

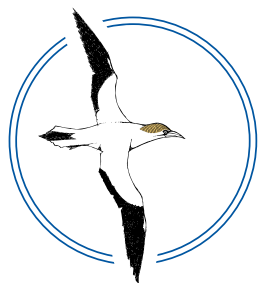
PORTLAND
DISTRICT HEALTH

2023-24

ANNUAL REPORT



TOGETHERNESS, COURAGE AND OPTIMISM



PORTLAND
DISTRICT HEALTH

2023-24 ANNUAL REPORT

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The history of the Portland Hospital can be said to have officially begun at a public meeting held in the Court House on Wednesday 30 May 1849.

Portland's health services are steeped in history with land set aside in April 1858 for "an Asylum for the benefit of the afflicted or distressed inhabitants and sojourners for the time being of and in the said Town and neighbourhood and for not other purpose whatsoever".

Portland District Health (PDH) is a public hospital under the Health Services Act 1988. Our role is to provide quality, safe health services to people in the Glenelg Shire. To fulfil this role, PDH offers a range of services, including acute care through specialised medicine and surgery, urgent care, maternity services and limited children's services.

As an integrated healthcare organisation, PDH provides a range of services in sub-acute and aged care, population health, primary and community care.

Our Values

ORGANISATIONAL What we stand for



Togetherness

We work with community, staff and partners



Courage

We change, adapt and innovate



Optimism

We strive for the best and see strengths in our community and the people we serve

OPERATIONAL How we do our work



Compassion



Accountability



Respect



Excellence



A decorative border at the bottom of the slide, consisting of a repeating pattern of hexagonal tiles in orange, blue, and grey colors.



Portland District Health operates on the traditional lands and waterways of the Gunditjmara, Jardwadjarli and Boandik people and acknowledge the Traditional Owners as the Custodians of the land in which we work and live. We acknowledge their significant cultural heritage, their fundamental spiritual connection to Country, and value their contributions to our diverse community. We pay our respects to Elders past, and present, and extend that respect to other First Nation peoples.

FUTURE PRIORITIES



CEO REPORT

I extend my heartfelt gratitude to the Board, staff, and community for your unwavering support of Portland District Health over the past year.

Since stepping into the role of Interim CEO, I have been inspired by the dedication of our team. Their commitment ensures that our community receives timely, high-quality care as close to home as possible. Our Urgent Care Centre staff consistently deliver exceptional service, while we also focus on maximizing every dollar in a challenging environment.

The healthcare sector, particularly in regional Victoria, has faced significant challenges over the past twelve months, but our focus remains steadfast on delivering the best care for our communities.

Despite the hurdles that have been faced, Portland District Health has continued to accomplish many notable achievements, by our staff, volunteers, consumers and throughout the wider community. This is something for which we should all be truly proud.

SERVICE DELIVERY / STAFF RECRUITMENT

At Portland District Health, maintaining high-quality care across our diverse range of services has been a top priority, even as we are confronted with staff shortages and the complexities of staffing our healthcare service. Like many healthcare providers, we have faced difficulties in recruiting and retaining staff for a number of roles.

Despite these challenges, we have minimised disruptions to services as much as we are able to, and continued to deliver the essential care our communities need and deserve. I commend all our staff for their unwavering dedication and commitment to maintaining exceptional care quality. Moving forward, we remain focused on enhancing our efforts to attract and retain talented professionals within our healthcare services.

Recruiting long-term staff continues to be a challenge. However, our human resources and medical administration teams have worked diligently to attract and secure dedicated professionals who are committed to upholding our standards of high-quality service delivery.

Regional and rural healthcare providers face challenges such as location and relocation needs, unfamiliarity with rural areas, and negative perceptions of rural living, but our teams are committed to overcoming these barriers to attract high-quality staff.





VOLUNTEERS

Volunteers at Portland District Health are vital and contribute in so many ways. From Palliative Care, Meals on Wheels, social activities at Harbourside Lodge, organising and managing events related to fundraising, health, and the community, to name but a few, our volunteers are an essential part of our healthcare community.

They provide comfort and support to consumer's and their families, and significantly enhance the overall experience at Portland District Health. We give huge thanks to all our volunteers and the positive differences they make to our staff and community.

FUNDRAISING

The community's generosity in supporting Portland District Health has been truly remarkable. From the successful Community Twilight Markets, the Men's Health Breakfast and Annual Charity Golf Event. Special thanks for the ongoing contributions from sponsors such as United Way Glenelg, the Freemasons Foundation and many other incredible selfless contributions. Each effort has made a significant impact.

Thanks to these generous donations and contributions, we were able to acquire new equipment, extend services, greatly enhancing the comfort and care we can provide. On behalf of our consumers and staff, we extend our heartfelt gratitude to everyone who has contributed, dedicated their time and supported us.

Your kindness and commitment are deeply appreciated and make a real difference in the lives of those we serve.

NURSING

Our nurses are the foundation of the healthcare industry. They are the front-line workers who interact with consumers and families, with caring for others at their core. The nursing directorate delivered another year of excellent patient care at Portland District Health.

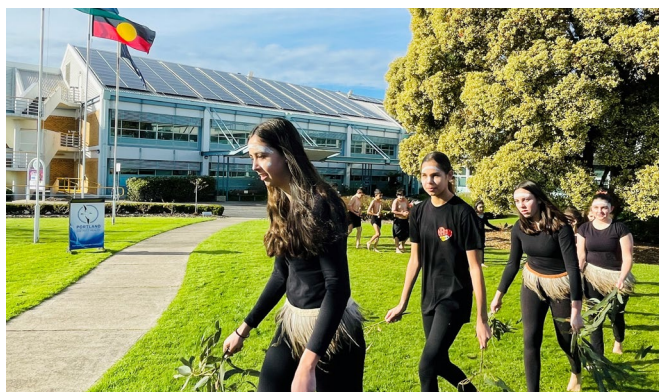
- Celebrated ten years of chemotherapy

MEDICAL

Recruiting medical practitioners remains a challenging task which matches that of our regional partners. In response to this challenge, we are exploring innovative recruitment and employment strategies. Our ultimate goal is to attract and retain skilled medical professionals by offering opportunities which align with their preferences, whilst meeting the evolving needs of the community. Through these strategic efforts, we aim to build a stable and dedicated medical team that can provide consistent, high-quality care.

Strategies include efforts to build our own medical workforce via

- employment of junior medical staff who are pursuing Rural Generalist training
- engagement with Deakin University via their Rural Medical Students program.



COMMUNITY

The Community and Allied Health team remains committed in its mission to support individuals in maintaining their health and well-being within the community. Through dedicated efforts and personalised care, our team continues to deliver essential services and support. Their ongoing commitment plays a crucial role in fostering a healthier community and ensuring that individuals receive the care and resources they need.

Our District Nursing team has dedicated countless hours travelling to visit consumers in their homes, providing essential care and support right where it's needed.

CORPORATE

The Corporate Services team have continued to deliver a great range of support services.

- The Human Resources (HR) Team successfully implemented an electronic end to end recruitment system
- Forty staff, along with external Emergency Service agencies, undertook a code brown (external disaster) exercise. Sixty people in all participated in the EMERGO Training exercise.
- The Maintenance Department continue to undertake preventative maintenance across the organisation, as well as supporting a major upgrade to the IT network
- Central stores department works diligently with our regional partners in sourcing and the delivery of the best products as required to support staff and service delivery
- Environmental Services team keep our facilities to be the cleanest in the state, with our consumers giving us an experience rating of 100%
- Foods Services continues to prepare meals for consumers, as well as to consumers in the community through Meals on Wheels. All food is prepared under the Food Services Plan, and is compliant with local government regulations.

FIRST NATIONS

Portland District Health operates on the traditional lands of the Gunditjmara, Jardwadjarli and Boandik people of the Southwest Victoria and acknowledge the Traditional Owners as the Custodians of the land in which we work and live. We acknowledge their significant cultural heritage, their fundamental spiritual connection to the country, and value their contributions to our diverse community.

Portland District Health is proud to embrace the spirit of reconciliation and learn more from the local Aboriginal and Torres Strait Islander (First Nations) communities and how best to improve their health, social and economic outcomes.

We are committed to addressing the inequality experienced by First Nations people, as committed to in the National Agreement on Closing the Gap under Point 3 of the 4 priority reform targets, and the seventeen socioeconomic targets which aim to improve the following outcome areas: health and wellbeing, education, employment, justice, safety, housing, land and waters, languages and digital inclusion.

Our dedication to creating a culturally safe environment is unwavering, and we continue to enhance our efforts through ongoing cultural awareness training and the implementation of our Reconciliation Action Plan and the Aboriginal and Torres Strait Islanders (ATSI) Employment Plan 2024. We will ensure continued alignment with the local Aboriginal Health Services – Dhauwurd Wurrung Elderly & Community Health Service Inc. (DWECH) and Winda Mara, the Traditional Owner Organisation – Gunditj Mirring Traditional Owners Aboriginal Corporation (GMTOAC), and receive guidance from individual community elders to improve our ability to connect with First Nations peoples, to make our service more welcoming, trusted and culturally safe to assist with optimising health and wellbeing for all.

Karena Prevett
Interim CEO, Portland District Health

CHAIRPERSON'S REPORT

Firstly, the Board thanks Ms Karena Prevett for her outstanding performance as Interim CEO throughout a complex and challenging period managing staff changes and organisational movements. Karena has been Interim CEO since the resignation of Portland District Health's previous CEO, Ms Samantha Sharp, in December 2023.

During financial year 2023-24, the State Government commissioned an Expert Advisory Committee to complete a Health Services Plan, a review to consider the impacts of the COVID pandemic on the health system and whether it remained fit for purpose. The Health Services Plan is due for release in the 2024-25 financial year.

Board membership and that of its committees has been stable throughout the reporting period. I thank all Portland District Health Directors for their insight, generous collegiate spirit, and hard work over the last twelve months in dealing with many challenges for Portland District Health as well as for the Victorian health system.

Health services, especially in regional Victoria, continue to face significant disruptions because of difficulties in recruiting a medical workforce. At Portland District Health, we are committed to addressing these and other challenges by actively seeking partnerships with regional and sub-regional health services.

By fostering collaborations, Portland District Health seeks to enhance recruitment, improve the quality of services, and effectively manage the complex financial dynamics of the Victorian health system. Through these strategic partnerships, we strive to strengthen our healthcare delivery and ensure that our community receives the support and care it needs.

The Board is profoundly grateful to its staff, whose work is defined by an unwavering passion, commitment, and a deep belief in the right of our community to receive high-quality care at the right time and as close to home as possible. Their dedication not only upholds our values but also ensures that every individual receives the compassionate and effective care they deserve.

This shared commitment is at the heart of our mission and drives us to continually improve and support the health and well-being of those individuals and communities it is our duty to serve.



Emeritus Professor Peter Matthews
Chairperson, Portland District Health



FINANCIAL OVERVIEW

OPERATING PERFORMANCE

Portland District Health continues to be challenged to maintain service delivery in a financially sustainable manner. The Department of Health works closely with Portland District Health to manage financial performance. Portland District Health acknowledges the support provided by the Department of Health during the year and looks forward to continuing the close collaboration in the current year.

The Net Result before Capital and Specific Items is used by management of Portland District Health, the Department of Health and the Victorian Government to measure the ongoing operating performance of health services. For the financial year ended 30 June 2024 the Net result before capital and specific Items was a surplus of \$177k (2022/2023 deficit of \$(97k)).

Portland District Health incurred a comprehensive surplus in 2023/2024 of \$9.6m (\$3.2m deficit 2022/2023), the 2023/24 result includes the revaluation increment for land and buildings of \$11.9m, excluding this revaluation the net result for 2023/24 was a deficit of \$2.26m.

The key expenditure that continues to challenge Portland District Health in being sustainable is the high cost of providing a skilled medical workforce and enticing them into employment at Portland District Health. Cost of agency staff plus oncosts of bringing skilled staff to Portland continued to increase over the 2023/2024 financial year.

CASH

Portland District Health generated net cash flows from operations in 2023/2024 of \$2.4m (2022/23 \$52k). While there was a positive increase, this is due to the timing of payment in current liabilities with an increase of \$2.475m from prior year. During the year the purchase of assets was \$2.3m, which was offset by a net increase in bonds of \$2.3m.

The current asset ratio at 30 June 2024 is 0.55:1 (2022/2023 0.50:1), which remain below the target of 0.7:1.

ASSET PURCHASES

Major assets purchases throughout the year resulted in a new Chiller and upgrades to medical equipment and IT infrastructure.

THE FUTURE

The continuing support of the community is essential to ensure Portland District Health's future, as are continuing partnerships with the state government and our sub-regional health services. We continue to operate in a climate where funding for health provision across the wider community is finite. Where possible all endeavors must be undertaken to maximise efficiencies in light of financial resources whilst maintaining a suite of high quality health services to meet local community health needs.

Portland District Health will continue to seek out new funding opportunities that align with its strategic directions and provide the community with ongoing health support.



PERFORMANCE AT A GLANCE

FINANCIALS	2024 \$'000s	2023 \$'000s	2022 \$'000s	2021 \$'000s	2020 \$'000s
Operating Result	177	(97)	290	(207)	798
Total Revenue	69,311	63,535	59,775	57,700	54,134
Total Expenses	69,920	66,640	63,250	61,048	56,690
Net Result from transactions	(609)	(3,105)	(3,475)	(3,348)	(2,556)
Total other economic flows	(1,651)	(105)	(33)	600	(571)
Net Result	(2,260)	(3,210)	(3,508)	(2,747)	(3,127)
Total Assets	83,414	71,621	75,323	71,099	72,289
Total Liabilities	20,089	17,894	18,331	17,130	16,200
Net Assets / Total Equity	63,325	53,727	56,992	53,969	56,089

* Financials includes the consolidated controlled entity Active Health Portland Ltd between periods 2020-2022. From 2023 the financials no longer have a requirement to consolidate with controlled entities.

Reconciliation of Net Result and Net Operating Result	2024 \$'000s
Net Operating Result*	177
Capital Purpose Income	1,635
Other capital purpose income	734
Assets received free of charge or for nil consideration under the State Supply	122
State supply items consumed up to 30 June 2024	(122)
Depreciation and Amortisation	(3,494)
Net gain/(loss) on non-financial assets	(1,318)
Total gain from other economic flows	6
Net Result	(2,260)

*The Net operating result is the result which the health service is monitored against in its Statement of Priorities

Responsible Bodies Declaration

In accordance with the Financial Management Act 1994, we are pleased to present the Report of Operations for Portland District Health for the year ending 30 June 2024.



Peter Matthews
Chairman - Board of Directors
Portland District Health



Karena Prevett
Interim Chief Executive Officer
Portland District Health



BOARD OF DIRECTORS

The skills and experience of board directors is reviewed annually at the time of recruitment of directors to ensure a balanced board equipped with expertise and knowledge to properly govern a rural health service.

The Board of Directors is responsible to the Minister for Health for setting the strategic direction and governance of Portland District Health, within the framework of government policy. Board Directors are accountable for ensuring the services are efficiently and effectively managed, provide high quality care and service delivery, meet the needs of the community; and meet performance targets.

The Directors are committed to ensuring that the services provided by Portland District Health comply with the legislative requirements and the Objectives and Vision of the Service, within the resources provided.

The Directors review governance information monthly in order to continually assess the performance of Portland District Health against its objectives and are also responsible for appointing and evaluating the performance of the Chief Executive Officer.

The Victorian Government has also committed to ensuring government boards and committees broadly mirror the diversity present in Victoria's communities. This includes appropriate representation of women, regional Victorians, Aboriginal people, young Victorians, Victoria's culturally diverse community, the Lesbian, Gay, Bisexual, Transgender, and Intersex (LGBTI) community and Victorians living with a disability.

2023-24 MEETING ATTENDANCE

Peter Matthews	11/11
Nadia Baillie	9/11
Michael Bailey	8/11
Andrew Long	9/11
Lucy Cuddihy	10/11
Alexandra Georgalas	10/11
Jed Macartney	10/11
Suzanne Anderton	2/2
Rebecca Smith	10/11
Paul Wright	11/11

Board of Directors continued

BOARD CHAIRPERSON

Prof. Peter Matthews

Appointed: 01 July 2021
(appointed Chairperson on 12 July 2021)
Term Expires: 30 June 2024

Committees:

- Governance Remuneration & Nominations
- Consumer Advisory (ex officio Board Chairperson)
- Credentialling and Scope of Practice Committee
- People & Culture

DIRECTOR / DEPUTY CHAIRPERSON

Mr. Jed Macartney (OAM)

Appointed: 01 July 2021
Term Expires: 30 June 2024

Committees:

- Finance, Audit & Risk (Chairperson)
- Clinical Governance
- Consumer Advisory (Chairperson)
- Governance Remuneration & Nominations

DIRECTOR

Ms Nadia Baillie

Appointed: 01 July 2021
Term Expires: 30 June 2026

Committees:

- Governance Remuneration & Nominations (Chairperson)
- Finance, Audit & Risk

DIRECTOR

Prof. Michael Bailey

Appointed: 01 July 2017
Term Expires: 30 June 2026

Committees:

- Clinical Governance
- People & Culture

DIRECTOR

Dr. Lucy Cuddihy

Appointed: 01 July 2021
Term Expires: 30 June 2024

Committees:

- Clinical Governance (Chairperson)
- People & Culture
- Credentialling and Scope of Practice Committee (Chairperson)

DIRECTOR

Mr. Andrew Long

Appointed: 01 July 2021
Term Expires: 30 June 2024

Committees:

- Finance, Audit & Risk
- People & Culture (Chairperson)

DIRECTOR

Ms Alexandra Georgalas

Appointed: 01 July 2022
Term Expires: 30 June 2025

Committees:

- Finance, Audit & Risk
- Governance Remuneration & Nominations

DIRECTOR

Ms Rebecca Smith

Appointed: 01 July 2022
Term Expires: Resigned 25 June 2024

Committees:

- Clinical Governance
- Credentialling and Scope of Practice Committee
- Consumer Advisory
- People & Culture

DIRECTOR

Mr Paul Wright

Appointed: 01 July 2022
Term Expires: 30 June 2025

Committees:

- Finance, Audit & Risk
- Consumer Advisory

DIRECTOR

Ms Suzanne Anderton

Appointed: 01 July 2022
Term Expires: Resigned 14 November 2023

Committees:

- Clinical Governance
- Consumer Advisory

MINISTERIAL DELEGATE

Dr. Marcus Kennedy

Appointed: 10 July 2020
Term Expired: 27 October 2023

EXECUTIVE MANAGEMENT

Directors

Chief Executive Officer

Samantha Sharp

Resigned 22 December 2023

Interim Chief Executive Officer

Karena Prevett

23 December 2023 to present

Director of Corporate Services

Karena Prevett

Karena Prevett – 1 July 2023 to 22 December 2023

Acting Director of Corporate Services

Annette Hinchcliffe

8 January 2024 to present

Director of Nursing, Aged Care and Midwifery

Roslyn Nagorcka

Director of Primary Care Services

Margaret Cadenhead

Resigned 10 May 2024

Director Medical Services

Dr Andrew Walby

Chief Financial Officer

Julie McDonald*

Resigned 4 January 2024

Director Quality, Safety & Risk

Suzanne Callaway

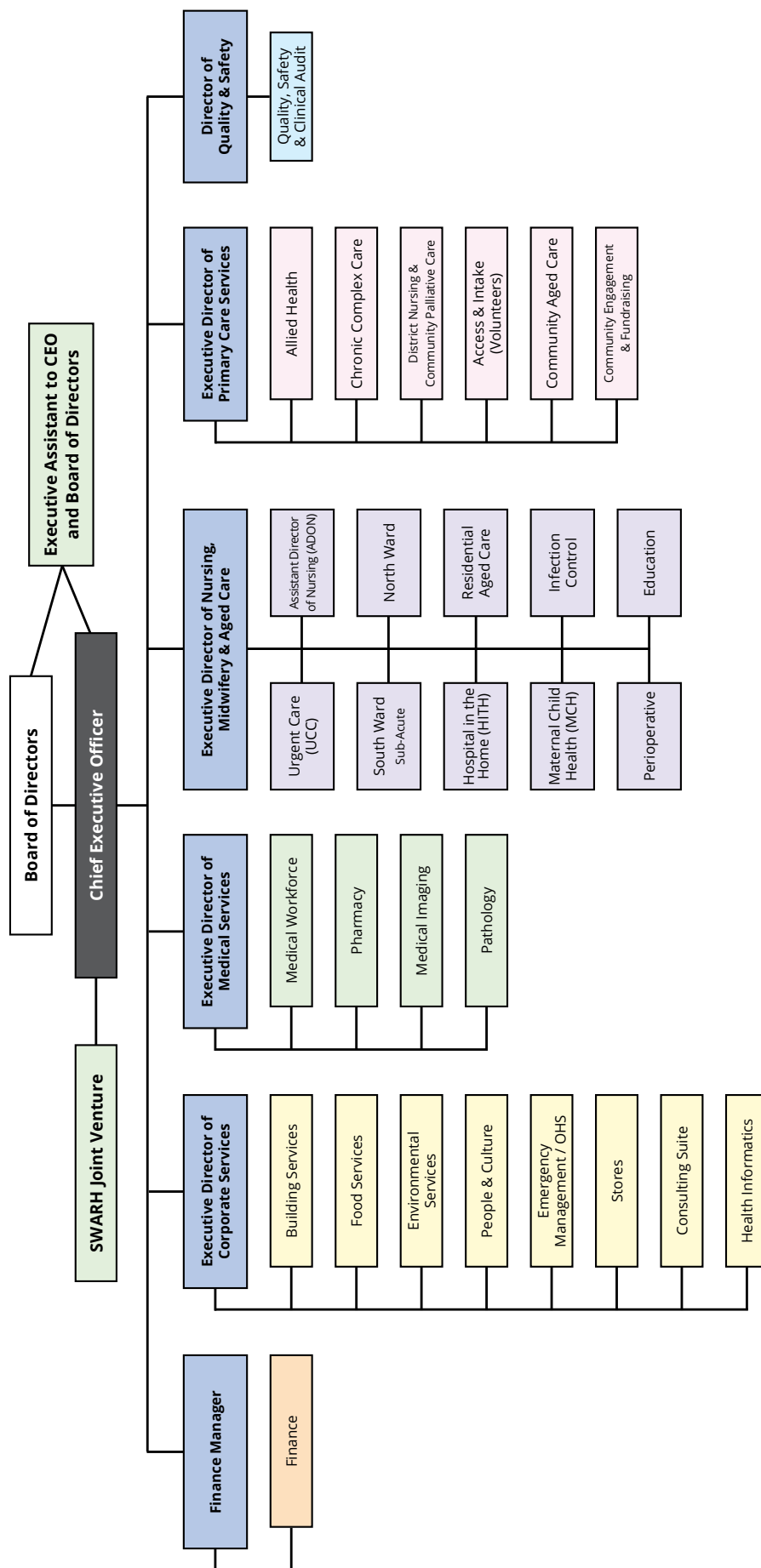
Resigned 24 June 2024

* Financial management services
have been sourced externally since this time.



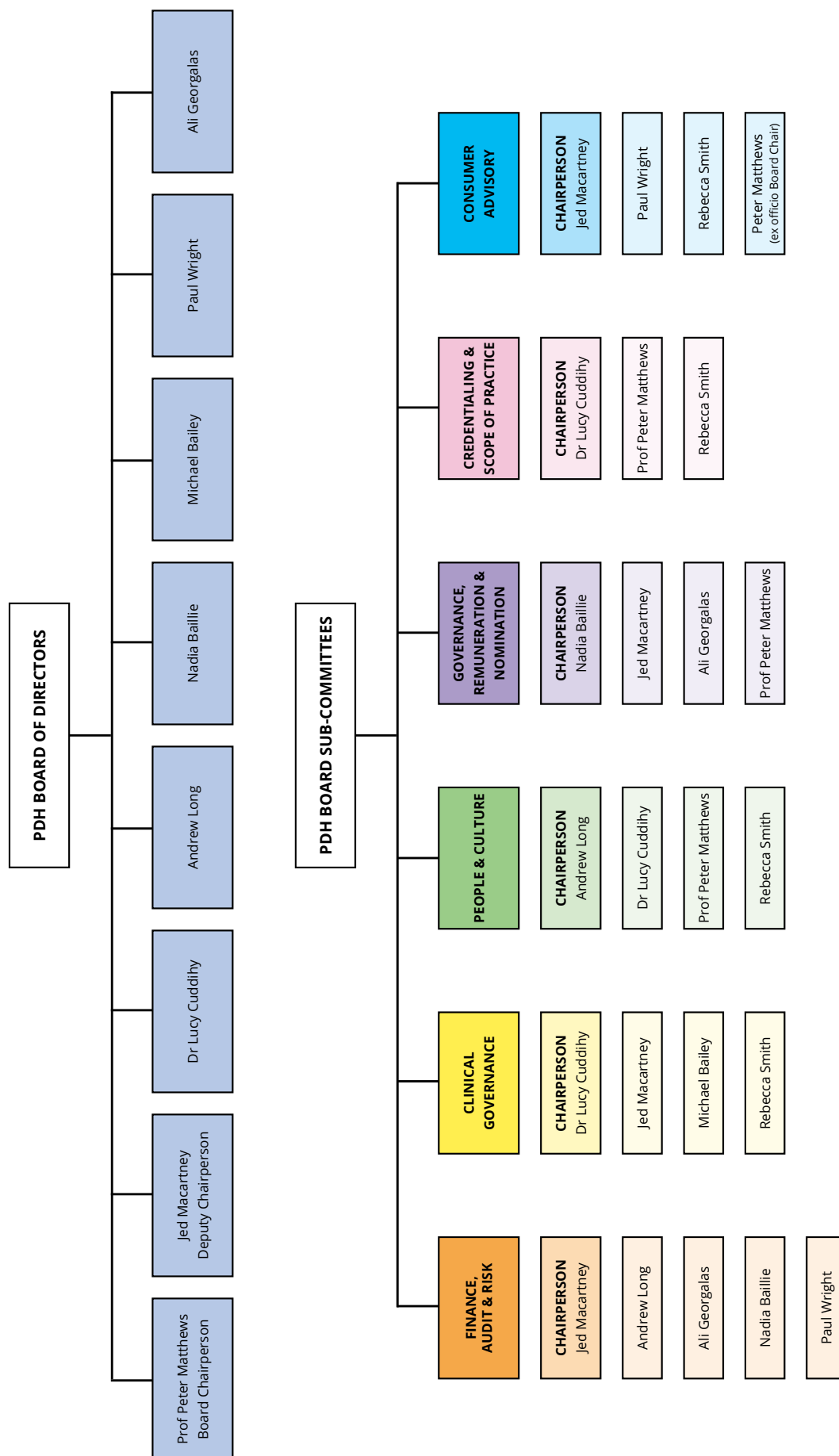


Portland District Health Organisational Chart





Board of Directors and Sub-Committees





OUR SERVICES

MEDICAL UNITS

Anaesthetics
Cardiology
Dermatology
Endocrinology
Endoscopy
ENT Surgery
General Surgery
General Medicine
Geriatric Medicine
Nephrology
Obstetrics and Gynaecology
Oncology
Ophthalmology
Oral Surgery
Orthopaedics
Paediatrics
Plastic Surgery
Respiratory Medicine
Urgent Care
(Emergency Medicine)
Urology

DIAGNOSTIC

Echocardiography
Holter Monitoring
Pathology
Pharmacy
Radiology

- CT Scanning
- General X-rays
- Ultrasound
- Breast Screen / Mammography
- Fluoroscopy
- Bone Density
- OPG/Cone beam CT

Sleep Studies
Stress Testing

PRIMARY, COMMUNITY & ALLIED HEALTH

Home Care
Personal Care
Flexible Respite
Social Support - (Individual & group)
Community Transport
Asthma Education
Breast Care
Cancer Support
Community Nursing
Continence
Counselling

- Psychology
- Social Worker

Diabetes Education
Dietetics
Discharge Planning
District Nursing
Drug, Alcohol & Counselling
Exercise Physiologist
Health Independence

- Community Rehab
- HARP
- Post-Acute Care

Health Promotion
Lymphoedema
Needle Exchange
Occupational Therapy
Palliative Care
Physiotherapy
Podiatry
Speech Therapy

NURSING / MIDWIFERY SPECIALITIES

Central Sterilizing Service
Chemotherapy
Day Procedure
Hospital in the Home
Immunisation Service
Lactation Consultant
Medical - Acute
Midwifery – Neonatal Care
Palliative Care
Perioperative
Renal Dialysis
Residential Aged Care
Respite Care
Shorts Stay UCC
Sub-Acute care
Surgical - Acute
Transition Care

SUPPORT SERVICES

Finance
Human Resources
Building Services
Administration
Health Informatics
Food Services

- Meals on Wheels

Environmental Services
Staff Education
Quality & Safety
Infection Control & Prevention
Security
Supply
Volunteers



PORTLAND DISTRICT HEALTH MEDICAL OFFICERS

SALARIED MEDICAL OFFICERS

Emergency Physician

Dr T Baker MBBS (Hons) B.MedSc (Hons) FACEM

Dr A Lishman MBBS (Hons) B.MedSc FACEM

Specialist Physician

Dr N Sharma MBBS MS FRACP FCSANZ

Anaesthetist

Dr P Reid MB CHB (GP Anaesthetist)

Dr J Parker MBBS FRACGP (GP Anaesthetist)

Hospital Medical Officer

Dr A Desai MBBS

Dr G Howe MBBS

Dr N Solanice MBBS

Dr D Adhikari MBBS

Dr N Azhar MBBS

SALARIED MEDICAL OFFICERS

Senior Medical Officer

Dr M Pilkington MBBS

Dr A Cameron MBBS FRACGP

Registrar

Dr J Farrar MBBS

Dr K Pycroft MBBS

Interns

Dr I Pratt MD

Dr B Rose MD

Paediatrician

Dr B Baade MBBS, FRACP, MD



PORTLAND DISTRICT HEALTH MEDICAL OFFICERS continued

VISTING MEDICAL OFFICERS

General Practitioner

Dr G Patel MBBS FRACGP
Dr M Garde MBBS FRACGP
Dr D Carrington MBBS FRACGP

Anaesthetist

Dr J Muir, MBBS FANZCA
Dr N Cameron MBBS FANZCA

Endocrinologist

Prof G Nicholson MBBS FRACP

Nephrologist

Dr C Somerville MBBS FRACP PHD
Dr A Tjipto MBBS FRACP
Dr M Desmond MBBS FRACP

Oncologist

Assoc Prof I Collins MBBS FRACP
Dr T Hayes MBBS, FRACP

Radiation Oncologist

Dr T Jagavkar MBBS

Haematologist

Dr J Brothie MBBS FRACP

ENT Surgeon

Dr A Cass MBBS FRACS

Obstetrician & Gynaecologist

Dr Y Diab MBBS MD FRANZCOG

Radiologist

Dr D Cleeve MBBS FRANZCR
Dr J Eng MBBS FRANZCR
Dr R Jarvis MBBS FRANZCR
Dr S Skinner MBBS FRANZCR
Dr J Wilkie MBBS RCR RANZCR
Dr J Tamangani MBBS MSc RCR
Dr D Arhangelschi MBBS FRANZCR
Dr D Richmond MBBS FRANZCR
Dr R Pourghorban MBBS FRANZCR
Dr S Digby MBBS FRANZCR

VISTING MEDICAL OFFICERS

General Surgeon

Mr U Naidoo MBChB FCS (FA)
Mr J Ragg MBBS FRACS
Mr P Gan MBBS FRACS

Orthopaedic Surgeon

Dr K Arogundade MBBS FRACS MD FRCS
Dr A Mitra MBBS FRACS
Dr N Russell MBBS FRACS
Dr R Wood MBBS FRACS

Plastic Surgeon

Dr R Toma MBBS FRACS (Plast)
Dr J Masters MBBS FRACS (Plast)
Dr R Capstick MBBS FRACS (Plast)

Urologist

Mr A Davidson MBBS FRACS
Dr A Ta MBBS FRACP

Dermatologist

Dr M Goh MBBS FACD
Dr F Lai MBBS FACD
Dr P McDonald MBBS FACD
Dr C Tancharoen MBBS FACD
Dr C Higgins MBBS FACD
Dr Q Le MBBS FACD

VISITING DENTAL OFFICERS

Oral Maxillo Facial Surgeon

Dr B Robinson MDS BDS

Dentist

Dr A Nascimento BDS

Portland District Health regulates the appointment, credentialing and definition of scope of clinical practice for all health practitioners who provide services within our health service.

Portland District Health is working with South West Healthcare, Western District Health Service, and Colac Area Health to streamline credentialing services in the region.

WORKFORCE DATA

Portland District Health is committed to the principles of merit and equity in the workplace with respect to employment, promotion and opportunity.

Labour Category	June Current Month FTE		June YTD FTE	
	2024	2023	2024	2023
Nursing	147.73	151.19	145.65	153.65
Administration & Clerical*	61.87	50.95	60.77	52.83
Medical Support	2.78	4.42	3.58	4.91
Hotel and Allied Services	42.85	45.45	43.77	45.02
Medical Officers	15.46	14.95	14.89	14.90
Ancillary Staff (Allied Health)	18.66	19.41	16.97	15.93
TOTAL	289.35	286.36	285.63	286.59

* Administration and Clerical increase is inclusive of PDH acquiring Commonwealth Health Support Program.

Staffing

	2023/2024	2022/2023	2021/2022	2020/2021
Number of Staff Employed	443	465	489	490
Number of Staff Employed (FTE)	285.63	286.36	316.42	310.26
Time Lost through Work Cover Claims (FTE)	0.91	2.31	1.76	0.67
Time Lost through Industrial Disputes (hours)	0.00	0.00	0.00	0.00
Sick Leave as % of Basic Salaries	5.97	5.63	5.4	4.43%

STATUTORY COMPLIANCE

During 2023/24, Portland District Health made Nil mandatory reports to AHPRA regarding health professionals. There were no reports under the *Protected Disclosure Act*.

CODE OF CONDUCT

All staff receive code of conduct training as a part of regular mandatory training in 'PDH Acceptable Workplace Behavior' at Portland District Health. Part of this training includes 'Workplace Bullying & Harassment' policy which covers:

- Occupational Health and Safety Act 2004
- Equal Opportunity (Gender Identity & Sexual Orientation Act 2000)
- Human Rights and Equal Opportunity Act 1986
- Racial Discrimination Act 1975
- Sex Discrimination Act 1984
- Disability Discrimination Act 1992
- Crimes Act 1958
- Workplace Relations Act 1996

INDUSTRIAL RELATIONS

Nil work hours were lost at Portland District Health as a result of industrial action during 2023/24.

WORKFORCE DATA *continued*

GENDER EQUALITY ACT 2020

The *Gender Equality Act 2020* (the 'Act') commenced in March 2021 with the first progress report due on 20 February 2024. Progress reports cover the period from 1 July 2023 to 30 June 2024 which is the first reporting cycle under the new legislation. Progress reports must include information on:

- the policies, programs or services that were subject to a gender impact assessment and the actions taken as a result of each gender impact assessment
- progress in relation to the measures and strategies set out in your Gender Equality Action Plan (GEAP), and
- progress in relation to the workplace gender equality indicators.

The Act requires us to:

- Consider and promote gender equality in our organization.
- Conduct gender impact assessments for all new public policies, programs and services we develop.
- Undertake workplace gender audits to assess the state and nature of gender inequality in our workplace
- Develop and implement strategies and measures to make reasonable and material progress towards gender equality.
- Report our progress on all of the above

Portland District Health is currently working towards meeting our obligations under the Act.

WORKPLACE HEALTH & SAFETY

We regularly audit, review and update our Occupational Health & Safety policies, procedures and systems to ensure compliance with the OHS Act and applicable regulations.

Our commitment to staff wellbeing is supported through our provision of the Employee Assistance Program (EAP) and development of a Fatigue Management Policy. The availability of contact officers in our organisation also provides support and guidance for staff experiencing any issues in the workplace. Psychological First Aid training has recently been provided to several staff to provide more effective, best practice support for staff.

Portland District Health empowers staff by providing ongoing training on family violence, elder abuse, bullying, and sexual harassment, occupational violence, stress management, values and occupational health and safety.

SOCIAL PROCUREMENT FRAMEWORK

The Social Procurement Framework (SPF) supports Healthshare Victoria (HSV) and public health services in Victoria in enhancing their positive social impact through the implementation of best value procurement principles.

The objective of the SPF is to integrate social procurement practices into the entire procurement process, thereby achieving social and sustainable outcomes.

OCCUPATIONAL VIOLENCE STATISTICS

Portland District Health is committed to addressing occupational violence incidents. Encouragement and education to report incidents has resulted in a significant lift in numbers reported in 2023/24.

Occupational Violence Statistics	2023/24	2022/23	2021/22
1. WorkCover accepted claims with an occupational violence cause per 100 FTE	0.00	0.00	0.00
2. Number of accepted WorkCover claims with lost time injury with an occupational violence cause per 1,000,000 hours worked.	0.00	0.00	1.60
3. Number of occupational violence incidents reported	99	148	56
4. Number of occupational violence incidents reported per 100 FTE	34.66	51.68	18.1
5. Percentage of occupational violence incidents resulting in a staff injury, illness or condition	8%	6%	0%



VICTORIA

SERVICE ACTIVITY

Information obtained from the:
2021 Glenelg, Census All persons QuickStats
Australian Bureau of Statistics

Portland



20,152

2022 ESTIMATED RESIDENT
POPULATION



588

ABORIGINAL AND TORRES
STRAIT ISLANDER PEOPLES



49

MEDIAN AGE



2.2

AVERAGE
HOUSEHOLD SIZE



16.2%

POPULATION BORN
OVERSEAS



POPULATION GROWTH RATE

0.56%

PORTLAND

0.13%

GLENELG SHIRE



589,483

VISITORS TO THE REGION



1,956

BUSINESSES



220KM

OF COASTLINE



149,501 Ha

PARK & STATE FOREST CROWN
LAND RESERVES

Funded Program	Services Provided	2023/24
Community Health Program	Allied Health, Counselling and Nursing	7,929 hours
Home and Community Care Program for Younger People (HACC-PYP)	Allied Health, Nursing and Volunteer Social Support	1,027 hours
Commonwealth Home Support Program (CHSP)	Allied Health, Nursing, Volunteer Social Support	5,169 hours
	Transport	411 transport trips
	Delivered Meals	1,686 meals
Commonwealth Support Program (CHSP) – commenced on 1 October 2023	Home Care, Personal Care, Individual Social Support and Flexible Respite	4,509 hours
	Social Support Groups	1,448 hours
Health Independence Program	Post Acute Care, Hospital Admission Risk Program (HARP) Sub-Acute Ambulatory Care (SACS)	5,096 service events
Community Palliative Care	Clinical Nurse Specialist	747 service events
Specialist Clinic Outpatients (Tier 2 Clinics)	Allied Health, Midwifery, Clinical Nurse Specialist, Procedures and Medical Consultations	8,324 service events
Alcohol and Other Drugs (AoD)	Assessment	119 events
	Care & Recovery	86 events
	Counselling	180 events
	Non-residential Withdrawal	72 events
	Supplied Accommodation	3 events



LIFE GOVERNORS & SERVICE AWARDS

Portland District Health values the significant contribution that many individuals make to the overall well-being of the organisation. The most prestigious award available to a person providing outstanding and continued long services to Portland District Health is Life Governorship.

