendations that are highlighted in recent Annual Reports continue to be archived on the COPMM website (http://www.dhhs.tas.gov.au/copmm). Furthermore, key issues and recommendations arising from finalised preliminary reports based on latest data will be highlighted in COPMM'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.

In an effort to reduce maternal, perinatal and paediatric mortality and morbidity in Tasmania, a Progress Against COPMM Recommendations report in relation to the 2015-16 COPMM Annual Reports will be submitted to the Minister for Health. The positive efforts of the Department of Health to address COPMM's recommendations, where possible, continue to be appreciated by COPMM.

It is also noted that the Minister for Health, at the time, formally appointed all members to the new three-year term commencing in May 2019 and ending on 27 May 2022.

Data Collection and Reporting

The ongoing activities of Council's four Committees to fulfil its legislative requirements have continued to progress in 2018-19. Again, the continued tireless efforts, commitment and contributions to Council's functions by its busy clinical members are acknowledged and commended.

Membership of the *Data Management Committee* includes representatives derived from obstetric, paediatric, midwifery, Health Information and Epidemiology Unit areas with Professor Peter Dargaville continuing to chair this committee into the new term. A Working Group of the committee primarily progresses the reporting requirements while the Committee continues to meet as required to progress discussions around formatting and preparation of future Annual Reports as well as the ObstetrixTas System and development of a more comprehensive Congenital Abnormality Register for Tasmania.

Professor Dargaville continues to chair the *Perinatal Mortality and Morbidity Committee* in the new term which comprises members who dedicate their invaluable time to review and classify perinatal cases according to Perinatal Society of Australia and New Zealand (PSANZ) guidelines. Classification codes derived from this review process not only serves to fulfil Council's reporting requirements but also provides the state's perinatal death cases dataset to national bodies for national reporting purposes.

All paediatric deaths reported annually throughout the state are reviewed and classified by the *Paediatric Mortality and Morbidity Committee* that continues to be chaired by Council's Chair, Dr Michelle Williams in the current term.

Finally, all reported maternal deaths in Tasmania are reviewed and classified according to the system recognised by the World Health Organisation. The National Maternal Death Reporting form also continues to assist with this review process. Associate Professor Amanda Dennis continues to Chair the *Maternal Mortality and Morbidity Committee* in the current term which undertakes the required review processes.

Data Collection Forms

During 2018-19, the National Perinatal Death Clinical Audit Tool (NPDCAT) has been integrated into the ObstetrixTas system. Feedback has suggested, however that clinicians in all Tasmanian hospitals (including all public and NWPH) are continuing to use the paper-based version to assist with the collection of detailed information on reported stillbirths and neonatal deaths. Council urges that only the attending medical practitioner/specialist completes the NPDCAT form including its Section 2 in respect to their reported perinatal mortality case.

The National Maternal Death Form continues to assist with the review process for reported maternal death cases.

Efforts continue to be undertaken by AIHW to explore ongoing national congenital anomaly collection/register/reports and to assess the status of congenital anomaly surveillance in each jurisdiction. It is hoped that with the development of a more comprehensive national Congenital Abnormality Register it would allow the necessary refinements to be integrated into a Tasmanian model as required and finally incorporated into the ObstetrixTas system in the future.

The updated Tasmanian Perinatal Data Collection Form continues to be completed by all services that do not have access to the ObstetrixTas system (ie private hospitals and birth centres where the birth occurs; or private midwifery and medical practitioners who deliver babies outside hospitals). Completion of this form is a mandatory requirement for data collection under the *Obstetric and Paediatric Mortality and Morbidity Act 1994*. A copy of these forms and associated guidelines can be accessed via COPMM's website.

Progress in Database

The development and establishment of the ObstetrixTas system was implemented in all statewide public maternity hospitals in 2010 to provide obstetric units with access to clinical information for management, planning, teaching and research purposes. General feedback has indicated that members of hospital staff have found this system to be valuable and useful in their clinical practice especially in regard to improvement in the timeliness, completeness and accuracy of information reported from the system.

Council has welcomed the support of IT Services to upgrade the system where possible to help Council in its collection of relevant data to strengthen its legislative reporting requirements (eg recent integration of the NPDCAT form to assist with perinatal data collection).

Review the structure of the Annual Report

The Annual Report format continues to be refined as required to ensure a more effective format for clearer presentation of data. The role of the Data Management Committee provides opportunities to discuss and revise formatting issues as required.

Financial Statements as at 30 June 2019

Not applicable.

Tasmanian Pharmacy Authority

Annual Report
For the 12 month period 1 July 2018 – 30 June 2019

1. 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.

2 Authority Roles and Functions

2.1 Functions 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;

f) such other functions as are imposed on the Authority by this or any other Act or as may be prescribed.

2.2 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.

3 Membership of the Authority

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

The Authority consists of:

a) 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

b) 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 2019 were:

Chairman Mr Rhys Jones – B.Pharm

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

Ms Kym Child – B.Nursing(Hons), LLB (Hons), Grad. Dip. Legal Practice, Grad. Dip. Emergency Nursing, Grad. Cert. Paediatric Nursing

Consumer Representative to 1 August 2018

Ms Christine Arnott – LLB - Consumer Representative from 1 October 2018

4. Meetings of the Authority

The Authority held monthly meetings during the reporting period. This year, an additional meeting was held in August 2018 to facilitate the appointment of a new Registrar; and a valuable meeting with the former Minister for Health was held in June 2019. The January 2019 meeting is an electronic meeting. Ms Arnott occasionally attends meetings by telephone due to distance. Mr Sam Halliday, Acting Chief Pharmacist, Department of Health, is now invited to meetings of the Authority and has attended four during the 2018-19 year.

Authority Members	Meetings held whilst an Authority Member	Meetings Attended
Mr R Jones	14	14
Ms K Fitzmaurice	10	10
Ms C Arnott	10	10
Ms K Child	4	4

Ms Child completed her term with the Authority in August 2018 and did not seek reappointment. Replacement of Ms Child and previous Member, Mr Neumeyer was not effected until 1 October 2018. The Authority comprises only three members, two of whom are registered pharmacists. The operations of the Authority were affected by the reduced membership, especially as the input of qualified pharmacists is required for much of the business.

5. Administration

Contact and Registrar Details

Ms Margie Shuley, who was the Authority's Registrar until 30 August 2017, when she retired, was re-engaged as a Consultant from 20 June 2018, to assist with recruitment of a new Registrar and with training the newly appointed Registrar. Ms Shuley also functioned as the Registrar from 20 June 2018 to 19 August, 2018.

Ms Sharon Armstrong was appointed to the role of Registrar on 20 August 2018.

The postal address of the Authority was PO Box 1082, Sandy Bay, TAS 7006 and the mobile phone number was 0417 752 348. The Authority did 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 December 2017, were:

Chair:	$457
Members:	$347

6. Representation on National Bodies

During the year, the Pharmacy Premises Registering Authorities of Australia (PPRAA) met twice (November 2018 and April 2019). Both meetings were attended by the Authority Chair and the November meeting was also attended by the Registrar (Sharon Armstrong). Chief Inspector, Tara Fox, also attended a meeting of PPRAA Inspectors in August 2018.

The PPRAA is a forum for State and Territory pharmacy premises registering bodies whose responsibility it 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. Whilst 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. This amount has not yet been claimed by Victorian Pharmacy Authority, the co-ordinator and administrator of Project Officer position.

7. Registration

iii. Register of Pharmacy Premises

The number of pharmacy business premises registered with the Authority at 30 June 2019 was 160, up from 158 in 2017-18. At 30 June 2019, 90 (82 in 2017-18) body corporates and 96 (87 in 2017-18) 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, in Tasmania and other jurisdictions. The names of some pharmacy business premises changed during the year, many of these reflecting changes and mergers of large buying groups.

During the year, the Authority approved the following applications:

New or relocating pharmacies	4 (8 in 2017-18)
Applications for a new Body Corporate owner	9 (8 in 2017-18)
Applications for a new individual owner	8 (1 in 2017-18)
Exempt Premises (Falls Festival)	1 (1 in 2017-18)

Applications for alterations of Pharmacy Business Premises were also lodged. The Authority continued its approval of vaccination rooms/consultation areas, within pharmacy premises. As at 30 June 2019, 72 (67 – 2017/18) pharmacy premises had approved permanent vaccination areas.

iv. 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.

v. Fees

The prescribed fees were increased in accordance with the value of a Statutory Fee Unit to $1.58.

The fees for 2018-19 as defined by the regulations were:

Type of Fee	Section of Act	Fee Unit	Fees 2018-@$1.58@ $
Eligibility Certificate - Initial Application			
Each individual involving no Trust	61B	35	54.25
Each individual involving one Trust	61B	275	426.25
Each individual with more than one Trust	61B	550	852.50
Each body corporate with no Trust	61B	350	542.50
Each body corporate with one Trust	61B	620	961.00
Each body corporate with more than one Trust	61B	900	1395.00
Annual Renewals			
Individual eligibility certificate	61E	70	108.50

Body Corporate eligibility certificate	61E	140	217.00
Certificate of Premises Registration	71K	250	387.50
Late Fees			
Individual Eligibility Certificate	61E	15	23.25
Body Corporate Eligibility Certificate	61E	50	77.50
Premises Registration	71K	100	155.00
Other Fees			
Initial registration of pharmacy business premises	71D	310	480.50
Application to exempt premises from registration	71J	35	54.25
Fee for inspection of register	71M	15	23.25
Fee for a copy or extract from register - per page	71M	5	7.75
Fee for a copy of notice - per page	71M	5	7.75

The Authority notes that changes to the Act which came into effect on 1 January 2017 made provision for fees to be charged for applications for alterations to pharmacy business premises, but that the regulations have yet to be amended to effect this.

8. Review of Activities and Operations 2018-2019

ACHIEVEMENTS

The *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 Financial Matters

The Authority believes that identified risks have, in the main, been managed appropriately.

The budget ensures that there is security and stability to the Authority's income to ensure it can operate effectively. In particular, the budget security has allowed the Authority to plan for cyclical inspections of all premises. There is also contingency provision for any potential legal costs which may arise. The Authority also is conscious of the need to consider, in time, the development of a new database to manage the complex ownership structures, so has funds notionally set aside for this activity.

The payment of superannuation to Contractors – the Authority Registrar and Inspectors, was undertaken this financial year with back payment of superannuation for the previous Registrars going back to March 2012. This task increased the Registrar hours during the time spent dealing with the ATO and the finalisation took from November 2018 to July 2019. The initial payment of $19,602 in March 2019 has been followed up with the final invoice to June 2018 of $8,482 which was paid in July 2019. This has now completed the Authority's obligations to pay superannuation for past contractors.

Inspection activities were mostly put on hold during the year and the associated costs are down 67%.

Authority inspections

At 30 June 2019, five inspectors were contracted with the Authority. One Inspector, Katy Pryor, resigned during the year and has been replaced by Sophie Sangwell.

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 2-3 months after sale on those occasions where there was a total change of ownership.

The Authority also continued its plan to have a rolling three year cycle of inspecting all pharmacy business premises.

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. The Acting Chief Pharmacist also attended Authority meetings regularly as an invited guest. In addition, the Authority alerts the Australian Health Practitioners Regulatory Authority (AHPRA) to potential issues which fall under its jurisdiction.

Whilst the inspection process has been largely on hold during the last financial year, the Authority has introduced an Inspection Protocol to ensure the inspection process is managed efficiently. Pharmacies now receive a ranking, based on the level of importance of the inspection, for example, a new pharmacy has a higher ranking than a change of ownership. The Authority is also endeavouring to maintain efficiency of inspections, by combining two or more inspections per day.

Complex Compounding

During the year, the Authority engaged the services of experienced Victorian Inspector, Mr David Newgreen, for the purposes of inspecting pharmacies undertaking complex compounding. Complex compounding is defined by the Pharmacy Board of Australia as compounding of medicines which require or involve specific competencies, equipment, processes and/or facilities to manage the higher risks associated with the preparation and dispensing. Examples of complex compounded products are sterile preparations, preparations containing ingredients posing an occupational health and safety hazard such as cytotoxics or hormones, micro-dose single unit dosage forms containing

less than 25mg (or up to 25 per cent by weight or volume) of active ingredient, and sustained release or other modified-release preparations.

In June 2019, Mr Newgreen and the Authority's Chief Inspector, Tara Fox, inspected seven pharmacies involved in complex compounding. It was considered a very beneficial learning experience on behalf of both the pharmacies and the Chief Inspector. Given the complexities of these activities, the Authority has determined that the services of Mr Newgreen be retained as a Consultant to assist Ms Fox in further inspections or when a new pharmacy may undertake complex compounding.

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 was proclaimed on 1 February 2011.

Following some years of consultation with the former 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 2019 but is expected to be introduced in the 2019-20 financial year.

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 during the twelve months ended 30 June 2019.

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 twelve months ended 30 June 2019.

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 twelve months ended 30 June 2019.

COMPLAINTS AND DISCIPLINARY ISSUES

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 the Australian Health

Practitioners Regulatory Authority (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.

9 Financial Statements

The Authority re-appointed Crowe Horwath 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 2019

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Statement by the Registrar

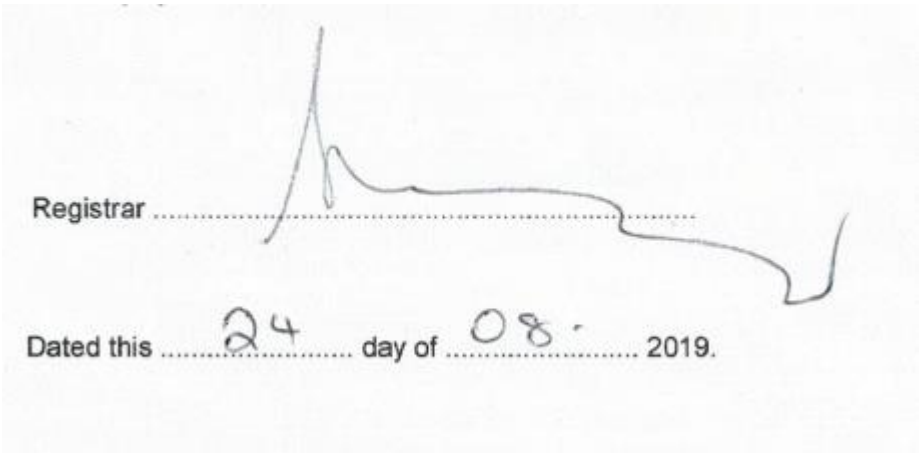
The Registrar has determined that the Authority is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

In the opinion of the Registrar:

1. The financial statements and notes, as set out on pages 2 to 10, present fairly the Authority's financial position as at 30 June 2019 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:



Tasmanian Pharmacy Authority

Statement of Comprehensive Income
For the Year Ended 30 June 2019

	2019	2018
	$	$
Income		
Annual renewal - body corp eligibility certificate	17,353	16,493
Annual renewal - individual eligibility certificate	9,267	9,211
Annual renewal - premises eligibility certificate	60,440	59,670
Application - for new premises	1,960	3,844
Application fee - individual eligibility certificate	822	426
Application fee – individual with trust eligibility certificate	435	-
Application fee - new body eligibility certificate	8,311	6,867
Exempt applications - premises	55	54
Interest	204	774
Miscellaneous fees	-	1,087
Total Income	**98,847**	**98,426**
Expenditure		
Accounting fees	2,830	1,580
Administration expenses	2,891	3,393
Depreciation and amortisation expense	1,373	1,031
Equipment maintenance	-	413
Inspection expenses	6,486	19,461
Legal fees	-	6,219
Late fees paid	6,291	-
Member reimbursement for expenses	1,883	2,375
Consultant registrar	22,865	-
Registrar fees	35,573	66,615
Sitting fees	18,220	18,650
Sundry expenses	(179)	-
Superannuation	34,602	1,296
Telephone and fax	690	881
Travel	2,810	1,600
Total Expenses	**136,335**	**123,514**
Net surplus/(deficit) for the year	**(37,048)**	**(25,088)**
Other comprehensive Income	-	-
Total comprehensive income for the year	**(37,488)**	**(25,088)**

Tasmanian Pharmacy Authority

Statement of Financial Position
As At 30 June 2019

	Note	2019 $	2018 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	3	158,808	188,005
Trade and other receivables	4	2,245	1,801
TOTAL CURRENT ASSETS		161,053	189,806
NON-CURRENT ASSETS			
Plant and equipment	5	3,972	5,345
TOTAL NON-CURRENT ASSETS		3,972	5,345
		165,025	195,151
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	6	14,019	1,296
Deferred income	7	81,644	87,005
TOTAL LIABILITIES		95,663	88,301
NET ASSETS		69,362	106,850
EQUITY			
Accumulated surpluses		69,362	106,850
TOTAL EQUITY		69,362	106,850

Tasmanian Pharmacy Authority

Statement of Changes in Equity
For the year ended 30 June 2019

2019

	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	**69,362**	**69,362**

2018

	Accumulated Surpluses	Total
	$	$
Balance at 1 July 2017	**131,938**	**131,938**
Net surplus/(deficit) for the year	(25,088)	(25,088)
Balance at 30 June 2018	**106,850**	**106,850**

Tasmanian Pharmacy Authority

Statement of Cash Flows
For the Year Ended 30 June 2019

	Note	2019 $	2018 $
CASH FLOWS FROM OPERATING ACTIVITIES:			
Statutory Fees from Entities		97,438	101,369
Interest received		204	773
Payments to suppliers, sitting members and contractors		(126,839)	(124,514)
Net cash provided by (used in) operating activities	8	(29,197)	(22,372)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of plant and equipment		-	(2,075)
Net cash used in investing activities		-	(2,075)
Net increase (decrease) in cash and cash equivalents held		(29,197)	(24,447)
Cash and cash equivalents at beginning of year		188,005	212,452
Cash and cash equivalents at end of financial year	3	158,808	188,005

Notes to the Financial Statements
For the year ended 30 June 2019

1 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.

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%

(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

	2019	2018
	$	$
Cash at bank	158,808	188,005
	158,808	188,005

4 Trade and Other Receivables

	2019	2018
	$	$
Trade receivables	-	1,301
GST receivable	2,245	500
	2,245	1,801

5 Property, Plant and Equipment

	2019	2018
	$	$
Computer equipment - at cost	7,863	7,863
Accumulated depreciation	(3,891)	(2,518)
	3,972	5,345

6 Trade and Other Payables

	2019	2018
	$	$
Trade payables	1,759	-
PAYG withholding	2,830	1,296
Superannuation payable	9,430	-
	1,296	1,296

7 Deferred Income

	2019	2018
	$	$
Deferred Income		
- Premises Renewal in advance	55,695	60,440
- Application fee for new body eligibility certificate	9,018	9,212
- Annual renewal - body corp eligibility certificate	16,931	17,353
	81,644	87,005

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:

	2019	2018
	$	$
Net surplus/(deficit) for the year	(37,488)	(25,088)
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit:		
- depreciation	1,373	1,031
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	(444)	271
- increase/(decrease) in trade and other payables	12,723	(217)
- increase/(decrease) in deferred income	(5,361)	1,631
Cashflow from operations	(29,197)	(22,372)

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. (2018: Nil).

In the opinion of the Authority there were not any contingent assets as at the reporting date to be disclosed. (2018: Nil).

10 Events after the end of the Reporting Period

There are no events after the statement of financial position date affecting these financial statements to be disclosed.

11 Authority Details

The postal address of the Authority is:

Tasmanian Pharmacy Authority

PO Box 1082

SANDY BAY TAS 7005

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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 2019, 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.

Crowe Tasmania

Alison Flakemore
Senior Partner

Dated this 21st day of August 2019.

Hobart, Tasmania.

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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 2019, 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 2019, 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.

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.

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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 Authoritys' 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 Authoritys' 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 Authoritys' 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 goingconcern.
- 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 Tasmania

Alison Flakemore
Senior Partner

Dated this ..... 26th ..... day of ..... August ..... 2019.

Hobart, Tasmania.

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Key Acronyms

AAS	Australian Accounting Standards
AHPRA	Australian Health Practitioner Regulation Agency
AMS	Asset Management Services
AT	Ambulance Tasmania
CHaPS	Child Health and Parenting Services
COPMM	Council of Obstetric and Paediatric Mortality and Morbidity
CSCS	Cancer Screening and Control Services
CS	Corporate Services
DAP	Disability Action Plan
DFA	Disability Framework for Action
FTE	Full Time Equivalent
HRMS	Human Resources Management and Strategy
KPI	Key Performance Indicator
LGH	Launceston General Hospital
MCH	Mersey Community Hospital
NWRH	North West Regional Hospital
PHS	Public Health Services
PPP	Planning, Purchasing and Performance
RHH	Royal Hobart Hospital
RHHR	Royal Hobart Hospital Redevelopment
ROGS	Report on Government Services
RTI	Right to Information
THS	Tasmanian Health Service

FINANCIAL STATEMENTS

Department of Health Financial Statements

For the year ended 30 June 2019

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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 and Audit Act 1990* to present fairly the financial transactions for the year ended 30 June 2019 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
25 September 2019

Eleanor Patterson
Deputy Chief Financial Officer
25 September 2019

Statement of Comprehensive Income for the year ended 30 June 2019

	Notes	2019 Budget $'000	2019 Actual $'000	*DHHS 2018 Actual $'000
Continuing operations				
Revenue and other income from transactions				
Revenue from Government				
Appropriation revenue - recurrent	5.1	1 072 057	1 168 497	1 467 302
Appropriation revenue - works and services	5.1	93 322	110 821	148 117
Other revenue from Government	5.1	0	10 768	27 638
Revenue from Special Capital Investment Funds	5.2	6 260	5 759	9 296
Grants	5.3	599 311	581 046	41 624
Rental revenue	5.4	0	0	51 846
Sales of goods and services	5.5	208 118	196 805	17 159
Interest	5.6	325	381	151
Contributions received	5.7	0	180	31 843
Other revenue	5.8	18 698	49 190	92 522
Total revenue and other income from transactions		**1 998 091**	**2 123 447**	**1 887 498**
Expenses from transactions				
Employee benefits	6.1	1 171 948	1 300 616	198 752
Depreciation and amortisation	6.2	39 306	51 340	25 364
Supplies and consumables	6.3	458 188	505 686	200 490
Grants and subsidies	6.4	110 299	79 766	1 294 317
Finance costs	6.5	0	0	8 108
Other expenses	6.6	27 812	33 628	6 048
Total expenses from transactions		**1 807 553**	**1 971 036**	**1 733 079**
Net result from transactions (net operating balance)		**190 538**	**152 411**	**154 419**
Other economic flows included in net result				
Net gain/(loss) on non-financial assets	7.1	14	(166)	(684)
Net actuarial gains/(losses) on superannuation defined benefit plans	9.4	0	(9 008)	7 614
Net gain/(loss) on financial instruments and statutory receivables/payables	7.2	0	(1 067)	(1 476)
Other gains/(losses) from other economic flows	7.3	0	0	521
Total other economic flows included in net result		**14**	**(10 241)**	**5 975**
Net result from continuing operations		**190 552**	**142 170**	**160 394**
Other comprehensive income				
Items that will not be reclassified subsequently to profit or loss				
Changes in property, plant and equipment revaluation surplus	11.1	20 331	37 547	13 640
Total other comprehensive income		**20 331**	**37 547**	**13 640**
Comprehensive result		**210 883**	**179 717**	**174 034**

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 3 of the accompanying notes.

* In accordance with Treasurer's Instruction 207 *Administrative Restructuring of Agencies*, the effect of the restructure has not been reflected in the Department's comparative figures. The comparative figures are for the former Department of Health and Human Services (DHHS) whose name was changed to the Department of Health which took effect from 1 July 2018.

Statement of Financial Position as at 30 June 2019

	Notes	2019 Budget $'000	2019 Actual $'000	*DHHS 2018 Actual $'000
Assets				
Financial assets				
Cash and deposits	12.1	91 026	161 352	169 218
Receivables	8.1	27 505	37 608	8 321
Loan advances	8.2	0	0	1 158
HomeShare investments	8.3	0	0	17 633
Other financial assets	8.4	23 893	21 103	5 703
Non-financial assets				
Inventories	8.5	14 186	13 788	3 654
Assets held for sale	8.6	611	79	2 033
Property, plant and equipment	8.7	1 530 481	1 663 631	1 912 928
Intangibles	8.8	10 996	9 005	9 810
Other assets	8.9	7 769	9 147	9 329
Total assets		**1 706 467**	**1 915 713**	**2 139 787**
Liabilities				
Payables	9.1	66 524	120 502	21 689
Interest bearing liabilities	9.2	15 070	0	165 515
Employee benefits	9.3	279 124	325 451	53 722
Superannuation	9.4	(2 916)	4 586	2 737
Other liabilities	9.5	14 722	28 789	23 782
Total liabilities		**372 524**	**479 328**	**267 445**
Net assets		**1 333 943**	**1 436 385**	**1 872 342**
Equity				
Contributed capital	11.3	0	0	6 094
Reserves	11.1	556 880	375 725	1 958 735
Accumulated funds		777 063	1 060 660	(92 487)
Total equity		**1 333 943**	**1 436 385**	**1 872 342**

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 3 of the accompanying notes.

* In accordance with Treasurer's Instruction 207 *Administrative Restructuring of Agencies*, the effect of the restructure has not been reflected in the Department's comparative figures. The comparative figures are for the former Department of Health and Human Services (DHHS) whose name was changed to the Department of Health which took effect from 1 July 2018.

Statement of Cash Flows for the year ended 30 June 2019

	Notes	2019 Budget $'000	2019 Actual $'000	*DHHS 2018 Actual $'000
		Inflows	Inflows	Inflows
Cash flows from operating activities		(Outflows)	(Outflows)	(Outflows)
Cash inflows				
Appropriation receipts - recurrent		1 072 057	1 174 969	1 462 256
Appropriation receipts - works and services		0	5 273	26 778
Receipts from Special Capital Investment Funds		0	1 035	3 900
Grants - continuing operations		599 393	478 856	40 384
Rental revenue		0	0	51 058
Sales of goods and services		207 286	200 271	21 326
GST receipts		48 867	77 474	55 328
Interest received		325	381	151
Other cash receipts		18 698	49 190	61 661
Total cash inflows		**1 946 626**	**1 987 449**	**1 722 842**
Cash outflows				
Employee benefits		(1 168 256)	(1 274 105)	(194 890)
Finance costs		0	0	(7 727)
GST payments		(48 864)	(81 519)	(56 785)
Grants and transfer payments		(110 381)	(79 766)	(1 220 703)
Supplies and consumables		(459 103)	(477 084)	(188 113)
Other cash payments		(27 812)	(33 210)	(5 457)
Total cash outflows		**(1 814 416)**	**(1 945 684)**	**(1 673 675)**
Net cash from/(used by) operating activities	12.2	**132 210**	**41 765**	**49 167**
Cash flows from investing activities				
Cash inflows				
Proceeds from the disposal of non-financial assets		14	158	10 386
Repayment of loans by other entities		0	0	155
Receipts from investments		0	0	3 614
Receipts from non-operational capital funding - works and services		93 322	112 197	144 674
Receipts from non-operational capital funding - Special Capital Investment Funds		6 260	4 615	5 275
Receipts from non-operational capital funding - Grants		0	101 396	1 240
Cash transferred in due to administrative restructure	11.2	0	40 789	0
Total cash inflows		**99 596**	**259 155**	**165 344**
Cash outflows				
Payment for acquisition of non-financial assets		(235 886)	(237 084)	(173 749)
Payments for investments		0	0	(1 968)
Cash transferred out due to administrative restructure	11.2	0	(71 702)	0
Total cash outflows		**(235 886)**	**(308 786)**	**(175 717)**
Net cash from/(used by) investing activities		**(136 290)**	**(49 631)**	**(10 373)**

	Notes	2019 Budget $'000	2019 Actual $'000	*DHHS 2018 Actual $'000
		Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)
Cash flows from financing activities				
Cash outflows				
Repayment of borrowings		0	0	(7 777)
Total cash outflows		**0**	**0**	**(7 777)**
Net cash from/(used by) financing activities		**0**	**0**	**(7 777)**
Net increase/(decrease) in cash and cash equivalents held		**(4 080)**	**(7 866)**	**31 017**
Cash and deposits at the beginning of the reporting period		**95 106**	**169 218**	**138 201**
Cash and deposits at the end of the reporting period	12.1	**91 026**	**161 352**	**169 218**

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 3 of the accompanying notes.

* In accordance with Treasurer's Instruction 207 Administrative Restructuring of Agencies, the effect of the restructure has not been reflected in the Department's comparative figures. The comparative figures are for the former Department of Health and Human Services (DHHS) whose name was changed to the Department of Health which took effect from 1 July 2018.

