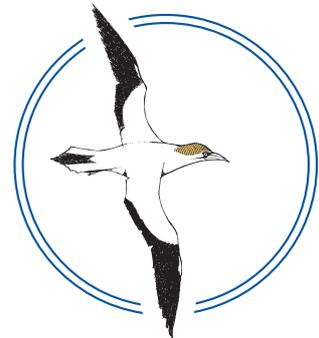
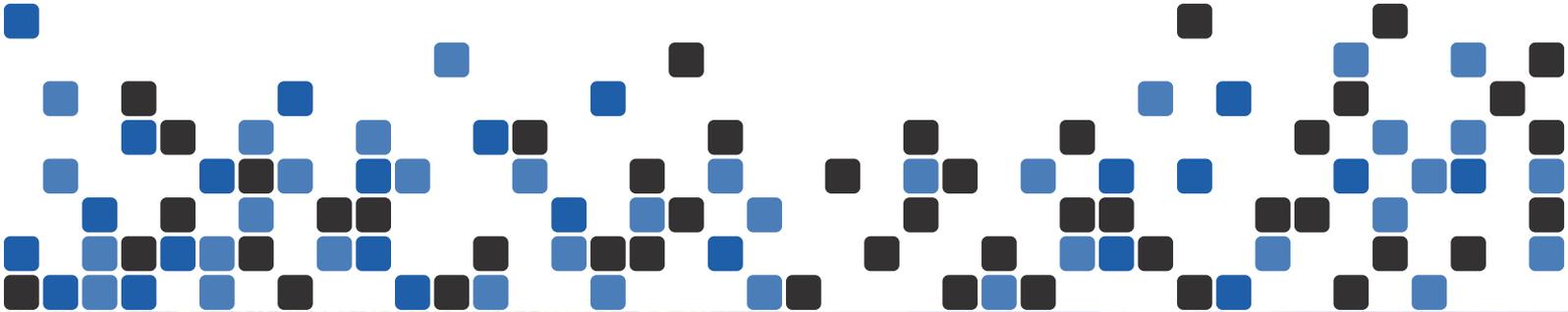


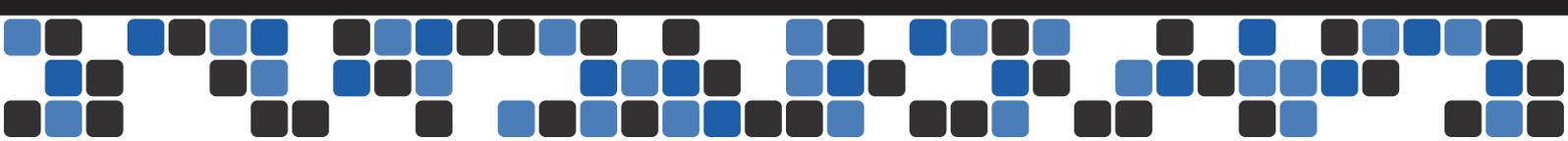
2020-21

ANNUAL REPORT

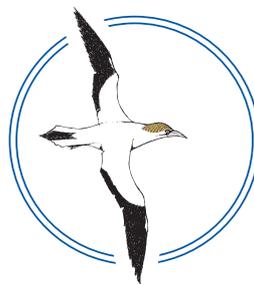


PORTLAND
DISTRICT HEALTH

WE CREATE • WE SURPASS • WE LEARN • WE CONNECT • WE ARE RESPONSIBLE



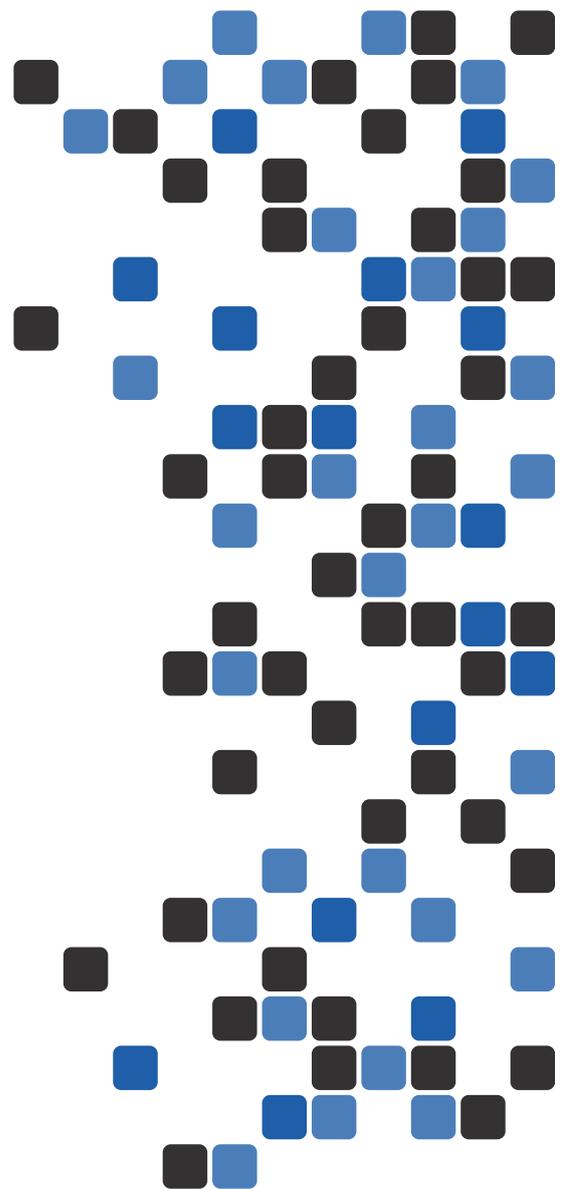
2020-21 ANNUAL REPORT



PORTLAND
DISTRICT HEALTH

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WE VALUE WISDOM

We use knowledge, experience and understanding to make the decisions that matter.

WE VALUE COMPASSION

We care about people – their safety matters above all else. Every person's need is different and is respected. Our service quality is second to none.

WE VALUE COURAGE

We are fearless and courageous in making things happen, embracing opportunities and creating solutions.





FUTURE PRIORITIES: OUR COMMITMENTS

WE SURPASS

Your experiences in our care will be safe and the highest quality they can be.

WE ARE RESPONSIBLE

We work hard to meet or exceed expectations and comply with what is required of us.

WE CONNECT

Our collaborations, partnerships and relationships are vital to our success.

WE CREATE

Discovering and developing innovative solutions is our way of delivering the best care we can.

WE LEARN

Our skilled team are the heart of our organisation; they are dedicated to lifelong learning, allowing us to deliver high quality healthcare.



A YEAR IN REVIEW

The 2020/2021 year has been a challenging experience because of the COVID-19 Pandemic. As well as managing this environment, we have continued to offer an extensive suite of services to our community. Portland District Health (PDH) is proud of the achievements highlighted in this review.

Our response to the COVID-19 Pandemic included our drive-through testing clinic, now part of our normal service profile and housed in an all-weather, permanent covered driveway, sheltered from the winter storms regularly experienced in Portland. In partnership with the Barwon Health Public Health Unit, PDH established a COVID Vaccination centre for Portland, running both Astra Zeneca and Pfizer Vaccine clinics weekly. In our Aged Care facility, all the residents who wish to be vaccinated have been.

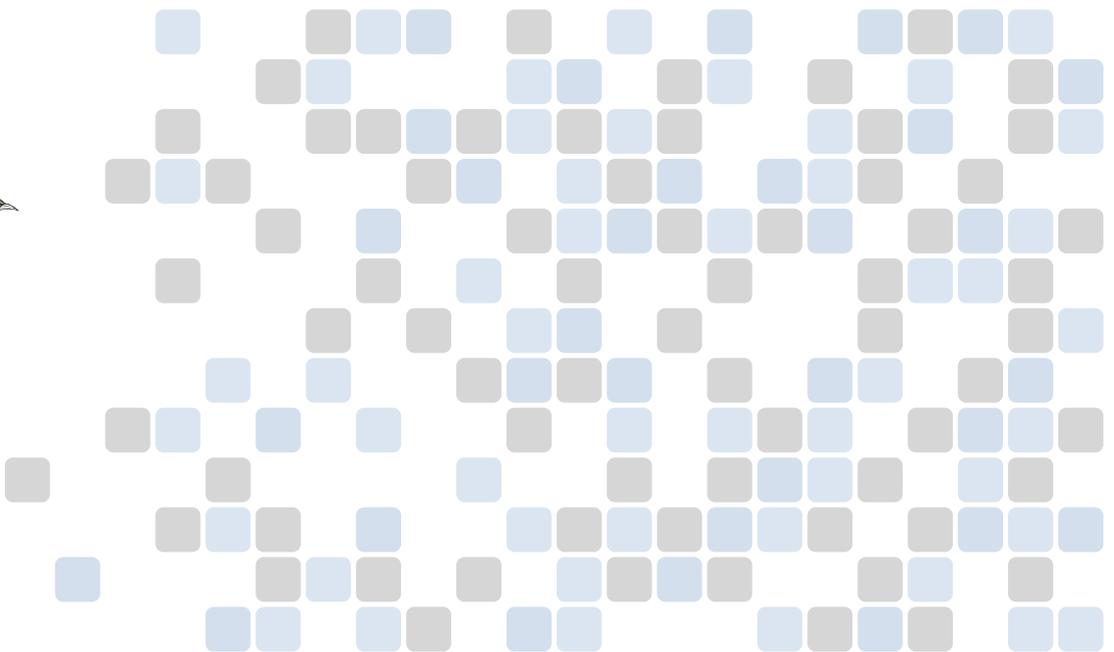
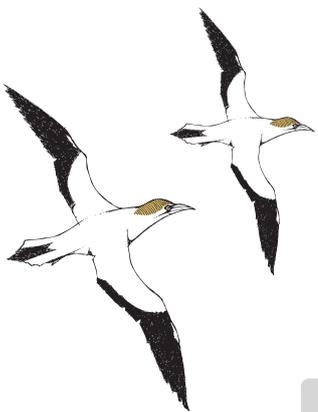
PDH has seen a lot of change in the medical department over the past twelve months. PDH became a training facility in 2021, introducing an Internship and Rural Generalist training program that welcomed two interns and an Anaesthetic trainee (part of Rural Generalist training). The program will continue in 2022: trainees are confirmed as are additional Rural Generalist trainees in Paediatric and Emergency Medicine.

Dr Elisabetta Puglisi commenced at PDH in July 2020 as a General Physician and has undertaken the required 12 months peer reviewed practice for specialist recognition, obtaining her Fellowship with the Royal Australasian College of Physicians.

Dr Puglisi is now Director of Clinical Training, supporting junior doctors and overseeing training programs.

Throughout 2020/21 COVID-19 took over our work lives, but clinical and non-clinical staff worked as a caring and compassionate team to ensure patient care remained of a high standard. The constant need for swabbing and vaccinating had an effect on the availability of staff. New groups of graduate nurses and medical students, however, boosted Portland's health workforce.

As a defined entity under Multi-Agency Risk Assessment and Management Framework (MARAM), PDH adopts and incorporates best practice for family violence risk assessment and management. PDH ensures all staff are trained so they are aligned to their responsibilities as assigned by the MARAM framework. PDH works to identify people at risk, sensitively offers help, and make referrals to integrated family violence services if required. By respecting the decisions of victim survivors of family violence and offering a range of options, health professionals have a vital role in ensuring that health needs are met, inclusive of a person's physical, psychological and cultural safety. Such interventions have the potential to empower people affected by family violence, contribute to enhanced health outcomes and potentially save lives.



PARTNERSHIP INITIATIVES

We continue to collaborate with our neighbouring health services in the Barwon South West to connect care and improve patient outcomes in the following ways:

- Telehealth services/programs were expanded, and embedded, particularly since COVID-19;
- Partnership with Western District Health Service to ensure residents in our Aged Care home have access to the best contemporary aged care services;
- Working with regional consortium to strengthen the response to family violence through staff education, policies and community awareness campaigns;
- Working with the Barwon Southwest Region Victorian Rural Generalist Program to develop a rural generalist model and a regionalised approach to specialised medical services;
- Working with the Barwon Health Public Health Unit on the COVID-19 Vaccination Program.

PDH has been preparing our health service for the National Safety and Quality Health Service (NSQHS) accreditation, which will be undertaken in July 2022. Whilst the pandemic has interrupted the Accreditation survey timetables we continue to ensure our services are high quality and accessible.

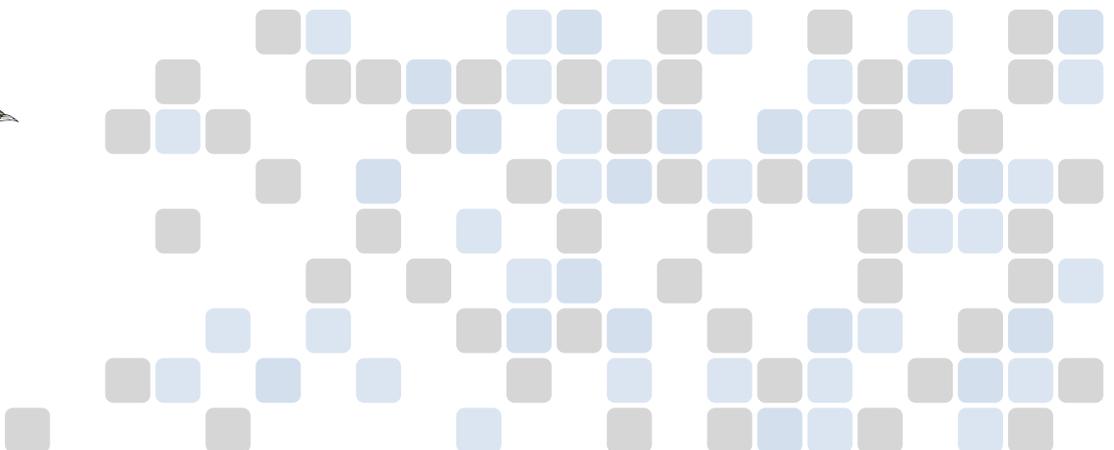
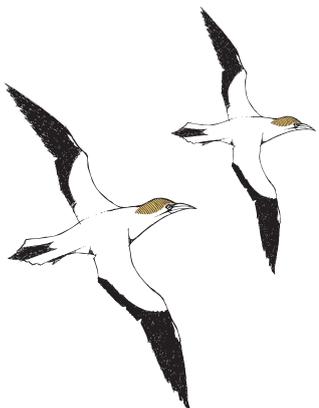
PDH launched an appeal to raise \$60,000 for 12 specialist beds across a range of departments. The appeal is off to a good start with \$27,000 already raised from the annual charity golf day, online auctions and other donations. We look forward to being able to provide our patients with these new pieces of equipment.

Each year we work with the Salvation Army to provide warmth to those in need in the community. The last four years we have channelled our efforts towards a blanket and coat drive by providing a drop off point for staff and community members to deliver warm preloved items for distribution. We also continue to put up our Wishing Tree each Christmas to attract donations of presents.