LIFE MEMBERS OF THE FORMER PORTLAND AND DISTRICT COMMUNITY HEALTH CENTRE INC.

Association for the Blind
Portland Neighborhood House
Mr Jeff Baulch

Mrs Marilyn Baulch
Mr W (Bill) Collett
Mr David Harris

Mr Jeff Knuckey
Mrs Anne Lanyon

LIFE GOVERNORS

Apex Club of Portland
Helen Macpherson Smith (Trust)
Lions Club of Portland
Percy Baxter Trust
Portland Aluminium
Portland Professional Women's
Service Club
Rotary Club of Portland
Mrs Maureen Allan
Mrs Heather Burton

Mrs Brenda Edwards
Miss Sheila M Farrands
Mrs Noelene Flowers
Mrs S Fyfe
Mrs Pam Godfrey-Smith
Mrs Mavis L Jennings
Mrs Roslyn Jones
Mrs Ellie Lane
Miss Eunice Lightbody
Mrs P Mitchell

Mr Michael Noske
Mrs Margrett Oates
Mr A K (Keith) Ough
Mr Kevin Phillips
Mr Stephen Poon
Mrs R Smith
Miss June Stewart
Mrs Faith Sutterby
Mr John C Wigan
Mrs Pat Wilmot



LIFE GOVERNORS & SERVICE AWARDS continued

STAFF LENGTH OF SERVICE AWARDS

5 Years

Jane Asling
Margaret Cadenhead
Kayle Gleeson
Holly Marsh
Katie Mitchell
Madeline Nash
Anna O'Dea
Alyson Rice
Jodi Stevenson
Georgina Sweeney
Erin Wombwell

10 Years

Anne Barrett
Alison Burgess
Debra Cameron
Alison Cannon
Sophie Halliwell
Valerie Keys
Kylie Legg
Roslyn Nagorcka
Megan Schwarz
Maree Webster

15 Years

Zoe Bannam
Chloe Deans
Amanda Lishman
Meagan Nelson
Chloe Nunn
20 Years
Melinda Fyfe
Donna Kilgour
Rebecca Mullen
Emily Wombwell

25 Years

Helen Carey

35 Years

Kerryn Cottier
Jenny Matthews

40 Years

Carolyn Berry
Elaine Greig

We thank all of our wonderful and dedicated staff for their input and contribution- "The community we live and work in is vitally important to us - Our focus is the health and wellbeing of the people in our community".

VOLUNTEER SERVICE AWARDS

5 Years

Jacqui Holmes
Judy Compt
Lesley Holmes
Margaret Kerr
Sandra Shepherd
Rose Marshall
Helen Welfare

10 Years

Sam Carter
Assets Real Estate
Lynda Davis
Beverly Turner
Alan Ford

15 Years

Anne Mewett
Rosemary Vagg

20 Years

Gwen Finck

*Thank
you*

Portland District Health thanks all of our dedicated and valuable volunteers for the many hours of work and support every year for the benefit of our Health Service and community.

STATEMENT OF PRIORITIES

PART A: STRATEGIC PRIORITIES

SYSTEM PRIORITIES

In 2023-24 Portland District Health will contribute to the achievement of the Victorian Government's commitments by:

EXCELLENCE IN CLINICAL GOVERNANCE

We aim for the best patient experience and care outcomes by assuring safe practice, leadership of safety, an engaged and capable workforce, and continuing to improve and innovate care.

GOAL

MA2 Strengthen clinical governance systems that support safe care, including clear recognition, escalation, and addressing clinical risk and preventable harm.

Health Service Deliverables	Achievements/Outcome
MA2 Implement Department of Health Surgery Capability Framework when released.	Ongoing <i>This document has not been released as yet.</i>

GOAL

MA9 Maintain commitment to driving planned surgery reform in alignment with the Surgery Recovery and Reform Program, as well as identify and implement local reform priorities.

Health Service Deliverables	Achievements/Outcome
MA9 Implement and scale same day surgery models of care in line with Safer Care Victoria's Expanding Day Surgery recommendations.	Achieved Same day surgery models of care have been implemented at PDH. Those implemented include • Laparoscopic cholecystectomy • Hernia repairs • Anterior Cruciate Ligament (ACL) repairs • Tonsils and Adenoids removal All pathways are on PROMPT (portal for policies and procedures).
MA9 Proactively manage preparation lists (formally waiting lists) including validation and support of patients into optimal care pathways.	Ongoing There is a monthly review undertaken of the waiting list. Pre-admission and theatre staff meet to review all patients waiting for surgery. Orthopaedics have the largest waiting list and the surgeon has booked extra lists at PDH to reduce his waiting list.

STATEMENT OF PRIORITIES

PART A: STRATEGIC PRIORITIES

EXCELLENCE IN CLINICAL GOVERNANCE CONTINUED

GOAL

MA11 Develop strong and effective systems to support early and accurate recognition and management of deterioration of paediatric patients.

Health Service Deliverables	Achievements/Outcome
MA11 Partner with Safer Care Victoria Safer Care Victoria (SCV) and relevant multidisciplinary groups to establish protocols and auditing processes to manage effective monitoring and escalation of deterioration in paediatric patients via ViCTOR charts.	Achieved PDH does not admit medical paediatric patients to the Hospital. Paediatric patients are assessed and transferred through to South West Healthcare (SWH). PDH does use the ViCTOR track and trigger charts for all Paediatric presentations to our Urgent Care Centre. Nurse Unit Manager (NUM) of Urgent Care audits the ViCTOR charts on a monthly basis.
MA11 Improve paediatric patient outcomes through implementation of the “ViCTOR track and trigger” observation chart and escalation system, whenever children have observations taken.	Achieved ViCTOR track and trigger charts were implemented at PDH 5 years ago and are used for every Paediatric presentation to our Urgent Care Centre. SWH accept our deteriorating Paediatric patients in a timely manner.
MA11 Implement staff training on the “ViCTOR track and trigger” tool to enhance identification and prompt response to deteriorating paediatric patient conditions.	Ongoing PDH Paediatrician provides education to the staff in Urgent Care on a monthly basis around the ViCTOR track and trigger charts. Staff identify and escalate any deteriorating paediatric patients to SWH.

STATEMENT OF PRIORITIES

PART A: STRATEGIC PRIORITIES

WORKING TO ACHIEVE LONG TERM FINANCIAL SUSTAINABILITY

Ensure equitable and transparent use of available resources to achieve optimum outcomes.

GOAL

MB1 Co-operate with and support Department-led reforms that look towards reducing waste and improving efficiency to address financial sustainability, operational and safety performance, and system management.

Health Service Deliverables	Achievements/Outcome
MB1 Implementation of cost-saving initiatives: Identify and implement cost-saving measures such as reducing unnecessary procedures, optimising supply chain management, and streamlining administrative processes.	Ongoing A review of the Capability Framework for PDH to be undertaken in partnership with the Department of Health's review. PDH is part of the South West Supply Model which creates efficiency.
MB1 Operational efficiency improvements: Develop and implement strategies to improve operational efficiency, such as reducing waiting times, improving patient flow, and optimising resource allocation.	Ongoing PDH has implemented the ESIS waiting list even though we are not required to do so. Our waiting lists are reviewed frequently, and currently extra lists are booked for those surgeons who have long waiting lists. In Urgent Care waiting times to be seen by a doctor are within the Department of Health's guidelines. A regional twice weekly meeting with SWH, PDH and Camperdown Hospital sees the transfer of patients within these Hospitals in a timely manner.

GOAL

MB2 Development of a health service financial sustainability plan in partnership with the Department with a goal to achieving long term health service safety and sustainability.

Health Service Deliverables	Achievements/Outcome
MB2 Financial forecasting and risk management: Develop robust financial forecasting models to project future revenue and expenditure, identify financial risks, and implement risk mitigation strategies to ensure long-term sustainability.	Ongoing PDH have engaged the services of a regional resource to improve the budgeting process as well as reporting of financial and non-financial results. PDH has developed an 18-month budget and is in the process of developing a 3 year budget strategy. The Board of Directors have developed risk tolerances and from this a strategic risk register has been implemented, to be reviewed regularly at Finance Audit and Risk Committee meetings as well as Board Meetings.

STATEMENT OF PRIORITIES

PART A: STRATEGIC PRIORITIES

IMPROVING EQUITABLE ACCESS TO HEALTHCARE AND WELLBEING

Ensure that Aboriginal people have access to a health, wellbeing and care system that is holistic, culturally safe, accessible, and empowering.

Ensure that communities in rural and regional areas have equitable health outcomes irrespective of locality.

GOAL

MC1 Address service access issues and equity of health outcomes for rural and regional people including more support for primary, community, home-based and virtual care, and addiction services.

Health Service Deliverables	Achievements/Outcome
MC1 CEO and executive leadership to drive and be accountable for outcomes in cultural safety and Aboriginal self-determination.	Ongoing PDH has an Memorandum of Understanding (MOU) with Dhauwurd Wurrung Elderly and Community Health Service and are currently developing an MOU with Windamarra both local Aboriginal Community Controlled Health Organisation (ACCHOs). Aboriginal Hospital Liaison Officers are engaged from our local ACCHOs to work closely with staff from PDH to look after admitted First Nations peoples. PDH has an Aboriginal Cultural Safety Committee which meets monthly.

GOAL

MC3 Enhance the provision of appropriate and culturally safe services, programs and clinical trials for and as determined by Aboriginal people, embedding the principles of selfdetermination.

Health Service Deliverables	Achievements/Outcome
MC3 Promote a culturally safe welcoming environment with Aboriginal cultural symbols and spaces demonstrating, recognising, celebrating and respecting Aboriginal communities and culture.	Ongoing Cultural safety is at the core of everything we do at PDH. We have recently completed the safe space and have yet to complete the healing garden and fire pit. PDH celebrates all National days of recognition, flag lowering when appropriate, and we have partnerships with other local health services to partner in Aboriginal cancer outcomes. PDH has an Aboriginal workforce strategy.

STATEMENT OF PRIORITIES

PART A: STRATEGIC PRIORITIES

A STRONGER WORKFORCE

Ensure There is increased supply of critical roles, which supports safe, high-quality care. Victoria is a world leader in employee experience, with a focus on future roles, capabilities and professional development. The workforce is regenerative and sustainable, bringing a diversity of skills and experience that reflect the people and communities it serves. As a result of a stronger workforce, Victorians receive the right care at the right time closer to home.

GOAL

MD1 Improve employee experience across four initial focus areas to assure safe, highquality care: leadership, health and safety, flexibility, and career development and agility

Health Service Deliverables	Achievements/Outcome
MD1 Support the pilot and/or implementation of new and contemporary models of care and practice, including future roles and building capability for multidisciplinary practice	Ongoing PDH provides telehealth consultations, Hospital in the Home (HITH) and Victorian Stoke Telemedicine (VST).
MD1 Implement and/or evaluate a new/ expanded wellbeing and safety program and its improvement on workforce wellbeing	Ongoing PDH provided extra and safer outdoor seating for staff to take breaks outside. The furniture installed is made of re-cycled plastic, thus supporting environmental sustainability. The staff dining room has been re-furnished, providing more comfortable seating, and supporting a fresher environment for all staff. PDH has signed on to participate in the Healthy Workplaces Achievement Program. Facilitated through the Health Promotion Team, strategies are being implemented in the areas of mental health and wellbeing, physical activity and healthy eating.

STATEMENT OF PRIORITIES

PART A: STRATEGIC PRIORITIES

MOVING FROM COMPETITION TO COLLABORATION

Share knowledge, information and resources with partner health and wellbeing services and care providers. This will allow patients to experience one health, wellbeing and care system through connected digital health information, evidence and data flows, enabled by advanced interoperable platforms.

GOAL

ME1 Partner with other organisations (for example community health, ACCHOs, PHNs, General Practice, private health) to drive further collaboration and build a more integrated system.

Health Service Deliverables	Achievements/Outcome
ME1 Engage local ACCHO groups in the identification and delivery of initiatives that improve Aboriginal cultural safety	Ongoing PDH has an MOU with our local Aboriginal Health service, DWECHs and are currently developing an MOU with Winda Mara. Local Aboriginal Elders are assisting PDH to ensure that we are a culturally safe hospital for the local community to access. We utilise the local community to assist us to successfully plan local initiatives. PDH is part of the 'Improving First Nations Cancer Outcomes: Partnerships for culturally safe cancer care'

GOAL

ME2 Engage in integrated planning and service design approaches, whilst assuring consistent and strong clinical governance, with partners to join up the system to deliver seamless and sustainable care pathways and build sector collaboration

Health Service Deliverables	Achievements/Outcome
ME2 Undertake joint clinical service plans with an agreed approach to coordinating the delivery of health services at a regional level as opposed to individual health service planning.	Not Achieved • Midwifery/Domiciliary – MOU with SWH and WDHS. • South West Mental Health – MOU • Agreed elective surgery sharing of services – SWH • Heywood – RN Urgent Care experience • Ballarat/Geelong – Rural Clinical Nurse (RCN) program with The Alfred • Dialysis with University Hosiptal Geelong. • Great South Cost Drug & Alcohol Treatment services where we work together to deliver the Victoria AoD strategy – with WRAD Health, ACSO, Brophy & SWHC. • Regional Credentialing Committee – with SWH, WDHS, Terang and Mortlake Health Service (TMHS) and Moyne Health Service (MHS).

STATEMENT OF PRIORITIES

PART A: STRATEGIC PRIORITIES

EMPOWERING PEOPLE TO KEEP HEALTHY AND SAFE IN THE COMMUNITY

Support individual health and mental wellbeing by giving people the tools and information they need to stay healthy and well. Work with the local government to respond to health threats and empower the community to proactively respond to health risks

GOAL

EA4 Enhance health literacy and promote high-quality health information so that the local community, including those in priority cohorts, can apply this knowledge to their own circumstances.

Health Service Deliverables

EA4 Continue to strengthen links to community programs and social services to provide a more holistic collaborative service response to people with complex needs

Achievements/Outcome

Ongoing

We continue to work with a number of local community agencies in terms of support for community members with complex needs. We are in preliminary planning phase to review and refresh these linkages with external community and social service agencies/networks to improve access to health information for our community and also to timely and appropriate care for community members

CARE CLOSE TO HOME

Primary and community care is accessible and reduces avoidable escalation in acuity of health conditions. When appropriate, hospital care is delivered in the home, including through digital care and connection, to deliver virtual care, telehealth, and other advanced models of care.

GOAL

EB1 Improve pathways through the health system and implement models of care to enable more people to access care closer to, or in their homes

EB1 Implement new models of care that improve coordination across health services and with primary and community care so that patients can more easily receive care closer to, or in their homes.

Ongoing

We have commenced Hospital in the Home (HITH) program within the inpatient episode, and currently utilise telehealth for clinical consultation in terms of Victorian Stoke Telemedicine (VST), and in consulting suites. Currently unable to undertake remote monitoring from our primary care service due to issues with platform. We are in preliminary planning phase to review and refresh coordination and communication internally across the health service, including primary and community care service areas and also with external service delivery agencies to improve timely and appropriate care delivery on transition to home/residential aged care.

PART B: KEY PERFORMANCE PRIORITIES

High Quality and Safe Care

Key Performance Indicator	Target	Actual
Infection prevention and control		
Compliance with the Hand Hygiene Australia program	85%	92.7%
Percentage of healthcare workers immunised for influenza	94%	98%
Patient experience		
Percentage of patients who reported positive experiences of their hospital stay	95%	96.2%
Maternity and Newborn		
Percentage of full-term babies (without congenital anomalies) who are considered in poor condition shortly after birth (Apgar score <7 to 5 minutes)	≤ 1.4%	0
Percentage of singleton babies with severe fetal growth restriction (FGR) delivered at 40 or more weeks gestation	≤ 28.6%	0
Aboriginal Health		
Percentage of Aboriginal admitted patients who left against medical advice	25% reduction in gap based on prior year's	Not met

Strong governance, leadership and culture

Key Performance Indicator	Target	Actual
Organisational Culture		
People matter survey – Percentage of staff with an overall positive response to safety culture survey questions	62%	50%

Effective Financial Management

Key Performance Indicator	Target	Actual
Operating result (\$M)	\$0k	\$177k
Average number of days to pay trade creditors	60 days	26 days
Average number of days to receive patient fee debtors	60 days	23 days
Adjusted current asset ratio (Variance between actual ACAR and target, including performance improvement over time or maintaining actual performance)	0.7 or 3% improvement from health service base target	0.65
Variance between forecast and actual Net result from transactions (NRFT) for the current financial year ending 30 June.	Variance ≤ \$250,000	-1.51
Actual number of days available cash, measured on the last day of each month	14 days	74.7 days

PART C: ACTIVITY AND FUNDING SUMMARY

Funding type	2023-24 Activity Achievement
Consolidated Activity Funding	
Acute admitted, subacute admitted, emergency services, non-admitted NWAU	Acute admitted 3,922.92 Subacute admitted 311.26 Emergency / URGENT CARE 1,287.67 Non-admitted subacute (HIP) 239.90 Non-admitted subacute (PC) 34.05 Non-admitted acute (specialist/Tier2) 211.08 Total = 6006.88 NWAU
Acute admitted	
National Bowel Cancer Screening Program NWAU	21.91 NWAU
Acute admitted DVA	10.51 NWAU
Acute admitted TAC	8.17 NWAU
Acute Non-Admitted	
Specialist Clinics	211.08 NWAU
Subacute/Non-Acute, Admitted & Non-Admitted	
Palliative Care Non-Admitted	34.05 NWAU
Subacute - DVA	2.67 NWAU
Transition Care - Bed days	**
Transition Care - Home days	**
Aged Care	
Residential Aged Care	9,738 bed days
HACC	1,027 hours
Mental Health and Drug Services	
Drug Services	1
Primary Health	
Community Health / Primary Care Programs	7,929 hours
TOTAL FUNDING	

**The data included in this annual report was accurate at the time of publication and is subject to validation by official sources from the Department of Health.*

*** Transition Care day funding was removed in 23/24 year.*



MANDATORY REPORTING

In accordance with the Directions of the Minister for Finance under the Financial Management Act 1994 Section 45 and 53Q(4) the following disclosures are made for the Responsible Ministers and the Accountable Officers.



OUR LEGISLATIVE COMPLIANCE

Portland District Health has a statutory obligation to report legislative compliance on a range of matters.