Statement of Changes in Equity for the year ended 30 June 2019

	Notes	Contrib Equity $'000	Reserves $'000	Accum 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	17.5	0	0	343	343
Restated balance as at 1 July 2018		**6 094**	**1 958 735**	**(92 144)**	**1 872 685**
Net result		0	0	142 170	142 170
Other comprehensive income		0	37 547	0	37 547
Total comprehensive result		**0**	**37 547**	**142 170**	**179 717**
Transfers to asset revaluation reserve from accumulated funds	11.1	0	14	(14)	0
Transactions with owners in their capacity as owners:					
Transfer sale proceeds to the Crown Lands Administration Fund		0	0	(62)	(62)
Administrative restructure - net assets received	11.2	0	302 851	502 241	805 092
Administrative restructure - net assets transferred	11.2	(6 094)	(1 923 422)	508 469	(1 421 047)
Balance as at 30 June 2019		**0**	**375 725**	**1 060 660**	**1 436 385**

	Notes	Contrib Equity $'000	Reserves $'000	Accum Funds $'000	Total Equity $'000
Balance as at 1 July 2017		**6 094**	**1 946 833**	**(254 619)**	**1 698 308**
Net Result		0	0	160 394	160 394
Other Comprehensive Income		0	13 640	0	13 640
Total comprehensive result		0	13 640	160 394	174 034
Transfers from asset revaluation reserve to accumulated funds	11.1	0	(1 738)	1 738	0
Balance as at 30 June 2018		**6 094**	**1 958 735**	**(92 487)**	**1 872 342**

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 2019

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Note 1 Departmental Output Schedules

1.1 Restructure of the Department of Health

The administrative restructure and the introduction of the new *Tasmanian Health Act 2018* were enacted pursuant to the *State Service (Restructuring) Order 2018*. Under this Order, on 1 July 2018 the Tasmanian Health Service (THS) was amalgamated with the existing Department of Health and Human Services (DHHS), certain outputs of the DHHS were amalgamated with the new Department of Communities Tasmania (Communities Tasmania) and the DHHS was renamed the Department of Health.

The DHHS Output Groups have been allocated to the new Departments as follows:

Output	Department of Health	Department of Communities Tasmania
1 - Health Services Tasmania System Management	X	
2 -Tasmanian Health Service	X	
3 - Statewide Services	X	
4 - Human Services System Management		X
5 - Human Services		X
6 - Children Services System Management		X
7 - Children Services		X
8 - Independent Children's Review Services		X
Capital Investment Program	X	X
Special Capital Investment Funds	X	X

1.2 Output Group Information

Comparative information has not been restated for administrative restructures.

Budget information refers to original Budget estimates reflected in the 2018-19 Budget Papers and has not been subject to audit.

Output Group 1 – Health Services System Management

This Output provides for the provision of 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.

	2019 Budget $'000	2019 Actual $'000	2018 Actual $'000
Continuing operations			
Revenue and other income from transactions			
Revenue from appropriation	142 756	125 192	131 931
Grants	17 722	10 325	6 875
Sales of goods and services	1 100	2 965	3 865
Interest	0	12	7
Other revenue	21 421	9 018	26 269
Total revenue and other income from transactions	**182 999**	**147 512**	**168 947**
Expenses from transactions			
Employee benefits			
Salaries and wages	46 039	42 985	43 288
Other employee related expenses	752	1 306	1 246
Superannuation expenses	6 809	5 224	5 141
Depreciation and amortisation	1 340	2 738	2 169
Supplies and consumables			
Consultants	2 086	2 403	1 414
Maintenance, property services and rental payments	7 843	7 194	7 774
Communications	1 142	749	833
Information technology	10 414	22 047	14 582
Travel, transport and vehicle leasing payments	839	(114)	106
Medical, surgical and pharmacy supplies	857	663	547
Advertising and promotion	25	367	205
Other supplies and consumables	8 460	7 849	5 866
Grants and subsidies	94 362	63 847	54 947
Other expenses	2 269	1 737	803
Total expenses from transactions	**183 237**	**158 995**	**138 921**
Net result from transactions (net operating balance)	**(238)**	**(11 483)**	**30 026**

	2019 Budget $'000	2019 Actual $'000	2018 Actual $'000
Other economic flows included in net result			
Net gain/(loss) on non-financial assets	6	(52)	(519)
Net gain/(loss) on financial instruments and statutory receivables/payables	0	(32)	(17)
Other gains/(losses) from other economic flows	0	0	1
Total other economic flows included in net result	**6**	**(84)**	**(535)**
Net result from continuing operations	**(232)**	**(11 567)**	**29 491**
Other economic flows - other non-owner changes in equity			
Changes in property, plant and equipment revaluation reserve	(2 680)	1 325	3 182
Total other economic flows - other non-owner changes in equity	**(2 680)**	**1 325**	**3 182**
Comprehensive result	**(2 912)**	**(10 242)**	**32 673**

	2019 Budget $'000	2019 Actual $'000	2018 Actual $'000
Expense by Output			
1.1 Health Services System Management	183 237	158 995	138 921
Total	**183 237**	**158 995**	**138 921**
Net Assets			
Total assets deployed for Health Services System Management		135 002	136 320
Total liabilities incurred for Health Services System Management		(24 548)	(22 217)
Net assets deployed for Health Services System Management		**110 454**	**114 103**

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.

	2019 Budget $'000	2019 Actual $'000	2018 Actual $'000
Continuing operations			
Revenue and other income from transactions			
Revenue from appropriation	846 822	951 076	867 790
Grants	457 766	459 294	0
Sales of goods and services	195 611	183 427	3
Interest	325	196	0
Contributions received	0	180	31 843
Other revenue	(5 824)	38 663	0
Total revenue and other income from transactions	**1 494 700**	**1 632 836**	**899 636**
Expenses from transactions			
Employee benefits			
Salaries and wages	931 679	1 036 482	0
Other employee related expenses	8 185	13 354	0
Superannuation expenses	106 097	115 826	0
Depreciation and amortisation	36 533	46 169	0
Supplies and consumables			
Consultants	1 318	1 726	0
Maintenance, property services and rental payments	50 641	60 588	0
Communications	6 093	8 200	0
Information technology	5 945	8 753	0
Travel, transport and vehicle leasing payments	11 551	12 291	0
Medical, surgical and pharmacy supplies	260 729	265 491	0
Advertising and promotion	65	137	0
Other supplies and consumables	67 800	69 195	0
Grants and subsidies	468	7 169	899 631
Other expenses	23 342	28 779	0
Total expenses from transactions	**1 510 446**	**1 674 160**	**899 631**
Net result from transactions (net operating balance)	**(15 746)**	**(41 324)**	**5**
Other economic flows included in net result			
Net gain/(loss) on non-financial assets	2	(229)	0
Net gain/(loss) on financial instruments and statutory receivables/payables	0	(343)	0
Total other economic flows included in net result	**2**	**(572)**	**0**
Net result from continuing operations	**(15 744)**	**(41 896)**	**5**

	2019 Budget $'000	2019 Actual $'000	2018 Actual $'000
Other economic flows - other non-owner changes in equity			
Changes in property, plant and equipment revaluation reserve	22 638	35 072	0
Total other economic flows - other non-owner changes in equity	**22 638**	**35 072**	**0**
Comprehensive result	**6 894**	**(6 824)**	**5**
Expense by Output			
2.1 Admitted Services	879 435	916 763	899 631
2.2 Non-admitted Services	189 880	223 215	0
2.3 Emergency Department Services	120 214	161 995	0
2.4 Community and Aged Care Services	204 870	233 258	0
2.5 Statewide and Mental Health Services	113 707	137 466	0
2.6 Forensic Medicine Services	2 340	1 463	0
Total	**1 510 446**	**1 674 160**	**899 631**
Net Assets			
Total assets deployed for Tasmanian Health Service		1 198 234	4 942
Total liabilities incurred for Tasmanian Health Service		(400 677)	(1 543)
Net assets deployed for Tasmanian Health Service		**797 557**	**3 399**

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.

	2019 Budget $'000	2019 Actual $'000	2018 Actual $'000
Continuing operations			
Revenue and other income from transactions			
Revenue from appropriation	82 479	94 691	80 195
Grants	11 149	10 132	10 113
Sales of goods and services	11 407	10 341	12 915
Interest	0	173	93
Other revenue	3 101	1 502	5 261
Total revenue and other income from transactions	**108 136**	**116 839**	**108 577**
Expenses from transactions			
Employee benefits			
Salaries and wages	64 608	72 715	65 810
Other employee related expenses	237	958	997
Superannuation expenses	7 542	8 668	7 818
Depreciation and amortisation	1 433	2 433	2 722
Supplies and consumables			
Consultants	84	177	329
Maintenance, property services and rental payments	1 636	1 676	1 415
Communications	802	773	828
Information technology	2 228	2 980	1 806
Travel, transport and vehicle leasing payments	2 187	2 819	2 714
Medical, surgical and pharmacy supplies	1 488	5 371	4 807
Advertising and promotion	253	328	49
Other supplies and consumables	13 702	12 546	11 000
Grants and subsidies	8 969	8 750	9 172
Other expenses	2 201	3 121	2 421
Total expenses from transactions	**107 370**	**123 315**	**111 888**
Net result from transactions (net operating balance)	**766**	**(6 476)**	**(3 311)**

	2019 Budget $'000	2019 Actual $'000	2018 Actual $'000
Other economic flows included in net result			
Net gain/(loss) on non-financial assets	6	115	(14)
Net actuarial gains/(losses) on superannuation defined benefit plans	0	(9 008)	3 402
Net gain/(loss) on financial instruments and statutory receivables/payables	0	(692)	(674)
Total other economic flows included in net result	**6**	**(9 585)**	**2 714**
Net result from continuing operations	**772**	**(16 061)**	**(597)**
Other economic flows - other non-owner changes in equity			
Changes in property, plant and equipment revaluation reserve	373	1 150	1 486
Total other economic flows - other non-owner changes in equity	**373**	**1 150**	**1 486**
Comprehensive result	**1 145**	**(14 911)**	**889**
Expense by Output			
3.1 Ambulance Services	81 865	94 242	85 257
3.2 Public Health Services	25 505	29 073	26 631
Total	**107 370**	**123 315**	**111 888**
Net Assets			
Total assets deployed for Statewide Services		53 591	49 957
Total liabilities incurred for Statewide Services		(31 282)	(19 345)
Net assets deployed for Statewide Services		**22 309**	**30 612**

Output Group 4 – Human Services System Management

This Output provides a number of complementary functions including the provision of support for corporate services, policy, planning, regulation, funding, monitoring and service improvement across human services. This Output also provides support to the Secretary in establishing Output priorities.

	2019 Budget $'000	2019 Actual $'000	2018 Actual $'000
Continuing operations			
Revenue and other income from transactions			
Revenue from appropriation	0	0	2 643
Sales of goods and services	0	0	6
Other revenue	0	0	63
Total revenue and other income from transactions	**0**	**0**	**2 712**
Expenses from transactions			
Employee benefits			
Salaries and wages	0	0	2 319
Other employee related expenses	0	0	54
Superannuation expenses	0	0	283
Depreciation and amortisation	0	0	4
Supplies and consumables			
Consultants	0	0	110
Maintenance, property services and rental payments	0	0	46
Communications	0	0	35
Information technology	0	0	77
Travel, transport and vehicle leasing payments	0	0	(94)
Advertising and promotion	0	0	41
Other supplies and consumables	0	0	16
Grants and subsidies	0	0	66
Other expenses	0	0	11
Total expenses from transactions	**0**	**0**	**2 968**
Net result from transactions (net operating balance)	**0**	**0**	**(256)**
Net result from continuing operations	**0**	**0**	**(256)**
Other economic flows - other non-owner changes in equity			
Changes in property, plant and equipment revaluation reserve	0	0	10
Total other economic flows - other non-owner changes in equity	**0**	**0**	**10**
Comprehensive result	**0**	**0**	**(246)**

	2019 Budget $'000	2019 Actual $'000	2018 Actual $'000
Expense by Output			
4.1 Human Services System Management	0	0	2 968
Total	**0**	**0**	**2 968**
Net Assets			
Total assets deployed for Human Services System Management		0	1 186
Total liabilities incurred for Human Services System Management		0	(1 618)
Net assets deployed for Human Services System Management		**0**	**(432)**

Output Group 5 – Human Services

This Output provides services relating to planning, developing and managing Community, Disability and Housing Services throughout the State.

	2019 Budget $'000	2019 Actual $'000	2018 Actual $'000
Continuing operations			
Revenue and other income from transactions			
Revenue from appropriation	0	0	272 048
Grants	0	0	23 643
Rental revenue	0	0	51 846
Sales of goods and services	0	0	37
Interest	0	0	50
Other revenue	0	0	53 293
Total revenue and other income from transactions	**0**	**0**	**400 917**
Expenses from transactions			
Employee benefits			
Salaries and wages	0	0	20 712
Other employee related expenses	0	0	237
Superannuation expenses	0	0	2 416
Depreciation and amortisation	0	0	19 923
Supplies and consumables			
Consultants	0	0	506
Maintenance, property services and rental payments	0	0	57 638
Communications	0	0	683
Information technology	0	0	1 152
Travel, transport and vehicle leasing payments	0	0	610
Advertising and promotion	0	0	432
Other supplies and consumables	0	0	9 649
Grants and subsidies	0	0	306 352
Finance costs	0	0	8 108
Other expenses	0	0	1 040
Total expenses from transactions	**0**	**0**	**429 458**
Net result from transactions (net operating balance)	**0**	**0**	**(28 541)**
Other economic flows included in net result			
Net gain/(loss) on non-financial assets	0	0	(13 202)
Net actuarial gains/(losses) on superannuation defined benefit plans	0	0	4 212
Net gain/(loss) on financial instruments and statutory receivables/payables	0	0	(774)
Other gains/(losses) from other economic flows	0	0	(3 068)

	2019 Budget $'000	2019 Actual $'000	2018 Actual $'000
Total other economic flows included in net result	**0**	**0**	**(12 832)**
Net result from continuing operations	**0**	**0**	**(41 373)**
Other economic flows - other non-owner changes in equity			
Changes in property, plant and equipment revaluation reserve	0	0	4 537
Total other economic flows - other non-owner changes in equity	**0**	**0**	**4 537**
Comprehensive result	**0**	**0**	**(36 836)**
Expense by Output			
5.1 Community Services	0	0	24 820
5.2 Disability Services	0	0	224 968
5.3 Housing Services	0	0	179 670
Total	**0**	**0**	**429 458**
Net Assets			
Total assets deployed for Human Services		0	1 505 941
Total liabilities incurred for Human Services		0	(194 207)
Net assets deployed for Human Services		**0**	**1 311 734**

Output Group 6 – Children Services System Management

This Output performs a number of complementary functions including the provision of support for corporate services, policy, planning, regulation, funding, monitoring and service improvement across children services.

	2019 Budget $'000	2019 Actual $'000	2018 Actual $'000
Continuing operations			
Revenue and other income from transactions			
Revenue from appropriation	0	0	2 754
Sales of goods and services	0	0	2
Other revenue	0	0	70
Total revenue and other income from transactions	**0**	**0**	**2 826**
Expenses from transactions			
Employee benefits			
Salaries and wages	0	0	2 215
Other employee related expenses	0	0	38
Superannuation expenses	0	0	267
Depreciation and amortisation	0	0	64
Supplies and consumables			
Consultants	0	0	86
Maintenance, property services and rental payments	0	0	36
Communications	0	0	179
Information technology	0	0	73
Travel, transport and vehicle leasing payments	0	0	(9)
Advertising and promotion	0	0	27
Other supplies and consumables	0	0	98
Grants and subsidies	0	0	42
Other expenses	0	0	10
Total expenses from transactions	**0**	**0**	**3 126**
Net result from transactions (net operating balance)	**0**	**0**	**(300)**
Net result from continuing operations	**0**	**0**	**(300)**
Other economic flows - other non-owner changes in equity			
Changes in property, plant and equipment revaluation reserve	0	0	925
Total other economic flows - other non-owner changes in equity	**0**	**0**	**925**
Comprehensive result	**0**	**0**	**625**

	2019 Budget $'000	2019 Actual $'000	2018 Actual $'000
Expense by Output			
6.1 Children Services System Management	0	0	3 126
Total	**0**	**0**	**3 126**
Net Assets			
Total assets deployed for Children Services System Management		0	3 946
Total liabilities incurred for Children Services System Management		0	(1 278)
Net assets deployed for Children Services System Management		**0**	**2 668**

Output Group 7 – Children Services

This Output provides services to children, young people and their families through a range of programs including the child health and parenting service, child protection, out of home care, adoptions and permanency planning, family violence counselling and support and community and custodial youth justice.

	2019 Budget $'000	2019 Actual $'000	2018 Actual $'000
Continuing operations			
Revenue and other income from transactions			
Revenue from appropriation	0	0	123 543
Grants	0	0	258
Sales of goods and services	0	0	322
Interest	0	0	1
Other revenue	0	0	4 377
Total revenue and other income from transactions	**0**	**0**	**128 501**
Expenses from transactions			
Employee benefits			
Salaries and wages	0	0	38 094
Other employee related expenses	0	0	648
Superannuation expenses	0	0	4 717
Depreciation and amortisation	0	0	481
Supplies and consumables			
Consultants	0	0	183
Maintenance, property services and rental payments	0	0	2 612
Communications	0	0	803
Information technology	0	0	1 361
Travel, transport and vehicle leasing payments	0	0	1 380
Medical, surgical and pharmacy supplies	0	0	90
Advertising and promotion	0	0	10
Other supplies and consumables	0	0	53 801
Grants and subsidies	0	0	17 836
Other expenses	0	0	1 760
Total expenses from transactions	**0**	**0**	**123 776**
Net result from transactions (net operating balance)	**0**	**0**	**4 725**

	2019 Budget $'000	2019 Actual $'000	2018 Actual $'000
Other economic flows included in net result			
Net gain/(loss) on non-financial assets	0	0	(54)
Net gain/(loss) on financial instruments and statutory receivables/payables	0	0	(11)
Total other economic flows included in net result	**0**	**0**	**(65)**
Net result from continuing operations	**0**	**0**	**4 660**
Other economic flows - other non-owner changes in equity			
Changes in property, plant and equipment revaluation reserve	0	0	3 497
Total other economic flows - other non-owner changes in equity	**0**	**0**	**3 497**
Comprehensive result	**0**	**0**	**8 157**
Expense by Output			
7.1 Children Services	0	0	123 776
Total	**0**	**0**	**123 776**
Net Assets			
Total assets deployed for Children Services		0	29 526
Total liabilities incurred for Children Services		0	(14 845)
Net assets deployed for Children Services		**0**	**14 681**

Output Group 8 – Independent Children's and Young Persons' Review Services

Activities provided in this Output include promoting the rights and wellbeing of children and examining the policies, practices and services provided for children and any law affecting the health, welfare, care, protection and development of children.

	2019 Budget $'000	2019 Actual $'000	2018 Actual $'000
Continuing operations			
Revenue and other income from transactions			
Revenue from appropriation	0	0	1 186
Sales of goods and services	0	0	1
Other revenue	0	0	17
Total revenue and other income from transactions	**0**	**0**	**1 204**
Expenses from transactions			
Employee benefits			
Salaries and wages	0	0	849
Other employee related expenses	0	0	37
Superannuation expenses	0	0	98
Depreciation and amortisation	0	0	1
Supplies and consumables			
Consultants	0	0	18
Maintenance, property services and rental payments	0	0	88
Communications	0	0	12
Information technology	0	0	16
Travel, transport and vehicle leasing payments	0	0	32
Advertising and promotion	0	0	14
Other supplies and consumables	0	0	43
Other expenses	0	0	2
Total expenses from transactions	**0**	**0**	**1 210**
Net result from transactions (net operating balance)	**0**	**0**	**(6)**
Net result from continuing operations	**0**	**0**	**(6)**
Other economic flows - other non-owner changes in equity			
Changes in property, plant and equipment revaluation reserve	0	0	3
Total other economic flows - other non-owner changes in equity	**0**	**0**	**3**
Comprehensive result	**0**	**0**	**(3)**
Expense by Output			
8.1 Independent Children's and Young Persons' Review Services	0	0	1 210
Total	**0**	**0**	**1 210**
Net Assets			
Total assets deployed for Independent Children's and Young Persons' Review Services		0	101
Total liabilities incurred for Independent Children's and Young Persons' Review Services		0	(169)
Net assets deployed for Independent Children's and Young Persons' Review Services		**0**	**(68)**

Output Group – Capital Investment Program

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

	2019 Budget $'000	2019 Actual $'000	2018 Actual $'000
Continuing operations			
Revenue and other income from transactions			
Revenue from appropriation	93 322	119 127	160 967
Grants	112 674	101 295	735
Sales of goods and services	0	72	8
Other revenue	0	7	3 168
Total revenue and other income from transactions	**205 996**	**220 501**	**164 878**
Expenses from transactions			
Employee benefits			
Salaries and wages	0	2 553	1 126
Other employee related expenses	0	59	9
Superannuation expenses	0	281	99
Supplies and consumables			
Consultants	0	906	104
Maintenance, property services and rental payments	0	7 293	11 093
Communications	0	69	42
Information technology	0	496	317
Travel, transport and vehicle leasing payments	0	93	12
Medical, surgical and pharmacy supplies	0	10	0
Advertising and promotion	0	6	49
Other supplies and consumables	0	2 015	2 061
Grants and subsidies	0	0	2 818
Other expenses	0	(8)	1
Total expenses from transactions	**0**	**13 773**	**17 731**
Net result from transactions (net operating balance)	**205 996**	**206 728**	**147 147**
Other economic flows included in net result			
Net gain/(loss) on non-financial assets	0	0	13 105
Other gains/(losses) from other economic flows	0	0	3 588
Total other economic flows included in net result	**0**	**0**	**16 693**
Net result from continuing operations	**205 996**	**206 728**	**163 840**
Comprehensive result	**205 996**	**206 728**	**163 840**

	2019 Budget $'000	2019 Actual $'000	2018 Actual $'000
Expense by Output			
Capital Investment Program	0	13 773	17 731
Total	**0**	**13 773**	**17 731**
Net Assets			
Total assets deployed for Capital Investment Program		502 208	384 627
Total liabilities incurred for Capital Investment Program		(20 245)	(11 971)
Net assets deployed for Capital Investment Program		**481 963**	**372 656**

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 Fund.

	2019 Budget $'000	2019 Actual $'000	2018 Actual $'000
Continuing operations			
Revenue and other income from transactions			
Revenue from Special Capital Investment Funds	6 260	5 759	9 296
Other revenue	0	0	4
Total revenue and other income from transactions	**6 260**	**5 759**	**9 300**
Expenses from transactions			
Employee benefits			
Salaries and wages	0	182	207
Superannuation expenses	0	23	27
Supplies and consumables			
Consultants	0	126	0
Maintenance, property services and rental payments	0	298	482
Information technology	0	107	9
Travel, transport and vehicle leasing payments	0	1	2
Medical, surgical and pharmacy supplies	0	1	0
Advertising and promotion	0	35	1
Other supplies and consumables	0	21	189
Grants and subsidies	6 500	0	3 453
Other expenses	0	(1)	0
Total expenses from transactions	**6 500**	**793**	**4 370**
Net result from transactions (net operating balance)	**(240)**	**4 966**	**4 930**
Net result from continuing operations	**(240)**	**4 966**	**4 930**
Comprehensive result	**(240)**	**4 966**	**4 930**
Expense by Output			
Special Capital Investment Funds	6 500	793	4 370
Total	**6 500**	**793**	**4 370**
Net Assets			
Total assets deployed for Special Capital Investment Funds		26 678	23 241
Total liabilities incurred for Special Capital Investment Funds		(2 576)	(252)
Net assets deployed for Special Capital Investment Funds		**24 102**	**22 989**

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

1.3 Reconciliation of Total Output Groups Comprehensive Result to Statement of Comprehensive Income

	2019 Budget $'000	2019 Actual $'000	2018 Actual $'000
Total comprehensive result of Output Groups			
Health Services System Management	(2 912)	(10 242)	32 673
Tasmanian Health Service	6 894	(6 824)	5
Statewide Services	1 145	(14 911)	889
Human Services System Management	0	0	(246)
Human Services	0	0	(36 836)
Children Services System Management	0	0	625
Children Services	0	0	8 157
Independent Children's and Young Persons' Review Services	0	0	(3)
Capital Investment Program	205 996	206 728	163 840
Special Capital Investment Funds	(240)	4 966	4 930
Total comprehensive result	**210 883**	**179 717**	**174 034**
Comprehensive result	**210 883**	**179 717**	**174 034**

1.4 Reconciliation of Total Output Groups Net Assets to Statement of Financial Position

	2019 $'000	2018 $'000
Total net assets deployed for Output Groups		
Health Services System Management	110 454	114 103
Tasmanian Health Service	797 557	3 399
Statewide Services	22 309	30 612
Human Services System Management	0	(432)
Human Services	0	1 311 734
Children Services System Management	0	2 668
Children Services	0	14 681
Independent Children's and Young Persons' Review Services	0	(68)
Capital Investment Program	481 963	372 656
Special Capital Investment Funds	24 102	22 989
Total net assets deployed	**1 436 385**	**1 872 342**
Net assets	**1 436 385**	**1 872 342**

Note 2 Expenditure under Australian Government Funding Arrangements

	State Funding		Australian Government Funding	
	2019 Actual $'000	2018 Actual $'000	2019 Actual $'000	2018 Actual $'000
Specific Purpose Payments				
Activity Based Funding	419 588	0	345 244	0
Block Funding	579 056	0	70 851	0
Public Health Services	9 202	0	8 441	8 163
Disability Services	0	150 188	0	32 483
Affordable Housing	0	0	0	28 542
National Partnership Payments				
Health Services	84 350	115 188	116 240	4 367
Community Services	14 493	24 387	256	19 587
Housing	0	11 506	0	3 246
Commonwealth Own Purpose Expenditures				
Other	19 436	0	39 194	6 615
Total	**1 126 125**	**301 269**	**580 226**	**103 003**

Specific Purpose Payments (SPPs) 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. SPPs are distributed to the states on the basis of their population shares.

National Partnership Payments (NPPs) are similar to SPPs 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 (COPE) is funding paid directly from the Australian Government to the states and territories for the provision of services identified by the Australian Government.

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

Note 3 Explanations of Material Variances between Budget and Actual Outcomes

Budget information refers to original Budget estimates as disclosed in the 2018-19 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 $1.0 million.

3.1 Statement of Comprehensive Income

	Note	Budget $'000	2019 Actual $'000	Variance $'000	Variance
Appropriation revenue - works and services	(a)	93 322	110 821	17 499	18.8%
Other revenue from Government	(b)	0	10 768	10 768	n/a
Other revenue	(c)	18 698	49 190	30 492	163.1%
Employee benefits	(d)	1 171 948	1 300 616	128 668)	(11.0%)
Depreciation and amortisation	(e)	39 306	51 340	(12 034)	(30.6%)
Supplies and consumables	(f)	458 188	505 686	47 498)	(10.4%)
Grants and subsidies	(g)	110 299	79 766	30 533	27.7%
Other expenses	(h)	27 812	33 628	(5 816)	(20.9%)
Net actuarial gains/(losses) on superannuation defined benefit plans	(i)	0	(9 008)	(9 008)	n/a
Net gain/(loss) on financial instruments and statutory receivables/payables	(j)	0	(1 067)	(1 067)	n/a

Notes to Statement of Comprehensive Income variances

(a) The variance in Appropriation revenue – works and services reflects the approved changes to the funding of specific capital projects during the year. The most significant increase in funding related to the Royal Hobart Hospital Redevelopment.

(b) Other revenue from Government represents approved section 8A(2) carry forward appropriation revenue from 2017-18 which was spent in 2018-19. At the time the 2018-19 Budget was prepared, it was not anticipated that there would be a carry-over of appropriation funds into 2018-19.

(c) The variance in Other revenue largely represents an underestimation of the recovery of salaries, wages and workers compensation payments when preparing the 2018-19 Budget. This variance is offset by additional employee benefits in the Statement of comprehensive income.

(d) The variance in Employee benefits expense is a result of comparing the actual result to the original budget. During the year the Department's appropriation budget was increased in response to an increase in the demand for health and ambulance services.

(e) The variance in Depreciation and amortisation is due to the original budget being based on asset values as at 30 June 2017. There was a complete revaluation of the Department's building assets as at 30 June 2018, which subsequently resulted in a higher annual depreciation expense.

(f) The increase in Supplies and consumables is primarily due to:

- higher than budgeted expenditure on information technology of $15.7 million which is related to the Digital Transformation Priority Expenditure Program and an increase in the contractual costs for current IT licensing arrangements;
- an increase of $10.4 million for property services expenditure;
- an increase in medical, surgical and pharmacy supply costs of $7.2 million; and
- capital expenditure of $14.5 million which did not meet the criteria for capitalisation and was therefore expensed.

