



Swan Hill
District Health
Connected Care. Best Experience.

ANNUAL REPORT

2022-23



ACKNOWLEDGEMENT OF COUNTRY

Swan Hill District Health would like to acknowledge First Nations communities of the Wamba Wamba, Waddi Waddi, Barapa Barapa, Latji Latji and the Tatti Tatti people on whose land, we work and live. We pay respect to all Elders past and present and honour their connection to the land and water.



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.

RESPONSIBLE PERSONS DISCLOSURES

We are a public health service established under the Health Services Act 1988 (Vic). The responsible Minister is the Minister for Health:

Minister for Health

The Hon. Mary-Anne Thomas from 01 July 2022 – 30 June 2023

Minister for Ambulance Services

The Hon. Mary-Anne Thomas from 01 July 2022 – 05 December 2022

The Hon. Gabrielle Williams from 05 December 2022 – 30 June 2023

Minister for Mental Health

The Hon. Gabrielle Williams from 01 July 2022 – 30 June 2023

Minister for Disability, Ageing and Carers

The Hon. Colin Brooks from 01 July 2022 – 05 December 2022

The Hon. Lizzie Blandthorn from 05 December 2022 – 30 June 2023

Four publications are produced which deal with the functions, powers, duties and activities of the Hospital. These publications can be obtained from Swan Hill District Health.

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

Front Cover art work by Sandra Kropinyeri. The artwork depicts patients/families, their health journey (The River) and support provided along the way. Hands show the diversity of staff and also represents the different sections of support within SHDH that are available to all patients. Land and country are shown in the line design at the bottom and spiritual connection is sun rays and sun.



Our Vision

Connected Care. Best Experience

Swan Hill District Health is committed to meeting the growing health care needs of our community through our new vision to provide better connected care and to achieve the best care experience.

Our Values



Inclusive

We provide an experience that welcomes and values everyone.



Progressive

We continue to strive for the best experience outcomes.



Accountable

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



Compassionate

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



Contents

Title	Page
Our Vision and Values	ii
Board Chair & Chief Executive’s Officer Report	1
Board of Directors	4
Board Committees	4
Auditor & Bank Details	4
Organisational Structure	5
Executive Staff	6
Senior Staff	7
Medical Staff	8
Our Services & Catchment Map	9
Report of Operations	10
Disclosure Index	19
Statement of Priorities: Part A, B & C	Appendix 1
Financial Statements	Appendix 2

Chair & CEO – Year in Review

In accordance with the Financial Management Act 1994, we are pleased to present the report of operations for Swan Hill District Health (SHDH) for the year ending 30 June 2023.

The 2022/23 financial year was one of constant change and challenges. Throughout, Swan Hill District Health (SHDH) has remained committed to meeting the health care needs and service demands of the community through a positive value led agenda focused on recovery. We would like to acknowledge up front in this year's Annual Report the Board's recognition of the outstanding contribution our people continue to make to the provision of the best care experience and their ability to continually and repeatedly rise to the challenges faced by a diminished local workforce availability in an environment of increased demand for our services. Like many other health services across Victoria and Australia, SHDH has experienced workforce pressures and has seen gaps emerge in some key areas of service. This cannot be fixed overnight however, SHDH is driving wide-reaching recruitment campaigns and has extended its recruitment net overseas to include international workforce expos, to address these workforce challenges and attract the best staff to our team. In undertaking these initiatives, we also have a focused strategy on "Growing our own" by providing incentives for employees wishing to undertake clinical education and by increasing opportunities for local medical training.

Worker wellbeing is a priority for SHDH and we will continue to invest in a number of strategies that better support worker wellbeing and prevent burnout.

We acknowledge and respect the important contribution that consumers, carers and community groups play in the planning, delivery and evaluation of our care and we thank each and every one of them for their remarkable effort. We are highly appreciative of the many volunteers, who contribute their valuable time to support health service provision 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 Op Shop Committee for their hard work and dedication to supporting SHDH with such wonderful annual donation support. This year, Op Shop donations have been used to refurbish the Maternity Unit with the aim of making it a more family friendly place to be.

Through our strong regional collaborative partnerships, SHDH has worked with our partners to support surgery needs, planning for and delivering care in the home.

We are both pleased and excited that we have commenced the Emergency Department development which will be completed in early 2026. We are now focused on securing support for the next phase of our developments. A first crucial step has been taken towards this endeavor with the completion of the Entity Clinical Services Plan to better inform future development needs.

Additionally, with the support of the Loddon Mallee Region and the Department of Health, we have commenced planning for a new Electronic Medical Record for SHDH.

Chair & CEO – Year in Review

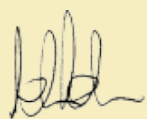
We are looking forward and preparing for a bright future. We have now entered into the final year of our four year Strategic Plan and with most of the objectives now complete, we look forward to the development of our new Plan in 2024. Our embedded and strong governance systems underpin our approach to the delivery of high quality care.

This year, the Board farewelled one of its valued members, Claris Bourne. Claris contributed strong leadership and governance to the Board over her three year term most notably, as a passionate committee member on the Corporate Governance Committee and the Maternity (Model of Care) Re-Design Governance Group.

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

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 and the extreme workforce pressures and increase in demand for services that has followed. The SHDH team have and continue to do an outstanding job throughout, for which we are so grateful.

Swan Hill District Health (SHDH) has remained 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.



Andrew Gilchrist
Board Chair
Swan Hill District Health
27/09/2023



Peter Abraham
Chief Executive Officer
Swan Hill District Health
27/09/2023

Board of Directors



Andrew Gilchrist
Chair



Greg Kuchel
Deputy Chair



Janice Kelly



Deb Colville



Julie Wiggins



Claris Bourne



Ajai Verma



Hayden Collins



Alison Von Bibra

BOARD GOVERNANCE SUB-COMMITTEES

Corporate Governance Committee

(Audit, Risk & Finance)

Janice Kelly (Chair)

Greg Kuchel

Claris Bourne

Clinical Governance Committee

Deb Colville (Chair)

Julie Wiggins

Ajai Verma

Community & Cultural Engagement Committee

Hayden Collins (Co-Chair)

Alison Von Bibra (Co-Chair)

Andrew Gilchrist

Helen Gell (Community Representative)

Vicki Clark (Community Representative)

Executive Remuneration Committee

Andrew Gilchrist (Chair)

Greg Kuchel

Janice Kelly

AUDITORS AND BANKS

Auditor:

Crowe Australasia

(as agents of the Auditor General Victoria)

Internal Auditor:

KPMG Accounting

Banks:

National Australia Bank

Westpac Bank

Organisational Structure



Executive Directors



Peter Abraham – Chief Executive Officer

Appointed Jun 2019

Dip App Science Nursing, Dip Hlth Mgt.

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.



Chloe Keogh – Executive Director of Clinical Care

Appointed Dec 2019

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

The Executive Director of Clinical Care 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 Executive Director of Clinical Services.



Ro Enever – Executive Director of Corporate Business

Appointed Oct 2022

GDip Haz. Mgt, FSS, CPMSIA, GAICD

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



Paul Smith – Executive Director of Community Care

Appointed Oct 2002

Dip.App.Sc.(Pod.)

The Executive Director of Community Care leads a comprehensive range of Allied Health & Community 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.



A/Prof Rex Prabhu – Executive Director of Medical Services

Appointed Feb 2019

MBBS, DCH, MPH, MHSc (Health.Serv.Mgmt), MHSc (OHS), FRACMA, FCHSM, MAICD

The Executive Director of Medical Services is responsible for medical workforce and governance within the health service and medical training partnerships with external agencies. This role oversees the operations of the Primary Health Medical Centre, Pharmacy, Medico – Legal services including Freedom of Information (FOI) as well as contracted services of Pathology and Medical Imaging.



Cherie Bailey – Executive Director of Finance

Appointed Jul 2021

CPA

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

Senior Staff



Fiona Lawrance
Operational Director
People & Culture



Jonathan Sparrow
Operational Director
Quality, Experience & Safety

Medical Services

Dr. Ernan. Hession, Director of Medical Training

ED Clinical Lead & Medical Educator:

- Dr Emily Harrison (July – April)
- Dr Dr Savio Jnguyenphamhh (April – June)

Dr Vasu Iyengar, O&G Clinical Lead

Dr Manzoor Elahi, Hon Director of Anaesthetics

Sarah Symes, Medical Services Manager

Natalie Barnes, Acting Chief Medical Imaging Technologist

Alexandra Sharpe, Director of Pharmacy

Samantha Hellsten, Practice Manager

Michelle Barry, Acting Practice Manager

Primary Care

Michelle Gadsby, Aboriginal Health Manager

Kate Corrie, Health Independence Senior Manager

Jann Barkman, Mental Health Senior Manager

Gayle Taylor, Community Health Senior Manager

Bruce Campbell, Occupational Therapy Manager

Emma Pay, Allied Health Senior Manager

Stacey Worsnop, Podiatry Manager

Jenelle Hutchinson, Speech Pathology Manager

Kirsty Jacobs, headspace Manager

Jeanette Healey, Dental Health Manager

Jamie Garahy, Social Support Program Coordinator

Finance

Payroll Manager(s)

- Nicole Hawkins / Belinda Gardner (Joint)

Megan Leahy, Chief Health Information Manager

Corporate Business

Ken Herman, Engineering Services Manager

David McCallum, Supply Manager

Kristy Coolahan, Food Production Manager

Jodie Jones, Occupational Health & Safety Officer

Toni Saunders, Environmental Services Manager

Clinical Services

Kate Anderson, Deputy Director of Nursing

Catherine Kemp, Director of Nursing – Aged Care

Nursing Coordinators:

- Cheryl Beard
- Joanna Dillon
- Robyn Bailey
- Sharnee Marchant

Nurse Unit Managers:

- Rose Hanns, Acute
- Kath Curran, Emergency
- Lesley Finch, Perioperative
- Cheryl Delmenico, Midwifery
- Leonie Gilbert, Midwifery
- Maria Fox, District Nursing
- Gillian Mays, Renal Care
- Sharon Collyer, Renal Care
- Dianne Ingusan, Sub Acute
- Jeally Venezuela-Omo
- Merridee Taverna, Paliative Care

Jayne Stead, Learning & Development

Judy Deveraux, Infection & Prevention Control

Cynthia Holland, Social Worker

Leanne Bibby, Breast Care Nurse

People & Culture

Jodie Jones, Occupational Health & Safety Manager

Medical Staff

Emergency Department

Dr Savio Jnguyenphamhh
Dr Emily Harrison
Dr Lakmal Rathnayake
Dr Raj Patankar
Dr Tobi Kuoluyi
Dr Geraldo Guimaraes
Trish Oxley (Nurse Practitioner)

Anaesthetics

Dr Marlize Diederiks
Dr John Edington
Dr Manzoor Elahi
Dr Phoebe Shiu
Dr Andreas Hendarto
Dr Yalamber Limby
Dr Arul Sivanesan

Cardiology

Dr G.P. Leiti
Dr Peter Barlis

General Surgery

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

Physicians

Dr Keith Kiew (Geriatric Medicine)
Dr Patrick Cooney (Nephrologist)
Dr Emily Butler (Nephrologist)
Dr Andrew. Mahony (Infectious Diseases)

Obstetrics / Gynaecology

A/Prof Vasu Iyengar
Dr Nick Ellis
Dr Patricia Boyd
Dr Claire Reyner

Urology

Dr Todd Manning

Pathology

Austin Pathology

Oncology

Dr Mark. Warren
Dr Robert. Blum
Dr Rob Campbell
Dr Chloe Georgiou
Dr Sam Harris
Dr Noral Lee (Haematologist)
Dr Morgan Edwards(Haematologist)