ATTESTATIONS

DATA INTEGRITY

I, Karena Prevett certify that Portland District Health has put in place appropriate internal controls and processes to ensure that reported data reasonably reflects actual performance. Portland District Health has critically reviewed these controls and processes during the year.

CONFLICT OF INTEREST

I, Karena Prevett certify that Portland District Health has put in place appropriate internal controls and processes to ensure that it has implemented a 'Conflict of Interest' policy consistent with the minimum accountabilities required by the Victorian Public Sector Commission (VPSC). Declaration of private interest forms have been completed by all executive staff within Portland 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.

INTEGRITY, FRAUD AND CORRUPTION

I, Karena Prevett, certify that Portland 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 Portland District Health during the year.

SAFE PATIENT CARE ACT 2015

Portland District Health has no matters to report in relation to its obligations under section 40 of the *Safe Patient Care Act 2015*.

COMPLIANCE WITH HEALTH SHARE VICTORIA (HSV) PURCHASING POLICIES

Schedule 1 and 5 health services are required to comply with the requirements of the Purchasing Policies as set out in the *Health Services Act 1988 (Vic)*.

No compliance issues

I, Karena Prevett, certify that Portland 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 Health Share Victoria (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.

Material non-compliance issues

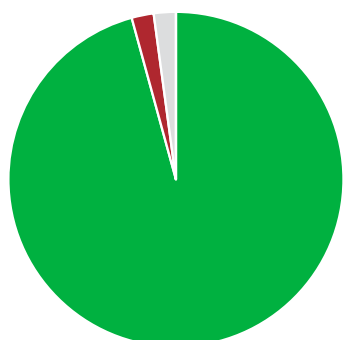
I, Karena Prevett, certify that Portland District Health, has put in place appropriate internal controls and processes to ensure that it has materially complied with all requirements set out in the HSV Purchasing Policies including mandatory HSV collective agreements as required by the *Health Services Act 1988 (Vic)* and has critically reviewed these controls and processes during the year, except for the following material non-compliance issues: **Guidelines for the Report of Operations 26**

Karena Prevett
Interim Chief Executive Officer
Portland District Health
Date: 30 July 2024

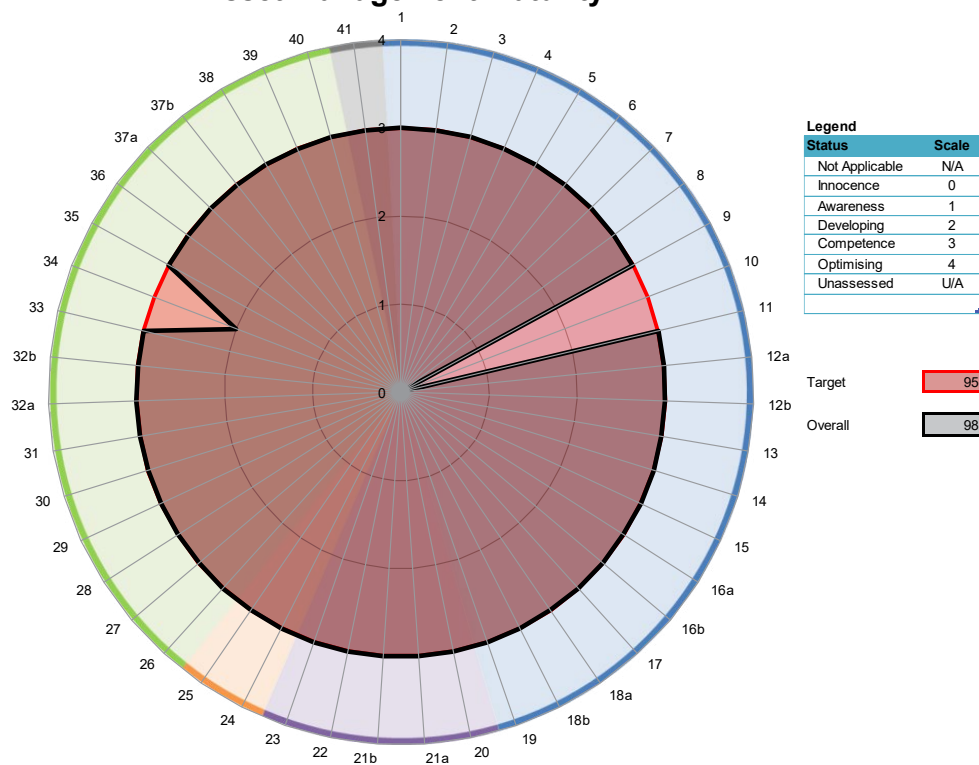
MANDATORY REPORTING continued

Compliance and maturity rating tool

AMAF Compliance



Asset management maturity



Whole-of-life asset management

Leadership and accountability	Asset planning	Asset acquisition	Asset operation	Asset disposal
Overview and key requirements	Asset management strategy	Overview	Monitoring & preventative action	Disposal process
Resourcing and skills	Risk management & contingency planning	Acquisition process	Maintenance of assets	
Governance			Information management	
Allocating asset management responsibility			Record keeping responsibility	
Attestation requirements			Asset Valuation	
Monitoring asset performance				
Asset management system performance				
Reporting to Government				
Evaluation of asset performance				
Other requirements				

FINANCIAL MANAGEMENT COMPLIANCE ATTESTATION

I Mr Jed Macartney on behalf of the Responsible Body, certify that Portland District Health has no Material Compliance Deficiency with respect to the applicable Standing Directions under the *Financial Management Act 1994* and Instructions

Mr Jed Macartney (OAM)

Chairperson of Finance, Audit & Risk Committee

Portland District Health

Date: 30 July 2024

MANDATORY REPORTING continued

ESSENTIAL SERVICES

Essential services measures fire, life safety and health items installed or constructed in a building to ensure adequate levels of fire safety protection. Essential safety measures include all traditional building fire services such as sprinklers and mechanical services, passive fire safety such as fire doors, fire rated structures and other building infrastructure items such as paths of travel to exits.

The objective of maintenance is to ensure that every safety measure continues to perform at the same level of operation that existed at the time of commissioning and issue of the occupancy permit.

The maintenance of essential safety measures involves:

- Ensuring the service is maintained at a level of performance specified by the relevant building surveyor.
- Periodical inspections and checks in accordance with an Australian Standard or other specified method.
- Maintaining a record of the maintenance inspections and checks in the form of an annual essential safety measures report.

Regular auditing of essential services undertaken by Stokes Safety and Wormald Fire & Safety Services has indicated Portland District Health is operating at the required level of performance in all areas.

Portland District Health acknowledges our engineering team who are pleased to report that all essential safety measures are operating at the required level of performance.

COMMERCIAL APPOINTMENTS

External Auditors: Crowe

Internal Auditors: Moore

Bankers: National Australian Bank (NAB)
and Westpac Banking Corporation



MANDATORY REPORTING continued

COMPLIMENTS AND COMPLAINTS

Portland District Health values consumer participation and encourages both positive and negative feedback. The organisation aims to present open and accountable services that reassure consumers their complaints are welcome and will be dealt with fairly and timely. It is acknowledged that the organisation will not always be able to meet consumer expectations; however, consumer feedback is seen as an essential component of understanding how consumers perceive our services. This feedback may be used in determining quality improvement initiatives and working towards addressing identified gaps.

Feedback may be received in a number of ways, including:

- Direct to the health service in writing or verbally
- Via the Health Services Commissioner
- Comment forms around the organisation
- Satisfaction surveys
- Service evaluation
- Focus groups and Consumer Advisory Committee

2023/24

Compliments 211

Complaints 72

COMPLIMENTS AND COMPLAINTS

Category	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Compliments	13	16	6	15	10	31	14	17	16	24	27	22
Complaints	3	2	6	9	6	4	2	12	4	8	8	9
Acknowledged within 5 days	100%	100%	83%	78%	100%	100%	100%	100%	100%	50%	50%	67%
Open >30 days	0	0	0	0	0	1	0	2	0	0	0	1

MANDATORY REPORTING continued

CONSULTANCIES

During 2023/24, Portland District Health engaged five consultancies where the total fees payable to the consultants were less than \$10,000, with a total expenditure of \$15,765 (excl. GST).

In 2023/24 there were five consultancies where the total fees payable to the consultants were \$10,000 or greater. The total expenditure incurred in relation to these consultants was \$92,177.24 (excl GST).

Consultancies > \$10,000

CONSULTANT	PURPOSE OF CONSULTANCY	TOTAL APPROVED PROJECT FEE (ex GST)	EXPENDITURE	FUTURE EXPENDITURE (ex GST)
Cooper Hardiman Pty Ltd	Human Resources Consultancy Services		\$32,887.40	
Farmers Roost Pty Ltd / Stephen Gardner	Project Management - CHSP Services		\$10,889.84	
Jocelyn Marie Fuller	Review of People and Culture Structure		\$18,300.00	
PowerHealth Solutions Pty Ltd	Victorian Cost Data Collection preparation and submission		\$10,500.00	
Amplify Procurement	Review of Pharmacy		\$19,600.00	
Total			\$92,177.24	

DETAILS OF INFORMATION & COMMUNICATION TECHNOLOGY (ICT) EXPENDITURE

During 2023/24 Portland District Health ICT Business as Usual (BAU) Operational expenditure (excluding GST) was \$1,942,462.92. Capital expenditure (excluding GST) was \$800,982.13, of which \$792,261.22 was towards the IT infrastructure Upgrade project funded by the Regional Health Infrastructure Fund (RHIF).

The total ICT expenditure incurred during 2023/24 end is \$2,743,445.05 (excluding GST) with the details shown below.

Business As Usual (BAU) ICT expenditure	Non-Business As Usual (non-BAU) ICT expenditure		
(Total=Operational expenditure (excluding GST))	(Total=Operational expenditure and Capital expenditure (excluding GST))	Operational expenditure (excluding GST)	Capital expenditure (excluding GST)
\$1,942,462	\$800,982	\$0	\$800,982

MANDATORY REPORTING continued

ENVIRONMENTAL PERFORMANCE

Portland District Health Board of Directors, Executive and staff are committed to protecting the environment and ensuring its sustainability. When planning changes or improvements, consideration is given to conserving energy and water, reducing greenhouse emissions and improving waste management.

Our service is committed to implementing sound environmental practices in all areas of operations. We recognise that it is essential all energy/water users and producers of waste manage these aspects to minimise the impact on the environment, as well as cost.

Our solar panels installed 4 years ago continue to provide substantial electricity saving to the organisation.

Our key highlights for 2023/2024 include:

- Continuation of LED light replacement program throughout the organisation.
- Continue to change our motor vehicle fleet to more efficient vehicles with reduced emissions.
- Eliminated disposable plastic plates and cutlery and replaced with biodegradable paper supplies.
- Compliance with single use plastic ban which came into effect on 1 February 2023.
- Participated in the Energy Audit undertaken in June 2023 – awaiting audit report.
- Active member of Regional Environmental Network.
- Undertaking work with Contractor on co-mingled re-cycling

As a result of the strategies and practices in place, this has produced very good results in reducing carbon emissions, water usage and financial savings to Portland District Health.

2023-24 Energy and Water Performance Report

Environmental impacts & energy use

Energy use	2021-22	2022-23	2023-24
Electricity (MWh)	1,502	1,430	1,374
Natural Gas (gigajoules)	7,554	7,880	5,079
Carbon emissions (thousand tonnes of CO ₂ e)	2021-22	2022-23	2023-24
Electricity	1.37	0.98	1.09
Natural Gas	0.39	0.31	0.26
Total emissions	1.76	1.76	1.29
Water use (millions litres)	2021-22	2022-23	2023-24
Potable Water	12.82	13.34	14.18
Floor area (m2)	12,383	12,383	12,203
Separations	4,932	5,604	5,543
In-Patient Bed Days	10,958	13,461	13,707
Aged Care Bed Nights	10,218	9,824	9,788

STATEMENT OF COMPLIANCE

FINANCIAL MANAGEMENT ACT 1994

In accordance with the direction of the Minister for Finance part 9.1.3 (iv), information requirements have been prepared and are available to the relevant Minister, Members of Parliament and the public on request.

HEALTHSHARE VICTORIA (HSV) PURCHASING POLICIES

Portland District Health materially complies with the HSV Purchasing Policies in accordance with section 134 of the Health Services Act 1988 (Vic). Portland District Health critically reviews appropriate internal controls and processes to ensure compliance.

During 2023-24 Portland District Health engaged two certified Social Enterprises, Aboriginal businesses and Traditional Owner Corporations, Disability Enterprises and social value companies listed. This represented spent of \$ 5,637 thousand.

NOTE: The drop in spend and supplies engaged is due to some changes within the ABN wash tool provided by the Department of Government Services.

HEALTH RECORDS ACT 2001

The purpose of this Act is to promote fair and responsible handling of health information by protecting the privacy of an individual's health information. This service observes absolute confidentiality in dealing with patient information.

BUILDING ACT 1993

Portland District Health complies with the provisions of the Building Act 1993 in accordance with the Department of Health Capital Development Guidelines (Minister for Finance Guideline Building Act 1993 / Standards for Publicly Owned Buildings 1994 / Building Regulations 2005 and Building Code of Australia 2004).

Current planning and status of capital works:

- Demolition of adjoining house followed by development of new outdoor car parking - complete
- Installation of COVID safe rooms in Urgent Care Centre (UCC) - complete
- Footpath developed for pedestrian access in carpark - complete
- Central Sterile Supply Department (CSSD) Project – in progress
- Ramp into UCC - complete



STATEMENT OF COMPLIANCE continued

PROTECTING YOUR PRIVACY

Portland District Health complies with the provisions of the Health Services Act 1988 (No.49/1988), the Health Records Act 2001 (No.2/2001) and the Information Privacy Act 2000 (No.98/2000) relating to confidentiality and privacy by ensuring that all employees do not disclose any information or records concerning Portland District Health's patients, clients, staff and customers acquired in the course of their employment, other than for any authorised or lawful purpose.

NATIONAL COMPETITION POLICY

The Victorian Government's Competitive Neutrality policy commits public health services to apply this policy to all dealings. This includes the adoption of pricing principles to take account of the full cost attribution for net competitive advantage conferred by government ownership.

The policy gives direction that where government business activities involve it in competition with private sector business activities, the net advantages that accrue to government business are offset.

LOCAL JOBS FIRST ACT 2003

In 2023/24 there were no contracts requiring disclosure under the Local Jobs First Policy.

STATEMENT OF MERIT AND EQUITY

The Victorian Government's Merit and Equity principles are considered in our recruitment, advertising and selection of employees. Portland District Health complies with employment conditions as specified in relevant Health Awards and Enterprise Bargaining Agreements. The employment of staff satisfies equal employment opportunity requirements, legislative and moral obligations, and terms and conditions of the Fair Work Act, Australia including National Employment Standards.

TAX DEDUCTIBLE GIFTS

Portland District Health is endorsed by the Australian Taxation Office as a Deductible Gift Recipient. Gifts to Portland District Health, a public health service, qualify for a tax deduction under item 1.1.1 of section 3-BA of the Income Tax Assessment Act 1997.





STATEMENT OF COMPLIANCE *continued*

FREEDOM OF INFORMATION

A total of 51 requests under the Freedom of Information Act 1982 were processed during 2023/24 with no requests denied and information not granted and 1 request withdrawn. Portland District Health's nominated officers under the Freedom of Information Act are: Principal Officer: Karena Prevett; Interim Chief Executive Officer, FOI Officers: Casey Mills; Electronic Health Records Support Officer and Casey Scott; Health Information Manager.

FEES AND CHARGES

Portland District Health charges fees in accordance with the Commonwealth Department of Health and Aged Care, the Commonwealth Department of Family Services and the Department of Health directives, issued under Regulation 8 of the Hospital and Charities (Fees) Regulations 1986 as amended.

OCCUPATIONAL HEALTH & SAFETY ACT 2004 COMPLIANCE

Portland District Health complies with the *Occupational Health & Safety Act of 2004* and its associated regulations and code of practice to meet the Australian Council of Health Care Standards requirement. Portland District Health is committed to providing a safe and healthy environment for patients, residents, staff, visitors, volunteers and contractors under the auspices of the Health and Safety Committee. Our commitment is to facilitate effective consultation across all sections of Portland District Health which is essential to improve Health & Safety performance.

All staff injuries and hazards in the workplace are reported and followed up via the 'RiskMan', an electronic incident management system available to all staff. We support our staff both in the provision of training to reduce risk of injury and, if an injury does occur, a comprehensive return to work program.

Occupational, Health & Safety training continues to occur on a regular basis throughout the Health Service. All health and safety representatives have attended health and safety training.

STATEMENT OF COMPLIANCE continued

Occupational, Health & Safety Reporting	2023-24	2022-23	2021-22
1. The number of reported hazards/incidents for the year per 100 FTE	67.22	88.70	28.99
2. The number of 'lost time' standard WorkCover claims for the year per 100 FTE	0.6912	1.40	0.95
3. The average cost per WorkCover claim for the year	\$16,408	\$17,518	\$51,171

Lost time Workcover claims for 2023/2024 was one less compared to 2022/2023 with a corresponding reduction in average claim cost. Reported hazards and incidents have more than doubled in 2023-2024 compared to the prior year as a result of a greater level of confidence to report.

PROTECTED DISCLOSURE ACT 2012

Portland District Health has in place appropriate procedures for disclosures in accordance with the *Public Interest Disclosure Act 2012* (formally known as the *Protected Disclosures Act 2012*). No public interest disclosures were made under the Act in 2023/2024.

CARERS RECOGNITION ACT 2012

The *Carers Recognition Act 2012* recognises, promotes and values the role of people in care relationships. Portland District Health understands the different needs of persons in care relationships and that care relationships bring benefits to the patients, their carers and to the community.

Portland District Health takes all practicable measures to ensure that its employees, agents and carers have awareness and understanding of the care relationship principles and this is reflected in our commitment to a model of patient and family centred care and to involving carers in the development and delivery of our services.



Karena Prevett
Interim Chief Executive Officer
Date: 30 July 2024

GOVERNANCE

BOARD OF DIRECTORS

Portland District Health is governed by Board Directors appointed by the Minister for Health. The Board of Directors is responsible for the overall governance of the Health Service; this includes setting the strategic direction and monitoring performance.

GOVERNANCE COMMITTEES

The Board is a strong advocate of corporate and clinical governance and seeks to ensure that the Health Service fulfils its governance obligations and responsibilities to all its stakeholders.

To assist the Board in the discharge of its responsibilities, it has established a number of committees. The Board committees are:

Clinical Governance Committee

Bi-Monthly

The Clinical Governance Committee is a sub-committee of the Board of Directors and the primary function is to assist the Board of Directors to lead and assure high quality care and safety systems across Portland District Health.

The committee reviews and makes recommendations to the Board of Directors to:

- Mitigate Portland District Health's risks and ensure a Risk Management Framework is in place and reviewed annually.
- Matters relating to the effective and efficient management and control at Portland District Health to ensure safe and appropriate service delivery and patient care.
- Evaluate the processes in place to continuously improve and strive for best practice, particularly in those areas related to high and significant risk.
- Ensure a high standard of health care, a continuous improvement of service delivery and maintain an environment that supports clinical excellence.
- Matters relating to ensuring the provision of a safe and effective workplace for the PDH workforce.