The impact of COVID-19 has been severe for many in our community and we have partnered with Glenelg Shire Council and a number of services and volunteer organisations to support the hot line 1800 Glenelg Together. This initiative is helping keep our most vulnerable community members at home and meeting their need to obtain essential food, supplies and medications.

The Future Leaders program of the Local Learning and Employment Network mentors students from Bayview College, Portland Secondary College and Heywood & District Secondary College to assist them to develop as strong community advocates and leaders. PDH's part in the program gives students the opportunity to explore health careers firsthand.

PDH staff are caring and compassionate, committed to providing the best possible care for our patients, our residents, and our community. They are the heart of our health service. They are to be commended for their resilience, professional standards, and community focus in these complex and demanding times.



2020-21 FINANCIAL OVERVIEW

Portland District Health (PDH) incurred a comprehensive consolidated deficit in 2020/21 of \$2.1m (\$3.2m 2019/20) an improvement of \$1.1m.

PDH is constantly challenged to maintain service delivery in a financially sustainable manner. The Department of Health (DH) continues to work closely with PDH under the Intensive Monitoring program whereby financial performance is monitored on a regular basis. PDH continually look for financial strategies to work towards achieving a sustainable business model. PDH acknowledges the support provided by DH during the year and looks forward to continuing the close collaboration in current year.

OPERATING PERFORMANCE

The Net Result before Capital and Specific Items is used by management of PDH, DH and the Victorian Government to measure the ongoing operating performance of health services. For the financial year ended 30 June 2021 the Net result before capital and specific Items was a loss of \$207k (2019/20 \$0.8m surplus). The major expense off setting sustainable funding revenue is the high cost of providing highly skilled medical staff to maintain accessible, safe, high quality health services.

The COVID-19 pandemic has also impacted the financial result with a reduction in services offered reducing revenue and an increase in staffing costs for areas such as the COVID fever clinic increasing expenses. Funding of COVID costs has been provided by the Department in addition to Health Service budget.

CASH

PDH generated net cash flows from operations in 2020/21 of \$3.6m (2019/20 \$1.6m). From this, borrowings were reduced by \$2m and \$1.7m was used to purchase plant and equipment. The current asset ratio at 30 June 2021 is 0.56:1 (0.56:1 2019/20) this is below the target of 0.7.

ASSET PURCHASES

Assets to the value of \$1.7 were purchased in 2020/21. The major items purchased were a CT Scanner (\$590,000) and Replacement Lift (288,944). These items were funded through grants provided by the Department of Health.

THE FUTURE

The continuing support of the community is essential to ensure PDH's financial future, as is the continuing partnership with government and 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.



PERFORMANCE AT A GLANCE

FINANCIALS	2021 \$'000s	2020 \$'000s	2019 \$'000s	2018 \$'000s	2017 \$'000s
Operating Result	(207)	798	269	(65)	1,065
Total Revenue	57,700	54,134	52,371	45,766	42,457
Total Expenses	61,048	56,690	53,564	48,391	44,061
Net Result from transactions	(3,348)	(2,556)	(1,193)	(2,625)	(1,604)
Total other economic flows	600	(571)	(175)	(8)	60
Net Result	(2,747)	(3,127)	(1,368)	(2,633)	(1,544)
Total Assets	71,099	72,289	74,718	68,011	66,088
Total Liabilities	17,130	16,200	15,441	14,101	14,414
Net Assets / Total Equity	53,969	56,089	59,276	53,910	51,674

* Financials includes the consolidated controlled entity Active Health Portland Ltd.

Reconciliation of Net Result and Net Operating Result	2020-21 \$'000s
Net Operating Result*	(207)
Capital Purpose Income	835
Specific Income	86
COVID-19 State Supply Arrangements - Assets received free of charge or for nil consideration under the State Supply	405
State supply items consumed up to 30 June 2021	(405)
Expenditure for capital purpose	(56)
Depreciation and Amortisation	(3,943)
Net gain on non-financial assets	385
Total gain from other economic flows	188
Total gain on financial instruments at fair value	28
Controlled Entity result	(51)
Other	(12)
Net Results from Transactions	(2,747)

*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 2021.



Peter Matthews
Chairman - Board of Directors
Portland District Health
Date: 23 September 2021



Karena Prevett
Acting Chief Executive Officer
Portland District Health
Date: 30 July 2021



BOARD OF MANAGEMENT

Board Chair/President

Dr Andrew Levings
Appointed: 19 Aug 2014
Term Expires: 30 June 2022
Committees:
• Finance, Audit & Risk
• Remuneration
• Grow Healthy Together
Indigenous Advisory

Director Senior Deputy- Chair

Alex Campbell
Appointed: 01 July 2016
Term Expires: 30 June 2022
Committees:
• Finance, Audit & Risk
• Remuneration
• DHHS Performance meeting

Director/Junior Deputy-Chair

Dr Ann Miller
Appointed: 01 July 2016
Term Expires: 30 June 2021
Committees:
• Quality, Safety & Risk

Director

Anita Rank
Appointed: 2012
Resignation: 29 June 2021
Committees:
• Consumer Advisory (Chair)
• Active Health Portland
(Director/Chair)

Director

Sandy Burgoyne
Appointed: 01 July 2016
Resignation: 30 Sept 2020
Committees:
• Workforce, Culture &
Development (Chair)
• Remuneration

Director

William Brown
Appointed: 15 July 2020
Resignation: 30 September 2020
Committees:
• Finance, Audit & Risk

Director

Prof Michael Bailey
Appointed: 01 July 2017
Term Expires: 30 June 2023
Committees:
• Quality, Safety & Risk
• Finance, Audit & Risk

Director

Prof Michael Bartos
Appointed: 01 July 2018
Term Expires: 30 June 2024
Committees:
• Quality, Safety & Risk
• Consumer Advisory

Director

Prof Lara Fuller
Appointed: 01 July 2019
Resignation: 29 June 2021
Committees:
• Quality, Safety & Risk

Ministerial Delegate

Dr Marcus Kennedy
Appointed: 10 July 2020
Term Expires: 28 October 2021

The skills and experience within the Board Directors is regularly reviewed by Governance Evaluator via a skills survey to ensure an appropriate Board skill mix is maintained and to identify any deficits in governance processes that require strengthening.

The Board of Management 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, Mission and Vision of the Service, within the resources provided.

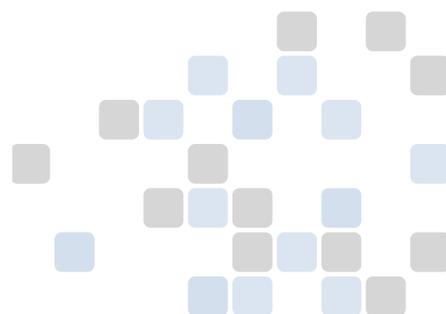
The Directors review governance information monthly in order to continually assess the performance of Portland District Health against its objectives and are also responsible for appointing and evaluating the performance of the Chief Executive Officer.

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 LGBTI community and Victorians living with a disability.

2020-21 MEETING ATTENDANCE

Dr Andrew Levings	11 / 12
Dr Ann Miller	11 / 12
Anita Rank	7 / 12
Prof Lara Fuller	11 / 12
Prof Michael Bailey	12 / 12
Alex Campbell	12 / 12
Sandy Burgoyne	4 / 4
William Brown	3 / 3
Michael Bartos*	8 / 12

*Took 6 months absence leave





EXECUTIVE MANAGEMENT

Chief Executive Officer
Christine Giles

Executive Director of Corporate Services
Karena Prettvett

Executive Director of Nursing
Roslyn Nagorcka

Executive Director of Primary Care Services
Margaret Cadenhead

Executive Director Medical Services
Dr Kaushik Banerjea

Finance Manager
Greg Schultz

Director Quality, Safety & Risk
Loren Drought

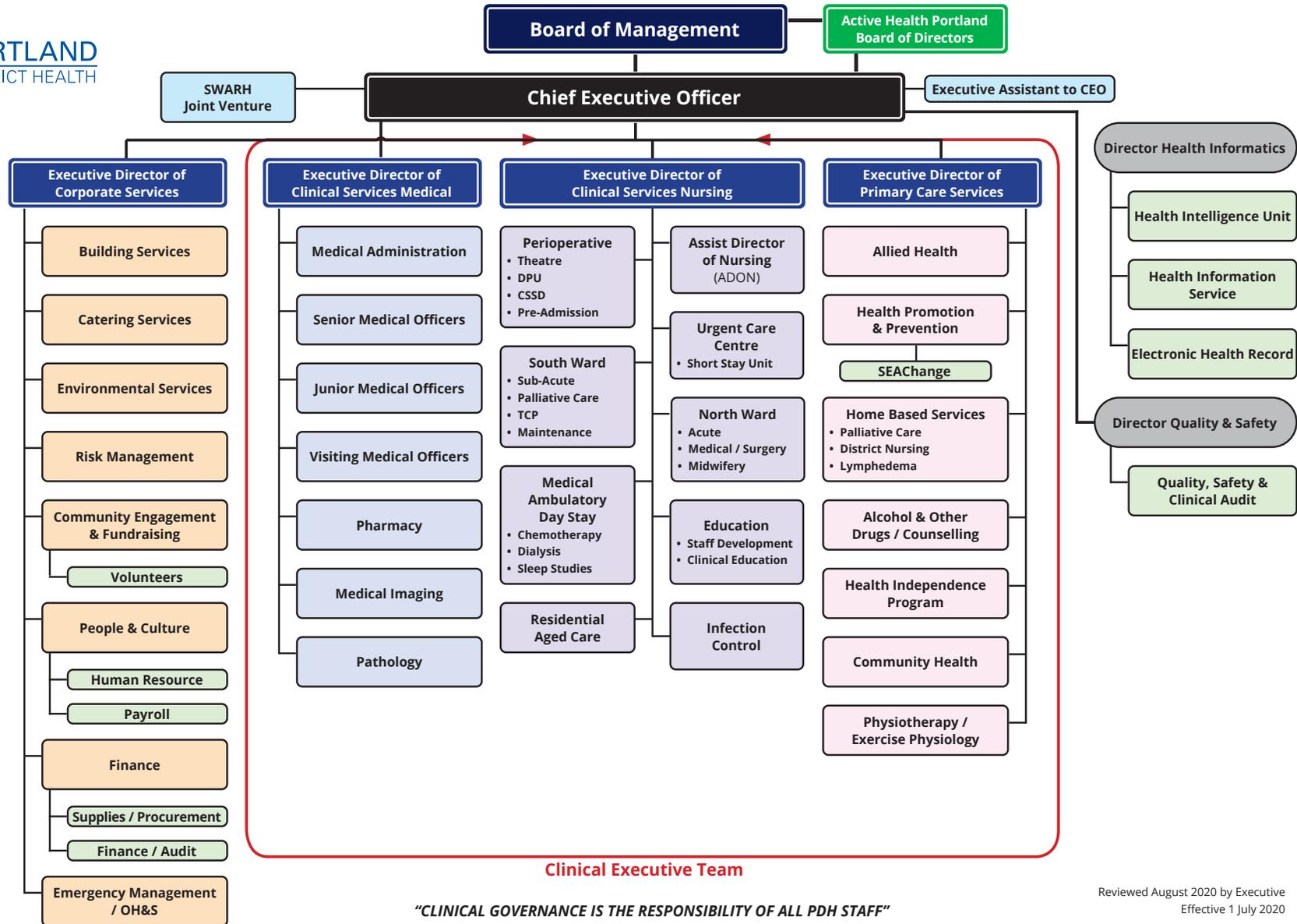
Director Health Intelligence
Claire Holt

The Executive team met 40 times during the year, providing regular reports to the Board of Management.



Back left: Karena Prettvett, Kaushik Banerjea, Ros Nagorcka, Greg Schultz, Loren Drought, Claire Holt
Front left: Christine Giles, Margaret Cadenhead

ORGANISATIONAL CHART



OUR SERVICES

MEDICAL UNITS

Anaesthesiology
Cardiology
Dermatology
Endocrinology
Endoscopies
ENT Surgery
General Surgery
General Medicine
Geriatric Medicine
Nephrology
Obstetrics and Gynaecology
Oncology
Ophthalmology
Oral Surgery
Orthopaedics
Paediatrics
Plastic Surgery
Respiratory
Urgent Care
Urology
Vascular

DIAGNOSTIC

Echocardiograms
Holter Monitoring
Pathology
Pharmacy
Radiology

- CT Scanning
- General X-rays
- Ultrasound
- Mammograms
- Fluoroscopy
- Bone Density
- OPG/Cone beam CT

Sleep Studies
Stress Testing

NURSING / MIDWIFERY SPECIALITIES

Central Sterilizing Service
Chemotherapy
Day Procedure
Hospital in the Home
Immunisation Service
Lactation Consultant
Medical - Acute
Midwifery – Neonatal Care

NURSING / MIDWIFERY SPECIALITIES continued

Palliative Care
Perioperative
Renal Dialysis
Residential Aged Care
Respite Care
Shorts Stay UCC
Sub-Acute care
Surgical - Acute
Transition Care
Urgent Care (Emergency)

PRIMARY, COMMUNITY & ALLIED HEALTH

Asthma Education
Breast Care
Cancer Support
Community Nursing
Continence
Counselling

- Psychology
- Social Worker
- Mental Health Nurse

Diabetes Education
Dietetics
Discharge Planning
District Nursing
Drug, Alcohol & Counselling
Exercise Physiologist
Hand Therapy

PRIMARY, COMMUNITY & ALLIED HEALTH continued

Health Independence

- Community Rehab
- HARP
- Post-Acute Care

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

SUPPORT SERVICES

Administration
Health Informatics
Hotel Services

- Catering
- Environmental
- Meals on Wheels

Staff Education
Maintenance
Quality & Safety

- Infection Control & Prevention

Security
Staff Health
Supply
Waste Management
Volunteers
Helipad



PDH MEDICAL OFFICERS

SALARIED MEDICAL OFFICERS

Emergency Physicians

Dr T Baker MBBS (Hons)

B.MedSc (Hons) FACEM

Dr A Lishman MBBS (Hons)

B.MedSc FACEM

Dr S Thomas MBBS FACCRM

Dr B Chiezey MBBS

Specialist Physicians

Dr N Sharma MBBS MS

FRACP FCSANZ

Dr E Puglisi MBBS MD

Dr R George MBBS FRACP

RGUMS (India)

Surgeons

Mr Sanjaya Karunaratne MBBS

M.S FRCS(ED) FRACS

Mr Anamitra Sarkar MBBS M.S

FRACS

Anaesthetists

Dr P Reid MB CHB DUND

Dr J Parker MBBS FACRRM

(GP Anaesthetist)

