



**Swan Hill
District Health**
Connected Care. Best Experience.

Swan Hill District Health

Annual Report 2020-21



Swan Hill District Health was established as the Lower Murray District Hospital in 1860.

It was incorporated as the Swan Hill District Hospital on March 11, 1872. The Health Service is now incorporated under Section 31 of the Health Services Act 1988.

NOTE 21A: RESPONSIBLE PERSONS DISCLOSURES

In accordance with the Ministerial Directions issued by the Minister for Finance under the Financial Management Act 1994, the following disclosures regarding responsible persons for the reporting period.

RESPONSIBLE MINISTERS FOR THE REPORTING PERIOD WERE:

Jenny Mikakos,
Minister for Health
Minister for Ambulance Services
From: 01/07/2019 – 26/09/2020

The Hon Martin Foley, MP
Minister for Health
Minister for Ambulance Service
From: 26/09/2020 – 30/06/2021

The Hon Martin Foley, MP
Minister for Mental Health
From: 01/07/2020 – 29/09/2020

The Hon James Merlino, MP
Minister for Mental Health
From: 29/09/2020 to 30/06/2021

Four publications are produced which deal with the functions, powers, duties and activities of the Hospital.

- i. The Constitution Objects and By-laws.
- ii. Strategic Plan.
- iii. The Annual Report and Financial Statements.
- iv. The Health Service Agreement.

Each is obtainable from Swan Hill District Health.

ACKNOWLEDGEMENT TO COUNTRY

Swan Hill District Health would like to acknowledge all the Traditional Aboriginal tribes along the rivers in the Mallee and District area and on whose land, we work and live. We also pay respect to all elders past and present and honour their culture.

CONTENTS

Our Vision and Values	2
Board Chair & Chief Executive's Officer Report	3-4
Board of Directors	5
Board Committees	6
Auditor & Bank Details	6
Organisation Reporting Chart	7
Executive Staff	8
Senior Staff	9
Medical Staff	10
Report of Operations	11-16
Additional Information	16
Disclosure Index	17-18
Our Services & Map of area	19
Statement of Priorities 2020-2021: Part A, B & C	Refer Appendix 1
Financial Statements	Refer Appendix 2

About Swan Hill District Health

WE EXIST TO PROVIDE: CONNECTED CARE, BEST EXPERIENCE

OUR PURPOSE IS:

<p>Priority one:</p> <p><i>Delivering services that make a positive difference</i></p> <p>The healthcare needs of our community are met by providing appropriate, safe, high quality healthcare experiences whilst maximising available resources and delivering services within budget.</p>	<p>Priority two:</p> <p><i>Building a leading culture</i></p> <p>The right quantity; quality and skill mix of our workforce is matched to service delivery for the community needs.</p>	<p>Priority three:</p> <p><i>Working together for improved performance</i></p> <p>Effective partnerships improve community outcomes, effectiveness and efficiency of the health services and sub-regional performance.</p>	<p>Priority four:</p> <p><i>Creating environments for individuals to thrive</i></p> <p>Virtual and physical environments support high quality, safe work practices, care environments and performance.</p>
--	---	--	--

OUR VALUES ARE:



INCLUSIVE

We provide an experience that welcomes and values everyone

COMPASSIONATE

We respond to our people with understanding, empathy and kindness.





PROGRESSIVE

We continue to strive for the best experience outcomes.

ACCOUNTABLE

We personally commit to taking responsibility for all of our decisions and actions.



BOARD CHAIR AND CHIEF EXECUTIVE OFFICER REPORT

Along with many of our counterparts in health and aged care services, this past year has been one of many significant challenges brought about by what we hope to be, a once in a lifetime pandemic.

Throughout the past year, Swan Hill District Health (SHDH) has committed to meeting the health care needs and service demands of the community through the provision of effective and high quality health services that achieve broad and effective health outcomes for our catchment community.

SHDH has an “experienced” led approach to the provision of care and services through the development of key core values that supports the community’s expectations. The values of compassion, accountability, inclusion and progress underpin our approach to the delivery of safe, effective and holistic care.

This past year, SHDH has been challenged to provide strong leadership and commitment to the pandemic COVID response. Protecting the community from COVID has been, and continues to be a priority of our team. The Board is proud of the efforts of our local health service’s response and also, in its support of our neighbouring health services in our local regional area.

We have continued to strengthen our governance systems, and further consolidated our strong partnerships with our neighbouring regional health services to deliver a shared services approach to care. In considering its future strategic direction, the Board has worked to develop its future strategy based around our purpose to provide our community with a connected care experience designed to deliver the best experience possible.

The Board has a focus on the key governing areas of quality care outcomes in a safe environment for our community, financial sustainability and growth, risk management, and community and cultural engagement. Board subcommittee functions are aligned with the strategic direction of SHDH.

Through the pandemic, SHDH has continued its focus in ensuring that the quality & safety processes that oversee our clinical care services are robust and effective in their review and ongoing provision of care. This is achieved through such initiatives as an external clinical service review program; the setting of tolerance and control measures for key performance indicators reporting through the clinical governance dashboard, and the use of patient

stories of their experience to improve the care and services we provide.

This year, we were pleased to be able to welcome the National Standards on Safety & Quality in Healthcare review team who undertook a comprehensive accreditation survey. At this survey, SHDH achieved full compliance with all 10 national standards with no recommendations for improvement forthcoming.

The Board is committed to a strong model of stewardship, undertakes an annual formal assessment, and has implemented a strong focus on continuing education to ensure effective Board governance processes are achieved.

This year, the Board farewelled one member in Emma Liepa who contributed strong leadership and support to the Board over many years.

On behalf of the Board, we wish to congratulate and sincerely thank Emma for her dedication and commitment to SHDH.

The Board also acknowledges the contribution of community member, Warren Pollock in the role of Independent member of the Corporate Governance Committee. Warren has recently resigned this role after many years of service. Independent and community members play an important role in the provision of effective care and can contribute in many ways. The Board is seeking any interested person to come forward and take up one of these important positions. The Board remain highly appreciative of the many volunteers, who contribute their valuable time to support health service provision. SHDH acknowledges that it has been an exceptionally difficult time for volunteers due to the COVID restrictions on visiting our services and sincerely wish to thank them for both their patience and also for their ongoing commitment to our services.

We acknowledge the Swan Hill District Health Ladies Auxiliary for not only their continued financial support of SHDH, but also their contribution to the continued success of the Op Shop. Also recognised is the work of the Hospice Committee and the many other community groups who contribute and donate to SHDH in support.

This past year, SHDH received the wonderful and long awaited news of a funding allocation of \$18.7M from the State Government which, together with the Commonwealth funding allocation of \$30M for a new Swan Hill Hospital development has enabled

BOARD CHAIR AND CHIEF EXECUTIVE OFFICER REPORT

the commencement of the new Emergency Department development to be completed in early 2023.

SHDH wishes to acknowledge the support it has received from the Minister for Health, the Department of Health team and the Commonwealth Department of Health & Aged Care in supporting the ongoing development of SHDH. The Board also acknowledges the support provided by Therese Tierney as the Ministers delegate to SHDH to May 2021.

We wish to recognise the management group and all staff for their dedication and commitment to the ongoing success of our services and consistently working towards SHDH's objectives.

The Board has continued its focus of supporting the future recruitment and retention of a local competent and experienced clinical workforce to support the complex care needs of the broader Mallee community and to continue to support the provision of safe and effective care at all times. SHDH wishes to acknowledge the dedication and commitment of local and visiting medical, clinical and ancillary practitioners.

We acknowledge that the communities served by SHDH are located on the traditional land of the Latji Latji, Tati Tati, Wamba Wamba, Barapa Barapa and the Wadi Wadi clans. We pay our respects to elders both past and present and thank them for their contribution to the development of our services. We also acknowledge other many diverse cultures that make up our community. SHDH is committed to Closing the Gap between the health outcomes and life expectancy of the Aboriginal and Torres Strait Islander people.

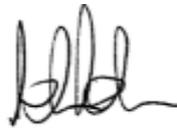
In closing, we wish to acknowledge the dedication and commitment of the entire SHDH team and the support of the community in its response to the pandemic related to COVID-19, in keeping both the community and our staff safe and for their outstanding effort of vaccinating our community to keep them protected.

The SHDH team have and continue to do an outstanding job.



Peter Abraham
Chief Executive Officer
Swan Hill District Health

In accordance with the Financial Management Act 1994, I am pleased to present the report of operations for Swan Hill District Health for the year ending 30 June 2021.



Andrew Gilchrist
Board Member
Swan Hill District Health
29/09/2021

SWAN HILL DISTRICT HEALTH - BOARD OF DIRECTORS 2020-2021



Mr. A. Gilchrist (Andrew)
Chair
Qualifications: B.Business (Ag
Commerce) CPA
Profession/Occupation:
Accountant
Date Appointed: 1st July, 2017



Assoc. Prof. Deb Colville
(Deb)
Qualifications: MBBS, PhD,
FRANZCO, FRACS, M.P.H,
Cert
Profession/Occupation:
Ophthalmologist
Date Appointed: 1st July, 2016



Mrs. A. Patney (Archana)
Qualifications: Ed., Dip
Management, MAICD
Profession/Occupation: Teacher
Date Appointed: 1st July, 2016



Mrs. J. Wiggins (Julie)
Qualifications: Diploma of
Aesthetics; Cert.Strategic
Marketing & Business Mge;
CRS
Profession/Occupation:
Procurement & Properties Co-
Ord.
Date appointed: 1st July, 2018



Ms. E. Liepa (Emma)
Qualifications: GAICD, B.A.
(Communication)
Profession/Occupation: Director
of Policy & Strategy
Date Appointed: 1st July, 2018



Mrs. J. Kelly (Janice)
Qualifications: Ba (Hons), CA,
FCA (England), CTA, BFP,
GAICD
Profession/Occupation:
Accountant
Date Appointed: 1st July, 2019



Mr. G. Kuchel (Greg)
Qualifications: Masters of
Agribusiness
Profession/Occupation: Regional
Manager – Banking
Date Appointed: 1st July, 2017



Mrs. C. Bourne (Claris)
Qualifications: MBA / Chartered
Secretary/ Chartered Governance
Professional /Certified Technical
Financial Accountant
Profession/Occupation:
Company Secretary
Date Appointed: 1st July, 2020

BOARD COMMITTEES

CORPORATE GOVERNANCE

- Janice Kelly, Chair (Board Director)
- Greg Kuchel (Board Director)
- Julie Wiggins (Board Director)
- Claris Bourne (Board Director)

CLINICAL GOVERNANCE

- Deb Colville, Chair (Board Director)
- Andrew Gilchrist (Board Director)
- Emma Liepa (Board Director)
- Julie Wiggins (Board Director)

COMMUNITY and CULTURAL ENGAGEMENT COMMITTEE

- Archana Patney, Chair (Board Director)
- Deb Colville (Board Director)
- Emma Liepa (Board Director)
- Claris Bourne (Board Director)

AUDITOR:

RSD Chartered Accountants
(as agents of Auditor General of Vic.)

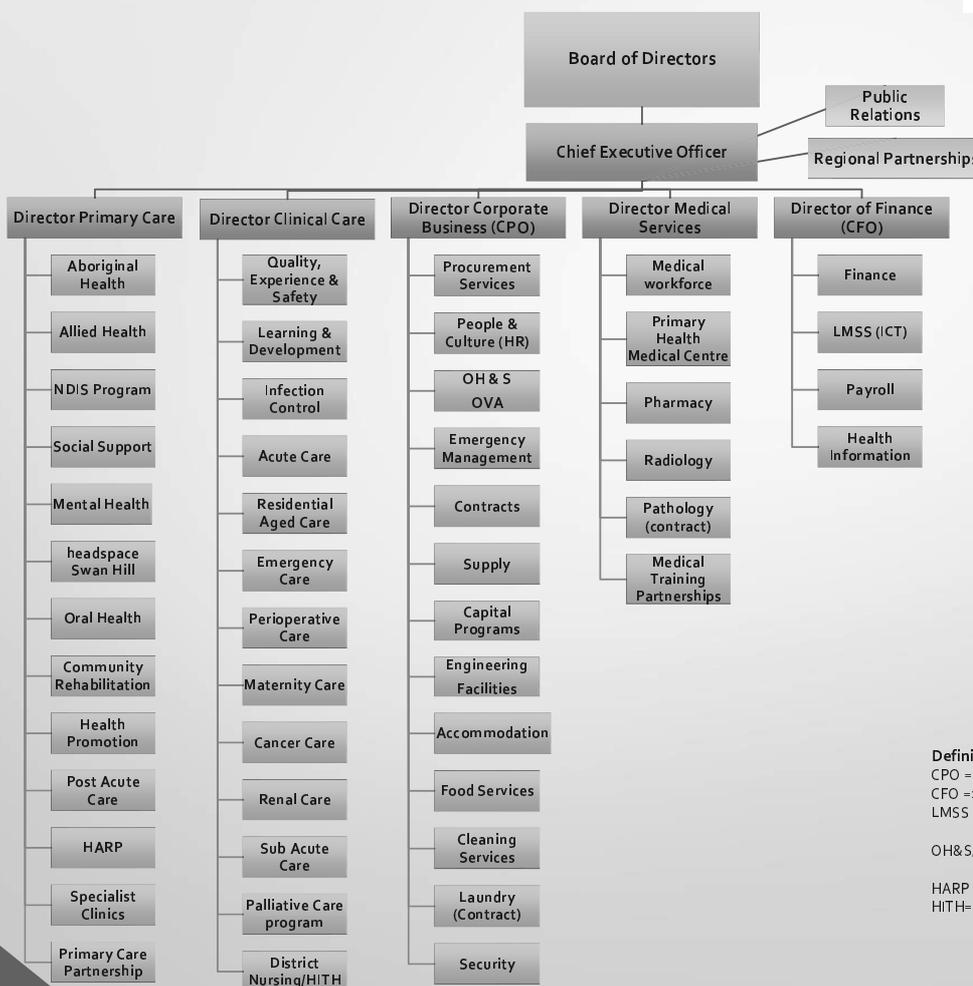
INTERNAL AUDITOR:

AFS & Associates Pty Ltd. Bendigo

BANKERS:

National Australia Bank
Westpac Bank

ORGANISATIONAL REPORTING CHART



Definitions
 CPO => Chief Procurement Officer
 CFO => Chief Finance Officer
 LMSS (ICT) => Loddon Mallee Shared Services / Information Technology
 OH&S/ OVA => Occupational Health & Safety / Occupational Violence & Aggression
 HARP => Hospital Admission Risk Program
 HITH => Hospital in the Home

EXECUTIVE STAFF and RESPONSIBILITIES

CHIEF EXECUTIVE OFFICER

Mr. Peter Abraham, Dip App Science Nursing, Dip Hlth Mgt.

Appointed June 2019

The Chief Executive Officer is responsible to the Board for leading the workforce to deliver on the vision and strategic objectives of SHDH. Key responsibilities include delivering appropriate health care within the parameters of Government policies, the development and implementation of operational plans, maximizing service efficiency, quality improvement and minimisation of risk.

DIRECTOR OF CLINICAL SERVICES

Mrs. Chloe Keogh, Ba.Nsg, Grad. Dip Mid, Grad. Dip MCH, Masters (Health Serv. Mgmt)

Appointed December 2019

The Director of Clinical Services is responsible for nursing professional standards across all services and has operational responsibility for Acute Inpatient Services, Maternity, Emergency Department, Perioperative Services, Renal Dialysis, District Nursing, Aged Care, Sub Acute, Palliative Care, Cancer Care and Oncology and Advance Care Planning. The Quality, Experience and Safety Unit is also headed by the Director of Clinical Services.

DIRECTOR OF CORPORATE BUSINESS/ CHIEF PROCUREMENT OFFICER (CPO)

Ms. Kim Bennetts, GradCertMgt, DipBus (Quality Auditing), Advcert (Food Technology), Cert (Security Operations), CertTrade (Cooking)

Appointed February 2020

The Director of Corporate Business is responsible for all Procurement Services, People and Culture, OH&S, Contracts, Supply, Engineering, Accommodation, Food Services, Cleaning and Laundry Services (Support Services) and Security Functions. The Director of Corporate Business role has oversight of Capital Projects, Legislative Compliance and Asset Management Accountability Framework compliance.

DIRECTOR OF PRIMARY CARE

Mr. Paul Smith, Dip.App.Sc.(Pod.)

Appointed October 2002

The Executive Director of Primary Care leads a comprehensive range of Allied Health, Community and Primary Care Services including Alcohol and Other Drugs, Allied Health, Community Rehabilitation, Dental Services, Health Promotion, Community Nursing, Headspace, Social Support Groups, Aboriginal Liaison, and Strengthening Hospital Response to Family Violence initiative.

DIRECTOR OF MEDICAL SERVICES.

Dr. Rex Prahbu, MBBS.,DCH.MPH. MHSc (Health.Serv.Mgmt),MHSc (OHS)

Appointed February 2019

The Executive Director of Medical Services is responsible for all medical staff within the Hospital and the Primary Health Medical Centre operations. Also for the Medico-Legal Services (FOI), Pharmacy and the contracted services of Pathology and Medical Imaging.

DIRECTOR OF FINANCE (CFO)

Mr. Ragulan Karunanantham, Fcma, Cgma, Bsc, Cpa
Appointed September 2016

The Executive Director of Finance is responsible for Finance, Information and Communication Technology, Health Information Services and Payroll Services.