Ophthalmic Surgery

Dr Dujon Fuzzard

Orthopaedic Surgery

Mr Neelika. Dayananda

Otorhinolaryngology

Mr Paul. Paddle
Mr Ryan. De Freitas

Radiology

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

Swan Hill Medical Group

Dr Stewart Booth
Dr Rahman. Talukder

SHDH Medical Officers

Dr Alex Watson
Dr Yi Mon Thin
Dr Trisha DaSilva
Dr Kyla Kyaw

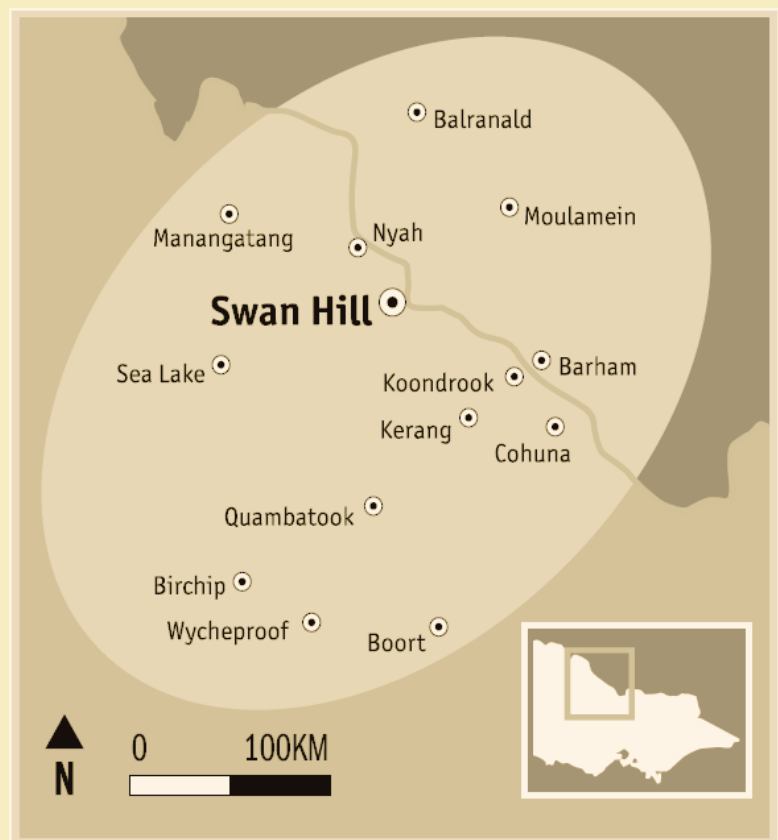
SHDH Primary Health Medical Centre

A/Prof Ernan Hession
Dr Svitlana. Kelada
Dr Reshma. Banskota
Dr Zeest. Naveed
Dr Manzoor Elahi
Dr Magda Rumantir
Dr Tahira Saeed
Dr Andreas Hendarto
Dr Eissara Punyapati
Dr Fungai Zinyowera
Dr Babtunde Osunneye
Dr Ahmed Hosni

Our Services

Aboriginal Liaison
Acute Care
Adult Day Service
Advance Care Planning
Aged Care – Residential
Breast Care Nurse
Cancer Care
Cardiology
Care Co-Coordination
Chemotherapy
Community Health Nursing
Community Rehabilitation
Continence Service
Counselling Service, incl. Alcohol
and Other Drug Services
Dental
Dietetics
District Nursing
Domiciliary Midwifery Service
Emergency Department
General Medicine
General Surgery
Geriatric Medicine
GP – Primary Health Clinic
Gynaecology
Haemodialysis
headspace
Health Clinics
Health Promotion
Hospital Admission Risk Program
Hospital in the Home
Lymphoedema Service
Meals on Wheels
Maternity
Nephrology
Occupational Therapy
Day Oncology
Ophthalmology Surgery
Orthopaedic Surgery

Otorhinolaryngology Surgery
Paediatric Medicine
Palliative Care
Pharmacy
Pharmacotherapy
Physiotherapy
Podiatry
Post Acute Care Services
Primary Health Medical Centre
Radiology
Speech Pathology
Stomal Therapy
Sub Acute
Transitional Care
Urology Surgery
Vascular Services



Report of Operations

SUMMARY OF FINANCIAL RESULTS

	2022-23 (\$000)	2021-22 (\$000)	2020-21 (\$000)	2019-20 (\$000)	2018-19 (\$000)
Operating Result (\$m)	0	0	0	(0.56)	(2.7)
Total Revenue	99,763	89,074	81,573	77,384	69,542
Total Expenses	98,448	89,509	84,165	79,376	71,374
Net Results from transactions	1,315	(435)	(2,592)	(1,992)	(1,832)
Other Economic Flows	(3,640)	(58)	-	(318)	(330)
Net Results	(2,325)	(493)	(2,592)	(2,310)	(2,162)
Accumulated Surpluses	(4,488)	(2,163)	(1,670)	922	3,232
Total Assets	99,650	100,236	89,080	88,881	89,791
Total Liabilities	31,374	29,633	29,283	27,142	25,742
Net Assets	68,277	70,603	59,797	61,739	64,049
Total Equity	68,277	70,603	59,797	61,739	64,049

RECONCILIATION OF NET RESULT FROM TRANSACTIONS AND OPERATING RESULT

	2022- 2023 \$000
Operating result	0
Capital purpose income	5,603
Specific income	
COVID 19 State Supply Arrangements <ul style="list-style-type: none"> Assets received free of charge or for nil consideration under the State Supply 	372
State supply items consumed up to 30 June 2023	(372)
Assets provided free of charge	0
Assets received free of charge	15
Expenditure for capital purpose	0
Depreciation and amortisation	(4,303)
Impairment of non-financial assets	0
Finance costs (other)	0
Net result from transactions	1,315

Report of Operations

CONSULTANCIES

Details of Consultancies under \$10,000:

In 2022-23 there were two consultancies where the total fees payable to the consultants were less than \$10,000. The total expenditure incurred during 2022-23 in relation to these consultancies was \$13,037.50 (excluding GST).

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

In 2022-23 there were six consultancies where the total fees payable to the consultants was \$10,000 or greater. The total expenditure incurred during 2022-23 in relation to these consultancies was \$301,658.00 (excluding GST).

Consultant	Purpose	Start Date	End Date	Total approved project fee	Expenditure 2022-23 GST Excl.	Future Expenditure GST Excl.
The Trustee for Workplace Investigation Service Trust	Workplace Review	14/02/2023	19/04/2023	13,058	13,058	0
The Trustee for Keating Family Trust	Property Review	12/10/2022	23/11/2022	20,000	20,000	0
The Writing Room	Cancer Model of Care Review	07/03/2022	22/07/2022	30,000	30,000	0
Murray Verbeek	Digital Transformation	01/07/2022	30/06/2023	79,000	79,000	0
Sandra Mary Chamberlin	Radiology Model of Care Review	14/06/2022	10/08/2022	18,000	18,000	0
Leading Healthcare	Aged Care Review	01/07/2023	30/06/2023	141,600	141,600	0

INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) EXPENDITURE

The total ICT expenditure incurred during 2022-23 was \$1,427,542.42 (excluding GST) with the details shown below:

Business as Usual (BAU) ICT Expenditure	Non-Business as Usual (non-BAU) ICT Expenditure		
Total (excl. GST)	Total =Operational, E=Expenditure and capital Expenditure (excl. GST)	Operational Expenditure (excl. GST)	Capital Expenditure (excl. GST)
1,396,879.78	30,662.64	0	30,662.64

Report of Operations

WORKFORCE DATA

Hospitals Labour Category	June current month FTE		Average Monthly FTE	
	2022	2023	2022	2023
Nursing	179.1	165.9	187.4	169.8
Administration and Clerical	99.8	91.4	98.2	96.6
Medical Support	15.7	28.3	26.1	28.0
Hotel and Allied Services	97.6	77.1	82.6	75.4
Medical Officers	3.3	6.5	3.2	5.7
Hospital Medical Officers	17.1	16.2	15.8	16.5
Sessional Clinicians	0.9	4.0	0.8	1.9
Ancillary Staff (Allied Health)	50.1	62.7	49.9	61.1

OCCUPATIONAL HEALTH & SAFETY

Swan Hill District Health is committed to ensuring the health, safety and welfare of its employees, patients and visitors and maintains its responsibilities under the Occupational Health and Safety Act 2004 (Vic) and subsequent Regulations.

In 2022/2023 Swan Hill District Health continued to monitor and review its performance indicators in the areas of Workers' Compensation, Injuries, Hazards and Near Misses, Occupational Health and Safety Audits, Meetings and Representation and Occupational Violence and Aggression Incidents.

Swan Hill District Health has achieved a significant increase in a number of performance indicators including increased reporting of Occupational Violence and Aggression (OVA) Incidents, thereby demonstrating a positive reporting culture enabling the Health Service to proactively manage these incidents which can be seen in the reduction in injuries associated with OVA Incidents.

There has been a 33% increase in the number of Health and Safety Representatives (HSR) within Swan Hill District Health with meetings occurring at least bi-monthly and Safety Audits progressing. Post-COVID-19 it has remained difficult to schedule HSR 5-Day Training which has impacted on the achievement of these performance indicators. HSR training has been scheduled for late August 2023.

Workers' Compensation trends have increased for 2022/2023, with average claim costs increasing significantly, due to a number of long term claims with no capacity to return to the workplace.

Report of Operations

OCCUPATIONAL HEALTH & SAFETY

Occupational Health & Safety Statistics	2022-2023	2021-2022	2020-2021
The number of reported hazards/incidents for the year per 100 FTE	19.8	50	30
The number of 'lost time' standard workcover claims for the year per 100 FTE	0.59	0.65	0.43
The average cost per workcover claim for the year	\$250,025	\$150,356	\$25,074

OCCUPATIONAL VIOLENCE

Occupational violence statistics	2022-2023
Workcover accepted claims with an occupational violence cause per 100 FTE	0
Number of accepted workcover claims with lost time injury with an occupational violence cause per 1,000,000 hours worked.	0
Number of occupational violence incidents reported.	329
Number of occupational violence incidents reported per 100 FTE	49.1
Percentage of occupational violence incidents resulting in a staff injury, illness or condition.	2.03%

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 2022-2023.
- **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

DISCLOSURES

Freedom of Information Act 1982

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 175 requests for information were received which related to personal documents.

Public Interest Disclosure Act 2012

Under the Public Interest Disclosures Act 2012 (Formerly Protected Disclosure Act 2012) Swan Hill District Health has a protocol, including policy, consistent with the requirements of the act that supports staff to disclose serious misconduct or corruption within the organisation and public health services in Victoria.

Swan Hill District Health received no notification during the 2022-23 financial year.

Statement on National Competition Policy

Swan Hill District Health complies with the National Competition Policy, including compliance with the requirements of the policy statement 'Competitive Neutrality Policy Victoria'.

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.

Local Jobs First Act 2003

Swan Hill District Health acknowledges it is required to abide by the principles of the Victorian Industry Participation Policy Act 2003 (VIPP). In 2022-23 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.

Report of Operations

DISCLOSURES

Gender Equality Act 2020

Swan Hill District Health is committed to the principles of diversity and equality in all aspects of our business and operations. In accordance with the Gender Equality Act 2020 we have developed and lodged a Gender Equality Action Plan 2022–2025 demonstrating our intention to positively impact upon 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. Implementation of a Gender Equality Committee to contribute, oversee and monitor progression of the Gender Equality Action Plan 2022–2025, including focusing on proactive measures to impact gender equality and inclusion in our workforce.
2. The Operational Director People and Culture, in consultation with key stakeholders, implements the Gender Equality Action Plan to ensure key milestones are achieved through:
 - Development of a strategy to obtain intersectional data of SHDH workforce
 - Analysis of intersectional data to assist in the development and achievement of strategies.
 - Reengagement by the Operational Director People and Culture and Health Promotion in the Community, particularly surrounding participation on the community diversity and inclusion committee harmonising strategies between SHDH and the community in order to maximise results.
3. The development of a training system to monitor and review the career development opportunities which will assist in the identification of any inequalities/disparities.
4. Creation of a central record of higher duties and secondments to facilitate the identification of any inequalities/disparities.
5. The development and implementation of strategies, throughout the employment lifecycle to assist in the achievement of our aspirational profiles i.e. Ethnicity/Inclusion.

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.

Building Act 1993

Swan Hill District Health complies with the Building Act 1993.

Report of Operations

DISCLOSURES

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.

Indicator	Indicator Description	Usage	
EL1	Total electricity consumption (Mj) segmented by source	Source: Purchased Electricity Main Campus 5,312,863 CRC 628,715 Jacaranda Lodge 504,646 Staff Accommodation 428,623 44 High Street 243,291 Op-Shop 181,362 Dental 129,035 Chisolm St 98,885 District Nursing 95,134 Storage 40,669	Usage(mj)
EL2	On-site electricity generated segmented by usage and source	Nil	
EL3	On-site installed generation capacity segmented by source	Nil	
EL4	Total electricity offsets segmented by offset type	Nil	
F1	Total fuels used in buildings and machinery segmented by fuel type	Liquefied Gas 16159446.5 Mj	
F2	Greenhouse gas emissions from stationary fuel consumption segmented by fuel type. Thousand tonnes of CO ₂ e	Electricity 2,238 Liquefied Petroleum Gas 625.6 Total Emissions	2,864
T1	Total energy used in transportation within the entity segmented by fuel type and vehicle category	Hybrid Vehicles 43,092 Mj Diesel Vehicles 1,316,922 Mj Unleaded Vehicle 7,5165 Mj	
T2	Number and proportion of vehicles in the organisational boundary segmented by engine/fuel type and vehicle category	Hybrid Vehicles 4 Diesel Vehicles 3 Unleaded Vehicle 26	
T3	Greenhouse gas emissions from vehicle fleet segmented by fuel type and vehicle category (t CO ₂ -e)	29,577 SHDH is working with supplier to develop reporting	
T4	Total distance travelled by commercial air travel	73,416 Kms	
E1	Total energy usage from fuels	1447 Mj	
E2	Total energy usage from electricity	9,480,830 Mj	
E3	Total energy usage segmented into renewable and non-renewable sources	Nil SHDH is working with supplier to develop reporting	

Report of Operations

Environmental Performance Continued

Indicator	Indicator Description	Usage	
E4	Units of energy used normalised by FTE, headcount, floor area, or other entity or sector specific quantity. By Inpatient Bed Days plus Aged Care Bed nights.	Normalised by Bed Days plus Aged Care Bed Nights Electricity 364.5Mj Per Person Per Night	
B1	Discuss how environmentally sustainable design (ESD) is incorporated into newly completed entity-owned buildings	Every opportunity is taken to incorporate ESD when updating facilities. This includes lighting, solar panels, low energy use electricals and reduced water consumptions where possible.	
B2	Discuss how new entity leases meet the requirement to preference higher-rated office buildings and those with a Green Lease Schedule	N/A	
B3	NABERS Energy ratings of newly completed/occupied entity-owned office buildings and substantial tenancy fit-outs	N/A	
B4	Environmental performance ratings of newly completed entity-owned non-office building or infrastructure projects or upgrades with a value over \$1 million, where these ratings have been conducted	N/A	
B5	Environmental performance ratings achieved for entity-owned assets portfolio segmented by rating scheme and building, facility, or infrastructure type, where these ratings have been conducted	SHDH is working with supplier to develop reporting	
W1	Total units of metered water consumed by water source	Source Main Campus CRC Jacaranda Lodge 44 High Street Dental All other sites	Unit (ML) 1.00 N/A N/A N/A N/A N/A
W2	Units of metered water consumed normalised by FTE, headcount, floor area, or other entity or sector specific quantity	17,710 ML per m2	
WR1	Total units of waste disposed of by disposal method and material type / waste stream	Waste Type - Disposal Method General Waste - Landfill Clinical Waste - Treated Clinical Waste - Sharps Clinical Waste- Incinerated Cardboard - Recycled Commingle - Recycled Total Waste	Unit (kg) % 192,327 (79.4%) 14390 (5.9%) 760 (0.3%) 351 (0.1%) 17,325 (7.2%) 17,099 (7.1%) 242,252
WR2	Dedicated collection services provided in offices for printer cartridges, batteries, and soft plastics	SHDH utilise a printer recycling program for all printer cartridges. Batteries are recycled through eWaste. Due to SHDH's rural location no soft plastic recyclable is available SHDH is working with supplier to develop reporting and identifying alternate recycling options available in region.	