Dr D Sayed MSc MBB Ch ANZCA

Obstetricians & Gynaecologist

Dr Yasser Diab MBBS MD

FRANZCOG

Hospital Medical Officers

Dr R Patel MBBS

Dr Aashima Shafiya MBBS

Dr Abdul Mannan MBBS

Dr Shilpa Yeddula MBBS

Dr Shruthi Balachandra MBBS

Dr Karan Kurup MBBS

Dr Lokesh Jodawat MBBS

Dr Kyle Pycroft MBBS

Dr Shubha Malle MBBS

Dr Amna Jabbar MBBS

Dr Sandra Shehata MBBS

Senior Medical Officers

Dr Ashraf Sorial RACGP

Dr Vijay Kumar MB General Med /
Emergency Med

Dr Wlad Smolilo RACGP

Registrars

Dr Shin Wen Xu (Steven) MBBS

Dr Aaron Donovan (Surgical) MBBS

Dr Glen Rawlinson MBBS

SALARIED MEDICAL OFFICERS

continued

Interns

Dr Weiru Liu MBBS

Dr Nguyen Hong Nhu Trinh MBBS

Paediatrician

Britta Baade MBBS, FRACP, MD

Ophthalmologist

Dr R Harvey MBBS, FRCO, FRACS

VISITING MEDICAL OFFICERS

General Practitioners

Dr G Patel MBBS

Specialist Anaesthetist

Dr J Williams MBBS ANCAZ

Dr G Matthews MBBS FACRRM

Dr K Fielke MBBS Dip Anaes

Physicians

Dr A Bowman MBBS FRACP

Endocrinologist

Dr G Nicholson MBBS FRACP

Nephrologist

Dr M Desmond MBBS FRACP PHD

Dr C Somerville MBBS FRACP PHD

Dr A Tjipto MBBS FRACP

Oncologist

Dr I Collins MBBS FRACP

Dr T Hayes MBBS FRACP

Radiation Oncologist

Dr E Sun MBBS FRANZCR

Dr M Ali MBBS FRANZCR FCPS

Haematologist

Dr J Brotchie MBBS FRACP

ENT Specialist

Dr A Cass MBBS FRACS

Radiologists

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

General Surgeons

Mr U Naidoo MBChB FCS (FA)

Mr J Ragg MBBS FRACS

Mr P Gan MBBS FRACS

VISITING MEDICAL OFFICERS

continued

Orthopaedic Surgeons

Dr K Arogundade MBBS FRACS

MD FRCS

Dr A Mitra MBBS FRACS

Dr N Russell BMBS FRACS

Plastic Surgeon

Dr R Toma MBBS FRACS (Plast)

Dr J Masters MBBS FRACS (Plast)

Dr P Riddell MBBS FRACS (Plast)

Urologist

Mr A Davidson MBBS FRACS

Dermatologist

Dr M Goh MBBS FACD

Dr V Mar MBBS FACD PhD

Dr F Lai MBBS FACD

VISITING DENTAL OFFICERS

Oral Maxillo Facial Surgeon

Dr B Robinson MDS BDS

Dr J Kaderbhai MBBS BDS Sc FRACDS

Dentists

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	
	2021	2020	2021	2020
Nursing	161.27	157.90	163.45	155.53
Administration & Clerical	56.39	50.13	52.60	49.95
Medical Support	6.36	6.44	7.37	6.74
Hotel and Allied Services	36.37	40.50	38.14	38.70
Medical Officers	17.48	17.57	19.31	17.69
Ancillary Staff (Allied Health)	28.43	30.27	29.37	31.09
TOTAL	306.30	302.80	310.26	299.69

STAFFING

	2020/21	2019/20	2018/19	2017/18
Number of Staff Employed	490	486	469	450
Number of Staff Employed (EFT)	310.26	299.69	290.29	269.66
Time Lost through Work Cover Claims (EFT)	0.67	0.63	0.47	0.30
Time Lost through Industrial Disputes (hours)	0	0.00	0.00	0.00
Sick Leave as % of Basic Salaries	4.43%	4.89%	5.64%	5.57%

STATUTORY COMPLIANCE

During 2020/21, 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 training on appropriate/expected code of conduct 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 2020/21.

EMPLOYMENT PRINCIPLES

Portland District Health is a public health service that:

- makes fair employment decisions with a fair system of review;
- recognises that the usual basis for engagement is as an ongoing employee;
- makes decisions relating to engagement and promotion that are based on merit;
- requires effective performance from each employee;
- provides flexible, safe and rewarding workplaces where communication, consultation, cooperation and input from employees on matters that affect their workplaces are valued;
- promotes workplace culture free from bullying, harassment, discrimination, patronage and favouritism;
- recognises the diversity of the Portland community and fosters diversity in the workplace

WORKFORCE DATA continued

PEOPLE AND LEARNING

Our commitment is to the ongoing development of Portland District Health as a dynamic and capable organisation.

Portland District Health will:

- attract and retain dedicated, skilled, qualified and motivated workforce
- promote a workplace that is professional and supportive of the health and wellbeing of staff
- champion a learning and developmental culture
- ensure effective communication, collaborative decision making and problem solving
- support professional development pathways within the organisation via 'GROW' our learning management system, in-house scholarships, face to face training, education & professional development opportunities and promotion of conference attendances
- build succession capability within the organisation to plan for a strong future

EQUAL OPPORTUNITY (EEO) ACT (VIC) 2010

To comply with the legislation Portland District Health has effectively developed systems that ensure:

- Open competition in recruitment, selection, transfer and promotion
- All employment decisions are based on merit
- Employees are provided with a reasonable avenue of redress against any unfair treatment

GENDER EQUALITY ACT 2020

To comply with the legislation, Portland District Health is committed to the implementation of the Act and is gathering data to complete a Workplace Gender Audit and Gender Equality Plan. Key staff have been provided awareness training to help increase understanding of the significance of the organisation's obligations under the Act. Portland District Health is an active participant in a Gender Equality community practice initiative facilitated by Women's Health and Wellbeing Barwon South West.

POLICE RECORD CHECKS

It is a legislative requirement that all staff and volunteers have a current police check and working with children's check (WWCC). No one is employed or engaged as a volunteer at Portland District Health without a valid police record check.

WORKPLACE HEALTH & SAFETY

Our OH&S Management system has been thoroughly reviewed and areas strengthened, including ensuring we are meeting legislative compliance requirements. Our commitment to staff wellbeing is supported through our provision of the Employee Assistance Program (EAP) which is well utilised by staff and the availability of several contact officers in our organisation to provide support and guidance for staff experiencing any issues in the workplace.

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

OCCUPATIONAL VIOLENCE STATISTICS

Portland District Health is committed to addressing occupational violence incidences.

Occupational Violence Statistics	2020/21	2019/20
1. WorkCover accepted claims with an occupational violence cause per 100 FTE	0.32	0.33
2. Number of accepted WorkCover claims with lost time injury with an occupational violence cause per 1,000,000 hours worked	1.63	1.92
3. Number of occupational violence incidents reported	42	79
4. Number of occupational violence incidents reported per 100 FTE	13.5	26.4
5. Percentage of occupational violence incidents resulting in a staff injury, illness or condition	11.9%	6.3%

SERVICE ACTIVITY

ACTIVITY / INDICATOR	2020/21	2019/20	2018/19	2017/18	2016/17
Number of inpatients - Hospital	4971	5501	5617	5207	4928
Number of inpatients - Nursing Home	56	54	58	61	52
Number of inpatient days - Hospital	12100	12746	14063	11354	11592
Number of inpatient days - Nursing Home	10322	10530	10501	10401	9934
Daily Average (days - Hospital)	33	35	39	31	32
Daily Average (days - Nursing Home)	28.28	29	29	29	27
Average stay (days - Hospital)	2.43	2.32	2.50	2.18	2.35
Average stay (days - Nursing Home)	184.32	195	181.05	170.51	191.03
Number of beds available (same day) Hospital	15	15	15	15	15
Number of beds available (overnight stay) Hospital	55	55	55	55	55
Number of beds available - Nursing Home	30	30	30	30	30
Emergency Presentations	9464	9080	8748	7535	6861
COVID-19 Testing Presentations	6336	1,990	-	-	-
Births	76	77	75	67	56
Hospital in the Home	18	10	9	11	8
Meals on Wheels delivered	5912	6131	5996	6016	4039
Meals served (total)	84652	90229	97722	94648	86791
Operations performed	1966	2008	2584	2432	2235
Radiology Department	2020/21	2019/20	2018/19	2017/18	2016/17
Mammogram & Breastscreens	1313	1120	1333	1312	1215
CT Examinations	2992	2874	2814	2867	2482
OPG / Dental Examinations	483	418	465	517	484
Procedures	402	832	1014	673	134
Ultrasound Examinations	5494	6173	6427	5946	5263
DEXA Scans	461	438	456	324	285
General X-rays	7217	7114	7839	7925	7439
X-ray - Inpatients	1229	1299	1416	1371	1051
X-ray - Outpatients	16069	16773	17868	13758	15262
Examinations including Breastscreens (Total)	18405	19029	20394	19564	16313
Primary Care Statistics (Contact Hours)	2020/21	2019/20	2018/19	2017/18	2016/17
Community Nursing	4931	5084	5022	5208	4568
Counselling / Social Work	1452	1535	1488	1360	2683
Dietetics	1326	1259	1266	1068	981
District Nurse visits	8487	8992	9930	8849	9335
IHSY Youth Worker - Direct Care	213	288	136	196	203
Occupational Therapy	445	913	622	1241	1480
Palliative Care	1992	1968	2390	2466	3030
Physiotherapy	1245	2615	2215	1985	1700
Speech Pathology	1149	1240	996	1244	1206
HACC / CHSP (Contact Hours)	2020/21	2019/20	2018/19	2017/18	2016/17
Dietetics - HACC-PYP	173	120	261	188	69
Dietetics - CHSP	438	363	281	286	353
Occupational Therapy - HACC/PYP	131	92	257	436	-
Occupational Therapy - CHSP	622	792	597	730	-
Podiatry - HACC-PYP	155	109	133	133	110
Podiatry - CHSP	420	402	503	569	565
Volunteer Coordinator - HACC/PYP	555	294	463	428	-
Volunteer Coordinator - CHSP	1090	1198	1059	1733	2265

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

Mrs Pam Godfrey-Smith
Mr A K (Keith) Ough
Apex Club of Portland
Mrs Brenda Edwards
Percy Baxter Trust
Miss Eunice Lightbody
Lions Club of Portland
Mrs Ellie Lane
Helen Macpherson Smith (Trust)
Portland Aluminium
Portland Professional Women's Service Club
Mr Stephen Poon
Mrs Margrett Oates
Mrs Maureen Allan
Mrs Noelene Flowers
Mr Michael Noske
Rotary Club of Portland
Mrs S Fyfe
Mrs Mavis L Jennings
Mr Kevin Phillips
Mrs R Smith
Mrs P Mitchell
Miss June Stewart
Miss Sheila M Farrands
Mrs Pat Wilmot
Mr John C Wigan
Mrs Faith Sutterby
Mrs Heather Burton
Mrs Roslyn Jones

DISTINGUISHED SERVICE AWARDS

1994 Mr Jesse Das – Retired 2019

CONSULTANT SURGEON EMERITUS

2008 Mr William C Maling - Deceased 2014

STAFF LENGTH OF SERVICE AWARDS

10 years

Rebecca Alexander
Donna Barko
Theresa Cain
Florence Haby
Lesley Hollis
Claire Holt
Eden Malseed
Tamara McCallum
Brooke Morrissey
Ashley Pitman
Toni Rowe
Leah Sandeman
Yvonne Simons
Natalie Wallace
Janice Whyte

15 Years

Lynn Beavis
Raelene Faure
Suzanne Guerin
Janina Jackson
Gaylene Juri

20 Years

Gaynor Denboer
Joanne Brewster
Suzanne Hateley
Kevin Treloar
Penny Wallis

25 Years

Loren Drought
Jacinta Watson

35 Years

Alison Brian
Lorraine Hiscock
Myfanwy Maddox
Jennifer Moore
Judith Noske
Sheralee Radley

45 Years

Janine Duckmanton
Leanne Stuchbery

We thank all of our wonderful and dedicated staff for their input and contribution in our mission – “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

Tony Keiller –
Community Transport
Ken Osbourne – Partnering with Consumers Committee

15 Years

Gail Baulch - Hospital
Lyn Goodes - Hospital
Margaret McGregor -
Community Transport
Peter McGregor -
Community Transport
Jeanie Nevin –
Hospital / Meals on Wheels

20 Years

Noeleen Flower – Meals on Wheels

35 Years

Ellie Lane (PDH Life Governor) -
Telcare / Community
Transport /Events

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.





FINANCIAL & SERVICE PERFORMANCE

PART A - 2020/21 STATEMENT OF PRIORITIES

In 2020-2021 Portland District Health assisted with the following state-wide priorities to develop and implement important system reforms, including modernising our health system through redesigned governance; driving system reforms that deliver better population health, high quality care and improved patient outcomes and experiences; and reforming clinical services to ensure we are delivering our community the best value care.

Priority 1 (Immediate and Ongoing):

Maintain your robust COVID-19 readiness and response, working with my department to ensure we rapidly respond to outbreaks, if and when they occur, which includes providing testing for your community and staff, where necessary and if required. This includes preparing to participate in, and assist with, the implementation of our COVID-19 vaccine immunisation program rollout, ensuring your local community's confidence in the program.

Outcomes

Vaccination Program: Portland District Health have been running weekly vaccination clinics since March 2021. 4700 vaccines have been delivered to date. Campaigns on local radio, local paper and social media to encourage vaccination.