External/Consumer Members: Nil

Finance, Audit and Risk Committee

Monthly

The Finance Audit and Risk Committee (FAR) is a sub-committee of the Portland District Health Board of Director (Board) established in accordance with Section 65S(2)(j) of the Health Services Act 1988 (Vic) HAS), the Financial Management Act 1994 (Vic) and other relevant State and Federal laws and regulations to oversight the risk management framework for Portland District Health (PDH) and its implementation throughout the organisation.

The purpose of FAR is to assist the Board in the effective discharge of its responsibilities for financial reporting, internal controls, risk management, and internal and external audits. Its primary role is to consider reports from officers of PDH and the auditors that provide assurance about the integrity of the financial processes, systems and reporting and provide an independent source of assurance and advice to the Board.

FAR does not relieve any Board Directors of their responsibilities for these matters.

External Member: Nil

GOVERNANCE continued

People and Culture Committee

Quarterly

The People and Culture Committee is a sub-committee of the Board of Directors and the primary function is to assist the Board of Directors to lead and assure workforce strategy and development for Portland District Health, in support of the delivery of Board of Directors endorsed strategic plan.

The People and Culture committee will support Portland District Health to embed the seven principles of the Department of Health "Framework for promoting a positive workplace culture: prevent bullying, harassment and discrimination". The seven principles being:

- Leaders demonstrate commitment to appositve workplace culture.
- The organisation and staff understand and manage risks relating to culture and inappropriate behaviour, including bullying, harassment and discrimination.
- Safe systems of work are in place that reduce risks to health and safety associated with inappropriate behaviour, including BHD, and that promote staff wellbeing.
- The organisation has effective mechanisms for the management of people.
- Staff access appropriate, consistent and effective training.
- Workplace relationships are respectful and built on trust.
- The organisation embraces diversity and is committed to inclusion.

Governance, Remuneration and Nominations Committee

At least twice yearly

The Governance, Remuneration and Nomination Committee is a Sub-Committee of the Portland District Health (PDH) Board of Directors (Board) which is established in accordance with section 33 of the *Health Services Act 1988* (the Act).

The purpose of the Committee is to assist the Board fulfil its responsibilities in relation to:

- the appointment, performance review and remuneration of the Chief Executive Officer (CEO) and his or her direct reports (the Executive);
- Board capability; and
- the effective governance of PDH.



GOVERNANCE continued

OTHER BOARD ADVISORY COMMITTEES

Consumer Advisory Committee

Bi-Monthly

The purpose of the Consumer Advisory Committee is to provide a voice for the community and consumers in strategic decision making and operations of Portland District Health.

The role of the committee is to provide advice to the Board of Directors from a community and consumer perspective in relation to Portland District Health strategic priorities.

Credentialing & Scope of Practice (Medical Appointment) Committee

Quarterly (or as required as part of the South West regional committee)

This Committee regulates the appointment, credentialing and definition of scope of clinical practice of health practitioners who provide services to the PDH and related Health Services.

Project Control Groups and Working Parties are convened as needed by the Board to oversee short and intermediate term projects. In 2023-24 these were:

- Clinical Governance Project Control Group
- Maternity re-design Reference Group

This Committee reports to the Clinical Governance Committee, which then reports to the Board of Directors.

The purpose of these Terms of Reference is to establish the credentials of all Medical Practitioners requiring clinical privileges at Portland District Health (PDH), and to determine the scope of practice of medical, allied health and nursing health practitioners with advanced practice at the Health Service.

Credentialing & Scope of Practice (Medical Appointment) Committee

Quarterly (or as required as part of the South West regional committee)

This Committee regulates the appointment, credentialing and definition of scope of clinical practice of health practitioners who provide services to the PDH and related Health Services.

Project Control Groups and Working Parties

As needed

Project Control Groups and Working Parties are convened by the Board to oversee short and intermediate term projects. In 2023-24 these were:

- Clinical Governance Project Control Group
- Maternity re-design Reference Group

This Committee reports to the Clinical Governance Committee, which then reports to the Board of Directors.

The purpose of these Terms of Reference is to establish the credentials of all Medical Practitioners requiring clinical privileges at Portland District Health (PDH), and to determine the scope of practice of medical, allied health and nursing health practitioners with advanced practice at the Health Service.

EXECUTIVE ROLE

Responsibility for the management and operation of Portland District Health is delegated to the Chief Executive Officer who is accountable to the Board of Directors and who operates within clearly defined delegation levels. The management is made up of the Chief Executive Officer, Director of Nursing, Director of Corporate Services, Director of Primary Care Services, Director of Medical Services, Director of Quality & Safety and Chief Financial Officer. The Executive meets weekly and provides monthly reports to the Board of Directors.



GOVERNANCE continued

RESPONSIBLE MINISTER

5.3(a) The manner in which the Health Service was established and its relevant Minister(s);

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 1 July 2023 to 30 June 2024

OTHER RELEVANT MINISTERS

The responsible Minister for Mental Health:

Minister for Ambulance Services

The Hon. Gabrielle Williams
from 1 July 2023 to 2 October 2023

The Hon Mary-Ann Thomas
from 2 October 2023 to 30 June 2024

Minister for Mental Health

The Hon. Gabrielle Williams
from 1 July 2022 to 2 October 2023

The Hon. Ingrid Stitt
from 2 October 2023 to 30 June 2024

Minister for Disability, Ageing and Carers

The Hon. Lizzie Blandthorn
from 1 July 2023 to 2 October 2023

Minister for Disability / Minister for Children

The Hon. Lizzie Blandthorn
from 2 October 2023 to 30 June 2024

Minister for Ageing

The Hon. Ingrid Stitt
from 2 October 2023 to 30 June 2024

GOVERNANCE continued

ETHICAL STANDARDS

The Board of Directors promotes the continued maintenance of corporate governance practice and ethical conduct by Board directors and employees of Portland District Health. The Board has endorsed a code of conduct which applies to Board directors, officers and all employees.

ADDITIONAL INFORMATION AVAILABLE ON REQUEST

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

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





DONATIONS 2023-2024

SIGNIFICANT PARTNERSHIP RECOGNITION

United Way Glenelg

- Christmas Hampers
- The Magic of Storytime

Freemasons Foundation

Portland & District Motoring Enthusiasts Club Inc

- Cruise for Charity

Portland and District Dance Club

Cancer Council Victoria - Portland Branch

Salvation Army Portland:

- PDH Annual Winter Drive
- PDH Christmas Present Appeal

Rotary of Portland:

- Beats Cycle for Hope "Random act of kindness" Spend Local Gift cards and Portland Arts Centre Cards
- 16 Days of Activism

Portland Community Markets

Brewster Walsh and Belinda Armistead

- Girls Day In

Country Women's Association – Wattle Hill Creek

CDS VIC Recycling Scheme

Glenelg Shire Council

Western District Food Share

Committee for Portland



PDH DONATIONS (\$50+ AND IN KIND)

Total Donations raised from 01/07/2023 to 30/06/2024 - \$70,417.34

Melva Trotter
- In Memory Of

N & M Cameron

Burswood CWA

James & Virginia Keiller

Debra Arthur

David & Ann Taylor

DJ & KF Carr

Michael Carr

Trevor Carr

Lowan Steel

St Transport

Mark Saunders

Joyce Ussher

South West Tafe

Belinda Armistead

Sarah Dobson

Mark Brondesema

Kirsty Beggs

Portland Laser Cutting

Portland Mechanical Services

LJ Imbi

Freemasons Foundation

Kevin Phillips

Anti-Cancer Council
Portland Unit

Ian Ellis - In Memory Of

Paul Thornton

Desmond Ian Clark

Estate Bryan Chipperfield

Portland Court Fund



DONATIONS continued

PDH ANNUAL FUNDRAISERS

Sponsors and Supporters:

1. **PDH Men's Health Breakfast, Annual Charity Golf Event & Schools Health Forum** **\$10,000**

Committee for Portland
- Major Sponsor Annual Golf Event
Port of Portland
- Silber Sponsor Annual Golf Event
Powerhouse Productions
Portland Sign Works
Mixx FM / Ace Radio
Assets Real Estate
12 Twelve Fold
Portland Fitness 24/7
Compleat Angler
Amcal Portland
Portland Golf Club
TILNAK Fine Arts Portraits
Portland Bike and Skate
Lease Plus
Providore Farm
Admelias Fruit n Veg
Betta Electrical
Men's Beer & Gear
Voyager Surf
Prominence Salon
The Royal Hotel

2. **PDH Community Market/Fete** **\$8,324**

Portland Community Markets

3. **PDH Annual Pastie Drive** **\$700**

PDH Kitchen and catering Department

EVENTS AND ACTIVITIES OF SIGNIFICANCE AND PARTICIPATION

VIC Cancer Council Biggest Morning Tea

3 Bays Marathon

GROW Indigenous Art Competition

Harmony & Diversity Week

NAIDOC Celebration

Relay for Life

Glenelg Shire Jobs Expo

Volunteers Christmas Celebration

Staff Training and Service Recognition Awards

Volunteer Expo

APPRECIATION

Portland District Health would like to thank all our supporters for their generous donations and contributions to our organisation and events. Your kindness and dedication allow us to bring additional services and information to the community in which we serve, to improve and provide the best healthcare outcomes. The financial support we receive from donors allows us to increase and extend our work with individuals and families.

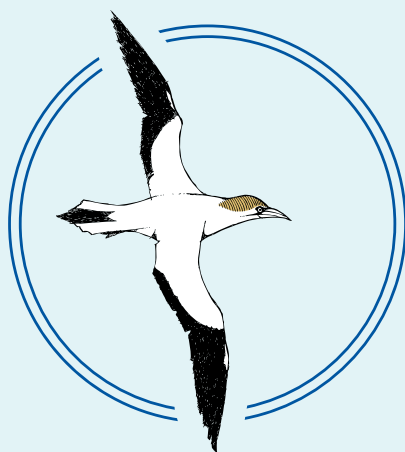
Our community is at the core of everything that we do. We are here for the community and want to ensure that the services we provide is meeting the needs of all who walk through our doors. Health and healthcare are changing rapidly, in line with community expectation. Your dedication, donations and support to PDH contributes and assists us to align with this goal for a sustainable future.

Portland District Health has a strong commitment to work with individuals and other groups to build our partnerships to improve the health outcomes and experiences for our diverse range of community members. We are proud of the resources, education and partnerships embedded throughout our organisation, assisting PDH staff to provide care for our community in a manner that is respectful of a person's culture and beliefs, is free from discrimination and is based on respect and harmony. Through these partnerships and support networks, allows us the capabilities of providing this through these current challenging times.

DISCLOSURE INDEX

The annual report of the Portland 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.

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FRD 22	Occupational Health and Safety	44
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FRD 22	Summary of the financial results for the year	9
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PORTLAND

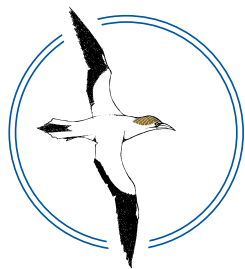
DISTRICT HEALTH

ABN 19 736 725 377

ANNUAL FINANCIAL STATEMENTS

Year Ended 30 June 2024





How this report is structured

Portland District Health presents its audited general-purpose financial statements for the financial year ended 30 June 2024 in the following structure to provide users with information about Portland District Health's stewardship of the resources entrusted to it.

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Financial Statements

Financial Year ended 30 June 2024

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

The attached financial statements for Portland 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 2024 and the financial position of Portland District Health at 30 June 2024.

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

We authorise the attached financial statements for issue on 10 October 2024.

Board member	Accountable Officer	Chief Finance & Accounting Officer
		
P Matthews	K Prevett	L Bevan
Chair	Interim Chief Executive Officer	Finance Manager
Portland	Portland	Portland
10 October 2024	10 October 2024	10 October 2024

Independent Auditor's Report

To the Board of Portland District Health

Opinion	I have audited the financial report of Portland District Health (the health service) which comprises the: • balance sheet as at 30 June 2024 • 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 material accounting policy information • board member's, accountable officer's and chief finance & accounting officer's declaration. In my opinion the financial report presents fairly, in all material respects, the financial position of the health service as at 30 June 2024 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.
Basis for Opinion	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. 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. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.
Other Information	The Board of the health service is responsible for the Other Information, which comprises the information in the health service's annual report for the year ended 30 June 2024 but does not include the financial report and my auditor's report thereon. My opinion on the financial report does not cover the Other Information and accordingly, I do not express any form of assurance conclusion on the Other Information. However, in connection with my audit of the financial report, my responsibility is to read the Other Information and in doing so, consider whether it is materially inconsistent with the financial report or the knowledge I obtained during the audit, or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude there is a material misstatement of the Other Information, I am required to report that fact. I have nothing to report in this regard.
Board's responsibilities for the financial report	The Board of the health service is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the <i>Financial Management Act 1994</i>, and for such internal control as the Board determines is necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error. In preparing the financial report, the Board is responsible for assessing the health service's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.

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

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

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

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

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



MELBOURNE
24 October 2024

Dominika Ryan
as delegate for the Auditor-General of Victoria

Portland District Health

Comprehensive Operating Statement

For the Financial Year Ended 30 June 2024

		2024 \$'000	2023 \$'000
Revenue and income from transactions			
Operating activities	2.1	68,741	62,983
Non-operating activities	2.1	570	552
Total revenue and income from transactions		69,311	63,535
Expenses from transactions			
Employee expenses	3.1	(51,056)	(47,970)
Supplies and consumables	3.1	(8,211)	(7,817)
Finance costs	3.1	(26)	(25)
Depreciation and amortisation	4.3	(3,494)	(3,655)
Other administrative expenses	3.1	(5,193)	(5,181)
Other operating expenses	3.1	(1,940)	(1,993)
Total Expenses from transactions		(69,920)	(66,640)
Net result from transactions - net operating balance		(609)	(3,105)
Other economic flows included in net result			
Total net gain/(loss) on non-financial assets	3.2	(1,318)	(103)
Net gain/(loss) on financial instruments	3.2	(81)	(3)
Net gain/(loss) change in equity share of JV	3.2	(258)	-
Other gain/(loss) from other economic flows	3.2	6	1
Total other economic flows included in net result		(1,651)	(105)
Net result for the year		(2,260)	(3,210)
Other economic flows - other comprehensive income			
Items that will not be reclassified to net result			
Changes in property, plant and equipment revaluation surplus	4.1(b)	11,858	-
Total other comprehensive income		11,858	-
Comprehensive result for the year		9,598	(3,210)

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

Portland District Health

Balance Sheet as at 30 June 2024

	Note	2024 \$'000	2023 \$'000
Current assets			
Cash and cash equivalents	6.2	8,012	5,642
Receivables and contract assets	5.1	1,381	1,623
Inventories		110	95
Prepaid expenses		797	762
Total current assets		10,300	8,122
Non-current assets			
Receivables	5.1	49	49
Property, plant and equipment	4.1(a)	64,230	59,865
Right of use assets	4.2(a)	909	536
Intangible assets	8.8	-	218
Investment property	4.4(a)	7,926	2,830
Total non-current assets		73,114	63,499
Total assets		83,414	71,621
Current liabilities			
Payables	5.2	2,754	4,037
Contract liabilities	5.3	1,195	1,635
Borrowings	6.1	351	282
Employee benefits	3.3	9,710	8,052
Other liabilities	5.4	4,792	2,321
Total current liabilities		18,802	16,327
Non-current liabilities			
Borrowings	6.1	561	364
Employee benefits	3.3	726	1,202
Total non-current liabilities		1,287	1,566
Total liabilities		20,089	17,893
Net assets		63,325	53,728
Equity			
Revaluation surplus	SCE	69,745	57,887
Restricted specific purpose reserve	SCE	1,011	1,011
Contributed capital	SCE	35,695	35,695
Accumulated (deficit)	SCE	(43,126)	(40,866)
Total equity		63,325	53,727

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

Portland District Health

Statement of Changes in Equity

For the Financial Year Ended 30 June 2024

	Property, Plant and Equipment Revaluation Surplus \$'000	Restricted Specific Purpose Reserve \$'000	Contributed Capital \$'000	Accumulated (Deficit) \$'000	Total \$'000
Balance at 1 July 2022	57,896	858	35,695	(37,512)	56,937
Net result for the year	-	-	-	(3,210)	(3,210)
Movement in reserves	(9)	153	-	(144)	-
Balance at 30 June 2023	57,887	1,011	35,695	(40,866)	53,727
Net result for the year	-	-	-	(2,260)	(2,260)
Other comprehensive income for the year	11,858	-	-	-	11,858
Balance at 30 June 2024	69,745	1,011	35,695	(43,126)	63,325

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

Portland District Health

Cash Flow Statement

For the Financial Year Ended 30 June 2024

	Note	2024 \$'000	2023 \$'000
Cash Flows from operating activities			
Operating grants from Government		52,075	47,286
Operating grants from Commonwealth Government		7,200	5,259
Capital grants from State Government		1,634	592
Patient fees received		4,643	5,343
GST received from ATO		1,754	1,122
Interest and investment income received		200	209
Other receipts received		3,122	2,869
Total receipts		70,628	62,680
Employee expenses		(50,184)	(47,217)
Payments for supplies and consumables		(8,678)	(8,293)
Payments for repairs and maintenance		(1,940)	(1,118)
GST paid to ATO		(1,762)	-
Finance costs		(26)	(24)
Other payments		(5,667)	(5,976)
Total payments		(68,257)	(62,628)
Net cash flows from/(used in) operating activities	8.1	2,371	52
Cash Flows from investing activities			
Proceeds from sale of non-financial assets		60	85
Purchase of non-financial assets		(2,362)	(685)
Net cash flows from/(used in) investing activities		(2,302)	(600)
Cash flows from financing activities			
Principal lease repayments		(170)	(133)
Repayment of accommodation deposits		(1,175)	(1,002)
Receipt of accommodation deposits		3,646	750
Net cash flows from/(used in) financing activities		2,301	(385)
Net increase/(decrease) in cash and cash equivalents held		2,370	(933)
Cash and cash equivalents at beginning of year		5,642	6,575
Cash and cash equivalents at end of year	6.2	8,012	5,642

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

Portland District Health

Notes to the Financial Statements

For the Financial Year Ended 30 June 2024

Note 1: Basis of preparation

Structure

1.1 Basis of preparation of the financial statements

1.2 Abbreviations and terminology used in the financial statements

1.3 Joint arrangements

1.4 Material accounting estimates and judgements

1.5 Accounting standards issued but not yet effective

1.6 Goods and Services Tax (GST)

1.7 Reporting entity

These financial statements represent the audited general purpose financial statements for Portland District Health for the year ended 30 June 2024. The report provides users with information about Portland 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 DTF, and relevant Standing Directions (SDs) authorised by the Assistant Treasurer.

Portland 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 Dependency). The financial statements are presented 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 Portland District Health on 10 October 2024.

Portland District Health

Notes to the Financial Statements

For the Financial Year Ended 30 June 2024

Note 1.2 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
PDH	Portland District Health

Note 1.3 Joint arrangements

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

Portland District Health has an interest in South West Alliance Rural Health (SWARH) Joint Venture as detailed in Note 8.7.