(g) The decrease in Grants and subsidies expense is largely due to the reallocation during the year of $21.0 million to employee expenses to reflect the correct expenditure classification. The remaining portion of the variance relates to a decrease in expected expenditure in numerous projects.

(h) The increase in Other expenses is due to the Department's workers compensation and other insurance premiums exceeding the anticipated budgeted expense.

(i) The variance in Net actuarial gains/(losses) on superannuation defined benefit plans reflects an unbudgeted actuarial movement on the superannuation defined benefit plans. The Department does not budget for these movements on the basis that this cannot be reliably forecast.

j) The variance in Net gain/(loss) on financial instruments and statutory receivables/payables represents movements in the provision for expected credit loss during the year. The Department does not budget for these movements on the basis that this can not be reliably forecast.

3.2 Statement of Financial Position

Budget estimates for the 2018-19 Statement of Financial Position were compiled prior to the completion of the actual outcomes for 2017-18. As a result, the actual variances from the Budget estimate will be impacted by the difference between estimated and actual opening balances for 2018-19. The following variance analysis includes major movements between the 30 June 2018 and 30 June 2019 actual balances. Furthermore, 2018 comparatives are of the former DHHS prior to the restructure. Differences between 2019 and 2018 actuals will vary significantly due to the inclusion of assets and liabilities that were subsequently transferred to Communities Tasmania and asset and liabilities transferred from the THS.

	Note	Budget $'000	2019 Actual $'000	*DHHS 2018 Actual $'000	Budget Variance $'000	Actual Variance $'000
Cash and deposits	(a)	91 026	161 352	169 218	70 326	(7 866)
Receivables	(b)	27 505	37 608	8 321	10 103	29 287
Loan advances	(c)	0	0	1 158	0	(1 158)
HomeShare investments	(d)	0	0	17 633	0	(17 633)
Other financial assets	(e)	23 893	21 103	5 703	(2 790)	15 400
Inventories	(f)	14 186	13 788	3 654	(398)	10 134
Assets held for sale	(g)	611	79	2 033	(532)	(1 954)
Property, plant and equipment	(h)	1 530 481	1 663 631	1 912 928	133 150	(249 297)
Intangibles	(i)	10 996	9 005	9 810	(1 991)	(805)
Other assets	(j)	7 769	9 147	9 329	1 378	(182)
Payables	(k)	66 524	120 502	21 689	53 978	98 813
Interest bearing liabilities	(l)	15 070	0	165 515	(15 070)	(165 515)
Employee benefits	(m)	279 124	325 451	53 722	46 327	271 729
Superannuation	(n)	(2 916)	4 586	2 737	7 502	1 849
Other liabilities	(o)	14 722	28 789	23 782	14 067	5 007

Notes to Statement of Financial Position Budget Variances

a) The increase in Cash and deposits predominately reflects a $43.2 million higher than anticipated opening cash balance. The remaining variance is largely due to the unbudgeted section 8A(2) carry forwards.

b) The increase in Receivables primarily reflects the delayed payment of the May 2019 Business Activity Statement by the Australian Taxation Office.

e) The decrease in Other financial assets is largely the result of a $1.4 million lower than anticipated opening balance.

(i) The decrease in Intangibles is the result of a $2.0 million lower than anticipated opening balance.

(j) The increase in Other assets is primarily due to an $0.7 million higher than anticipated opening balance. The remaining variance relates to various prepaid items including property rental and medical equipment maintenance.

(k) The increase in Payables is the result of the opening balance being $22.1 million higher than the anticipated opening balance and an increase in the accrued expenses for interstate charging of $19.4 million as at 30 June 2019.

(l) The Interest bearing liabilities balance reflects the Commonwealth State Housing Agreement. These liabilities have been transferred to Communities Tasmania in accordance with the administrative restructure. The estimated balance included in the 2018-19 Budget was not correctly allocated between DoH and Communities Tasmania in the split of the DHHS.

(m) The variance in Employee benefits is the result of the opening balance being $23.5 million higher than anticipated and an increase in the employee leave entitlements of $22.8 million as at 30 June 2019. Apart from an increase of $3.7 million for accrued salaries, there was no budgeted increase for other employee benefits.

(n) The increase in Superannuation liability primarily reflects a higher than anticipated asset balance as at 30 June 2018 of $1.8 million, in addition to 2018-19 actuarial losses of $9.3 million that were not anticipated in the budget.

(o) The variance in Other liabilities is the result of the opening balance being $10.2 million higher than anticipated relating to section 8A(2) carried forwards and a further increase in carried forward funding of $4.6 million as at 30 June 2019. As the level of carried forward funding cannot be accurately determined, no budgeted change in the balance of Other liabilities was forecast.

Notes to Statement of Financial Position Actual Variances

As previously mentioned, the 2018 comparatives relate to the former DHHS prior to the administrative restructure. Significant movement in asset and liability balances resulted from the restructure and these movements are detailed in note 11.2.

(b) The variance in Receivables is comprised of a net increase of $19.3 million as a result of the administrative restructure, with the delayed payment of the May 2019 Business Activity Statement by the Australian Taxation Office responsible for the majority of the remaining increase in the balance of Receivables.

(c) The variance of $1.1 million in Loan advances is the result of the administrative restructure and represents assets transferred to Communities Tasmania.

(d) The variance of $17.6 million in HomeShare investments is the result of the administrative restructure and represents assets transferred to Communities Tasmania.

(e) The variance in Other financial assets is primarily comprised of $15.9 million relating to the administrative restructure.

(f) The variance in Inventories primarily relates to $9.4 million in assets transferred from the THS as part of the administrative restructure.

(g) The variance in Assets held for sale is the result of the administrative restructure, in which $2.0 million in Assets held for sale were transferred to Communities Tasmania.

h) The variance in Property, plant and equipment is comprised of a net transfer out of $463.9 million as a result of the administrative restructure. Details to support the net increase of $214.6 million in the balance of Property, plant and equipment during the year are contained in note 8.7(b).

(k) The variance in Payables is comprised of $68.2 million transferred out as a result of the administrative restructure and an increase in the accrued expenses for interstate charging of $19.4 million as at 30 June 2019.

(l) The variance of $165.5 million in Interest bearing liabilities is the result of the administrative restructure and represents liabilities transferred to Communities Tasmania.

(m) The variance in Employee benefits comprises a net transfer in of $245.0 million as a result of the administrative restructure. During the year the balance of Employee benefits increased a further $26.5 million, which primarily relates to an increase in accrued salaries and long service leave entitlements.

(n) The variance in Superannuation is comprised of a transfer of $7.4 million to Communities Tasmania as a result of the administrative restructure. Details to support the increase of $9.3 million in the balance of Superannuation during the year are contained in note 9.4(b).

(o) The variance in Other liabilities is primarily the result of a net transfer in of $3.9 million as a result of the administrative restructure.

3.3 Statement of Cash Flows

	Note	Budget $'000	2019 Actual $'000	Variance $'000	Variance
Appropriation receipts - works and services	(a)	0	5 273	5 273	n/a
Receipts from Special Capital Investment Funds	(b)	0	1 035	1 035	n/a
Grants - continuing operations	(c)	599 393	478 856	(120 537)	(20.1%)
GST receipts	(d)	48 867	77 474	28 607	58.5%
Other cash receipts	(e)	18 698	49 190	30 492	163.1%
GST payments	(d)	(48 864)	81 519)	32 655	(66.8%)
Grants and transfer payments	(f)	(110 381)	(79 766)	(30 615)	27.7%
Other cash payments	(g)	(27 812)	(33 210)	5 398	(19.4%)
Receipts from non-operational capital funding - Works and services	(h)	93 322	112 197	18 875	20.2%
Receipts from non-operational capital funding - Special Capital Investment Funds	(i)	6 260	4 615	(1 645)	(26.3%)
Receipts from non-operational capital funding - Grants	(c)	0	101 396	101 396	n/a
Cash transferred in due to administrative restructure	(j)	0	40 789	40 789	n/a
Cash transferred out due to administrative restructure	(k)	0	(71 702)	(71 702)	n/a

Notes to Statement of Cash Flows variances

(a) The original cashflow budget for Appropriation receipts – works and services allocates all of the budget to investing activities - Receipts from non-operational capital funding – Works and Services. See note (j) for further details.

(b) The original cashflow budget for Receipts from Special Capital Investment Funds allocates all of the budget to investing activities - Receipts from non-operational capital funding – Special Capital Investment Funds. See note (i) for further details.

(c) The original cashflow budget for Grants allocated both continuing operation and capital funding grants to operating activities. As a result, the budget for Grants – continuing operations was overstated by $112.7 million and Receipts from non-operational capital funding – Grants was understated by the same amount. The remaining variance represents additional Commonwealth Government funding.

(d) The anticipated level of GST receipts and GST payments were both understated by $32.7 million. The remaining variance in GST receipts relates to the delay in a refund from the Australian Taxation Office.

(e) The variance in other cash receipts largely represents an underestimation of the recovery of salaries, wages and workers compensation payments when preparing the 2018-19 Budget. This variance is offset by additional employee benefits in the Statement of Cash Flows.

(f) The decrease in Grants and transfer payments is largely due to the budget reallocation of $21.0 million during the year to employee expenses to reflect correct expenditure classification. The remaining portion of the variance relates to a decrease in the expected expenditure of numerous projects.

(g) The increase in Other cash payments is due to the Department's workers compensation and other insurance premiums exceeding the anticipated budgeted expense.

(h) The cashflow variance for Receipts from non-operational capital funding – Works and services includes the variance at note (a). The variance reflects the approved changes to the funding of specific capital projects during the year. The most significant increase in funding related to the Royal Hobart Hospital Redevelopment.

(i) The cashflow variance for Receipts from non-operational capital funding – Special Capital Investment Funds includes the variance at note (b). The combined variance of $0.6 million is due to the timing of payments for the capital projects.

(j) The original cashflow budget does not include anticipated Cash transferred in due to administrative restructure in relation to amalgamation of the THS, under the 1 July 2018 administrative restructure.

(k) The original cashflow budget does not include anticipated Cash transferred out due to administrative restructure in relation to transfer of certain outputs of the DHHS to Communities Tasmania, under the 1 July 2018 administrative restructure.

Note 4 Underlying Net Operating Balance

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

For this reason, the Net operating balance is adjusted to remove the effects of funding for capital projects.

	Notes	2019 Budget $'000	2019 Actual $'000	2018 Actual $'000
Net result from transactions (Net operating balance)		**190 538**	**152 411**	**154 419**
Less impact of:				
Non-operational capital funding				
Net result from Capital Investment Program Output		205 996	206 728	147 147
Net result from Special Capital Investment Funds		(240)	4 966	4 930
Total		**205 756**	**211 694**	**152 077**
Plus impact of:				
Other one-off transactions				
Revenue:				
- Contributions (THS output)	5.7	0	(180)	(31 843)
- Operating recoveries (Housing Services Output)		0	0	(31 663)
Expenditure:				
- Non-monetary asset transfers (Housing Services Output)		0	0	40 409
- Capital grant (THS Output)	6.4	0	180	31 843
Total		**0**	**0**	**8 746**
Underlying Net operating balance		**(15 218)**	**(59 283)**	**11 088**

Note 5 Revenue from Transactions

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.

5.1 Revenue from Government

Appropriations, whether recurrent 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 includes revenue from appropriations, appropriations carried forward under section 8A(2) of the *Public Account Act 1986* and Items Reserved by Law.

Section 8A(2) of the Act allows 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 is recognised as a liability, Revenue Received in Advance (refer Note 9.5). The carry forward from the initial year is recognised as revenue in the reporting year, assuming that the conditions of the carry forward are met and the funds are expended.

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

	2019 Budget $'000	2019 Actual $'000	2018 Actual $'000
Continuing Operations			
Appropriation revenue - recurrent			
Current year	1 072 057	1 168 497	1 467 302
Total	**1 072 057**	**1 168 497**	**1 467 302**
Appropriation revenue - works and services	93 322	110 821	148 117
Revenue from Government - other			
Appropriation carried forward under section 8A(2) of the *Public Account Act 1986* taken up as revenue in the current year	0	10 768	27 638
Total	0	10 768	27 638
Total revenue from Government	**1 165 379**	**1 290 086**	**1 643 057**

5.2 Revenue from Special Capital Investment Funds

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.

	2019 $'000	2018 $'000
Non-operational capital funding		
Health Infrastructure Fund	4 991	5 826
Hospitals Capital Fund	768	36
Housing Fund	0	3 434
Total	**5 759**	**9 296**
Total revenue from Special Capital Investment Funds	**5 759**	**9 296**

Details of total Special Capital Investment Funds revenues and expenses are provided as part of Note 1 Departmental Output Schedules. Details of total cash flows for each project are provided at Note 12.3.

5.3 Grants

Grants payable by the Australian Government are recognised as revenue when the Department gains control of the underlying assets. Where grants are reciprocal, revenue is recognised as performance occurs under the grant.

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

	2019 $'000	2018 $'000
Continuing Operations		
Grants from the Australian Government		
Commonwealth Recurrent Grants - Activity Based Funding	345 244	0
Commonwealth Recurrent Grants - Block Funding	79 283	8 172
COPES receipts	38 170	4 923
Other Commonwealth Grants	17 054	27 794
Total	**479 751**	**40 889**
Non-operational capital funding		
Grants from the Australian Government		
Other Commonwealth Grants	101 295	735
Total	**101 295**	**735**
Total revenue from Grants	**581 046**	**41 624**

In 2019, Non-operational capital funding Grants from the Australian Government included $101.3 million for the Royal Hobart Hospital Redevelopment.

In 2018, Other Commonwealth Grants included $10.4 million for the Equal Remuneration Order NPA, $11.8 million for the Bilateral Agreement on Older People in Specialist Disability Services and $2.8 million for the Homelessness NPA.

5.4 Rental revenue

Rental Revenue arises from the letting of properties owned by the Director of Housing. This is comprised of the market rent for each individual property reduced by the public rental subsidy, which is an income based subsidy derived from the clients' individual circumstances.

	2019 $'000	2018 $'000
Residential rent income	0	89 472
Less: Rebates	0	(37 626)
Total	**0**	**51 846**

5.5 Sales of goods and services

Amounts earned in exchange for the provision of goods are recognised when the significant risks and rewards of ownership have been transferred to the buyer. Revenue from the provision of services is recognised in proportion to the stage of completion of the transaction at the reporting date. The stage of completion is assessed by reference to surveys of work performed.

	2019 $'000	2018 $'000
Inpatient, outpatient nursing home fees	60 739	0
Pharmaceutical benefits scheme revenue from Medicare	55 802	0
Private patient scheme	35 590	0
Other user charges	18 519	6 764
Dental	7 409	0
Ambulance fees	7 052	9 904
Prostheses	6 257	0
Pharmacy non-pharmaceutical benefits scheme	2 027	0
Commercial rent income	1 372	350
Other client revenue	884	141
Residential rent income	647	0
Pharmaceutical benefits scheme co-payments	507	0
Total	**196 805**	**17 159**

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.

5.6 Interest

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

	Notes	2019 $'000	2018 $'000
Interest revenue			
Interest from borrowings		0	49
Other interest		209	11
Interest on superannuation defined benefit plans	9.4(b)	172	91
Total		**381**	**151**

5.7 Contributions received

Services received free of charge by the Department, are recognised as income when a fair value can be reliably determined and at the time 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.

	2019 $'000	2018 $'000
Fair value of assets assumed at no cost or for nominal consideration	180	31 843
Total	**180**	**31 843**

In 2019, Fair value of assets assumed at no cost or for nominal consideration includes four Arterial Blood Gas analysers.

In 2018, a National Partnership Agreement (NPA) was signed on 15 June 2017 between the Commonwealth of Australia and the State of Tasmania to transfer ownership of the Mersey Community Hospital (MCH) to the State of Tasmania from 1 July 2017. The Commonwealth of Australia has advised that the estimated value of the MCH is $31.8 million. Consideration paid for the transfer of the property has been agreed at one dollar.

5.8 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.

	2019 $'000	2018 $'000
Wages and salaries recoveries	21 161	940
Operating recoveries	7 680	52 791
Food recoveries	5 174	6
Workers compensation recoveries	5 102	1 711
Digital Transformation Priority Expenditure Program 2018-19	4 431	0
Industry funds	2 311	0
Donations	1 975	13
Corporate services revenue	1 104	27 440
Multipurpose centre recoveries	252	0
Family violence action plan initiatives	0	3 943
Community support levy	0	2 858
Revenue from sale of contingent assets	0	2 820
Total	**49 190**	**92 522**

During 2017-18, Operating recoveries includes $31.0 million which represents the return of management rights which were originally recorded as a capital grant expense. This activity has been transferred to Communities Tasmania as part of the administrative restructure.

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

The Digital Transformation Priority Expenditure Program 2018-19 is recovery of money spent on qualifying information technology equipment under a State Government initiative.

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

During 2017-18, $27.4 million was charged to the THS for costs related to administrative functions performed by the Shared Services unit and included under Corporate services revenue. As a result of the administrative restructure, payments between the Department the THS are now eliminated for financial reporting purposes.

Note 6 Expenses from Transactions

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.

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

	2019 $'000	2018 $'000
Wages and salaries including FBT	1 029 396	149 870
Annual leave	67 230	13 761
Long service leave	21 189	3 675
Sick leave	37 102	7 314
Other employee expenses - recruitment & staff development	13 643	2 444
Other employee expenses - other staff allowances	2 034	822
Superannuation expenses - defined contribution and benefits schemes	130 022	20 866
Total	**1 300 616**	**198 752**

Superannuation expenses relating to defined benefit schemes relate to payments into the Consolidated Fund. 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 (2018: 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 (2018: 9.5 per cent) of salary. In addition, departments are also required to pay into the Consolidated Fund a “gap” payment equivalent to 3.45 per cent (2018: 3.45 per cent) of salary in respect of employees who are members of contribution schemes.

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.

Remuneration during 2018-19 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, superannuation obligations and payments made on departure.

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.

2019	Short term benefits		Long term benefits			
	Salary[1]	Other Benefits[2]	Superan-uation[3]	Other Benefits and Long-Service Leave[4]	Termin-ation Benefits[5]	Total
	$'000	$'000	$'000	$'000	$'000	$'000
Key management personnel						
Michael Pervan - Secretary	419	18	40	21	0	498
Neil Kirby - Chief Executive Officer, Ambulance Tasmania	168	34	25	5	0	232
Siobhan Harpur - Chief Executive Officer, Public Health Services	148	16	25	- 2	0	187
Ross Smith - Deputy Secretary Planning, Purchasing and Performance	190	22	24	6	0	242
Professor Anthony Lawler - Chief Medical Officer	425	28	55	7	0	515
Nicola Dymond - Chief Operating Officer	290	82	30	6	0	408
Craig Watson - Chief Corporate Officer	225	20	26	5	0	277
Suzanne McCavanagh - Chief People and Culture Officer (to 13/03/2019)	176	50	18	4	0	248
Acting Key management personnel						
Michael Reynolds - Acting Deputy Secretary Corporate Services	236	18	46	3	0	303
Rebecca Howe - Acting Chief People and Culture Officer (from 14/03/2019)	52	12	5	0	0	69
Eleanor Patterson - Acting Chief Financial Officer (to 30/09/2018)	45	7	10	1	0	63
Total	**2 374**	**307**	**304**	**56**	**0**	**3 042**

2018	Short term benefits Salary[1]	Short term benefits Other Benefits[2]	Long term benefits Superan-uation[3]	Long term benefits Other Benefits and Long-Service Leave[4]	Termin-ation Benefits[5]	Total
	$'000	$'000	$'000	$'000	$'000	$'000
Key management personnel						
Michael Pervan						
- Secretary	412	11	39	10	0	472
Ginna Webster						
- Deputy Secretary Children and Youth Services and Acting Secretary Designate, Department of Communities Tasmania (from 23/04/2018 to 30/06/2018)	193	19	18	6	0	236
Neil Kirby						
- Chief Executive Officer, Ambulance Tasmania	182	23	17	4	0	226
Siobhan Harpur						
- Chief Executive Officer, Public Health Services	164	10	16	4	0	193
Peter White						
- Chief Executive, Housing and Disability Reform	164	13	21	4	0	202
Ross Smith						
- Deputy Secretary Planning, Purchasing and Performance	180	21	23	5	0	229
Acting Key management personnel						
Michael Reynolds						
- Acting Deputy Secretary Corporate, Policy and Regulatory Services	232	9	29	5	0	275
Gail Eaton Briggs						
- Acting Deputy Secretary Children and Youth Services (from 08/05/2018 to 30/06/2018)	32	2	3	1	0	39
Eleanor Patterson						
- Acting Chief Financial Officer	180	- 5	23	4	0	202
Total	**1 738**	**103**	**190**	**44**	**0**	**2 075**

Notes:

1. Salary includes all forms of consideration paid and payable for services rendered and compensated absences during the period.
2. Other 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 material 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 judgment

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

a) Depreciation

	2019 $'000	2018 $'000
Plant, equipment and vehicles	12 915	3 061
Buildings	37 162	21 269
Total	**50 077**	**24 330**

b) Amortisation

	2019 $'000	2018 $'000
Intangibles	1 263	1 034
Total	**1 263**	**1 034**
Total depreciation and amortisation	**51 340**	**25 364**

6.3 Supplies and consumables

	2019 $'000	2018 $'000
Medical, surgical and pharmacy supplies	271 536	5 444
Property services and rental payments	47 519	42 780
Patient and client services	39 280	63 081
Information technology	34 383	19 393
Maintenance	29 530	38 404
Travel, transport and vehicle leasing payments	15 090	4 753
Other supplies and consumables	10 979	10 419
Food production costs	10 126	309
Administration	9 987	1 301
Communications	9 791	3 415
Equipment and furniture	8 259	785
Service fees	7 297	5 956
Consultants	5 338	2 750
Other leasing and licencing costs	5 091	551
Advertising and promotion	873	828
Audit services	607	321
Total	**505 686**	**200 490**

Audit services includes $301 430 (2018: $216 605) for the external audit of these financial statements by the Tasmanian Audit Office.

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 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.

	2019 $'000	2018 $'000
Grants to Tasmanian Health Service		
Commonwealth Grants - Block Funding	0	422 422
Commonwealth Grants - Activity Based Funding	0	367 226
State Grants - Mersey	0	78 140
	0	867 788
Capital Grants to Tasmanian Health Service		
Capital Grants	0	33 273
	0	33 273
WIP Expensed Grants to Tasmanian Health Service		
Expenses transferred	0	53
	0	53
Other Grants		
Grant - Mental Health	22 663	21 057
Grant - Other Health Services	10 805	7 623
Grant - NDIS Bilateral Agreement Budget Neutral Adjustment	10 610	10 260
Grant - Public Health	7 860	5 694
Grant - Equal Remuneration Order	5 598	20 352
Grant - Alcohol Tobacco and Other Drugs	5 193	2 551
Grant - Planning, Purchasing and Performance	3 134	1 277
Grant - Disability Services	0	185 324
Grant - Community Housing Program	0	38 316
Grant - Community Services	0	21 347
Grant - Children and Youth Services	0	17 993
Grant - Housing	0	11 308
Grant - Cross Billing	0	11 265
Grant - Better Housing Futures	0	2 025
	65 863	356 392
Subsidies		
Subsidies - Home and Community Care	13 903	14 528
Subsidies - Supported Accommodation Assistance	0	22 283
	13 903	36 811
Total	**79 766**	**1 294 317**

The Department provides State Grants, Activity Based Funding and Block payments to the THS for a range of services including the provision of admitted acute, emergency department, forensic medicine, community and aged care, oral health and mental health services provided to patients through Tasmania's major public and rural hospitals, residential aged care and community health services. As a result of the administrative restructure, payments between the Department and the THS are now eliminated for financial reporting purposes.

6.5 Finance costs

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

Finance costs primarily include:

- interest on long term borrowings and
- interest on superannuation defined benefit plans.

	Notes	2019 $'000	2018 $'000
Interest expense			
Interest on loans		0	7 727
Interest on superannuation defined benefit plans	9.4(b)	0	381
Total		**0**	**8 108**

Interest on loans relates to Commonwealth Government loans to the former DHHS that have been transferred to Communities Tasmania in accordance with the administrative restructure.

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.

	2019 $'000	2018 $'000
Salary on-costs	16 696	4 397
Tasmanian Risk Management Fund premium	14 650	1 289
Other	2 282	362
Total	**33 628**	**6 048**

Note 7 Other Economic Flows included in Net Result

Other economic flows measure the change in volume or value of assets or liabilities that do not result from transactions.

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

All non-financial assets are assessed to determine whether any impairment exists. 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. The Department's assets are not used for the purpose of generating cash flows; therefore value in use is expected to be materially the same as fair value, as determined under AASB 13 Fair Value Measurement.

All impairment losses are recognised in the Statement of Comprehensive Income unless it relates to a revalued asset. In accordance with AASB 136, for previously revalued assets, any loss is recognised directly against the revaluation reserve, to the extent the loss does not exceed the amount in the revaluation reserve for that same asset class.

In respect of other assets, 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.

	2019 $'000	2018 $'000
Net gain/(loss) on disposal of physical assets	(166)	(684)
Total net gain/(loss) on non-financial assets	**(166)**	**(684)**

7.2 Net gain/(loss) on financial instruments and statutory receivables/payables

In 2017-18 financial assets were assessed at each reporting date to determine whether there was any objective evidence that there were any financial assets that were impaired. A financial asset was considered to be impaired if objective evidence indicated that one or more events had a negative effect on the estimated future cash flows of that asset.

From 2018-19 financial assets are to be impaired by replacing the incurred loss approach under AASB 139 with the expected credit loss approach under AASB 9. The expected credit loss is to be 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.

	Notes	2019 $'000	2018 $'000
Impairment of loans and receivables	8.1	(1 067)	(1 476)
Total net gain/(loss) on financial instruments		**(1 067)**	**(1 476)**

7.3 Other gains/(losses) from other economic flows

Other gains/(losses) from other economic flows includes gains or losses from reclassifications of amounts from reserves and/or accumulated surplus to net result.

	2019 $'000	2018 $'000
Net gain/(loss) on disposal of HomeShare investments	0	496
Impairment of HomeShare investments	0	25
Total net gain/(loss) from other economic flows	**0**	**521**

Note 8 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.

8.1 Receivables

In 2017-18 receivables were recognised at amortised cost, less any impairment losses, however, due to the short settlement period, receivables were not discounted back to their present value. In addition, receivables were subject to an annual review for impairment, where there was objective evidence that, as a result of one or more events that occurred after the initial recognition, the future cash flows have been affected.

From 2018-19, the Department recognises receivables 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. The Department recognises an allowance for expected credit losses 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, the Department applies a simplified approach in calculating expected credit losses. The Department recognises a loss allowance based on lifetime expected credit losses 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.

	2019 $'000	2018 $'000
Receivables	38 542	9 746
Less: Provision for impairment	0	(1 425)
Less: Expected credit loss	(934)	0
Total	**37 608**	**8 321**
Sales of goods and services (inclusive of GST)	23 178	5 596
Tax assets	14 430	2 725
Total	**37 608**	**8 321**
Settled within 12 months	37 608	8 321
Total	**37 608**	**8 321**

Reconciliation of movement in expected credit loss for receivables	**2019 $'000**
Carrying amount at 30 June 2018 under AASB 139	**1 425**
Amounts restated through Accumulated Funds	(343)
Carrying amount at 1 July under AASB 9	**1 082**
Administrative restructure - net assets transferred	(304)
Amounts written off during the year	(911)
Increase/(decrease) in provision recognised in profit or loss	1 067
Carrying amount at 30 June	**934**

Reconciliation of movement in provision for impairment of receivables	**2018 $'000**
Carrying amount at 1 July	**1 000**
Amounts written off during the year	(1 051)
Increase/(decrease) in provision recognised in profit or loss	1 476
Carrying amount at 30 June	**1 425**

For ageing analysis of the financial assets, refer to Note 13.1.

8.2 Loan advances

Loan advances are borrowings provided to clients for the purchase of homes and are recognised as the balance of the outstanding principal less any impairment losses. These assets have been transferred to Communities Tasmania in accordance with the administrative restructure.

	2019 $'000	2018 $'000
Loan Advances		
Loan advances	0	1 163
Less: Provision for impairment	0	(5)
Total	**0**	**1 158**
Settled within 12 months	0	271
Settled in more than 12 months	0	887
Total	**0**	**1 158**

8.3 HomeShare investments

HomeShare investments represent the Director of Housing's share of properties acquired by individuals under the HomeShare program. These assets are recognised as the balance of the property value less any impairment losses. These assets have been transferred to Communities Tasmania in accordance with the administrative restructure.

	2019 $'000	2018 $'000
HomeShare investments		
HomeShare investments	0	17 718
Less: Provision for impairment	0	(85)
Total	**0**	**17 633**
Settled in more than 12 months	0	17 633
Total	**0**	**17 633**

8.4 Other financial assets

In 2017-18, Other financial assets are recorded at amortised cost.