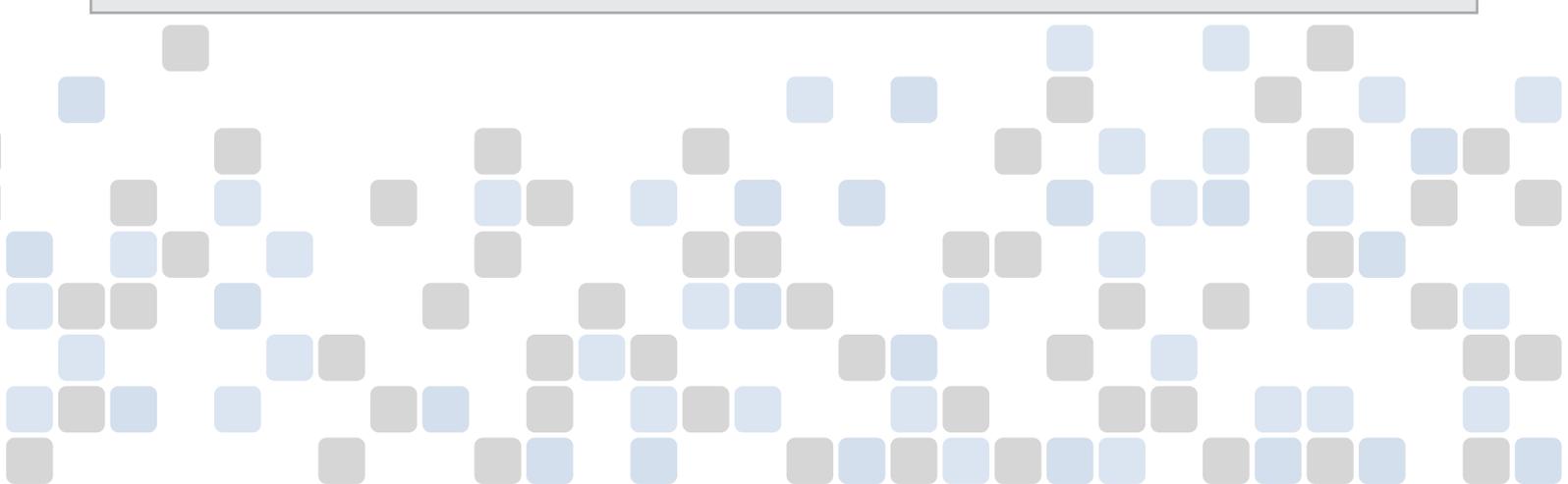
Portland and District Health Fever Clinic provided onsite testing for our community throughout the COVID -19 outbreak. Our staff arrangement is very flexible, and we are able to swab full time when there is an outbreak, or reduce to 3 days per week. The staff are all trained to use PPE and swab appropriately. A drive through service is provided onsite at PDH and staff are encouraged to utilise this clinic.

Priority 2 (Immediate and Ongoing):

Engage with your community to address the needs of patients, especially our vulnerable Victorians whose care has been delayed due to the pandemic and provide the necessary "catch-up" care to support them to get back on track.

Outcomes

The Primary Care Services remained engaged with the community in 2020-2021 through each level of public health measures for the COVID pandemic. Transformation of the services to a virtual model of care (telephone and videoconferencing) and the realignment of staff roles to support this occurred, to facilitate access to safe appropriate care. Connection and feedback with the community was strengthened by the weekly live streamed COVID update sessions, facilitated by the Southern Grampians Glenelg Primary Care Partnerships; and the formation of the 1800 Glenelg Together which is a combined effort by public sector and social support and welfare agencies services. In 2021, clinicians have focused on ensuring vulnerable patients and their families have been reconnected back to health services.



FINANCIAL & SERVICE PERFORMANCE continued

Priority 3 (Immediate and Ongoing):

As providers of care, respond to the recommendations of the Royal Commission into Victoria's Mental Health system and the Royal Commission into Aged Care Quality and Safety.

Outcomes

PDH, as a partner in the Great South Coast Alcohol and Other Drugs (AOD) Consortium, continues to deliver on the 2020-2021 AOD Catchment Plan, which includes focused actions for dual diagnosis. The AOD reforms and recommendations from the Royal Commission into Victoria's Mental Health system will be incorporated into future planning by the Consortium.

Portland District Health Aged Care facility, Harbourside Lodge, is developing a partnership with Western District Health Service Aged Care Services to progress the local initiatives and actions in response to the Aged Care reforms.

Priority 4 (Immediate and Ongoing):

Develop and foster local health partner relationships to continue delivering collaborative approaches to planning, procurement and service delivery at scale. Including prioritising innovative ways to deliver health care through shared expertise and workforce models, virtual care, co-commissioning services and surgical outpatient reform.

Outcomes

Work continues with a range of health services within southwest Victoria, to discuss and share ideas on how to fill the workforce gaps in allied health services and maintain service provision. Escalation of workforce priorities has been made to the state-wide allied health forum and the Health Service Partnership: Better@Home project. Potential alternate models of care, such as virtual services and inception of a Victorian rural allied health generalist pathway, as established in other states, are key points of discussion.

1. Virtual ED: This process envisages a robust telehealth support to junior doctors in Portland District Health (PDH) Urgent Care Centre from emergency specialists in South West Healthcare. It was started approximately 3.5 years ago and is now in a revitalisation phase.
2. Training partnerships: Extensive training opportunities are now becoming available at PDH but most of it is in close collaboration with our regional partners for example:
 - a. Anaesthetics – 3 months at PDH, 6 months at Barwon Health, 3 months at Hamilton Base Hospital
 - b. Paediatrics – 6 months at PDH, 6 months at Barwon Health
 - c. Paediatrics – 0.6 full time employee at PDH and 0.4 full time employee at Active Health Portland
 - d. Emergency Medicine – 9 months at PDH and 3 months at South West Healthcare
3. Surgical Backlog: Opening our theatre space and staff to perform catch-up surgery with South West Healthcare.
4. Regional Credentialing: The credentialing process for senior medical staff has been effectively done regionally for a couple of years. We are now looking to extend this process to nursing and allied health staff.
5. Workforce Model: Consequent to severe problems, recruitment and retention of medical staff – PDH is now looking towards “grow our own”. This process starts with local university partner (Deakin) and their student placement. Next step is the introduction of Rural Generalist trainees at PDH. We have already developed and implemented a work first novel longitudinal medical internship program.
6. Portland District Health continues its participation in the successful South West Region Central supply model which incorporates procurement of many consumables, together with regional supplier contracting opportunities as they present.

FINANCIAL & SERVICE PERFORMANCE continued

PART B: KEY PERFORMANCE PRIORITIES

High Quality and Safe Care

Key Performance Indicator	Target	Outcomes
Infection prevention and control		
Compliance with the Hand Hygiene Australia program	83%	94.7%
Percentage of healthcare workers immunised for influenza	90%	99%
Patient experience		
Victorian Healthcare Experience Survey – percentage of positive patient experience responses	95%	No Surveys conducted in 2020-2021
Victorian Healthcare Experience Survey – percentage of very positive responses to questions on discharge care	75%	No Surveys conducted in 2020-2021
Maternity and Newborn		
Rate of singleton term infants without birth anomalies with APGAR score <7 to 5 minutes	≤ 1.4%	1.3%

Organisational culture - People Matter Survey

Key Performance Indicator	Target	Result
Safety culture among healthcare workers	80%	80%
I am encouraged by my colleagues to report any patient safety concerns I may have	80%	92%
Patient care errors are handled appropriately in my work area	80%	87%
My suggestions about patient safety would be acted upon if I expressed them to my manager	80%	90%
The culture in my work area makes it easy to learn from the errors of others	80%	73%
Management is driving us to be a safety-centred organisation	80%	79%
This health service does a good job of training new and existing staff	80%	60%
Trainees in my discipline are adequately supervised	80%	75%
I would recommend a friend or relative to be treated as a patient here	80%	79%

FINANCIAL & SERVICE PERFORMANCE continued

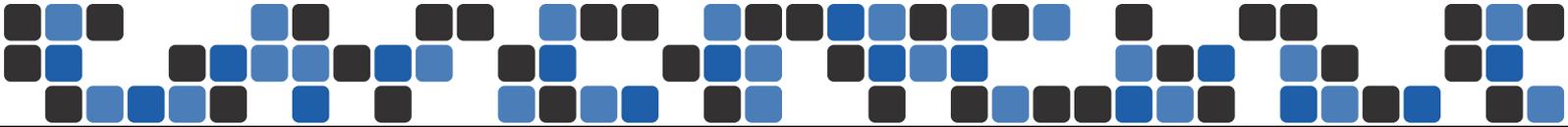
Effective Financial Management

Key Performance Indicator	Target	Outcomes
Budget Management		
Operating result (\$m)	\$0.00	-0.21
Average number of days to pay trade creditors	60 days	17
Average number of days to receive patient fee debtors	60 days	27
Public and Private WIES ¹ activity performance to target	100%	92.8%
Adjusted current asset ratio	0.70 % or 3% improvement from health service base target	0.57
Actual number of days available cash, measured on the last day of each month.	14 days	7.8
Variance between forecast and actual Net result from transaction (NRFT) for the current financial year ending 30 June.	Variance ≤ \$250,000	not met

¹ WIES is a Weighted Inlier Equivalent Separation

PART C: ACTIVITY AND FUNDING SUMMARY

Funding type	Activity Achieved
Acute Admitted	
Acute WIES	3,259
WIES DVA	32
WIES TAC	5
Acute Non-Admitted	
Home Enteral Nutrition	8
Specialist Clinics	7,309
Subacute & Non-Acute Admitted	
Maintenance Public	45
Subacute WIES - Palliative Care Public	38
Subacute WIES - Palliative Care Private	4
Subacute WIES - DVA	5
Transition Care - Bed days	1,458
Transition Care - Home days	732
Subacute Non-Admitted	
Health Independence Program - Public	5,911
Aged Care	
Residential Aged Care	10,848
HACC	2,485
Mental Health & Drug Services	
Drug Services	1
Primary Health	
Community Health / Primary Care Programs	13,801



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, Christine Giles 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, Christine Giles, certify that Portland District Health has put in place appropriate internal controls and processes to ensure that it has complied with the requirement of hospital circular 07/2017 Compliance reporting in health portfolio entities (revised) and has implemented a 'Conflict of Interest' policy consistent with the minimum accountabilities required by the VPSC. Declaration of private interest forms have been completed by all executive staff within Portland District Health and members of the Board of Management, 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.

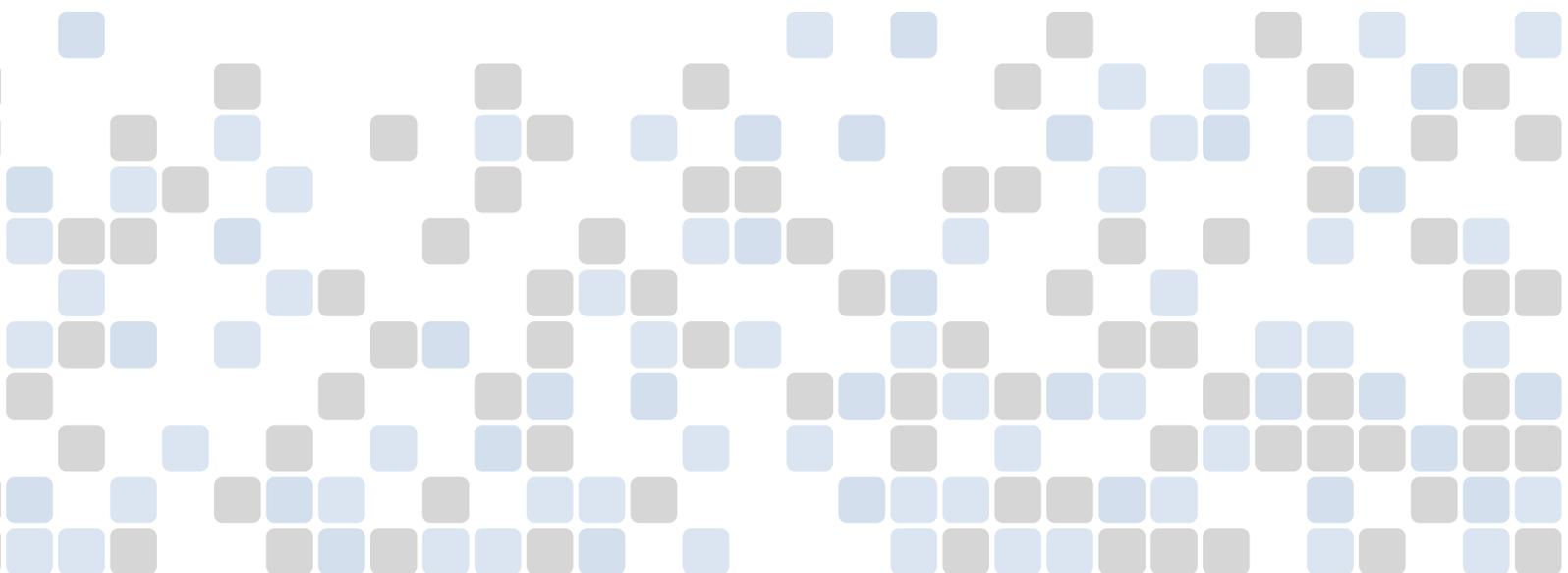
INTEGRITY, FRAUD AND CORRUPTION

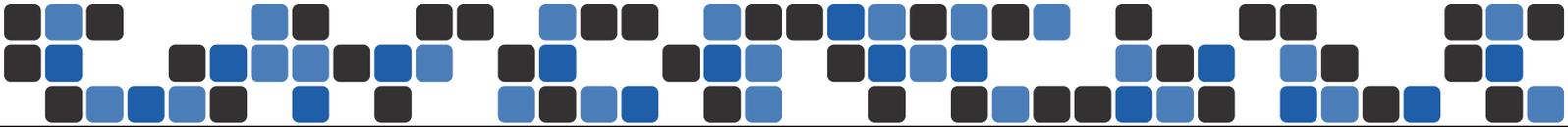
I, Christine Giles, certify that Portland District Health has put in place appropriate internal controls and processes to ensure that integrity, fraud and corruption risks have been reviewed and addressed at Portland District Health during the year.

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*.