Report of Operations

Environmental Performance Continued

Indicator	Indicator Description	Usage	
WR3	Total units of waste disposed normalised by FTE, headcount, floor area, or other entity or sector specific quantity, by disposal method. <i>Normalised by headcount:</i> (369/656 = 0.6kg per head)	Waste Type – Disposal Method	Headcount
		General Waste – Landfill	293 (79%)
		Clinical Waste – Treated	22 (6%)
		Clinical Waste – Sharps	1 (0.3%)
		Clinical Waste – Incinerated	1 (0.3%)
		Cardboard – Recycled	26 (7%)
		Commingle – Recycled	26 (7%)
WR4	Recycling rate	14%	
WR5	Greenhouse gas emissions associated with waste disposal	698.71 CO ₂ -e(tonnes)	
G1	Total scope one (direct) greenhouse gas emissions (Thousand tonnes of CO ₂ e)	0.63 ktCO ₂ -e	
G2	Total scope two (indirect electricity) greenhouse gas emissions (Thousand tonnes of CO ₂ e)	2.24 ktCO ₂ -e	
G3	Total scope three (other indirect) greenhouse gas emissions associated with commercial air travel and waste disposal	Air Travel 36,039 Co ₂ e	

Additional information available on request

Details in respect of the items listed below are 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):

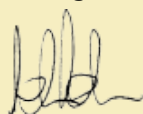
- a statement that declarations of pecuniary interests have been duly completed by all relevant officers;
- details of shares held by a senior officer as nominee or held beneficially in a statutory authority or subsidiary;
- details of publications produced by the entity about itself, and how these can be obtained;
- details of changes in prices, fees, charges, rates and levies charged by the entity;
- details of any major external reviews carried out on the entity;
- details of major research and development activities undertaken by the entity;
- 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 entity to develop community awareness of the entity 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 entity and details of time lost through industrial accidents and disputes;
- a list of major committees sponsored by the entity, the purposes of each committee and the extent to which the purposes have been achieved; and
- details of all consultancies and contractors including:
 - (i) consultants/contractors engaged;
 - (ii) services provided; and
 - (iii) expenditure committed to for each engagement

Report of Operations

ATTESTATIONS AND DECLARATIONS

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

Integrity, Fraud & 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

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

Data Integrity

I, Peter Abraham, certify that Swan Hill District Health has put in 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

Compliance with Health Share Victoria (HSV) Purchasing Policies

I, Peter Abraham, certify that Swan Hill District Health has put in place appropriate internal controls and processes to ensure that it has materially complied with all requirements set out in the HSV Purchasing Policies including mandatory HSV collective agreements as required by the Health Services Act 1988 (Vic) and has critically reviewed these controls and processes during the year.

Report of Operations

DISCLOSURE INDEX

The annual report of the 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 22	Manner of establishment and the relevant Ministers	i
FRD 22	Purpose, functions, powers and duties	ii
FRD 22	Nature and range of services provided	
FRD 22	Activities, programs and achievements for the reporting period	1
FRD 22	Significant changes in key initiatives and expectations for the future	1
Management		
FRD 22	Organisational structure	4
FRD 22	Workforce data/employment and conduct principles	11
FRD 22	Occupational Health and Safety	11
Financial Information		
FRD 22	Summary of the financial results for the year	Appendix 2
FRD 22	Significant changes in financial position during the year	Appendix 2
FRD 22	Operational and budgetary objectives and performance against objectives	Appendix 1
FRD 22	Details of consultancies under \$10,000	10
FRD 22	Details of consultancies over \$10,000	10
FRD 22	Disclosure of ICT expenditure	10
Legislation		
FRD 22	Application and operation of <i>Freedom of Information Act 1982</i>	13
FRD 22	Application and operation of <i>Public Interest Disclosure Act</i> (Updated 2020-2021)	13
FRD 22	Statement on National Competition Policy	13
FRD 22	Application and operation of <i>Carers Recognition Act 2012</i>	13
FRD 22	Compliance with building and maintenance provisions of <i>Building Act 1993</i>	14
FRD 22	Additional information available on request	17
FRD 24	Environmental Data Reporting	15

Report of Operations

DISCLOSURE INDEX

Legislation	Requirement	Page Reference
Other relevant reporting directives		
FRD 25	<i>Local Jobs First Act 2003</i> disclosures	18
SD 5.1.4	Financial Management Compliance attestation	18
SD 5.2.3	Declaration in report of operations	2
Attestations		
• Attestation on Data Integrity		18
• Attestation on Managing Conflicts of Interest		18
• Attestation on Integrity, Fraud and Corruption		18
• Compliance with HealthShare Victoria (HSV) Purchasing Policies		18
Other reporting requirements		
• Reporting of outcomes from Statement of Priorities 2022-2023		Appendix 1
• Occupational Violence reporting		12
• <i>Gender Equality Act 2020</i>		14
• Reporting obligations under the <i>Safe Patient Care Act 2015</i>		14



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 2022–23: Part A, B & C

Appendix 2

- Victorian Auditor-General's Office Report
- Financial Results for 2022–23

Statement of Priorities – Part A

Strategic Priorities	SHDH Strategy and Outcome
<p>Maintain COVID-19 readiness</p> <p><i>– Maintain a robust COVID-19 readiness and response which includes testing for community and staff and the vaccine immunisation program rollout.</i></p>	<ul style="list-style-type: none"> • Swan Hill District Health has a well-developed Pandemic Management Plan that has undergone rigorous review and scenario testing. • SHDH has conducted COVID-19 screening tests and covid care at home through the Loddon Mallee virtual care program throughout the reporting period. • SHDH has provided strong support to its sub regional and regional partners in responding effectively to COVID. • SHDH has maintained its role as a Covid streaming hospital. • Stepped the Hospital Incident Response Committee down to a Covid Coordination Group meeting to respond to ongoing challenges of the pandemic. • Close engagement with the Loddon Public health Unit has been maintained to ensure consistency of SHDH approach to safe care through COVID outbreaks and other public preventable disease episodes.
<p>Delivering more care in the home or virtually</p> <p><i>– Increase the provision of home-based or virtual care, where appropriate and preferred, by the patient, including via the Better at Home program</i></p>	<p>The SHDH Better@Home program has worked closely with the Loddon Mallee Better@Home team and the Virtual Care Office team in developing Remote Patient Monitoring(RPM). The purpose of RPM remains to “Reduce Potentially Preventable Emergency Department Presentations and Hospitalisations (and improve quality of life).”</p> <p>SHDH has worked towards to:</p> <ul style="list-style-type: none"> • Provide feedback to inpatient clinicians on the progress of their patients who were referred to @Home services • Build confidence and trust in @home care amongst clinicians, to increase referrals • Document patient stories and highlight benefits to patients of the Better@Home program.
<p>Improve quality and safety of care</p> <p><i>– Work with Safer Care Victoria (SCV) in areas of clinical improvement to ensure the Victorian health system is safe and delivers best care, including working together on hospital acquired complications, low value care and targeting preventable harm to ensure that limited resources are optimised without compromising clinical care and outcomes.</i></p>	<ul style="list-style-type: none"> • Through the Loddon Mallee Health Network, SHDH is partnering with SCV (Safer Care Victoria) to develop a Regional Clinical Governance system. • SHDH holds regular meetings with SCV through its quarterly performance review to discuss clinical quality performance matters. • SCV is a key participant in the SHDH Maternity Re-design Governance group. • SHDH has participated in SCV Clinical care collaborative and capability framework reviews.egular meetings with SCV through its quarterly performance review to discuss clinical quality performance matters. • SCV is a key participant in the SHDH Maternity Re-design Governance group. • SHDH has participated in SCV Clinical care collaborative and capability framework reviews.
<p>Improve Emergency Department access</p> <p><i>– Improve access to emergency services by implementing strategies to reduce bed access blockage to facilitate improved whole of system flow, reduce emergency department four-hour wait times, and improve ambulance to health service handover times.</i></p>	<ul style="list-style-type: none"> • Continued implementation of a daily operating system muster enables improved communication between acute and ED service. Daily Regional bed flow meeting held with Bendigo Health. • Regular meetings with Ambulance Victoria.

Statement of Priorities – Part A

Strategic Priorities	SHDH Strategy and Outcome
<p>Plan update to nutrition and food quality standards</p> <p><i>– Develop a plan to implement nutrition and quality of food standards in 2022–23, implemented by December of 2023.</i></p>	<ul style="list-style-type: none"> • Employment of a specific Food Services Dietitian • Food & Nutrition Committee to monitor implementation of the Food Standards • Menu Review meetings re-established • Compliance with Healthy Choices Standard 1 and 4 completed • Compliance with Healthy Choices Standard 2 and 3 commenced • Implement visually appealing plate up service in new Jacaranda Lodge kitchenette to encourage resident intake of nutritious high quality meals.
<p>Climate Change Commitments</p> <p><i>– Contribute to enhancing health system resilience by improving the environmental sustainability, including identifying and implementing projects and/or processes that will contribute to committed emissions reduction targets through reducing or avoiding carbon emissions and/or implementing initiatives that will help the health system to adapt to the impacts of climate change.</i></p>	<ul style="list-style-type: none"> • Phase out of single use plastics e.g. drinking straws, plastic bags and plastic stemmed cotton swabs • Explore and introduce reusable customer options in 1860 • Explore industry cutting edge options for reduction in waste volume
<p>Asset Maintenance and Management</p> <p><i>– Improve health service and Department Asset Management Accountability Framework (AMAF) compliance by collaborating with Health Infrastructure to develop policy and processes to review the effectiveness of asset maintenance and its impact on service delivery.</i></p>	<ul style="list-style-type: none"> • Revision and updating of Asset (Transfer) and Disposal Policy to provide clearer direction and greater governance • Investigation and implementation of increased functions of MEX program • Increased collaboration between Finance Dept and Corporate Business Dept in planning and management of asset purchase and replacement
<p>Improve Aboriginal cultural safety</p> <p><i>– Strengthen commitments to Aboriginal Victorians by addressing the gap in health outcomes by delivering culturally safe and responsive health care.</i></p> <p><i>– Establish meaningful partnerships with Aboriginal Community-Controlled Health Organisations.</i></p> <p><i>– Implement strategies and processes to actively increase Aboriginal employment.</i></p> <p><i>– Improve patient identification of Aboriginal people presenting for health care, and to address variances in health care and provide equitable access to culturally safe care pathways and environments.</i></p> <p><i>– Develop discharge plans for every Aboriginal patient.</i></p>	<ul style="list-style-type: none"> • The LMHN First Nations Cultural Advisor has developed the LMHN River Journey of Reconciliation grounded in results-based accountability to progress the LMHN commitment in reconciliation and anti-racism work. • Commencement of 1:1 First Nations mentoring with the SHDH CEO, Establishment of a yarning circles with Aboriginal Health Liaison Officers (AHLOs) including SHDH. • Signed partnership agreement between SHDH & Mallee District Aboriginal Service (MDAS). • Service level agreement with MDAS for GP services.