From 2018-19, Other financial assets are to be 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).

	2019 $'000	2018 $'000
Accrued revenue	18 844	2 304
Inter entity balance	2 259	3 399
Total	**21 103**	**5 703**
Settled within 12 Months	21 103	5 703
Total	**21 103**	**5 703**

The Inter entity balance primarily comprises transactions arising from the interaction between the Department and Communities Tasmania, including goods and services tax settlement entries.

Accrued revenue largely relates to the sale of goods and services, where revenue has been earned but not yet invoiced.

8.5 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.

Inventories are measured using the weighted average cost formula for items recorded in perpetual inventory systems and the first in first out cost formula for other inventory items.

	2019 $'000	2018 $'000
Pharmacy	8 713	2 227
Catering	288	0
Linen	945	0
General supplies	3 842	1 427
Total	**13 788**	**3 654**
Consumed within 12 months	13 788	3 654
Total	**13 788**	**3 654**

8.6 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, the assets (or components of a disposal group) are remeasured at the lower of carrying amount and fair value less costs to sell.

a) Carrying amount

	2019 $'000	2018 $'000
Land	5	826
Buildings	74	1 207
Total	**79**	**2 033**
Settled within 12 months	79	2 033
Settled in more than 12 months	0	0
Total	**79**	**2 033**

Assets held for sale as at 30 June 2018 represent residential dwellings from the public housing portfolio identified for sale as part of the ongoing Strategic Asset Management Plan. These assets were transferred to Communities Tasmania in accordance with the administrative restructure.

Assets are held for disposal due to the property being listed on the market and it is expected to be disposed of during the 2019-20 financial year.

Key estimate and judgement

The current land and buildings held for sale are carried at fair value less costs of disposal. The valuation has been based on the independent valuation conducted by the Valuer General of Tasmania as at 30 June 2018.

b) Fair value measurement of Assets held for sale (including fair value levels)

	Carrying value at 30 June $'000	Fair value measurement at end of reporting period		
2019		**Level 1 $'000**	**Level 2 $'000**	**Level 3 $'000**
Land	5	0	5	0
Buildings	74	0	74	0
Total	**79**	**0**	**79**	**0**

2018	Carrying value at 30 June $'000	Fair value measurement at end of reporting period Level 1 $'000	Level 2 $'000	Level 3 $'000
Land	826	0	826	0
Buildings	1 207	0	1 207	0
Total	**2 033**	**0**	**2 033**	**0**

Key estimate and judgement

The current land and buildings held for sale are carried at fair value less costs of disposal. The valuation has been based on the independent valuation conducted by the Valuer-General of Tasmania as at 30 June 2018.

8.7 Property, plant and equipment

Key estimate and judgement

i) Valuation basis

Land, buildings, leasehold improvements and artwork 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
Artwork	$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 of Tasmania 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 (TI 303 and TI 206).

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

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 four 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

	2019 $'000	2018 $'000
Land		
Housing vacant land at fair value	0	39 341
Land at fair value	102 775	23 230
Total land	**102 775**	**62 571**
Buildings		
Buildings at fair value	1 534 959	135 439
Less: Accumulated depreciation	(570 887)	(77 581)
Total	**964 072**	**57 858**
Leasehold Improvements at fair value	20 909	4 379
Less: Accumulated depreciation	(11 743)	(146)
Total	**9 166**	**4 233**
Total buildings	**973 238**	**62 091**
Rental dwellings		
Rental dwellings buildings at fair value	0	930 067
Less: Accumulated depreciation	0	(35 839)
Total	**0**	**894 228**
Rental dwellings land at fair value	0	483 065
Total rental dwellings	**0**	**1 377 293**
Community housing stock		
Community housing buildings at fair value	0	34 031
Less: Accumulated depreciation	0	(1 328)
Total	**0**	**32 703**
Community housing land at fair value	0	6 531
Total community housing stock	**0**	**39 234**
Plant, equipment and vehicles		
At cost	150 013	32 184
Less: Accumulated depreciation	(91 154)	(23 928)
Total plant, equipment and vehicles	**58 859**	**8 256**
Work in progress		
Buildings	511 090	358 029
Plant, equipment and vehicles	17 669	5 454
Total work in progress	**528 759**	**363 483**
Total Property, plant and equipment	**1 663 631**	**1 912 928**

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.

2019	Community housing stock Level 2 $'000	Rental Dwellings Level 2 $'000	Land Level 2 $'000	Buildings Level 3 $'000	Plant, equipment & vehicles $'000	Works in progress $'000	Total $'000
Carrying value at 1 July	**39 234**	**1 377 293**	**62 571**	**62 091**	**8 256**	**363 483**	**1 912 928**
Administrative restructure - net assets transferred	(39 234)	(1 377 293)	31 114	906 840	53 643	(38 932)	(463 862)
Additions	0	0	0	0	0	237 899	237 899
Disposals	0	0	(10)	(126)	(1 189)	0	(1 325)
Revaluation increments (decrements)	0	0	8 842	26 873	1 832	0	37 547
Assets held for sale	0	0	(5)	(75)	0	0	(80)
Transfers between classes	0	0	0	0	0	0	0
WIP transfers	0	0	263	14 796	9 231	(24 290)	0
WIP expensed	0	0	0	0	0	(9 401)	(9 401)
Depreciation	0	0	0	(37 161)	(12 914)	0	(50 075)
Carrying value at 30 June	**0**	**0**	**102 775**	**973 238**	**58 859**	**528 759**	**1 663 631**

2018	Community housing stock Level 2 $'000	Rental Dwellings Level 2 $'000	Land Level 2 $'000	Buildings Level 3 $'000	Plant, equipment & vehicles $'000	Works in progress $'000	Total $'000
Carrying value at 1 July	**40 125**	**1 409 896**	**58 148**	**56 044**	**9 184**	**207 782**	**1 781 179**
Additions	0	30 861	0	0	0	205 343	236 204
Disposals	0	(8 239)	(306)	(171)	(219)	0	(8 935)
Revaluation increments (decrements)	0	1 816	6 290	5 571	48	0	13 725
Assets held for sale	0	(2 222)	0	0	0	0	(2 222)
Grants transfers (refer Note 6.4)	(183)	(38 703)	(1 455)	0	0	(33 273)	(73 614)
Transfers between classes	0	121	(121)	0	0	0	0
WIP transfers	0	2 178	15	2 794	2 303	(7 290)	0
WIP expensed	0	0	0	0	0	(9 079)	(9 079)
Depreciation	(708)	(18 415)	0	(2 147)	(3 060)	0	(24 330)
Carrying value at 30 June	**39 234**	**1 377 293**	**62 571**	**62 091**	**8 256**	**363 483**	**1 912 928**

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

Description	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	973 238	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 last 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

The Department has no assets where the current use is not the highest and best use.

8.8 Intangibles

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 are valued at cost less any subsequent accumulated amortisation and any subsequent impairment losses. Where no active market exists, intangible assets held by the Department are valued at cost less any subsequent accumulated amortisation and any subsequent accumulated impairment losses.

Intangible assets with a finite useful life held by the Department principally comprise computer software.

a) Carrying amount

	2019 $'000	2018 $'000
Intangibles with a finite useful life		
Other non-current assets at cost	17 239	16 060
Less: Accumulated amortisation	(10 026)	(8 937)
Total	**7 213**	**7 123**
Capital work in progress	1 792	2 687
Total Intangibles	**9 005**	**9 810**

b) Reconciliation of movements

	2019 $'000	2018 $'000
Carrying amount at 1 July	**9 810**	**10 599**
Administrative restructure - net assets transferred	153	0
Additions	304	245
Amortisation	(1 262)	(1 034)
Carrying amount at 30 June	**9 005**	**9 810**

8.9 Other assets

Other assets are recorded at cost and include prepayments.

a) Carrying amount

	2019 $'000	2018 $'000
Prepayments	9 147	9 329
Total	**9 147**	**9 329**
Recovered within 12 months	8 993	9 327
Recovered in more than 12 months	154	2
	9 147	**9 329**

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

	2019 $'000	2018 $'000
Carrying amount at 1 July	**9 329**	**6 007**
Additions	8 858	9 329
Utilised	(9 040)	(6 007)
Carrying amount at 30 June	**9 147**	**9 329**

Note 9 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.

9.1 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.

	2019 $'000	2018 $'000
Creditors	46 418	8 042
Accrued expenses	73 785	13 376
Paid Parental Leave Scheme liabilities	299	271
Total	**120 502**	**21 689**
Settled within 12 months	64 363	21 689
Settled in more than 12 months	56 139	0
Total	**120 502**	**21 689**

Accrued expenses predominantly relate to medical services provided to Tasmanian residents in the state of Victoria.

Settlement of Creditors is usually made within 30 days.

9.2 Interest bearing liabilities

Bank loans and other loans are initially measured at fair value, net of transaction costs. Bank loans and other loans are subsequently measured at amortised cost using the effective interest rate method, with interest expense recognised on an effective yield basis.

The effective interest rate method is a method of calculating the amortised cost of a financial liability and allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or where appropriate, a shorter period.

These liabilities have been transferred to Communities Tasmania in accordance with the administrative restructure.

	2019 $'000	2018 $'000
Loans from Commonwealth Government	0	165 515
Total	**0**	**165 515**
Settled within 12 months	0	7 915
Settled in more than 12 months	0	157 600
Total	**0**	**165 515**

9.3 Employee benefits

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.

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.

	2019 $'000	2018 $'000
Accrued salaries	57 372	7 354
Annual leave	100 702	16 402
Long service leave	147 083	28 962
Sabbatical leave	9 992	156
Development leave	7 885	121
Other employee benefits	2 417	727
Total	**325 451**	**53 722**
Expected to settle wholly within 12 months	152 066	27 189
Expected to settle wholly after 12 months	173 385	26 533
Total	**325 451**	**53 722**

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.

9.4 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 exceptions noted below, the Department 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.

The Department makes contributions in respect of certain employees of Ambulance Tasmania to the Tasmanian Ambulance Service Superannuation Scheme, being a defined benefit scheme where members receive lump sum benefits on resignation, retirement, death or invalidity. The scheme is closed to new members. The Department's superannuation obligations in respect of this scheme are recognised at the latest actuarial assessment of the member's entitlements, net of scheme assets.

Actuarial gains or losses arising from the actuarial revaluation of Ambulance Tasmania superannuation liabilities are recognised in the Statement of Comprehensive Income.

a) Type of plan

Tasmanian Ambulance Service Superannuation Scheme

The Tasmanian Ambulance Service Superannuation Scheme balances reported are provided in respect of those employees who are defined benefit members.

The State Actuary undertook a revaluation of the present value of the benefit obligation and the fair value of the plan assets as at 30 June 2019 using the process outlined in *AASB Standard 119 Employee Benefits* issued on September 2011. As a result of the revaluation it was determined that the Tasmanian Ambulance Service Superannuation Scheme was in deficit by $4.6 million (2018: $4.7 million surplus).

Housing Tasmania Superannuation Provision

Housing Tasmania is required to meet the emerging cost of pension payments paid in respect of retired employees, where those employees had a superannuation entitlement that accrued before 1 July 1994.

This liability was transferred to Communities Tasmania in accordance with the administrative restructure.

b) Reconciliation of movements in Present value of superannuation liability

	Tasmanian Ambulance Service Superannuation Scheme		Housing Tasmania Superannuation Provision		Total Liability	
	2019 $'000	2018 $'000	2019 $'000	2018 $'000	2019 $'000	2018 $'000
Balance at 1 July	(4 679)	(1 411)	7 416	11 869	2 737	10 458
Administrative restructure - net assets transferred	0	0	(7 416)	0	(7 416)	0
	0	0	(7 416)	0	(7 416)	0
Included in profit or loss						
Current service cost	1 754	1 650	0	0	1 754	1 650
Interest revenue	(172)	(91)	0	0	(172)	(91)
Interest cost	0	0	0	381	0	381
	1 582	1 559	0	381	1 582	1 940
Included in other comprehensive income						
Re-measurement loss (gain):						
Actuarial loss (gain)	9 351	565	0	(4 212)	9 351	(3 647)
Return on plan assets excluding interest	(343)	(3 967)	0	0	(343)	(3 967)
	9 008	(3 402)	0	(4 212)	9 008	(7 614)
Other						
Employer contributions	(1 325)	(1 425)	0	(622)	(1 325)	(2 047)
	(1 325)	(1 425)	0	(622)	(1 325)	(2 047)
Balance at 30 June	**4 586**	**(4 679)**	**0**	**7 416**	**4 586**	**2 737**

c) Reconciliation of the Fair Value of Scheme Assets

Tasmanian Ambulance Service Superannuation Scheme	2019 $'000	2018 $'000
Fair value of scheme assets at beginning of the year	57 406	54 192
Interest income	1 553	1 520
Actual return on scheme assets less interest income	343	4 356
Employer contributions	1 325	1 425
Contributions by scheme participants	1 007	1 093
Benefits paid	(5 574)	(4 966)
Taxes, premiums & expenses paid	(199)	(214)
Fair value of scheme assets at end of the year	**55 860**	**57 406**

d) Reconciliation of the Defined Benefit Obligation

Tasmanian Ambulance Service Superannuation Scheme	2019 $'000	2018 $'000
Present value of defined benefit obligations at beginning of the year^	52 727	53 170
Current service cost	1 753	1 650
Interest expense	1 381	1 429
Contributions by scheme participants	1 007	1 093
Actuarial (gains)/losses arising from changes in financial assumptions	7 481	729
Actuarial (gains)/losses arising from liability experience	1 870	(165)
Benefits paid	(5 574)	(4 966)
Taxes, premiums & expenses paid	(199)	(214)
Present value of defined benefit obligations at end of the year^	**60 446**	**52 727**

^ includes defined benefit contributions tax provision

e) Fair value of Scheme assets

Tasmanian Ambulance Service Superannuation Scheme

Plan assets comprise:

As at 30 June 2019 ^				
Asset Category	**Total $'000**	**Quoted prices in active markets for identical assets - Level 1 $'000**	**Significant observable inputs - Level 2 $'000**	**Unobservable inputs - Level 3 $'000**
Cash deposits	2 458	839	1 619	0
Australian equities	9 384	9 384	0	0
International equities	11 228	8 658	2 570	0
Infrastructure	7 597	2 346	5 251	0
Diversified fixed interest	12 457	0	12 457	0
Property	8 770	0	8 770	0
Alternative investments	3 966	0	3 966	0
Total	**55 860**	**21 227**	**34 633**	**0**

^ Estimated based on estimated scheme assets as at 30 June 2019 and asset allocation of the RBF Scheme as at 30 June 2018

f) Significant Actuarial Assumptions at the Reporting Date

Tasmanian Ambulance Service Superannuation Scheme

Assumptions to Determine Defined Benefit Cost	**2019 %**	**2018 %**
Discount rate	2.80	2.95
Expected salary increase rate	3.00	3.00

Assumptions to Determine Defined Benefit Obligation	**2019 %**	**2018 %**
Discount rate	1.45	2.80
Expected salary increase rate	3.00	3.00

g) Sensitivity analysis

Tasmanian Ambulance Service Superannuation Scheme

The defined benefit obligation as at 30 June 2019 under several scenarios is presented below.

Scenario A and B relate to discount rate sensitivity. Scenario C and D relate to expected pension increase rate sensitivity.

Scenario A : 1% pa lower discount rate assumption

Scenario B : 1% pa higher discount rate assumption

Scenario C : 1% pa lower than expected pension increase rate assumption

Scenario D : 1% pa higher than expected pension increase rate assumption

Defined benefit obligation	Base Case	Scenario A -1.0% pa discount rate	Scenario B +1.0% pa discount rate	Scenario C -1.0% pa pension increase rate	Scenario D +1.0% pa pension increase rate
Discount rate (% pa)	1.45	0.45	2.45	1.45	1.45
Pension increase rate (% pa)	3.00	3.00	3.00	2.00	4.00
Defined Benefit obligation^ (A$'000s)	60 446	67 103	54 760	55 728	65 807

^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 $1.4 million (2018: $1.4 million) to the defined benefit plan for the Tasmanian Ambulance Superannuation Scheme during the next financial year.

As at 30 June 2019 the weighted average duration of the defined benefit obligation for Ambulance Tasmania was 9.3 years (2018: 7.9 years).

9.5 Other liabilities

Other liabilities and other financial 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 benefits. Revenue received in advance is measured at amortised cost. On-costs associated with employee benefits expected to be realised within 12 months are measured at the amount expected to be paid. Other on-costs associated with employee benefits are measured at the present value of the cost at 30 June 2019, where the impact of discounting is material, and at the amount expected to be paid if discounting is not material.

	2019 $'000	2018 $'000
Revenue received in advance		
Appropriation carried forward from current and previous years under section 8A(2) of the *Public Account Act 1986*	13 121	18 289
Other revenue received in advance	3 182	3 010
Other Liabilities		
Employee benefits - on-costs	4 750	1 797
Payroll accrual	211	584
Funds held for distribution - Private Patient Scheme	7 497	0
Other liabilities	28	102
Total	**28 789**	**23 782**
Settled within 12 months	25 696	22 737
Settled in more than 12 months	3 093	1 045
Total	**28 789**	**23 782**

Note 10 Commitments and Contingencies

10.1 Schedule of commitments

	2019 $'000	2018 $'000
By type		
Capital commitments		
Property, plant and equipment	118 188	308 839
Infrastructure	0	21 894
Housing Tasmania	0	10 873
Total Capital commitments	**118 188**	**341 606**
Operating lease commitments		
Rent on buildings	73 776	42 533
Motor vehicles	11 363	3 580
Medical equipment	7 702	3 759
Other	0	880
Total Operating lease commitments	**92 841**	**50 752**
Other commitments		
Miscellaneous grants	135 913	1 765 379
Information technology	79 623	34 160
Maternity Services contract	59 624	0
Miscellaneous goods and services contracts	52 727	35 338
Radiology contract	49 782	0
Ochre Health – provision of medical services to rural sites	43 203	0
RFDS air ambulance standing charge	18 520	4 076
Aurora Energy - electricity supply retail services	12 130	0
Tasmanian Police rescue helicopter	10 800	0
Emergency Services Computer-Aided Dispatch (ESCAD)	1 092	0
Tasmanian Government Radio Network (TasGRN)	1 086	0
CSHA debt interest	0	79 962
Total Other commitments	**464 500**	**1 918 915**
Total	**675 529**	**2 311 272**
By maturity		
Capital commitments		
One year or less	113 252	278 475
From one to five years	4 221	63 131
More than five years	715	0
Total Capital commitments	**118 188**	**341 606**
Operating lease commitments		
One year or less	49 218	7 604
From one to five years	93 976	22 732
More than five years	29 271	20 416
Total Operating lease commitments	**172 465**	**50 752**

	2019 $'000	2018 $'000

Other commitments		
One year or less	136 306	466 084
From one to five years	231 753	1 140 026
More than five years	16 817	312 805
Total Other commitments	**384 876**	**1 918 915**
Total	**675 529**	**2 311 272**

Capital commitments

Property, plant and equipment

Property, plant and equipment commitments include commitments to either build or improve existing Health properties totalling $118 million. The current year balance includes only contractual commitments. This includes works associated with the major redevelopment of the Royal Hobart Hospital ($92 million). Other works include Launceston General Hospital, Midlands Multi Purpose Centre, upgrades of various Ambulance Stations (Glenorchy, Smithton, St. Helens, Zeehan and Deloraine) and other Health Centres.

Housing Tasmania

In 2018, Housing Tasmania commitments include commitments to either build or improve existing Housing Tasmania's properties.

Operating lease 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 are 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.

The Department is prohibited by Treasurer's Instruction 502 *Leases* from holding finance leases.

Rent on buildings

The Department leases a range of properties/tenancies around the State for service delivery purposes. The main tenancy is for 22 Elizabeth St ($43 million) and Level 2 and 3 of 25 Argyle St ($5 million).

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. Lease payments vary according to the type of vehicle and, where applicable, the price received for trade-in vehicles. Lease terms for the majority of existing vehicles are for a period of three years or 60 000 km's, whichever comes first, with no change to the lease rate. No restrictions or purchase options are contained in the lease.

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.

Other commitments

Miscellaneous grants

The Department has commitments totalling $134 million for Home and Community Care, Mental Health Support Services, Public Health Services and Alcohol, Tobacco and Other Drugs. The THS provides Grants to external service providers to deliver alcohol and drug rehabilitation services, as well as palliative, respite and community care.

Information technology

Information technology includes infrastructure and 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 through to 31 October 2024, at which point it will be reviewed.

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.

Radiology contract

All radiology services on the North West are outsourced to Regional Imaging.

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' capacity to staff on a permanent basis. Sites include Flinders Island, Scottsdale, St Helens, Queenstown and King Island.

RFDS air ambulance standing charge

The Royal Flying Doctor Service (RFDS) charge covers availability of the aircraft and a back-up aircraft with pilots available 24 hours a day and other fixtures include a hangar.

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 2020. The contract includes value added services such as metering, on-line access to near real-time data and energy reporting. A procurement process is in hand to establish a new contract to commence 1 July 2020 with contract duration to be determined as part of the procurement process.

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.

Emergency Services Computer Aided Dispatch (ESCAD)

ESCAD is the new integrated dispatch system across Tasmania Police, Tasmania Fire Service, State Emergency Service and Ambulance Tasmania. ESCAD will provide the capability to deliver the best possible response to emergencies and calls for assistance, with enhanced safety for the community and emergency services personnel.

Tasmanian Government Radio Network (TasGRN)

TasGRN 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.

CSHA debt interest

In 2018, The Commonwealth State Housing Agreement (CSHA) debt interest relates to interest on a loan from the Commonwealth which is disclosed in Note 9.2.

10.2 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.

	2019 $'000	2018 $'000
Quantifiable contingent liabilities		
Contingent claims		
Legal		
Claims	2 971	6 134
Bank Guarantees	350	350
Total quantifiable contingent liabilities	**3 321**	**6 484**
Quantifiable contingent assets		
Community housing properties	0	30 355
Less accumulated depreciation	0	(404)
Community housing grants	0	0
Less accumulated amortisation	0	0
Better Housing Futures properties	0	453 647
Less accumulated depreciation	0	(6 396)
Total quantifiable contingent assets	**0**	**477 202**

Legal Claims

At 30 June 2019, 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 Department manages its legal claims through the Tasmanian Risk Management Fund (TRMF). An excess of $40 000 is payable for every claim and amounts over that excess are met by the TRMF.

b) Unquantifiable contingencies

Legislative compliance

As at 30 June 2019 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 11 Reserves

11.1 Reserves

2019	Community housing stock $'000	Rental Dwellings $'000	Land $'000	Buildings $'000	Artwork $'000	Total $'000
Asset revaluation reserve						
Balance at the beginning of financial year	52 537	1 501 582	44 213	360 355	48	1 958 735
Administrative restructure - ARR transferrec	(52 537)	(1 501 582)	(17 965)	(48 589)	102	(1 620 571)
Transfers to/from accumulated funds	0	0	0	14	0	14
Revaluation increments/(decrements)	0	0	8 843	26 873	1 831	37 547
Balance at the end of financial year	**0**	**0**	**35 091**	**338 653**	**1 981**	**375 725**

2018	Community housing stock $'000	Rental Dwellings $'000	Land $'000	Buildings $'000	Artwork $'000	Total $'000
Asset revaluation reserve						
Balance at the beginning of financial year	52 580	1 505 631	38 103	350 519	0	1 946 833
Transfers to/from accumulated funds	(43)	(5 681)	(279)	4 265	0	(1 738)
Revaluation increments/(decrements)	0	1 632	6 389	5 571	48	13 640
Balance at the end of financial yea	**52 537**	**1 501 582**	**44 213**	**360 355**	**48**	**1 958 735**

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 8.7.

Asset revaluation reserve – Transfers to/from accumulated funds

Transfers to/from accumulated funds are in relation to the disposal of assets which had a corresponding asset revaluation adjustment. The corresponding adjustments were to accumulated funds.

11.2 Administrative Restructuring

The administrative restructure of the Department and the introduction of the new Tasmanian Health Act 2018 resulted in the following assets and liabilities being transferred to and from the Department on 1 July 2018. Details of the restructure of the Department at Note 1.1.

	Opening Equity from DHHS $'000	Outputs transferred to Communities Tasmania $'000	Reallocate to Legal Trust $'000	Amalgamation of the THS $'000	Total $'000
Assets					
Financial assets					
Cash and deposits	169 218	(71 623)	(79)	40 789	138 305
Receivables	8 321	(1 277)		20 579	27 623
Loan advances	1 158	(1 158)			0
HomeShare investments	17 633	(17 633)			0
Other financial assets	5 703	(806)		16 693	21 590
Non-financial assets					0
Inventories	3 654	0		9 404	13 058
Assets held for resale	2 033	(2 033)			0
Property, plant and equipment	1 912 928	(1 533 785)		1 069 924	1 449 067
Intangibles	9 810	(3 083)		3 237	9 964
Superannuation	4 679	0		0	4 679
Other assets	9 329	(54)		4 675	13 950
Total assets	**2 144 466**	**(1 631 452)**	**(79)**	**1 165 301**	**1 678 236**
Liabilities					
Payables	21 418	(8 869)		82 599	95 148
Interest bearing liabilities	165 515	(165 515)			0
Employee benefits	53 722	(17 586)		262 566	298 702
Superannuation	7 416	(7 416)		0	0
Other liabilities	24 053	(11 100)		15 044	27 997
Total liabilities	**272 124**	**(210 486)**	**0**	**360 209**	**421 847**
Net assets	**1 872 342**	**(1 420 966)**	**(79)**	**805 092**	**1 256 389**

11.3 Contributed Capital

Capital Contributed records capital contributed on formation of the Home Ownership Assistance Program.

This equity balance was transferred to Communities Tasmania in accordance with the administrative restructure.

	2019 $'000	2018 $'000
Contributed capital		
Balance at the beginning of financial year	6 094	6 094
Administrative restructure - contributed capital transferred	(6 094)	0
Balance at the end of financial year	**0**	**6 094**

Note 12 Cash Flow Reconciliation

Cash means notes, coins, any deposits held at call with a bank or financial institution, as well as funds held in the Special Deposits and Trust Fund, being short term of three months or less and highly liquid. Deposits are recognised at amortised cost, being their face value.

12.1 Cash and deposits

Cash and deposits includes the balance of the Special Deposits and Trust Fund Accounts held by the Department, and other cash held, excluding those accounts which are administered or held in a trustee capacity or agency arrangement.

		2019 $'000	2018 $'000
Special Deposits and Trust Fund balance			
T470	Patient Trust and Bequest Account	0	79
T477	THS Patient Trust & Bequest Account	18 639	0
T510	DoH Operating Account	111 431	132 910
T533	THS Operating Account	30 784	0
T592	Housing Services Operating Account	0	23 023
T647	Home Ownership Assistance Program	0	11 929
Total		**160 854**	**167 941**
Other cash held			
Other cash equivalents not included above		498	1 277
Total		**498**	**1 277**
Total cash and deposits		**161 352**	**169 218**

Other cash equivalents primarily represents the payroll advance account balance as well as petty cash and cash floats.