Ms Christine Giles
Chief Executive Officer
Portland District Health
Date: 30 July 2021



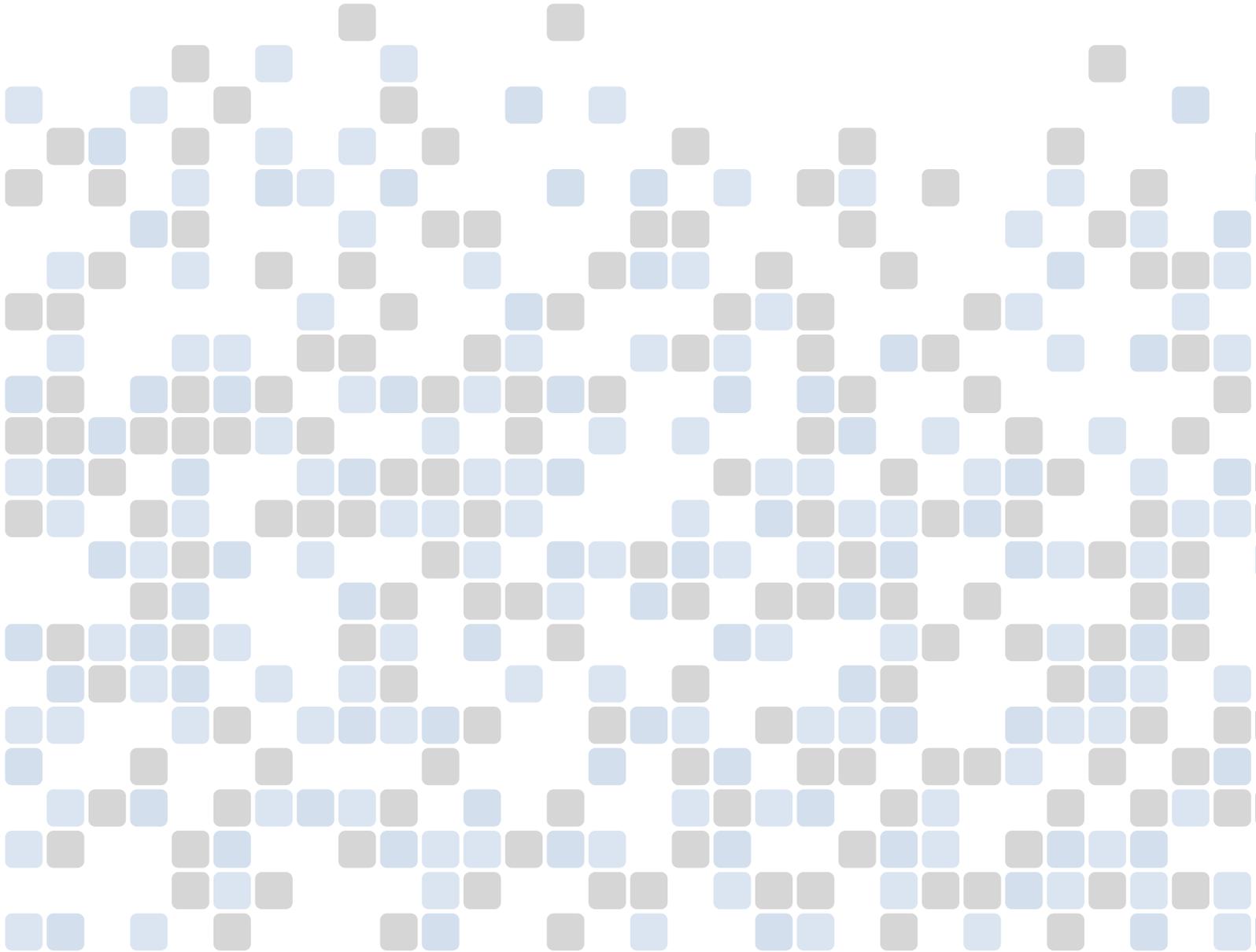


MANDATORY REPORTING continued

FINANCIAL MANAGEMENT COMPLIANCE ATTESTATION

I, Mr Alex Campbell 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 Alex Campbell
Board of Directors - Deputy Chairperson
Portland District Health
Date: 30 July 2021



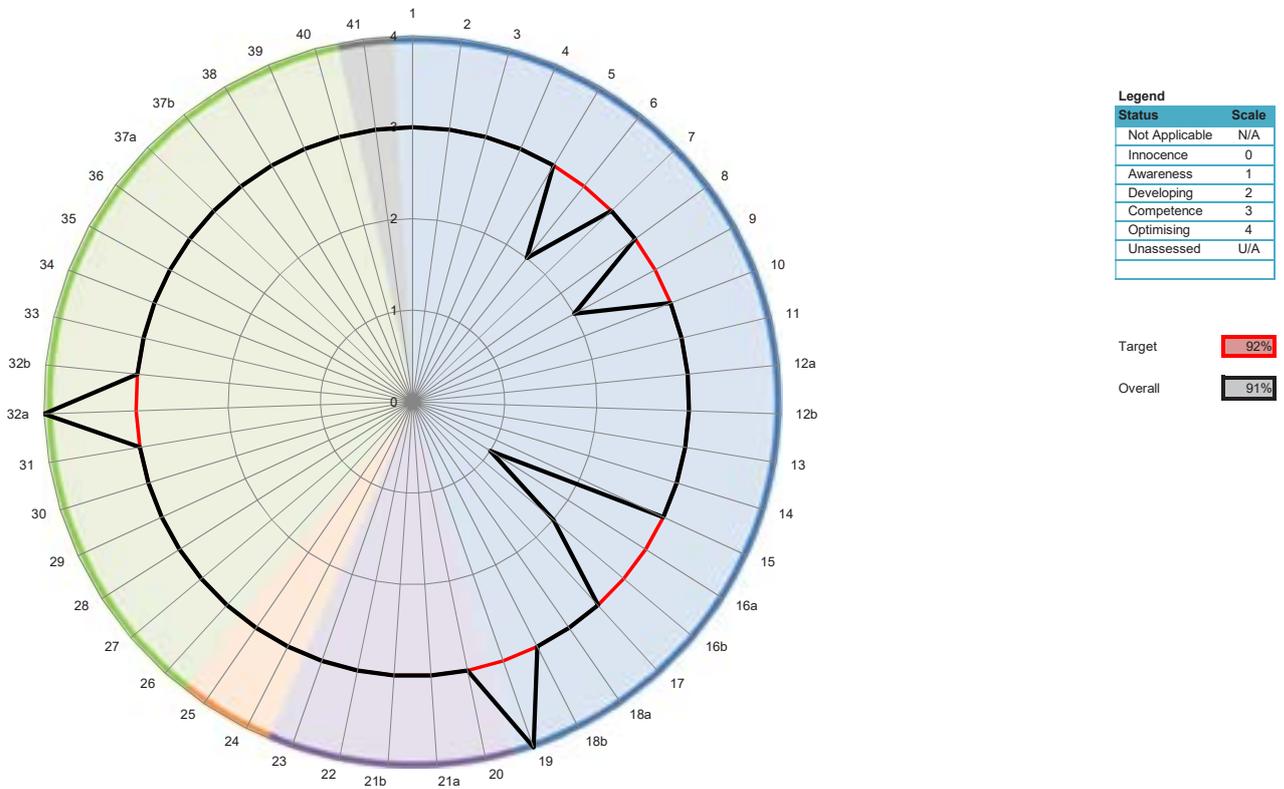
MANDATORY REPORTING continued

ASSET MANAGEMENT ACCOUNTABILITY FRAMEWORK

I, Mr Alex Campbell, certify that Portland District Health effectively utilises and complies with the mandatory requirement of the Assessment Management Accountability Framework as directed by the Minister for Finance.

AMAF Compliance

Asset management maturity



Leadership and Accountability (requirements 1-19)

- Portland District Health (PDH) has met or exceeded its target maturity level in 82% (18/22) of the requirements in this category
- PDH partially complied with some requirements in the areas of Allocating Asset Management Responsibility and Asset Management, System Performance.
- The key area for improvement required is to establish asset performance standards and KPI's to monitor and evaluate asset and asset system performance and ensure that performance monitoring is incorporated into the overall corporate and service planning.
- An improvement plan is to be developed to improve PDH maturity rating in these areas.

Planning (requirements 20-23)

- PDH has met or exceeded its target maturity level in this category

Acquisition (requirements 24-25)

- PDH has met or exceeded its target maturity level in this category

Operation (requirements 26-40)

- PDH has met or exceeded its target maturity level in this category

Disposal (requirements 41)

- PDH has met or exceeded its target maturity level in this category

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 Elliots 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: McLaren Hunt

Internal Auditors: HLB Mann Judd

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

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 Partnering with Consumer Committee

2020/21

Compliments

147

Complaints

95

COMPLIMENTS AND COMPLAINTS

Category	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Compliments	12	14	7	15	18	21	12	7	10	7	6	18
Complaints	6	6	7	10	6	4	9	8	14	3	10	9
Acknowledged within 5 days	0%	0%	100%	50%	100%	100%	67%	50%	64%	100%	90%	80%
Open >30 days	8	3	6	4	14	11	13	19	7	12	7	7

MANDATORY REPORTING continued

CONSULTANCIES

During 2020/21, Portland District Health engaged seven consultancies where the total fees payable to the consultants were less than \$10,000, with a total expenditure of \$6,906 (excl. GST).

In 2020/21 there were two consultancies where the total fees payable to the consultants were \$10,000 or greater. The total expenditure incurred in relation to these is \$31,835 (excl. GST).

CONSULTANCIES > \$10,000

CONSULTANT	PURPOSE OF CONSULTANCY	TOTAL APPROVED PROJECT FEE (ex GST)	EXPENDITURE 2020-21 (ex GST)	FUTURE EXPENDITURE (ex GST)
Click Consulting	Strategic plan	\$20,700	\$20,700	0
Cooper Hardiman	Workplace Relations	\$11,135	\$11,135	0
Total		\$31,835	\$31,835	0

DETAILS OF INFORMATION & COMMUNICATION TECHNOLOGY (ICT) EXPENDITURE

During 2020/21 Portland District Health ICT Business As Usual (BAU) Operational expenditure (excluding GST) was \$1,701,065 and Capital expenditure (excluding GST) was \$59,582.

The total ICT expenditure incurred during 2020/21 is \$1,760,647 (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)
\$1,701,065	\$59,582	\$0	\$59,582

ENVIRONMENTAL PERFORMANCE

Portland District Health Board of Management, 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.

We have introduced an Environmental working group to establish current recycling programs, introduce new programs, embed effective ways reduce energy use, carbon emissions to redevelop our Environmental Plan.

Our solar panels installed 2 years ago continue to provide substantial electricity saving to the organisation.

Our key highlights for 2020/21 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
- Eliminated disposable foam hot drinking cups and replaced with biodegradable paper supplies and encourage staff to BYO coffee/tea cups.

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.

MANDATORY REPORTING continued

2020-21 ENERGY AND WATER PERFORMANCE REPORT

Environmental impacts & energy use

Energy Use	2018-19	2019-20	2020-21
Electricity (MWh)	1,926	1,528	1,507
Natural Gas (gigajoules)	7,746	8,212	7,266
Carbon emissions (thousand tonnes of CO ₂ e)	2018-19	2019-20	2020-21
Electricity	2	2	1.48
Natural Gas	0	0	0.37
Total emissions	2	2	1.85
Water use (millions litres)	2018-19	2019-20	2020-21
Potable Water	16	15	12.98

Factors influencing environmental impacts

	2018-19	2019-20	2020-21
Floor area (m ²)	12,203	12,203	12,203
Separations	5,614	5,506	4,932
In-Patient Bed Days	14,062	12,514	10,958
Aged Care Bed Nights	10,322	10,576	7,790

Benchmarks | 2020-21

Carbon emissions	Average for peer group	Your value	% above / below ave.
CO ₂ e(t) per m ²	0.16	0.15	-7%
CO ₂ e(t) per OBD	0.08	0.10	22%
CO ₂ e(t) per Seps	0.43	0.38	-12%
Water use	Average for peer group	Your value	% above / below ave.
kL per m ²	1.22	1.06	-13%
kL per OBD	0.61	0.69	14%
kL per Seps	3.20	2.63	-18%
Expenditure rates	Average for peer group	Your value	% above / below ave.
Total utility spend (\$/m ²)	40	36.88	-8.9%
Elec (\$/kWh)	0	0.20	-1.9%
Gas (\$/gigajoules)	13	12.58	-3.8%
Potable Water (\$/kL)	4	4.62	21.3%
LPG (\$/kL)	496	-	-100.0%
<i>Additional measures (not included in benchmarking chart)</i>			
Total utility spend (\$/Separations)		91.24	
Total utility spend (\$/In-Patient Bed Days)		41.07	
Total utility spend (\$/Aged Care Bed Nights)		57.77	

1. Information in this report is sourced from data provided by retailers and in some cases data manually uploaded by health services into Eden Suite. Data has not been externally validated. All annual values represent a year ending 30 June.
2. Emissions are calculated using the carbon factors for the year in which the emissions were generated. For health services provided with energy (electricity and steam) under the co-generation ESA (energy services agreement) carbon factors provided by the energy retailer are used.
3. Electricity consumption values exclude line losses; some energy retailers include losses in reported values.
4. Occupied bed days (OBD) include both inpatient and aged care data, unless stated otherwise.

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.

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
- Installation of airlock and automatic door for Consulting Suite
- Seaview House Residential Care balcony replacement
- Installation of COVID safe rooms in Urgent Care Centre
- Modification to Acute ward to develop a COVID safe environment
- Developed a COVID Testing Drive-thru clinic
- Developed a COVID Vaccination Clinic

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.

PUBLIC INTEREST DISCLOSURE ACT 2012

Portland District Health has in place appropriate procedures for disclosure in accordance with the *Public Interest Disclosures Act 2012*. No protected disclosures were made under the Act in 2020/2021.

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 2020/21 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*.

FREEDOM OF INFORMATION

A total of 82 requests under the *Freedom of Information Act 1982* were processed during 2020/21 with 2 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: Christine Giles; Chief Executive, 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 and Human Services directives, issued under Regulation 8 of the Hospital and Charities (Fees) Regulations 1986 as amended.

STATEMENT OF COMPLIANCE continued

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 Safety and Environment 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.

OCCUPATIONAL HEALTH & SAFETY REPORTING	2020-21	2019-20	2018-19
1. Reported hazards/incidents per 100 full-time FTE	42.77	51.72	63.38
2. Number of lost time per 100 full-time FTE (Standard claims)	0.65	1.0	1.32
3. Average cost per claim as advised by WorkSafe	\$37,012	\$25,637	\$66,288

Average claims costs increased in 2019/2020 as the statistical case estimate of the claims lodged in 2020/2021 were significantly higher. Claim costs over the premium impact period decreased by \$149,768, resulting in a reduction in premium.



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.

Ms Christine Giles
Chief Executive Officer
Portland District Health
Date: 30 July 2021

GOVERNANCE

BOARD OF MANAGEMENT

Portland District Health is governed by Board Directors appointed by the Minister for Health. The Board of Management 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's advisory committees are:

Quality Care Committee - meets monthly

The committee's primary function is to assist the Board of Management to ensure a high standard of health care, a continuous improvement of service delivery, and to maintain an environment that supports clinical excellence across Portland District Health.

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

- Ensure provision of safe, high quality care in accordance with Safer Care Victoria and compliant with National Safety and Quality Health Service Standards
- Mitigate Portland District Health's clinical risks and ensure a Clinical Risk Management Plan is in place and reviewed annually
- Evaluate the processes in place to continuously improve, particularly in those areas related to high and significant risk.

External/Consumer Members: Nil

Finance, Audit and Corporate Risk Committee

- meets monthly

The Finance, Audit & Risk Committee recommends and advises the Board of Management on financial, investment, building and commercial matters.

Section 65S of the *Health Services Act 1988* requires the Board of a public health service to ensure that its audit and accounting systems accurately reflect the financial position and viability of the health service, and that effective and accountable non clinical risk management systems are in place.

The committee ensures also the Corporate Risk and Management Plan is in place and reviewed regularly.

External members: Mark Hutchinson / Paulina Silbernagel

Workforce Planning Committee

- meets monthly

The committee's primary function recommends and advises the Board of Management on issues relating to workforce, culture and staff development. It provides strategic advice on workforce strategy, policy and practices to ensure that the organisation is managing its workforce issues effectively.

Remuneration Committee - meets twice yearly

The Remuneration Committee ensure that remuneration policies and practices are consistent with government policy and undertakes a CEO performance review annually.

It reviews on an annual basis the remuneration of the CEO including establishing the overall benefits and incentives.