SENIOR STAFF

MEDICAL SERVICES

Director Medical Services	Dr. Rex Pais Prabhu
Director of Medical Training	Dr. Ernan. Hession
ED Clinical Lead & Medical Educator	Dr Emily Harrison
O&G Clinical Lead	Dr Vasu Iyengar
Hon Director of Anaesthetics	Dr Manzoor Elahi
Medical Services Manager	Mrs. Sarah Symes
Chief Medical Imaging Technologist	Mrs Kate Sears
Director of Pharmacy Practice Manager	Ms. Alexandra Sharpe Ms. Michelle Barry (Acting)

CLINICAL CARE SERVICES

Director of Clinical Care	Mrs. Chloe Keogh
Nursing Coordinators	Mrs. Cheryl Beard Mrs. Emily Miller Ms. Janine McGregor Ms. Jo Dillon
Nurse Unit Managers	
Acute Care	Ms. Rose Hanns
Residential Aged Care	
- DON Residential Aged care	Mrs. Catherine Kemp
- Logan Lodge	Mrs. Lee Sullivan
Jacaranda Lodge	Mrs. Sandra savage
Emergency Care	Ms. Kath Curran
Perioperative Care	Mrs. Donna Hartland
Maternity Care	Mrs. Cheryl Delmenico (Acting)
District Nursing / HITH	Mrs. Maria Fox
Renal Care	Ms. Gillian Mays
Sub Acute	Mrs. Di. Ingusan
Palliative Care	Mrs. Merridee Taverna (Acting)
Quality, Experience & Safety	Mrs. April McKenzie
Learning & Development	Ms. Chloe Pickering
Infection & Prevention Control	Ms. Judy Deveraux
Social Worker	Ms. Cynthia Holland
Breast Care Nurse	Mrs. Leanne Bibby

CORPORATE BUSINESS

Director of Corporate Business	Ms. Kim Bennetts
Engineering Services Manager	Mr. Ken Herman,
Supply Manager	Mr. David McCallum,
Food Production Manager	Mrs. Kristy Coolahan
Occupational Health & Safety Officer	Mrs. Jodie Jones
People & Culture Manager	Mr. Alan Hollway
Environmental Services Manager	Mrs. Toni Saunders

PRIMARY CARE

Director of Primary Care	Mr. Paul Smith
Aboriginal Liaison Officer	Ms. Deb Chaplin
Community Rehabilitation Co-ordinator	Mrs. Kate Corrie
Counselling Services Head	Mrs. Jann Barkman
Chief Dietitian/Health Promotion Head	Mrs. Gayle Taylor
Chief Occupational Therapist	Mr. Bruce Campbell
Chief Physiotherapist	Mrs. Emma Pay
Chief Podiatrist	Mrs. Stacey Worsnop
Chief Speech Pathologist	Ms. Andrea Bortoli
headspace Manager	Mr. Ian Johansen
Dental Clinic Coordinator	Mrs. Jeanette Healey
Social Support Program Coordinator	Mrs. Jamie Garahy

FINANCE DIVISION

Director of Finance	Mr. Ragul Karun
Pay Roll Manager(s)	Ms Nicole Hawkins / Mrs. Belinda Gardner (Joint)
Chief Health Information Manager	Mrs. Megan Leahy
ICT	Managed Service Provider (MSP) Model

Medical Staff

SHDH PRIMARY MEDICAL CLINIC

Dr. Ernan Hession
Dr. Svitlana. Kelada
Dr. Reshma. Banskota
Dr. Zeest. Naveed
Dr Manzoor Elahi
Dr Viraj Rajguru
Dr Sayeed Khan
Dr Nathalie Romond
Dr Khutlo Gwaitwa "Blessed"

SWAN HILL MEDICAL GROUP

Dr. Stewart Booth
Dr. Rahman. Talukder
Dr. Bazel Lodhi

CARDIOLOGY

Dr. G.P. Leidl

GENERAL SURGERY

Mr. Shantha. Tellambura
Mr. Prasenjit. Modak.
Dr. Kaushik. Joshi

GERIATRIC MEDICINE

Dr Keith Kiew
Dr James Wei

OBSTETRICS / GYNAECOLOGY

Dr. Mark. Jalland - Gynaecology
Dr Vasu Iyengar
Dr Nick Ellis

INFECTIOUS DISEASES

Dr. Andrew. Mahony

NEPHROLOGY

Dr. K. Duchlarlet

PAEDIATRICS

Dr Gaurav Kulkarni
Dr Khaing Wai

ONCOLOGY

Dr. Mark. Warren
Dr. Robert. Blum

OPHTHALMIC SURGERY

Dr. Saf. Bassili
Dr Dujon Fuzzard

ORTHOPAEDIC SURGERY

Mr. Neelika. Dayananda
Mr. Simon. Holland

OTORHINOLARYNGOLOGY

Mr. Paul. Paddle
Mr. Ryan. De Freitas

PATHOLOGY

Austin Pathology

RADIOLOGY

Dr. D.M. Cleeve
Dr. R. Jarvis
Dr. S. Skinner
Dr. J. Eng
Dr. J. Wilkie
Dr. J. Tamangani

UROLOGY

Ms. Janelle. Brennan

DENTAL SURGEONS

Dr Sajeve Koshy (Clinical Lead)
Dr. S. Zhang
Dr A. Ng
Dr. R Luc

REPORT OF OPERATIONS

Reconciliation of Net Result from Transactions and Operating Result

	2020-2021 \$000
Net operating result *	0
Capital purpose income	1,818
Specific income	-
COVID 19 State Supply Arrangements Assets received free of charge or for nil consideration under the State Supply	543
State supply items consumed up to 30 June 2021	- 372
Assets provided free of charge	-
Assets received free of charge	-
Expenditure for capital purpose	16
Depreciation and amortisation	- 4,584
Impairment of non-financial assets	-
Finance costs (other)	-
Net result from transactions	- 2,592

CONSULTANCIES

Details of Consultancies under \$10,000:

In 2020-2021 there were six (6) consultancies where the total fees payable to the consultants were less than \$10,000. The total expenditure incurred during 2020-21 in relation to these consultancies is \$ 32,643.00 (excluding GST).

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

In 2021-2022 there were three (3) consultancies where the total fees payable to the consultants was \$10,000 or greater. The total expenditure incurred during 2021-2022 in relation to these consultancies is \$82,565 (excluding GST).

Consultant	Purpose of consultancy	Start Date	End Date	Total approved project fee (excl. GST)	Expenditure 2020-21 (excl. GST)	Future expenditure (excl. GST)
B.School4 Change	SHDH Strategic plan Consultancy	28.11.19	2.11.20	\$10,000	\$10,000	-
Tom Keating and Associates	Supporting Capital Submissions	1.3.21	28.3.21	\$15,000	\$15,000	-
Emmanate	Professional Services and Support initiative	9.6.21	30.6.21	\$57,565	\$57,565	-

INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) EXPENDITURE

The total ICT expenditure incurred during 2020-2021 is **\$1.310** million (excluding GST) with the details shown below:

Business as Usual (BAU) ICT Expenditure	Non-Business as Usual (non-BAU) ICT Expenditure		
	Total = Operational = Expenditure and Capital Expenditure (excl. GST)	Operational Expenditure (excl. GST)	Capital Expenditure (excl. GST)
Total (excl. GST)	0.361m	0	0.361m
0.949m	0.361m	0	0.361m

FREEDOM OF INFORMATION

Freedom of information is the means whereby people may obtain access to information not normally available to them, in accordance with the terms of the Freedom of Information Act 1982.

The Principal Officer under the Act is the Chief Executive Officer; the authorised Freedom of Information Manager is the Director of Medical Services.

The public may seek access to any documents and records held by Swan Hill District Health by making a written request to the Freedom of Information Manager.

This year 156 requests for information were received which related to personal documents.

BUILDING AND MAINTENANCE

Swan Hill District Health complies with the Building Act 1993.

PUBLIC INTEREST DISCLOSURE ACT 2012

Under the Act (Clause 70 'Annual report by public bodies that are not investigating entities') 'health services must include:

- information about how to access the procedures established by the public body under Part 9; and
- in the case of a public body that can receive disclosures made in accordance with Part 2—the number of disclosures notified to the IBAC under section 21(2) during the financial year.

NATIONAL COMPETITION POLICY

SHDH complies with the building and maintenance provisions of the Building Act 1993, inclusive of the relevant provisions in the National Construction Code. All SHDH facilities maintain essential safety measures, maintenance and fire safety audits.

REPORT OF OPERATIONS

CARERS RECOGNITION ACT 2012

Swan Hill District Health takes all practicable measures to ensure that its employees, agents and persons who are in care relationships receiving services have an awareness and understanding of the care relationship principles. We reflect the care relationship principles in developing, providing or evaluating support and assistance for persons in care relationships.

SAFE PATIENT CARE ACT 2015

Swan Hill District Health has nil reports in relation to its obligations under section 40 of the Safe Patient Care Act 2015.

LOCAL JOBS FIRST

Swan Hill District Health acknowledges it is required to abide by the principles of the Victorian Industry Participation Policy Act 2003 (VIPP). In 2019/20 there were no projects commenced to which the VIPP applies. To ensure that all requirements are in place that assures compliance to the VIPP policy requirements, Swan Hill District Health has:

- Delegated the Swan Hill District Health Procurement Team the responsibility for Registration of future projects requiring ICN registration.
- VIPP requirements and statements are incorporated as part of our RFT documents
- Swan Hill District Health has a nominated VIPP Authorised Administrator to ensure future Projects over \$1 million are appropriately captured and compliant with VIPP guidelines and requirements.

OCCUPATIONAL HEALTH AND SAFETY

Swan Hill District Health is committed to ensuring the health, safety and welfare of its visitors, patients and staff and maintains its responsibilities under the Occupational Health and Safety Act 2004 (Vic). And subsequent Regulations. SHDH takes proactive measures to identify and implement mitigation strategies to reduce the risk of injury in consultation with employees, managers and other relevant consumers.

	2020-21	2019-20	2018-19
Number of Reported Hazards / Incidents for the year per 100 FTE	30	32	24

	2020-21	2019-20	2018-19
Number of Lost Time Standard Claims for the year per 100 FTE	0.43	0.66	0.23
Average Cost per Work Cover Claim for the year	\$25,074	\$25,815	\$266962

OCCUPATIONAL VIOLENCE

Occupational Violence Statistics	2020/2021
Work cover accepted claims with an occupational violence cause per 100 FTE	0.21
Number of accepted work cover claims with lost time injury with an occupational violence cause per 1,000,000 hours worked	1.09
Number of occupational violence incidents reported	190
Number of occupational violence incidents reported per 100 FTE	40.04
Percentage of occupational violence incidents resulting in a staff injury, illness or condition	1.58%

Definitions of occupational violence

- **Occupational violence** – any incident where an employee is abused, threatened or assaulted in circumstances arising out of, or in the course of their employment.
- **Incident** – an event or circumstance that could have resulted in, or did result in, harm to an employee. Incidents of all severity rating must be included. Code Grey reporting is not included, however, if an incident occurs during the course of a planned or unplanned Code Grey, the incident must be included.
- **Accepted WorkCover claims** – accepted WorkCover claims that were lodged in 2020-21.
- **Lost time** – is defined as greater than one day.
- **Injury, illness or condition** – this includes all reported harm as a result of the incident, regardless of whether the employee required time off work or submitted a claim.

REPORT OF OPERATIONS

WORKFORCE DATA

NO. OF STAFF EMPLOYED AS AT 30th JUNE, 2021

Hospitals labour category	June month FTE		Average Monthly FTE	
	2020	2021	2020	2021
Nursing	202.9	196.8	191.7	199.1
Administration and Clerical	84.9	95.0	85.6	91.4
Medical Support	24.0	25.4	29.4	27.2
Hotel and Allied Services	81.4	75.5	73.2	77.7
Medical Officers	2.5	3.2	2.5	2.5
Hospital Medical Officers	15.0	18.3	13.8	16.6
Sessional Clinicians	0.3	0.7	0.3	0.5
Ancillary Staff (Allied Health)	54.6	58.4	54.8	56.8
Total:	465.6	473.4	451.3	471.8

GENDER EQUALITY

Swan Hill District Health articulates and supports the principles of diversity and equality in all aspects of our business and operations. Our commitment to this standard as stipulated in the Gender Equality Act 2020 has been demonstrative in our attention to setting progress targets for implementation which has a positive impact upon the diversity and inclusion and positive discrimination to remove gender bias and create sustainable improvement in gender representation from traditional disadvantaged groups.

Our strategy includes:

1. Creating a workforce plan and action plan inclusive within an organisational development plan and **people plan 2021-2024 called "Better Together"** which creates a sustainable environment improving results.
2. We are establishing a diversity and inclusion committee within the workplace and within that agenda is a focus upon gender equality and promotion of gender disadvantaged. This is to be achieved by December 2021.
3. The People and Culture Operations Manager and Health Promotion are

actively involved in the Community and we participate on the community diversity and inclusion committee harmonising strategies between SHDH and the community in order to maximise results.

4. The internal committee will establish key performance indicators for success and employee satisfaction in this area will be measured through employee opinion surveys.
5. A series of swot analysis is being conducted through July 2021 to identify barriers to success and to establish strategy minimising the risk of failure with the measurement of workforce data with qualitative and quantitative data.

LEADERSHIP AND ACCOUNTABILITY (REQUIREMENTS 1-19)

Swan Hill District Health has met its target maturity level under most requirements within this category.

Swan Hill District Health did not comply with some requirements in the areas of monitoring asset performance and system performance. There is no material non-compliance reported in this category. A plan for improvement is in place to improve Swan Hill District Health's maturity rating in these areas.

PLANNING (REQUIREMENTS 20-23)

Swan Hill District Health has met its target maturity level in this category.

ACQUISITION (REQUIREMENTS 24 AND 25)

Swan Hill District Health has met its target maturity level in this category.

OPERATION (REQUIREMENTS 26-40)

Swan Hill District Health has met its target maturity level under most requirements within this category. Swan Hill District Health did not comply with some requirements in the areas information management. Swan Hill District Health is developing a plan for improvement to establish processes to proactively improve on information areas.

DISPOSAL (REQUIREMENT 41)

Swan Hill District Health has met its target maturity level in this category.

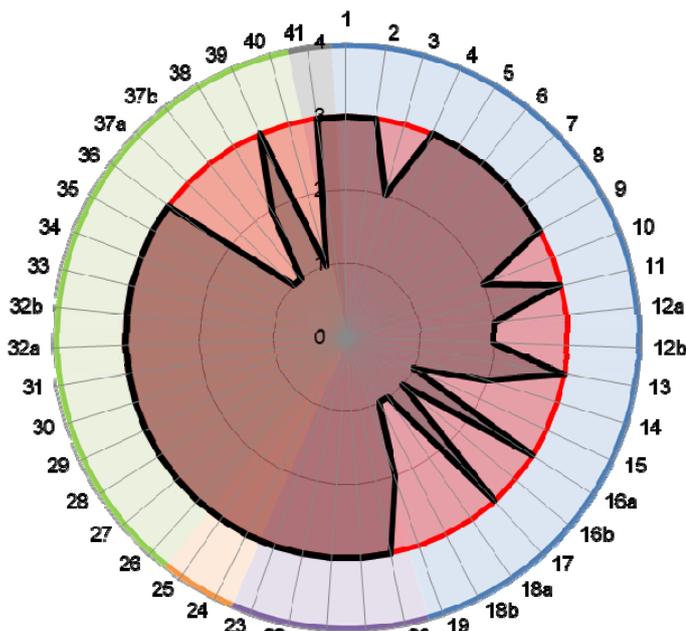
REPORT OF OPERATIONS

ASSET MANAGEMENT ACCOUNTABILITY FRAMEWORK

The following sections summarise Swan Hill District Health assessment of maturity against the requirements of the Asset Management Accountability Framework (AMAF). The AMAF is a non-prescriptive, devolved accountability model of asset management that requires compliance with 41 mandatory requirements. These requirements can be found on the DTF website

<https://www.dtf.vic.gov.au/infrastructure-investment/asset-management-accountability-framework>

Swan Hill District Health target maturity rating is 'competence', meaning systems and processes fully in place, consistently applied and systematically meeting the AMAF requirement, including a continuous improvement process to expand system performance above AMAF minimum requirements.



Legend	
Status	Scale
Not Applicable	N/A
Innocence	0
Awareness	1
Developing	2
Competence	3
Optimising	4
Unassessed	U/A

Target

Overall

ENVIRONMENTAL PERFORMANCE

Swan Hill District Health strives to continually improve the health of the people in our community by providing health care in an environmentally sound and sustainable manner. Swan Hill District Health is committed to continual improvement in energy consumption to reduce its carbon footprint.

The key highlights for the 2020/2021 period have included the following initiatives:

- Environmental Sustainability Plan update 2021-2023 completed.
- Environmental Sustainability Committee has been established.
- All procurement documents include an Environmental Sustainability focus.

GREENHOUSE GAS EMISSIONS			
Total greenhouse gas emissions (tonnes CO2e)	2018-19	2019-20	2020-21
Scope 1	631	762	672
Scope 2	2,933	2,876	2,669
Total	3,564	3,638	3,342
Normalised greenhouse gas emissions			
Emissions per unit of floor space (kgCO2e/m2)	201.26	205.41	188.69
Emissions per unit of Separations (kgCO2e/Separations)	511.74	504.84	502.66
Emissions per unit of bed-day (LOS+Aged Care OBD) (kgCO2e/OBD)	90.4	88.34	83
STATIONARY ENERGY			
Total stationary energy purchased by energy type (GJ)	2018-19	2019-20	2020-21
Electricity	9,868	10,149	9,805
Liquefied Petroleum Gas	10,417	12,580	11,097
Total	20,285	22,729	20,902
Normalised stationary energy consumption			
Energy per unit of floor space (GJ/m2)	1.15	1.28	1.18
Energy per unit of Separations (GJ/Separations)	2.91	3.15	3.14
Energy per unit of bed-day (LOS+Aged Care OBD) (GJ/OBD)	0.51	0.55	0.52
EMBEDDED GENERATION			
Total embedded stationary energy generated by energy type (GJ)	2018-19	2019-20	2020-21
Solar Power	N/A	154	215
Total	N/A	154	215
Normalised embedded generation			
Embedded generation per unit of floor space (GJ/m2)	N/A	0.01	0.01
Embedded generation per unit of Separations (GJ/Separations)	N/A	0.02	0.03
Embedded generation per unit of bed-day (LOS+Aged Care OBD) (GJ/OBD)	N/A	0	0.01
WATER			
Total water consumption by type (kL)	2018-19	2019-20	2020-21
Potable Water	33,519	28,443	18,503
Total	33,519	28,443	18,503
Normalised water consumption (Potable + Class A)			
Water per unit of floor space (kL/m2)	1.89	1.61	1.04
Water per unit of Separations (kL/Separations)	4.81	3.95	2.78
Water per unit of bed-day (LOS+Aged Care OBD) (kL/OBD)	0.85	0.69	0.46
WASTE AND RECYCLING			
Waste	2018-19	2019-20	2020-21
Total waste generated (kg clinical waste+kg general waste+kg recycling waste)	13,762	19,537	102,693
Total waste to landfill generated (kg clinical waste+kg general waste)	13,355	14,016	76,937
Total waste to landfill per patient treated ((kg clinical waste+kg general waste)/PPT)	0.22	0.22	1.25
Recycling rate % (kg recycling / (kg general waste+kg recycling))	100	100	29.73

REPORT OF OPERATIONS

CORPORATE GOVERNANCE COMMITTEE

(As from March 2021)

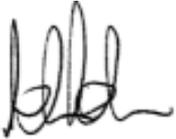
(Formerly Audit & Resources Committee)

This Committee provides independent and objective appraisal on the organisations operation:-

Warren Pollock (Independent Member)
Janice Kelly, Chair
Greg Kuchel
Julie Wiggins
Claris Bourne

FINANCIAL MANAGEMENT COMPLIANCE ATTESTATION

I, Andrew Gilchrist on behalf of the Responsible Body, certify that Swan Hill District Health has no Material Compliance Deficiency with respect to the applicable Standing Directions under the Financial Management Act 1994 and Instructions.