Note 1.4 Material accounting estimates and judgements

Management makes 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 material 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 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 4.3: Depreciation and amortisation
- Note 4.5: Investment Property
- Note 5.1: Receivables
- Note 5.2: Payables
- Note 5.3: Contract liabilities
- Note 6.1(a): Lease liabilities
- Note 7.4: Fair value determination

Portland District Health

Notes to the Financial Statements

For the Financial Year Ended 30 June 2024

Note 1.5 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 Portland District Health and their potential impact when adopted in future periods is outlined below:

Standard	Adoption Date	Impact
AASB 2022-5: <i>Amendments to Australian Accounting Standards – Lease Liability in a Sale and Leaseback</i>	Reporting periods beginning on or after 1 January 2024.	Adoption of this standard is not expected to have a material impact.
AASB 2022-9: <i>Amendments to Australian Accounting Standards – Insurance Contracts in the Public Sector</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 standards – Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities</i>	Reporting periods beginning on or after 1 January 2024.	A full assessment of the impact of this standard has not yet been concluded by the Health Service.

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

Note 1.6 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 and/or financing activities, which are recoverable from, or payable to the ATO. These GST components are disclosed as operating cash flows.

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

Note 1.7 Reporting Entity

The financial statements include all the controlled activities of Portland District Health.

Portland District Health's principal address is:
Bentinck Street
Portland VIC 3305

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

Portland District Health

Notes to the Financial Statements

For the Financial Year Ended 30 June 2024

Note 2: Funding delivery of our services

Portland District Health's overall objective is to provide quality health service that support and have the wellbeing of all Victorians. Portland District Health is predominantly funded by grant funding for the provision of outputs. Portland 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

Material judgements and estimates

This section contains the following Material judgements and estimates:

Material judgements and estimates	Description
Identifying performance obligations	Portland District Health applies material 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 criterion is met, the contract/funding agreement is treated as a contract with a customer, requiring Portland District Health to recognise revenue as or when the health service transfers promised goods or services to the beneficiaries. If this criterion is not met, funding is recognised immediately in the net result from operations.
Determining timing of revenue recognition	Portland District Health applies material 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 timing of capital grant income recognition	Portland District Health applies material 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	Portland District Health applies material judgement to determine the fair value of assets and services provided free of charge or for nominal value. Assets and services received free of charge are recognised at fair value on the date received.

Portland District Health

Notes to the Financial Statements

For the Financial Year Ended 30 June 2024

Note 2.1: Revenue and income from transactions

		2024	2023
	Note	\$'000	\$'000
Operating activities			
Revenue from contracts with customers			
Government grants (State) - Operating		25,217	23,181
Government grants (Commonwealth) - Operating		7,200	5,259
Patient and resident fees		4,586	5,150
Commercial activities ¹		100	73
Total revenue from contracts with customers	2.1(a)	37,103	33,663
Other sources of income			
Government grants (State) - Operating		26,661	25,039
Government grants (State) - Capital		1,635	592
Other capital purpose income		194	104
Assets received free of charge or for nominal consideration	2.1(b)	122	296
Other income from operating activities		3,026	3,288
Total other sources of income		31,638	29,320
Total revenue and income from operating activities		68,741	62,983
Non-operating activities			
Income from other sources			
Rental income		370	318
Other interest		200	234
Total income from non-operating activities		570	552
Total revenue and income from transactions		69,311	63,535

¹ Commercial activities represent business activities which Portland District Health enters into to support its operations.

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

Heywood Rural Health disaggregates revenue by the timing of revenue recognition.

	2024	2023
	\$'000	\$'000
Goods and services transferred to customers:		
At a point in time	37,003	33,590
Over time	100	73
Total revenue from contracts with customers	37,103	33,663

How we recognise revenue and income from operating activities

Government operating grants

To recognise revenue, Portland 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*.

Portland District Health

Notes to the Financial Statements

For the Financial Year Ended 30 June 2024

Note 2.1: Revenue and income from transactions (cont)

Government operating grants (cont)

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, Portland District Health recognises revenue in profit or loss as and when it satisfies its obligations under the contract.

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

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

This policy applies to each of Portland District Health's revenue streams, with information detailed below relating to Portland District Health's material 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.
Other one-off grants	If funding conditions contain enforceable and sufficiently specific performance obligations. Portland District Health exercises judgement over whether the performance obligations have been met, on a grant by grant basis.

Capital grants

Where Portland 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 Portland 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, the provision of services, is satisfied, except where the patient and resident fees relate to accommodation charges. Accommodation charges are calculated daily and are recognised over time, to reflect the period accommodation is provided.

Portland District Health

Notes to the Financial Statements

For the Financial Year Ended 30 June 2024

Note 2.1: Revenue and income from transactions (cont)

Note 2.1(b): Fair value of assets and services received free of charge or for nominal consideration

	2024 \$'000	2023 \$'000
Personal protective equipment and other consumables	122	296
Total fair value of assets and services received free of charge or for nominal consideration	122	296

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

Donations and bequests

Donations and bequests are generally recognised as income upon receipt (which is when Portland District Health usually obtained control of the asset) as they do not contain sufficiently specific and enforceable performance obligations. Where sufficiently specific and enforceable performance obligations exist, revenue is recorded as and when the performance obligation is satisfied.

Personal protective equipment

Under that State Supply arrangement, Health Share Vicotria supplies personal protective equipment to Portland District Health for nil consideration.

Contributions of resources

Portland District Health may receive resources for nil or nominal consideration to further its objectives. The resources are recognised at their fair value when Portland 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 Portland District Health as a capital contribution transfer.

Commercial activities

Revenue from commercial activities includes items such as meals on wheels. 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

Rental income – investment properties

Rental income from investment properties is recognised on a straight-line basis over the term of the lease, unless another systematic basis is more representative of the pattern of use of the underlying asset.

Where a lease incentive is provided to a lessee, this is considered an integral part of the net consideration agreed for the use of the lease asset and therefore the incentive is recognised as a reduction of rental income over the period to which it relates.

The following table sets out the maturity analysis of undiscounted future lease payments receivable under our operating leases:

	As at 30 June	
	2024 \$'000	2023 \$'000
Within one year	-	527
Total undiscounted future lease payments receivable	-	527

Portland District Health

Notes to the Financial Statements

For the Financial Year Ended 30 June 2024

Note 2.1: Revenue and income from transactions (cont)

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.

Non-cash contributions from the Department of Health

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

Supplier	Description
Victorian Managed Insurance Authority	The Department of Health purchases non-medical indemnity insurance for Portland 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.

Portland District Health

Notes to the Financial Statements

For the Financial Year Ended 30 June 2024

Note 3: The cost of delivering our services

This section provides an account of the expenses incurred by the health service 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

Material judgements and estimates

This section contains the following Material judgements and estimates:

Material judgements and estimates	Description
Classifying employee benefit liabilities	Portland District Health applies material judgement when classifying its employee benefit liabilities. Employee benefit liabilities are classified as a current liability if Portland 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. Employee benefit liabilities are classified as a non-current liability if Portland 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.
Measuring employee benefit liabilities	Portland District Health applies material judgement when measuring its employee benefit liabilities. The health service applies judgement to determine when it expects its employee entitlements to be paid. With reference to historical data, if the health service does not expect entitlements to be paid within 12 months, the entitlement is measured at its present value, being the expected future payments to employees. Expected future payments incorporate: - 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 76% and 85% - discounting at the rate of 4.063%, as determined with reference to market yields on government bonds at the end of the reporting period. All other entitlements are measured at their nominal value.

Portland District Health

Notes to the Financial Statements

For the Financial Year Ended 30 June 2024

Note 3.1: Expenses from transactions

Note	2024 \$'000	2023 \$'000
Salaries and wages	28,508	30,076
On-costs	7,817	6,938
Agency expenses	12,775	9,438
Fee for service medical officer expenses	1,206	1,164
Workcover premium	750	354
Total employee expenses	51,056	47,970
Drug supplies	2,730	2,265
Medical and surgical supplies (including Prostheses)	2,467	2,545
Diagnostic and radiology supplies	1,472	1,429
Other supplies and consumables	1,542	1,578
Total supplies and consumables	8,211	7,817
Finance costs	26	25
Total finance costs	26	25
Other administrative expenses	5,193	5,181
Total other administrative expenses	5,193	5,181
Fuel, light, power and water	469	493
Repairs and maintenance	622	685
Maintenance contracts	340	331
Medical indemnity insurance	509	484
Total other operating expenses	1,940	1,993
Total operating expenses	66,426	62,985
Depreciation and amortisation	3,494	3,655
Total depreciation and amortisation	3,494	3,655
Total non-operating expenses	3,494	3,655
Total expenses from transactions	69,920	66,640

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, termination payments)
- On-costs
- Agency expenses
- Fee for service medical officer expenses
- Work cover premiums.

Portland District Health

Notes to the Financial Statements

For the Financial Year Ended 30 June 2024

Note 3.1: Expenses from transactions (cont)

Supplies and consumables

Supplies and consumable costs 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)
- finance charges in respect of leases which are recognised in accordance with AASB 16 *Leases*.

Other operating expenses

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

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

The DH also makes certain payments on behalf of Portland District Health. These amounts have been brought to account in determining the operating result, by recording them as revenue and recording a corresponding expense.

Non-operating expenses

Other non-operating expenses generally represent expenditure 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

	2024	2023
	\$'000	\$'000
Net gain/(loss) on revaluation of investment property (note 4.4)	(1,386)	(180)
Net gain/(loss) on disposal of property plant and equipment	68	77
Total net gain/(loss) on non-financial assets	(1,318)	(103)
Allowance for impairment losses of contractual receivables	(81)	-
Net gain/(loss) on revaluation of loan	-	(3)
Total net gain/(loss) on financial instruments	(81)	(3)
Share of net profits/(losses) of joint entities, and joint ventures	(258)	-
Total share of other economic flows from joint arrangements	(258)	-
Net gain/(loss) arising from revaluation of long service liability	6	1
Total other gains/(losses) from other economic flows	6	1
Total gains/(losses) from other economic flows	(1,570)	(105)

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.

Portland District Health

Notes to the Financial Statements

For the Financial Year Ended 30 June 2024

Note 3.2: Other economic flows (cont)

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, and
- reclassified amounts relating to equity instruments from the reserves to retained surplus/(deficit) due to a disposal or derecognition of the financial instrument. This does not include reclassification between equity accounts due to machinery of government changes or 'other transfers' of assets.

Note 3.3: Employee benefits and related on-costs

	2024 \$'000	2023 \$'000
Current employee benefits and related on-costs		
<i>Accrued days off</i>		
Unconditional and expected to be settled wholly within 12 months ⁱ	63	69
	63	69
<i>Annual leave</i>		
Unconditional and expected to be settled wholly within 12 months ⁱ	3,179	2,747
Unconditional and expected to be settled wholly after 12 months ⁱⁱ	421	415
	3,600	3,162
<i>Long service leave</i>		
Unconditional and expected to be settled wholly within 12 months ⁱ	969	593
Unconditional and expected to be settled wholly after 12 months ⁱⁱ	3,525	2,837
	4,494	3,430
<i>Provisions related to employee benefit on-costs</i>		
Unconditional and expected to be settled within 12 months ⁱ	802	871
Unconditional and expected to be settled after 12 months ⁱⁱ	751	520
	1,553	1,391
Total current employee benefits and related on-costs	9,710	8,052
Non-current employee benefits and related on-costs		
Conditional long service leave	650	1,058
Provisions related to employee benefit on-costs	76	144
Total non-current employee benefits and related on-costs	726	1,202
Total employee benefits and related on-costs	10,436	9,254

ⁱ The amounts disclosed are nominal amounts.

ⁱⁱ The amounts disclosed are discounted to present values.

Portland District Health

Notes to the Financial Statements

For the Financial Year Ended 30 June 2024

Note 3.3(a): Consolidated employee benefits and related on-costs

	2024 \$'000	2023 \$'000
Current employee benefits and related on-costs		
Unconditional accrued days off	63	69
Unconditional annual leave entitlements	4,807	4,081
Unconditional long service leave entitlements	4,840	3,902
Total current employee benefits and related on-costs	9,710	8,052
Non-current employee benefits and related on-costs		
Conditional long service leave entitlements	726	1,202
Total non-current employee benefits and related on-costs	726	1,202
Total employee benefits and related on-costs	10,436	9,254
Attributable to:		
Employee benefits	8,807	7,719
Provision for related on-costs	1,629	1,535
Total employee benefits and related on-costs	10,436	9,254

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

	2024 \$'000	2023 \$'000
Carrying amount at start of year	1,535	1,387
Additional provisions recognised	644	1,535
Amounts incurred during the year	(550)	(1,388)
Carrying amount at end of year	1,629	1,535

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.

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 sick leave is taken.

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 Portland 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 Portland District Health expects to wholly settle within 12 months or
- Present value – if Portland 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.

Portland District Health

Notes to the Financial Statements

For the Financial Year Ended 30 June 2024

Note 3.3: Employee benefits and related on-costs (cont)

Unconditional LSL is disclosed in the notes to the financial statements as a current liability even where the Portland 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 Portland District Health expects to wholly settle within 12 months or
- Present value – if Portland District Health does not expect to wholly settle within 12 months.

Conditional LSL is measured at present value and 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.

Provision for on-costs related to employee benefits

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

Note 3.4: Superannuation

	Paid Contribution for the Year		Contribution Outstanding at Year End	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Defined contribution plans:				
Aware Super	1,649	1,739	122	120
Hesta	982	1,052	70	70
Other	496	422	38	33
Total	3,127	3,213	230	223

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 Portland District Health are entitled to receive superannuation benefits and it contributes to both defined benefit and defined contribution plans.

Defined benefit superannuation plans

A 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 Portland District Health to the superannuation plans in respect of the services of current Portland 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.

Portland 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 Portland District Health.

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

Portland District Health

Notes to the Financial Statements

For the Financial Year Ended 30 June 2024

Note 3.4: Superannuation (cont)

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 Portland District Health are disclosed above.

Portland District Health

Notes to the Financial Statements

For the Financial Year Ended 30 June 2024

Note 4: Key assets to support service delivery

Portland 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 Portland District Health to be utilised for delivery of those outputs.

Structure

4.1 Property, plant & equipment

4.2 Right-of-use assets

4.3 Depreciation and amortisation

4.4 Investment properties

4.5 Impairment of assets

Material judgements and estimates

This section contains the following Material judgements and estimates:

Material judgements and estimates	Description
Estimating useful life of property, plant and equipment	Portland District Health assigns an estimated useful life to each item of property, plant and equipment. This is used to calculate depreciation of the asset. The health service reviews the useful life and depreciation rates of all assets at the end of each financial year and where necessary, records a change in accounting estimate.
Identifying indicators of impairment	At the end of each year, Portland 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. 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 use ▪ If a significant change in technological, market, economic or legal environment which adversely impacts the way the health service uses an asset ▪ 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 ▪ If the performance of the asset is or will be worse than initially expected. Where an impairment trigger exists, the health services applies material judgement and estimate to determine the recoverable amount of the asset.
Estimating the useful life of intangible assets	Portland District Health assigns an estimated useful life to each intangible asset with a finite useful life, which is used to calculate amortisation of the asset.
Estimating useful life of right-of-use assets	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. Portland District Health applies material judgement to determine whether or not it is reasonably certain to exercise such purchase options.

Portland District Health

Notes to the Financial Statements

For the Financial Year Ended 30 June 2024

Note 4.1: Property, plant and equipment

Note 4.1(a): Gross carrying amount and accumulated depreciation

	2024 \$'000	2023 \$'000
Land at fair value - Freehold	3,206	4,650
Land improvements	435	783
Less accumulated depreciation	-	(161)
Total land at fair value	3,641	5,272
Buildings at fair value	54,760	52,964
Less accumulated depreciation	-	(2,701)
Total buildings at fair value	54,760	50,263
Works in progress at cost	1,775	335
Total land and buildings	60,176	55,870
Plant and equipment at fair value	6,815	6,836
Less accumulated depreciation	(5,562)	(5,413)
Total plant and equipment at fair value	1,253	1,423
Motor vehicles at fair value	98	98
Less accumulated depreciation	(98)	(98)
Total motor vehicles at fair value	-	-
Medical equipment at fair value	9,135	8,341
Less accumulated depreciation	(6,656)	(6,118)
Total medical equipment at fair value	2,479	2,223
Computer equipment at fair value	436	428
Less accumulated depreciation	(394)	(362)
Total computer equipment at fair value	42	66
Furniture and fittings at fair value	838	797
Less accumulated depreciation	(558)	(513)
Total furniture and fittings at fair value	280	284
Total plant, equipment, furniture, fittings and vehicles at fair value	4,054	3,995
Total property, plant and equipment	64,230	59,865

Portland District Health

Notes to the Financial Statements

For the Financial Year Ended 30 June 2024

Note 4.1(b): Reconciliations of carrying amount by class of asset

		Land & land improvements	Buildings	Works in progrss	Plant & equipment	Motor vehicles
	Note	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2022		5,321	52,962	-	1,667	8
Additions		-	2	335	83	-
Disposals		-	-	-	(53)	-
Depreciation	4.3	(49)	(2,701)	-	(274)	(8)
Balance at 30 June 2023	4.1(a)	5,272	50,263	335	1,423	-
Additions		-	-	1,440	69	-
Disposals		-	-	-	-	-
Revaluation increments/ (decrements)		(658)	12,516	-	-	-
Net Transfers to Investment Property	4.4	(924)	(5,548)	-	-	-
Depreciation	4.3	(49)	(2,471)	-	(239)	-
Balance at 30 June 2024	4.1(a)	3,641	54,760	1,775	1,253	-

		Medical Equipment	Computer equipment	Furniture & Fittings	Total
	Note	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2022		2,510	80	297	62,845
Additions		157	16	30	623
Disposals		-	-	-	(53)
Net Transfers between classes		-	1	(1)	-
Depreciation	4.3	(444)	(31)	(42)	(3,549)
Balance at 30 June 2023	4.1(a)	2,223	66	284	59,866
Additions		793	8	41	2,351
Disposals		-	-	-	-
Revaluation increments/ (decrements)		-	-	-	11,858
Net Transfers to Investment Property	4.4	-	-	-	(6,472)
Depreciation	4.3	(537)	(32)	(45)	(3,373)
Balance at 30 June 2024	4.1(a)	2,479	42	280	64,230

Land and Buildings Carried at Valuation

The Valuer-General Victoria undertook to re-value all of Portland 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. An independent valuation of Portland District Health's land and buildings was performed by the VGV on 30 June 2024.

How we recognise property, plant and equipment

Property, plant and equipment are tangible items that are used by Portland 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.

Portland District Health

Notes to the Financial Statements

For the Financial Year Ended 30 June 2024

Note 4.1: Property, plant and equipment (cont)

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, Portland 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%, Portland District Health would obtain an interim independent valuation prior to the next scheduled independent valuation.

An independent valuation of Portland District Health's property, plant and equipment was performed by the VGV on 30 June 2024. The valuation, which complies with Australian Valuation Standards, was determined with reference to the amount for which an orderly transaction to sell the asset or transfer the liability would take place between market participants at the measurement date, under current market

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 property, plant and equipment revaluation surplus, except that, to the extent that an increment reverses a revaluation decrement in respect of that same class of asset previously recognised as an expense in net result, 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 property, plant and equipment revaluation surplus 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.