OTHER BOARD ADVISORY COMMITTEES

Partnering with Consumers Committee

- meets bimonthly

This committee provides direction and leadership for Portland District Health in relation to the integration of consumer, carer and community views into all levels of strategy, operations, policy and planning development and provide strategic advice to the PDH Board of Management on priority areas and issues from a consumer, carer and community perspective.

Grow Healthy Together

'Ka-ree-ta Ngoot-yoong Wat-nan-da' Indigenous Advisory Committee - meets quarterly

This committee is a collaboration between Traditional Gunditjmarra owners, local Aboriginal Health controlled organisations and local Health services.

Ka ree ta Ngoot yoong Wat nan da is bringing the people in the local community together to yarn about and action initiatives to improve health and wellbeing of the first nation people.

e-Credentialing & Scope of Practice (Medical Appointment) Committee - meets 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 Group - as needed

These committees have the primary responsibility for overseeing capital redevelopment projects. They determine the scope, quality, time and budget standards and monitor the progress of the projects against these standards.



GOVERNANCE continued

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 Management 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 Health Informatics, Director of Quality & Safety and Finance Manager. The Executive meets weekly and provides monthly reports to the Board of Management.

RESPONSIBLE MINISTER

The responsible Minister for Health and Minister Ambulance Services:

1 July 2020 to 26 September 2020
The Hon Jenny Mikakos MP

26 September 2020 to 30 June 2021
The Hon Martin Foley MP

The responsible Minister for Mental Health:

1 July 2020 to 29 September 2020
The Hon Martin Foley MP

29 September 2020 to 30 June 2021
The Hon James Melino MP

ETHICAL STANDARDS

The Board of Management 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.

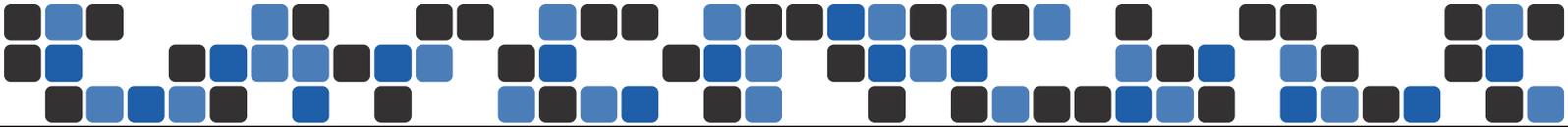
PECUNIARY INTEREST

Members of the Board of Management of Portland District Health are required to notify the Chair of the Board of any pecuniary interests which might give rise to a conflict of interest in accordance with Portland District Health policy and the Board's code of conduct. All necessary declarations have been completed.

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

SIGNIFICANT PARTNERSHIP RECOGNITION:

United Way Glenelg: \$20,172

- Singing Strong Project (Harbourside Lodge)
- COVID-19 Impact Fund (Community Assistance & Resources)
- Good Samaritan Fund (Community Assistance)
- Manikins & Resources (Maternity)
- Staff Resources (COVID Clinic)

Anti Cancer Council of Victoria, Portland Unit:

- Wall Murals (Chemotherapy)

Uniting Church Portland Opportunity Shop \$9,500

- Bed Fundraising Campaign
- Urgent Care Equipment

Qube Ports – Equipment replacement \$6,000

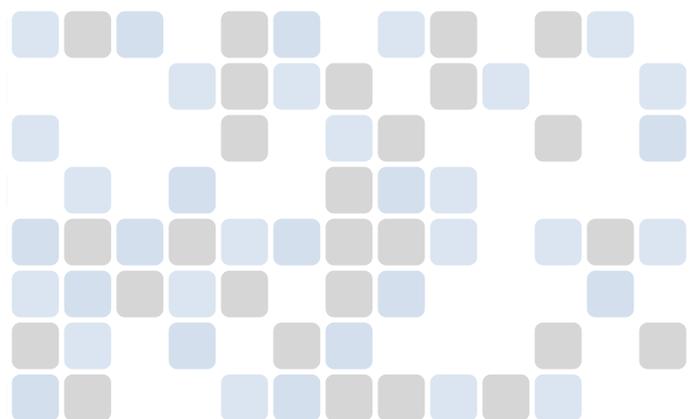
Portland Laser Cutting:
Bed Fundraising Campaign \$5000

Portland Branch Blue Ribbon Foundation

Murray to Moyne: White Lioners' Team,
Portland Lions Club

Rotary Beats Cycle for Hope "Random act of
kindness" gift cards

Portland & District Motoring Enthusiasts Club Inc -
Cruise for Charity



PDH DONATIONS (\$50+ AND IN KIND)

- Admellas Fruit & Vegetables
- Amcal Pharmacy Portland
- ANZ Portland
- Assets Real Estate
- Bakers Delight Portland
- Beats Cycle for Hope
- CWA Portland
- Friday Stitchers Group
- G & M Burgess
- Gordon Hotel
- Grateful Granola Bars
- Heywood Football Netball Club
- I & L Peters
- IGA Portland
- In memory of R Legray
- J Garner
- Lido Larder Portland
- Lions Club of Portland
- M & P Doherty
- M & S Wiese
- Poco Artisan Icecream
- Portland Community Markets
- Portland Golf Club
- Portland RSL Memorial Bowling Club
- Portland Signworks
- Portland Unit, Anti-Cancer Council of Victoria
- Qube Ports
- Rachel Stoneman
- Rotary Club of Portland
- Rotary Club of Portland Bay
- R Bucovaz
- Shaw River Buffalo Cheese
- SES Portland Unit
- Tutt Bryant Hire
- Uniting Church Portland Opportunity Shop
- V Marriott
- Wattle Creek CWA
- Welcome Home Giftware
- W Meldrum
- Woolworths Portland



DONATIONS continued

MAJOR GOLF DAY & ONLINE AUCTION SPONSORS

Janah Administration – KFC
ABP - Australian Bluegum Plantations Pty Ltd
Ace Radio 3HA/MixxFM
Assets Real Estate
C3 Forestry Pty Ltd
Clock by the Bay
Force 8 Contractors
Gunners Surf & Sport
Portland Compleat Angler
Portland Signworks
Portland Golf Club
Qube Ports
Salary Packaging Plus
Veolia Waste

OTHER GOLF DAY & ONLINE AUCTION FINANCIAL SPONSORS

Portland Golf Club
Premio Constructions
Victoria Lodge Motor Inn

IN -KIND GOLF DAY & ONLINE AUCTION DONATIONS

Admellas Fruit & Veg
A little Decorum
Amcal Pharmacy Portland
ANZ Portland
Bay City Events Blues Train
Betta Electrical Portland
Crown Charity and Sponsorship Committee
Donna Farr-Body Shop at Home
Ego Pharmaceuticals
Friday Stitchers Group
G & M Burgess
Gardenlife Nursery
Gordon Hotel
Hallidays Butchers
Hammonds Paint
Helloworld Travel Portland
Ivie & Eve

IN -KIND GOLF DAY & ONLINE AUCTION DONATIONS continued

Intimate Apparel
Jill Hildebrand
Lions Club of Portland
Macs Hotel
Margaret & Agnes
Mount Gambier Wine Growers Association
Mr & Mrs Wiese
Nancy Grant
Nigel Huppertz
Pauline's Absolutely Fabulous
Portland & District Motor Enthusiasts Club Inc
Port of Portland
Portland Florist
Portland Observer
Port of Portland
Powerhouse Productions
Prestige Promotions
Optus Portland
Richard Tarr
Sweetwater Aquatics
Treloar Roses
Weldgas Portland

PDH ANNUAL FUNDRAISERS

PDH Golf Day Fundraiser which included an Online Auction \$16,541
PDH Community Market/Fete no event due to COVID

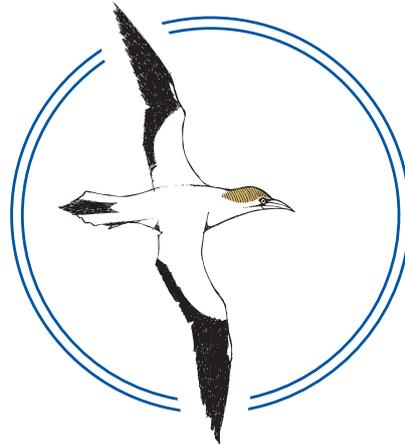
APPRECIATION:

Portland District Health extends its sincere appreciation to the staff, volunteers and the many individual and in-memoriam donors for their generous support during 2020/21. Due to your generosity and commitment, we are able to continue to provide a high quality service to our community.

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.

Legislation	Requirement	Page Reference
Ministerial Directions - Report of Operations		
Charter and purpose		
FRD 22I	Manner of establishment and the relevant Ministers	28
FRD 22I	Purpose, functions, powers and duties	Inside Front Cover
FRD 22I	Nature and range of services provided	9
FRD 22I	Activities, programs and achievements for the reporting period	4
FRD 22I	Significant changes in key initiatives and expectations for the future	4
Management and structure		
FRD 22I	Organisational structure	8
FRD 22I	Workforce data/ employment and conduct principles	11 - 12
FRD 22I	Occupational Health and Safety	23
Financial information		
FRD 22I	Summary of the financial results for the year	5
FRD 22I	Significant changes in financial position during the year	4
FRD 22I	Operational and budgetary objectives and performance against objectives	4
FRD 22I	Subsequent events	Financials
FRD 22I	Details of consultancies under \$10,000	23
FRD 22I	Details of consultancies over \$10,000	23
FRD 22I	Disclosure of ICT expenditure	23
Legislation		
FRD 22I	Application and operation of <i>Freedom of Information Act 1982</i>	25
FRD 22I	Compliance with building and maintenance provisions of <i>Building Act 1993</i>	25
FRD 22I	Application and operation of <i>Public Interest Disclosure Act (Updated 2020-2021)</i>	25
FRD 22I	Statement on National Competition Policy	25
FRD 22I	Application and operation of <i>Carers Recognition Act 2012</i>	26
FRD 22I	Summary of the entity's environmental performance	23
FRD 22I	Additional information available on request	28
Other relevant reporting directives		
FRD 25D	Local Jobs First Act disclosures	25
SD 5.1.4	Financial Management Compliance attestation	19
SD 5.2.3	Declaration in report of operations	5
Attestations		
	Attestation on Data Integrity	19
	Attestation on managing Conflicts of Interest	19
	Attestation on Integrity, fraud and corruption	19
Other reporting requirements		
	• Reporting of outcomes from Statement of Priorities 2020-2021	15 - 18
	• Occupational Violence reporting	12
	• <i>Gender Equality Act</i>	12
	• Asset Management Accountability Framework	20
	• Reporting obligations under the <i>Safe Patient Care Act 2015</i>	19
	• Reporting of compliance regarding Car Parking Fees	NA



PORTLAND

DISTRICT HEALTH

ABN 19 736 725 377

Annual Financial Statements

Year Ended 30 June 2021

PORTLAND DISTRICT HEALTH FINANCIAL STATEMENTS

For the Financial Year Ended 2021

Portland District Health

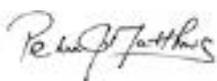
BOARD MEMBER'S, ACCOUNTABLE OFFICER'S AND CHIEF FINANCE AND ACCOUNTING OFFICER'S DECLARATION

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

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

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 consolidated financial statements for issue on this day.



Peter Matthews
Chairman
Board of Directors

27 September, 2021

Portland



Karena Prevett
Acting Chief Executive Officer

27 September, 2021

Portland



Greg Schultz
Finance Manager

27 September, 2021

Portland

Independent Auditor's Report

To the Board of Portland District Health

Opinion	<p>I have audited the consolidated financial report of Portland District Health (the health service) and its controlled entities (together the consolidated entity), which comprises the:</p> <ul style="list-style-type: none"> consolidated entity and health service balance sheets as at 30 June 2021 consolidated entity and health service comprehensive operating statements for the year then ended consolidated entity and health service statements of changes in equity for the year then ended consolidated entity and health service cash flow statements for the year then ended notes to the financial statements, including significant accounting policies board member's, accountable officer's and chief finance and accounting officer's declaration. <p>In my opinion, the financial report presents fairly, in all material respects, the financial positions of the consolidated entity and the health service as at 30 June 2021 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 7 of the <i>Financial Management Act 1994</i> and applicable Australian Accounting Standards.</p>
Basis for Opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the health service and the consolidated entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
Board's responsibilities for the financial report	<p>The Board of the health service is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the <i>Financial Management Act 1994</i>, and for such internal control as the Board determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.</p> <p>In preparing the financial report, the Board is responsible for assessing the health service and the consolidated entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.</p>
Other Information	<p>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 2021, but does not include the financial report and my auditor's report thereon.</p> <p>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.</p>

Auditor's responsibilities for the audit of the financial report

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

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

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the health service and the consolidated entity'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 and the consolidated entity'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 and the consolidated entity 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
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the health service and consolidated entity to express an opinion on the financial report. I remain responsible for the direction, supervision and performance of the audit of the health service and the consolidated entity. I remain solely responsible for my audit opinion.