Andrew Gilchrist
Accountable Officer

DATA INTEGRITY

I, Peter Abraham certify that Swan Hill District Health has put it place appropriate internal controls and processes to ensure that reported data accurately reflects actual performance. Swan Hill District Health has critically reviewed these controls and processes during the year.



Peter Abraham
Accountable Officer

INTEGRITY, FRAUD AND CORRUPTION

I, Peter Abraham certify that Swan Hill District Health has put in place appropriate internal controls and processes to ensure that Integrity, fraud and corruption risks have been reviewed and addressed at Swan Hill District Health during the year.



Peter Abraham
Accountable Officer

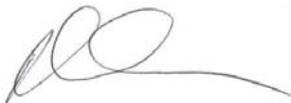
REPORT OF OPERATIONS

CONFLICT OF INTEREST

I, Peter Abraham certify that Swan Hill District Health has put in place appropriate internal controls and processes to ensure that it has complied with the requirements of hospital circular 07/2017.

Compliance reporting in health portfolio entities (Revised) and has implemented a 'Conflict of Interest' policy consistent with the minimum accountabilities required by the VPSC.

Declaration of private interest forms have been completed by all executive staff within Swan Hill District Health and members of the board, and all declared conflicts have been addressed and are being managed. Conflict of interest is a standard agenda item for declaration and documenting at each executive board meeting.



Peter Abraham
Accountable Officer

ADDITIONAL INFORMATION

Consistent with FRD22I (Section 5.19), details in respect of the items listed below have been retained by the health service and are available to the relevant Ministers, Members of Parliament and the public on request (subject to the freedom of information requirements, if applicable):

Declarations of pecuniary interests have been duly completed by all relevant officers;

Details of shares held by senior officers as nominee or held beneficially;

Details of publications produced by the entity about itself, including annual Aboriginal cultural safety reports and plans, and how these can be obtained.

Details of changes in prices, fees, charges, rates and levies charged by the Health Service;

Details of any major external reviews carried out on the Health Service;

Details of major research and development activities undertaken by the Health Service that are not otherwise covered either in the report of operations or in a document that contains the financial statements and report of operations;

Details of overseas visits undertaken including a summary of the objectives and outcomes of each visit;

Details of major promotional, public relations and marketing activities undertaken by the Health Service to develop community awareness of the Health Service and its services;

Details of assessments and measures undertaken to improve the occupational health and safety of employees;

A general statement on industrial relations within the Health Service and details of time lost through industrial accidents and disputes, which is not otherwise detailed in the report of operations;

A list of major committees sponsored by the Health Service, including any Aboriginal advisory or governance committees, the purposes of each committee and the extent to which those purposes have been achieved.

Details of all consultancies and contractors including consultants/contractors engaged, services provided, and expenditure committed for each engagement.

Disclosure Index

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

Legislation	Requirement	Page Reference
Ministerial Directions		
Report of Operations		
Charter and purpose		
FRD 22I	Manner of establishment and the relevant Ministers	Inside front cover
FRD 22I	Purpose, functions, powers and duties	Inside front cover
FRD 22I	Nature and range of services provided	Inside from cover
FRD 22I	Activities, programs and achievements for the reporting period	3
FRD 22I	Significant changes in key initiatives and expectations for the future	3
Management		
FRD 22I	Organisational structure	7
FRD 22I	Workforce data/employment and conduct principles	13
FRD 22I	Occupational Health and Safety	12
Financial Information		
FRD 22I	Summary of the financial results for the year	Appendix 2
FRD 22I	Significant changes in financial position during the year	Appendix 2
FRD 22I	Operational and budgetary objectives and performance against objectives	Appendix 1,2 & 3
FRD 22I	Subsequent events	-
FRD 22I	Details of consultancies under \$10,000	11
FRD 22I	Details of consultancies over \$10,000	11
FRD 22I	Disclosure of ICT expenditure	11
Legislation		
FRD 22I	Application and operation of Freedom of Information Act 1982	11
FRD 22I	Compliance with building and maintenance provisions of Building Act 1993	11
FRD 22I	Application and operation of Public Interest Disclosure Act (Updated 2020-2021)	11
FRD 22I	Statement on National Competition Policy	11
FRD 22I	Application and operation of Carers Recognition Act 2012	12
FRD 22I	Summary of the entity's environmental performance	14
FRD 22I	Additional information available on request	16

Disclosure Index

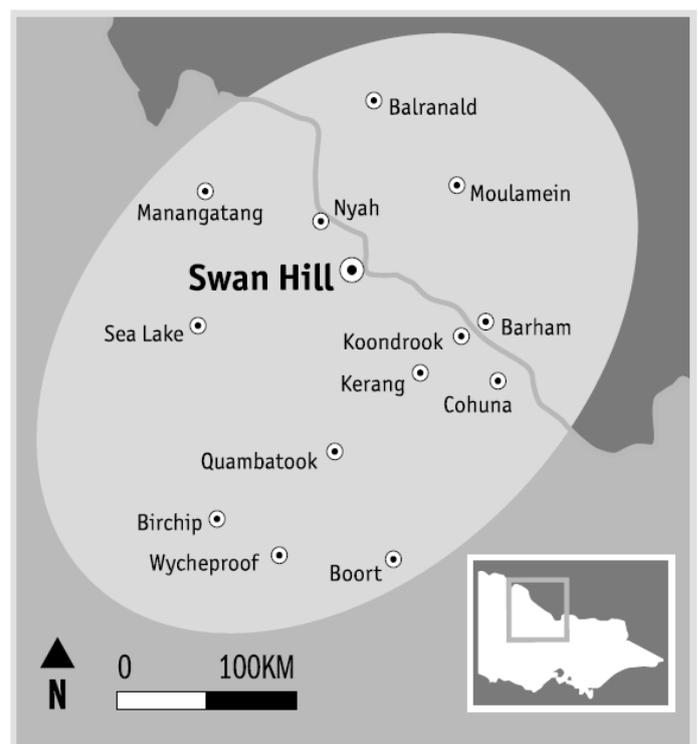
Legislation	Requirement	Page Reference
Other relevant reporting directives		
FRD 25D	Local Jobs First Act disclosures	12
SD 5.1.4	Financial Management Compliance attestation	15
SD 5.2.3	Declaration in report of operations	4
Attestations		
	Attestation on Data Integrity	15
	Attestation on managing Conflicts of Interest	16
	Attestation on Integrity, fraud and corruption	15
Other reporting requirements		
	• Reporting of outcomes from Statement of Priorities 2020-2021	Appendix 1
	• Occupational Violence reporting	12
	• Gender Equality Act	13
	• Asset Management Accountability Framework	14
	• Reporting obligations under the Safe Patient Care Act 2015	12

Our Services

Aboriginal Services
Acute Care
Advance Care Planning
Aged Care Residential
Breast Care Nurse
Breastfeeding
Cancer Care
Cardiac Rehabilitation
Care Co-ordination
Chemotherapy
Community Health Nursing
Community Rehabilitation
Continence Service
Counselling Service, incl. Alcohol and Other
Drug Services
COVID-19 Testing and Vaccinations
Dental
Diabetes
Dietetics
District Nursing
Domiciliary Midwifery Service
Emergency Department
General Medicine
General Surgery
Geriatric Medicine
GP – Primary Health Medical Clinic
Gynaecology
Haemodialysis
Headspace
Health Clinics
Health Promotion
Hospital Admission Risk Program
Hospital in the Home
Lymphoedema Service
Meals on Wheels
Midwifery
Nephrology
Occupational Therapy
Day Oncology
Ophthalmology Surgery
Orthopaedic Surgery
Otorhinolaryngology Surgery
Paediatric Medicine
Palliative Care
Pharmacy
Pharmacotherapy
Physiotherapy
Podiatry
Post Acute Care Services
Pregnancy and Birth

Radiology
Renal Dialysis
Social Support Group
Speech Pathology
Stomal Therapy
Sub Acute
Surgical
Telehealth
Transitional Care
Urology Surgery
Vascular Services
Women's Health

SERVICES LOCATED AT MAIN CAMPUS
PROVIDED BY OTHERS:
Austin Health Pathology



BLANK PAGE

INSIDE BACK COVER



**Swan Hill
District Health**

Connected Care. Best Experience.

Splatt Street, PO Box 483. Swan Hill, Vic 3585

Phone: (03) 5033 9300

www.shdh.org.au

ABN: 24 314 338 210

Appendices

Appendix 1:

- Statement of Priorities – 2020-2021: Part A, B & C

Appendix 2:

- Activity Data
- Summary of Financial Results
- Comparative Statistical Statement for five years
- Victorian Auditor-General's Office (VAGO) Report
- Financial Result for 2020/21.

Reporting of outcomes from the Statement of Priorities 2020-21 PART A

Strategic Priorities	SHDH Strategy and Outcome
<p>Maintain a robust COVID-19 readiness and response which includes testing for community and staff and the vaccine immunisation program rollout.</p>	<p>Swan Hill District Health has a well-developed Pandemic Management Plan that has undergone rigorous review and scenario testing. SHD has conducted COVID-19 screening tests and vaccinations across two sites in Swan Hill and Kerang throughout the reporting period. SHDH has provided strong support to its sub regional and regional partners in responding effectively to COVID.</p>
<p>Engage with your community to address the needs of patients, especially our vulnerable Victorians whose care has been delayed due to the pandemic and provide the necessary “catch-up” care to support them to get back on track.</p>	<p>Strong focus on accessing telehealth across primary and community care programs during lock downs. High Risk Accommodation Housing vaccination and support programs implemented to support at risk, vulnerable people. Targeted COVID and vaccination awareness and promotion program led by the SHDH Refugee Health and Health promotion undertaken in the CALD, Refugee and Asylum Seeker populations.</p> <p>Youth Mental health awareness program delivered through headspace Swan Hill.</p> <p>The Loddon Mallee Health Network (LMHN) are leading the cluster implementation of the Elective Surgery Blitz and Better at Home Initiative. Both funding sources have enabled SHDH to increase theatre patients were operated on in 2020-21), Hospital In The Home (HITH) and Complex Care activity enabling more people with chronic conditions to receive timely access to care.</p>
<p>As providers of care, respond to the recommendations of the Royal Commission into Victoria’s Mental Health system and the Royal Commission into Aged Care Quality and Safety.</p>	<p>SHDH is the lead agency for headspace Swan Hill. Strong partnership developed with Bendigo Health Community Mental Health team based in Swan Hill to better support patients with mental health conditions presenting to the ED. Establishment of a Mental Health Practitioner position in the SHDH Primary Care Medical Centre and a Drug and Alcohol Nurse Practitioner who provides support across all SHDH service areas. Frontline worker completion of Mental Health First Aid training completed.</p> <p>The Board Clinical Governance Committee reviews the Aged Care clinical governance indicator suite bi-monthly. Logon Lodge and Jacaranda Lodge Residential Aged care facilities have introduced the SIRS (Serious Incident Response Scheme). Process have been reviewed to ensure that we meet the additional reporting requirements with My Aged Care, NDIS Commission, VICNISS including the appointment of Infection Control champions across both facilities. A new Director of Nursing position has been appointed to oversee both sites. Facility building and equipment upgrades have also been completed across both sites</p>

Strategic Priorities	SHDH Strategy and Outcome
<p>Develop and foster your local health partner relationships, which have been strengthened during the pandemic response, to continue delivering collaborative approaches to planning, procurement and service delivery at scale. This extends to prioritising innovative ways to deliver health care through shared expertise and workforce models, virtual care, co-commissioning services and surgical outpatient reform to deliver improved patient care through greater integration.</p>	<p>The SHDH CEO is a Board member of the Loddon Mallee Health Network (LMHN) and Chair of the LMHN Quality & Safety Committee.</p> <p>The SHDH Director of Clinical Care is the Chair of the LM Regional Director of Clinical Services.</p> <p>The SHDH Director of Corporate Business supports sub regional procurement activity and provides corporate support to Kerang District Health.</p> <p>SHDH is an active member of the Murray Health and the Mallee Health Partnership.</p> <p>SHDH has committed resources to the regional staff furloughing plan supporting both the Mildura and the Echuca communities.</p> <p>SHDH provides outreach Specialist Geriatrician services to Kerang District Health, Cohuna District Hospital and Mallee & District Aboriginal Service. An outreach model of Pharmacy support has been developed for Kerang District Health.</p>
<p>Initiatives to support Aboriginal Cultural Safety</p>	<p>The SHDH Aboriginal Reconciliation Action Plan was developed by the Aboriginal Health Committee and adopted by the Community & Cultural Advisory Committee</p> <p>A Cultural awareness eLearning module has been introduced with 65% of all employees having completed the modules.</p> <p>An Aboriginal Health Manager role has been initiated.</p> <p>SHDH engaged in the NAIDOC week celebrations and new art work for key SHDH service areas procured.</p> <p>CEO is chair of the LM improving Aboriginal Cultural Safety in Health Services Committee.</p>

SWAN HILL DISTRICT HEALTH

PART B – Key 2020-21 Performance Priorities

High quality and safe care		
Key performance measure	Target	Outcome
Infection prevention and control		
Compliance with the Hand Hygiene Australia program	83%	87.9%
Percentage of healthcare workers immunised for influenza	90%	98%
Patient experience		
Victorian Healthcare Experience Survey – percentage of positive patient experience responses	95%	No Surveys conducted in 2020-2021
Victorian Healthcare Experience Survey – percentage of very positive responses to questions on discharge care	75%	No Surveys conducted in 2020-2021
Maternity and Newborn		
Rate of singleton term infants without birth anomalies with APGAR score <7 to 5 minutes	≤ 1.4%	0.7%
Rate of severe fetal growth restriction (FGR) in singleton pregnancy undelivered by 40 weeks	≤ 28.6%	0.0%
Continuing Care		
Functional independence gain from an episode of rehabilitation admission to discharge relative to length of stay	≥ 0.645	1.480

Timely access to care		
Key performance measure	Target	Outcome
Emergency care		
Percentage of patients transferred from ambulance to emergency department within 40 minutes	90%	99%
Percentage of Triage Category 1 emergency patients seen immediately	100%	100%
Percentage of Triage Category 1 to 5 emergency patients seen within clinically recommended time	80%	94%
Percentage of emergency patients with a length of stay in the emergency department of less than four hours	81%	85%
Number of patients with a length of stay in the emergency department greater than 24 hours	0	1
Specialist clinics		
Percentage of urgent patients referred by a GP or external specialist who attended a first appointment within 30 days	100%	100%

SWAN HILL DISTRICT HEALTH

PART B – Key 2020-21 Performance Priorities

Effective financial management		
Key performance measure	Target	2020-21 result
Operating result (\$m)	0.000	0.000
Average number of days to pay trade creditors	60 days	20 days
Average number of days to receive patient fee debtors	60 days	24 days
Public and Private WIES activity performance to target	100%	86.2%
Adjusted current asset ratio	0.7 or 3% improvement from health service base target	1.08
Actual number of days available cash, measured on the last day of each month.	14 days	6.8 days
Variance between forecast and actual Net result from transactions (NRFT) for the current financial year ending 30 June.	Variance ≤ \$250,000	\$3.318m

SWAN HILL DISTRICT HEALTH

PART C – 2021-21 Activity Reporting

FUNDING TYPE	2020-21 ACTIVITY ACHIEVEMENT
Acute Admitted	
Acute WIES	3,778
WIES Public	3,029
WIES Private	648

SWAN HILL DISTRICT HEALTH

KEY FINANCIAL AND SERVICE PERFORMANCE ACTIVITY

ACTIVITY DATA

	Acute Health	Aged Care	Other	Total
Admitted Patient Separations				
Same Day	3,960			3,960
Multi Day	2,255	164		2,419
Total Separations	6,215	164		6,379
Emergency	1,724			1,724
Elective	4,272			4,272
Other	219			219
Total Separations	6,215			6,215
Public Separations	4,774			4,774
Total WIES	3,765			3,765
Total Bed Days	14,838	26,043		40,881

	Acute Health	Sub Acute	Other	Total
Non Admitted Patients				
Emergency Medical Attendances	12,758			12,758
Outpatient Services	19,631		0	19,631
Other Services **	-	16,770	19,964	36,734
Total Occasions of Service	32,389	16,770	19,964	69,123

** Includes : Community Rehabilitation Centre,Palliative Care,HACC Services, ADASS Support Service,Primary Care,Health Promotion and Koori Liaison Services.