12.2 Reconciliation of Net Result to Net Cash from Operating Activities

	2019 $'000	2018 $'000
Net result from transactions (net operating balance)	152 411	154 419
Depreciation and amortisation	51 337	25 364
Recognition of assets as a result of stocktake/donations	(180)	(31 843)
Non-operational capital funding	(116 812)	(149 949)
Capital grants income	(101 396)	(32 101)
Capital grants expense	0	73 614
WIP expensed	9 401	9 079
Doubtful debts	0	(1 476)
Expected credit losses	(1 067)	0
Transfer of assets due to administrative restructure	(265 680)	0
Net actuarial gains/(losses) on superannuation defined benefit plans	(9 008)	7 614
Decrease (increase) in Receivables	(29 287)	(2 179)
Decrease (increase) in Other assets	(15 218)	1 680
Decrease (increase) in Inventories	(10 134)	1 017
Increase (decrease) in Employee entitlements	271 729	4 402
Increase (decrease) in Superannuation	1 849	(7 721)
Increase (decrease) in Payables	98 813	6 137
Increase (decrease) in Other liabilities	5 007	(8 890)
Net cash from/(used by) operating activities	**41 765**	**49 167**

12.3 Acquittal of Capital Investment and Special Capital Investment Funds

The Department received Works and Services 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 budget estimates in the 2018-19 Budget Papers and has not been subject to audit.

a) Project expenditure

	2019 Budget $'000	2019 Actual $'000	2018 Actual $'000
Capital Investment Program			
RHH Pharmacy Redevelopment	1 000	0	0
LGH Ward Upgrades Ward 4K	6 268	4 816	935
Statewide Hospital Critical Facility Upgrades	1 710	1 590	2 014
Statewide Rural Health Facility Infrastructure Upgrades	500	864	553
THS Infrastructure Upgrades	0	0	122
Campbell Town Ambulance Station	140	61	12
Mersey Community Hospital Development	8 600	3 189	0
Royal Hobart Hospital - Air Conditioning Upgrade	1 500	0	0
Midlands Multipurpose Centre (Oatlands Hospital) Upgrade	1 250	550	0
15 New Mental Health Beds at the Peacock Centre	4 240	132	0
10 New Beds at Mistral Place	2 600	0	0
Aeromedical Helicopter Service	1 615	566	0
New Glenorchy Ambulance Super Station	2 000	71	0
Community Rapid Response - Establishment	360	0	0
LGH Redevelopment	2 962	1 025	0
LGH - Air Conditioning Upgrade	700	1 305	0
Launceston General Hospital - More Car Parking	2 500	289	0
Better accommodation for health processionals on Flinders Is	500	90	0
Air Conditioning at the North West Regional Hospital	500	39	0
New Ante-Natal Clinic at the North West Regional Hospital	800	40	0
Stage 2 of the King Island Hospital Redevelopment	1 125	514	0
Smithton Ambulance Training Facility	500	56	0
New Burnie Ambulance Station	2 000	40	0
New Training Equipment and Stretchers	1 100	0	0
Statewide – Rural Hospital and Ambulance Station Upgrade Fun	5 000	540	0
St Johns Park - 12 New Beds for Mental Health	0	17	0
Launceston General Hospital Acute Medical and Surgical Unit	0	0	522
Statewide Cancer Services	0	0	3
National Health & Hospital Network Reforms: Emergency Departments	0	0	185
National Health & Hospital Network Reforms: Elective Surgery	0	0	8
National Health & Hospital Network Reforms: Sub-Acute Capital	0	0	308
Mersey Community Hospital capital	0	0	196
RHH Redevelopment	142 877	189 397	113 482
St Helens District Hospital	7 806	8 393	2 814
Hospital and Health Centre Maintenance	0	0	1 861
Health Transport Infrastructure	4 123	3 968	3 554
Repatriation Hospital Redevelopment Program	0	1 367	5 633

	2019 Budget $'000	2019 Actual $'000	2018 Actual $'000
Priority Infrastructure Works - Health	1 720	1 961	0
Strong Families Safe Kids	0	0	324
Affordable Housing Strategy Stage1	0	0	29 041
CYS Client Information System	0	0	150
Housing – New Projects	0	0	3 576
Housing – Debt Repayment and Other	0	0	8 238
Neighbourhood House Program	0	0	161
Northern Suburbs Community Centre	0	0	1 000
North-West Youth Accommodation Shelter	0	0	4 500
Total Capital Investment Program	**205 996**	**220 880**	**179 192**

	2019 Budget $'000	2019 Actual $'000	2018 Actual $'000
Special Capital Investment Funds			
Health Infrastructure			
Launceston ICC	0	0	24
Glenorchy – Tier Three Community Health Services Facility	0	811	5 212
Kingston – Tier Three Community Health Services Facility	5 205	4 727	632
Hospitals Capital Fund			
Mersey Hospital Upgrade	1 055	221	21
Housing Fund			
National Rental Affordability Scheme	0	0	3 434
RHH Redevelopment Fund			
Royal Hobart Hospital redevelopment project	0	0	4
Total Special Capital Investment Fund	**6 260**	**5 759**	**9 327**
Total	**212 256**	**226 639**	**188 519**

b) Classification of cash flows

The project expenditure above is reflected in the Statement of Cash Flows as follows.

	2019 $'000	2018 $'000
Cash outflows		
Employee benefits	3 207	1 477
Supplies and consumables	7 418	14 306
Grants	0	4 713
Payments for acquisition of assets	216 014	160 247
Debt repayment	0	7 776
Total cash outflows	**226 639**	**188 519**

12.4 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 2019 was $389 (30 June 2018: $44 000).

12.5 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.

2019	Borrowings $'000	Lease liabilities $'000
Balance as at 1 July 2018	**165 515**	**0**
Administrative restructure - Liability transferred	(165 515)	0
Balance as at 30 June 2019	**0**	**0**

2018	Borrowings $'000	Lease liabilities $'000
Balance as at 1 July 2017	**173 292**	**0**
Changes from financing cash flows:		
Cash Repayments	(7 777)	0
Balance as at 30 June 2018	**165 515**	**0**

Note 13 Financial Instruments

13.1 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 Head of Agency 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 and 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 Assets		
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.
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 deposits	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 2018-19. The Department does not hold any security instrument for its Cash and deposits, 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 any collateral or other security.

Receivables age analysis - expected credit loss

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 2019 and 1 July 2018 (adoption of AASB 9) are as follows:

Expected credit loss analysis of receivables as at 30 June 2019

	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)	0.25%	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

Expected credit loss analysis of receivables as at 1 July 2018 (adoption date of AASB 9)

	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)	0.26%	0.69%	3.21%	27.25%	38.46%	15.41%
Total gross carrying amount (B)	3 437	578	201	139	2 664	7 020
Expected credit loss (A x B)	9	4	6	38	1 025	1 082

The following table is for comparative purposes only, and represents the age analysis that was published as part of the Department's 2017-18 financial statements under the previous accounting standards.

Analysis of financial assets at 30 June 2018 but not impaired	Not past due $'000	Past due 30 – 120 days $'000	Past due > 120+ days $'000	Total $'000
Receivables	2 725	0	0	2 725
Total	**2 725**	**0**	**0**	**2 725**

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 and measurement basis)	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 30 days.
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.

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.

	Maturity analysis for financial liabilities							
	1 Year	2 Years	3 Years	4 Years	5 Years	More than 5 Years	Undis-counted Total	Carrying Amount
2019	**$ 000**	**$ 000**	**$ 000**	**$ 000**	**$ 000**	**$ 000**	**$ 000**	**$ 000**
Financial liabilities								
Payables	46 418	0	0	0	0	0	46 418	46 418
Total	**46 418**	**0**	**0**	**0**	**0**	**0**	**46 418**	**46 418**

	Maturity analysis for financial liabilities							
2018	1 Year $ 000	2 Years $ 000	3 Years $ 000	4 Years $ 000	5 Years $ 000	More than 5 Years $ 000	Undis-counted Total $ 000	Carrying Amount $ 000
Financial liabilities								
Payables	8 042	0	0	0	0	0	8 042	8 042
Interest bearing liabilities	7 915	8 017	8 122	8 259	8 373	124 829	165 515	165 515
Total	**15 957**	**8 017**	**8 122**	**8 259**	**8 373**	**124 829**	**173 557**	**173 557**

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. The primary market risk that the Department is exposed to is interest rate risk.

At the reporting date, the interest rate profile of the Department's interest bearing financial instruments was:

	2019 $'000	2018 $'000
Fixed rate instruments		
Financial assets	0	0
Financial liabilities	0	165 515
Total	**0**	**165 515**
Variable rate instruments		
Financial assets	0	1 158
Financial liabilities	0	0
Total	**0**	**1 158**

Changes in variable rates of 100 basis points at reporting date would have the following effect on the Department's profit or loss and equity:

Sensitivity Analysis of Department's Exposure to Possible Changes in Interest Rates

	Statement of Comprehensive Income		Equity	
	100 basis points increase	100 basis points decrease	100 basis points increase	100 basis points decrease
	$'000	$'000	$'000	$'000
30 June 2019				
Financial assets	0	0	0	0
Net Sensitivity	**0**	**0**	**0**	**0**
30 June 2018				
Financial assets	12	(12)	12	(12)
Net Sensitivity	**12**	**(12)**	**12**	**(12)**

This analysis assumes all other variables remain constant. The analysis was performed on the same basis for 2018.

13.2 Categories of Financial Assets and Liabilities

AASB 9 Carrying amount	2019 $'000
Financial assets	
Amortised cost	220 063
Total	**220 063**
Financial liabilities	
Financial liabilities measured at amortised cost	120 502
Total	**120 502**

AASB 139 Carrying amount	2018 $'000
Financial assets	
Cash and cash equivalents	169 218
Loans and receivables	15 182
Available -for-sale financial assets	17 633
Total	**202 033**
Financial liabilities	
Financial liabilities measured at amortised cost	187 204
Total	**187 204**

13.3 Derecognition of Financial Assets

No derecognition of Financial assets occurred during 2018-19.

13.4 Comparison between Carrying Amount and Net Fair Value of Financial Assets and Liabilities

	Carrying Amount 2019 $'000	Net Fair Value 2019 $'000	Carrying Amount 2018 $'000	Net Fair Value 2018 $'000
Financial assets				
Cash at bank	498	498	1 277	1 277
Cash in Special Deposits and Trust Fund	160 854	160 854	167 941	167 941
Other financial assets				
Receivables	37 608	37 608	8 321	8 321
Loan advances	0	0	1 158	1 158
HomeShare investments	0	0	17 633	17 633
Other	21 103	21 103	5 703	5 703
Total financial assets	**220 063**	**220 063**	**202 033**	**202 033**
Financial liabilities (Recognised)				
Other financial liabilities				
Borrowings	0	0	165 515	165 515
Other	120 502	120 502	21 689	21 689
Total Financial liabilities (Recognised)	**120 502**	**120 502**	**187 204**	**187 204**

13.5 Net Fair Values of Financial Assets and Liabilities

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	0	0	498
Cash in Special Deposits and Trust Fund	160 854	0	0	160 854
Other financial assets				
Receivables	37 608	0	0	37 608
Other	21 103	0	0	21 103
Total financial assets	**220 063**	**0**	**0**	**220 063**
Financial liabilities (Recognised)				
Other financial liabilities				
Other	120 502	0	0	120 502
Total Financial liabilities (Recognised)	**120 502**	**0**	**0**	**120 502**

2018	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	1 277	0	0	1 277
Cash in Special Deposits and Trust Fund	167 941	0	0	167 941
Other financial assets				
Receivables	8 321	0	0	8 321
Loan advances	1 158	0	0	1 158
HomeShare investments	17 633	0	0	17 633
Other	5 703	0	0	5 703
Total financial assets	**202 033**	**0**	**0**	**202 033**
Financial liabilities (Recognised)				
Other financial liabilities				
Borrowings	165 515	0	0	165 515
Other	21 689	0	0	21 689
Total Financial liabilities (Recognised)	**187 204**	**0**	**0**	**187 204**

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.

Transfer between categories

The Department did not transfer any Financial Assets or Financial Liabilities between Level 1 and Level 2. 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 Department faces while the indemnity remains current.

Note 14 Details of Consolidated Entities

14.1 List of Entities

The following entities have been consolidated by the Department:

Commissioner of Ambulance Tasmania	100 per cent
Tasmanian Health Service	100 per cent

Note 15 Transactions and Balances Relating to 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.

15.1 Activities Undertaken Under a Trustee or Agency Relationship

Account/Activity	Opening balance $'000	Administrative restructure - net assets transferred $'000	Net transactions during 2018-19 $'000	Closing balance $'000
T470 Patient Trust and Bequest Account	5	74	(1)	78
T477 Patient Trust and Hospital Bequest Account	0	5 304	947	6 251
Mental Health Services Client Trust Account	0	23	1	24

Note 16 Events Occurring After Balance Date

Subsequent to the creation of Communities Tasmania, a further resource transfer has been agreed between the Department and Communities Tasmania. Under this agreement a number of positions from the community sector grants unit will transfer to Communities Tasmania from August 2019.

The Public Sector Union Wages Agreement 2018 was registered by the Tasmanian Industrial Commission on 19 August 2019. As part of the terms of this Agreement, Departmental employees covered by the Tasmanian State Service Award, are entitled to receive an increase of 2.1 per cent per annum effective from the pay period commencing on 13 December 2018. The Department is expecting to pay this retrospective increase in respect of the period from 13 December 2018 to 30 June 2019 by 23 October 2019. The estimated amount of the payment is $11.0 million.

Note 17 Other Significant Accounting Policies and Judgements

17.1 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. In the current financial year there are no administered items.

The Department is a Tasmanian Government not-for-profit entity that is predominantly funded through Parliamentary appropriations. The Department includes Ambulance Tasmania and the THS. Ambulance Tasmania provides services to fee paying patients, or patients who will receive compensation for these expenses due to the circumstances surrounding their injury.

Under the National Health Reform Agreement (NHRA), funding is provided to the THS on the basis of activity through Activity Based Funding (ABF) 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 NHRA is determined by an Independent Hospitals Pricing Authority (IHPA). 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 Department controls resources to carry on its functions.

17.2 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 and Audit Act 1990.*

The Financial Statements were signed by the Secretary of the Department and Deputy Chief Financial Officer on 25 September 2019.

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 17.5.

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.

17.3 Reporting Entity

The Financial Statements include all the controlled activities of the Department, being Ambulance Tasmania and the THS. Material transactions and balances between the Department, Ambulance Tasmania and the THS have been eliminated.

17.4 Functional and Presentation Currency

These Financial Statements are presented in Australian dollars, which is the Department's functional currency.

17.5 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 (AASB) that are relevant to its operations and effective for the current annual reporting period. These include:

(a) AASB 7 Financial Instruments: Disclosures - the objective of this Standard is to require entities to provide disclosures in their financial statements that enable users to evaluate the significance of financial instruments for the entity's financial position and performance; and the nature and extent of risks arising from financial instruments to which the entity is exposed during the period and at the end of the reporting period, and how the entity manages those risks. The amendments to this Standard have resulted in a reconciliation being required where there is a reclassification of financial assets or liabilities resulting from the adoption of AASB 9. The financial impact is an increase in the net receivables as at 1 July 2018 of $0.34 million and an increase to accumulated surplus of $0.34 million.

(b) AASB 9 Financial Instruments - the objective of this Standard is to establish principles for the financial reporting of financial assets and financial liabilities that will present relevant information to users of financial statements for their assessment of the amounts, timing, uncertainty of an entity's future cash flows, and to make amendments to various accounting standards as a consequence of the issuance of AASB 9. AASB 9 has replaced accounting for impairment losses with a forward looking expected credit loss approach. The Department has applied AASB 9 retrospectively and has not restated comparative information which was reported under AASB 139. Any differences arising from the adoption of AASB 9 have been recognised directly to equity. The effect of the change in impairment model to that of expected credit loss under AASB 9 is shown below.

	Allowances for impairment under AASB 139 as at 30 June 2018 $'000	Re-measurement $'000	Expected credit loss under AASB 9 as at 1 July 2018 $'000
Receivables - Impairment	(1 425)	343	(1 082)
Total	**(1 425)**	**343**	**(1 082)**

AASB 9 introduces new classification and measurement requirements. This has had the following impact on the Department:

	Measurement category		Carrying amount		
	AASB 139	AASB 9	30-Jun-18 $'000	01-Jul-18 $'000	Difference $'000
Receivables	Loans and Receivables	Amortised Cost	8 321	8 664	343
Total			**8 321**	**8 664**	**343**

In addition to the impact that measurement categories may have on the Department's financial statements, the following re-classification impacts have occurred due to the introduction of AASB 9

	Fair-Value through Profit and Loss $'000	Fair-value through Other Comprehensive Income $'000	Other $'000
Closing balance at 30 June 2018 (AASB 139)	**0**	**0**	**8 321**
Receivables	0	0	343
Opening balance 1 July 2018 (AASB 9)	**0**	**0**	**8 664**

The overall effect on equity due to the adoption of AASB 9 is as follows:

	Contrib Equity $'000	Reserves $'000	Accum Funds $'000	Total Change in Equity $'000
Closing balance at 30 June 2018	**6 094**	**1 958 735**	**(92 487)**	**1 872 342**
Re-classification adjustments	0	0	0	0
Re-measurement impacts	0	0	0	0
Recognition of AASB 9 expected credit loss	0	0	343	343
Opening balance 1 July 2018	**6 094**	**1 958 735**	**(92 144)**	**1 872 685**

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 15 Revenue from Contracts with Customers – The objective of this Standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing, an uncertainty of revenue and cash flows arising from a contract with a customer. In accordance with 2015-8 Amendments to Australian Accounting Standards - Effective Date of AASB 15, this Standard applies to annual reporting periods beginning on or after 1 January 2019. Where an entity applies the Standard to an earlier annual reporting period, it will disclose that fact. There is no financial impact expected from the application of this revised standard. The Department's major sources of income are from Government Appropriation for recurrent operations, works and services and capital grants. Current operating procedures ensure that revenue is recognised simultaneously that services have been delivered. This timing of revenue recognition is the same as the new standard. A review of other revenue sources confirms that Activity Based Funding revenue is paid based on an estimated level of performance obligations being delivered. The Department monitors its delivery of the performance obligation throughout the year and adjusts the estimated performance obligation accordingly. Therefore the implementation of the new standard in unlikely to have a significant impact of the Department's Activity Based Funding revenue.
- 2014-5 Amendments to Australian Accounting Standards arising from AASB 15 – The objective of this Standard is to make amendments to Australian Accounting Standards and Interpretations arising from the issuance of AASB 15 Revenue from Contracts with Customers. This Standard applies when AASB 15 is applied, except that the amendments to AASB 9 (December 2009) and AASB 9 (December 2010) apply to annual reporting periods beginning on or after 1 January 2018. This Standard will be applied when AASB 15 is applied. There is no financial impact expected from the application of this revised standard as there is no financial impact expected from the implementation of AASB15.
- 2016-3 Amendments to Australian Accounting Standards - Clarifications to AASB 15 - The objective of this Standard is to clarify the requirements on identifying performance obligations, principal versus agent considerations and the timing of recognising revenue from granting a licence. This Standard applies to annual periods beginning on or after 1 January 2019. The impact is enhanced disclosure in relation to revenue. There is no financial impact expected from the application of this revised standard.

- AASB 16 Leases – The objective of this Standard is to introduce a single lessee accounting model and require a lessee to recognise assets and liabilities. This Standard applies to annual reporting periods beginning on or after 1 January 2019. The standard will result 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 will take into account appropriate discount rates, assumptions about the lease term, and required lease payments. A corresponding right to use asset will be recognised, which will be amortised over the term of the lease. There are limited exceptions relating to low-value leases and short-term leases. Operating lease costs will no longer be shown. The Statement of Comprehensive Income impact of the leases will be through amortisation and interest charges. The Department's current operating lease cost is shown at Note 6.3. In the Statement of Cash Flows, lease payments will be shown as cash flows from financing activities instead of operating activities. Further information on the Department's current operating lease position can be found at Note 10.1. It should be noted that there will be no impact on the Department's cash flow.
- It is anticipated that the implementation of the new standard will increase the Department's assets by $48 million with a corresponding increase in the Department's liabilities of $48 million. This represents the right to use assets and lease payment obligations associated with building and equipment leases. For the 2019-20 financial year, the annual amortisation expenses is estimated to be $8.2 million with interest expense of $1.7 million. Annual lease payments are estimated to be $9.8 million.
- In relation to motor vehicle leases, the implementation of the new standard will increase the Department's assets by $23 million and liabilities by $23 million. Annual lease costs are estimated to be $5.5 million, with an interest expense of $0.6 million and an annual amortisation expense of $4.9 million.
- AASB 1058 Income of Not-for-Profit Entities - The objective of this Standard is to establish principles for not-for-profit entities that apply 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. This Standard applies to annual reporting periods beginning on or after 1 January 2019. The impact is enhanced disclosure in relation to income of not-for-profit entities. It should be noted that there will be no impact on the Department's cash flow, statement of financial position and financial performance, with the exception of recording the contribution of volunteers and the corresponding labour expense which is estimated to be $12.3 million per annum.
- 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.

17.6 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.

17.7 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 17.5.

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 1.

The comparatives for external administrative restructures are not reflected in the Financial Statements.

17.8 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.

17.9 Departmental Taxation

The Department is exempt from all forms of taxation except Fringe Benefits Tax and Goods and Services Tax (GST).

17.10 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.

Tasmanian Audit Office

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 Department of Health (the Department), which comprise the statement of financial position as at 30 June 2019 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 2019 and its financial performance and its cash flows for the year then ended

(b) are in accordance with the *Financial Management and Audit Act 1990* 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* (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.

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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 report of the current period. These matters were addressed in the context of my audit of the financial report 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
Administrative restructuring *Pervasive to the financial statements*	
The *State Service (Restructuring) Order 2018* (Order) resulted in the transfer of significant assets and liabilities to and from the Department on 1 July 2018. Under this Order, the Tasmanian Health Service was amalgamated with the Department and certain outputs of the Department were transferred to the new Department of Communities Tasmania. The administrative restructure is complex and involves significant judgement relating to the: • identification of assets and liabilities to be transferred • determination of the carrying value of assets and liabilities at the at the transfer date • recognition of revenue and expenses for activities transferred from the Tasmanian Health Service from the date of transfer • derecognition of revenue and expenses for activities transferred to the Tasmanian Health Service from the date of transfer. Treasurer's Instruction 207 *Administrative Restructuring of Agencies* prescribes disclosures to be made in the financial statements relating to the administrative restructure.	• Evaluating management's assessment of the identification and values of assets and liabilities to be transferred. • Confirming the carrying value of net assets as at the transfer date were appropriately recorded by both the transferor and transferee agencies. • Testing the mathematical accuracy of the carrying value of net assets transferred. • Assessing whether revenue and expenses for transferred activities from the date of transfer have been appropriately recognised or derecognised. • Assessing the adequacy of disclosures made in the financial report in accordance with Treasurer's Instruction 207.

Why this matter is considered to be one of the most significant matters in the audit	Audit procedures to address the matter included
Property, plant and equipment *Refer to notes 6.2 and 8.7*	
Property, plant and equipment at 30 June 2019 includes land, buildings and leasehold improvements totalling $1 076.01m recognised at fair value. 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 2018-19, land and building assets were adjusted by indexation factors provided by the Valuer-General. The calculation of building depreciation requires estimation of asset useful lives, which involves a high degree of subjectivity. Changes in assumptions can significantly impact depreciation charged. Capital expenditure on Work in progress for the year ended 30 June 2019 totalled $237.90m. 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.	• Evaluating the appropriateness of the valuation methodology applied to determine fair values. • Assessing the scope, expertise and independence of experts engaged to assist in the indexation of land and buildings. • Testing, on a sample basis, the mathematical accuracy of the indexation calculations. • Evaluating management's assessment of the useful lives. • Performing substantive detailed and analytical procedures on depreciation expense. • Testing, on a sample basis, the allocation of costs between capital and operating expenditure, including costs capitalised to work in progress. • Evaluating management's assessment of the stage of completion for capital work in progress to ensure that active projects will result in usable assets and that assets commissioned are transferred in a timely manner. • Assessing the adequacy of disclosures made in the financial report, including those regarding key assumptions used.
Revenue from sale of goods and services *Refer to notes 5.5*	
The Department recognises significant revenue from the sales of goods and services, $196.81m. The majority of services are for fee paying privately insured or otherwise compensable	• Evaluating the design and implementation of relevant application controls in selected systems. • Confirming process controls to support the

...3 of 5

Why this matter is considered to be one of the most significant matters in the audit	Audit procedures to address the matter included
patients, reimbursements of services provided to other organisations and Medicare or pharmaceutical benefits scheme government payments. 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. 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.	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.

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 27 (1) of the *Financial Management and Audit Act 1990*. 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.

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.

From the matters communicated with the Secretary, I determine those matters that were of most significance in the audit of the financial report 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.

Rod Whitehead
Auditor-General

Tasmanian Audit Office

27 September 2019
Hobart

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Ambulance Tasmania Special Purpose Financial Report

For the year ended 30 June 2019

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Statement of Certification

The accompanying Financial Statements of the Commissioner of Ambulance Tasmania (Ambulance Tasmania) 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 *Ambulance Service Act 1982* and the *Audit Act 2008* to present fairly the financial transactions for the year ended 30 June 2019 and the financial position as at 30 June 2019.

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

25 September 2019

Neil Kirby
Chief Executive
Officer
Ambulance Tasmania

25 September 2019

Eleanor Patterson
Deputy Chief Financial
Officer
Department of Health

25 September 2019

Statement of Comprehensive Income for the year ended 30 June 2019

	Notes	2019 Actual $'000	2018 Actual $'000
Continuing operations			
Revenue and other income from transactions			
Revenue from Government			
Appropriation revenue - recurrent	2.1	75 712	64 399
Other revenue from Government	2.1	319	0
Grants	2.2	1 469	0
Sales of goods and services	2.3	10 509	10 960
Interest	2.4	172	91
Other revenue	2.5	3 669	6 430
Total revenue and other income from transactions		**91 850**	**81 880**
Expenses from transactions			
Employee benefits	3.1	68 662	61 833
Depreciation and amortisation	3.2	2 255	2 577
Supplies and consumables	3.3	20 213	18 522
Grants and subsidies	3.4	17	15
Other expenses	3.5	3 095	2 317
Total expenses from transactions		**94 242**	**85 264**
Net result from transactions (net operating balance)		**(2 392)**	**(3 384)**
Other economic flows included in net result			
Net gain/(loss) on non-financial assets	4.1	117	(15)
Net actuarial gains/(losses) on superannuation defined benefit plans	6.3	(9 008)	3 402
Net gain/(loss) on financial instruments and statutory receivables/payables	4.2	(687)	(672)
Total other economic flows included in net result		**(9 578)**	**2 715**
Net result from continuing operations		**(11 970)**	**(669)**
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Changes in property, plant and equipment revaluation surplus	8.1	1 086	1 256
Total other comprehensive income		**1 086**	**1 256**
Comprehensive result		**(10 884)**	**587**

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

Statement of Financial Position as at 30 June 2019

	Notes	2019 Actual $'000	2018 Actual $'000
Assets			
Financial assets			
Cash and deposits	9.1	509	148
Receivables	5.1	2 092	2 243
Other financial assets	5.2	765	1 522
Non-financial assets			
Inventories	5.3	1 280	1 522
Property, plant and equipment	5.4	32 347	29 983
Intangibles	5.5	75	92
Other assets	5.6	196	179
Total assets		**37 264**	**35 689**
Liabilities			
Payables	6.1	1 378	952
Employee benefits	6.2	20 516	18 082
Superannuation	6.3	4 586	(4 679)
Other liabilities	6.4	744	612
Total liabilities		**27 224**	**14 967**
Net assets		**10 040**	**20 722**
Equity			
Reserves	8.1	10 126	9 026
Accumulated funds		(86)	11 696
Total equity		**10 040**	**20 722**

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

Statement of Cash Flows for the year ended 30 June 2019

	Notes	2019 Actual $'000	2018 Actual $'000
		Inflows	Inflows
Cash flows from operating activities		(Outflows)	(Outflows)
Cash inflows			
Appropriation receipts - recurrent		75 712	64 399
Sales of goods and services		11 461	10 151
GST receipts		1 464	1 756
Other cash receipts		3 669	6 120
Total cash inflows		**92 306**	**82 426**
Cash outflows			
Employee benefits		(65 811)	(59 186)
GST payments		(1 873)	(1 661)
Grants and transfer payments		(17)	(142)
Supplies and consumables		(19 173)	(18 260)
Other cash payments		(3 397)	(2 090)
Total cash outflows		**(90 271)**	**(81 339)**
Net cash from/(used by) operating activities	**9.2**	**2 035**	**1 087**
Cash flows from investing activities			
Cash inflows			
Proceeds from the disposal of non-financial assets		157	202
Cash transferred in due to Internal reallocation of cost centres		319	0
Total cash inflows		**476**	**202**
Cash outflows			
Payment for acquisition of non-financial assets		(2 150)	(1 603)
Total cash outflows		**(2 150)**	**(1 603)**
Net cash from/(used by) investing activities		**(1 674)**	**(1 401)**
Net increase/(decrease) in cash and cash equivalents held		**361**	**(314)**
Cash and deposits at the beginning of the reporting period		**148**	**462**
Cash and deposits at the end of the reporting period	**9.1**	**509**	**148**

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 2019

	Notes	Contrib Equity $'000	Reserves $'000	Accum Funds $'000	Total Equity $'000
Balance as at 1 July 2018		**0**	**9 026**	**11 696**	**20 722**
Adjustment due to change in accounting policy	11.5	0	0	284	284
Restated balance as at 1 July 2018		**0**	**9 026**	**11 980**	**21 006**
Net result		0	0	(11 970)	(11 970)
Other comprehensive income		0	1 086	0	1 086
Total comprehensive result		0	1 086	(11 970)	(10 884)
Transfers to asset revaluation reserve from accumulated funds	8.1	0	14	(14)	0
Transactions with owners in their capacity as owners:					
Transfer sale proceeds to the Crown Lands Administration Fund		0	0	(62)	(62)
Internal reallocation of cost centres		0	0	(20)	(20)
Balance as at 30 June 2019		**0**	**10 126**	**(86)**	**10 040**

Internal reallocation of cost centres for 2018-19 represents an internal cost centre reallocation from the Department of Health (DoH) to Ambulance Tasmania. This adjustment represents the net assets transferred as part of the internal reallocation.