Statement of Priorities – Part A

Strategic Priorities	SHDH Strategy and Outcome
<p>Foster and develop local partnerships</p> <ul style="list-style-type: none"> – Strengthen cross-service collaboration, including through active participation in health service partnerships (HSP). – Work together with other HSP members on strategic system priorities where there are opportunities to achieve better and more consistent outcomes through collaboration, including the pandemic response, elective surgery recovery and reform, implementation of the Better at Home program and mental health reform. 	<ul style="list-style-type: none"> • SHDH has continued to progress its partnership initiatives through collaboration with regional and sub-regional health services under the Loddon Mallee Health Network. Through the LMHN, SHDH actively participates as a member of the Murray and Mallee Partnerships and leads the Regional Quality & Safety Committee. • SHDH and Kerang District Health Boards have held a joint workshop on opportunities to partner on shared community catchment opportunities. • From this initial workshop, a partnership agreement and Governance steering group will be developed that includes shared principals, and priorities actions. • SHDH is working with its regional partners on priorities including elective surgery recovery and implementation of the Better at Home program.
<p>Planned Surgery Recovery and Reform Program</p> <ul style="list-style-type: none"> – Maintain commitment to deliver goals and objectives of the Planned Surgery Recovery and Reform Program, including initiatives as outlined, agreed and funded through the HSP workplan. Health services are expected to work closely with HSP members and the department throughout the implementation of this strategy, and to collaboratively develop and implement future reform initiatives to improve the long term sustainability of safe and high quality planned surgical services to Victorians. 	<ul style="list-style-type: none"> • The working implementation group with representatives from relevant LMHN organisations including SHDH has begun focusing on increasing number of day case surgeries and decreasing LOS in Laparoscopic Cholecystectomy and Simple Breast surgeries. • Regional Surgeon and Anaesthetist workforce mapping has commenced. • Workforce deficiencies post Pandemic at SHDH has somewhat delayed progress on this objective. • SHDH has development an elective surgery pre-admission portal for improved information flow and patient access.
<p>Improve workforce wellbeing</p> <ul style="list-style-type: none"> – Participate in the Occupational Violence and Aggression (OVA) training that will be implemented across the sector in 2022–23. – Support the implementation of the Strengthening Hospital Responses to Family Violence (SHRFV) initiative deliverables including health service alignment to MARAM, the Family Violence Multi-Agency Risk Assessment and Management framework. – Prioritise wellbeing of healthcare workers and implement local strategies to address key issues. 	<ul style="list-style-type: none"> • Occupational Violence and Aggression (OVA) training has been implemented in 2022 and will be continuously reviewed and refined to ensure employee safety. • The recruitment of a Workforce Experience Officer has and will continue to greatly assist the strengthening of Family Violence and Cultural diversity and Inclusion Initiatives. • A Stronger Workforce- will evolve from a holistic inclusive authentic workforce care program. • It will be milestone measured from the commencement at recruitment, with on boarding and retention initiatives. These initiatives will be measured by staff identifying their job satisfaction, safety and wellbeing via the PMS survey responses and via the provision of reporting diagnostics to the Executive and Board.

Statement of Priorities – Part B

HIGH QUALITY AND SAFE CARE		
Key performance measure	Target	Result
Infection prevention and control		
Compliance with the Hand Hygiene Australia program	85%	91%
Percentage of healthcare workers immunised for influenza	92%	100%
Patient experience		
Victorian Healthcare Experience Survey – percentage of positive patient experience responses	95%	98%
Unplanned readmissions		
Unplanned readmissions to any hospital following a hip replacement	≤ 6%	4.8%
Maternity and Newborn		
Rate of singleton term infants without birth anomalies with APGAR score <7 to 5 minutes	≤1.4%	4.6%
Rate of severe fetal growth restriction (FGR) in singleton pregnancy undelivered by 40 weeks	≤28.6%	0%
Continuing Care		
Functional independence gain from an episode of rehabilitation admission to discharge relative to length of stay	≥ 0.645	0.889
STRONG GOVERNANCE, LEADERSHIP AND CULTURE		
Organisational Culture		
People matter survey – Percentage of staff with an overall positive response to safety culture survey questions	62%	64%

Statement of Priorities – Part B

Key performance measure	Target	Result
TIMELY ACCESS TO CARE		
Emergency Care		
Percentage of patients transferred from ambulance to emergency department within 40 minutes	90%	97%
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%	86%
Percentage of emergency patients with a length of stay in the emergency department of less than four hours	81%	79%
Number of patients with a length of stay in the emergency department greater than 24 hours	0	7
Percentage of mental health-related emergency department presentations with a length of stay of less than 4 hours	81%	65%
Specialist Clinics		
Percentage of urgent patients referred by a GP or external specialist who attended a first appointment within 30 days	100%	82.5%
Percentage of routine patients referred by GP or external specialist who attended a first appointment within 365 days	90%	100%
EFFECTIVE FINANCIAL MANAGEMENT		
Operating Result	0	0
Average number of days to pay trade creditors	60 days	13 days
Average number of days to receive patient fee debtors	60 days	18 days
Adjusted current asset ratio	0.7 or 3% improvement from health service base target	1.05
Actual number of days available cash, measured on the last day of each month.	14 days	14 days
Variance between forecast and actual Net result from transactions (NRFT) for the current financial year ending 30 June.	≤ \$250,000	Achieved

Statement of Priorities – Part C

Funding type	2022-23 Activity achievement
CONSOLIDATED ACTIVITY FUNDING	
Acute admitted, subacute admitted, emergency services, non-admitted NWAU	7577
ACUTE ADMITTED	
National Bowel Cancer Screening Program NWAU	0
Acute admitted DVA NWAU	33
Acute admitted TAC NWAU	13
ACUTE NON-ADMITTED	
Home Enternal Nutrition NWAU	6
SUBACUTE/NON-ACUTE, ADMITTED & NON-ADMITTED	
Subaute WIES – DVA	0.61
AGED CARE	
Residential Aged Care	25,141
HACC hours	1128
PRIMARY HEALTH	
Community Health / Primary Care Programs NWAU	8,698

Financial Statements

Swan Hill District Health

24 314 338 210

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

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 2023 and the financial position of Swan Hill District Health at 30 June 2023.

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 Wednesday, September 27th, 2023

Board member	Accountable Officer	Chief Finance & Accounting Officer
		
A. Gilchrist	P. Abraham	C. Bailey
Board Chair	Chief Executive Officer	Chief Finance and Accounting Officer
Swan Hill	Swan Hill	Swan Hill
27-Sep-23	27-Sep-23	27-Sep-23

Independent Auditor's Report

To the Board of Swan Hill District Health

Opinion	<p>I have audited the financial report of Swan Hill District Health (the health service) which comprises the:</p> <ul style="list-style-type: none">• balance sheet as at 30 June 2023• comprehensive operating statement for the year then ended• statement of changes in equity for the year then ended• cash flow statement for the year then ended• notes to the financial statements, including significant accounting policies• board member's, accountable officer's and chief finance & accounting officer's declaration. <p>In my opinion the financial report presents fairly, in all material respects, the financial position of the health service as at 30 June 2023 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 7 of the <i>Financial Management Act 1994</i> and applicable Australian Accounting Standards.</p>
Basis for Opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the health service in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
Board's responsibilities for the financial report	<p>The Board of the health service is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the <i>Financial Management Act 1994</i>, and for such internal control as the Board determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.</p> <p>In preparing the financial report, the Board is responsible for assessing the health service's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.</p>

**Auditor's
responsibilities
for the audit of
the financial
report**

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

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

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

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

MELBOURNE
23 October 2023



Charlotte Jeffries
as delegate for the Auditor-General of Victoria

Swan Hill District Health
Comprehensive Operating Statement
For the Financial Year Ended 30 June 2023

		2023	2022
	Note	\$'000	\$'000
Revenue and income from transactions			
Operating activities	2.1	98,470	88,465
Non-operating activities	2.1	1,293	609
Total revenue and income from transactions		99,763	89,074
Expenses from transactions			
Employee expenses	3.1	(71,924)	(65,046)
Supplies and consumables	3.1	(8,930)	(8,038)
Finance costs	3.1	(26)	(22)
Depreciation	4.4	(4,303)	(4,566)
Other administrative expenses	3.1	(6,653)	(6,005)
Other operating expenses	3.1	(6,612)	(5,832)
Total Expenses from transactions		(98,448)	(89,509)
Net result from transactions - net operating balance		1,315	(435)
Other economic flows included in net result			
Net gain/(loss) on sale of non-financial assets	3.2	(3,578)	81
Net gain/(loss) on financial instruments	3.2	(68)	(67)
Other gain/(loss) from other economic flows	3.2	6	(72)
Total other economic flows included in net result		(3,640)	(58)
Net result for the year		(2,325)	(493)
Other economic flows - other comprehensive income			
Items that will not be reclassified to net result			
	4.1(b)	-	11,299
Total other comprehensive income		-	11,299
Comprehensive result for the year		(2,325)	10,806

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

Swan Hill District Health
Balance Sheet
As at 30 June 2023

		2023	2022
	Note	\$'000	\$'000
Current assets			
Cash and cash equivalents	6.2	26,033	24,823
Receivables and contract assets	5.1	1,815	1,286
Inventories	4.5	291	246
Prepaid expenses		424	377
Total current assets		28,563	26,732
Non-current assets			
Receivables and contract assets	5.1	1,370	1,127
Property, plant and equipment	4.1(a)	69,262	71,838
Right of use assets	4.2(a)	455	539
Total non-current assets		71,087	73,504
Total assets		99,650	100,236
Current liabilities			
Payables and contract liabilities	5.2	4,488	4,329
Borrowings	6.1	299	177
Employee benefits	3.3	12,247	11,486
Other liabilities	5.3	12,473	11,463
Total current liabilities		29,507	27,454
Non-current liabilities			
Borrowings	6.1	257	495
Employee benefits	3.3	1,610	1,683
Total non-current liabilities		1,867	2,178
Net assets		68,277	70,603
Equity			
Revaluation surplus	4.3	54,694	54,694
Restricted specific purpose reserve	SCE	5,298	3,850
Contributed capital	SCE	18,072	18,072
Accumulated deficit	SCE	(9,786)	(6,013)
Total equity		68,277	70,603

This Statement 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 2023

	Property, Plant and Equipment Revaluation Surplus \$'000	Restricted Specific Purpose Reserve \$'000	Contributed Capital \$'000	Accumulated Deficit \$'000	Total \$'000
Balance at 1 July 2021	43,395	3,705	18,072	(5,375)	59,797
Net result for the year	-	-	-	(493)	(493)
Other comprehensive income for the year	11,299	-	-	-	11,299
Transfer from/(to) accumulated surplus/(deficit)	-	145	-	(145)	-
Balance at 30 June 2022	54,694	3,850	18,072	(6,013)	70,603
Net result for the year	-	-	-	(2,325)	(2,325)
Other comprehensive income for the year	-	-	-	-	-
Transfer from/(to) accumulated surplus/(deficit)	-	1,448	-	(1,448)	-
Balance at 30 June 2023	54,694	5,298	18,072	(9,786)	68,277

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 2023

		2023	2022
	Note	\$'000	\$'000
Cash Flows from operating activities			
Operating grants from State Government		66,700	57,314
Operating grants from Commonwealth Government		11,372	11,850
Capital grants from State Government		1,882	2,511
Capital grants from Commonwealth Government		102	18
Patient fees received		3,363	4,204
Private practice fees received		785	827
Donations and bequests received		1,113	1,460
GST received from ATO		(74)	5
Interest and investment income received		120	12
Recoupment from private practice for use of hospital facilities		1,748	1,840
Other receipts received		9,141	9,026
Total receipts		96,253	89,067
Employee expenses		(55,351)	(52,074)
Non salary labour costs		(15,882)	(12,448)
Payments for supplies and consumables		(8,974)	(8,053)
Payments for repairs and maintenance		(950)	(483)
Finance costs		(26)	(22)
Other payments		(13,000)	(11,612)
Total payments		(94,183)	(84,692)
Net cash flows from/(used in) operating activities	8.1	2,071	4,375
Cash Flows from investing activities			
Purchase of non-financial assets		(1,812)	(2,012)
Proceeds from sale of property, plant and equipment		28	85
		(1,784)	(1,927)
Cash flows from financing activities			
Repayment of borrowings		(32)	(39)
Repayment of principal portion of lease liabilities		(118)	(107)
Repayment of accomodation deposits		(2,972)	(5,731)
Receipt of accomodation deposits		4,046	5,622
Net cash flows from/(used in) financing activities		923	(255)
Net increase/(decrease) in cash and cash equivalents held		1,210	2,193
Cash and cash equivalents at beginning of year		24,823	22,630
Cash and cash equivalents at end of year	6.2	26,033	24,823

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

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 2023. 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.

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.

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 8.9 Economic

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 27th of September 2023.

Note 1.2: Impact of COVID-19 pandemic

The Pandemic (Public Safety) Order 2022 (No. 5) which commenced on 22 September 2022 ended on 12 October 2022 when it was allowed to lapse and was revoked. Long-term outcomes from COVID-19 infection are currently unknown and while the pandemic response continues, a transition plan towards recovery and reform in 2022/23 was implemented. Victoria's COVID-19 Catch-Up Plan is aimed at addressing Victoria's COVID-19 case load and restoring surgical activity.