Portland District Health

Notes to the Financial Statements

For the Financial Year Ended 30 June 2024

Note 4.2 Right-of-use assets

4.2(a): Gross carrying amount and accumulated depreciation

	2024 \$'000	2023 \$'000
Right of use vehicles at fair value	760	504
Less accumulated depreciation	(147)	(196)
Total right of use vehicles at fair value	613	308
Right of use plant & equipment JV	296	228
Total share of JV right of use plant & equipment	296	228
Total right of use assets	909	536

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

	Note	Right-of-use - Vehicles \$'000	Right-of-use plant & equipment JV \$'000	Total \$'000
Balance at 1 July 2022		381	187	568
Additions		55	56	111
Disposals		(37)	-	(37)
Net Transfers between classes		-	-	-
Depreciation	4.3	(91)	(15)	(106)
Balance at 30 June 2023	4.2(a)	308	228	536
Additions		433	84	517
Disposals		(23)	-	(23)
Depreciation	4.3	(105)	(16)	(121)
Balance at 30 June 2024	4.2(a)	613	296	909

How we recognise right-of-use assets

When a contract is entered into, Portland District Health assesses if the contract contains or is 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.

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.

Portland 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.

Subsequent measurement

Right-of-use assets are subsequently measured at fair value, with the exception of right-of-use asset arising from leases with significantly below-market terms and conditions, which are subsequently measured at cost, less accumulated depreciation and accumulated impairment losses where applicable.

Right-of-use assets are also adjusted for certain remeasurements of the lease liability (for example, when a variable lease payment based on an index or rate becomes effective).

Further information regarding fair value measurement is disclosed in Note 7.4.

Portland District Health

Notes to the Financial Statements

For the Financial Year Ended 30 June 2024

Note 4.3: Depreciation and amortisation

	2024 \$'000	2023 \$'000
Depreciation		
Property, plant and equipment		
Land improvements	49	49
Buildings	2,471	2,701
Plant and equipment	239	274
Motor vehicles	-	8
Medical equipment	537	444
Computer equipment	32	31
Furniture and fittings	45	42
Total depreciation - property, plant and equipment	3,373	3,549
Right-of-use assets		
Right-of-use motor vehicles	105	91
Right-of-use plant & equipment JV	16	15
Total depreciation - right-of-use assets	121	106
Total depreciation	3,494	3,655

How we recognise depreciation

All infrastructure assets, buildings, plant and equipment and other non-financial physical assets (excluding items under 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 and amortisation charges are based.

	2024	2023
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 system	30 to 40 years	30 to 40 years
Plant and equipment	3 to 20 years	3 to 20 years
Medical equipment	7 to 20 years	7 to 20 years
Computers and communication	3 to 9 years	3 to 9 years
Furniture and fittings	10 to 13 years	10 to 13 years
Motor vehicles	3 to 10 years	3 to 10 years

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

Portland District Health

Notes to the Financial Statements

For the Financial Year Ended 30 June 2024

Note 4.4 Investment property

Note 4.4 (a) Gross carrying amount

	2024 \$'000	2023 \$'000
Investment property at fair value	7,926	2,830
Total investment property at fair value	7,926	2,830

Note 4.4 (b) Reconciliation of carrying amount

	2024 \$'000	2023 \$'000
Balance at Beginning of Period	2,830	3,010
Additions	10	-
Transfer from property, plant and equipment	6,472	-
Net gain/(loss) from fair value adjustments	(1,386)	(180)
Balance at End of Period	7,926	2,830

How we recognise investment properties

Investment properties represent properties held to earn rentals or for capital appreciation or both. Investment properties exclude properties held to meet service delivery objectives of the health services.

Initial recognition

Investment properties are initially recognised at cost. Costs incurred subsequent to initial acquisition are capitalised when it is probable that future economic benefits in excess of the originally assessed performance of the asset will flow to the health service.

Subsequent measurement

Subsequently investment properties are measured at fair value, determined annually by independent valuers. Fair values are determined based on a market comparable approach that reflects recent transaction prices for similar properties. Investment properties are neither depreciated nor tested for impairment.

For investment properties measured at fair value, the current use of the asset is considered the highest and best use.

The fair value of the health service's investment properties at 30 June 2024 have been arrived on the basis of an independent valuation carried out by Victorian Valuer-General. The valuation was determined with reference to market evidence of properties including location, condition and lease terms.

Note 4.5: Impairment of assets

How we recognise impairment

At the end of each reporting period, Portland 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 Portland District Health which changes the way in which an asset is used or expected to be used.

Portland District Health

Notes to the Financial Statements

For the Financial Year Ended 30 June 2024

Note 4.5: Impairment of assets (cont)

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, Portland 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, Portland District Health estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Portland District Health recognised an impairment of receivables of nil for the year ended 30 June 2024 (30 June 2023: nil).

Portland District Health

Notes to the Financial Statements

For the Financial Year Ended 30 June 2024

Note 5: Other assets and liabilities

This section sets out those assets and liabilities that arose from Portland District Health's operations.

Structure

5.1 Receivables

5.2 Payables

5.3 Contract liabilities

5.4 Other liabilities

Material judgements and estimates

This section contains the following Material judgements and estimates:

Material judgements and estimates	Description
Estimating the provision for expected credit losses	Portland 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.
Classifying a sub-lease arrangement as either an operating lease or finance lease	Portland District Health applies material judgement to determine if a sub-lease arrangement, where the health service is a lessor, meets the definition of an operating lease or finance lease. The health service considers a range of scenarios when classifying a sub-lease. A sub-lease typically meets the definition of a finance lease if: ▪ The lease transfers ownership of the asset to the lessee at the end of the term ▪ The lessee has an option to purchase the asset for a price that is materially below fair value at the end of the lease term ▪ The lease term is for the majority of the asset's useful life ▪ The present value of lease payments amount to the approximate fair value of the leased asset and ▪ The leased asset is of a specialised nature that only the lessee can use without significant modification. All other sub-lease arrangements are classified as an operating lease.
Measuring deferred capital grant income	Where Portland 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. Portland District Health applies material judgement when measuring the deferred capital grant income balance, which references the estimated the stage of completion at the end of each financial year.
Measuring contract liabilities	Portland District Health applies material 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.

Portland District Health

Notes to the Financial Statements

For the Financial Year Ended 30 June 2024

Note 5.1: Receivables

		2024 \$'000	2023 \$'000
Current receivables			
Contractual			
Trade receivables		695	194
Patient fees		188	245
Share of JV Receivables		259	284
Accrued revenue		102	53
Amounts receivable from governments and agencies		16	652
Allowance for impairment losses	5.1(a)	(116)	(35)
Total contractual receivables		1,144	1,393
Statutory			
GST receivable		237	230
Total statutory receivables		237	230
Total current receivables		1,381	1,623
Non-current receivables			
Contractual			
Share of JV Receivables		49	49
Total non-current receivables		49	49
Total receivables		1,430	1,672
<i>(i) Financial assets classified as receivables and contract assets (Note 7.1(a))</i>			
Total receivables and contract assets		1,430	1,672
GST receivable		(237)	(230)
Total financial assets classified as receivables	7.1(a)	1,193	1,442

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

	2024 \$'000	2023 \$'000
Balance at the beginning of the year	35	120
Increase in allowance	81	-
Amounts written off during the year	-	(85)
Balance at the end of the year	116	35

How we recognise receivables

Receivables consist of:

- **Contractual receivables**, including debtors that relate to goods and services. These receivables are classified as financial instruments and are 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.

Portland District Health

Notes to the Financial Statements

For the Financial Year Ended 30 June 2024

Note 5.1: Receivables (cont)

- **Statutory receivables**, includes 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*.

Impairment losses of contractual receivables

Refer to Note 7.2(a) for Portland District Health's contractual impairment losses.

Note 5.2: Payables

	2024 \$'000	2023 \$'000
Current payables		
Contractual		
Trade creditors	190	1,110
Accrued salaries and wages	788	1,104
Share of JV Payables	504	409
Accrued expenses	739	1,395
Inter hospital creditors	514	-
Total contractual payables	2,735	4,018
Statutory		
GST payable	19	19
Total statutory payables	19	19
Total current payables	2,754	4,037

How we recognise payables

Payables consist of:

- **Contractual payables**, including payables that relate to the purchase of 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 the Portland District Health prior to the end of the financial year that are unpaid.
- **Statutory payables** including 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.

Portland District Health

Notes to the Financial Statements

For the Financial Year Ended 30 June 2024

Note 5.3: Contract liabilities

	2024 \$'000	2023 \$'000
Current		
Contract liabilities	1,195	1,635
Total contract liabilities	1,195	1,635

Note 5.3(a) Movement in contract liabilities

	2024 \$'000	2023 \$'000
Opening balance of contract liabilities	1,635	1,229
Grant consideration for sufficiently specific performance obligations received during the year	826	991
Revenue recognised for the completion of a performance obligation	(1,266)	(585)
Total contract liabilities	1,195	1,635

How we recognise contract liabilities

Contract liabilities include consideration received in advance from customers in respect of specific grant funding. The balance of contract liabilities was lower than the previous reporting period due to the nature of the funding received.

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 5.4: Other liabilities

	2024 \$'000	2023 \$'000
Current monies held in trust		
Patient monies	60	54
Refundable accommodation deposits	4,732	2,267
Total current monies held in trust	4,792	2,321
* Represented by:		
- Cash assets	4,792	2,321
	4,792	2,321

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 Portland District Health 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*.

Portland District Health

Notes to the Financial Statements

For the Financial Year Ended 30 June 2024

Note 6: How we finance our operations

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

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

Material judgements and estimates

This section contains the following material judgements and estimates:

Material judgements and estimates	Description
Determining if a contract is or contains a lease	Portland District Health applies material judgement to determine if a contract is or contains a lease by considering if the health service: - has the right-to-use an identified asset - has the right to obtain substantially all economic benefits from the use of the leased asset and - can decide how and for what purpose the asset is used throughout the lease.
Determining if a lease meets the short-term or low value asset lease exemption	Portland District Health applies material judgement when determining if a lease meets the short-term or low value lease exemption criteria. The health service estimates the fair value of leased assets when new. Where the estimated fair value is less than \$10,000, the health service applies the low-value lease exemption. The health service also estimates the lease term with reference to remaining lease term and period that the lease remains enforceable. Where the enforceable lease period is less than 12 months the health service applies the short-term lease exemption.
Discount rate applied to future lease payments	Portland 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, Portland 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. For leased vehicles, the implicit interest rate is 1.9%.
Assessing the lease term	The lease term represents the non-cancellable period of a lease, combined with periods covered by an option to extend or terminate the lease if Portland District Health is reasonably certain to exercise such options. Portland District Health determines the likelihood of exercising such options on a lease-by-lease basis through consideration of various factors including: - 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.

Portland District Health

Notes to the Financial Statements

For the Financial Year Ended 30 June 2024

Note 6.1: Borrowings

	2024	2023
Note	\$'000	\$'000
Current borrowings		
Lease liability ⁽ⁱ⁾	351	209
Advances from government	-	73
Total current borrowings	351	282
Non-current borrowings		
Lease liability ⁽ⁱ⁾	561	364
Total non-current borrowings	561	364
Total borrowings	912	646

i Secured by the assets leased.

ii These are secured loans which bear no interest.

How we recognise borrowings

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

Initial recognition

All borrowings are initially recognised at fair value of the consideration received, less directly attributable transaction costs.

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

Portland District Health's lease liabilities are summarised below:

	2024	2023
	\$'000	\$'000
Total undiscounted lease liabilities	924	580
Less unexpired finance expenses	(12)	(7)
Net lease liabilities	912	573

Portland District Health

Notes to the Financial Statements

For the Financial Year Ended 30 June 2024

Note 6.1(a): Lease liabilities (cont)

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

	2024 \$'000	2023 \$'000
Not longer than one year	358	211
Longer than one year but not longer than five years	566	369
Minimum future lease liability	924	580
Less unexpired finance expenses	(12)	(7)
Present value of lease liability	912	573
* Represented by:		
- Current liabilities	351	209
- Non-current liabilities	561	364
	912	573

How we recognise lease liabilities

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

To apply this definition, Portland 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 Portland District Health and for which the supplier does not have substantive substitution rights
- Portland 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 Portland District Health has the right to direct the use of the identified asset throughout the period of use and
- Portland 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.

Portland District Health's lease arrangements consist of the following:

Type of asset leased	Lease term
Leased vehicles	2 to 5 years

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.

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 liability is initially measured at the present value of the lease payments unpaid at the commencement date, discounted using the interest rate implicit in the lease if that rate is readily determinable or Portland District Health's incremental borrowing rate. Our lease liability has been discounted by rates of between 2% to 5%.

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.

Portland District Health

Notes to the Financial Statements

For the Financial Year Ended 30 June 2024

Note 6.1(a): Lease liabilities (cont)

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term and lease liability if the lease is reasonably certain to be extended (or not terminated).

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.

Note 6.2: Cash and cash equivalents

	2024	2023
Note	\$'000	\$'000
Cash on hand (excluding monies held in trust)	11	11
Cash at bank (excluding monies held in trust)	2,030	1,108
Cash at bank - CBS (excluding monies held in trust)	1,034	2,093
Total cash held for operations	3,075	3,212
Cash at bank - CBS (monies held in trust)	4,877	2,321
Cash at bank (monies held in trust)	60	109
Total cash held as monies in trust	4,937	2,430
Total cash and cash equivalents	8,012	5,642

7.1(a)

How we recognise cash and cash equivalents

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

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

Note 6.3: Commitments for expenditure

	2024	2023
	\$'000	\$'000
Capital expenditure commitments		
Less than one year	-	1,852
Total capital expenditure commitments	-	1,852
Total commitments for expenditure (inclusive of GST)	-	1,852
Less GST recoverable from Australian Tax Office		(168)
Total commitments for expenditure (exclusive of GST)	-	1,684

How we disclose our commitments

Our commitments relate to expenditure and short term and low value leases.

Expenditure commitments

Commitments for future expenditure include operating and 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.

Portland District Health

Notes to the Financial Statements

For the Financial Year Ended 30 June 2024

Note 7: Risks, contingencies and valuation uncertainties

Portland 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 health service 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

Material judgements and estimates

This section contains the following material judgements and estimates:

Material judgements and estimates	Description
Measuring fair value of non-financial assets	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. In determining the highest and best use, Portland 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. Portland District Health uses a range of valuation techniques to estimate fair value, which include the following: ▪ Market approach, which uses prices and other relevant information generated by market transactions involving identical or comparable assets and liabilities. The fair value of Portland District Health's specialised land 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 Portland District Health's specialised buildings, land improvements, 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. Portland District Health does not this use approach to measure fair value. 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. Subsequently, the health service applies material judgement to categorise and disclose such assets within a fair value hierarchy, which includes: ▪ Level 1, using quoted prices (unadjusted) in active markets for identical assets that the health service can access at measurement date. Portland 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. Portland District Health categorises non-specialised land and right-of-use concessionary land in this level.

Portland District Health

Notes to the Financial Statements

For the Financial Year Ended 30 June 2024

Material judgements and estimates	Description
	Level 3, where inputs are unobservable. Portland District Health categorises specialised land, non-specialised buildings, specialised buildings, plant, equipment, furniture, fittings, vehicles, right-of-use buildings and right-of-use plant, equipment, furniture and fittings 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 Portland 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			Total
		Financial Assets at Amortised Cost	at Fair Value Through Net Result	Financial Liabilities at Amortised Cost	
	Note	\$'000	\$'000	\$'000	\$'000
30 June 2024					
Contractual Financial Assets					
Cash and Cash Equivalents	6.2	8,012	-	-	8,012
Receivables and contract assets	5.1	1,193	-	-	1,193
Total Financial Assetsⁱ		9,205	-	-	9,205
Financial Liabilities					
Payables	5.2	-	-	2,735	2,735
Borrowings	6.1	-	-	912	912
Other Financial Liabilities - Refundable Accommodation Deposits	5.4	-	-	4,732	4,732
Other Financial Liabilities - Patient monies held in trust	5.4	-	-	60	60
Total Financial Liabilitiesⁱ		-	-	8,439	8,439

Portland District Health

Notes to the Financial Statements

For the Financial Year Ended 30 June 2024

Note 7.1(a): Categorisation of financial instruments (cont)

30 June 2023	Note	Financial Assets			Total \$'000
		Financial Assets at Amortised Cost \$'000	at Fair Value Through Net Result \$'000	Financial Liabilities at Amortised Cost \$'000	
Contractual Financial Assets					
Cash and cash equivalents	6.2	5,642	-	-	5,642
Receivables	5.1	1,442	-	-	1,442
Total Financial Assetsⁱ		7,084	-	-	7,084
Financial Liabilities					
Payables	5.2	-	-	4,018	4,018
Borrowings	6.1	-	-	646	646
Other Financial Liabilities - Refundable Accommodation Deposits	5.4	-	-	2,267	2,267
Other Financial Liabilities - Patient monies held in trust	5.4	-	-	54	54
Total Financial Liabilitiesⁱ		-	-	6,985	6,985

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

How we categorise financial instruments

Categories of financial assets

Financial assets are recognised when Portland District Health becomes party to the contractual provisions to the instrument. For financial assets, this is at the date Portland 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 cost 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 Portland District Health solely to collect the contractual cash flows and
- the assets' contractual terms give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specific dates.

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

Portland District Health recognises the following assets in this category:

- cash and deposits
- receivables (excluding statutory receivables)

Portland District Health

Notes to the Financial Statements

For the Financial Year Ended 30 June 2024

Note 7.1(a): Categorisation of financial instruments (cont)

Financial assets at fair value through net result

Portland District Health initially designates a financial instrument as measured at fair value through net result if:

- it eliminates or significantly reduces a measurement or recognition inconsistency (often referred to as an “accounting mismatch”) that would otherwise arise from measuring assets or recognising the gains and losses on them, on a different basis
- it is in accordance with the documented risk management or investment strategy and information about the groupings was documented appropriately, so the performance of the financial asset can be managed and evaluated consistently on a fair value basis or
- it is a hybrid contract that contains an embedded derivative that significantly modifies the cash flows otherwise required by the contract.

The initial designation of the financial instruments to measure at fair value through net result is a one-time option on initial classification and is irrevocable until the financial asset is derecognised.

Portland District Health recognises listed equity securities as mandatorily measured at fair value through net result and has designated all managed investment schemes as well as certain 5-year government bonds as fair value through net result.

Categories of financial liabilities

Financial liabilities are recognised when Portland 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.

Portland District Health recognises the following liabilities in this category:

- payables (excluding statutory payables and contract liabilities)
- borrowings and
- other liabilities (including monies held in trust).

Offsetting financial instruments

Financial instrument assets and liabilities are offset and the net amount presented in the consolidated balance sheet when, and only when, Portland 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 Portland 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
- Portland 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
- Portland 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.

Portland District Health

Notes to the Financial Statements

For the Financial Year Ended 30 June 2024

Note 7.1(a): Categorisation of financial instruments (cont)

Where Portland District Health has neither transferred nor retained substantially all the risks and rewards or transferred control, the asset is recognised to the extent of Portland 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 amortised cost, fair value through net result and fair value through other comprehensive income when, and only when, Portland 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, Portland 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.

Portland District Health's main financial risks include credit risk, liquidity risk and interest rate risk. Portland District Health manages these financial risks in accordance with its financial risk management policy.

Portland 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. Portland 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 Portland District Health. Credit risk is measured at fair value and is monitored on a regular basis.

Credit risk associated with Portland 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.

In addition, Portland 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, Portland 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 Portland 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 Portland 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 Portland District Health's credit risk profile in 2023-24.