	Notes	Contrib Equity $'000	Reserves $'000	Accum Funds $'000	Total Equity $'000
Balance as at 1 July 2017		**0**	**15 497**	**4 638**	**20 135**
Adjustment of prior period error	8.1	0	(7 727)	7 727	0
Net Result		0	0	(669)	(669)
Other Comprehensive Income		0	1 256	0	1 256
Total comprehensive result		0	1 256	(669)	587
Balance as at 30 June 2018		**0**	**9 026**	**11 696**	**20 722**

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

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Note 1 Underlying Net Operating Balance

	2019 Actual $'000	2018 Actual $'000
Net result from transactions (Net operating balance)	**(2 392)**	**(3 384)**
Less impact of:		
Non-operational capital funding		
Other revenue from Government	0	0
Total	**0**	**0**
Underlying Net operating balance	**(2 392)**	**3 384)**

Note 2 Revenue from Transactions

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.

2.1 Revenue from Government

Appropriations, whether recurrent 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 includes revenue from appropriations, appropriations carried forward under section 8A(2) of the *Public Account Act 1986* and Items Reserved by Law.

Section 8A(2) of the Act allows 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 is recognised as a liability, Revenue Received in Advance (refer Note 6.4). The carry forward from the initial year is recognised as revenue in the reporting year, assuming that the conditions of the carry forward are met and the funds are expended.

	2019 Actual $'000	2018 Actual $'000
Continuing Operations		
Appropriation revenue - recurrent		
Current year	75 712	64 399
	75 712	64 399
Revenue from Government - other		
Appropriation carried forward under section 8A(2) of the Public Account Act 1986 taken up as revenue in the current year	319	0
Total	319	0
Total revenue from Government	**76 031**	**64 399**

2.2 Grants

	2019 $'000	2018 $'000
Continuing Operations		
Capital grants		
Assets transferred	1 469	0
Total	**1 469**	**0**
Total revenue from Grants	**1 469**	**0**

Capital grants for Assets transferred relates to an upgrade of the Latrobe Ambulance Station undertaken by the Department and transferred to Ambulance Tasmania.

2.3 Sales of goods and services

Amounts earned in exchange for the provision of goods are recognised when the significant risks and rewards of ownership have been transferred to the buyer. Revenue from the provision of services is recognised in proportion to the stage of completion of the transaction at the reporting date. The stage of completion is assessed by reference to surveys of work performed.

	2019 $'000	2018 $'000
Ambulance fees	9 613	9 904
Other user charges	896	1 056
Total	**10 509**	**10 960**

2.4 Interest

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

	2019 $'000	2018 $'000
Interest revenue		
Interest on superannuation defined benefit plans	172	91
Total	**172**	**91**

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.

	2019 $'000	2018 $'000
Wages and salaries recoveries	0	282
Workers compensation recoveries	1 127	976
Operating recoveries	7	0
Donations	1	0
Corporate services revenue	2 061	2 553
Corporate overhead funding	473	2 619
Total	**3 669**	**6 430**

Corporate services revenue primarily reflects additional funding provided by the Department above Ambulance Tasmania's approved budget allocation.

Corporate overhead funding represents a contribution by the Department to offset the Corporate Overhead Charge levied against Ambulance Tasmania for costs related to administrative functions performed by the Department.

Note 3 Expenses from Transactions

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.

3.1 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

	2019 $'000	2018 $'000
Wages and salaries including FBT	50 482	45 508
Annual leave	5 973	5 475
Long service leave	1 421	1 261
Sick leave	2 839	2 364
Other employee expenses - recruitment & staff development	334	376
Other employee expenses - other staff allowances	408	400
Superannuation expenses - defined contribution and benefits schemes	7 205	6 449
Total	**68 662**	**61 833**

Superannuation expenses relating to defined benefit schemes relate to payments into the Consolidated Fund. 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 (2018: 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 (2018: 9.5 per cent) of salary. In addition, Ambulance Tasmania is also required to pay into the Consolidated Fund a “gap” payment equivalent to 3.45 per cent (2018: 3.45 per cent) of salary in respect of employees who are members of contribution schemes.

3.2 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 judgment

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

a) Depreciation

	2019 $'000	2018 $'000
Plant, equipment and vehicles	1 734	2 027
Buildings	505	534
Total	**2 239**	**2 561**

b) Amortisation

	2019 $'000	2018 $'000
Intangibles	16	16
Total	**16**	**16**
Total depreciation and amortisation	**2 255**	**2 577**

3.3 Supplies and consumables

	2019 $'000	2018 $'000
Patient and client services	8 415	7 776
Travel, transport and vehicle leasing payments	2 501	2 425
Information technology	1 705	959
Corporate overhead charge	1 606	2 940
Medical, surgical and pharmacy supplies	1 459	1 634
Equipment and furniture	1 050	336
Property services and rental payments	863	633
Other leasing and licencing costs	714	185
Communications	576	631
Maintenance	461	408
Service fees	460	111
Administration	136	133
Other supplies and consumables	109	198
Food production costs	76	59
Audit services	35	27
Consultants	31	65
Advertising and promotion	16	2
Total	**20 213**	**18 522**

The increase in Information technology expenditure relates to Stage 2 of the In-Vehicle Information System project.

Corporate overhead charge includes an information, communication and technology services charge. A charge is also included based on a percentage of expenditure from the Department, which changes from year to year depending on the level of expenditure within Shared Services and annual review of the percentage charged; this charge is offset by an equivalent level of revenue.

The increase in Leasing costs is the result of leasing medical equipment for a full 12 month period.

Equipment and furniture primarily relates to purchase of automated external defibrillators and spinal immobilisation devices.

Audit services includes $35 000 (2018: $19 810) for the external audit of these financial statements by the Tasmanian Audit Office.

3.4 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.

	2019 $'000	2018 $'000
Other Grants		
Grant - other	17	15
Total	**17**	**15**

3.5 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.

	2019 $'000	2018 $'000
Salary on-costs	2 963	2 216
Tasmanian Risk Management Fund premium	132	101
Total	**3 095**	**2 317**

Note 4 Other Economic Flows included in Net Result

Other economic flows measure the change in volume or value of assets or liabilities that do not result from transactions.

4.1 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

All non-financial assets are assessed to determine whether any impairment exists. 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. Ambulance Tasmania's assets are not used for the purpose of generating cash flows; therefore value in use is expected to be materially the same as fair value, as determined under AASB 13 Fair Value Measurement.

All impairment losses are recognised in the Statement of Comprehensive Income unless it relates to a revalued asset. In accordance with AASB 136, for previously revalued assets, any loss is recognised directly against the revaluation reserve, to the extent the loss does not exceed the amount in the revaluation reserve for that same asset class.

In respect of other assets, 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.

	2019 $'000	2018 $'000
Net gains/(loss) on disposal of physical assets	117	(15)
Total net gain/(loss) on non-financial instruments	**117**	**(15)**

4.2 Net gain/(loss) on financial instruments and statutory receivables/payables

In 2017-18 financial assets were assessed at each reporting date to determine whether there was any objective evidence that there were any financial assets that were impaired. A financial asset was considered to be impaired if objective evidence indicated that one or more events had a negative effect on the estimated future cash flows of that asset.

From 2018-19 financial assets are to be impaired by replacing the incurred loss approach under AASB 139 with the expected credit loss approach under AASB 9. The expected credit loss is to be 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.

	Notes	2019 $'000	2018 $'000
Impairment of loans and receivables	5.1	(687)	(672)
Total net gain/(loss) on financial instruments		**(687)**	**(672)**

Other gains/(losses) from other economic flows includes gains or losses from reclassifications of amounts from reserves and/or accumulated surplus to net result.

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

In 2017-18 receivables were recognised at amortised cost, less any impairment losses, however, due to the short settlement period, receivables were not discounted back to their present value. In addition, receivables were subject to an annual review for impairment, where there was objective evidence that, as a result of one or more events that occurred after the initial recognition, the future cash flows have been affected.

From 2018-19, Ambulance Tasmania recognises receivables 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. Ambulance Tasmania recognises an allowance for expected credit losses 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, Ambulance Tasmania applies a simplified approach in calculating expected credit losses. Ambulance Tasmania recognises a loss allowance based on lifetime expected credit losses 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.

	2019 $'000	2018 $'000
Receivables	2 334	2 760
Less: Provision for impairment	0	(517)
Less: Expected credit loss	(242)	0
Total	**2 092**	**2 243**
Sales of goods and services (inclusive of GST)	1 576	2 173
Tax assets	516	70
Total	**2 092**	**2 243**
Settled within 12 months	2 092	2 243
Total	**2 092**	**2 243**

Reconciliation of movement in expected credit loss for receivables	**2019 $'000**
Carrying amount at 30 June 2018 under AASB 139	**517**
Amounts restated through Accumulated Funds	(284)
Carrying amount at 1 July under AASB 9	**233**
Amounts written off during the year	(679)
Increase/(decrease) in provision recognised in profit or loss	688
Carrying amount at 30 June	**242**

Reconciliation of movement in provision for impairment of receivables	**2018 $'000**
Carrying amount at 1 July	**96**
Amounts written off during the year	(251)
Amounts recovered during the year	1
Increase/(decrease) in provision recognised in profit or loss	671
Carrying amount at 30 June	**517**

5.2 Other financial assets

In 2017-18 other financial assets are recorded at amortised cost.

From 2018-19 other financial assets are to be 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).

Ambulance Tasmania recognises an allowance for an expected credit loss for all debt financial assets not held at fair value through profit and loss is being recognised. The expected credit loss is based on the difference between the difference between the contractual cash flows and the cash flows that the entity expects to receive, discounted at the original effective interest rate.

	2019 $'000	2018 $'000
Accrued revenue	765	1 522
Total	**765**	**1 522**
Settled within 12 Months	765	1 522
Total	**765**	**1 522**

Accrued revenue primarily relates to recoveries from the Commonwealth 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.

Inventories are measured using the weighted average cost formula for items recorded in perpetual inventory systems and the first in first out cost formula for other inventory items.

	2019 $'000	2018 $'000
Pharmacy	153	156
General supplies	1 127	1 366
Total	**1 280**	**1 522**
Consumed within 12 months	1 280	1 522
Total	**1 280**	**1 522**

5.4 Property, plant and equipment

Key estimate and judgement

i) Valuation basis

Land, buildings, leasehold improvements and artwork 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
Artwork	$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 of Tasmania as at 30 June 2018. These assets were valued in accordance with the Australian Accounting Standards (AASB 116) and Treasurer's Instructions (TI 303 and TI 206).

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 Australian Accounting Standards, the next valuation will take place in four 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

	2019 $'000	2018 $'000
Land		
Land at fair value	10 635	9 810
Total land	**10 635**	**9 810**
Buildings		
Buildings at fair value	26 512	24 672
Less: Accumulated depreciation	(11 298)	(10 600)
Total	**15 214**	**14 072**
Plant, equipment and vehicles		
At cost	19 090	18 386
Less: Accumulated depreciation	(14 029)	(13 161)
Total plant, equipment and vehicles	**5 061**	**5 225**
Work in progress		
Plant, equipment and vehicles	1 437	876
Total work in progress	**1 437**	**876**
Total Property, plant and equipment	**32 347**	**29 983**

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.

2019	Land Level 2 $'000	Buildings Level 3 $'000	Plant, equipment & vehicles $'000	Works in progress $'000	Total $'000
Carrying value at 1 July	9 810	14 072	5 225	876	29 983
Additions	0	0	0	2 150	2 150
Additions - DoH capital grant	0	0	0	1 469	1 469
Disposals	(10)	(73)	(19)	0	(102)
Revaluation increments (decrements)	835	251	0	0	1 086
WIP transfers	0	1 469	1 589	(3 058)	0
Depreciation	0	(505)	(1 734)	0	(2 239)
Carrying value at 30 June	**10 635**	**15 214**	**5 061**	**1 437**	**32 347**

2018	Land Level 2 $'000	Buildings Level 3 $'000	Plant, equipment & vehicles $'000	Works in progress $'000	Total $'000
Carrying value at 1 July	7 740	15 185	6 178	672	29 775
Additions	0	0	0	1 603	1 603
Disposals	0	0	(217)	0	(217)
Revaluation increments (decrements)	2 055	(847)	48	0	1 256
Grants transfers	0	0	0	127	127
WIP transfers	15	268	1 243	(1 526)	0
Depreciation	0	(534)	(2 027)	0	(2 561)
Carrying value at 30 June	**9 810**	**14 072**	**5 225**	**876**	**29 983**

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

Description	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	15 214	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 last 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 Intangibles

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 are valued at cost less any subsequent accumulated amortisation and any subsequent impairment losses. Where no active market exists, intangible assets held by Ambulance Tasmania are valued at cost less any subsequent accumulated amortisation and any subsequent accumulated impairment losses.

Intangible assets with a finite useful life held by Ambulance Tasmania principally comprise computer software.

a) Carrying amount

	2019 $'000	2018 $'000
Intangibles with a finite useful life		
Other non-current assets at cost	270	270
Less: Accumulated amortisation	(195)	(178)
Total	**75**	**92**

b) Reconciliation of movements

	2019 $'000	2018 $'000
Carrying amount at 1 July	**92**	**108**
Amortisation	(17)	(16)
Carrying amount at 30 June	**75**	**92**

5.6 Other assets

Other assets are recorded at cost and include prepayments.

a) Carrying amount

	2019 $'000	2018 $'000
Prepayments	196	179
Total	**196**	**179**
Recovered within 12 months	196	179
Recovered in more than 12 months	0	0
	196	**179**

Prepayments primarily relate to lease payments for medical equipment which are paid quarterly in advance.

b) Reconciliation of movements

	2019 $'000	2018 $'000
Carrying amount at 1 July	**179**	**2**
Additions	196	179
Utilised	(179)	(2)
Carrying amount at 30 June	**196**	**179**

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.

	2019 $'000	2018 $'000
Creditors	1 332	892
Accrued expenses	46	60
Total	**1 378**	**952**
Settled within 12 months	1 378	952
Settled in more than 12 months	0	0
Total	**1 378**	**952**

Accrued expenses primarily relate to audit fees and fringe benefits tax.

6.2 Employee benefits

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.

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.

	2019 $'000	2018 $'000
Accrued salaries	2 750	2 233
Annual leave	7 371	6 348
Long service leave	9 959	9 098
Sabbatical leave	19	59
Development leave	47	41
Other employee benefits	370	303
Total	**20 516**	**18 082**
Expected to settle wholly within 12 months	9 822	9 336
Expected to settle wholly after 12 months	10 694	8 746
Total	**20 516**	**18 082**

Other employee benefits is comprised of Purchased Leave Scheme and State Service Accumulated Leave Scheme entitlements.

6.3 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 exceptions 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 makes contributions in respect of certain employees of Ambulance Tasmania to the Tasmanian Ambulance Service Superannuation Scheme, being a defined benefit scheme where members receive lump sum benefits on resignation, retirement, death or invalidity. The scheme is closed to new members. Ambulance Tasmania's superannuation obligations in respect of this scheme are recognised at the latest actuarial assessment of the member's entitlements, net of scheme assets.

Actuarial gains or losses arising from the actuarial revaluation of Ambulance Tasmania superannuation liabilities are recognised in the Statement of Comprehensive Income.

a) Type of plan

Tasmanian Ambulance Service Superannuation Scheme

The Tasmanian Ambulance Service Superannuation Scheme balances reported are provided in respect of those employees who are defined benefit members.

The State Actuary undertook a revaluation of the present value of the benefit obligation and the fair value of the plan assets as at 30 June 2019 using the process outlined in *AASB Standard 119 Employee Benefits* issued on September 2011. As a result of the revaluation it was determined that the Tasmanian Ambulance Service Superannuation Scheme was in deficit by $4.6 million (2018: $4.7 million surplus).

b) Reconciliation of movements in Present value of superannuation liability

	Total Liability	
	2019	**2018**
	$'000	**$'000**
Balance at 1 July	**(4 679)**	**(1 411)**
Included in profit or loss		
Current service cost	1 754	1 650
Interest revenue	(172)	(91)
Interest cost	0	0
Past service cost	0	0
	1 582	1 559
Included in other comprehensive income		
Re-measurement loss (gain):		
Actuarial loss (gain)	9 351	565
Return on plan assets excluding interest	(343)	(3 967)
Effect of movement in exchange rates	0	0
	9 008	(3 402)
Other		
Employer contributions	(1 325)	(1 425)
	(1 325)	(1 425)
Balance at 30 June	**4 586**	**(4 679)**

c) Reconciliation of the Fair Value of Scheme Assets

	2019 $'000	2018 $'000
Fair value of scheme assets at beginning of the year	**57 406**	**54 192**
Interest income	1 553	1 520
Actual return on scheme assets less interest income	343	4 356
Employer contributions	1 325	1 425
Contributions by scheme participants	1 007	1 093
Benefits paid	(5 574)	(4 966)
Taxes, premiums & expenses paid	(199)	(214)
Fair value of scheme assets at end of the year	**55 860**	**57 406**

d) Reconciliation of the Defined Benefit Obligation

	2019 $'000	2018 $'000
Present value of defined benefit obligations at beginning of the year^	**52 727**	**53 170**
Current service cost	1 753	1 650
Interest expense	1 381	1 429
Contributions by scheme participants	1 007	1 093
Actuarial (gains)/losses arising from changes in financial assumptions	7 481	729
Actuarial (gains)/losses arising from liability experience	1 870	(165)
Benefits paid	(5 574)	(4 966)
Taxes, premiums & expenses paid	(199)	(214)
Present value of defined benefit obligations at end of the year^	**60 446**	**52 727**

^ Includes defined benefit contributions tax provision

e) Fair value of Scheme assets

Tasmanian Ambulance Service Superaction Scheme

Plan assets comprise:

As at 30 June 2019 ^

Asset Category	Total $'000	Quoted prices in active markets for identical assets - Level 1 $'000	Significant observable inputs - Level 2 $'000	Unobserv-able inputs - Level 3 $'000
Cash deposits	2 458	839	1 619	0
Australian equities	9 384	9 384	0	0
International equities	11 228	8 658	2 570	0
Infrastructure	7 597	2 346	5 251	0
Diversified fixed interest	12 457	0	12 457	0
Property	8 770	0	8 770	0
Alternative investments	3 966	0	3 966	0
Total	**55 860**	**21 227**	**34 633**	**0**

^ Estimated based on estimates scheme assets as at 30 June 2019 and asset allocation and asset allocation of the RBF Scheme as at 30 June 2018.

f) Significant Actuarial Assumptions at the Reporting Date

Tasmanian Ambulance Service Superannuation Scheme

Assumptions to Determine Defined Benefit Cost	2019 %	2018 %
Discount rate	2.80	2.95
Expected salary increase rate	3.00	3.00

Assumptions to Determine Defined Benefit Obligation	2019 %	2018 %
Discount rate	1.45	2.80
Expected salary increase rate	3.00	3.00

g) Sensitivity analysis

Tasmanian Ambulance Service Superannuation Scheme

The defined benefit obligation as at 30 June 2019 under several scenarios is presented below.

Scenario A and B relate to discount rate sensitivity. Scenario C and D relate to expected pension increase rate sensitivity.

Scenario A : 1% pa lower discount rate assumption

Scenario B : 1% pa higher discount rate assumption

Scenario C : 1% pa lower than expected pension increase rate assumption

Scenario D : 1% pa higher than expected pension increase rate assumption

Defined benefit obligation	Base Case	Scenario A -1.0% pa discount rate	Scenario B +1.0% pa discount rate	Scenario C -1.0% pa pension increase rate	Scenario D +1.0% pa pension increase rate
Discount rate (% pa)	1.45	0.45	2.45	1.45	1.45
Pension increase rate (% pa)	3.00	3.00	3.00	2.00	4.00
Defined Benefit obligation^ (A$'000s)	60 446	67 103	54 760	55 728	65 807

^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 $1.4 million (2018: $1.4 million) to the defined benefit plan for the Tasmanian Ambulance Superannuation Scheme during the next financial year.

As at 30 June 2019 the weighted average duration of the defined benefit obligation for Ambulance Tasmania was 9.3 years (2018: 7.9 years).

6.4 Other liabilities

Other liabilities and other financial 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 benefits. Revenue received in advance is measured at amortised cost. On-costs associated with employee benefits expected to be realised within 12 months are measured at the amount expected to be paid. Other on-costs associated with employee benefits are measured at the present value of the cost at 30 June 2019, where the impact of discounting is material, and at the amount expected to be paid if discounting is not material.

	2019 $'000	2018 $'000
Other Liabilities		
Employee benefits - on-costs	310	612
Inter entity balance	434	0
Total	**744**	**612**
Settled within 12 months	553	268
Settled in more than 12 months	191	344
Total	**744**	**612**

The Inter entity balance comprises transactions arising from interaction between Ambulance Tasmania

Note 7 Commitments and Contingencies

7.1 Schedule of commitments

	2019 $'000	2018 $'000
By type		
Capital commitments		
Property, plant and equipment	1 405	0
Total Capital commitments	**1 405**	**0**
Operating lease commitments		
Medical equipment	3 082	3 759
Motor vehicles	658	617
Total Operating lease commitments	**3 740**	**4 376**
Other commitments		
RFDS air ambulance standing charge	18 520	4 076
Tasmanian Police rescue helicopter	10 800	11 112
Emergency Services Computer-Aided Dispatch (ESCAD)	1 092	0
Tasmanian Government Radio Network (TasGRN)	1 086	0
Miscellaneous goods and services contracts	824	0
Radio Maintenance Agreement with TFS	686	446
VACIS Collaboration Agreement	291	438
In-Vehicle Information System (IVIS) contract	254	366
Guardian Command CAD contract	26	308
Total Other commitments	**33 579**	**16 746**
Total	**38 724**	**21 122**
By maturity		
Capital commitments		
One year or less	1 405	0
Total Capital Commitments	**1 405**	**0**
Operating lease commitments		
One year or less	1 165	1 043
From one to five years	2 575	3 154
More than five years	0	179
Total Operating lease commitments	**3 740**	**4 376**
Other commitments		
One year or less	8 336	5 615
From one to five years	25 243	11 130
Total Other commitments	**33 579**	**16 745**
Total	**38 724**	**21 122**

Capital commitments

Property, plant and equipment

Property, plant and equipment commitment include a purchase order for the procurement of 19 Mercedes Sprinter Vans at a cost of $1.405 million.

Operating lease commitments

Ambulance Tasmania 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 are 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.

Ambulance Tasmania is prohibited by Treasurer's Instruction 502 *Leases* from holding finance leases.

Medical equipment (defibrillators)

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.

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. Lease payments vary according to the type of vehicle and, where applicable, the price received for trade-in vehicles. Lease terms for the majority of existing vehicles are for a period of three years or 60 000 km's, whichever comes first, with no change to the lease rate. No restrictions or purchase options are contained in the lease.

Other lease commitments

RFDS air ambulance standing charge

The Royal Flying Doctor Service (RFDS) charge covers availability of the aircraft and a back-up aircraft with pilots available 24 hours a day and other fixtures include a hangar. It does not include variable costs such as flying hours and aviation charges

Tasmania Police rescue helicopter

The Aero-Medical and Medical Retrieval Division (AMMRD) 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.

Emergency Services Computer Aided Dispatch (ESCAD)

ESCAD is the new integrated dispatch system across Tasmania Police, Tasmania Fire Service, State Emergency Service and Ambulance Tasmania. ESCAD will provide the capability to deliver the best possible response to emergencies and calls for assistance, with enhanced safety for the community and emergency services personnel.

Tasmanian Government Radio Network (TasGRN)

TasGRN 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 MOU relates to support and maintenance for the network.

Miscellaneous goods and services contracts

Miscellaneous contracts relate to various commitments below:

- Council of Ambulance Authorities (CAA) are the representative body for the principal statutory providers of ambulance services in Australia and New Zealand.
- Critical Incident Stress Management (CISM) Program is established to manage the impact of critical incidents on the emergency service personnel (careers and volunteers).
- Medical Priority Enterprise Maintenance Agreement (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.

In-Vehicle Information System (IVIS)

The IVIS contract relates to the maintenance and support of on-board computer system with a mobile data screen that are placed in operational Ambulance vehicles. This will provide a mobile interface to the State Communications Centre for Ambulance crews.

Guardian Command Computer Aided Dispatch (CAD) contract

Guardian Command is a state of the art, modern Command and Control system for emergency services Control Rooms. The Guardian Command CAD contract relates to one-month maintenance and support. The system is now replaced by Emergency Services Computer Aided Dispatch (ESCAD).

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.

	2019 $'000	2018 $'000
Quantifiable contingent liabilities		
Contingent claims		
Legal claims	5	5
Total quantifiable contingent liabilities	**5**	**5**

Legal Claims

At 30 June 2019, Ambulance Tasmania had a claim against it for professional negligence. The claim is reported at the estimated net cost to Ambulance Tasmania.

Ambulance Tasmania manages its legal claims through the Tasmanian Risk Management Fund (TRMF). An excess of $40 000 is payable for every claim and amounts over that excess are met by the TRMF.

Note 8 Reserves

8.1 Reserves

2019	Land $'000	Buildings $'000	Artwork $'000	Total $'000
Asset revaluation reserve				
Balance at the beginning of financial year	6 449	2 564	13	9 026
Transfers from accumulated funds	0	14	0	14
Revaluation increments/(decrements)	835	251	0	1 086
Balance at the end of financial year	**7 284**	**2 829**	**13**	**10 126**

2018	Land $'000	Buildings $'000	Artwork $'000	Total $'000
Asset revaluation reserve				
Balance at the beginning of financial year	4 404	11 093	0	15 497
Adjustment of prior period error	(10)	(7 682)	(35)	(7 727)
Revaluation increments/(decrements)	2 055	(847)	48	1 256
Balance at the end of financial year	**6 449**	**2 564**	**13**	**9 026**

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.

Asset revaluation reserve - Adjustment of prior period error

Effective from 1 July 2018, the Department was subject to the State Service (Restructure) Order 2018. As part of the administrative restructure, asset balances of all assets, including the Ambulance Service, 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 $7.727 million was made to the opening balance of the asset revaluation reserve as at 1 July 2018. The corresponding adjustment was to accumulated funds.

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 the Special Deposits and Trust Fund, 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 deposits

Cash and deposits includes the balance of the Special Deposits and Trust Fund Accounts held by Ambulance Tasmania, and other cash held, excluding those accounts which are administered or held in a trustee capacity or agency arrangement.

	2019 $'000	2018 $'000
Special Deposits and Trust Fund balance		
T510 DoH Operating Account	507	146
Total	**507**	**146**
Other cash held		
Other cash equivalents not included above	2	2
Total	**2**	**2**
Total cash and deposits	**509**	**148**

9.2 Reconciliation of Net Result to Net Cash from Operating Activities

	2019 $'000	2018 $'000
Net result from transactions (net operating balance)	(2 392)	(3 384)
Depreciation and amortisation	2 256	2 577
Capital grants income	(1 469)	(127)
Doubtful debts	0	(672)
Expected credit losses	(403)	0
Transfer of assets due to Internal reallocation of cost centres	(339)	0
Net actuarial gains/(losses) on superannuation defined benefit plans	(9 008)	3 402
Decrease (increase) in Receivables	151	(174)
Decrease (increase) in Other assets	740	145
Decrease (increase) in Inventories	242	(228)
Increase (decrease) in Employee entitlements	2 434	2 513
Increase (decrease) in Superannuation	9 265	(3 268)
Increase (decrease) in Payables	426	76
Increase (decrease) in Other liabilities	132	227
Net cash from/(used by) operating activities	**2 035**	**1 087**

Note 10 Events Occurring After Balance Date

The Public Sector Union Wages Agreement 2018 was registered by the Tasmanian Industrial Commission on 19 August 2019. As part of the terms of this Agreement, Departmental employees covered by the Tasmanian State Service Award, are entitled to receive an increase of 2.1 per cent per annum effective from the pay period commencing on 13 December 2018. Ambulance Tasmania is expecting to pay this retrospective increase in respect of the period from 13 December 2018 to 30 June 2019 by 23 October 2019. The estimated amount of the payment is $0.7 million.

Note 11 Other Significant Accounting Policies and Judgements

11.1 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 funds from the Department. In addition, Ambulance Tasmania provides services to fee paying, privately insured patients or patients who will receive compensation for these expenses due to the circumstances surrounding the 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.

11.2 Basis of Accounting

The Commissioner of Ambulance Tasmania has decided that as there are no users dependent on General Purpose Financial Statements, these Special Purpose Financial Statements have been prepared in order to meet the financial reporting obligations of Ambulance Tasmania and the *Audit Act 2008*.

These Special Purpose Financial Statements have 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 and Application of Standards, AASB 1054 Australian Additional Disclosures, AASB 13 Fair Value Measurement, AASB 1004 Contributions and AASB 116 Property Plant and Equipment.

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 and Superannuation Reporting.