Where financial impacts of the pandemic are material to Swan Hill District Health, they are disclosed in the explanatory notes. For Swan Hill District Health, this includes:

- Note 2: Funding delivery of our services

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
NWAU	National Weighted Activity Unit
SD	Standing Direction
VAGO	Victorian Auditor General's Office
SHDH	Swan Hill District Health
LMRHA	Loddon Mallee Rural Health Alliance

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 8.6.

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 relate to the following disclosures:

- Note 2.1: Revenue and income from transactions
- Note 3.3: Employee benefits and related on-costs
- Note 4.1: Property, plant and equipment
- Note 4.2: Right-of-use assets
- Note 4.4: Depreciation
- Note 4.6: Impairment of assets
- Note 5.1: Receivables and Contract assets
- Note 5.2: Payables and contract liabilities
- Note 6.1(a): Lease liabilities
- Note 7.4: Fair value determination

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 beginning 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</i>	Reporting periods beginning on or after 1 January 2023.	Adoption of this standard is not expected to have a material impact.
AASB 2022-5: <i>Amendments to Australian Accounting</i>	Reporting periods beginning on or after 1 January 2024.	Adoption of this standard is not expected to have a material impact.
AASB 2022-6: <i>Amendments to Australian Accounting</i>	Reporting periods beginning on or after 1 January 2023.	Adoption of this standard is not expected to have a material impact.
AASB 2022-8: <i>Amendments to Australian Accounting</i>	Reporting periods beginning on or after January 2023.	Adoption of this standard is not expected to have a material impact.
AASB 2022-9: <i>Amendments to Australian Accounting</i>	Reporting periods beginning on or after 1 January 2026.	Adoption of this standard is not expected to have a material impact.
AASB 2022-10: <i>Amendments to Australian Accounting</i>	Reporting periods beginning on or after 1 January 2024.	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, assets and liabilities 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.

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.

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 Revenue and 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 and income recognised to fund the delivery of our services decreased during the financial year which was attributable to the COVID-19 Coronavirus pandemic and scaling down of the COVID-19 public health response during the year ended 30 June 2023.

Key judgements and estimates

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 the beneficiaries. 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.
Assets and services received free of charge or for nominal consideration	Swan Hill District Health applies significant judgement to determine the fair value of assets and services provided free of charge or for nominal value. Fair value has been determined by obtaining cost of asset if purchased in an active market at the acquisition date.

Note 2.1 Revenue and income from transactions

		2023 \$'000	2022 \$'000
	Note		
Operating activities			
Revenue from contracts with customers			
Government grants (State) - Operating		49,602	48,976
Government grants (Commonwealth) - Operating		11,332	9,017
Government grants (State) - Dental health		1,539	1,191
Patient and resident fees		5,887	6,626
Commercial activities ¹		2,509	2,528
Total revenue from contracts with customers	2.1(a)	70,869	68,338
Other sources of income			
Government grants (State) - Operating		17,098	8,338
Government grants (Commonwealth) - Operating		40	2,833
Government grants (State) - Capital		5,261	2,511
Government grants (Commonwealth) - Capital		102	18
Non-cash contributions by Department of Health and Human Services		449	97
Other capital purpose income		122	1,465
Assets received free of charge or for nominal consideration	2.2	372	834
Other revenue from operating activities (inc. non-capital donations)		2,681	2,866
Jointly controlled operations	8.6	1,417	1,110
Property income		59	55
Total other sources of income		27,601	20,127
Total revenue and income from operating activities		98,470	88,465
Non-operating activities			
Income from other sources			
		120	12
Assets received free of charge or for nominal consideration	2.2	15	126
Other income from non-operating activities		1,158	471
Total other sources of income		1,293	609
Total income from non-operating activities		1,293	609
Total revenue and income from transactions		99,763	89,074

1. Commercial activities represent business activities which Swan Hill District Health enters into to support their operations.

Note 2.1(a) Timing of revenue recognition from contracts with customers

Swan Hill District Health disaggregates revenue by the timing of revenue recognition.

Goods and services transferred to customers:

At a point in time

Over time

2023 \$'000	2022 \$'000
63,387	62,538
7,482	5,800
70,869	68,338

Total revenue from contracts with customers

How we recognise revenue and income from operating activities

Government operating grants

To recognise revenue, Swan Hill District Health assesses each grant to determine 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 a point in time or over time as and when services are rendered.

If a contract liability is recognised, Swan Hill District Health recognises revenue in profit or loss as and when it satisfies its obligations under the contract, unless a contract modification is entered into between all parties. A contract modification may be obtained in writing, by oral agreement or implied by customary business practices.

Where the contract is not enforceable and/or does not have sufficiently specific performance obligations, the health service:

- 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 in accordance with AASB 1058.

In contracts with customers, the 'customer' is typically a funding body, who is the party that promises funding in exchange for Swan Hill District Health's goods or services. Swan Hill District Health funding bodies often direct that goods or services are to be provided to third party beneficiaries, including individuals or the community at large. In such instances, the customer remains the funding body that has funded the program or activity, however the delivery of goods or services to third party beneficiaries is a characteristic of the promised good or service being transferred to the funding body.

Note 2.1(a) Timing of revenue recognition from contracts with customers (continued)

This policy applies to each of Swan Hill District Health's revenue streams, with information detailed below relating to Swan Hill District Health's significant revenue streams:

Government grant	Performance obligation
Activity Based Funding (ABF) paid as National Weighted Activity Unit (NWAU)	NWAU is a measure of health service activity expressed as a common unit against which the national efficient price (NEP) is paid.
	The performance obligations for NWAU are the number and mix of admissions, emergency department presentations and outpatient episodes, and is weighted for clinical complexity.
	Revenue is recognised at point in time, which is when a patient is discharged.
Commonwealth Residential Aged Care	Funding is provided for the provision of care for aged care residents within facilities at Swan Hill District Health.
	The performance obligations include provision of residential accommodation and care from nursing staff and personal care workers.
	Revenue is recognised at the point in time when the service is provided within the residential aged care facilities.

Note 2.1(a) Timing of revenue recognition from contracts with customers (continued)

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. Accommodation charges are calculated daily and are recognised at a point in time, to reflect the period accommodation is provided.

Commercial activities

Revenue from commercial activities includes items such as the Radiology business unit and the Dental Clinic. Commercial activity revenue is recognised at a point in time, upon provision of the goods or service to the customer.

How we recognise revenue and income from non-operating activities

Interest Income

Interest income is recognised on a time proportionate basis that considers the effective yield of the financial asset, which allocates interest over the relevant period.

Other non-operating income

Other non-operating income is recognised at a point in time and includes items such as catering, cafeteria and recoveries.

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

	2023 \$'000	2022 \$'000
Plant and equipment	15	126
Personal protective equipment and other	372	834
Total fair value of assets and services received free of charge or for nominal consideration	387	960

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, arrangements were put in place to centralise the purchasing of essential personal protective equipment (PPE) and other essential plant and equipment.

The general principles of the State Supply Arrangement were that Health Share Victoria sourced, secured and agreed terms for the purchase of the PPE products, funded by the Department of Health, while Monash Health took delivery, and distributed an allocation of the products to Swan Hill District Health as resources provided free of charge. Health Share Victoria and Monash Health were acting as an agent of the Department of Health under this arrangement.

Contributions of resources

Swan Hill District Health may receive resources for nil or nominal consideration to further its objectives. The resources are recognised at their fair value when Swan Hill District Health obtains control over the resources, irrespective of whether restrictions or conditions are imposed over the use of the contributions.

The exception to this policy is when an asset is received from another government agency or department as a consequence of a restructuring of administrative arrangements, in which case the asset will be recognised at its carrying value in the financial statements of Swan Hill District Health as a capital contribution transfer.

Voluntary Services

Swan Hill District Health recognises contributions by volunteers in its financial statements, if the fair value can be reliably measured and the services would have been purchased had they not been donated.

Swan Hill District Health did not receive any volunteer services and it does not depend on volunteers to deliver its services.

Non-cash contributions from the Department of Health

The DH makes some payments on behalf of Swan Hill District Health as follows:

Key judgements and estimates	Description
Victorian Managed Insurance Authority	The Department of Health purchases non-medical indemnity insurance for Swan Hill District Health which is paid directly to the Victorian Managed Insurance Authority. To record this contribution, such payments are recognised as income with a matching expense in the net result from transactions.
Department of Health	Long Service Leave (LSL) revenue is recognised upon finalisation of movements in LSL liability in line with the long service leave funding arrangements with the DH.

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 Other economic flows
- 3.3 Employee benefits and related on-costs
- 3.4 Superannuation

Telling the COVID-19 story

Expenses incurred to deliver our services decreased during the financial year which was attributable to reduced activity due to the COVID-19 Coronavirus pandemic and scaling down of the COVID-19 public health response during the year ended 30 June 2023.

Key judgements and estimates

This section contains the following key judgements and estimates:

Key judgements	Description
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>
Measuring employee benefit liabilities	<p>Swan Hill District Health applies significant judgement when measuring employee benefit liabilities. 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, being the expected future payments to employees.</p> <p>Expected future payments incorporate :</p> <ul style="list-style-type: none"> • an inflation rate of 4.35%, reflecting the future wage and salary levels • durations of service and employee departures, which are used to determine the estimated value of long service leave that will be taken in the future, for employees who have not yet reached the vesting period. The estimated rates are between 12.66% and 74.18% • discounting at the rate of 4.06%, as determined with reference to market yields on government bonds at the end of the reporting period. <p>All other entitlements are measured at their nominal value.</p>

Note 3.1 Expenses from transactions

		2023 \$'000	2022 \$'000
Salaries and wages		50,924	48,013
On-costs		5,118	4,585
Agency expenses		10,732	7,136
Fee for service medical officer expenses		4,348	4,556
Workcover premium		802	756
Total employee expenses		71,924	65,046
Drug supplies		2,854	2,692
Medical and surgical supplies (including Prostheses)		3,418	3,233
Diagnostic and radiology supplies		604	481
Other supplies and consumables		2,054	1,632
Total supplies and consumables		8,930	8,038
Finance costs		26	22
Total finance costs		26	22
Other administrative expenses		6,653	6,005
Total other administrative expenses		6,653	6,005
Fuel, light, power and water		947	926
Repairs and maintenance		950	483
Maintenance contracts		662	679
Medical indemnity insurance		209	194
Patient transport		1,971	1,455
Expenditure for capital purposes		214	188
Jointly controlled operations	8.6	1,287	1,073
	2.2	372	834
Total other operating expenses		6,612	5,832
Total operating expenses		94,145	84,943
Depreciation	4.4	4,302	4,566
Total depreciation		4,302	4,566
Long Service Leave Expense Loss		(3)	72
Bad and doubtful debt expense		68	67
Assets provided free of charge or Nominal Consideration	2.2	15	126
Total other non-operating expenses		80	265
Total non-operating expenses		4,382	4,831
Total expenses from transactions		98,527	89,774

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 DH 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.

Note 3.2 Other economic flows

	2023 \$'000	2022 \$'000
Net gain/(loss) on disposal of property plant and equipment	(3,578)	81
Total net gain/(loss) on non-financial assets	(3,578)	81
Allowance for impairment losses of contractual receivables	(68)	(67)
Total net gain/(loss) on financial instruments	(68)	(67)
Share of net profits/(losses) of joint entities, excluding dividends	3	(1)
Total share of other economic flows from joint arrangements	3	(1)
Net gain/(loss) arising from revaluation of long service liability	3	(72)
Total other gains/(losses) from other economic flows	3	(72)
Total gains/(losses) from other economic flows	(3,640)	(59)

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:

- net gain/(loss) on disposal of non-financial assets

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.

Note 3.3 Employee benefits and related on-costs

	2023 \$'000	2022 \$'000
Current employee benefits and related on-costs		
<i>Accrued days off</i>		
Unconditional and expected to be settled wholly within 12 months ⁱ	146	133
	146	133
<i>Annual leave</i>		
Unconditional and expected to be settled wholly within 12 months ⁱ	3,500	3,012
Unconditional and expected to be settled wholly after 12 months ⁱⁱ	1,419	1,571
	4,919	4,583
<i>Long service leave</i>		
Unconditional and expected to be settled wholly within 12 months ⁱ	987	593
Unconditional and expected to be settled wholly after 12 months ⁱⁱ	4,836	4,791
	5,823	5,384
<i>Provisions related to employee benefit on-costs</i>		
Unconditional and expected to be settled within 12 months ⁱ	568	496
Unconditional and expected to be settled after 12 months ⁱⁱ	791	890
	1,359	1,386
Total current employee benefits and related on-costs	12,247	11,486
Non-current employee benefits and related on-costs		
Conditional long service leave ⁱ	1,429	1,475
Provisions related to employee benefit on-costs ⁱⁱ	181	208
Total non-current employee benefits and related on-costs	1,610	1,683
Total employee benefits and related on-costs	13,857	13,169

ⁱ The amounts disclosed are nominal amounts.

ⁱⁱ The amounts disclosed are discounted to present values.