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



Dominika Ryan

as delegate for the Auditor-General of Victoria

MELBOURNE
19 October 2021

PORTLAND DISTRICT HEALTH FINANCIAL STATEMENTS

For the Financial Year Ended 2021

COMPREHENSIVE OPERATING STATEMENT FOR THE FINANCIAL YEAR ENDED 2021

	Note	Parent Entity 2021 \$'000	Parent Entity 2020 \$'000	Consolidated 2021 \$'000	Consolidated 2020 \$'000
Revenue and Income from Transactions					
Operating Activities	2.1	55,424	51,898	57,351	53,719
Non-operating Activities	2.1	431	351	349	415
Total Revenue and Income from Transactions		55,855	52,249	57,700	54,134
Expenses from Transactions					
Employee expenses	3.1	(41,346)	(39,176)	(43,079)	(40,811)
Supplies and consumables	3.1	(7,505)	(5,966)	(7,542)	(6,000)
Finance Costs	3.1	(22)	(8)	(24)	(8)
Depreciation and Amortisation	3.1	(3,937)	(3,892)	(3,943)	(3,904)
Other Administrative Expenses	3.1	(4,335)	(3,885)	(4,411)	(3,965)
Other Operating Expenses	3.1	(2,003)	(1,914)	(2,049)	(2,002)
Total Expenses from Transactions		(59,147)	(54,841)	(61,048)	(56,690)
Net Result from Transactions – Net Operating balance		(3,293)	(2,596)	(3,348)	(2,556)
Other Economic Flows included in Net Result					
Net Gain/(Loss) on Sale of Non-Financial Assets	3.4	385	(502)	385	(502)
Share of Other Economic Flows from Joint Operation	3.4	-	1	-	1
Other Gain/(Loss) from Economic Flows	3.4	188	(8)	188	(9)
Net Gain/ (Loss) on Financial Assets	3.4	28	(61)	28	(61)
Total Other Economic Flows included in Net Result		600	(570)	600	(571)
Net Result for the Year		(2,692)	(3,166)	(2,747)	(3,127)
Other Comprehensive Income					
Items that will not be reclassified to net result					
Changes in physical asset revaluation surplus	4.1f	627	-	627	-
Total Other Comprehensive income		627	-	627	-
Comprehensive Result for the year		(2,065)	(3,166)	(2,120)	(3,127)

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

PORTLAND DISTRICT HEALTH FINANCIAL STATEMENTS

BALANCE SHEET AS AT 2021

	Note	Parent Entity 2021 \$'000	Parent Entity 2020 \$'000	Consolidated 2021 \$'000	Consolidated 2020 \$'000
ASSETS					
Current assets					
Cash and Cash Equivalents	6.2	6,307	5,314	6,681	5,783
Receivables and contract assets	5.1	1,127	1,143	1,157	1,259
Inventories		75	84	75	84
Prepayments and Other assets		143	587	155	602
Total Current Assets		7,652	7,128	8,068	7,728
Non-Current Assets					
Receivables and contract assets	5.1	29	142	29	142
Investments accounted for using the equity method	8.9	79	86	79	86
Property, Plant & Equipment	4.1	59,922	61,676	59,956	61,693
Investment properties	4.3	2,966	2,640	2,966	2,640
Total non-current assets		62,996	64,544	63,030	64,560
TOTAL ASSETS		70,648	71,672	71,099	72,289
LIABILITIES					
Current Liabilities					
Payables and Contract Liabilities	5.2	4,454	3,291	4,467	3,417
Borrowings	6.1	103	2,035	282	2,035
Provisions	3.2	7,136	6,266	7,226	6,348
Other current liabilities	5.3	2,969	2,189	2,969	2,189
Total Current Liabilities		14,663	13,782	14,945	13,990
Non-Current Liabilities					
Borrowings	6.1	521	420	342	420
Provisions	3.2	1,799	1,741	1,843	1,789
Total Non-Current Liabilities		2,321	2,161	2,185	2,210
TOTAL LIABILITIES		16,984	15,943	17,130	16,200
NET ASSETS		53,664	55,729	53,969	56,089
EQUITY					
Property, plant & equipment revaluation surplus	4.1f	51,356	50,728	51,356	50,728
Restricted specific purpose surplus	SCE	858	858	858	858
Contributed capital	SCE	35,694	35,695	35,694	35,695
Accumulated surpluses/(deficits)	SCE	(34,243)	(31,552)	(33,940)	(31,192)
TOTAL EQUITY		53,664	55,729	53,969	56,089

This Balance Sheet should be read in conjunction with the accompanying notes.

PORTLAND DISTRICT HEALTH FINANCIAL STATEMENTS

For the Financial Year Ended 2021

STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 2021

Consolidated	Property, Plant & Equipment Revaluation Surplus	Restricted Specific Purpose Surplus	Contributed Capital	Accumulated Surpluses/ (Deficits)	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2019	50,728	858	35,695	(28,005)	59,276
Effect of adoption of AASB 15, 16 and 1058				(60)	(60)
Net result for the year	-	-	-	(3,127)	(3,127)
Balance at 30 June 2020	50,728	858	35,695	(31,192)	56,089
Net result for the year				(2,747)	(2,747)
Other comprehensive income for the year	627				627
Balance at 30 June 2021	51,355	858	35,695	(33,940)	53,969

Parent	Property, Plant & Equipment Revaluation Surplus	Restricted Specific Purpose Surplus	Contributed Capital	Accumulated Surpluses/ (Deficits)	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2019	50,728	858	35,695	(28,326)	58,954
Effect of adoption of AASB 15, 16 and 1058				(60)	(60)
Net result for the year	-	-	-	(3,166)	(3,166)
Balance at 30 June 2020	50,728	858	35,695	(31,552)	55,729
Net result for the year				(2,692)	(2,692)
Other comprehensive income for the year	627				627
Balance at 30 June 2021	51,355	858	35,695	(34,243)	53,664

This Statement should be read in conjunction with the accompanying notes

PORTLAND DISTRICT HEALTH FINANCIAL STATEMENTS

For the Financial Year Ended 2021

CASH FLOW STATEMENT FOR THE FINANCIAL YEAR ENDED 2021

	Note	Parent Entity	Parent Entity	Consolidated	Consolidated
		2021	2020	2021	2020
		\$'000	\$'000	\$'000	\$'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Operating Grants from Government		48,198	41,213	48,338	41,342
Capital Grants from Government		747	557	747	557
Patient and Resident Fees Received		2,343	5,129	4,058	6,947
GST Received from/(paid to) Australian Tax Office		1,346	1,232	1,365	1,242
Interest Received		25	24	28	27
Other Receipts		5,427	5,256	5,427	5,256
TOTAL RECEIPTS		58,086	53,411	59,963	55,371
Employee Expenses Paid		(39,997)	(38,979)	(41,721)	(40,726)
Payments for Supplies & Consumables		(8,226)	(7,019)	(8,449)	(7,235)
Payments for Medical Indemnity Insurance		(416)	(383)	(416)	(383)
Payments for Repairs and Maintenance		(1,104)	(982)	(1,104)	(982)
Finance Costs		(24)	(8)	(24)	(8)
Other Payments		(4,648)	(4,457)	(4,648)	(4,457)
TOTAL PAYMENTS		(54,415)	(51,828)	(56,362)	(53,791)
NET CASH INFLOW FROM / (USED IN) OPERATING ACTIVITIES	8.1	3,671	1,583	3,601	1,580
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase for Non-Financial Assets		(1,622)	(1,478)	(1,647)	(1,487)
Capital donations and Bequests received		58	34	58	34
Proceeds from Disposal of Non-Financial Assets		127	20	127	20
NET CASH FLOW FROM/(USED IN) INVESTING ACTIVITIES		(1,437)	(1,424)	(1,462)	(1,433)
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from borrowings		350	1,867	350	1,867
Repayment of Borrowings		(2,049)	(815)	(2,049)	(815)
Receipt of Accommodation Deposits		874	-	874	-
Repayment of Accommodation Deposits		(416)	(569)	(416)	(569)
NET CASH FLOW FROM/(USED IN) FINANCING ACTIVITIES		(1,241)	483	(1,241)	483
Net increase/ (decrease) in cash and cash equivalents held		993	642	898	630
Cash and cash equivalents at beginning of financial year		5,314	4,672	5,783	5,153
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	6.2	6,307	5,314	6,681	5,783

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

PORTLAND DISTRICT HEALTH FINANCIAL STATEMENTS

Notes to the financial statements

For the Financial Year Ended 2021

NOTE 1: BASIS OF PREPARATION

Structure

- 1.1 Basis of preparation of the financial statements
- 1.2 Impact of COVID-19 pandemic
- 1.3 Abbreviations and terminology used in the financial statements
- 1.4 Principles of consolidation
- 1.5 Joint arrangements
- 1.6 Key accounting estimates and judgements
- 1.7 Accounting standards issued but not yet effective
- 1.8 Goods and Services Tax (GST)
- 1.9 Reporting entity

Note 1: Basis of preparation

These financial statements represent the audited general purpose financial statements for Portland District Health and its controlled entities for the year ended 30 June 2021. 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 and identifies the key accounting estimates and

1.1 Basis of preparation of the financial statements

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

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

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 Portland District Health operates on a fund accounting basis and maintains two funds: Operating and Specific Purpose Funds. The Portland District Health's Specific Purpose Funds include Bequest and Capital funds.

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

The financial statements have been prepared on a going concern basis (refer to Note 8.11 Economic Dependency).

The financial statements are in Australian dollars.

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

The annual financial statements were authorised for issue by the Board of Portland District Health and its controlled entities on 23 September 2021.

PORTLAND DISTRICT HEALTH FINANCIAL STATEMENTS

Notes to the financial statements

For the Financial Year Ended 2021

Note 1.2 Impact of COVID-19 pandemic

In the previous financial year, a global pandemic caused by the COVID-19 Coronavirus (COVID-19) was declared. To contain the spread of COVID-19 and prioritise the health and safety of our community, Portland District Health was required to comply with various restrictions announced by the Commonwealth and State Governments, which in turn, has continued to impact the way in which Portland District Health operates.

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

- introducing restrictions on non-essential visitors
- greater utilisation of telehealth services
- implementing reduced visitor hours
- deferring elective surgery and reducing activity
- introducing a Respiratory Assessment Centre
- performing COVID-19 testing
- performing COVID-19 Vaccinations
- implementing work from home arrangements where appropriate
- zoning of facilities to reduce potential impact of contamination
- virtual meetings held utilising online technology

As restrictions have eased towards the end of the financial year Portland District Health has been able to revise some measures where appropriate including:

- restrictions eased to allow for on-site meetings
- increased visitor hours
- contractor restrictions eased to allow for progress on capital and other works
- staff zoning restrictions eased

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

- Note 2: Funding delivery of our services
- Note 3: The cost of delivering our services
- Note 4: Key assets to support service delivery
- Note 5: Other assets and liabilities
- Note 6: How we finance our operations.

Note 1.3 Abbreviations and terminology used in the financial statements

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

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

PORTLAND DISTRICT HEALTH FINANCIAL STATEMENTS

Notes to the financial statements

For the Financial Year Ended 2021

Note 1.4 Principles of consolidation

The financial statements include the assets and liabilities of Portland District Health and its controlled entities as a whole as at the end of the financial year and the consolidated results and cash flows for the year.

Portland District Health controls the following entities:

- Active Health Portland LTD

Details of the controlled entities are set out in Note 8.7.

An entity is considered to be a controlled entity where Portland District Health has the power to govern the financial and operating policies of an organisation so as to obtain benefits from its activities. In assessing control, potential voting rights that are presently exercisable are taken into account.

Portland District Health consolidate the results of its controlled entities from the date on which the health service gains control until the date the health service ceases to have control. Where dissimilar accounting policies are adopted by entities and their effect is considered material, adjustments are made to ensure consistent policies are adopted in these financial statements.

Transactions between segments within Portland District Health have been eliminated to reflect the extent of Portland District Health's operations as a group.

Note 1.5 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 the following joint arrangements:

- A 5.9% share in the South West Alliance of Rural Health.

Details of the joint arrangements are set out in Note 8.8.

Note 1.6 Key accounting estimates and judgements

Management make estimates and judgements when preparing the financial statements.

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

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

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

Note 1.7 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 Health and their potential impact when adopted in future periods is outlined below:

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

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

PORTLAND DISTRICT HEALTH FINANCIAL STATEMENTS

Notes to the financial statements

For the Financial Year Ended 2021

Note 1.8 Goods and Services Tax (GST)

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

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

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

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

Note 1.9 Reporting Entity

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

Its principal address is:

141-145 Bentinck Street
Portland
Victoria 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 FINANCIAL STATEMENTS

Notes to the financial statements

For the Financial Year Ended 2021

NOTE 2: FUNDING DELIVERY OF OUR SERVICES

Structure

2.1 Revenue and Income from Transactions

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

2.3 Other Income

Telling the COVID 19 story

As indicated at Note 1, Portland District Health's response to the pandemic included the deferral of elective surgeries and reduced activity. This resulted in Portland District Health incurring lost revenue as well as direct and indirect COVID-19 costs. The Department of Health and Human Services provided funding which was spent due to COVID-19 impacts on Portland District Health. Portland District Health also received essential personal protective equipment free of charge under the state supply arrangement.

Funding provided included:

- Covid-19 grants to fund Covid-19 testing clinics
- State repurpose grants to fund Covid-19 vaccination clinics
- Additional elective surgery funding for the Victorian Government elective surgery blitz program

Key judgements and estimates

This section contains the following key judgements and estimates:

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

PORTLAND DISTRICT HEALTH FINANCIAL STATEMENTS

Notes to the financial statements

For the Financial Year Ended 2021

2.1 Revenue and Income from Transactions

	Consolidated Total 2021 \$'000	Consolidated Total 2020 \$'000
Operating activities		
Revenue from contracts with customers		
Government Grant (State) – Operating	26,310	30,206
Government Grant (Commonwealth) – Operating	4,700	3,872
Patient & Resident Fees	3,926	6,882
Commercial Activities	2,203	2,527
Total revenue from contracts with customers	37,139	43,487
Other sources of income		
Government Grant (State) – Operating	16,186	7,284
Government Grant (State) – Capital	835	557
Other Capital purpose	58	34
Assets received free of charge or for nominal consideration	405	0
Other Revenue from Operating Activities (including non-capital donation)	2,728	2,357
Total other sources of income	20,212	10,232
Total revenue and income from operating activities	57,351	53,719
Non-operating activities		
Income from other sources		
Rental Income	321	387
Other Interest	28	27
Total Income from Non-Operating Activities	349	415
Total Revenue and Income from Transactions	57,700	54,134

How we recognise revenue and income from transactions

Government operating grants

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

When both these conditions are satisfied, the health service:

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

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

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

PORTLAND DISTRICT HEALTH FINANCIAL STATEMENTS

Notes to the financial statements

For the Financial Year Ended 2021

2.1 Revenue and Income from Transactions (cont)

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

Government Grants	Performance Obligations
Activity Based Funding (ABF) paid as Weighted Inlier Equivalent Separation (WIES) casemix	The performance obligations for ABF are the number and mix of patients admitted to hospital (defined as 'casemix') in accordance with the levels of activity agreed to, with the Department of Health in the annual Statement of Priorities. Revenue is recognised at a point in time, which is when a patient is discharged, in accordance with the WIES activity when an episode of care for an admitted patient is completed. WIES activity is a cost weight that is adjusted for time spent in hospital, and represents a relative measure of resource use for each episode of care in a diagnosis related group.

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

The performance obligations related to patient fees for the provision of inpatient, district nursing and allied health. For WIES funding, revenue is recognised when a patient is discharged and in accordance with the WIES count for each separation. Revenue for district nursing and allied health services is recognised when the service has been provided to the patient. The performance obligations have been selected as they align with the funding conditions as set out in the Policy and Funding

Commercial Activities

Revenue from commercial activities includes items such as car park income, provision of meals to external users, medical supplies shop, cafés and recoveries for salaries and wages is recognised when the goods or services have been provided.

Commercial activity revenue is recognised at a point in time, upon provision of the goods or service to the customer

Non-cash contributions from the Department of Health

The Department of Health makes some payments on behalf of health services 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 set out in the relevant Department of Health Hospital Circular.

PORTLAND DISTRICT HEALTH FINANCIAL STATEMENTS

Notes to the financial statements

For the Financial Year Ended 2021

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

	Consolidated 2021 \$'000	Consolidated 2020 \$'000
Voluntary services	146	344
Personal protective equipment under state supply	405	
Cash donations & gifts	0	6
Total Fair value of assets or services received free of charge or nominal consideration	551	350

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

Voluntary Services

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

Personal Protective Equipment

In order to meet the State of Victoria's health network supply needs during the COVID-19 pandemic, arrangements were put in place to centralise the purchasing of essential personal protective equipment and essential capital items such as ventilators.