SUMMARY FINANCIAL RESULTS

	2020/21 \$000	2019/20 \$000	2018/19 \$000	2017/18 \$000	2016/17 \$000
Operating Results	-	(560)	(2,736)	(77)	(133)
Total Expenses	84,164	79,376	71,374	64,315	60,702
Total Revenue	81,573	77,384	69,542	63,404	58,160
Net Results from transactions	(2,592)	(1,992)	(1,832)	(911)	(2,542)
Other Economic Flows	-	(318)	(330)	(184)	(109)
Net Results	(1,942)	(2,310)	(2,162)	(1,095)	(2,651)
Accumulated Surpluses	(1,020)	922	3,232	5,394	6,489
Total Assets	89,080	88,881	89,791	83,548	81,343
Total Liabilities	29,283	27,142	25,742	25,427	22,551
Net Assets	59,797	61,739	64,049	58,121	58,792
Total Equity	59,797	61,739	64,049	58,121	58,792

SWAN HILL DISTRICT HEALTH

COMPARATIVE STATISTICAL STATEMENT FOR FIVE YEARS

	2020-21	2019-20	2018-19	2017-18	2016-17
Number of Available Beds					
Hospital	79	74	74	65	65
Aged Care	75	75	75	75	75
In - Patients Treated					
Hospital	6,215	6,573	6,380	6,240	6,607
Aged Care	164	141	168	138	114
Daily Average of Inpatients					
Hospital	41.1	43.5	38.5	37.7	37.4
Aged Care	71.4	72.7	72.5	73.8	74.7
Average Days Stay of Inpatients					
Hospital	2.4	2.2	2.0	2.0	1.9
Aged Care	168.0	189.6	168.6	170.6	239.1
Emergency Department					
All Activity	14,654	15,910	14,933	13,999	12,726
Community Rehabilitation Centre					
Attendances	10,634	9,037	10,316	9,621	8,584
Day Centre					
Attendances	1,671	2,292	2,216	2,282	2,214
Visiting Nursing Service "					
Attendances	5,841	7,693	7,655	8,583	10,380
Dental Clinic ^^					
Occasions of Service	0	0	0	0	5
Dietetics Department					
Occasions of Service	2,539	2,410	2,189	2,397	2,279
Occupational Therapy Department					
Occasions of Service	5,844	6,572	3,892	5,041	4,920
Physiotherapy Department ^					
Occasions of Service	9,318	9,849	8,368	6,836	6,643
Podiatry Department					
Occasions of Service	1,867	1,842	2,698	2,530	3,073
Speech Pathology Department					
Occasions of Service	2,671	2,416	3,287	3,938	3,346

SWAN HILL DISTRICT HEALTH COMPARATIVE STATISTICAL STATEMENT FOR FIVE YEARS

	2020-21	2019-20	2018-19	2017-18	2016-17
Radiology Department					
Occasions of Service	24,145	24,337	25,945	23,986	23,251
Care Co-Ordinator Services					
Number of Cases	1,862	1,670	2,140	1,858	2,373
Counselling Services ""					
Clients	0	0	77	174	318
Occasions of Service	3,047	3,644	2,871	2,521	2,531
No of Groups	0	15	16	0	8
No of Group Attendances	0	104	156	2,521	2,614
Palliative Care Service					
Occasions of Service	6,136	7,501	7,248	6,001	6,448
Pharmacy - Workload Units	136,426	189,224	186,265	172,219	176,427
Food Services Department					
No of Meals Prepared	188,329	189,036	187,457	194,264	184,790
Operations Performed	2,243	2,078	2,145	2,173	2,172
Urgent #	149	190	220	243	207
Non Urgent #	2,094	1,888	1,925	1,930	1,965
Births	174	195	168	215	232
Deaths	85	95	91	91	94
Acute Patient Weighted Inlier Equivalent Separations - (WIES)	3,765	4,358	4,432	4,366	4,535

^ Physiotherapy now recording Group Session contacts previously not reported - 2018/19

^^ Dental no longer using vouchers - 2017/18

" Visiting Nursing service attendance down due to more time allotted to clients care.

"" Counselling Services groups = Generic and Primary Health Network - 2019-2020

Swan Hill District Health

24 314 338 210

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

SWAN HILL DISTRICT HEALTH

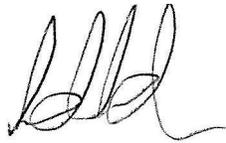
Board member's, accountable officer's, and chief finance & accounting officer's declaration

The attached financial statements for Swan Hill District Health have been prepared in accordance with Direction 5.2 of the Standing Directions of the Assistant Treasurer under the *Financial Management Act 1994*, applicable Financial Reporting Directions, Australian Accounting Standards including Interpretations, and other mandatory professional reporting requirements.

We further state that, in our opinion, the information set out in the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement and accompanying notes, presents fairly the financial transactions during the year ended 30 June 2021 and the financial position of Swan Hill District Health at 30 June 2021.

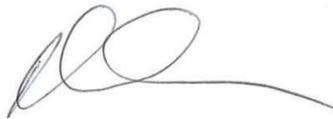
At the time of signing, we are not aware of any circumstances which would render any particulars included in the financial statements to be misleading or inaccurate.

We authorise the attached financial statements for issue on 29th of September 2021.



A. Gilchrist
Board Chair

Swan Hill
29 September 2021



P. Abraham
Chief Executive Officer

Swan Hill
29 September 2021



C. Bailey
Chief Finance & Accounting Officer

Swan Hill
29 September 2021

Independent Auditor's Report

To the Board of Swan Hill District Health

Opinion I have audited the financial report of Swan Hill District Health (the health service) which comprises the:

- balance sheet as at 30 June 2021
- comprehensive operating statement for the year then ended
- statement of changes in equity for the year then ended
- cash flow statement for the year then ended
- notes to the financial statements, including significant accounting policies
- board member's, accountable officer's and chief finance & accounting officer's declaration.

In my opinion the financial report presents fairly, in all material respects, the financial position of the health service as at 30 June 2021 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 7 of the *Financial Management Act 1994* and applicable Australian Accounting Standards.

Basis for Opinion I have conducted my audit in accordance with the *Audit Act 1994* which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report.

My independence is established by the *Constitution Act 1975*. My staff and I are independent of the health service in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Board's responsibilities for the financial report The Board of the health service is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the *Financial Management Act 1994*, and for such internal control as the Board determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Board is responsible for assessing the health service's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.

Auditor's responsibilities for the audit of the financial report

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

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

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

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



Dominika Ryan

as delegate for the Auditor-General of Victoria

MELBOURNE
15 October 2021

Swan Hill District Health

Comprehensive Operating Statement For the Financial Year Ended 30 June 2021

	Note	2021 \$'000	2020 \$'000
Revenue and income from transactions			
Operating activities	2.1	80,861	76,434
Non-operating activities	2.1	712	950
Total revenue and income from transactions		81,573	77,384
Expenses from transactions			
Employee expenses	3.1	(50,700)	(48,234)
Non salary labour costs	3.1	(11,312)	(10,426)
Supplies and consumables	3.1	(7,537)	(7,016)
Depreciation	3.1	(4,584)	(4,543)
Other operating expenses	3.1	(9,660)	(9,080)
Other non-operating expenses	3.1	(372)	(77)
Total expenses from transactions		(84,165)	(79,376)
Net result from transactions - net operating balance		(2,592)	(1,992)
Other economic flows included in net result			
Net gain/(loss) on sale of non-financial assets	3.4	116	(55)
Net gain/(loss) on financial instruments	3.4	(20)	(24)
Other gain/(loss) from other economic flows	3.4	(96)	(239)
Total other economic flows included in net result		-	(318)
Net result for the year		(2,592)	(2,310)
Other comprehensive income			
Items that will not be reclassified to net result			
Changes in property, plant and equipment revaluation surplus	4.1(b)	650	-
Total other comprehensive income		650	-
Comprehensive result for the year		(1,942)	(2,310)

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

Swan Hill District Health

Balance Sheet As at 30 June 2021

	Note	2021 \$'000	2020 \$'000
Current assets			
Cash and cash equivalents	6.2	22,630	21,006
Receivables and contract assets	5.1	1,397	1,157
Inventories		230	362
Prepaid expenses		219	247
Total current assets		24,476	22,772
Non-current assets			
Receivables and contract assets	5.1	1,298	1,349
Property, plant and equipment	4.1(a)	63,306	64,760
Total non-current assets		64,604	66,109
Total assets		89,080	88,881
Current liabilities			
Payables and contract liabilities	5.2	4,529	4,631
Borrowings	6.1	123	5
Provisions	3.2	10,878	10,069
Other liabilities	5.3	11,572	10,572
Total current liabilities		27,102	25,277
Non-current liabilities			
Borrowings	6.1	486	196
Provisions	3.2	1,695	1,669
Total non-current liabilities		2,181	1,865
Total liabilities		29,283	27,142
Net assets		59,797	61,739
Equity			
Property, plant and equipment revaluation surplus	4.1(f)	43,395	42,745
Special purpose surplus	SCE	3,705	3,552
Contributed capital	SCE	18,072	18,072
Accumulated surplus/(deficit)	SCE	(5,375)	(2,630)
Total equity		59,797	61,739

This balance sheet should be read in conjunction with the accompanying notes.

Swan Hill District Health

Statement of Changes in Equity For the Financial Year Ended 30 June 2021

	Property, Plant and Equipment Revaluation Surplus	Restricted Specific Purpose Reserve	Contributed Capital	Accumulated Surpluses/ (Deficits)	Total
Note	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2019	42,745	1,548	18,072	1,684	64,049
Net result for the year	-	-	-	(2,310)	(2,310)
Other comprehensive income for the year	4.1(f)	-	-	-	-
Transfer from/(to) accumulated deficits	-	2,004	-	(2,004)	-
Balance at 30 June 2020	42,745	3,552	18,072	(2,630)	61,739
Net result for the year	-	-	-	(2,592)	(2,592)
Other comprehensive income for the year	4.1(f)	650	-	-	650
Transfer from/(to) accumulated deficits	-	153	-	(153)	-
Balance at 30 June 2021	43,395	3,705	18,072	(5,375)	59,797

This Statement should be read in conjunction with the accompanying notes

Swan Hill District Health

Cash Flow Statement For the Financial Year Ended 30 June 2021

	Note	2021 \$'000	2020 \$'000
Cash Flows from operating activities			
Operating grants from government - State		53,451	49,407
Operating grants from government - Commonwealth		10,113	8,843
Capital grants from government - State		1,602	869
Capital grants from government - Commonwealth		44	-
Patient and resident fees received		4,082	3,889
Private practice fees received		803	723
Donations and bequests received		177	2,007
GST received from/(paid to) ATO		(14)	129
Recoupment from private practice for use of hospital facilities		1,787	1,608
Interest received		22	195
Other receipts		8,360	8,718
Total receipts		80,427	76,388
Employee expenses paid		(49,959)	(48,106)
Non salary labour costs		(11,312)	(10,426)
Payments for supplies and consumables		(7,884)	(7,053)
Other payments		(7,881)	(5,642)
Total payments		(77,036)	(71,228)
Net cash flows from/(used in) operating activities	8.1	3,391	5,160
Cash flows from investing activities			
Payments for non-financial assets		(1,870)	(1,725)
Proceeds from disposal of property, plant and equipment		161	98
Net cash flows from/(used in) investing activities		(1,709)	(1,626)
Cash flows from financing activities			
Proceeds from borrowings		-	166
Repayment of lease liabilities		(58)	-
Net cash flows from/(used in) financing activities		(58)	166
Net increase/(decrease) in cash and cash equivalents held		1,624	3,700
Cash and cash equivalents at beginning of year		21,006	17,306
Cash and cash equivalents at end of year	6.2	22,630	21,006

This Statement should be read in conjunction with the accompanying notes

Swan Hill District Health

Notes to the Financial Statements For the Financial Year Ended 30 June 2021

Note 1 Basis of presentation

These financial statements represent the audited general purpose financial statements for Swan Hill District Health for the year ended 30 June 2021. The report provides users with information about Swan Hill District Health's stewardship of the resources entrusted to it.

This section explains the basis of preparing the financial statements and identifies the key accounting estimates and judgements.

Note 1.1 Basis of preparation of the financial statements

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

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

Swan Hill District Health is a not-for-profit entity and therefore applies the additional AUS paragraphs applicable to a "not-for-profit" health service under the Australian Accounting Standards. Australian Accounting Standards, set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Apart from the changes in accounting policies, standards, and interpretations as noted below, material accounting policies adopted in the preparation of these financial statements are the same as those adopted in the previous period.

Swan Hill District Health operates on a fund accounting basis and maintains three funds: Operating, Specific Purpose and Capital Funds.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs; modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

The financial statements have been prepared on a going concern basis (refer to Note 8.8 Economic Dependency).

The financial statements are in Australian dollars.

The amounts presented in the financial statements have been rounded to the nearest thousand dollars. Minor discrepancies in tables between totals and sum of components are due to rounding.

The annual financial statements were authorised for issue by the Board of Swan Hill District Health on 29th of September 2021.

Note 1.2 Impact of COVID-19 pandemic

In March 2020 a state of emergency was declared in Victoria due to the global coronavirus pandemic, known as COVID-19. Since this date, to contain the spread of COVID-19 and prioritise the health and safety of our community, Swan Hill District Health was required to comply with various directions announced by the Commonwealth and State Governments, which in turn, has continued to impact the way in which Swan Hill District Health operates.

Swan Hill District Health

Notes to the Financial Statements For the Financial Year Ended 30 June 2021

Note 1.2 Impact of COVID-19 pandemic (continued)

Swan Hill District Health introduced a range of measures in both the prior and current year, including:

- introducing restrictions on non-essential visitors;
- greater utilisation of telehealth services;
- implementing reduced visitor hours;
- deferring elective surgery and reducing activity;
- administering COVID-19 vaccinations;
- performing COVID-19 testing; and
- implementing work from home arrangements where appropriate.

As restrictions have eased towards the end of the financial year, Swan Hill District Health has been able to revise some measures where appropriate.

Further information on the impacts of the pandemic are disclosed at:

Note 2: Funding delivery of our services.

Note 3: The cost of delivering services.

Note 4: Key Assets to support service delivery.

Note 5: Other Assets and Liabilities.

Note 6: How we finance our operations.

Note 8: Other Disclosures

Note 1.3 Abbreviations and terminology used in the financial statements

The following table sets out the common abbreviations used throughout the financial statements:

Reference	Title
AASB	Australian Accounting Standards Board
AASs	Australian Accounting Standards, which include Interpretations
DH	Department of Health
DTF	Department of Treasury and Finance
FMA	Financial Management Act 1994
FRD	Financial Reporting Direction
SD	Standing Direction
VAGO	Victorian Auditor General's Office
WIES	Weighted Inlier Equivalent Separation
SHDH	Swan Hill District Health

Note 1.4 Joint arrangements

Interests in joint arrangements are accounted for by recognising in Swan Hill District Health's financial statements, its share of assets and liabilities and any revenue and expenses of such joint arrangements.

Swan Hill District Health has the following joint arrangements:

- Loddon Mallee Rural Health Alliance

Details of the joint arrangements are set out in Note 8.7.

Swan Hill District Health

Notes to the Financial Statements For the Financial Year Ended 30 June 2021

Note 1.5 Key accounting estimates and judgements

Management make estimates and judgements when preparing the financial statements.

These estimates and judgements are based on historical knowledge and best available current information and assume any reasonable expectation of future events. Actual results may differ.

Revisions to key estimates are recognised in the period in which the estimate is revised and also in future periods that are affected by the revision.

The accounting policies and significant management judgements and estimates used, and any changes thereto, are identified at the beginning of each section where applicable and are disclosed in further detail throughout the accounting policies.

Note 1.6 Accounting standards issued but not yet effective

An assessment of accounting standards and interpretations issued by the AASB that are not yet mandatorily applicable to Swan Hill District Health and their potential impact when adopted in future periods is outlined below:

Standard	Adoption Date	Impact
AASB 17: <i>Insurance Contracts</i>	Reporting periods on or after 1 January 2023	Adoption of this standard is not expected to have a material impact.
AASB 2020-1: <i>Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current</i>	Reporting periods on or after 1 January 2022.	Adoption of this standard is not expected to have a material impact.
AASB 2020-3: <i>Amendments to Australian Accounting Standards – Annual Improvements 2018-2020 and Other Amendments</i>	Reporting periods on or after 1 January 2022.	Adoption of this standard is not expected to have a material impact.
AASB 2020-8: <i>Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform – Phase 2</i>	Reporting periods on or after 1 January 2021.	Adoption of this standard is not expected to have a material impact.

There are no other accounting standards and interpretations issued by the AASB that are not yet mandatorily applicable to Swan Hill District Health in future periods.

Note 1.7 Goods and Services Tax (GST)

Income, expenses and assets are recognised net of the amount of GST, except where the GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

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

Cash flows are included in the Cash Flow Statement on a gross basis, except for the GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the ATO, which are disclosed as operating cash flows.

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

Swan Hill District Health

Notes to the Financial Statements For the Financial Year Ended 30 June 2021

Note 1.8 Reporting Entity

The financial statements include all the activities of Swan Hill District Health.

Its principal address is:

48 Splatt Street
Swan Hill, Victoria 3585

A description of the nature of Swan Hill District Health's operations and its principal activities is included in the report of operations, which does not form part of these financial statements.

Swan Hill District Health

Notes to the Financial Statements For the Financial Year Ended 30 June 2021

Note 2 Funding delivery of our services

Swan Hill District Health's overall objective is to provide quality health services in the right setting by dedicated people with and for our community, as well as improve the quality of life to Victorians. Swan Hill District Health is predominantly funded by grant funding for the provisions of outputs. Swan Hill District Health also receives income from the supply of services.

Structure:

2.1 Income from Transactions

2.2 Fair value of assets and services received free of charge or for nominal consideration

Telling the COVID-19 story

Revenue recognised to fund the delivery of our services increased during the financial year which was partially attributable to the COVID-19 coronavirus pandemic.

Activity Based Funding decreased as the level of activity agreed in the Statement of Priorities couldn't be delivered due to reductions in the number of patients being treated at various times throughout the financial year.

This was offset by funding provided by the Department of Health to compensate for reductions in revenue and to cover certain direct and indirect COVID-19 related costs.

Funding provided included:

- COVID-19 grants to support our vulnerable communities, an isolation room, a High Risk Accommodation Response (HRAR), Commonwealth Home Support Program and Healthcare worker wellbeing;
- Local public health unit (LPHU) funding to support our vaccination clinic; and
- COVID-19 funding to support our GP Respiratory Testing Clinic.

Swan Hill District Health also received essential personal protective equipment free of charge under the state supply arrangement.

This section contains the following key judgements and estimates:

Key judgements and estimates	Description
Identifying performance obligations	Swan Hill District Health applies significant judgement when reviewing the terms and conditions of funding agreements and contracts, to determine whether they contain sufficiently specific and enforceable performance obligations. If this criteria is met, the contract/funding agreement is treated as a contract with a customer, requiring Swan Hill District Health to recognise revenue as or when the health service transfers promised goods or services to customers. If this criteria is not met, funding is recognised immediately in the net result from operations.
Determining the timing of revenue recognition	Swan Hill District Health applies significant judgement to determine when a performance obligation has been satisfied and the transaction price that is to be allocated to each performance obligation. A performance obligation is either satisfied at a point in time or over time.
Determining the time of capital grant income recognition	Swan Hill District Health applies significant judgement to determine when its obligation to construct an asset is satisfied. Costs incurred is used to measure the health service's progress as this is deemed to be the most accurate reflection of the stage of completion.