Note 3.3(a) Employee benefits and related on-costs

	2023 \$'000	2022 \$'000
Current employee benefits and related on-costs		
Unconditional accrued days off	146	133
Unconditional annual leave entitlements	5,541	5,173
Unconditional long service leave entitlements	6,560	6,180
Total current employee benefits and related on-costs	12,247	11,486
Non-current employee benefits and related on-costs		
Conditional long service leave entitlements	1,610	1,683
Total non-current employee benefits and related on-costs	1,610	1,683
Total employee benefits and related on-costs	13,857	13,169
Attributable to:		
Employee benefits	12,300	11,560
Provision for related on-costs	1,556	1,609
Total employee benefits and related on-costs	13,856	13,169

Note 3.3(b) Provision for related on-costs movement schedule

	2023 \$'000	2022 \$'000
Carrying amount at start of year	1,609	1,390
Additional provisions recognised	510	715
Amounts incurred during the year	(563)	(496)
	1,556	1,609

How we recognise employee benefits

Employee benefit recognition

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

No provision has been made for sick leave as all sick leave is non-vesting and it is not considered probable that the average sick leave taken in the future will be greater than the benefits accrued in the future. As sick leave is non-vesting, an expense is recognised in the Statement of Comprehensive Income as it is taken.

Note 3.3(a&b) Employee benefits and related on-costs and Provision for related on-costs movement schedule (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.

Provision for on-costs related to employee benefits

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

Note 3.4 Superannuation

	Paid Contribution for the Year		Contribution Outstanding at Year End	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Defined benefit plans:ⁱ				
Health Super Fund	49	49	3	3
Defined contribution plans:				
Aware Super	2,750	2,572	85	81
Hesta	1,307	1,061	41	35
Other	997	792	31	27
Total	5,103	4,474	160	146

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

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

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

Defined contribution (i.e., accumulation) superannuation plan expenditure 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.

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 Swan Hill District Health to be utilised for delivery of those outputs.

Structure:

- 4.1 Property, plant & equipment
- 4.2 Right-of-use assets
- 4.3 Revaluation surplus
- 4.4 Depreciation
- 4.5 Inventories
- 4.6 Impairment of assets

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

This section contains the following key judgements and estimates:

Key judgements and estimates	Description
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>

Note 4: Key Assets to support service delivery (continued)

The health service considers a range of information when performing its assessment, including considering:

- If an asset's value has declined more than expected based on normal
- If a significant change in technological, market, economic or legal environment which adversely impacts the way the health service uses an
- 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.

Where an impairment trigger exists, the health service applies significant judgement and estimate to determine the recoverable amount of the asset.

Leases with significantly below-market terms and conditions

Swan Hill District Health holds a lease arrangement with Austin Health which contains significantly below-market terms and conditions.

The nature and terms of such lease arrangement, including Swan Hill District Health's dependency on such lease arrangement is described below:

Description of lease	Our dependence on lease	Nature and terms of lease
Part of the land and buildings situated at 48 Splatt Street, Swan Hill, Victoria 3585.	<p>The leased land and buildings is used by Austin Health to conduct its pathology laboratory.</p> <p>Swan Hill District Health's dependence on this lease is considered low.</p> <p>The land and buildings is recognised in Swan Hill District Health's property, plant and equipment at fair value.</p>	<p>Lease payments of \$1.00 are required per annum.</p> <p>The lease commenced in 2021 and has a lease term of 2 years which includes an option for renewal.</p> <p>Austin Health must use the leased area for its permitted use only. Swan Hill District Health retains the risk and rewards of the land and buildings.</p>

Note 4.1 Property, plant & equipment

Note 4.1(a) Gross carrying amount and accumulated depreciation

	2023 \$'000	2022 \$'000
Land at fair value	6,465	6,465
Total land at fair value	6,465	6,465
Buildings at fair value	53,983	57,765
Less accumulated depreciation	(2,866)	(6)
Total buildings at fair value	51,117	57,759
Land improvements at fair value	339	339
Less accumulated depreciation	(100)	(75)
Total land improvements at fair value	239	264
Buildings under construction	6,402	1,911
Works in progress at cost	6,402	1,911
Total land and buildings	64,223	66,399
Plant and equipment at fair value	3,272	3,149
Less accumulated depreciation	(2,158)	(2,006)
Total plant and equipment at fair value	1,114	1,143
Motor vehicles at fair value	363	414
Less accumulated depreciation	(352)	(390)
Total motor vehicles at fair value	11	24
Medical equipment at fair value	7,248	6,907
Less accumulated depreciation	(4,861)	(4,332)
Total medical equipment at fair value	2,387	2,575
Computer equipment at fair value	2,085	2,074
Less accumulated depreciation	(1,741)	(1,641)
Total computer equipment at fair value	344	433
Furniture and fittings at fair value	2,650	2,610
Less accumulated depreciation	(1,540)	(1,419)
Total furniture and fittings at fair value	1,110	1,191
Assets from jointly controlled operations at fair value	195	177
Less accumulated depreciation	(122)	(104)
Total interest in jointly controlled operations	73	73
Total plant, equipment, furniture, fittings and vehicles at fair value	5,039	5,439
Total property, plant and equipment	69,262	71,838

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

		Land			Building works in progress		Plant & equipment	Motor vehicles	Medical equipment	Computer equipment	Furniture & fittings	Total
Note	Land \$'000	Improvements \$'000	Buildings \$'000		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2021	4,831	289	49,218		2,506	1,336	57	3,024	441	1,162	62,864	
Additions	-	-	-		1,620	82	-	128	175	8	2,013	
Disposals	-	-	-		-	-	(1)	-	-	(3)	(4)	
Assets provided free of charge	-	-	-		-	-	-	-	-	126	126	
Revaluation increments/(decrements)	1,634	-	9,665		-	-	-	-	-	-	11,299	
LMRHA joint operation plant and equipment	-	-	-		-	4	-	-	-	-	4	
Net transfers between classes	-	-	2,161		(2,215)	-	-	-	7	47	-	
Depreciation	-	(25)	(3,285)		-	(206)	(32)	(577)	(190)	(149)	(4,464)	
Balance at 30 June 2022	6,465	264	57,759		1,911	1,216	24	2,575	433	1,191	71,838	
Additions	-	-	-		4,563	119	-	393	31	76	5,181	
Disposals	-	-	(3,581)		-	(62)	(50)	(68)	(19)	(38)	(3,818)	
Assets provided free of charge	-	-	-		-	-	-	15	-	-	15	
Revaluation increments/(decrements)	-	-	-		-	-	-	-	-	-	-	
LMRHA joint operation plant and equipment	-	-	-		-	18	-	-	-	-	18	
Net Transfers between classes	-	-	-		(71)	66	-	4	-	1	-	
Depreciation	-	(25)	(3,062)		-	(172)	37	(529)	(101)	(121)	(3,972)	
Balance at 30 June 2023	6,465	239	51,116		6,403	1,184	11	2,389	345	1,110	69,262	

Land and Buildings Carried at Valuation

As at 30 June 2019 the Valuer-General Victoria undertook to re-value all of Swan Hill District Health's land and buildings to determine their fair value. The valuation, which conforms to Australian Valuation Standards, was determined by reference to the amounts for which assets could be exchanged between knowledgeable willing parties in an arm's length transaction. The valuation was based on independent assessments. A revaluation of land and indexation of buildings occurred as at 30 June 2022. Subsequent revaluation of land and buildings was not necessary as at 30 June 2023.

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 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 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 in Note 7.4.

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. A subsequent revaluation of land was performed by the VGV on 30 June 2022. As an independent valuation was not undertaken on 30 June 2023, a managerial assessment was performed at 30 June 2023, which indicated an overall:

- increase in fair value of land of 4% (\$258,600)
- increase in fair value of buildings of 5% (\$2,558,049)

As the cumulative movement was less than 10% for land and buildings since the last revaluation, a managerial revaluation adjustment was not required as at 30 June 2023.

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

Note 4.2 Right-of-use assets

Note 4.2(a) Gross carrying amount and accumulated depreciation

	2023 \$'000	2022 \$'000
Right of use motor vehicles at fair value	553	522
Less accumulated depreciation	(181)	(102)
Total right of use motor vehicles at fair value	372	420
Right of use medical equipment at fair value	176	176
Less accumulated depreciation	(93)	(57)
Total right of use medical equipment at fair value	83	119
Total right of use motor vehicles and medical equipment at fair value	455	539
Total right of use assets	455	539

Note 4.2(b) Reconciliations of the carrying amount by class of asset

	Note	Right of use motor vehicles \$'000	Right of use medical equipment \$'000	Total \$'000
Balance at 1 July 2021		287	155	442
Additions		199	-	199
	4.4	(66)	(36)	(102)
Balance at 30 June 2022	4.2(a)	420	119	539
Additions		61	-	61
Disposals		(26)		(26)
Revaluation increments/(decrements)				-
Net Transfers between classes				-
Depreciation	4.4	(83)	(36)	(119)
Balance at 30 June 2023	4.2(a)	372	83	455

Note 4.2 (b): Reconciliations of the carrying amount by class of asset (continued)

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 motor vehicles	1 to 3 years
Leased medical equipment	1 to 5 years

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

Note 4.3 Revaluation surplus

	2023	2022
Note	\$'000	\$'000
Balance at the beginning of the reporting period	54,694	43,395
Revaluation increment		
- Land	4.1(b) -	1,634
- Buildings	4.1(b) -	9,665
Balance at the end of the Reporting Period*	54,694	54,694
* Represented by:		
- Land	4,960	4,960
- Buildings	49,734	49,734
	54,694	54,694

Note 4.4 Depreciation

	2023 \$'000	2022 \$'000
Depreciation		
Property, plant and equipment		
Buildings	3,062	3,285
Leasehold improvements	25	25
Plant and equipment	199	188
Medical equipment	593	577
Motor vehicles	13	32
Computer equipment	118	190
Furniture and fittings	154	149
Right of use - motor vehicles and equipment	119	102
Depreciation from jointly controlled operations	20	18
Total depreciation	4,303	4,566
Total depreciation	4,303	4,566

How we recognise depreciation

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

Right-of-use assets are depreciated over the 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.

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

	2023	2022
Buildings		
- Structure Shell Building Fabric	45 to 60 years	45 to 60 years
- Site Engineering Services and Central Plant	20 to 30 years	20 to 30 years
Central Plant		
- Fit out	20 to 30 years	20 to 30 years
- Trunk Reticulated Building Systems	30 to 40 years	30 to 40 years
Plant and Equipment	3 to 7 years	3 to 7 years
Medical Equipment	7 to 10 years	7 to 10 years
Computer and Communication	3 to 9 years	3 to 9 years
Furniture and Fittings	10 to 13 years	10 to 13 years
Motor Vehicles	10 years	10 years

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

Note 4.5 Inventories

	2023	2022
	\$'000	\$'000
Pharmacy supplies at cost	99	69
General stores at cost	192	177
Total inventories	291	246

How we recognise inventories

Inventories include goods and other property held either for sale, consumption or for distribution at no or nominal cost in the ordinary course of business operations. This excludes depreciable assets. Inventories are measured at the lower of cost and net realisable value.

Note 4.6: Impairment of assets

How we recognise impairment

At the end of each reporting period, Swan Hill District Health reviews the carrying amount of its tangible and intangible assets that have a finite useful life, to determine whether there is any indication that an asset may be impaired.

The assessment will include consideration of external sources of information and internal sources of information.

External sources of information include but are not limited to observable indications that an asset's value has declined during the period by significantly more than would be expected as a result of the passage of time or normal use. Internal sources of information include but are not limited to evidence of obsolescence or physical damage of an asset and significant changes with an adverse effect on Swan Hill District Health which changes the way in which an asset is used or expected to be used.

If such an indication exists, an impairment test is carried out. Assets with indefinite useful lives (and assets not yet available for use) are tested annually for impairment, in addition to where there is an indication that the asset may be impaired.

When performing an impairment test, Swan Hill District Health compares the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in net result, unless the asset is carried at a revalued amount.

Where an impairment loss on a revalued asset is identified, this is recognised against the asset revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the cumulative balance recorded in the asset revaluation surplus for that class of asset.

Where it is not possible to estimate the recoverable amount of an individual asset, Swan Hill District Health estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Swan Hill District Health did not record any impairment losses for the year ended 30 June 2023, however a bad and doubtful debt expense of \$68,083 was incurred.

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 and contract assets
- 5.2 Payables and contract liabilities
- 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.

Note 5.1 Receivables and contract assets

		2023	2022
	Notes	\$'000	\$'000
Current receivables and contract assets			
Contractual			
Inter hospital debtors		97	84
Trade receivables		299	65
Patient fees		688	672
Debtor - superannuation		1	2
Accrued Revenue			
<i>Other</i>		10	20
Amounts receivable from government and agencies		369	273
Receivables from jointly controlled operations		181	49
<i>Less allowance for impairment losses of contractual receivables</i>	5.1(a)	(80)	(54)
Total contractual receivables		1,566	1,111
Statutory			
GST receivable		249	175
Total statutory receivables		249	175
Total current receivables and contract assets		1,815	1,286
Non-current receivables and contract assets			
Contractual			
Long service leave - Department of Health		1,370	1,127
Total contractual receivables		1,370	1,127
		1,370	1,127
Total receivables and contract assets		3,185	2,413
<i>(i) Financial assets classified as receivables and contract assets (Note 7.1(a))</i>			
Total receivables and contract assets		3,185	2,413
Provision for impairment		80	54
GST receivable		(249)	(175)
Total financial assets	7.1(a)	3,016	2,292

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

	2023 \$'000	2022 \$'000
Balance at the beginning of the year	54	27
Increase in allowance	68	67
Amounts written off during the year	1	-
Reversal of allowance written off during the year as uncollectable	(43)	(40)
Balance at the end of the year	80	54

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 7.2 (a) for Swan Hill District Health's contractual impairment losses.