Portland District Health

Notes to the Financial Statements

For the Financial Year Ended 30 June 2024

Note 7.2(a): Credit risk (cont)

Impairment of financial assets under AASB 9

Portland 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, the 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 an impairment assessment under AASB 9.

Credit loss allowance is classified as other economic flows in the net result.

Contractual receivables at amortised cost

Portland 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. Portland District Health has grouped contractual receivables on shared credit risk characteristics and days past due and select the expected credit loss rate based on Portland District Health's past history, existing market conditions, as well as forward looking estimates at the end of the financial year.

On this basis, Portland 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 2024							
Expected loss rate		2.5%	1.4%	13.9%	15.0%	0.0%	
Gross carrying amount of contractual receivables	5.1	402	428	137	226	-	1,193
Loss allowance		(10)	(6)	(19)	(81)	-	(116)
		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%	10.0%	80.0%	100.0%	
Gross carrying amount of contractual receivables	5.1	1,347	26	30	40	0	1,442
Loss allowance		-	-	(3)	(32)	-	(35)

Statutory receivables and debt investments at amortised cost

Portland 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.

Both the statutory receivables and investments in debt instruments are considered to have low credit risk, taking into account the counterparty's credit rating, risk of default and capacity to meet contractual cash flow obligations in the near term. As a result, no loss allowance has been recognised.

Note 7.2(b): Liquidity risk

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

Portland 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; and
- careful maturity planning of its financial obligations based on forecasts of future cash flows.

Portland District Health

Notes to the Financial Statements

For the Financial Year Ended 30 June 2024

Note 7.2(b): Liquidity risk (cont)

Portland District Health's exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment of risk.

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

		Maturity Dates					
	Note	Carrying Amount \$'000	Nominal Amount \$'000	Less than 1 Month \$'000	1-3 Months \$'000	3 months - 1 Year \$'000	1-5 Years \$'000
30 June 2024							
Financial Liabilities at amortised cost							
Payables	5.2	2,735	2,735	2,735	-	-	-
Borrowings	6.1	912	912	29	58	259	566
Other Financial Liabilities - Refundable Accommodation Deposits	5.4	4,732	4,732	-	-	1,000	3,732
Other Financial Liabilities - Patient monies held in trust	5.4	60	60	60	-	-	-
Total Financial Liabilities		8,439	8,439	2,824	58	1,259	4,298
		Maturity Dates					
	Note	Carrying Amount \$'000	Nominal Amount \$'000	Less than 1 Month \$'000	1-3 Months \$'000	3 months - 1 Year \$'000	1-5 Years \$'000
30 June 2023							
Financial Liabilities at amortised cost							
Payables	5.2	4,018	4,018	4,018	-	-	-
Borrowings	6.1	646	646	-	21	217	413
Other Financial Liabilities - Refundable Accommodation Deposits	5.4	2,267	2,267	-	-	680	1,587
Other Financial Liabilities - Patient monies held in trust	5.4	54	54	54	-	-	-
Total Financial Liabilities		6,985	6,985	4,072	21	897	2,000

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

Note 7.2(c): Market risk

Portland District Health's exposures to market risk are primarily through interest rate risk, foreign currency risk and equity price risk. Objectives, policies and processes used to manage each of these risks are disclosed below.

Sensitivity disclosure analysis and assumptions

Portland District Health's sensitivity to market risk is determined based on the observed range of actual historical data for the preceding five-year period. Portland 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. Portland 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. Portland District Health has minimal exposure to cash flow interest rate risks through cash and deposits, term deposits and bank overdrafts that are at floating rate.

Note 7.3: Contingent assets and contingent liabilities

At balance date, the Board are not aware of any contingent assets or liabilities.

Portland District Health

Notes to the Financial Statements

For the Financial Year Ended 30 June 2024

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
- 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.

Portland District Health determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. There have been no transfers between levels during the period.

Portland 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 Portland 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.

Portland District Health

Notes to the Financial Statements

For the Financial Year Ended 30 June 2024

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

	Note	Carrying amount 30 June 2024 \$'000	Fair value measurement at end of reporting period using:		
			Level 1 ⁱ \$'000	Level 2 ⁱ \$'000	Level 3 ⁱ \$'000
Land Improvements		435	-	-	435
Specialised land		3,641	-	-	3,641
Total land at fair value	4.1(a)	4,076	-	-	4,076
Specialised buildings		54,760	-	-	54,760
Total buildings at fair value	4.1(a)	54,760	-	-	54,760
Plant and equipment	4.1(a)	1,253	-	-	1,253
Motor vehicles	4.1(a)	-	-	-	-
Furniture and fittings	4.1(a)	280	-	-	280
Total plant, equipment, furniture, fittings and vehicles at fair value		4,054	-	-	4,054
Right of use vehicles	4.2(a)	613	-	-	613
Right of use plant & equipment	4.2(a)	296	-	-	296
Total right-of-use assets at fair value		613	-	-	613
Investment property	4.4(a)	7,926	-	7,926	-
Total investment property at fair value		7,926	-	7,926	-
Total non-financial physical assets at fair value		71,429	-	7,926	63,503

		Carrying amount 30 June 2023 \$'000	Fair value measurement at end of reporting period using:		
			Level 1 ⁱ \$'000	Level 2 ⁱ \$'000	Level 3 ⁱ \$'000
Land Improvements		622	-	-	622
Specialised land		4,650	-	-	4,650
Total land at fair value	4.1(a)	5,272	-	-	5,272
Specialised buildings		50,263	-	-	50,263
Total buildings at fair value	4.1(a)	50,263	-	-	50,263
Plant and equipment	4.1(a)	1,423	-	-	1,423
Medical equipment	4.2(a)	2,223	-	-	2,223
Computer equipment	4.2(a)	66	-	-	66
Furniture and fittings	4.1(a)	284	-	-	284
Total plant, equipment, furniture, fittings and vehicles at fair value		3,995	-	-	3,996
Right of use vehicles	4.2(a)	308	-	-	308
Right of use plant & equipment	4.2(a)	228	-	-	228
Total right-of-use assets at fair value		536	-	-	536
Investment property	4.4(a)	2,830	-	2,830	-
Total investment property at fair value		2,830	-	2,830	-

Portland District Health

Notes to the Financial Statements

For the Financial Year Ended 30 June 2024

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

How we measure fair value of non-financial physical assets

The fair value measurement of non-financial physical assets considers 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 consider 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.

Portland District Health has assumed the current use of a non-financial physical asset is its highest and best use 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 asset(s) are not considered until it is virtually certain that any restrictions will no longer apply. Therefore, unless otherwise disclosed, the current use of these non-financial physical assets will be their highest and best uses.

Non-specialised land and non-specialised buildings

Non-specialised land, non-specialised buildings and investment properties 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 2024.

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

The CSO adjustment reflects 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 considers 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 Portland 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 Portland District Health's specialised land and specialised buildings was performed by the Valuer-General Victoria. The effective date of the valuation is 30 June 2024.

Portland District Health

Notes to the Financial Statements

For the Financial Year Ended 30 June 2024

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

Vehicles

The Portland 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 2024.

Reconciliation of level 3 fair value measurement

	Note	Land \$'000	Buildings \$'000	Plant, equipment, furniture, fittings and vehicles \$'000	Right-of-use assets \$'000
Balance at 1 July 2022		5,321	52,962	4,562	568
Additions/(Disposals)		-	1	233	74
<i>Gains/(Losses) recognised in net result</i>					
- Depreciation and amortisation		(49)	(2,700)	(799)	(106)
Balance at 30 June 2023	7.4(a)	5,272	50,263	3,996	536
Additions/(Disposals)		-	-	911	494
<i>Gains/(Losses) recognised in net result</i>					
- Depreciation and Amortisation		(49)	(2,471)	(853)	(121)
<i>Items recognised in other comprehensive income</i>					
- Revaluation		(658)	12,516	-	-
Balance at 30 June 2024	7.4(a)	4,565	60,308	4,054	909

Fair value determination of level 3 fair value measurement

Asset class	Likely valuation approach	Material inputs (Level 3 only)
Specialised land	Market approach	Community Service Obligations Adjustments (i)
Specialised buildings	Current replacement cost approach	Cost per square metre
		Useful life
Motor Vehicles	Current replacement cost approach	NA
Plant and equipment	Current replacement cost approach	Cost per unit
		Useful life
Medical equipment	Current replacement cost approach	Cost per unit
		Useful life

(i) A community service obligation (CSO) of 20% was applied to the Portland District Health's specialised land.

Portland District Health

Notes to the Financial Statements

For the Financial Year Ended 30 June 2024

Note 8: Other disclosures

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

Structure

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

8.2 Responsible persons disclosure

8.3 Remuneration of executives

8.4 Related parties

8.5 Remuneration of auditors

8.6 Events occurring after the balance sheet date

8.7 Equity

8.8 Jointly controlled operations

8.9 Economic Dependency

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

		2024	2023
	Note	\$'000	\$'000
Net result for the year		(2,260)	(3,210)
Non-cash movements:			
(Gain)/Loss on sale or disposal of non-financial assets		(68)	106
Depreciation of non-current assets	4.3	3,494	3,539
Loss allowance for receivables		81	-
Share of net results in joint venture and associate		218	(100)
(Gain)/Loss on revaluation of investment property		1,386	-
Movements in Assets and Liabilities:			
(Increase)/Decrease in receivables		117	(527)
(Increase)/Decrease in inventories		(15)	(17)
(Increase)/Decrease in prepaid expenses		(37)	(65)
Increase/(Decrease) in payables		(1,287)	160
Increase/(Decrease) in contract liabilities		(440)	-
Increase/(Decrease) in monies in trust		-	19
Increase/(Decrease) in employee benefits		1,182	147
Net cash inflow from operating activities		2,371	52

Portland District Health

Notes to the Financial Statements

For the Financial Year Ended 30 June 2024

Note 8.2: Responsible persons disclosures

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

Remuneration of Responsible Persons

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

	Period
The Honourable Mary-Anne Thomas MP:	
Minister for Health	1 July 2023 - 30 June 2024
Minister for Health Infrastructure	1 July 2023 - 30 June 2024
Minister for Ambulance Services	2 October 2023 - 30 June 2024
The Honourable Ingrid Stitt MP	
Minister for Mental Health	2 October 2023 - 30 June 2024
Minister for Aging	2 October 2023 - 30 June 2024
Minister for Multicultural Affairs	2 October 2023 - 30 June 2024
The Honourable Gabrielle Williams MP:	
Minister for Mental Health	1 July 2023 - 2 October 2023
Minister for Ambulance Services	1 July 2023 - 2 October 2023
The Honourable Lizzy Blandthorn MP:	
Minister for Children	2 October 2023 - 30 June 2024
Minister for Disability	2 October 2023 - 30 June 2024
Governing Boards	
Prof P Matthews (Chairperson of the Board)	1 July 2023 - 30 June 2024
Prof M Bailey	1 July 2023 - 30 June 2024
Mrs N Baillie	1 July 2023 - 30 June 2024
Mr A Long	1 July 2023 - 30 June 2024
Mr J Macartney OAM	1 July 2023 - 30 June 2024
Dr L Cuddihy	1 July 2023 - 30 June 2024
Ms R Smith	1 July 2023 - 25 June 2024
Ms A Georgalas	1 July 2023 - 30 June 2024
Ms S Anderton	1 July 2023 - 14 November 2023
Mr P Wright	1 July 2023 - 30 June 2024
Ministerial Delegate	
Dr M Kennedy	1 July 2023 - 27 October 2023
Accountable Officers	
Ms S Sharp	1 July 2023 - 22 December 2023
Ms K Prevett (acting and interim Chief Executive Officer)	17 November 2023 - 30 June 2024

Portland District Health

Notes to the Financial Statements

For the Financial Year Ended 30 June 2024

Note 8.2: Responsible persons disclosures (cont)

Remuneration of Responsible Persons

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

Income Band	2024 No	2023 No
\$0 - \$9,999	9	10
\$10,000 - \$19,999	1	-
\$40,000 - \$49,999	-	1
\$50,000 - \$59,999	1	-
\$120,000 - \$129,999	1	1
\$150,000 - \$159,999	-	1
\$170,000 - \$179,999	1	-
	13	10
	2024 \$'000	2023 \$'000
Total remuneration received or due and receivable by Responsible Persons from the reporting entity amounted to:	405	385

Amounts relating to the Governing Board Members and Accountable Officer of Portland District Health's controlled entities are disclosed in their own financial statements. Amounts relating to Responsible Ministers are reported within the Department of Parliamentary Services' Financial Report.

Note 8.3: Remuneration of executives

The number of executive officers, other than Ministers and the Accountable Officer, 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.

	Total Remuneration	
	2024 \$'000	2023 \$'000
Short-term benefits	1,089	974
Post-employment benefits	99	77
Other long-term benefits	43	23
Total remunerationⁱ	1,231	1,074
Total number of executives	7	8
Total annualised employee equivalent ⁱⁱ	5.1	7.6

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

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

Total remuneration payable to executives during the year included additional executive officers and a number of executives who received bonus payments during the year. These bonus payments depend on the terms of individual employment contracts.

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.

Portland District Health

Notes to the Financial Statements

For the Financial Year Ended 30 June 2024

Note 8.3: Remuneration of executives (cont)

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.

Note 8.4: Related parties

The Portland 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 operations – A member of the SWARH Joint Venture 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 the Portland District Health and its controlled entities, directly or indirectly.

Key management personnel

The Board of Directors and the Executive Directors of the Portland District Health are deemed to be KMPs. This includes the following:

Entity	KMPs	Position Title
Portland District Health	Prof P Matthews	Chair of the Board
Portland District Health	Prof M Bailey	Board Member
Portland District Health	Mrs N Baillie	Board Member
Portland District Health	Mr A Long	Board Member
Portland District Health	Mr J Macartney OAM	Board Member
Portland District Health	Dr L Cuddihy	Board Member
Portland District Health	Ms R Smith	Board Member
Portland District Health	Ms A Georgalas	Board Member
Portland District Health	Ms S Anderton	Board Member
Portland District Health	Mr P Wright	Board Member
Portland District Health	Dr M Kennedy	Ministerial Delegate
Portland District Health	Ms S Sharp	Chief Executive Officer
Portland District Health	Ms K Prevett	Acting Chief Executive Officer
Portland District Health	Ms K Prevett	Director Corporate Services
Portland District Health	Dr A Walby	Director of Medical Services
Portland District Health	Ms R Nagorcka	Director of Nursing, Midwifery & Aged Care
Portland District Health	Ms M Cadenhead	Director of Primary Care
Portland District Health	Ms S Callaway	Director of Quality, Safety & Risk
Portland District Health	Ms J McDonald	Chief Financial Officer
Portland District Health	Ms A Hinchliffe	Acting Director Corporate Services

Portland District Health

Notes to the Financial Statements

For the Financial Year Ended 30 June 2024

Note 8.4: Related parties (cont)

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

	2024 \$'000	2023 \$'000
Compensation - KMPs		
Short-term Employee Benefits ⁱ	1,451	1,324
Post-employment Benefits	142	106
Other Long-term Benefits	43	29
Total ⁱⁱ	1,636	1,459

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

	2024 \$'000	2023 \$'000
Funding received from DH	53,311	48,000
Indirect contributions	323	1,060
Receivable from DH	16	652

Expenses incurred by the Portland 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 the Portland 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 the Portland 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 2024 (2023: none).

There was 1 related party transactions required to be disclosed for the Portland District Health Board of Directors, Chief Executive Officer and Executive Directors in 2024 amounting to \$16k to Ms R Nagorcka (2023: Ms R Nagorcka \$16k). This payment was at arms length and paid under normal commercial terms and conditions.

Portland District Health

Notes to the Financial Statements

For the Financial Year Ended 30 June 2024

Note 8.5: Remuneration of auditors

Victorian Auditor-General's Office

Audit of the financial statements

Total remuneration of auditors

2024	2023
\$'000	\$'000
26	25
26	25

Note 8.6: Events occurring after the balance sheet date

There are no events occurring after the Balance Sheet date.

Note 8.7: Equity

Revaluation surplus

The property, plant and equipment revaluation surplus arises on the revaluation of infrastructure, land and buildings. The revaluation surplus is not normally transferred to the accumulated surpluses/(deficits) on derecognise of the relevant asset.

Restricted specific purpose reserves

Restricted specific purpose reserves are funds where Portland District Health have possession or title to the funds, but have no discretion to amend or vary the restriction and/or condition underlying the funds.

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 the Portland 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.

Note 8.8: Joint arrangements

		Ownership Interest	
	Principal Activity	2024	2023
		%	%
South West Alliance of Rural Health	ICT provision and support	4	4.8

Portland District Health's interest in assets and liabilities of the above joint arrangements are detailed below. The amounts are included in the financial statements under their respective categories:

Portland District Health

Notes to the Financial Statements

For the Financial Year Ended 30 June 2024

Note 8.8: Joint arrangements (cont)

	2024 \$'000	2023 \$'000
Current assets		
Cash and cash equivalents	895	838
Inventories	-	1
Receivables	259	284
Prepaid expenses	44	41
Total current assets	1,198	1,164
Non-current assets		
Receivables	49	49
Intangible assets	-	218
Property, plant and equipment	168	241
ROU Assets	296	228
Total non-current assets	513	736
Total assets	1,711	1,900
Current liabilities		
Payables	504	409
Other liabilities	556	645
Financial liabilities	107	80
Employee benefits and related on-cost provisions	91	128
Total current liabilities	1,258	1,262
Non-current liabilities		
Financial liabilities	191	152
Employee benefits and related on-cost provisions	68	26
Total non-current liabilities	259	178
Total liabilities	1,517	1,440
Net assets	194	460
Equity		
Accumulated surplus	194	460
Total equity	194	460

Portland District Health

Notes to the Financial Statements

For the Financial Year Ended 30 June 2024

Note 8.8: Joint arrangements (Cont)

Portland District Health's interest in revenues and expenses resulting from joint arrangements are detailed below. The amounts are included in the consolidated financial statements under their respective categories:

	2024 \$'000	2023 \$'000
Revenue and income from transactions		
Operating activities	1,188	1,175
Non-operating activities	32	26
Total revenue and income from transactions	1,220	1,201
Expenses from transactions		
Employee benefits	(650)	(510)
Maintenance contract & IT support	(306)	(330)
Depreciation	(106)	(116)
Operating expenses	(172)	(146)
Change in equity share of JV	(258)	-
Total expenses from transactions	(1,492)	(1,102)
Net result from transactions	(272)	99
Other economic flows included in the net result		
Revaluation of long service leave	6	1
Total other economic flows included in the net result	6	1
Comprehensive result for the year	(266)	100

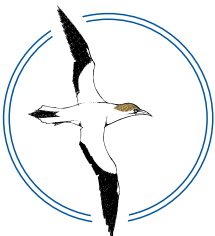
* Figures obtained from the unaudited SWARH Joint Venture annual report.

Contingent liabilities and capital commitments

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

Note 8.9: Economic dependency

Portland District Health is a public health service governed and managed in accordance with the Health Services Act 1988 and its results form part of the Victorian General Government consolidated financial position. Portland District Health provides essential services and is predominately dependent on the continued financial support of the State Government, particularly the Department of Health, and the Commonwealth funding via the National Health Reform Agreement (NHRA). The State of Victoria plans to continue Portland District Health operations and on that basis, the financial statements have been prepared on a going concern basis.



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