The Special Purpose Financial Statements have been prepared on an accrual basis and, except where stated, are in accordance with the historical cost convention. The Financial Statements have been prepared on a going concern. The continued existence of Ambulance Tasmania, undertaking its current activities, is dependant on Government Policy and continuing appropriations through the Department for Ambulance Tasmania's administration and activities.

11.3 Reporting Entity

The Financial Statements include all the controlled activities of Ambulance Tasmania. The Financial Statements consolidate material transactions and balances of Ambulance Tasmania.

11.4 Functional and Presentation Currency

These Financial Statements are presented in Australian dollars, which is Ambulance Tasmania's functional currency.

11.5 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 (AASB) that are relevant to its operations and effective for the current annual reporting period. These include:

- AASB 7 Financial Instruments: Disclosures - the objective of this Standard is to require entities to provide disclosures in their financial statements that enable users to evaluate the significance of financial instruments for the entity's financial position and performance; and the nature and extent of risks arising from financial instruments to which the entity is exposed during the period and at the end of the reporting period, and how the entity manages those risks. The amendments to this Standard have resulted in a reconciliation being required where there is a reclassification of financial assets or liabilities resulting from the adoption of AASB 9. The financial impact is an increase in the net receivables as at 1 July 2018 of $0.28 million and an increase to accumulated surplus of $0.28 million.
- AASB 9 Financial Instruments - the objective of this Standard is to establish principles for the financial reporting of financial assets and financial liabilities that will present relevant information to users of financial statements for their assessment of the amounts, timing, uncertainty of an entity's future cash flows, and to make amendments to various accounting standards as a consequence of the issuance of AASB 9. AASB 9 has replaced accounting for impairment losses with a forward looking expected credit loss approach. Ambulance Tasmania has applied AASB 9 retrospectively and has not restated comparative information which was reported under AASB 139. Any differences arising from the adoption of AASB 9 have been recognised directly to equity. The effect of the change in impairment model to that of expected credit loss under AASB 9 is shown below.

	Allowances for impairment under AASB 139 as at 30 June 2018 $'000	Re-measurement $'000	Expected credit loss under AASB 9 as at 1 July 2018 $'000
Receivables - Impairment	(517)	284	(233)
Total	**(517)**	**284**	**(233)**

AASB 9 introduces new classification and measurement requirements. This has had the following impact on Ambulance Tasmania:

	Measurement category AASB 139	Measurement category AASB 9	Carrying amount 30-Jun-18 $'000	Carrying amount 01-Jul-18 $'000	Difference $'000
Receivables	Loans and Receivables	Amortised Cost	2 243	2 527	284
Total			**2 243**	**2 527**	**284**

In addition to the impact that measurement categories may have on Ambulance Tasmania's financial statements, the following re-classification impacts have occurred due to the introduction of AASB 9:

	Fair-Value through Profit and Loss $'000	Fair-value through Other Comprehensive Income $'000	Other $'000
Closing balance at 30 June 2018 (AASB 139)	0	0	2 243
Receivables	0	0	284
Opening balance 1 July 2018 (AASB 9)	0	0	2 527

The overall effect on equity due to the adoption of AASB 9 is as follows:

	Reserves $'000	Accum Funds $'000	Total Change in Equity $'000
Closing balance at 30 June 2018	**9 026**	**11 696**	**20 722**
Re-classification adjustments	0	0	0
Re-measurement impacts	0	0	0
Recognition of AASB 9 expected credit loss	0	284	284
Opening balance 1 July 2018	**9 026**	**11 980**	**21 006**

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 15 Revenue from Contracts with Customers – The objective of this Standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing, an uncertainty of revenue and cash flows arising from a contract with a customer. In accordance with 2015-8 Amendments to Australian Accounting Standards - Effective Date of AASB 15, this Standard applies to annual reporting periods beginning on or after 1 January 2019. Where an entity applies the Standard to an earlier annual reporting period, it will disclose that fact. There is no financial impact expected from the application of this revised standard. Ambulance Tasmania's major sources of income are from Government Appropriation for recurrent operations, works and services and capital grants. Current operating procedures ensure that revenue is recognised simultaneously that services have been delivered. This timing of revenue recognition is the same as the new standard. Review of other revenue sources confirms that there are no instances where revenue is recognised but the performance obligation under the contract has not been met.
- 2014-5 Amendments to Australian Accounting Standards arising from AASB 15 – The objective of this Standard is to make amendments to Australian Accounting Standards and Interpretations arising from the issuance of AASB 15 Revenue from Contracts with Customers. This Standard applies when AASB 15 is applied, except that the amendments to AASB 9 (December 2009) and AASB 9 (December 2010) apply to annual reporting periods beginning on or after 1 January 2018. This Standard will be applied when AASB 15 is applied. There is no financial impact expected from the application of this revised standard as there is no financial impact expected from the implementation of AASB15.
- 2016-3 Amendments to Australian Accounting Standards - Clarifications to AASB 15 - The objective of this Standard is to clarify the requirements on identifying performance obligations, principal versus agent considerations and the timing of recognising revenue from granting a licence. This Standard applies to annual periods beginning on or after 1 January 2019. The impact is enhanced disclosure in relation to revenue. There is no financial impact expected from the application of this revised standard.
- AASB 16 Leases – The objective of this Standard is to introduce a single lessee accounting model and require a lessee to recognise assets and liabilities. This Standard applies to annual reporting periods beginning on or after 1 January 2019. The standard will result 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 will take into account appropriate discount rates, assumptions about the lease term, and required lease payments. A corresponding right to use asset

will be recognised, which will be amortised over the term of the lease. There are limited exceptions relating to low-value leases and short-term leases. Operating lease costs will no longer be shown. The Statement of Comprehensive Income impact of the leases will be through amortisation and interest charges. Ambulance Tasmania's current operating lease cost is shown at Note 3.3. In the Statement of Cash Flows, lease payments will be shown as cash flows from financing activities instead of operating activities. Further information on Ambulance Tasmania's current operating lease position can be found at Note 7.1. It should be noted that there will be no impact on Ambulance Tasmania's cash flow.

- It is anticipated that the implementation of the new standard will increase Ambulance Tasmania's assets by $2.6 million with a corresponding increase in Ambulance Tasmania's liabilities of $2.6 million. This represents the right to use assets and lease payment obligations associated with building and equipment leases. For the 2019-20 financial year, the annual amortisation expenses is estimated to be $0.7 million with interest expense of $90 000. Annual lease payments are estimated to be $0.8 million.
- In relation to motor vehicle leases, the implementation of the new standard will increase Ambulance Tasmania's assets by $1.1 million and liabilities by $1.1 million. Annual lease costs are estimated to be $0.4 million, with an interest expense of $26 000 and an annual amortisation expense of $374 000.
- AASB 1058 Income of Not-for-Profit Entities - The objective of this Standard is to establish principles for not-for-profit entities that apply to transactions where the consideration to acquire an asset is significantly less that fair value principally to enable a not-for-profit entity to further its objectives, and the receipt of volunteer services. This Standard applies to annual reporting periods beginning on or after 1 January 2019. The impact is enhanced disclosure in relation to income of not-for-profit entities. It should be noted that there will be no impact on Ambulance Tasmania's cash flow, statement of financial position and financial performance, with the exception of recording the contribution of volunteers and the corresponding labour expense which is estimated to be $10.4 million per annum.
- 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.

11.6 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.

11.7 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 11.5.

Where amounts have been reclassified within the Financial Statements, the comparative statements have been restated.

The comparatives for external administrative restructures are not reflected in the Financial Statements.

11.8 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.

11.9 Departmental Taxation

Ambulance Tasmania is exempt from all forms of taxation except Fringe Benefits Tax and Goods and Services Tax (GST).

11.10 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.

Tasmanian Audit Office

Independent Auditor's Report

To 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 Ambulance Tasmania, which comprises the statement of financial position as at 30 June 2019 and 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 the Commissioner of Ambulance Tasmania.

In my opinion, the financial report presents fairly, in all material respects, the financial position of Ambulance Tasmania as at 30 June 2019, 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* (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.

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Emphasis of Matter - Basis of Accounting

I draw attention to Note 11.2 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 he determined 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 have 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

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.

Rod Whitehead
Auditor-General

Tasmanian Audit Office

27 September 2019
Hobart

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Tasmanian Health Services Financial Statements

For the year ended 30 June 201

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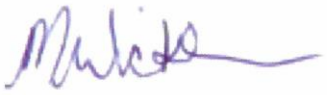
Statement of Certification

The accompanying Financial Statements of the Tasmanian Health Service (THS) and its related bodies 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 *Tasmanian Health Service Act 2018* to present fairly the financial transactions for the year ended 30 June 2019 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
25 September 2019



Michelle Wickham
Acting Chief Corporate Officer
Tasmanian Health Service
24 September 2019

Statement of Comprehensive Income for the year ended 30 June 2019

	Notes	2019 Actual $'000	2018 Actual $'000
Continuing operations			
Revenue and other income from transactions			
Grants	4.1	1 425 839	1 357 657
Sales of goods and services	4.2	183 428	179 459
Interest	4.3	196	155
Contributions received	4.4	180	0
Other revenue	4.5	38 662	36 495
Total revenue and other income from transactions		**1 648 305**	**1 573 766**
Expenses from transactions			
Employee benefits	5.1	1 165 662	1 097 671
Depreciation and amortisation	5.2	46 169	41 435
Supplies and consumables	5.3	455 970	450 500
Grants and subsidies	5.4	7 169	7 049
Other expenses	5.5	28 777	24 618
Total expenses from transactions		**1 703 747**	**1 621 273**
Net result from transactions (net operating balance)		**(55 442)**	**(47 507)**
Other economic flows included in net result			
Net gain/(loss) on non-financial assets	6.1	(229)	(39)
Net gain/(loss) on financial instruments and statutory receivables/payables	6.2	(343)	18
Other gains/(losses) from other economic flows	6.3	0	(4 168)
Total other economic flows included in net result		**(572)**	**(4 189)**
Net result from continuing operations		**(56 014)**	**(51 696)**
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Changes in property, plant and equipment revaluation surplus	10.1	35 072	92 040
Total other comprehensive income		**35 072**	**92 040**
Comprehensive result		**(20 942)**	**40 344**

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

Statement of Financial Position as at 30 June 2019

	Notes	2019 Actual $'000	2018 Actual $'000
Assets			
Financial assets			
Cash and deposits	11.1	49 466	40 789
Receivables	7.1	30 078	20 579
Other financial assets	7.2	16 978	16 693
Non-financial assets			
Inventories	7.3	9 732	9 404
Assets held for sale	7.4	79	0
Property, plant and equipment	7.5	1 077 761	1 069 924
Intangibles	7.6	3 287	3 237
Other assets	7.7	5 395	4 675
Total assets		**1 192 776**	**1 165 301**
Liabilities			
Payables	8.1	102 942	82 599
Employee benefits	8.2	286 967	262 566
Other liabilities	8.4	18 689	15 044
Total liabilities		**408 598**	**360 209**
Net assets		**784 178**	**805 092**
Equity			
Contributed capital	10.3	581 894	581 894
Reserves	10.1	345 650	315 580
Accumulated funds		(143 366)	(92 382)
Total equity		**784 178**	**805 092**

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

Statement of Cash Flows for the year ended 30 June 2019

	Notes	2019 Actual $'000	2018 Actual $'000
Cash flows from operating activities		**Inflows (Outflows)**	**Inflows (Outflows)**
Cash inflows			
Grants - continuing operations		1 410 879	1 324 384
Sales of goods and services		176 252	181 490
GST receipts		39 039	45 497
Interest received		196	155
Other cash receipts		38 662	36 495
Total cash inflows		1 665 028	1 588 021
Cash outflows			
Employee benefits		(1 141 383)	(1 077 868)
GST payments		(42 212)	(45 257)
Grants and transfer payments		(7 169)	(7 049)
Supplies and consumables		(431 199)	(432 428)
Other cash payments		(27 695)	(24 278)
Total cash outflows		**(1 649 658)**	**(1 586 880)**
Net cash from/(used by) operating activities	11.2	**15 370**	**1 141**
Cash flows from investing activities			
Cash inflows			
Proceeds from the disposal of non-financial assets		1	180
Total cash inflows		**1**	**180**
Cash outflows			
Payment for acquisition of non-financial assets		(6 694)	(16 190)
Total cash outflows		**(6 694)**	**(16 190)**
Net cash from/(used by) investing activities		**(6 693)**	**(16 010)**
Net increase/(decrease) in cash and cash equivalents held		**8 677**	**(14 869)**
Cash and deposits at the beginning of the reporting period		**40 789**	**55 658**
Cash and deposits at the end of the reporting period	11.1	**49 466**	**40 789**

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 2019

	Notes	Contrib Equity $'000	Reserves $'000	Accum Funds $'000	Total Equity $'000
Balance as at 1 July 2018		**581 894**	**315 580**	**(92 382)**	**805 092**
Adjustment on opening balance roll-over	10.1	0	(5 002)	5 002	0
Adjustment due to change in accounting policy	15.5	0	0	28	28
Restated balance as at 1 July 2018		**581 894**	**310 578**	**(87 352)**	**805 120**
Net result		0	0	(56 014)	(56 014)
Other comprehensive income		0	35 072	0	35 072
Total comprehensive result		**0**	**35 072**	**(56 014)**	**(20 942)**
Balance as at 30 June 2019		**581 894**	**345 650**	**(143 366)**	**784 178**

	Notes	Contrib Equity $'000	Reserves $'000	Accum Funds $'000	Total Equity $'000
Balance as at 1 July 2017		**581 894**	**223 494**	**(40 525)**	**764 863**
Net Result		0	0	(51 696)	(51 696)
Other Comprehensive Income		0	92 040	0	92 040
Total comprehensive result		**0**	**92 040**	**(51 696)**	**40 344**
Transfers from asset revaluation reserve to accumulated surplus	10.1	0	46	(46)	0
Transactions with owners in their capacity as owners:					
Transfer sale proceeds to the Crown Lands Administration Fund		0	0	(115)	(115)
Balance as at 30 June 2018		**581 894**	**315 580**	**(92 382)**	**805 092**

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 2019

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Note 1 Tasmanian Health Service Output Schedules

1.1 Establishment of the Tasmanian Health Service

The Tasmanian Health Service (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 statewide.

Effective from 1 July 2018, the *Tasmanian Heath Service Act 2018* repealed the *Tasmanian Health Organisation Act 2011*, under which the THS was established. Under the *Tasmanian Heath 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. As a result, Treasury no longer releases Budget Papers specifically for the THS, instead it is captured in the Department's Budget Papers. For this reason, Budget figures are not included in the 2018-19 Financial Statements for the THS.

1.2 Output Group Information

Comparative information has not been restated for administrative restructures.

	2019 Budget $'000	2019 Actual $'000	2018 Actual $'000
Expense by Output			
1.1 Admitted Services	0	941 625	902 335
1.2 Non-admitted Services	0	224 919	215 076
1.3 Emergency Department Services	0	163 603	150 817
1.4 Community and Aged Care Services	0	234 414	222 025
1.5 Statewide and Mental Health Services	0	137 717	129 482
1.6 Forensic Medicine Services	0	1 465	1 538
Total	**0**	**1 703 743**	**1 621 273**

Note 2 Expenditure under Australian Government Funding Arrangements

	State Funding 2019 Actual $'000	State Funding 2018 Actual $'000	Australian Government Funding 2019 Actual $'000	Australian Government Funding 2018 Actual $'000
Specific Purpose Payments				
Activity Based Funding	419 588	360 667	345 244	341 024
Block Funding	579 056	478 363	70 851	62 819
National Partnership Payments				
Health Services	0	0	7 176	5 618
Commonwealth Own Purpose Expenditures				
Other	19 436	5 569	35 630	33 457
Total	**1 018 080**	**844 599**	**458 901**	**442 918**

Specific Purpose Payments (SPPs) 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. SPPs are distributed to the states on the basis of their population shares.

National Partnership Payments (NPPs) are similar to SPPs 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 (COPE) is funding paid directly from the Australian Government to the states and territories for the provision of services identified by the Australian Government. COPE funding includes a State contribution to supplement COPE funded projects where Commonwealth funding is exceeded, primarily in relation to the Home and Community Care program.

Note 3 Underlying Net Operating Balance

Non-operational capital funding reflects the income from transactions relating to funding for capital projects. This funding is classified as revenue from transactions and included in the net operating balance. However, the corresponding capital expenditure is not included in the calculation of the net operating balance.

Accordingly, the net operating balance will portray a position that is better than the true underlying financial result.

For this reason, the Net operating balance is adjusted to remove the effects of funding for capital projects.

Non-operational expenditure that is removed from the net operating balance consists of capital transfers to the THS from the DoH.

	Notes	2019 Budget $'000	2019 Actual $'000	2018 Actual $'000
Net result from transactions (Net operating balance)		**0**	**(55 442)**	**(47 507)**
Less impact of:				
Non-operational capital funding				
Assets transferred		0	14 960	33 273
Total		**0**	**14 960**	**33 273**
Underlying Net operating balance		**0**	**(70 402)**	**(80 780)**

Note 4 Revenue from Transactions

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.

4.1 Grants

Grants payable by the Australian Government are recognised as revenue when the THS gains control of the underlying assets. Where grants are reciprocal, revenue is recognised as performance occurs under the grant.

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

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 or administrative arrangements, they are recognised as contributions by owners directly within equity. In these circumstances, book values from transferor department have been used.

	2019 $'000	2018 $'000
Continuing Operations		
Grants from the Australian Government		
Commonwealth Recurrent Grants - Block Funding	70 851	62 820
Commonwealth Recurrent Grants - Activity Based Funding	345 244	353 084
COPES receipts	34 835	35 825
Other Commonwealth Grants	8 365	4 814
Total	**459 295**	**456 543**
Grants from the State Government		
State Grants - Block Funding	450 878	422 422
State Grants - Activity Based Funding	419 588	367 226
State Grants - Mersey	80 880	78 140
Total	**951 346**	**867 788**
Capital grants		
Assets transferred	14 960	33 273
Total	**14 960**	**33 273**
WIP expensed grants		
Expenses transferred	238	53
Total	**238**	**53**
Total revenue from Grants	**1 425 839**	**1 357 657**

4.2 Sales of goods and services

Amounts earned in exchange for the provision of goods are recognised when the significant risks and rewards of ownership have been transferred to the buyer. Revenue from the provision of services is recognised in proportion to the stage of completion of the transaction at the reporting date. The stage of completion is assessed by reference to surveys of work performed.

	2019 $'000	2018 $'000
Residential rent income	647	602
Commercial rent income	993	872
Pharmacy non-pharmaceutical benefits scheme	2 027	1 692
Prostheses	6 257	5 997
Inpatient, outpatient nursing home fees	60 739	55 641
Ambulance fees	2	0
Dental	7 409	7 925
Pharmaceutical benefits scheme co-payments	507	481
Pharmaceutical benefits scheme revenue from Medicare	55 802	61 040
Private patient scheme	35 590	34 288
Other client revenue	884	1 014
Other user charges	12 571	9 907
Total	**183 428**	**179 459**

4.3 Interest

Interest on funds invested 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 at the time 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.

	2019 $'000	2018 $'000
Fair value of assets assumed at no cost or for nominal consideration	180	0
Total	**180**	**0**

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.

	2019 $'000	2018 $'000
Wages and salaries recoveries	20 866	18 882
Food recoveries	5 174	5 261
Multipurpose centre recoveries	252	269
Workers compensation recoveries	3 823	3 353
Operating recoveries	4 262	5 003
Donations	1 974	1 246
Industry funds	2 311	2 481
Total	**38 662**	**36 495**

Note 5 Expenses from Transactions

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.

5.1 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

	2019 $'000	2018 $'000
Wages and salaries including FBT	927 585	877 876
Annual leave	57 610	56 774
Long service leave	18 981	12 528
Sick leave	32 307	30 780
Other employee expenses - recruitment & staff development	11 978	10 571
Other employee expenses - other staff allowances	1 375	1 217
Superannuation expenses - defined contribution and benefits schemes	115 826	107 925
Total	**1 165 662**	**1 097 671**

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.

Remuneration during 2018-19 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, superannuation obligations and payments made on departure.

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.

2019	Short term benefits Salary[1] $'000	Short term benefits Other Benefits[2] $'000	Long term benefits Superan-uation[3] $'000	Long term benefits Other Benefits and Long-Service Leave[4] $'000	Termination Benefits[5] $'000	Total $'000
Key management personnel						
Chief Operating Officer						
- Nicola Dymond	290	82	30	6	0	408
Chief Corporate Officer						
- Craig Watson	225	20	26	5	0	277
Chief People and Culture Officer						
- Suzanne McCavanagh	176	50	18	4	0	248
Director Strategy and Planning						
- Sharyn Cody	144	27	17	3	0	191
Total	**835**	**180**	**90**	**19**	**0**	**1 125**
Acting Key management personnel						
Chief People and Culture Officer						
- Rebecca Howe (14/03/2019 - 30/06/2019)	52	12	5	0	0	69
Total Key Management Personnel Remuneration	**887**	**192**	**96**	**19**	**0**	**1 194**

2018	Short term benefits Salary[1] $'000	Short term benefits Other Benefits[2] $'000	Long term benefits Superan-uation[3] $'000	Long term benefits Other Benefits and Long-Service Leave[4] $'000	Termination Benefits[5] $'000	Total $'000
Key management personnel						
Governing Council						
- John Ramsay (Governing Council Chair)	160	12	15	0	0	187
- Dr Emil Djakic	34	13	3	0	0	50
- Professor Denise Fassett	34	9	3	0	0	46
- Barbara Hingston	47	0	4	0	0	51
- Mark Scanlon (Chair Audit and Risk Sub-Committee)	34	0	3	0	0	37
- Professor Judith Walker (Chair Partnerships Sub-Committee)	35	5	3	0	0	43
- Martin Wallace (Chair Financial Management and Performance Sub-Committee)	35	2	3	0	0	40
- Dr Judith Watson	34	12	3	0	0	49
- Assoc. Professor Deborah Wilson (Chair Quality and Safety Sub-Committee)	34	6	3	0	0	43
Total Governing Council Remuneration	**447**	**59**	**40**	**0**	**0**	**546**
Executive Directors						
Chief Executive Officer						
- Dr David Alcorn	421	(1)	42	0	385	847
Chief Operations Officer						
- Nicola Dymond	241	43	25	6	0	315
Chief Financial Officer						
- Craig Watson	205	26	27	5	0	263
Executive Director Human Resources and Organisational Development						
- Suzanne McCavanagh	164	47	19	4	0	234
Executive Director Nursing and Midwifery						
- Susan Gannon	192	92	19	4	0	307

2018	Short term benefits Salary[1] $'000	Short term benefits Other Benefits[2] $'000	Long term benefits Superan-uation[3] $'000	Long term benefits Other Benefits and Long-Service Leave[4] $'000	Termination Benefits[5] $'000	Total $'000
Executive Director Patient Safety - Dr Annette Pantle (01/07/2017 - 30/11/2017)	91	95	17	0	0	203
Executive Director Medical Profession - Dr Antonio Xabregas	217	206	50	6	0	479
Executive Director Corporate Systems - Scott Adams (01/07/2017 - 09/03/2018)	130	17	11	(13)	0	145
Director Strategy and Planning - Sharyn Cody	142	4	16	(9)	0	153
Total Executive Directors Remuneration	**1 945**	**548**	**244**	**7**	**385**	**3 129**
Total Key Management Personnel Remuneration	**2 392**	**607**	**284**	**7**	**385**	**3 675**

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 material related party transactions requiring disclosure.

5.2 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	3-20 years

a) Depreciation

	2019 $'000	2018 $'000
Plant, equipment and vehicles	10 446	11 376
Buildings	35 022	29 361
Total	**45 468**	**40 737**

b) Amortisation

	2019 $'000	2018 $'000
Intangibles	701	698
Total	**701**	**698**
Total depreciation and amortisation	**46 169**	**41 435**

5.3 Supplies and consumables

	2019 $'000	2018 $'000
Consultants	1 726	2 712
Property services	39 962	33 415
Maintenance	20 626	19 190
Communications	8 200	7 868
Information technology	8 753	8 881
Travel and transport	12 291	11 567
Medical, surgical and pharmacy supplies	265 491	271 355
Advertising and promotion	137	324
Patient and client services	32 160	31 204
Leasing costs	4 195	3 781
Equipment and furniture	6 284	6 336
Administration	9 207	9 016
Food production costs	9 984	9 605
Other supplies and consumables	8 035	5 625
Corporate overhead charge	27 026	27 440
Service fees	1 575	1 966
Audit fees - financial audit internal and external	318	215
Total	**455 970**	**450 500**

Audit Fees includes expenditure related to the audit of these financial statements. The total audit fee for this financial year is $175 000 (2018: $198 870).

5.4 Grants and subsidies

Grants and subsidies expenditure is recognised to the extent that:

- the services required to be performed by the grantee have been performed or
- the grant edibility 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.

	2019 $'000	2018 $'000
Other Grants		
Grant - other	7 169	7 049
	7 169	7 049
Total	**7 169**	**7 049**

5.5 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.

	2019 $'000	2018 $'000
Salary on-costs	13 503	10 894
Tasmanian Risk Management Fund premium	14 069	13 174
Other	1 205	550
Total	**28 777**	**24 618**

Note 6 Other Economic Flows included in Net Result

Other economic flows measure the change in volume or value of assets or liabilities that do not result from transactions.

6.1 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

All non-financial assets held at cost are assessed to determine whether any impairment exists. Impairment exists when the recoverable amount of an asset held at cost is less than its carrying amount. Recoverable amount is the higher of fair value less costs to sell and value in use.

All impairment losses are recognised in the Statement of Comprehensive Income unless it relates to a revalued asset. In accordance with AASB 136, for previously revalued assets, any loss is recognised directly against the revaluation reserve, to the extent the loss does not exceed the amount in the revaluation reserve for that same asset class.

In respect of assets held at cost, 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.

	2019 $'000	2018 $'000
Net gain/(loss) on disposal of physical assets	(229)	(39)
Total net gain/(loss) on non-financial assets	**(229)**	**(39)**

6.2 Net gain/(loss) on financial instruments and statutory receivables/payables

In 2017-18 financial assets were assessed at each reporting date to determine whether there was any objective evidence that there were any financial assets that were impaired. A financial asset was considered to be impaired if objective evidence indicated that one or more events had a negative effect on the estimated future cash flows of that asset.

From 2018-19 financial assets are to be impaired by replacing the incurred loss approach under AASB 139 with the expected credit loss approach under AASB 9. The expected credit loss is to be 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.

	Notes	2019 $'000	2018 $'000
Impairment of receivables	7.1	(343)	18
Total net gain/(loss) on financial instruments		**(343)**	**18**

6.3 Other gains/(losses) from other economic flows

Other gains/(losses) from other economic flows includes gains or losses from reclassifications of amounts from reserves and/or accumulated surplus to net result.

	2019 $'000	2018 $'000
Net gain/(loss) on disposal	0	(4 168)
Total net gain/(loss) from other economic flows	**0**	**(4 168)**

During 2018, the total net gain/(loss) is related to the de-recognition of improvements on leasehold assets related to the Mersey Community Hospital which were recognised on the transfer of the building asset on 1 July 2017.

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

In 2017-18 receivables were recognised at amortised cost, less any impairment losses, however, due to the short settlement period, receivables were not discounted back to their present value. In addition, receivables were subject to an annual review for impairment, where there was objective evidence that, as a result of one or more events that occurred after the initial recognition, the future cash flows have been affected.

From 2018-19, the THS recognises receivables 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. The THS recognises an allowance for expected credit losses 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, the THS applies a simplified approach in calculating expected credit losses. The THS recognises a loss allowance based on lifetime expected credit losses 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.

	2019 $'000	2018 $'000
Receivables	30 743	21 131
Less: Provision for impairment	0	(552)
Less: Expected credit loss	(665)	0
Total	**30 078**	**20 579**
Sales of goods and services (inclusive of GST)	21 007	14 908
Tax assets	9 071	5 671
Total	**30 078**	**20 579**
Settled within 12 months	30 078	20 579
Total	**30 078**	**20 579**

Reconciliation of movement in expected credit loss for receivables	2019 $'000
Carrying amount at 30 June 2018 under AASB 139	**552**
Amounts restated through Accumulated Funds	(28)
Carrying amount at 1 July under AASB 9	**524**
Amounts written off during the year	(202)
Amounts recovered during the year	(28)
Net transfers through restructure	28
Increase/(decrease) in provision recognised in profit or loss	343
Carrying amount at 30 June	**665**

Reconciliation of movement in provision for impairment of receivables	2018 $'000
Carrying amount at 1 July	**845**
Amounts written off during the year	(275)
Increase/(decrease) in provision recognised in profit or loss	(18)
Carrying amount at 30 June	**552**

For ageing analysis of the financial assets, refer to note 12.1.