Note 5.2 Payables and contract liabilities

		2023	2022
	Note	\$'000	\$'000
Current payables and contract liabilities			
Contractual			
Trade creditors		600	137
Accrued salaries and wages		1,541	1,392
Accrued expenses		1,334	972
Contract liabilities	5.2(a)	(10)	1,441
Inter hospital creditors		62	1
Deposits on hire equipment		3	1
Jointly controlled operations payables		958	385
Total contractual payables		4,488	4,329
Total current payables and contract liabilities		4,488	4,329
<i>(i) Financial liabilities classified as payables and contract liabilities (Note 7.1(a))</i>			
Total payables and contract liabilities		4,488	4,329
Contract liabilities		10	(1,441)
Deposits		(3)	(1)
Total financial liabilities	7.1(a)	4,495	2,887

How we recognise payables and contract liabilities

Payables consist of:

- **Contractual payables**, which mostly includes payables in relation to goods and services. These payables are 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**, includes comprises Goods and Services Tax (GST) payable. Statutory payables 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.

Note 5.2(a) Contract liabilities

	2023	2022
	\$'000	\$'000
Opening balance of contract liabilities	1,441	2,676
Payments received for performance obligations not yet fulfilled	59,483	56,758
Revenue recognised for the completion of a performance obligation	(60,934)	(57,993)
Total contract liabilities	(10)	1,441
* Represented by:		
- Current contract liabilities	(10)	1,441
- Non-current contract liabilities	-	-
	(10)	1,441

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(b) for the maturity analysis of payables.

Note 5.3 Other liabilities

		2023	2022
	Note	\$'000	\$'000
Current monies held in trust			
- Primary Care Partnership		-	103
- Residents - Nursing Home / Hostel		19	19
- Accommodation Bonds		12,454	11,340
- Simplified Billing		-	1
Total current monies held in trust		12,473	11,463
Total other liabilities		12,473	11,463
Represented by:			
- Cash assets	6.2	12,473	11,463
		12,473	11,463

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 held funds 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. The funds held were paid out to Bendigo Health in July 2022.

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 Swan Hill District Health Service.

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

Structure:

- 6.1 Borrowings
- 6.2 Cash and cash equivalents
- 6.3 Commitments for expenditure
- 6.4 Non-cash financing and investing Activities

Telling the COVID-19 story

Our finance and borrowing arrangements were not materially impacted by the COVID-19 Coronavirus pandemic and scaling down of the COVID-19 public health response during the year ended 30 June 2023.

Key judgements and estimates

This section contains the following key judgements and estimates:

Key judgements	Description
Determining if a contract is or contains a lease	<p>Swan Hill District Health applies significant judgement to determine if a contract is or contains a lease by considering if the health service:</p> <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 • 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	<p>Swan Hill District Health applies significant judgement when determining if a lease meets the short-term or low value lease exemption criteria.</p> <p>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.</p> <p>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.</p>
Discount rate applied to future lease payments	<p>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.</p> <p>For leased plant, equipment, furniture, fittings and vehicles, the implicit interest rate is between 2.38% and 3.12%.</p>

Note 6: How we finance our operations (continued)

Key judgements	Description
Assessing the lease term	<p>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.</p> <p>Swan Hill District Health determines the likelihood of exercising such options on a lease-by-lease basis through consideration of various factors including:</p> <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.

Note 6.1 Borrowings

		2023	2022
	Note	\$'000	\$'000
Current borrowings			
Lease liability ⁽ⁱ⁾	6.1(a)	265	143
Advances from government ⁽ⁱⁱ⁾		34	34
Total current borrowings		299	177
Non-current borrowings			
Lease liability ⁽ⁱ⁾	6.1(a)	196	402
Advances from government ⁽ⁱⁱ⁾		61	93
Total non-current borrowings		257	495
Total borrowings	7.1(a)	556	672

ⁱ Secured by the assets leased.

ⁱⁱ These are unsecured loans which bear no interest.

How we recognise borrowings

Borrowings refer to interest bearing liabilities raised from motor vehicle and medical equipment leases. Advances from the Department of Health and Human Services bear no interest.

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 is financial liabilities at 'amortised

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(b) for the maturity analysis of borrowings.

Defaults and breaches

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

Note 6.1(a) Lease liabilities

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

	2023 \$'000	2022 \$'000
Total undiscounted lease liabilities	468	559
Less unexpired finance expenses	(7)	(14)
Net lease liabilities	461	545

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

	2023 \$'000	2022 \$'000
Not longer than one year	261	143
Longer than one year but not longer than five years	207	416
Longer than five years	-	-
Minimum future lease liability	468	559
Less unexpired finance expenses	(7)	(14)
Present value of lease liability	461	545
* Represented by:		
- Current liabilities	265	143
- Non-current liabilities	196	402
	461	545

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

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. Our lease liability has been discounted by rates of between 2.38% and 3.12%.

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 the substance of 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.

Note 6.2 Cash and Cash Equivalents

	2023	2022
Note	\$'000	\$'000
Cash on hand (excluding monies held in trust)	1	1
Cash at bank (excluding monies held in trust)	324	360
Cash at bank - CBS (excluding monies held in trust)	12,009	12,313
Cash in jointly controlled operations	1,225	686
Total cash held for operations	13,560	13,360
Cash on hand (monies held in trust)	1	1
Cash at bank (monies held in trust)	18	122
Cash at bank - CBS (monies held in trust)	12,454	11,340
Total cash held as monies in trust	12,473	11,463
Total cash and cash equivalents	26,033	24,823

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 2023 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.

Note 6.3 Commitments for expenditure

	2023 \$'000	2022 \$'000
Capital expenditure commitments		
Less than one year	1,246	1,278
Total capital expenditure commitments	1,246	1,278
Non-cancellable short term and low value lease commitments		
Less than one year	39	50
Longer than one year but not longer than five years	79	9
Total non-cancellable short term and low value lease commitments	118	59
Total commitments for expenditure (inclusive of GST)	1,364	1,337
Less GST recoverable from Australian Tax Office	(124)	(122)
Total commitments for expenditure (exclusive of GST)	1,240	1,216

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, short term and low value leases.

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

	2023 \$'000	2022 \$'000
Acquisition of plant and equipment by means of Leases	61	199
Total non-cash financing and investing activities	61	199

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
- 7.4 Fair value determination

Key judgements and estimates

This section contains the following key judgements and estimates:

Key judgements	Description
Measuring fair value of non-financial assets	<p>Fair value is measured with reference to highest and best use, that is, the use of the asset by a market participant that is physically possible, legally permissible, financially feasible, and which results in the highest value, or to sell it to another market participant that would use the same asset in its highest and best use.</p> <p>In determining the highest and best use, Swan Hill District Health has assumed the current use is its highest and best use. Accordingly, characteristics of the health service's assets are considered, including condition, location and any restrictions on the use and disposal of such assets.</p> <p>Swan Hill District Health uses a range of valuation techniques to estimate fair value, which include the following:</p> <ul style="list-style-type: none"> • Market approach, which uses prices and other relevant information generated by market transactions involving identical or comparable assets and liabilities. The fair value of Swan Hill District Health's [specialised land, non-specialised land and non-specialised buildings] are measured using this approach. • Cost approach, which reflects the amount that would be required to replace the service capacity of the asset (referred to as current replacement cost). The fair value of Swan Hill District Health's [specialised buildings, furniture, fittings, plant, equipment and vehicles] are measured using this approach. • Income approach, which converts future cash flows or income and expenses to a single undiscounted amount. Swan Hill District Health does not this use approach to measure fair value. Accordingly, characteristics of the health service's assets are considered, including condition, location and any restrictions on the use and disposal of such assets. <p>The health service selects a valuation technique which is considered most appropriate, and for which there is sufficient data available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.</p>

Note 7: Risks, Contingencies & Valuation Uncertainties (continued)

Key judgements and estimates	Description
Measuring fair value of non-financial assets	<p>Subsequently, the health service applies significant judgement to categorise and disclose such assets within a fair value hierarchy, which includes:</p> <ul style="list-style-type: none">• Level 1, using quoted prices (unadjusted) in active markets for identical assets that the health service can access at measurement date. Swan Hill District Health does not categorise any fair values within this level.• Level 2, inputs other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly. Swan Hill District Health categorises non-specialised land and non-specialised buildings in this level.• Level 3, where inputs are unobservable. Swan Hill District Health categorises specialised land, specialised buildings, plant, equipment, furniture, fittings, vehicles, right-of-use assets and LMRHA joint operation plant and equipment in this level.

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 2023	Note			
Contractual Financial Assets				
Cash and Cash Equivalents	6.2	26,033	-	26,033
Receivables and contract assets	5.1	3,016	-	3,016
Total Financial Assetsⁱ		29,049	-	29,049

Financial Liabilities

Payables	5.2	-	4,495	4,495
Borrowings	6.1	-	556	556
Other Financial Liabilities - Refundable Accommodation Deposits	5.3	-	12,454	12,454
Other Financial Liabilities - Patient monies held in trust	5.3	-	19	19
Total Financial Liabilitiesⁱ		-	17,524	17,524

		Financial Assets at Amortised Cost \$'000	Financial Liabilities at Amortised Cost \$'000	Total \$'000
30 June 2022	Note			
Contractual Financial Assets				
Cash and cash equivalents	6.2	24,823	-	24,823
Receivables and contract assets	5.1	2,292	-	2,292
		27,115	-	27,115

Financial Liabilities

Payables	5.2	-	2,887	2,887
Borrowings	6.1	-	672	672
Other Financial Liabilities - Refundable Accommodation Deposits	5.3	-	11,340	11,340
Other Financial Liabilities - Patient monies held in trust	5.3	-	123	123
Total Financial Liabilitiesⁱ		-	15,021	15,021

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

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 are recognised when Swan Hill District Health becomes a party to the contractual provisions to the instrument. Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified at fair value through profit or loss, in which case transaction costs are expensed to profit or loss immediately.

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.

Note 7.1 (a): Financial Instruments (continued)

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.

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.

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 2022-23.

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.

Equity instruments are not subject to impairment under AASB 9. Other financial assets mandatorily measured or designated at fair value through net result are not subject to impairment assessment under AASB 9.

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.

Note 7.2 (a) Credit risk (continued)

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:

		Current	Less than 1 month	1–3 months	3 months –1 year	1–5 years	Total
30 June 2023							
Expected loss rate		0.0%	0.0%	0.0%	50.0%	0.0%	
Gross carrying amount of contractual receivables ('000)	5.1	1,012	106	395	134	-	1,646
Loss allowance		-	-	-	80	-	80
		Current	Less than 1 month	1–3 months	3 months –1 year	1–5 years	Total
30 June 2022							
Expected loss rate		0.0%	0.0%	0.0%	50.0%	0.0%	
Gross carrying amount of contractual receivables (\$'000)	5.1	906	130	94	35	-	1,165
Loss allowance		-	-	-	54	-	54

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.

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						
		Carrying Amount	Nominal Amount	Less than 1	1-3 Months	3 months -	1-5 Years	Over 5 years
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
30 June 2023	Note							
Financial Liabilities at amortised cost								
Payables	5.2	4,495	4,495	4,495	-	-	-	-
Borrowings	6.1	556	556	-	-	299	257	-
Other Financial Liabilities - Refundable Accommodation Deposits	5.3	12,454	12,454	-	-	1,432	8,464	2,558
Other Financial Liabilities - Patient monies held in trust	5.3	19	19	19	-	-	-	-
Total Financial Liabilities		17,524	17,524	4,514	-	1,731	8,721	2,558
		Maturity Dates						
		Carrying Amount	Nominal Amount	Less than 1	1-3 Months	3 months -	1-5 Years	Over 5 years
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
30 June 2022	Note							
Financial Liabilities at amortised cost								
Payables	5.2	2,887	2,887	2,887	-	-	-	-
Borrowings	6.1	672	672	-	-	177	495	-
	5.3	11,340	11,340	-	-	1,329	7,458	2,553
Other Financial Liabilities - Patient monies held in trust	5.3	123	123	123	-	-	-	-
Total Financial Liabilities		15,022	15,022	3,010	-	1,506	7,953	2,553

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

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 rates 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.

Note 7.4 Fair value determination

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.

The following assets and liabilities are carried at fair value:

- Financial assets and liabilities at fair value through net result
- Financial assets and liabilities at fair value through other comprehensive income
- Property, plant and equipment
- Right-of-use assets

In addition, the fair value of other assets and liabilities that are carried at amortised cost, also need to be determined for disclosure.

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.

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.