Swan Hill District Health

Notes to the Financial Statements For the Financial Year Ended 30 June 2021

Note 2.1 Revenue and income from transactions

	Total 2021 \$'000	Total 2020 \$'000
Note		
Operating activities		
Revenue from contracts with customers		
Government grants (State) - Operating	41,619	42,780
Government grants (Commonwealth) - Operating	9,293	8,700
Patient and resident fees	6,891	6,272
Commercial activities ⁽ⁱ⁾	2,597	2,235
Dental health	1,336	1,467
Total revenue from contracts with customers	61,736	61,454
Other sources of income		
Government grants (State) - Operating	11,831	7,302
Government grants (Commonwealth) - Operating	820	143
Government grants (State) - Capital	1,602	869
Government grants (Commonwealth) - Capital	44	-
Indirect contributions by Department of Health and Human Services	171	282
Other capital purpose income	160	2,088
Assets received free of charge or for nominal consideration	543	165
Other revenue from operating activities (including non-capital donations)	2,022	3,155
Jointly controlled operations (refer note 8.7)	1,872	976
Property income	60	45
Total other sources of income	19,125	15,025
Total revenue and income from operating activities	80,861	76,479
Non-operating activities		
Income from other sources		
Capital interest	12	40
Other interest	10	155
Other revenue from non-operating activities	690	710
Total other sources of income	712	905
Total income from non-operating activities	712	905
Total revenue and income from transactions	81,573	77,384

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

How we recognise revenue and income from transactions

Government operating grants

To recognise revenue, Swan Hill District Health assesses whether there is a contract that is enforceable and has sufficiently specific performance obligations in accordance with AASB 15: *Revenue from Contracts with Customers*.

When both these conditions are satisfied, the health service:

- Identifies each performance obligation relating to the revenue
- recognises a contract liability for its obligations under the agreement
- recognises revenue as it satisfied its performance obligations, at the time or over time when services are rendered.

Swan Hill District Health

Notes to the Financial Statements For the Financial Year Ended 30 June 2021

Note 2.1 Revenue and income from transactions (continued)

Where the contract is not enforceable and/or does not have sufficiently specific performance obligations, in accordance with AASB 1058: Income for not for profit entities, the health service:

- recognises the asset received in accordance with the recognition requirements of other applicable Accounting Standards (for example, AASB 9, AASB 16, AASB 116 and AASB 138)
- recognises related amounts (being contributions by owners, lease liabilities, financial instruments, provisions, revenue or contract liabilities from a contract with a customer), and
- recognises income immediately in profit or loss as the difference between the initial carrying amount of the asset and the related amount.

The types of government grants recognised under AASB 15: *Revenue from Contracts with Customers* includes:

Government grant	Performance obligation
Activity Based Funding (ABF) paid as Weighted Inlier Equivalent Separation (WIES) casemix	<p>The performance obligations for ABF are the number and mix of patients admitted to hospital (defined as 'casemix') in accordance with the levels of activity agreed to, with the Department of Health in the annual Statement of Priorities.</p> <p>Revenue is recognised at a point in time, which is when a patient is discharged, in accordance with the WIES activity when an episode of care for an admitted patient is completed.</p> <p>WIES activity is a cost weight that is adjusted for time spent in hospital, and represents a relative measure of resource use for each episode of care in a diagnosis related group.</p>
Department of Health Grants linked to Statement of Priorities	<p>Funding is received from Department of Health that have performance obligations linked to the Statement of Priorities agreed upon between the health service and the Department of Health.</p> <p>The performance obligation is requirement to provide a stipulated number of service contacts or hours of service delivery.</p> <p>Revenue is recognised over time as the service is delivered.</p>
Commonwealth Residential Aged Care Grants	<p>Funding is provided for the provision of care for aged care residents within facilities at Swan Hill District Health.</p> <p>The performance obligations include provision of residential accommodations and care from nursing staff and personal care workers.</p> <p>Revenue is recognised at the point in time when the service is provided within the residential aged care facilities.</p>

Capital grants

Where Swan Hill District Health receives a capital grant, it recognises a liability for the excess of the initial carrying amount of the financial asset received over any related amounts (being contributions by owners, lease liabilities, financial instruments, provisions, revenue or contract liabilities arising from a contract with a customer) recognised under other Australian Accounting Standards.

Income is recognised progressively as the asset is constructed which aligns with Swan Hill District Health's obligation to construct the asset. The progressive percentage of costs incurred is used to recognise income, as this most accurately reflects the stage of completion.

Patient and resident fees

Patient and resident fees are charges that can be levied on patients for some services they receive. Patient and resident fees are recognised at a point in time when the performance obligation and the provision of services is satisfied, except where the patient and resident fees relate to accommodation charges. Accommodation charges are calculated daily and are recognised over time, to reflect the period accommodation is provided.

Swan Hill District Health

Notes to the Financial Statements For the Financial Year Ended 30 June 2021

Note 2.1 Revenue and income from transactions (continued)

Commercial activities

Revenue from commercial activities includes items such as catering, cafeteria and property rental. Commercial activity revenue is recognised at a point in time, upon provision of the goods or service to the customer.

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

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

- The Victorian Managed Insurance Authority non-medical indemnity insurance payments are recognised as revenue following advice from the Department of Health and Human Services.
- Long Service Leave (LSL) revenue is recognised upon finalisation of movements in LSL liability in line with the long service leave funding arrangements set out in the relevant Department of Health and Human Services Hospital Circular.

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

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

Other Income

Other income is recognised as revenue when received. Other income includes recoveries for Salaries and Wages and External Services Provided, Income from Cafeteria and Salary Packaging Fees. If donations are for a specific purpose, they may be appropriated to a surplus, such as the specific restricted purpose surplus.

Interest revenue

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

Swan Hill District Health

Notes to the Financial Statements For the Financial Year Ended 30 June 2021

Note 2.2 Fair value of assets and services received free of charge or for nominal consideration

	Total 2021 \$'000	Total 2020 \$'000
Plant and equipment	171	88
Personal protective equipment	372	77
Total fair value of assets and services received free of charge or for nominal consideration	543	165

How we recognise the fair value of assets and services received free of charge or for nominal consideration

Personal protective equipment

In order to meet the State of Victoria's health system supply needs during the COVID-19 pandemic, the purchasing of essential personal protective equipment (PPE) and other essential plant and equipment was centralised.

Generally, the State Supply Arrangement stipulates that Health Purchasing Victoria (trading as HealthShare Victoria) sources, secures and agrees terms for the purchase of PPE. The purchases are funded by the Department of Health, while Monash Health takes delivery and distributes an allocation of the products to health services. Swan Hill District Health received these resources free of charge and recognised them as income.

Contributions

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

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

Voluntary Services

Contributions in the form of services are only recognised when a fair value can be reliably measured, and the services would have been purchased if not donated. Swan Hill District Health did not receive any volunteer services and does not depend on volunteers to deliver its services.

Swan Hill District Health

Notes to the Financial Statements For the Financial Year Ended 30 June 2021

Note 3: The cost of delivering our services

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

Structure:

- 3.1 Expenses from Transactions
- 3.2 Employee Benefits in the Balance Sheet
- 3.3 Superannuation
- 3.4 Other economic flows included in net result

Telling the COVID-19 story

Expenses incurred to deliver our services increased during the financial year, which was partially attributable to the COVID-19 Coronavirus pandemic.

Additional costs were incurred to:

- implement COVID safe practices throughout Swan Hill District Health including increased cleaning, increased security, consumption of personal protective equipment provided as free of charge and increased staffing to support concierge screening stations;
- establish a vaccination clinic to administer vaccines to staff and the community contributing to an increase in employee expenses and additional equipment purchases;
- establish a GP Respiratory Testing Clinic including a drive-through COVID-19 testing site contributing to increased employee expenses and additional equipment purchases; and
- support our vulnerable communities, our Commonwealth Home Support Program and to provide a High Risk Accommodation Response (HRAR) resulting in increased employee expenses and equipment purchases.

Key judgements and estimates

This section contains the following key judgements and estimates:

Key judgements and estimates	Description
Measuring and classifying employee benefit liabilities	<p>Swan Hill District Health applies significant judgement when measuring and classifying its employee benefit liabilities.</p> <p>Employee benefit liabilities are classified as a current liability if Swan Hill District Health does not have an unconditional right to defer payment beyond 12 months. Annual leave, accrued days off and long service leave entitlements (for staff who have exceeded the minimum vesting period) fall into this category.</p> <p>Employee benefit liabilities are classified as a non-current liability if Swan Hill District Health has a conditional right to defer payment beyond 12 months. Long service leave entitlements (for staff who have not yet exceeded the minimum vesting period) fall into this category.</p> <p>The health service also applies judgement to determine when it expects its employee entitlements to be paid. With reference to historical data, if the health service does not expect entitlements to be paid within 12 months, the entitlement is measured at its present value. All other entitlements are measured at their nominal value.</p>

Swan Hill District Health

Notes to the Financial Statements For the Financial Year Ended 30 June 2021

Note 3.1 Expenses from transactions

	Total 2021 \$'000	Total 2020 \$'000
	Note	
Salaries and wages	46,513	44,187
On-costs	4,187	4,047
Agency expenses	6,370	6,062
Fee for service medical officer expenses	4,506	3,973
Workcover premium	436	391
Total employee expenses	62,012	58,660
Drug supplies	1,843	1,812
Medical and surgical supplies (including Prostheses)	3,433	3,240
Diagnostic and radiology supplies	891	428
Other supplies and consumables	1,370	1,536
Total supplies and consumables	7,537	7,016
Finance costs	25	13
Total finance costs	25	13
Other administrative expenses	6,236	5,279
Total other administrative expenses	6,236	5,279
Fuel, light, power and water	869	918
Repairs and maintenance	341	407
Maintenance contracts	586	618
Medical indemnity insurance	127	45
Patient transport	1,284	1,668
Expenditure for capital purposes	192	132
Assets and services provided free of charge or for Nominal Consideration	372	77
Total other operating expenses	3,771	3,865
Total operating expense	79,581	74,833
Depreciation	4,584	4,543
Total depreciation	4,584	4,543
Specific expense	95	277
Bad and doubtful debt expense	20	24
Total other non-operating expenses	115	301
Total non-operating expense	4,699	4,844
Total expenses from transactions	84,280	79,677

Swan Hill District Health

Notes to the Financial Statements For the Financial Year Ended 30 June 2021

Note 3.1: Expenses from transactions (continued)

How we recognise expenses from transactions

Expense recognition

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

Employee expenses

Employee expenses include:

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

Supplies and consumables

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

Finance costs

Finance costs include:

- Interest on bank overdrafts and short-term and long-term borrowings (Interest expense is recognised in the period in which it is incurred).

Other operating expenses

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

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

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

Non-operating expenses

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

Swan Hill District Health

Notes to the Financial Statements For the Financial Year Ended 30 June 2021

Note 3.2 Employee benefits in the balance sheet

	2021 \$'000	2020 \$'000
Current provisions		
<i>Accrued days off</i>		
- Unconditional and expected to be settled wholly within 12 months ⁽ⁱ⁾	120	123
	120	123
<i>Annual leave</i>		
- Unconditional and expected to be settled wholly within 12 months ⁽ⁱ⁾	3,073	2,939
- Unconditional and expected to be settled wholly after 12 months ⁽ⁱⁱ⁾	1,060	842
	4,133	3,781
<i>Long service leave</i>		
- Unconditional and expected to be settled wholly within 12 months ⁽ⁱ⁾	879	963
- Unconditional and expected to be settled wholly after 12 months ⁽ⁱⁱ⁾	4,563	4,121
	5,442	5,084
<i>Provisions related to employee benefit on-costs</i>		
- Unconditional and expected to be settled within 12 months ⁽ⁱ⁾	455	444
- Unconditional and expected to be settled after 12 months ⁽ⁱⁱ⁾	728	637
	1,183	1,081
Total current employee benefits	10,878	10,069
Non-current provisions		
Conditional long service leave ⁽ⁱ⁾	1,500	1,480
Provisions related to employee benefit on-costs ⁽ⁱⁱ⁾	195	189
Total non-current employee benefits	1,695	1,669
Total employee benefits	12,573	11,739

(i) The amounts disclosed are nominal amounts.

(ii) The amounts disclosed are discounted to present values.

How we recognise employee benefits

Employee benefit recognition

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

Provisions

Provisions are recognised when Swan Hill District Health has a present obligation, the future sacrifice of economic benefits is probable, and the amount of the provision can be measured reliably.

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

Swan Hill District Health

Notes to the Financial Statements For the Financial Year Ended 30 June 2021

Note 3.2 Employee benefits in the balance sheet (continued)

Annual leave and accrued days off

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

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

- Nominal value – if Swan Hill District Health expects to wholly settle within 12 months; or
- Present value – if Swan Hill District Health does not expect to wholly settle within 12 months.

Long service leave

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

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

The components of this current LSL liability are measured at:

- Nominal value – if Swan Hill District Health expects to wholly settle within 12 months; or
- Present value – if Swan Hill District Health does not expect to wholly settle within 12 months.

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

Termination benefits

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

On-costs related to employee benefits

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

Swan Hill District Health

Notes to the Financial Statements For the Financial Year Ended 30 June 2021

Note 3.2 (a) Employee benefits and related on-costs

	2021	2020
	\$'000	\$'000
Unconditional accrued days off	120	123
Unconditional annual leave entitlements	4,608	4,212
Unconditional long service leave entitlements	6,150	5,735
Total current employee benefits and related on-costs	10,878	10,070
Conditional long service leave entitlements	1,695	1,668
Total non-current employee benefits and related on-costs	1,695	1,668
Total employee benefits and related on-costs	12,573	11,737
Carrying amount at start of year	11,738	11,372
Additional provisions recognised	5,321	4,269
Amounts incurred during the year	(4,486)	(3,903)
Carrying amount at end of year	12,573	11,738

Swan Hill District Health

Notes to the Financial Statements For the Financial Year Ended 30 June 2021

Note 3.3: Superannuation

	Paid Contribution for the Year		Contribution Outstanding at Year End	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Defined benefit plans: ⁽ⁱ⁾				
Health super fund	55	57	1	5
Defined contribution plans:				
Aware Super	2,665	2,536	21	111
Hesta	957	902	8	41
Other	654	528	5	24
Total	4,331	4,023	35	181

(i) The basis for determining the level of contributions is determined by the various actuaries of the defined benefit

How we recognise superannuation

Employees of Swan Hill District Health are entitled to receive superannuation benefits and it contributes to both defined benefit and defined contribution plans.

Defined benefit superannuation plans

The defined benefit plan provides benefits based on years of service and final average salary. The amount charged to the Comprehensive Operating Statement in respect of defined benefit superannuation plans, represents the contributions made by Swan Hill District Health to the superannuation plans in respect of the services of current Swan Hill District Health's staff during the reporting period. Superannuation contributions are made to the plans based on the relevant rules of each plan and are based upon actuarial advice.

Swan Hill District Health does not recognise any unfunded defined benefit liability in respect of the plans because the health service has no legal or constructive obligation to pay future benefits relating to its employees; its only obligation is to pay superannuation contributions as they fall due.

The DTF discloses the State's defined benefits liabilities in its disclosure for administered items. However, superannuation contributions paid or payable for the reporting period are included as part of employee benefits in the Comprehensive Operating Statement of Swan Hill District Health.

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

Defined contribution superannuation plans

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

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

Swan Hill District Health

Notes to the Financial Statements For the Financial Year Ended 30 June 2021

Note 3.4 Other economic flows

	2021 \$'000	2020 \$'000
Net gain/(loss) on disposal of property plant and equipment	116	(55)
Total net gain/(loss) on non-financial assets	116	(55)
Allowance for impairment losses of contractual receivables	(20)	(24)
Total net gain/(loss) on financial instruments	(20)	(24)
Net gain/(loss) arising from revaluation of long service liability	(96)	(239)
Total other gains/(losses) from other economic flows	(96)	(239)
Total gains/(losses) from other economic flows	-	(318)

How we recognise other economic flows

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

- The revaluation of the present value of the long service leave liability due to changes in the bond interest rates.

Net gain/(loss) on non-financial assets

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

- Revaluation gains/(losses) of non-financial physical assets (Refer to Note 4.1 Property plant and equipment); and
- net gain/(loss) on disposal of non-financial assets

Any gain or loss on the disposal of non-financial assets is recognised at the date of disposal.

Net gain/(loss) on financial instruments

Net gain/(loss) on financial instruments at fair value includes:

- realised and unrealised gains and losses from revaluations of financial instruments at fair value; and
- disposals of financial assets and derecognition of financial liabilities.

Other gains/(losses) from other economic flows

Other gains/(losses) include:

- the revaluation of the present value of the long service leave liability due to changes in the bond rate movements, inflation rate movements and the impact of changes in probability factors.

Swan Hill District Health

Notes to the Financial Statements For the Financial Year Ended 30 June 2021

Note 4: Key Assets to support service delivery

Swan Hill District Health controls infrastructure and other investments that are utilised in fulfilling its objectives and conducting its activities. They represent the key resources that have been entrusted to the hospital to be utilised for delivery of those outputs.

Structure:

4.1 Property, Plant and Equipment

4.2 Depreciation

Telling the COVID-19 story

Assets used to support the delivery of our services during the financial year were not materially impacted by the COVID-19 coronavirus pandemic.