7.2 Other financial costs

In 2017-18 Other financial assets are recorded at amortised cost.

From 2018-19 Other financial assets are to be 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).

	2019 $'000	2018 $'000
Accrued revenue	16 974	16 693
Inter entity balance	4	0
Total	**16 978**	**16 693**
Settled within 12 months	16 978	16 693
Total	**16 978**	**16 693**

The Inter entity balance comprises goods and services tax settlement entries arising from interaction between THS and the THS legal trusts.

7.3 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.

	2019 $'000	2018 $'000
Pharmacy	5 864	5 675
Catering	288	324
Linen	945	1 113
General supplies	2 635	2 292
Total	**9 732**	**9 404**
Consumed within 12 months	9 732	9 404
Total	**9 732**	**9 404**

7.4 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, the assets (or components of a disposal group) are remeasured at the lower of carrying amount and fair value less costs to sell.

a) Carrying amount

	2019 $'000	2018 $'000
Land	5	0
Buildings	74	0
Total	**79**	**0**
Settled within 12 months	79	0
Settled in more than 12 months	0	0
Total	**79**	**0**

Assets held for sale include Gellibrand Street, Zeehan. The assets are held for disposal due to the property being listed on the market and will be disposed of in the 2019-20 financial year.

b) Fair value measurement of Assets held for sale (including fair value levels)

2019	Carrying value at 30 June $'000	Fair value measurement at end of reporting period Level 1 $'000	Fair value measurement at end of reporting period Level 2 $'000	Fair value measurement at end of reporting period Level 3 $'000
Land	5	0	5	0
Buildings	74	0	74	0
Total	**79**	**0**	**79**	**0**

7.5 Property, plant and equipment

Key estimate and judgement

i) Valuation basis

Land, buildings, leasehold improvements and artwork is 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
Intangibles	$50 000
Artwork	$10 000

Assets valued at less than $10 000 (or $50 000 for intangible assets) 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 land and building assets were revalued independently by the Valuer-General of Tasmania as at 30 June 2018. These assets were valued in accordance with the Australian Accounting Standards (AASB 13) and Treasurer's Instructions (TI 303 and TI 206).

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 Australian Accounting Standards, the next valuation will take place in four years time with the Valuer-General assisting in the determination of Adjusted Interim Carrying Amounts for the real property for the interim four financial years.

a) Carrying amount

	2019 $'000	2018 $'000
Land		
Land at fair value	83 752	76 250
Total land	**83 752**	**76 250**
Buildings		
Buildings at fair value	1 441 672	1 394 626
Less: Accumulated depreciation	(511 259)	(468 688)
Total	**930 413**	**925 938**
Leasehold Improvements at fair value	15 416	15 416
Less: Accumulated depreciation	(11 319)	(9 888)
Total	**4 097**	**5 528**
Total Buildings	**934 510**	**931 466**
Plant, equipment and vehicles		
At cost	121 488	114 027
Less: Accumulated depreciation	(69 638)	(60 191)
Total Plant, equipment and vehicles	**51 850**	**53 836**
Work in progress		
Buildings	3 200	5 060
Plant, equipment and vehicles	4 449	3 312
Total Work in progress	**7 649**	**8 372**
Total Property, plant and equipment	**1 077 761**	**1 069 924**

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.

2019	Land Level 2 $'000	Buildings Level 2 and 3 $'000	Plant, equipment and vehicles $'000	Work in progress $'000	Total $'000
Carrying value at 1 July	**76 250**	**931 466**	**53 836**	**8 372**	**1 069 924**
Additions - THS acquisition	0	0	1 622	5 981	7 603
Additions – Department of Health capital grant	0	0	0	14 207	14 207
Disposals	0	0	(958)	0	(958)
Revaluation increments (decrements)	7 244	25 989	1 840	0	35 073
Assets held for sale	(5)	(75)	0	0	(80)
Transfers between classes	0	0	330	(330)	0
WIP transfers	263	12 152	5 627	(18 042)	0
WIP expensed	0	0	0	(2 539)	(2 539)
Depreciation	0	(35 022)	(10 446)	0	(45 468)
Carrying value at 30 June	**83 752**	**934 510**	**51 851**	**7 649**	**1 077 762**

2019	Land Level 2 $'000	Buildings Level 2 and 3 $'000	Plant, equipment and vehicles $'000	Work in progress $'000	Total $'000
	61 276	**849 066**	**54 022**	**9 015**	**973 379**
Additions - THS acquisition	1 895	0	(290)	14 585	16 190
Additions – Department of Health capital grant	0	0	0	33 273	33 273
Disposals	0	(4 295)	(125)	0	(4 420)
Revaluation increments (decrements)	13 079	78 733	228	0	92 040
Transfers between classes	0	0	0	409	409
WIP transfers	0	37 323	11 378	(48 701)	0
WIP expensed	0	0	0	(209)	(209)
Depreciation	0	(29 361)	(11 377)	0	(40 738)
Carrying value at 30 June	**76 250**	**931 466**	**53 836**	**8 372**	**1 069 924**

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

Description	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	811 945	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 last 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.

7.6 Intangibles

An intangible asset is recognised where:

- it is probable that an expected 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 are valued at fair value less any subsequent accumulated amortisation where an active market exists. Where no active market exists, intangible assets held by the THS are valued at cost less any subsequent accumulated amortisation.

Intangible assets with a finite useful life held by the THS principally comprise computer software.

a) Carrying amount

	2019 $'000	2018 $'000
Intangibles with a finite useful life		
Other non-current assets at cost	4 125	3 956
Less: Accumulated amortisation	(1 997)	(1 296)
Total	**2 128**	**2 660**
Capital work in progress	1 159	577
Total Intangibles	**3 287**	**3 237**

b) Reconciliation of movements

	2019 $'000	2018 $'000
Carrying amount at 1 July	**3 237**	**4 344**
Additions – Department of Health Capital Grant	752	0
Transfers between classes	0	(409)
Amortisation - intangible assets	(702)	(698)
Carrying amount at 30 June	**3 287**	**3 237**

7.7 Other assets

Other assets are recorded at amortised cost and include prepayments.

a) Carrying amount

	2019 $'000	2018 $'000
Prepayments	5 395	4 675
Total	**5 395**	**4 675**
Recovered within 12 months	5 248	4 387
Recovered in more than 12 months	147	288
	5 395	**4 675**

b) Reconciliation of movements

	2019 $'000	2018 $'000
Carrying amount at 1 July	**4 675**	**5 279**
Additions	5 395	4 675
Utilised	(4 675)	(5 279)
Carrying amount at 30 June	**5 395**	**4 675**

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.

	2019 $'000	2018 $'000
Creditors	30 202	30 620
Accrued expenses	72 740	51 979
Total	**102 942**	**82 599**
Settled within 12 months	46 803	46 750
Settled in more than 12 months	56 139	35 849
Total	**102 942**	**82 599**

Settlement is usually made within 30 days.

8.2 Employee benefits

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.

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.

	2019 $'000	2018 $'000
Accrued salaries	51 822	42 609
Annual leave	88 528	84 822
Long service leave	127 149	117 892
Sabbatical leave	9 880	8 892
Development leave	7 767	6 761
Other employee benefits	1 821	1 590
Total	**286 967**	**262 566**
Expected to settle wholly within 12 months	133 411	118 504
Expected to settle wholly after 12 months	153 556	144 062
Total	**286 967**	**262 566**

Other employee benefits is comprised of Purchased leave, Time off in lieu provisions, Excess on-call leave and State Service Accumulated Leave Scheme entitlements.

8.3 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.

8.4 Other liabilities

Other liabilities and other financial 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 benefits. Revenue received in advance is measured at amortised cost. On-costs associated with employee benefits expected to be realised within 12 months are measured at the amount expected to be paid. Other on-costs associated with employee benefits are measured at the present value of the cost at 30 June, where the impact of discounting is material, and at the amount expected to be paid if discounting is not material.

	2019 $'000	2018 $'000
Revenue received in advance		
Other revenue received in advance	486	967
Other Liabilities		
Employee benefits - on-costs	4 172	3 090
Inter entity balance	6 524	3 399
Funds for distribution - Private Patients Scheme	7 497	7 619
Other liabilities	10	(31)
Total	**18 689**	**15 044**
Settled within 12 months	15 949	13 008
Settled in more than 12 months	2 740	2 036
Total	**18 689**	**15 044**

The Inter entity balance comprises transactions arising from interaction between THS and the Department, including goods and services tax settlement entries.

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

	2019 $'000	2018 $'000
By Type		
Capital Commitments		
Property, Plant and Equipment	0	125
Infrastructure	2 175	0
Total Other Capital Commitments	**2 175**	**125**
Operating Lease Commitments		
Rent on Buildings	24 939	31 975
Medical Equipment	4 620	6 353
Motor Vehicles	6 404	4 082
Total Lease Commitments	**35 963**	**42 410**
Other Commitments		
Miscellaneous Grants	15 657	19 690
Miscellaneous Goods and Services Contracts	202 553	137 947
Information Technology	5 373	8 328
Total Other Commitments	**223 583**	**165 965**
Total	**261 721**	**208 500**
By Maturity		
Capital Commitments		
One year or less	360	125
From one to five years	1 100	0
More than five years	715	0
Total Capital Commitments	**2 175**	**125**
Operating Lease Commitments		
One year or less	10 979	11 749
From one to five years	22 496	25 432
More than five years	2 488	5 229
Total Operating Lease Commitments	**35 963**	**42 410**
Other Commitments		
One year or less	53 102	44 491
From one to five years	153 664	99 772
More than five years	16 817	21 702
Total Other Commitments	**223 583**	**165 965**
Total	**261 721**	**208 500**

The THS 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 are 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.

The THS is prohibited by Treasurer's Instruction 502 Leases from holding finance leases.

Rent on Buildings

The THS leases a range of properties/tenancies around the State for service delivery purposes.

Medical equipment

The THS 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 12 months or the initial term, whichever is the lesser.

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. Lease payments vary according to the type of vehicle and, where applicable, the price received for trade-in vehicles. Lease terms for the majority of existing vehicles are for a period of three years or 60 000 km's, whichever comes first, with no change to the lease rate. No restrictions or purchase options are contained in the lease.

Information Technology

Information Technology includes infrastructure and software licence 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.

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.

	2019 $'000	2018 $'000
Quantifiable contingent liabilities		
Contingent claims		
Medical negligence and workers compensation claims	7 297	6 039
Total quantifiable contingent liabilities	**7 297**	**6 039**
Total quantifiable contingent assets	**0**	**0**

Legal Claims

At 30 June 2019, the THS had a number of legal claims against it for medical negligence and workers compensation. 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 of $50 000 remains payable for every claim and amounts over that excess are met by the TRMF.

b) Unquantifiable contingencies

Legislative compliance

As at 30 June 2019, 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

2019	Land $'000	Buildings $'000	Artwork $'000	Total $'000
Asset revaluation reserve				
Balance at the beginning of financial year	18 943	296 367	270	315 580
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 the end of financial year	**23 949**	**319 725**	**1 976**	**345 650**

2018	Land $'000	Buildings $'000	Artwork $'000	Total $'000
Asset revaluation reserve				
Balance at the beginning of financial year	5 868	217 585	41	223 494
Transfers to accumulated surplus	(4)	50	0	46
Revaluation increments/(decrements)	13 079	78 732	229	92 040
Balance at the end of financial year	**18 943**	**296 367**	**270**	**315 580**

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 7.5.

Asset revaluation reserve – prior period adjustment

As part of the administrative restructure (disclosed in Note 10.2), 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 to the opening balance of the asset revaluation reserve as at 1 July 2018. The corresponding adjustment was to accumulated funds.

10.2 Administrative Restructuring

Effective from 1 July 2018, the *Tasmanian Health Service Act 2018* repealed the *Tasmanian Health Organisation Act 2011*, under which the THS was established. Under the *Tasmanian Health Service Act 2018*, the THS will continue as a separate legal entity governed by an Executive reporting directly to the Secretary of the Department of Health. As part of this, the previous roles of Chief Executive Office and Governing Council ceased from 1 July 2018. The THS is still required under the Act to prepare financial statements for auditing and inclusion in an annual report to be tabled in Parliament.

10.3 Contributed Capital

Contributed Capital records capital contributed on formation of the THS as at 1 July 2015 and is inclusive of amounts resultant from additional administrative restructures.

Capital	2019 $'000	2018 $'000
Contributed capital		
Balance at the beginning of financial year	581 894	581 894
Balance at the end of financial year	**581 894**	**581 894**

Note 11 Cash Flow Reconciliation

Cash means notes, coins, any deposits held at call with a bank or financial institution, and funds held in the Special Deposits and Trust Fund, 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 deposits

Cash and deposits includes the balance of the Special Deposits and Trust Fund Accounts held by the THS, and other cash held, excluding those accounts which are administered or held in a trustee capacity or agency arrangement.

Cash and Deposits		2019 $'000	2018 $'000
Special Deposits and Trust Fund balance			
T477	THS Patient Trust & Bequest Account	18 639	17 530
T533	THS Operating Account	30 784	23 216
Total		**49 423**	**40 746**
Other cash held			
Other cash equivalents not included above		43	43
Total		**43**	**43**
Total cash and deposits		**49 466**	**40 789**

Other cash equivalents represents cash held by the THS derived from Private Patient Scheme debtor payments, as well as petty cash and cash floats.

11.2 Reconciliation of Net Result to Net Cash from Operating Activities

Activity	2019 $'000	2018 $'000
Net result from transactions (net operating balance)	(55 442)	(47 507)
Depreciation and amortisation	46 171	41 436
Recognition of assets as a result of stocktake/donations	(180)	0
Capital grants income	(14 960)	(33 273)
WIP expensed	2 539	209
Doubtful debts	0	18
Expected credit losses	(343)	0
Transfer of assets due to restructure	28	0
Decrease (increase) in Receivables	(9 499)	4 268
Decrease (increase) in Other assets	(1 005)	1 072
Decrease (increase) in Inventories	(328)	344
Increase (decrease) in Employee entitlements	24 401	18 405
Increase (decrease) in Payables	20 343	19 153
Increase (decrease) in Other liabilities	3 645	(2 984)
Net cash from/(used by) operating activities	**15 370**	**1 141**

11.3 Financing Facilities

The THS does not have any financing facilities.

Note 12 Financial Instruments

12.1 Risk Exposure

The THS has exposure to the following risks from its use of financial instruments:

- credit risk
- liquidity risk and
- market risk.

a) Risk management policies

The THS Executive has overall responsibility for the establishment and oversight of the THS 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 exposure

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 and 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 Assets		
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.
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 deposits	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 2018-19. The THS does not hold any security instrument for its Cash and deposits, 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 maximum exposure to credit risk without taking into account any collateral or other security.

The THS maximum exposure to credit risk for its financial assets is $96.5 million (2018: $78 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 and outstanding loans.

Receivables age analysis - expected credit loss

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 2019 and 1 July 2018 (adoption of AASB 9) are as follows.

Expected credit loss analysis of receivables as at 30 June 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%	
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

Expected credit loss analysis of receivables as at 1 July 2018 (adoption date of AASB 9)

	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%	
Total gross carrying amount (B)	5 739	2 246	1 151	623	5 701	15 460
Expected credit loss (A x B)	10	11	42	74	388	525

The following table is for comparative purposes only, and represents the age analysis that was published as part of the THS 2017-18 Financial Statements under the previous accounting standards.

Analysis of financial assets at 30 June 2018 but not impaired

Assets	Not past due $'000	Past due 30 – 120 days $'000	Past due > 120+ days $'000	Total $'000
Receivables	9 287	5 032	6 260	20 579
Other financial assets	16 693	0	0	16 693
Total	**25 980**	**5 032**	**6 260**	**37 272**

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 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 and measurement basis)	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 30 days.
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.

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.

Maturity analysis for financial liabilities

2019	1 Year $ 000	2 Years $ 000	3 Years $ 000	4 Years $ 000	5 Years $ 000	More than 5 Years $ 000	Undis-counted Total $ 000	Carrying Amount $ 000
Financial liabilities								
Payables	46 803	12 767	43 372	0	0	0	102 942	102 942
Other financial liabilities	15 940	2 740	0	0	0	0	18 680	18 680
Total	**62 743**	**15 507**	**43 372**	**0**	**0**	**0**	**121 622**	**121 622**

Maturity analysis for financial liabilities

2018	1 Year $ 000	2 Years $ 000	3 Years $ 000	4 Years $ 000	5 Years $ 000	More than 5 Years $ 000	Undis-counted Total $ 000	Carrying Amount $ 000
Financial liabilities								
Payables	46 750	11 728	24 121	0	0	0	82 599	82 599
Other financial liabilities	13 008	2 036	0	0	0	0	15 044	15 044
Total	**59 758**	**13 764**	**24 121**	**0**	**0**	**0**	**97 643**	**97 643**

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. The primary market risk that the THS is exposed to is interest rate risk.

12.2 Categories of Financial Assets and Liabilities

AASB 9 Carrying amount	2019 $'000
Financial assets	
Financial assets at amortised cost	96 522
Total	**96 522**
Financial Liabilities	
Financial liabilities at fair value through profit and loss	0
Financial liabilities measured at amortised cost	102 942
Total	**102 942**

AASB 139 Carrying amount	2018 $'000
Financial assets	
Cash and cash equivalents	40 789
Receivables	37 272
Total	**78 061**
Financial Liabilities	
Financial liabilities measured at amortised cost	82 599
Total	**82 599**

12.3 Comparison between Carrying Amount and Net Fair Value of Financial Assets and Liabilities

Comparison	Carrying Amount 2019 $'000	Net Fair Value 2019 $'000	Carrying Amount 2018 $'000	Net Fair Value 2018 $'000
Financial assets				
Cash at bank	49 466	49 466	40 789	40 789
Other financial assets				
Receivables	30 078	30 078	20 579	20 579
Other	16 978	16 978	16 693	16 693
Total financial assets	**96 522**	**96 522**	**78 061**	**78 061**
Financial liabilities (Recognised)				
Other financial liabilities				
Other	102 942	102 942	82 599	82 599
Total Financial liabilities (Recognised)	**102 942**	**102 942**	**82 599**	**82 599**

12.4 Net Fair Values of Financial Assets and Liabilities

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	0	0	49 466
Other financial assets				
Receivables	30 078	0	0	30 078
Other	16 978	0	0	16 978
Total financial assets	**96 522**	**0**	**0**	**96 522**
Financial liabilities (Recognised)				
Other financial liabilities				
Other	102 942	0	0	102 942
Total Financial liabilities (Recognised)	**102 942**	**0**	**0**	**102 942**

2018	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	40 789	0	0	40 789
Other financial assets				
Receivables	20 579	0	0	20 579
Other	16 693	0	0	16 693
Total financial assets	**78 061**	**0**	**0**	**78 061**
Financial liabilities (Recognised)				
Other financial liabilities				
Other	82 599	0	0	82 599
Total Financial liabilities (Recognised)	**82 599**	**0**	**0**	**82 599**

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.

Transfer between categories

The THS did not transfer any Financial Assets or Financial Liabilities between Level 1 and Level 2.
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 THS faces while the indemnity remains current.

Note 13 Transactions and Balances Relating to 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 THS 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.

13.1 Activities Undertaken Under a Trustee or Agency Relationships

Account / Activity	Opening balance $'000	Net transactions during 2018-19 $'000	Closing balance $'000
T477 Patient Trust and Hospital Bequest Account	5 304	947	6 251
Mental Health Services Client Trust Account	23	1	24

Note 14 Events Occurring After Balance Date

The Public Sector Union Wages Agreement 2018 was registered by the Tasmanian Industrial Commission on 19 August 2019. As part of the terms of this Agreement, departmental employees covered by the Tasmanian State Service Award, are entitled to receive an increase of 2.1 per cent per annum effective from the pay period commencing on 13 December 2018. The THS is expecting to pay this retrospective increase in respect of the period from 13 December 2018 to 30 June 2019 by 23 October 2019. The estimated amount of the payment is $9.568 million.

Note 15 Other Significant Accounting Policies and Judgements

15.1 Objective and Funding

Under the National Health Reform Agreement (NHRA), funding is provided to the THS on the basis of activity through Activity Based Funding (ABF) 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 NHRA is determined by an Independent Hospitals Pricing Authority (IHPA). 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.

As legislated, the principal purpose of the THS is to:

- Promote and maintain the health or 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's 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.

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
- the Treasurer's Instructions issued under the provisions of the *Financial Management and Audit Act 1990* and
- the *Tasmanian Health Service Act 2018*.

The Financial Statements were signed by the Secretary of the Department of Health on 25 September 2019 and Acting Chief Corporate Officer of the Tasmanian Health Service on 24 September 2019.

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 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 functional currency.

15.5 Changes in Accounting Policies

a) Impact of new and revised Accounting Standards

In the current year, the THS has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for the current annual reporting period. These include:

- AASB 7 Financial Instruments: Disclosures - the objective of this Standard is to require entities to provide disclosures in their financial statements that enable users to evaluate the significance of financial instruments for the entity's financial position and performance; and the nature and extent of risks arising from financial instruments to which the entity is exposed during the period and at the end of the reporting period, and how the entity mages those risks. The amendments to this Standard have resulted in a reconciliation being required where there is a reclassification of financial assets or liabilities resulting from the adoption of AASB 9. The financial impact is an increase in the net receivables as at 1 July 2018 of $0.028 million and a decrease to accumulated surplus of $0.028 million.

- AASB 9 Financial Instruments - the objective of this Standard is to establish principles for the financial reporting of financial assets and financial liabilities that will present relevant information to users of financial statements for their assessment of the amounts, timing, uncertainty of an entity's future cash flows, and to make amendments to various accounting standards as a consequence of the issuance of AASB 9. AASB 9 has replaced accounting for impairment losses with a forward looking expected credit loss approach. The THS has applied AASB 9 retrospectively and has not restated comparative information which was reported under AASB 139. Any differences arising from the adoption of AASB 9 have been recognised directly to equity. The effect of the change in impairment model to that of expected credit loss under AASB 9 is shown below.

Classification	Allowances for impairment under AASB 139 as at 30 June 2018 $'000	Re-measurement $'000	Expected credit loss under AASB 9 as at 1 July 2018 $'000
Receivables	(552)	28	(524)
Total	**(552)**	**28**	**(524)**

AASB 9 introduces new classification and measurement requirements. This has had the following impact on the THS.

Classification	Measurement category AASB 139	Measurement category AASB 9	Carrying amount 30-Jun-18 $'000	Carrying amount 01-Jul-18 $'000	Difference $'000
Receivables	Loans and Receivables	Amortised Cost	14 908	14 936	(28)
Total			**14 908**	**14 936**	**(28)**

In addition to the impact that measurement categories may have on the THS's financial statements, the following re-classification impacts have occurred due to the introduction of AASB 9.

Balance	Fair-Value through Profit and Loss $'000	Fair-value through Other Comprehensive Income $'000	Other $'000
Closing balance at 30 June 2018 (AASB 139)	**0**	**0**	**14 908**
Receivables	0	0	28
Opening balance 1 July 2018 (AASB 9)	**0**	**0**	**14 936**

The overall effect on equity due to the adoption of AASB 9 is as follows

Balance	Reserves $'000	Accumulated Funds $'000	Total Change in Equity $'000
Closing balance at 30 June 2018	**0**	**(92 382)**	**(92 382)**
Re-classification adjustments	0	0	0
Re-measurement impacts	0	0	0
Recognition of AASB 9 expected credit loss	0	28	28
Opening balance 1 July 2018	**0**	**(92 354)**	**(92 354)**

b) Impact of new and revised Accounting Standard yet to be applied

The following applicable Standards have been issued by the AASB and are yet to be applied:

- AASB 15 Revenue from Contracts with Customers – The objective of this Standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing, an uncertainty of revenue and cash flows arising from a contract with a customer. In accordance with 2015-8 Amendments to Australian Accounting Standards - Effective Date of AASB 15, this Standard applies to annual reporting periods beginning on or after 1 January 2019. Where an entity applies the Standard to an earlier annual reporting period, it will disclose that fact. The financial impact is assessed as nil for the THS as there is no change to the timing of the recognition of revenue as a result of adopting this standard.
- 2014-5 Amendments to Australian Accounting Standards arising from AASB 15 – The objective of this Standard is to make amendments to Australian Accounting Standards and Interpretations arising from the issuance of AASB 15 Revenue from Contracts with Customers. This Standard applies when AASB 15 is applied, except that the amendments to AASB 9 (December 2009) and AASB 9 (December 2010) apply to annual reporting periods beginning on or after 1 January 2018. This Standard will be applied when AASB 15 is applied. The financial impact is assessed as nil for the THS as there is no change to the timing of the recognition of revenue as a result of adopting this standard.
- 2016-3 Amendments to Australian Accounting Standards - Clarifications to AASB 15 - The objective of this Standard is to clarify the requirements on identifying performance obligations, principal versus agent considerations and the timing of recognising revenue from granting a licence. This Standard applies to annual periods beginning on or after 1 January 2019. The impact is enhanced disclosure in relation to revenue. The financial impact is assessed as nil for the THS as there is no change to the timing of the recognition of revenue as a result of adopting this standard.

- AASB 16 Leases – The objective of this Standard is to introduce a single lessee accounting model and require a lessee to recognise assets and liabilities. This standard applies to annual reporting periods beginning on or after 1 January 2019. The Standard will result in most of the THS operating leases being brought onto the Statement of Financial Position and additional note disclosures. The calculation of the lease liability will take into account appropriate discount rates, assumptions about the lease term, and required lease payments. A corresponding right to use asset will be recognised, which will be amortised over the term of the lease. There are limited exceptions relating to low-value leases and short-term leases.

  Operating lease costs will no longer be shown. The Statement of Comprehensive Income impact of the leases will be through amortisation and interest charges. The THS current operating lease cost is shown at Note 5.3. In the Statement of Cash Flows, lease payments will be shown as cash flows from financing activities instead of operating activities. Further information on the THS current operating lease position can be found at Note 9.1. It should be noted that there will be no impact on the THS cash flow, however impacts on the THS Statement of Financial Position and Financial Performance have not been completely quantified.

  It is anticipated that the implementation of the new standard will increase THS assets by $31.548 million, with a corresponding increase in THS liabilities of $31.548 million. This represents the right to use assets and lease payment obligations associated with building, equipment and motor vehicles leases. For the 2019-20 financial year, the annual amortisation expense is estimated to be $8.234 million with interest expense of $0.946 million.

- AASB 1058 Income of Not-for-Profit Entities - The objective of this Standard is to establish principles for not-for-profit entities that apply to transactions where the consideration to acquire an asset is significantly less that fair value principally to enable a not-for-profit entity to further its objectives, and the receipt of volunteer services. This Standard applies to annual reporting periods beginning on or after 1 January 2019. The impact is enhanced disclosure in relation to income of not-for-profit entities. The financial impact is assessed to be an additional $1.925 million recognised as donations revenue and associated expenditure of $1.925 million incurred in the consumption of these services in the Statement of Comprehensive Income.

- 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 15.5.

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 Departmental Taxation

The THS is exempt from all forms of taxation except Fringe Benefits Tax (FBT) and Goods and Services Tax (GST).

15.10 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

Tasmanian Audit Office

Independent Auditor's Report

To the Secretary of the Department of Health and 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 (THS), which comprise the statement of financial position as at 30 June 2019 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 (the Department).

In my opinion, the accompanying financial statements:

(a) present fairly, in all material respects, the THS's financial position as at 30 June 2019 and its financial performance and its cash flows for the year then ended

(b) are in accordance with the *Tasmanian Health Service Act 2018* 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* (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.

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
Revenue from sale of goods and services *Refer to note 5.2*	
The THS recognises significant revenue from the sales of goods and services. 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. 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. 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.	• 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 revenue generated. • Assessing the adequacy of relevant disclosures in the financial statements.
Property, plant and equipment *Refer to note 5.2 and 7.5*	
Property, plant and equipment at 30 June 2019 includes land, buildings and leasehold improvements totalling $1.02bn recognised at fair value. The fair value of land is valued with reference to observable prices in an active market. Inputs consider recent market conditions for comparable assets.	• Assessing the scope, expertise and independence of experts engaged to assist in the indexation of land and buildings.

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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 2018-19, land and building assets were adjusted by an indexation factor provided by the Valuer-General. The calculation of building depreciation requires estimation of asset useful lives, which involves a high degree of subjectivity. Changes in assumptions can significantly impact depreciation charged.	• Testing the mathematical accuracy of the indexation calculations. • Evaluating management's assessment of the useful lives. • Performing substantive detailed and analytical procedures on depreciation expense. • Evaluating the adequacy of disclosures made in the financial report, including those regarding key assumptions used.

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 the *Tasmanian Health Service Act 2018*. 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.

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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 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 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 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 report 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.

Rod Whitehead
Auditor-General

Tasmanian Audit Office

27 September 2019
Hobart

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