Swan Hill District Health monitors changes in the fair value of each asset and liability through relevant data sources to determine whether revaluation is required. The Valuer-General Victoria (VGV) is Swan Hill District Health's independent valuation agency for property, plant and equipment.

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.

Note 7.4 Fair value determination (continued)

How we measure fair value of non-financial physical assets

The fair value measurement of non-financial physical assets takes into account the market participant's ability to use the asset in its highest and best use, or to sell it to another market participant that would use the same asset in its highest and best use.

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 shape, 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 2022.

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.

Note 7.4 Fair value determination (continued)

Specialised land and specialised buildings (continued)

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 for specialised land is 30 June 2022 and specialised buildings 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 2023.

Note 7.4(b): Fair value determination of non-financial physical assets

		Carrying amount 30 June 2023	Fair value measurement at end of reporting period using:		
	Note	\$'000	Level 1 ⁱ \$'000	Level 2 ⁱ \$'000	Level 3 ⁱ \$'000
Non-specialised land		2,268	-	2,268	-
Specialised land		4,197	-	-	4,197
Total land at fair value	4.1(a)	6,465	-	2,268	4,197
Land improvements at fair value		239	-	-	239
Total of land improvements at fair value	4.1(a)	239	-	-	239
Non-specialised buildings		1,497	-	1,497	-
Specialised buildings		49,620	-	-	49,620
Total buildings at fair value	4.1(a)	51,117	-	1,497	49,620
Plant and equipment	4.1(a)	1,114	-	-	1,114
Motor vehicles	4.1(a)	11	-	-	11
Medical equipment	4.1(a)	2,387	-	-	2,387
Computer equipment	4.1(a)	344	-	-	344
Furniture and fittings	4.1(a)	1,110	-	-	1,110
Right of use - motor vehicles and medical equipment	4.2(a)	455	-	-	455
LMRHA joint operation plant and equipment	4.1(a)	73	-	-	73
Total plant, equipment, furniture, fittings and vehicles at fair value		5,494	-	-	5,494
Total non-financial physical assets at fair value		63,315	-	3,765	59,550

ⁱ Classified in accordance with the fair value hierarchy.

Note 7.4(b): Fair value determination of non-financial physical assets (continued)

		Carrying amount 30 June 2022 \$'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		2,268	-	2,268	-
Specialised land		4,197	-	-	4,197
Total land at fair value	4.1(a)	6,465	-	2,268	4,197
Land improvements at fair value		264	-	-	264
Total of land improvements at fair value	4.1(a)	264	-	-	264
Non-specialised buildings		1,497	-	1,497	-
Specialised buildings		56,262	-	-	56,262
Total buildings at fair value	4.1(a)	57,759	-	1,497	56,262
Plant and equipment	4.1(a)	1,143	-	-	1,143
Motor vehicles	4.1(a)	24	-	-	24
Medical equipment	4.1(a)	2,575	-	-	2,575
Computer equipment	4.1(a)	433	-	-	433
Furniture and fittings	4.1(a)	1,191	-	-	1,191
Right of use - motor vehicles and medical equipment	4.2(a)	539	-	-	539
LMRHA joint operation plant and equipment	4.1(a)	73	-	-	73
Total plant, equipment, furniture, fittings and vehicles at fair value		5,978	-	-	5,978
Total non-financial physical assets at fair value		70,466	-	3,765	66,701

ⁱ Classified in accordance with the fair value hierarchy.

Note 7.4(b): Fair value determination of non-financial physical assets (continued)

Reconciliation of level 3 fair value measurement

	Right-of-use Assets - LMRHA joint operation									
	Land		Land Improvements		Buildings		Plant and Equipment		Motor Vehicles	
Note	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2021	3,331	289	47,855	2,852	57	3,024	442	87		
Additions/(Disposals)	-	-	2,215	262	(1)	128	199	-		
<i>Gains/(Losses) recognised in net result</i>										
- Depreciation	-	(25)	(3,158)	(527)	(32)	(577)	(102)	(18)		
<i>Items recognised in other comprehensive income</i>										
- Revaluation	866	-	9,404	-	-	-	-	-		
Recognition of JV asset movements	-	-	-	-	-	-	-	4		
Balance at 30 June 2022	4,197	264	56,262	2,767	24	2,575	539	73		
Additions/(Disposals)	-	-	(3,782)	107	(50)	314	31	-		
Assets provided free of charge	-	-	-	-	-	25	-	-		
Net Transfers between classes	-	-	-	67	-	4	-	-		
<i>Gains/(Losses) recognised in net result</i>										
- Depreciation	-	(25)	(2,860)	(373)	37	(531)	(114)	(18)		
<i>Items recognised in other comprehensive income</i>										
- Revaluation	-	-	-	-	-	-	-	-		
Recognition of JV asset movements	-	-	-	-	-	-	-	18		
Balance at 30 June 2023	4,197	239	49,620	2,568	11	2,387	456	73		

ⁱ Classified in accordance with the fair value hierarchy

Note 7.4(b): Fair value determination of non-financial physical assets (continued)

Fair value determination of level 3 fair value measurement

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 (i)
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 square metre - Useful life
Plant and Equipment	Depreciated replacement cost approach	- Cost per square metre - Useful life

(i) A community service obligation (CSO) of 30% was applied to the Swan Hill District Health's specialised land.

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 Joint arrangements
- 8.7 Events occurring after the balance sheet date
- 8.8 Equity
- 8.9 Economic dependency

Telling the COVID-19 story

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

Note 8.1 Reconciliation of net result for the year to net cash flows from operating activities

	2023 \$'000	2022 \$'000
Net result for the year	(2,325)	(493)
Non-cash movements:		
(Gain)/Loss on sale or disposal of non-financial assets	3,578	(81)
Bad and doubtful debt expense	(68)	(67)
Assets and services received free of charge	(15)	(126)
Depreciation of non-current assets	4,303	4,566
(Gain)/Loss on revaluation of long service leave liability	(3)	72
Department of Health - Asset Contributions	(3,382)	-
Movements in Assets and Liabilities:		
(Increase)/Decrease in receivables and contract assets	(772)	282
(Increase)/Decrease in other receivables	-	-
(Increase)/Decrease in inventories	(45)	(16)
(Increase)/Decrease in prepaid expenses	(47)	(158)
Increase/(Decrease) in payables and contract liabilities	159	(200)
Increase/(Decrease) in employee benefits	688	596
Net cash inflow from operating activities	2,071	4,375

Note 8.2 Responsible persons disclosures

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

A caretaker period was enacted during the year ended 30 June 2023 which spanned the time the Legislative Assembly expired, until the Victorian election results were clear or a new government was commissioned. The caretaker period for the 2022 Victorian election commenced at 6pm on Tuesday the 1st of November and new ministers were sworn in on the 5th of December.

	Period
The Honourable Mary-Anne Thomas:	
Minister for Health	1 Jul 2022 - 30 Jun 2023
Minister for Ambulance Services	1 Jul 2022 - 05 Dec 2022
Minister for Health Infrastructure	5 Dec 2022 - 30 June 2023
Minister for Medical Research	5 Dec 2022 - 30 June 2023
The Honourable Colin Brooks:	
Minister for Disability, Ageing and Carers	1 Jul 2022 - 05 Dec 2022
The Honourable Lizzie Blandthorn MP:	
Minister for Disability, Ageing and Carers	05 Dec 2022 - 30 June 2023
The Honourable Gabrielle Williams:	
Minister for Mental Health	1 Jul 2022 - 30 Jun 2023
Minister for Ambulance Services	5 Dec 2022 - 30 Jun 2023
Governing Boards	
Mr A. Gilchrist (Chair of the Board)	1 Jul 2022 - 30 Jun 2023
Mr G. Kuchel (Deputy Chair)	1 Jul 2022 - 30 Jun 2023
Ms J. Wiggins	1 Jul 2022 - 30 Jun 2023
A/Prof D. Colville	1 Jul 2022 - 30 Jun 2023
Dr A. Verma	1 Jul 2022 - 30 Jun 2023
Ms J. Kelly	1 Jul 2022 - 30 Jun 2023
Mrs C. Bourne	1 Jul 2022 - 30 Jun 2023
Ms A. Von Bibra	1 Jul 2022 - 30 Jun 2023
Mr H. Collins	1 Jul 2022 - 30 Jun 2023
Accountable Officers	
Mr P.S. Abraham (Chief Executive Officer)	1 Jul 2022 - 30 Jun 2023

Note 8.2 Responsible persons (continued)

Remuneration of Responsible Persons

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

Income Band	Total Remuneration	
	2023 No	2022 No
\$0 - \$9,999	1	1
\$10,000 - \$19,999	7	6
\$20,000 - \$29,999	1	1
\$340,000 to \$349,999	1	1
Total Numbers	10	9
	2023 \$'000	2022 \$'000
Total remuneration received or due and receivable by Responsible Persons from the reporting entity amounted to:	412	462

Amounts relating to Responsible Ministers are reported within the State's Annual Financial Report as disclosed in Note 8.4 Related Parties.

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	
2023	2022
\$'000	\$'000
Short-term benefits	1,151
Post-employment benefits	112
Other long-term benefits	45
Termination benefits	-
Total remunerationⁱ	1,308
Total number of executives	5
Total annualised employee equivalent ⁱⁱ	5.0

ⁱ The total number of executive officers includes persons who meet the definition of Key Management Personnel (KMP) of Swan Hill District Healths 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.

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 health services 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, Chief Executive Officer 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	A/Prof D. Colville	Board Member
Swan Hill District Health	Ms J. Kelly	Board Member
Swan Hill District Health	Mrs C. Bourne	Board Member
Swan Hill District Health	Dr A. Verma	Board Member
Swan Hill District Health	Ms A. Von Bibra	Board Member
Swan Hill District Health	Mr H. Collins	Board Member
Swan Hill District Health	Mr P. Abraham	Chief Executive Officer
Swan Hill District Health	Ms R. Enever	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	Ms C. Bailey	Director of Finance (CFO)

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 State's Annual Financial Report.

Note 8.4: Related parties

	2023 \$'000	2022 \$'000
Compensation - KMPs		
Short-term Employee Benefits ⁱ	1,593	1,408
Post-employment Benefits	149	133
Other Long-term Benefits	-	81
Termination Benefits	-	-
Total "	1,720	1,622

ⁱ Total remuneration paid to KMPs employed as a contractor during the reporting period through accounts payable has been reported under short-term employee benefits.

ⁱⁱ KMPs are also reported in Note 8.2 Responsible Persons or Note 8.3 Remuneration of Executives.

Significant Transactions with Government Related Entities

Swan Hill District Health received funding from the Department of Health of \$65,080,113 (2022: \$56,228,014) and indirect contributions of \$3,587,682 (2022: \$1,545,926). Balances outstanding as at 30 June 2023 are \$274,529 owing by the Department of Health (2022: \$320,759 owing to the Department of Health).

Expenses incurred by Swan Hill District Health in delivering services and outputs are in accordance with HealthShare 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 2023 (2022: 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 2023 (2022: none).

Note 8.5: Remuneration of auditors

	2023 \$'000	2022 \$'000
Victorian Auditor-General's Office		
Audit of the financial statements	31	30
Total remuneration of auditors	31	30

Note 8.6 Joint arrangements

		Ownership Interest	
		2023	2022
		%	%
Loddon Mallee Rural Health Alliance	Information systems	8.80	8.95

Swan Hill District Health interest in assets and liabilities of the above joint arrangement are detailed below. The amounts are included in the consolidated financial statements under their respective categories:

		2023 \$'000	2022 \$'000
Current assets			
Cash and cash equivalents		1,225	685
Receivables		181	49
Prepaid expenses		254	218
Total current assets		1,660	952
Non-current assets			
Property, plant and equipment		73	74
Total non-current assets		73	74
Total assets		1,733	1,026
Current liabilities			
Payables		64	356
Other current liabilities		523	7
Unearned Income - DHHS Grants		371	21
Total current liabilities		958	384
Total liabilities		958	384
		775	642
Equity			
Accumulated surplus		775	642
Total equity		775	642

Note 8.6 Joint arrangements (continued)

Swan Hill District Health interest in revenues and expenses resulting from joint arrangement are detailed below. The amounts are included in the consolidated financial statements under their respective categories:

	2023 \$'000	2022 \$'000
Revenue and income from transactions		
Operating activities	1,417	1,110
Non-operating activities	-	-
Total revenue and income from transactions	1,417	1,110
Expenses from transactions		
Operating expenses	(1,287)	(1,073)
Total expenses from transactions	(1,287)	(1,073)
Net result from transactions	130	37
Other economic flows included in the net result		
Depreciation	(20)	(18)
Expenditure using capital purpose income	23	17
Total other economic flows included in the net result	3	(1)
Comprehensive result for the year	133	36

Contingent liabilities and capital commitments

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

Note 8.7 Events occurring after the balance sheet date

There are no events occurring after the Balance Sheet date.

Note 8.8 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.

Note 8.9 Economic Dependency

Swan Hill District Health is dependent on the Department of Health for the majority of its revenue used to operate the health service. At the date of this report, the Board of Directors believes the Department of Health will continue to support Swan Hill District Health.