Key judgements and estimates	Description
Measuring fair value of property, plant and equipment	<p>Swan Hill District Health obtains independent valuations for its non-current assets at least once every five years.</p> <p>If an independent valuation has not been undertaken at balance date, the health service estimates possible changes in fair value since the date of the last independent valuation with reference to Valuer-General of Victoria indices.</p> <p>Managerial adjustments are recorded if the assessment concludes a material change in fair value has occurred. Where exceptionally large movements are identified, an interim independent valuation is undertaken.</p>
Estimating useful life and residual value of property, plant and equipment	<p>Swan Hill District Health assigns an estimated useful life to each item of property, plant and equipment, whilst also estimating the residual value of the asset, if any, at the end of the useful life. This is used to calculate depreciation of the asset.</p> <p>The health service reviews the useful life, residual value and depreciation rates of all assets at the end of each financial year and where necessary, records a change in accounting estimate.</p>
Estimating useful life of right-of-use assets	<p>The useful life of each right-of-use asset is typically the respective lease term, except where the health service is reasonably certain to exercise a purchase option contained within the lease (if any), in which case the useful life reverts to the estimated useful life of the underlying asset.</p> <p>Swan Hill District Health applies significant judgement to determine whether or not it is reasonably certain to exercise such purchase options.</p>
Identifying indicators of impairment	<p>At the end of each year, Swan Hill District Health assesses impairment by evaluating the conditions and events specific to the health service that may be indicative of impairment triggers. Where an indication exists, the health service tests the asset for impairment.</p> <p>The health service considers a range of information when performing its assessment, including considering:</p> <ul style="list-style-type: none"> • If an asset's value has declined more than expected based on normal use; • If a significant change in technological, market, economic or legal environment which adversely • If an asset is obsolete or damaged; • If the asset has become idle or if there are plans to discontinue or dispose of the asset before the end of its useful life; and • If the performance of the asset is or will be worse than initially expected. <p>Where an impairment trigger exists, the health service applies significant judgement and estimate to determine the recoverable amount of the asset.</p>

Swan Hill District Health

Notes to the Financial Statements For the Financial Year Ended 30 June 2021

Note 4.1 Property, plant and equipment

Note 4.1 (a) Gross carrying amount and accumulated depreciation

	2021 \$'000	2020 \$'000
Land at fair value	4,831	4,181
Total land at fair value	4,831	4,181
Buildings at fair value	55,762	55,674
Less accumulated depreciation	(6,544)	(3,264)
Total buildings at fair value	49,218	52,410
Land improvements at fair value	339	339
Less accumulated depreciation	(50)	(25)
Total land improvements at fair value	289	314
Buildings under construction	2,506	2,345
Works in progress at cost	2,506	2,345
Total land and buildings	56,844	59,250
Plant and equipment at fair value	7,429	7,362
Less accumulated depreciation	(4,578)	(4,487)
Total plant and equipment at fair value	2,851	2,875
Medical equipment at fair value	6,807	6,138
Less accumulated depreciation	(3,782)	(3,734)
Total medical equipment at fair value	3,025	2,404
Motor vehicles at fair value	576	869
Less accumulated depreciation	(519)	(757)
Total motor vehicles at fair value	57	112
Right of use medical equipment at fair value	176	-
Less accumulated depreciation	(21)	-
Right of use motor vehicles at fair value	323	36
Less accumulated depreciation	(36)	(2)
Total right of use equipment and vehicles at fair value	442	35
Assets from jointly controlled operations at fair value	173	160
Less accumulated depreciation	(86)	(76)
Total interest in jointly controlled operations	87	84
Total plant, equipment, furniture, fittings and vehicles at fair value	6,462	5,510
Total property, plant and equipment	63,306	64,760

Swan Hill District Health

Notes to the Financial Statements For the Financial Year Ended 30 June 2021

Note 4.1: Property, plant and equipment (continued)

Note 4.1 (b): Reconciliations of the carrying amounts of each class of asset

	Land	Land Improvements	Buildings	Plant and Equipment	Medical Equipment	Motor Vehicles	Right of Use Assets	Work In Progress Buildings	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2019	4,181	337	54,959	3,212	2,318	285	-	2,275	67,567
Additions	-	2	259	324	526	-	36	615	1,762
Disposals	-	-	-	(7)	(36)	(112)	-	-	(155)
Assets provided free of charge	-	-	-	-	88	-	-	-	88
Net Transfers between Classes	-	-	457	63	25	-	-	(545)	-
Revaluation Increments/(Decrements)	-	-	-	-	-	-	-	-	-
LMRHA joint operation plant and equipment	-	-	-	31	-	-	-	-	31
Depreciation (Note 4.2)	-	(25)	(3,265)	(664)	(517)	(61)	(1)	-	(4,533)
Balance at 1 July 2020	4,181	314	52,410	2,959	2,404	112	35	2,345	64,760
Additions	-	-	87	637	985	-	464	161	2,334
Disposals	-	-	-	(35)	-	(11)	-	-	(46)
Assets provided free of charge	-	-	-	-	171	-	-	-	171
Net Transfers between Classes	-	-	-	-	-	-	-	-	-
Revaluation Increments/(Decrements)	650	-	-	-	-	-	-	-	650
LMRHA joint operation plant and equipment	-	-	-	4	-	-	-	-	4
Depreciation (Note 4.2)	-	(25)	(3,279)	(626)	(536)	(44)	(57)	-	(4,567)
Balance at 30 June 2021	4,831	289	49,218	2,939	3,024	57	442	2,506	63,306

Land and Buildings and Leased Assets Carried at Valuation

The Valuer-General of Victoria undertook to re-value all of Swan Hill District Health's owned land and buildings to determine their fair value in May 2019 in accordance with the requirements of Financial Reporting Direction (FRD) 103H Non-Financial Physical Assets. The valuation, which conforms to Australian Valuation Standards, was determined by reference to the amounts for which assets could be exchanged between knowledgeable willing parties in an arm's length transaction. The effective date of the valuation for both land and buildings was 30 June 2019.

Swan Hill District Health

Notes to the Financial Statements For the Financial Year Ended 30 June 2021

Note 4.1: Property, plant and equipment (continued)

Note 4.1 (b): Reconciliations of the carrying amounts of each class of asset (continued)

How we recognise property, plant and equipment

Property, plant and equipment are tangible items that are used by Swan Hill District Health in the supply of goods or services, for rental to others, or for administration purposes, and are expected to be used during more than one financial year.

Initial recognition

Items of property, plant and equipment (excluding right-of-use assets) are initially measured at cost. Where an asset is acquired for no or nominal cost, being far below the fair value of the asset, the deemed cost is its fair value at the date of acquisition. Assets transferred as part of an amalgamation/machinery of government change are transferred at their carrying amounts.

The cost of constructed non-financial physical assets includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overheads.

Subsequent measurement

Items of property, plant and equipment (excluding right-of-use assets) are subsequently measured at fair value less accumulated depreciation and impairment losses where applicable.

Fair value is determined with reference to the asset's highest and best use (considering legal or physical restrictions imposed on the asset, public announcements or commitments made in relation to the intended use of the asset).

Further information regarding fair value measurement is disclosed below.

Revaluation

Fair value is based on periodic valuations by independent valuers, which normally occur once every five years, based upon the asset's Government Purpose Classification, but may occur more frequently if fair value assessments indicate a material change in fair value has occurred.

Where an independent valuation has not been undertaken at balance date, Swan Hill District Health perform a managerial assessment to estimate possible changes in fair value of land and buildings since the date of the last independent valuation with reference to Valuer-General of Victoria (VGV) indices.

An adjustment is recognised if the assessment concludes that the fair value of land and buildings has changed by 10% or more since the last revaluation (whether that be the most recent independent valuation or managerial valuation). Any estimated change in fair value of less than 10% is deemed immaterial to the financial statements and no adjustment is recorded. Where the assessment indicates there has been an exceptionally material movement in the fair value of land and buildings since the last independent valuation, being equal to or in excess of 40%, Swan Hill District Health would obtain an interim independent valuation prior to the next scheduled independent valuation.

An independent valuation of Swan Hill District Health's property, plant and equipment was performed by the VGV on 30 June 2019. The valuation, which complies with Australian Valuation Standards, was determined by reference to the amount for which assets could be exchanged between knowledgeable willing parties in an arm's length transaction. The managerial assessment performed at 30 June 2021 indicated an overall:

- increase in fair value of land of 15.54% (\$649k)
- no change in fair value of buildings.

As the cumulative movement was less than 10% for buildings since the last revaluation a managerial revaluation adjustment was not required as at 30 June 2021.

As the cumulative movement was greater than 10% for land since the last revaluation a managerial revaluation adjustment was required as at 30 June 2021.

Swan Hill District Health

Notes to the Financial Statements For the Financial Year Ended 30 June 2021

Note 4.1: Property, plant and equipment (continued)

Revaluation increases (increments) arise when an asset's fair value exceeds its carrying amount. In comparison, revaluation decreases (decrements) arise when an asset's fair value is less than its carrying amount. Revaluation increments and revaluation decrements relating to individual assets within an asset class are offset against one another within that class but are not offset in respect of assets in different classes.

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

Revaluation decrements are recognised in 'Other Comprehensive Income' to the extent that a credit balance exists in the asset revaluation reserve in respect of the same class of property, plant and equipment. Otherwise, the decrement is recognised as an expense in the net result.

The revaluation reserve included in equity in respect of an item of property, plant and equipment may be transferred directly to retained earnings when the asset is derecognised.

Impairment

At the end of each financial year, Swan Hill District Health assesses if there is any indication that an item of property, plant and equipment may be impaired by considering internal and external sources of information. If an indication exists, Swan Hill District Health estimates the recoverable amount of the asset. Where the carrying amount of the asset exceeds its recoverable amount, an impairment loss is recognised. An impairment loss of a revalued asset is treated as a revaluation decrease as noted above.

Swan Hill District Health has concluded that the recoverable amount of property, plant and equipment which are regularly revalued is expected to be materially consistent with the current fair value. As such, there were no indications of property, plant and equipment being impaired at balance date.

How we recognise right-of-use assets

Where Swan Hill District Health enters a contract, which provides the health service with the right to control the use of an identified asset for a period of time in exchange for payment, this contract is considered a lease.

Unless the lease is considered a short-term lease or a lease of a low-value asset (refer to Note 6.1 for further information), the contract gives rise to a right-of-use asset and corresponding lease liability. Swan Hill District Health presents its right-of-use assets as part of property, plant and equipment as if the asset was owned by the health service.

Right-of-use assets and their respective lease terms include:

Class of right-of-use asset	Lease term
Leased medical equipment	1 to 5 years
Leased vehicles	1 to 3 years

Presentation of right-of-use assets

Swan Hill District Health presents right-of-use assets as 'property plant equipment' unless they meet the definition of investment property, in which case they are disclosed as 'investment property' in the balance sheet.

Swan Hill District Health

Notes to the Financial Statements For the Financial Year Ended 30 June 2021

Note 4.1: Property, plant and equipment (continued)

Initial recognition

When a contract is entered into, Swan Hill District Health assesses if the contract contains or is a lease. If a lease is present, a right-of-use asset and corresponding lease liability is recognised. The definition and recognition criteria of a lease is disclosed at Note 6.1.

The right-of-use asset is initially measured at cost and comprises the initial measurement of the corresponding lease liability, adjusted for:

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

Swan Hill District Health's motor vehicle and medical equipment lease agreements contain purchase options which the health service is not reasonably certain to exercise at the completion of the lease.

Subsequent measurement

Right-of-use assets are subsequently measured at cost, less accumulated depreciation and accumulated impairment losses where applicable. Right-of-use assets are also adjusted for certain remeasurements of the lease liability (for example, when a variable lease payment based on an index or rate becomes effective).

Impairment

At the end of each financial year, Swan Hill District Health assesses if there is any indication that a right-of-use asset may be impaired by considering internal and external sources of information. If an indication exists, Swan Hill District Health estimates the recoverable amount of the asset. Where the carrying amount of the asset exceeds its recoverable amount, an impairment loss is recognised.

Swan Hill District Health performed an impairment assessment and noted there were no indications of its right-of-use assets being impaired at balance date.

Swan Hill District Health

Notes to the Financial Statements For the Financial Year Ended 30 June 2021

Note 4.1: Property, plant and equipment (continued)

Note 4.1 (c): Fair value measurement hierarchy for assets

	Note	Carrying amount as at 30 June 2021 \$'000	Fair value measurement at end of reporting period using:		
			Level 1 ⁽ⁱ⁾ \$'000	Level 2 ⁽ⁱ⁾ \$'000	Level 3 ⁽ⁱ⁾ \$'000
Non-specialised land		1,500	-	1,500	-
Specialised land		3,331	-	-	3,331
Total land at fair value	4.1 (a)	4,831	-	1,500	3,331
Land improvements at fair value		289	-	-	289
Total of land improvements at fair value	4.1 (a)	289	-	-	289
Non-specialised buildings		1,363	-	1,363	-
Specialised buildings		47,855	-	-	47,855
Total buildings at fair value	4.1 (a)	49,218	-	1,363	47,855
Plant and equipment at fair value	4.1 (a)	2,852	-	-	2,852
Motor vehicles at fair value	4.1 (a)	57	-	-	57
Medical equipment at fair value	4.1 (a)	3,024	-	-	3,024
Right of use - motor vehicles and medical equipment	4.1 (a)	441	-	-	441
LMRHA joint operation plant and equipment	4.1 (a)	87	-	-	87
Total Plant, Equipment, Furniture, Fittings and Vehicles at Fair Value		6,461	-	-	6,461
Total property, plant and equipment		60,799	-	2,863	57,936

⁽ⁱ⁾ Classified in accordance with the fair value hierarchy.

	Note	Carrying amount as at 30 June 2020 \$'000	Fair value measurement at end of reporting period using:		
			Level 1 ⁽ⁱ⁾ \$'000	Level 2 ⁽ⁱ⁾ \$'000	Level 3 ⁽ⁱ⁾ \$'000
Non-specialised land		1,298	-	1,298	-
Specialised land		2,883	-	-	2,883
Total of land at fair value	4.1 (a)	4,181	-	1,298	2,883
Land Improvements at fair value		314	-	-	314
Total of land improvements at fair value	4.1 (a)	314	-	-	314
Non-specialised buildings		1,490	-	1,490	-
Specialised buildings		50,920	-	-	50,920
Total of building at fair value	4.1 (a)	52,410	-	1,490	50,920
Plant and equipment at fair value	4.1 (a)	2,875	-	-	2,875
Motor vehicles at fair value	4.1 (a)	112	-	-	112
Medical equipment at fair value	4.1 (a)	2,404	-	-	2,404
Right of use - motor vehicles	4.1 (a)	35	-	-	35
LMRHA joint operation plant and equipment	4.1 (a)	84	-	-	84
Total Plant, Equipment, Furniture, Fittings and Vehicles at Fair Value		5,510	-	-	5,510
Total property, plant and equipment	4.1 (a)	62,415	-	2,788	59,627

⁽ⁱ⁾ Classified in accordance with the fair value hierarchy.

Swan Hill District Health

Notes to the Financial Statements For the Financial Year Ended 30 June 2021

Note 4.1: Property, plant and equipment (continued)

Note 4.1 (d): Reconciliation of Level 3 fair value measurement

	Land	Land Improvements	Buildings	Plant and Equipment	Motor Vehicles	Medical Equipment	Right of Use Assets - Motor Vehicles and Medical Equipment	LMRHA joint operation Plant and Equipment
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2019	2,883	337	53,342	3,159	285	2,318	-	53
Additions/(Disposals)	-	2	715	380	(112)	603	37	-
Net Transfers between classes	-	-	-	-	-	-	-	-
Gains/(Losses) recognised in net result								
- Depreciation	-	(25)	(3,137)	(664)	(61)	(517)	(2)	-
Items recognised in other comprehensive income								
- Revaluation	-	-	-	-	-	-	-	-
Recognition of JV asset movements	-	-	-	-	-	-	-	31
Balance at 1 July 2020	2,883	314	50,920	2,875	112	2,404	35	84
Additions/(Disposals)	-	-	87	602	(11)	1,156	463	-
Net Transfers between classes	-	-	-	-	-	-	-	-
Gains/(Losses) recognised in net result								
- Depreciation	-	(25)	(3,152)	(625)	(44)	(536)	(57)	-
Items recognised in other comprehensive income								
- Revaluation	448	-	-	-	-	-	-	-
Recognition of JV asset movements	-	-	-	-	-	-	-	3
Balance at 30 June 2021	3,331	289	47,855	2,852	57	3,024	441	87

⁽ⁱ⁾ Classified in accordance with the fair value hierarchy, refer Note 4.1 (c).

Swan Hill District Health

Notes to the Financial Statements For the Financial Year Ended 30 June 2021

Note 4.1: Property, plant and equipment (continued)

Note 4.1 (e): Fair value determination

Asset class	Likely valuation approach	Significant inputs (Level 3 only)
Non-Specialised Land	Market approach	n.a.
Specialised Land (Crown / Freehold)	Market approach	Community Service Obligations Adjustments ^(30%)
Non-Specialised Buildings	Market approach	n.a.
Specialised Buildings	Depreciated replacement cost approach	- Cost per square metre - Useful life
Dwellings	Depreciated replacement cost approach	- Cost per square metre - Useful life
Vehicles	Depreciated replacement cost approach	- Cost per unit - Useful life
Plant and Equipment	Depreciated replacement cost approach	- Cost per square metre - Useful life

There were no changes in valuation techniques throughout the period to 30 June 2021

How we measure fair value

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

For the purpose of fair value disclosures, Swan Hill District Health has determined classes of assets on the basis of the nature, characteristics and risks of the asset and the level of the fair value hierarchy as explained above.

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

There have been no transfers between levels during the period.

The Valuer-General Victoria (VGV) is Swan Hill District Health's independent valuation agency.

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

Swan Hill District Health

Notes to the Financial Statements For the Financial Year Ended 30 June 2021

Note 4.1: Property, plant and equipment (continued)

Valuation Hierarchy

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

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

Identifying unobservable inputs (level 3) Fair Value Measurements

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

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

Consideration of highest and best use (HBU) for Non-Financial Physical Assets

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

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

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

Non-specialised land and non-specialised buildings

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

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

Swan Hill District Health

Notes to the Financial Statements For the Financial Year Ended 30 June 2021

Note 4.1: Property, plant and equipment (continued)

Specialised land and specialised buildings

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

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

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

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

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

An independent valuation of Swan Hill District Health's specialised land and specialised buildings was performed by the Valuer-General Victoria. The effective date of the valuation is 30 June 2019.

Vehicles

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

Furniture, fittings, plant and equipment

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

There were no changes in valuation techniques throughout the period to 30 June 2021.

Swan Hill District Health

Notes to the Financial Statements For the Financial Year Ended 30 June 2021

Note 4.1 (f) Property, plant and equipment revaluation reserve

	2021	2020
Note	\$'000	\$'000
Balance at the beginning of the reporting period	42,745	42,745
Revaluation Increment		
- Land	4.1 (b) 650	-
- Buildings	4.1 (b) -	-
Balance at the end of the reporting period*	43,395	42,745
* Represented by:		
- Land	3,326	2,676
- Buildings	40,069	40,069
	43,395	42,745

Swan Hill District Health

Notes to the Financial Statements For the Financial Year Ended 30 June 2021

Note 4.2 Depreciation

	2021	2020
	\$'000	\$'000
Depreciation		
Buildings	3,279	3,264
Land improvements	25	25
Plant and equipment	625	664
Medical equipment	537	517
Motor vehicles	44	61
Right of use - motor vehicles	57	2
Depreciation from jointly controlled operations	17	10
Total depreciation	4,584	4,543

How we recognise depreciation

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

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset, whichever is the shortest. Where a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the health service anticipates to exercise a purchase option, the specific right-of-use asset is depreciated over the useful life of the underlying asset.

	2021	2020
Buildings		
- Structure Shell Building Fabric	40 to 47 years	40 to 47 years
- Site Engineering Services and Central Plant	7 to 40 years	7 to 40 years
Central Plant		
- Fit out	8 to 25 years	8 to 25 years
- Trunk Reticulated Building Systems	8 to 25 years	8 to 25 years
Plant and Equipment	4 to 20 years	4 to 20 years
Medical Equipment	4 to 33 years	4 to 33 years
Computer and Communication	3 to 20 years	3 to 20 years
Furniture and Fittings	4 to 20 years	4 to 20 years
Motor Vehicles	4 to 5 years	4 to 5 years

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

Swan Hill District Health

Notes to the Financial Statements For the Financial Year Ended 30 June 2021

Note 5: Other Assets and Liabilities

This section set out those assets and liabilities that arose from Swan Hill District Health's operations.

Structure:

- 5.1 Receivables
- 5.2 Payables
- 5.3 Other liabilities

Telling the COVID-19 story

The measurement of other assets and liabilities were not materially impacted during the financial year as a result of the COVID-19 Coronavirus pandemic.

Key judgements and estimates

This section contains the following key judgements and estimates:

Key judgements and estimates	Description
Estimating the provision for expected credit losses	Swan Hill District Health uses a simplified approach to account for the expected credit loss provision. A provision matrix is used, which considers historical experience, external indicators and forward-looking information to determine expected credit loss rates.
Measuring deferred capital grant income	Where Swan Hill District Health has received funding to construct an identifiable non-financial asset, such funding is recognised as deferred capital grant income until the underlying asset is constructed. Swan Hill District Health applies significant judgement when measuring the deferred capital grant income balance, which references the estimated stage of completion at the end of each financial year.
Measuring contract liabilities	Swan Hill District Health applies significant judgement to measure its progress towards satisfying a performance obligation as detailed in Note 2. Where a performance obligation is yet to be satisfied, the health service assigns funds to the outstanding obligation and records this as a contract liability until the promised good or service is transferred to the customer.

Swan Hill District Health

Notes to the Financial Statements For the Financial Year Ended 30 June 2021

Note 5.1 Receivables and contract assets

	2021 \$'000	2020 \$'000
Current receivables and contract assets		
Contractual		
Inter hospital debtors	99	48
Trade debtors	63	79
Patient fees	891	667
Debtor - superannuation	-	2
Accrued revenue		
<i>Department of Health and Human Services</i>	-	139
<i>Other</i>	27	14
Amounts receivable from Government and Agencies	66	23
Receivables from jointly controlled operations	98	42
<i>Less allowance for impairment losses of contractual receivables</i>	(27)	(23)
Total contractual receivables and contract assets	1,217	991
Statutory		
GST receivable	180	166
Total statutory receivables	180	166
Total current receivables	1,397	1,157
Contractual		
Long service leave - Department of Health	1,298	1,349
Total contractual receivables	1,298	1,349
Total non-current receivables and contract assets	1,298	1,349
Total receivables and contract assets	2,695	2,506
<i>(i) Financial assets classified as receivables and contract assets (Note 7.1(a))</i>		
Total receivables and contract assets	2,695	2,506
Provision for impairment	27	23
GST receivable	(180)	(166)
Total financial assets	2,542	2,363

Swan Hill District Health

Notes to the Financial Statements For the Financial Year Ended 30 June 2021

Note 5.1 Receivables (Continued)

Note 5.1 (a) Movement in the allowance for impairment losses of contractual receivables

	2021	2020
	\$'000	\$'000
Balance at the beginning of the year	23	40
Reversal of allowance written off during the year as uncollectable	(22)	(41)
Amounts written off during the year	11	1
Increase in allowance	15	23
Balance at the end of the year	27	23

How we recognise receivables

Receivables consist of:

- **Contractual receivables**, which mostly includes debtors in relation to goods and services. These receivables are classified as financial instruments and categorised as 'financial assets at amortised costs'. They are initially recognised at fair value plus any directly attributable transaction costs. The health service holds the contractual receivables with the objective to collect the contractual cash flows and therefore they are subsequently measured at amortised cost using the effective interest method, less any impairment.
- **Statutory receivables**, which mostly includes amounts owing from the Victorian Government and Goods and Services Tax (GST) input tax credits that are recoverable. Statutory receivables do not arise from contracts and are recognised and measured similarly to contractual receivables (except for impairment), but are not classified as financial instruments for disclosure purposes. The health service applies AASB 9 for initial measurement of the statutory receivables and as a result statutory receivables are initially recognised at fair value plus any directly attributable transaction cost.

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

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

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

Impairment losses of contractual receivables

Refer to Note 7.1 (a) for Swan Hill District Health's contractual impairment losses.

Swan Hill District Health

Notes to the Financial Statements For the Financial Year Ended 30 June 2021

Note 5.2 Payables and contract liabilities

	2021	2020
Note	\$'000	\$'000
Current payables and contract liabilities		
Contractual		
Trade creditors	477	601
Accrued expenses	1,082	2,968
Deposits on hire equipment	2	1
Jointly controlled operations payables	265	416
Inter hospital creditors	27	29
Contract liabilities	2,676	616
	4,529	4,631
Total current payables and contract liabilities	4,529	4,631
Total payables and contract liabilities	4,529	4,631

(i) Financial liabilities classified as payables and contract liabilities (Note 7.1(a))

Total payables and contract liabilities	4,529	4,631
Contract liabilities	(2,676)	(616)
Deposits	(2)	(1)
Total financial liabilities	1,851	4,014

How we recognise payables and contract liabilities

Payables consist of:

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

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

Swan Hill District Health

Notes to the Financial Statements For the Financial Year Ended 30 June 2021

Note 5.2 (a) Contract liabilities

	2021	2020
	\$'000	\$'000
Opening balance of contract liabilities	616	74
Payments received for performance obligations not yet fulfilled	52,972	52,022
Revenue recognised for the completion of a performance obligation	(50,912)	(51,480)
Total contract liabilities *	2,676	616
* Represented by:		
- Current contract liabilities	2,676	616
- Non-current contract liabilities	-	-
	2,676	616

How we recognise contract liabilities

Contract liabilities include consideration received in advance from customers in respect of Commonwealth Grant Funding and Contract Agreements with Monash University.

Contract liabilities are derecognised and recorded as revenue when promised goods and services are transferred to the customer. Refer to Note 2.1.

Maturity analysis of payables

Please refer to Note 7.2(c) for the ageing analysis of payables.

Swan Hill District Health

Notes to the Financial Statements For the Financial Year Ended 30 June 2021

Note 5.3 Other liabilities

	2021	2020
Note	\$'000	\$'000
Current monies held in trust		
- Primary Care Partnership*	399	310
- Residents - Nursing Home / Hostel*	19	28
- Accommodation Bonds*	11,150	10,234
- Simplified Billing*	4	-
Total current monies held in trust *	11,572	10,572
Total other liabilities	11,572	10,572
* Represented by:		
- Cash assets	6.2 11,572	10,572
TOTAL	11,572	10,572

How we recognise other liabilities

Refundable Accommodation Deposit ("RAD")/Accommodation Bond liabilities

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

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

Primary Care Partnership

Swan Hill District Health is the fund holder for the Southern Mallee Primary Care Partnership with the aim to bring local health and community service providers together to improve access to services and provide continuity of care to the community.

Swan Hill District Health

Notes to the Financial Statements For the Financial Year Ended 30 June 2021

Note 6: How we finance our operations

This section provides information on the sources of finance utilised by Swan Hill District Health during its operations, along with interest expenses (the cost of borrowings) and other information related to financing activities of the hospital.

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

Structure:

- 6.1 Borrowings
- 6.2 Cash and Cash Equivalents
- 6.3 Commitments for Expenditure
- 6.4 Non-Cash Financing and Investing Activities

Telling the COVID-19 story

Our finance and borrowing arrangements were not materially impacted by the COVID-19 coronavirus pandemic because the health service's response was funded by Government.

Key judgements and estimates

This section contains the following key judgements and estimates:

Key judgements and estimates	Description
Determining if a contract is or contains a lease	Swan Hill District Health applies significant judgement to determine if a contract is or contains a lease by considering if the health service: <ul style="list-style-type: none">• has the right-to-use an identified asset;• has the right to obtain substantially all economic benefits from the use of the leased asset; and• can decide how and for what purpose the asset is used throughout the lease.
Determining if a lease meets the short-term or low value asset lease exemption	Swan Hill District Health applies significant judgement when determining if a lease meets the short-term or low value lease exemption criteria. The health service estimates the fair value of leased assets when new. Where the estimated fair value is less than \$10,000, the health service applies the low-value lease exemption. The health service also estimates the lease term with reference to remaining lease term and period that the lease remains enforceable. Where the enforceable lease period is less than 12 months the health service applies the short-term lease exemption.
Discount rate applied to future lease payments	Swan Hill District Health discounts its lease payments using the interest rate implicit in the lease. If this rate cannot be readily determined, which is generally the case for the health service's lease arrangements, Swan Hill District Health uses its incremental borrowing rate, which is the amount the health service would have to pay to borrow funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.
Assessing the lease term	The lease term represents the non-cancellable period of a lease, combined with periods covered by an option to extend or terminate the lease if Swan Hill District Health is reasonably certain to exercise such options. Swan Hill District Health determines the likelihood of exercising such options on a lease-by-lease basis through consideration of various factors including: <ul style="list-style-type: none">• If there are significant penalties to terminate (or not extend), the health service is typically reasonably certain to extend (or not terminate) the lease.• If any leasehold improvements are expected to have a significant remaining value, the health service is typically reasonably certain to extend (or not terminate) the lease.• The health service considers historical lease durations and the costs and business disruption to replace such leased assets.

Swan Hill District Health

Notes to the Financial Statements For the Financial Year Ended 30 June 2021

Note 6.1 Borrowings

	2021 \$'000	2020 \$'000
Current borrowings		
Lease liability ⁽ⁱ⁾	90	5
Advances from government ⁽ⁱⁱ⁾	33	-
Total current borrowings	123	5
Non-current borrowings		
Lease liability ⁽ⁱ⁾	353	30
Advances from government ⁽ⁱⁱ⁾	133	166
Total non-current borrowings	486	196
Total borrowings	609	201

(i) Secured by the assets leased.

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

How we recognise borrowings

Borrowings refer to interest bearing liabilities mainly raised from advances from the Treasury Corporation of Victoria (TCV) and other funds raised through lease liabilities.

Initial recognition

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

Subsequent measurement

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

Maturity analysis

Please refer to Note 7.2(c) for the maturity analysis of borrowings.

Defaults and breaches

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

Swan Hill District Health

Notes to the Financial Statements For the Financial Year Ended 30 June 2021

Note 6.1 (a) Lease liabilities

Swan Hill District Health's lease liabilities are summarised below:

	2021	2020
	\$'000	\$'000
Total undiscounted lease liabilities	455	37
Less unexpired finance expenses	(12)	(2)
Net lease liabilities	443	35

The following table sets out the maturity analysis of lease liabilities, showing the undiscounted lease payments to be made after the reporting date.

	2021	2020
	\$'000	\$'000
Not later than one year	91	6
Later than 1 year and not later than 5 years	364	31
Later than 5 years	-	-
Minimum lease payments	455	37
Less future finance charges	(12)	(2)
TOTAL	443	35
Included in the financial statements as:		
Current Borrowings - lease liability	90	5
Non-Current Borrowings - lease liability	353	30
TOTAL	443	35

How we recognise lease liabilities

A lease is defined as a contract, or part of a contract, that conveys the right for Swan Hill District Health to use an asset for a period of time in exchange for payment.

To apply this definition, Swan Hill District Health ensures the contract meets the following criteria:

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

Swan Hill District Health's lease arrangements consist of the following:

Type of asset leased	Lease term
Leased equipment	3 years
Leased vehicles	3 years

Swan Hill District Health

Notes to the Financial Statements For the Financial Year Ended 30 June 2021

Note 6.1 (a) Lease liabilities (continued)

All leases are recognised on the balance sheet, with the exception of low value leases (less than \$10,000 AUD) and short term leases of less than 12 months. The following low value, short term and variable lease payments are recognised in profit or loss:

Type of payment	Description of payment	Type of leases captured
Low value lease payments	Leases where the underlying asset's fair value, when new, is no more than \$10,000	Computer Equipment

Separation of lease and non-lease components

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

Initial measurement

The lease liabilities have been initially measured at the present value of the lease payments unpaid at the commencement date, discounted using the interest rate implicit in the lease if that rate is readily determinable or Swan Hill District Health's incremental borrowing rate.

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

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

Subsequent measurement

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

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

Swan Hill District Health

Notes to the Financial Statements For the Financial Year Ended 30 June 2021

Note 6.2 Cash and cash equivalents

	2021	2020
Note	\$'000	\$'000
Cash on hand (excluding monies held in trust)	1	1
Cash at bank (excluding monies held in trust)	225	643
Cash at bank - CBS (excluding monies held in trust)	10,281	9,219
Cash in jointly controlled operations	551	570
Total cash held for operations	11,058	10,433
Cash on hand (monies held in trust)	1	1
Cash at bank (monies held in trust)	420	338
Cash at bank - CBS (monies held in trust)	11,151	10,234
Total cash held as monies in trust	11,572	10,573
Total cash and cash equivalents	22,630	21,006

7.1 (a)

Swan Hill District Health has a bank overdraft facility with the NAB for the amount of \$1 million. The amount unused at 30 June 2021 was \$1 million.

How we recognise cash and cash equivalents

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

For cash flow statement presentation purposes, the cash flow statement includes monies held in trust.

Swan Hill District Health

Notes to the Financial Statements For the Financial Year Ended 30 June 2021

Note 6.3 Commitments for expenditure

	2021 \$'000	2020 \$'000
Capital expenditure commitments		
Less than one year	2,447	2,495
Total capital expenditure commitments	2,447	2,495
Other expenditure commitments		
Computer	138	-
Total other expenditure commitments	138	-
Total commitments for expenditure (exclusive of GST)	2,585	2,495

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

How we disclose our commitments

Our commitments relate to future capital expenditure.

Expenditure commitments

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

Note 6.4 Non-cash financing and investing activities

	2021 \$'000	2020 \$'000
Acquisition of plant and equipment by means of Leases	464	37
Total non-cash financing and investing activities	464	37

Swan Hill District Health

Notes to the Financial Statements For the Financial Year Ended 30 June 2021

Note 7: Risks, Contingencies & Valuation Uncertainties

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

Structure:

- 7.1 Financial Instruments
- 7.2 Financial Risk Management Objectives and Policies
- 7.3 Contingent Assets and Contingent Liabilities

Swan Hill District Health

Notes to the Financial Statements For the Financial Year Ended 30 June 2021

Note 7.1 Financial Instruments

Financial instruments arise out of contractual agreements that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Due to the nature of Swan Hill District Health's activities, certain financial assets and financial liabilities arise under statute rather than a contract (for example, taxes, fines and penalties). Such financial assets and financial liabilities do not meet the definition of financial instruments in AASB 132 *Financial Instruments: Presentation*

Note 7.1 (a) Categorisation of financial instruments

		Financial Assets at Amortised Cost \$'000	Financial Liabilities at Amortised Cost \$'000	Total \$'000
30 June 2021	Note			
Contractual Financial Assets				
Cash and Cash Equivalents	6.2	22,630	-	22,630
<i>Receivables</i>				
- Trade Debtors	5.1	1,244	-	1,244
- DOH Long service leave	5.1	1,298	-	1,298
Total Financial Assets ⁽ⁱ⁾		25,172	-	25,172
Financial Liabilities				
Payables	5.2	-	1,851	1,851
Borrowings	6.1	-	609	609
<i>Other Financial Liabilities</i>				
- Accommodation bonds	5.3	-	11,150	11,150
- Other	5.3	-	422	422
Total Financial Liabilities ⁽ⁱ⁾		-	14,032	14,032
30 June 2020	Note			
Contractual Financial Assets				
Cash and Cash Equivalents	6.2	21,006	-	21,006
<i>Receivables</i>				
- Trade Debtors	5.1	1,014	-	1,014
- DOH Long service leave	5.1	1,349	-	1,349
Total Financial Assets ⁽ⁱ⁾		23,369	-	23,369
Financial Liabilities				
Payables	5.2	-	4,014	4,014
Borrowings	6.1	-	201	201
<i>Other Financial Liabilities</i>				
- Accommodation bonds	5.3	-	10,234	10,234
- Other	5.3	-	338	338
Total Financial Liabilities ⁽ⁱ⁾		-	14,787	14,787

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

Swan Hill District Health

Notes to the Financial Statements For the Financial Year Ended 30 June 2021

Note 7.1 (a): Financial Instruments (continued)

How we categorise financial instruments

Categories of financial assets

Financial assets are recognised when Swan Hill District Health becomes party to the contractual provisions to the instrument. For financial assets, this is at the date Swan Hill District Health commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments (except for trade receivables) are initially measured at fair value plus transaction costs, except where the instrument is classified at fair value through net result, in which case transaction costs are expensed to profit or loss immediately.

Where available, quoted prices in an active market are used to determine the fair value. In other circumstances, valuation techniques are adopted.

Trade receivables are initially measured at the transaction price if the trade receivables do not contain a significant financing component or if the practical expedient was applied as specified in AASB 15 para 63.

Financial Assets at Amortised Cost

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

- The assets are held by Swan Hill District Health to collect the contractual cash flows; and
- The assets' contractual terms give rise to cash flows that are solely payments of principal and interests on the principle amount outstanding on specific dates.

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

Swan Hill District Health recognises the following assets in this category:

- Cash and deposits; and
- Receivables (excluding statutory receivables).

Categories of financial liabilities

Financial liabilities at amortised cost

Financial liabilities are measured at amortised cost using the effective interest method, where they are not held at fair value through net result.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest expense in net result over the relevant period. The effective interest is the internal rate of return of the financial asset or liability. That is, it is the rate that exactly discounts the estimated future cash flows through the expected life of the instrument to the net carrying amount at initial recognition.

Swan Hill District Health recognises the following liabilities in this category:

- Payables (excluding statutory payables);
- Borrowings (including lease liabilities); and
- Accommodation bonds.

Offsetting financial instruments

Financial instrument assets and liabilities are offset and the net amount presented in the consolidated balance sheet when, and only when, Swan Hill District Health has a legal right to offset the amounts and intend either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Some master netting arrangements do not result in an offset of balance sheet assets and liabilities. Where Swan Hill District Health does not have a legally enforceable right to offset recognised amounts, because the right to offset is enforceable only on the occurrence of future events such as default, insolvency or bankruptcy, they are reported on a gross basis.

Swan Hill District Health

Notes to the Financial Statements For the Financial Year Ended 30 June 2021

Note 7.1 (a): Financial Instruments (continued)

Derecognition of financial assets

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

- the rights to receive cash flows from the asset have expired; or
- Swan Hill District Health retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through' arrangement; or
- Swan Hill District Health has transferred its rights to receive cash flows from the asset and either:
 - has transferred substantially all the risks and rewards of the asset; or
 - has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

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

Derecognition of financial liabilities

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

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

Reclassification of financial instruments

A financial asset is required to be reclassified between fair value, amortised cost, fair value through net result and fair value through other comprehensive income when, and only when, Swan Hill District Health's business model for managing its financial assets has changed such that its previous model would no longer apply.

A financial liability reclassification is not permitted.

Swan Hill District Health

Notes to the Financial Statements For the Financial Year Ended 30 June 2021

Note 7.2 Financial risk management objectives and policies

As a whole, Swan Hill District Health's financial risk management program seeks to manage the risks and the associated volatility of its financial performance.

Details of the significant accounting policies and methods adopted, included the criteria for recognition, the basis of measurement, and the basis on which income and expenses are recognised, with respect to each class of financial asset, financial liability and equity instrument above are disclosed throughout the financial statements.

Swan Hill District Health's main financial risks include credit risk, liquidity risk, interest rate risk, foreign currency risk and equity price risk. Swan Hill District Health manages these financial risks in accordance with its financial risk management policy.

Swan Hill District Health uses different methods to measure and manage the different risks to which it is exposed. Primary responsibility for the identification and management of financial risks rests with the Accountable Officer.

Note 7.2 (a) Credit risk

Credit risk refers to the possibility that a borrower will default on its financial obligations as and when they fall due. Swan Hill District Health's exposure to credit risk arises from the potential default of a counter-party on their contractual obligations resulting in financial loss to Swan Hill District Health. Credit risk is measured at fair value and is monitored on a regular basis.

Credit risk associated with Swan Hill District Health's contractual financial assets is minimal because the main debtor is the Victorian Government. For debtors other than the Government, the health service is exposed to credit risk associated with patient and other debtors.

In addition, Swan Hill District Health does not engage in hedging for its contractual financial assets and mainly obtains contractual financial assets that are on fixed interest, except for cash and deposits, which are mainly cash at bank. As with the policy for debtors, Swan Hill District Health's policy is to only deal with banks with high credit ratings.

Provision of impairment for contractual financial assets is recognised when there is objective evidence that Swan Hill District Health will not be able to collect a receivable. Objective evidence includes financial difficulties of the debtor, default payments, debtors that are more than 60 days overdue, and changes in debtor credit ratings.

Contract financial assets are written off against the carrying amount when there is no reasonable expectation of recovery. Bad debt written off by mutual consent is classified as a transaction expense. Bad debt written off following a unilateral decision is recognised as other economic flows in the net result.

Except as otherwise detailed in the following table, the carrying amount of contractual financial assets recorded in the financial statements, net of any allowances for losses, represents Swan Hill District Health's maximum exposure to credit risk without taking account of the value of any collateral obtained.

There has been no material change to Swan Hill District Health's credit risk profile in 2020-21.

Swan Hill District Health

Notes to the Financial Statements For the Financial Year Ended 30 June 2021

Note 7.2 (a) Credit risk (continued)

Impairment of financial assets under AASB 9

Swan Hill District Health records the allowance for expected credit loss for the relevant financial instruments applying AASB 9's Expected Credit Loss approach. Subject to AASB 9, impairment assessment includes the health service's contractual receivables and its investment in debt instruments.

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

Contractual receivables at amortised cost

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

On this basis, Swan Hill District Health determines the closing loss allowance at the end of the financial year as follows:

		<i>Less than</i>	<i>1–3</i>	<i>3 months</i>		
30 June 2021	<i>Current</i>	<i>1 month</i>	<i>months</i>	<i>–1 year</i>	<i>1–5</i>	<i>Total</i>
Expected loss rate	0%	0%	0%	50%	0%	
Gross carrying amount of contractual receivables (\$'000s)	843	159	80	163	-	1,244
Loss allowance (\$000)	-	-	-	27	-	27

		<i>Less than</i>	<i>1–3</i>	<i>3 months</i>		
30 June 2020	<i>Current</i>	<i>1 month</i>	<i>months</i>	<i>–1 year</i>	<i>1–5 years</i>	<i>Total</i>
Expected loss rate	0%	0%	0%	50%	0%	
Gross carrying amount of contractual receivables (\$'000s)	518	60	87	349	-	1,014
Loss allowance (\$000)	-	-	-	23	-	23

Statutory Receivables at Amortised Cost

Swan Hill District Health's non-contractual receivables arising from statutory requirements are not financial instruments. However, they are nevertheless recognised and measured in accordance with AASB 9 requirements as if those receivables are financial instruments.

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

Swan Hill District Health

Notes to the Financial Statements For the Financial Year Ended 30 June 2021

Note 7.2 (b) Liquidity risk

Liquidity risk arises from being unable to meet financial obligations as they fall due.

Swan Hill District Health is exposed to liquidity risk mainly through the financial liabilities as disclosed in the face of the balance sheet and the amounts related to financial guarantees. The health service manages its liquidity risk by:

- close monitoring of its short-term and long-term borrowings by senior management, including monthly reviews on current and future borrowing levels and requirements
- maintaining an adequate level of uncommitted funds that can be drawn at short notice to meet its short-term obligations
- careful maturity planning of its financial obligations based on forecasts of future cash flows.

Swan Hill District Health's exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment of risk. Cash for unexpected events is generally sourced from liquidation of investments and other financial assets.

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

		Maturity Dates					
	Note	Carrying Amount \$'000	Nominal amount \$'000	Less than 1 Month \$'000	1-3 Months \$'000	3 Months- 1 Year \$'000	1-5 Years \$'000
30 June 2021							
Payables	5.2	1,851	1,851	1,851	-	-	-
Borrowings	6.1	609	609	-	-	123	486
Other Financial Liabilities ⁽ⁱ⁾							
- Accommodation Bonds ⁽ⁱⁱ⁾	5.3	11,150	11,150	-	-	1,386	9,764
- Other	5.3	422	422	422	-	-	-
Total Financial Liabilities		14,032	14,032	2,273	-	1,509	10,250
<hr/>							
		Maturity Dates					
	Note	Carrying Amount \$'000	Nominal amount \$'000	Less than 1 Month \$'000	1-3 Months \$'000	3 Months- 1 Year \$'000	1-5 Years \$'000
30 June 2020							
Payables	5.2	4,014	4,014	4,014	-	-	-
Borrowings	6.1	201	201	-	-	6	195
Other Financial Liabilities ⁽ⁱ⁾							
- Accommodation Bonds ⁽ⁱⁱ⁾	5.3	10,234	10,234	3,259	489	335	6,151
- Other	5.3	338	338	338	-	-	-
Total Financial Liabilities		14,787	14,787	7,611	489	341	6,346

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

⁽ⁱⁱ⁾ The maturity dates of the refundable accommodation deposits represent estimated timing of repayments.

Swan Hill District Health

Notes to the Financial Statements For the Financial Year Ended 30 June 2021

Note 7.2 (c) Market Risk

Swan Hill District Health's exposures to market risk are primarily through interest rate risk. Objectives, policies and processes used to manage this risk are disclosed below.

Sensitivity disclosure analysis and assumptions

Swan Hill district Health's sensitivity to market risk is determined based on the observed range of actual historical data for the preceding five-year period. Swan Hill District Health's fund managers cannot be expected to predict movements in market rates and prices. The following movements are 'reasonably possible' over the next 12 months:

- a change in interest rate of 1% up or down.

Interest rate risk

Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate because of changes in market interest rates. Swan Hill District Health does not hold any interest-bearing financial instruments that are measured at fair value, and therefore has no exposure to fair value interest rate risk.

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Swan Hill District Health has minimal exposure to cash flow interest rate risks through cash and deposits.

Note 7.3 Contingent Assets and Contingent Liabilities

At the date of this report the Board are not aware of any Contingent Assets or Contingent Liabilities.

Swan Hill District Health

Notes to the Financial Statements For the Financial Year Ended 30 June 2021

Note 8: Other Disclosures

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

Structure:

- 8.1 Reconciliation of Net Result for the Year to Net Cash Flow from Operating Activities
- 8.2 Responsible persons disclosures
- 8.3 Remuneration of Executives
- 8.4 Related Parties
- 8.5 Remuneration of Auditors
- 8.6 Events Occurring after the Balance Sheet Date
- 8.7 Jointly Controlled Operations
- 8.8 Economic Dependency
- 8.9 Equity

Telling the COVID-19 story

Our other disclosures were not materially impacted by the COVID-19 Coronavirus pandemic.

Swan Hill District Health

Notes to the Financial Statements For the Financial Year Ended 30 June 2021

Note 8.1 Reconciliation of net result for the year to net cash inflows / (outflows) flows from operating activities

	2021	2020
	\$'000	\$'000
Net result for the year	(2,592)	(2,310)
Non-cash movements:		
Depreciation	4,584	4,533
Bad and doubtful debt expense	(20)	(17)
(Gain)/Loss on sale or disposal of non-financial assets	116	55
Assets received free of charge	(543)	(165)
(Increase)/Decrease in Long Service Leave Liability	143	-
Movements in assets and liabilities:		
(Increase)/Decrease in receivables	(189)	979
(Increase)/Decrease in prepaid expenses	28	983
Increase/(Decrease) in payables	898	833
Increase/(Decrease) in provisions	835	366
(Increase)/Decrease in inventories	132	(97)
Net cash inflow from operating activities	3,391	5,160

Swan Hill District Health

Notes to the Financial Statements For the Financial Year Ended 30 June 2021

Note 8.2: Responsible person disclosures

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

	<u>Period</u>
The Honourable Martin Foley:	
Minister for Mental Health	1 Jul 2020 - 29 Sep 2020
Minister for Health	26 Sep 2020 - 30 Jun 2021
Minister for Ambulance Services	26 Sep 2020 - 30 Jun 2021
Minister for the Coordination of Health and Human Services: COVID-19	26 Sep 2020 - 9 Nov 2020
The Honourable Jenny Mikakos:	
Minister for Health	1 Jul 2020 - 26 Sep 2020
Minister for Ambulance Services	1 Jul 2020 - 26 Sep 2020
Minister for the Coordination of Health and Human Services: COVID-19	1 Jul 2020 - 26 Sep 2020
The Honourable Luke Donnellan:	
Minister for Child Protection	1 Jul 2020 - 30 Jun 2021
Minister for Disability, Ageing and Carers	1 Jul 2020 - 30 Jun 2021
The Honourable James Merlino:	
Minister for Mental Health	29 Sep 2020 - 30 Jun 2021
Governing Boards:	
Mr A. Gilchrist (Chair of the Board)	01/07/2020 - 30/06/2021
Mr G. Kuchel (Deputy Chair)	01/07/2020 - 30/06/2021
Ms J. Wiggins	01/07/2020 - 30/06/2021
Ms A. Patney	01/07/2020 - 30/06/2021
A/Prof D. Colville	01/07/2020 - 30/06/2021
Ms E. Liepa	01/07/2020 - 30/06/2021
Ms J. Kelly	01/07/2020 - 30/06/2021
Mrs C. Bourne	01/07/2020 - 30/06/2021
Accountable Officers:	
Mr. P.S. Abraham (Chief Executive Officer)	01/07/2020 - 30/06/2021

Swan Hill District Health

Notes to the Financial Statements For the Financial Year Ended 30 June 2021

Note 8.2: Responsible person disclosures (continued)

Remuneration of Responsible Persons:

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

Income Band	Total Remuneration	
	2021	2020
	\$'000	\$'000
	No.	No.
\$10,000 - \$19,999	8	9
\$260,000 to \$269,999	-	1
\$290,000 to \$299,999	1	-
Total Numbers	9	10
Total remuneration received or due and receivable by Responsible Person from the Reporting Entity amounted to:	\$411	\$398

Amounts relating to Responsible Ministers are reported within the Department of Parliamentary Services' Financial Report as disclosed in Note 8.4 Related Parties.

Swan Hill District Health

Notes to the Financial Statements For the Financial Year Ended 30 June 2021

Note 8.3 Remuneration of executives

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

Remuneration of executive officers

(including Key Management Personnel disclosed in Note 8.4)

	Total Remuneration	
	2021 \$'000	2020 \$'000
Short-term benefits	1,022	920
Post-employment benefits	93	92
Other long-term benefits	16	148
Termination benefits	-	233
Total remuneration ⁽ⁱ⁾	1,131	1,393
Total number of executives	6	7
Total annualised employee equivalent ⁽ⁱⁱ⁾	5	5

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

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

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

Short-Term Employee Benefits

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

Post-Employment Benefits

Pensions and other retirement benefits (such as superannuation guarantee contributions) paid or payable on a discrete basis when employment has ceased.

Other Long-term Benefits

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

Termination Benefits

Termination of employment payments, such as severance packages.

Swan Hill District Health

Notes to the Financial Statements For the Financial Year Ended 30 June 2021

Note 8.4: Related Parties

Swan Hill District Health is a wholly owned and controlled entity of the State of Victoria. Related parties of the Health Service include:

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

KMPs are those people with the authority and responsibility for planning, directing and controlling the activities of Swan Hill District Health, directly or indirectly.

Key management personnel

The Board of Directors and the Executive Directors of Swan Hill District Health are deemed to be KMPs.

Entity	KMPs	Position Title
Swan Hill District Health	Mr A. Gilchrist	Chair of the Board
Swan Hill District Health	Mr G. Kuchel	Deputy Chair
Swan Hill District Health	Ms J. Wiggins	Board Member
Swan Hill District Health	Ms A. Patney	Board Member
Swan Hill District Health	A/Prof D. Colville	Board Member
Swan Hill District Health	Ms E. Liepa	Board Member
Swan Hill District Health	Ms J. Kelly	Board Member
Swan Hill District Health	Mrs C. Bourne	Board Member
Swan Hill District Health	Mr P. Abraham	Chief Executive Officer
Swan Hill District Health	Ms K. Bennetts	Director of Corporate Business
Swan Hill District Health	Mr P. Smith	Director of Primary Care Services
Swan Hill District Health	Mrs C. Keogh	Director of Clinical Services
Swan Hill District Health	Mr R.Prabhu	Director of Medical Services
Swan Hill District Health	Mr R.Karunanantham ⁽ⁱ⁾	Director of Finance (CFO)
Swan Hill District Health	Ms C. Bailey ⁽ⁱⁱ⁾	Acting Director of Finance (CFO)

⁽ⁱ⁾ Ragul Karun ceased employment in June 2021.

⁽ⁱⁱ⁾ Cherie Bailey commenced as Acting Director of Finance (CFO) June 2021.

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

Swan Hill District Health

Notes to the Financial Statements For the Financial Year Ended 30 June 2021

Note 8.4: Related Parties (continued)

Compensation - KMPs

	2021	2020
	\$'000	\$'000
Short-term benefits	1,396	1,297
Post-employment benefits	109	113
Other long-term benefits	37	148
Termination benefits	-	233
Total ⁽ⁱ⁾	1,542	1,791

(i) KMPs are also reported in Note 8.2 Responsible Persons and Note 8.3 Remuneration of Executives.

Significant Transactions with Government Related Entities

Swan Hill District Health received funding from the Department of Health of \$55,051,763 (2020: \$50,922,567).

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

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

The Standing Directions of the Assistant Treasurer require Swan Hill District Health to hold cash (in excess of working capital) in accordance with the State of Victoria's centralised banking arrangements. All borrowings are required to be sourced from Treasury Corporation Victoria unless an exemption has been approved by the Minister for Health and the Treasurer.

Transactions with KMPs and other related parties

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

Outside of normal citizen type transactions with Swan Hill District Health, there were no related party transactions that involved key management personnel, their close family members or their personal business interests. No provision has been required, nor any expense recognised, for impairment of receivables from related parties. There were no related party transactions with Cabinet Ministers required to be disclosed in 2021 (2020: none).

There were no related party transactions required to be disclosed for the Swan Hill District Health Board of Directors, Chief Executive Officer and Executive Directors in 2021 (2020: none).

Swan Hill District Health

Notes to the Financial Statements For the Financial Year Ended 30 June 2021

Note 8.5 Remuneration of Auditors

Victorian Auditor-General's Office	2021 \$'000	2020 \$'000
Audit of financial statements	31	31
Total remuneration of auditors	31	31

Note 8.6 Events occurring after the balance sheet date

There are no events occurring after the Balance Sheet date.

Swan Hill District Health

Notes to the Financial Statements For the Financial Year Ended 30 June 2021

Note 8.7 Jointly controlled operations and assets

Name of entity	Principal activity	Ownership Interest	
		2021	2020
		%	%
Loddon Mallee Rural Health Alliance	Information systems	9.00	9.57

Swan Hill District Health's interest in assets employed in the above jointly controlled operations and assets is detailed below. The amounts are included in the financial statements under their respective asset categories:

	2021 \$'000	2020 \$'000
Current assets		
Cash and cash equivalents	551	570
Receivables	80	7
GST Receivable	18	36
Inventories	-	106
Prepayments	135	124
Total current assets	784	843
Non-current assets		
Property, plant and equipment	87	83
Total non-current assets	87	83
Total assets	871	926
Current Liabilities		
Creditors	239	364
Accrued expenses	26	53
Unearned income - DHHS grants	-	38
Total current liabilities	265	455
Total liabilities	265	455
Net assets	606	471

Swan Hill District Health interest in revenues and expenses resulting from jointly controlled operations and assets is detailed below:

	2021 \$'000	2020 \$'000
Revenue from operating activities	1,872	976
Expenditure	(1,834)	(1,043)
Net Result before capital and specific items	38	(67)
Depreciation	(17)	(10)
Expenditure using capital purpose income	112	56
Net Result for the year	133	(21)

Contingent liabilities and capital commitments

Loddon Mallee Rural Health Alliance does not have any known contingent liabilities or capital commitments at 30th June 2021.

Swan Hill District Health

Notes to the Financial Statements For the Financial Year Ended 30 June 2021

Note 8.8: Economic Dependency

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

Note 8.9 Equity

Contributed capital

Contributions by owners (that is, contributed capital and its repayment) are treated as equity transactions and, therefore, do not form part of the income and expenses of Swan Hill District Health.

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

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

Restricted Specific Purpose Reserve

The specific restricted purpose reserve is established where Swan Hill District Health has possession or title to the funds but has no discretion to amend or vary the restriction and/or condition underlying the funds received.