The general principles of the State Supply Arrangement were that Health Purchasing Victoria sourced, secured and agreed terms for the purchase of the products, funded by the department, while Monash Health and the department took delivery, and distributed the products to health services as resources provided free of charge.

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

PORTLAND DISTRICT HEALTH FINANCIAL STATEMENTS

Notes to the financial statements

For the Financial Year Ended 2021

2.3 Other income

	Consolidated 2021 \$'000	Consolidated 2020 \$'000
Capital interest	28	28
Rental income	321	387
Total	349	415

Interest Income

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

Rental and lease income

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease.

All incentives for the agreement of a new or renewed operating lease are recognised as an integral part of the net consideration agreed for the use of the leased asset, irrespective of the incentive's nature or form or the timing of payments.

In the event that lease incentives are given to the lessee, the aggregate cost of incentives is recognised as a reduction of rental income over the lease term, on a straight-line basis unless another systematic basis is more appropriate of the time pattern over which the economic benefit of the leased asset is diminished.

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

	Consolidated 2021 \$'000	Consolidated 2020 \$'000
Not longer than one year	321	211
Longer than 1 year but not longer than 5 years	334	844
Total	655	1055

PORTLAND DISTRICT HEALTH FINANCIAL STATEMENTS

Notes to the financial statements

For the Financial Year Ended 2021

NOTE 3: THE COST OF DELIVERING SERVICES

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

Structure

3.1 Expenses from Transactions

3.2 Employee benefits in the Balance Sheet

3.3 Superannuation

3.4 Other Economic Flows

Telling the COVID 19 story

As indicated at Note 1 Portland District Health's daily activities were impacted by the pandemic. This resulted in direct and indirect costs being incurred, a large proportion of which was increased employee costs.

Additional costs were incurred to deliver the following additional services:

- Establish facilities within Portland District Health for the treatment of suspected and admitted COVID patients resulting in an increase in employee costs and additional equipment costs.
- Implement COVID safe practices throughout Portland District Health including increased cleaning, increased security, consumption of personal protective equipment provided as resources free of charge.
- Assist with COVID-19 case management, contact tracing and outbreak management contributing to an increase in employment costs and additional consumable costs.
- Establish vaccination clinics to administer vaccines to staff and the community resulting in an increase in employee costs, additional equipment purchases and increased consumables cost.

Key judgements and estimates

Key judgements and estimates	Description
Measuring and classifying employee benefit liabilities	<p>Portland District Health applies significant judgment when measuring and classifying its employee benefit liabilities.</p> <p>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.</p> <p>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.</p> <p>The health service also applies judgement to determine when it expects its employee entitlements to be paid. With reference to historical data, if the health service does not expect entitlements to be paid within 12 months, the entitlement is measured at its present value. All other entitlements are measured at their nominal value.</p>

PORTLAND DISTRICT HEALTH FINANCIAL STATEMENTS

Notes to the financial statements

For the Financial Year Ended 2021

3.1 Expenses from Transactions

	Consolidated 2021 \$'000	Consolidated 2020 \$'000
Salaries and Wages	30,710	28,747
On-costs	6,703	6,170
Agency Expenses	4,507	4,903
Fee for Service Medical Officer Expenses	858	758
Workcover Premium	300	232
Total Employee Expenses	43,079	40,811
Drug Supplies	2,349	1,766
Medical and Surgical Supplies (including Prostheses)	2,304	1,667
Diagnostic and Radiology Supplies	1,680	1,207
Other Supplies and Consumables	1,209	1,360
Total Supplies and Consumables	7,542	6,000
Finance Costs	24	8
Total Finance Costs	24	8
Other Administrative expenses	4,411	3,965
Total other Administrative Expenses	4,411	3,965
Fuel, Light, Power and Water	402	515
Repairs and Maintenance	556	382
Maintenance Contracts	548	603
Medical Indemnity Insurance	416	383
Other Expenses	126	122
Total Other Operating Expenses	2,049	2,002
Depreciation and Amortisation (refer note 4.2)	3,943	3,904
Total Depreciation and Amortisation	3,943	3,904
Total Expenses from Transactions	61,048	56,690

PORTLAND DISTRICT HEALTH FINANCIAL STATEMENTS

Notes to the financial statements

For the Financial Year Ended 2021

3.1 Expenses from Transactions (cont)

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.

Supplies and consumables

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

Finance costs

Finance costs include:

- interest on bank overdrafts and short-term and long-term borrowings (Interest expense is recognised in the period in which it is incurred);
- amortisation of discounts or premiums relating to borrowings;
- amortisation of ancillary costs incurred in connection with the arrangement of borrowings; and
- finance charges in respect of finance leases which are recognised in accordance with AASB 117 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 Department of Health and Human Services also makes certain payments on behalf of Portland District Health. These amounts have been brought to account as grants in determining the operating result for the year by recording them as revenue and also recording the related expense.

Non-operating expenses

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

PORTLAND DISTRICT HEALTH FINANCIAL STATEMENTS

Notes to the financial statements

For the Financial Year Ended 2021

3.2 Employee Benefits in the Balance Sheet

	Consolidated 2021 \$'000	Consolidated 2020 \$'000
Current Provisions		
Annual leave		
- Unconditional and expected to be settled wholly within 12 months ⁽ⁱ⁾	2,469	2,373
- Unconditional and expected to be settled wholly after 12 months ⁽ⁱⁱ⁾	428	93
Long service leave		
- Unconditional and expected to be settled wholly within 12 months ⁽ⁱ⁾	321	288
- Unconditional and expected to be settled wholly after 12 months ⁽ⁱⁱ⁾	2,838	2,625
Accrued Days Off		
- Unconditional and expected to be settled within 12 months ⁽ⁱ⁾	87	85
Provisions related to Employee Benefit On-Costs		
- Unconditional and expected to be settled wholly within 12 months ⁽ⁱ⁾	741	585
- Unconditional and expected to be settled wholly after 12 months ⁽ⁱⁱ⁾	343	299
Total Current Provisions	7,226	6,348
Non-Current Provisions		
Conditional Long Service Leave Entitlements (ii)	1,670	1,629
Provisions related to Employee Benefit On-Costs	173	160
Total Non-Current Provisions	1,843	1,789
Total Provisions	9,070	8,137

Notes:

(i) The amounts disclosed are nominal amounts

(ii) The amounts disclosed are discounted to present values

How we recognise employee benefits

Employee Benefit Recognition

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

Provisions

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

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

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 salaries and wages and annual leave 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 settle within 12 months.

PORTLAND DISTRICT HEALTH FINANCIAL STATEMENTS

Notes to the financial statements

For the Financial Year Ended 2021

3.2 Employee Benefits in the Balance Sheet (cont)

Long Service Leave

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

Unconditional LSL is disclosed in the notes to the financial statements as a current liability even where 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

The components of this current LSL liability are measured at:

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

Conditional LSL is disclosed as a non-current liability. Any gain or loss followed 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 bond interest rates for which it is then recognised as other economic flow.

Termination Benefits

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

Employee benefit on-costs

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

3.2(a) Employee Benefits and Related On-Costs

	Consolidated 2021 \$'000	Consolidated 2020 \$'000
Current Employee Benefits and related on-costs		
Unconditional LSL Entitlement	3,546	3,397
Annual Leave Entitlements	3,536	2,758
Accrued Days Off	87	85
SWARH employment benefits	102	98
Non-Current Employee Benefits and related on-costs		
Conditional Long Service Leave Entitlements ⁽ⁱⁱ⁾	1,779	1,780
SWARH employment benefits	20	19
Total Employee Benefits and Related On-Costs	9,070	8,137
Balance at start of year	8,137	7,281
Provision made during the year	3,279	3,312
Settlement made during the year	(2,346)	(2,456)
Balance at end of year	9,070	8,137

PORTLAND DISTRICT HEALTH FINANCIAL STATEMENTS

Notes to the financial statements

For the Financial Year Ended 2021

3.3 Superannuation

The name, details and amounts expense in relation to the major employee superannuation funds and contributions made by the Health Services are as follows:

	Paid Contribution for the Year		Contribution Outstanding at Year End	
	Consolidated	Consolidated	Consolidated	Consolidated
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Defined benefit plans (i):				
- First State Super	23	22	2	2
Defined contribution plans:				
- First State Super	1,748	1,680	187	187
- Hesta	867	834	93	93
- Other	268	255	23	23
Total	2,905	2,791	306	305

(i) The bases 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 contribution superannuation plans

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

Defined benefit superannuation plans

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 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 entity 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 Department of Treasury & Finance 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 FINANCIAL STATEMENTS

Notes to the financial statements

For the Financial Year Ended 2021

3.4 Other Economic Flows

	Consolidated 2021 \$'000	Consolidated 2020 \$'000
Revaluation of Investment property	326	(520)
Net gain/(loss) on disposal of property plant and equipment	59	18
Total net gain/(loss) on non-financial assets	385	(502)
Share of net profits/(losses) of associates, excluding dividends	-	1
Total Share of other economic flows from joint arrangements	-	1
Net gain/(loss) arising from revaluation of long service liability	188	(9)
Total other gains/(losses) from other economic flows	188	(9)
Allowance for impairment loss of contractual receivables	28	(61)
Total other gains/(losses) on financial instruments at fair value	28	(61)
Total other gains/(losses) from economic flows	600	(571)

How we recognise other economic flows

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

- the revaluation of the present value of the long service leave liability due to changes in the bond interest rates; and
- reclassified amounts relating to available-for-sale financial instruments from the reserves to net result 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.

Net gain/ (loss) on non-financial assets

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

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

Net gain/ (loss) on financial instruments

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

- realised and unrealised gains and losses from revaluations of financial instruments at fair value;
- impairment and reversal of impairment for financial instruments at amortised cost refer to Note 7.1 Investments and other financial assets; and
- disposals of financial assets and derecognition of financial liabilities.

PORTLAND DISTRICT HEALTH FINANCIAL STATEMENTS

Notes to the financial statements

For the Financial Year Ended 2021

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 the hospital to be utilised for delivery of those outputs.

Structure

4.1 Property, plant and equipment

4.2 Depreciation and amortisation

4.3 Investment properties

Telling the COVID 19 story

The measurement of assets used to support delivery of our services were not materially impacted by the COVID 19 coronavirus pandemic.

Key judgements and estimates

This section contains the following key judgements and estimates:

Key judgements and estimates	Description
Measuring fair value of property, plant and equipment and investment properties	Portland District Health obtains independent valuations for its non-current assets at least once every five years. If an independent valuation has not been undertaken at balance date, the health service estimates possible changes in fair value since the date of the last independent valuation with reference to Valuer-General of Victoria indices. Managerial adjustments are recorded if the assessment concludes a material change in fair value has occurred. Where exceptionally large movements are identified, an interim independent valuation is undertaken.
Estimating useful life and residual value of property, plant and equipment	Portland District Health assigns an estimated useful life to each item of property, plant and equipment, whilst also estimating the residual value of the asset, if any, at the end of the useful life. This is used to calculate depreciation of the asset. The health service reviews the useful life, residual value and depreciation rates of all assets at the end of each financial year and where necessary, records a change in accounting estimate.
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 significant judgement to determine whether or not it is reasonably certain to exercise such purchase options.
Estimating restoration costs at the end of a lease	Where a lease agreement requires Portland District Health to restore a right-of-use asset to its original condition at the end of a lease, the health service estimates the present value of such restoration costs. This cost is included in the measurement of the right-of-use asset, which is depreciated over the relevant lease term.
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: <ul style="list-style-type: none"> • If an asset's value has declined more than expected based on normal use • If a significant change in technological, market, economic or legal environment which adversely 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 significant judgement and estimate to determine the recoverable amount of the asset.

PORTLAND DISTRICT HEALTH FINANCIAL STATEMENTS

Notes to the financial statements

For the Financial Year Ended 2021

4.1 Property, Plant and Equipment

4.1 (a) gross carrying amount and accumulated depreciation

	Consolidated 2021 \$'000	Consolidated 2020 \$'000
Land		
Land Improvements at Fair Value	761	732
Less Acc'd Depreciation	(63)	
Land at Fair Value	3,127	2,500
Total Land	3,825	3,232
Buildings		
Buildings Under Construction at Cost	23	95
Buildings at Fair Value	56,815	56,836
Less Acc'd Depreciation	(5,908)	(2,955)
Total Buildings	50,929	53,976
Plant and Equipment		
Plant and Equipment at Fair Value	6,858	6,392
Less Acc'd Depreciation	(5,094)	(4,970)
Total Plant and Equipment	1,764	1,422
Medical Equipment		
Medical Equipment at Fair Value	8,205	7,995
Less Acc'd Depreciation	(5,404)	(5,534)
Total Medical Equipment	2,801	2,461
Computers and Communication		
Computers and Communication at Fair Value	485	412
Less Acc'd Depreciation	(363)	(323)
Total Computers and Communication	122	89
Furniture and Fittings		
Furniture and Fittings at Fair Value	744	653
Less Acc'd Depreciation	(465)	(424)
Total Furniture and Fittings	279	229
Motor Vehicles		
Motor Vehicles at Fair Value	198	322
Less Acc'd Depreciation	(169)	(272)
Total Motor Vehicles	29	50
Right of use Assets		
Motor Vehicles	350	318
Less Acc'd Amortisation	(144)	(84)
Total Right of use Assets	206	234
TOTAL property plant and equipment	59,956	61,693

PORTLAND DISTRICT HEALTH FINANCIAL STATEMENTS

Notes to the financial statements

For the Financial Year Ended 2021

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

	Land \$'000	Buildings \$'000	Plant & Equip \$'000	Medical Equipment \$'000	Computers /Comm \$'000	Furniture/ Fittings \$'000	Motor Vehicles \$'000	Right of Use - Motor Vehicles \$'000	Total Consolidated \$'000
Balance at 1 July 2019	2,995	57,176	945	2,434	112	166	75	209	64,112
Additions	0	94	633	554	27	98		67	1,473
Disposals	0	0	0	0	0	0	0	0	0
Net Transfers between Classes	237	(340)	103	0	0	0	0	0	0
Depreciation (Note 4.2)	0	(2,954)	(259)	(527)	(50)	(35)	(25)	(42)	(3,892)
Balance at 30 June 2020	3,232	53,976	1,422	2,461	89	229	50	234	61,693
Additions	35	2	484	781	111	89	0	143	1,645
Disposals	0	0	(13)	(14)	(41)	0	0	0	(68)
Revaluation Increments/ (decrements)	627	0	0	0	0	0	0	0	627
Net Transfers between Classes	(6)	(95)	0	101	0	0	0	0	0
Depreciation (Note 4.2)	(63)	(2,954)	(129)	(528)	(37)	(39)	(21)	(171)	(3,941)
Balance at 30 June 2021	3,825	50,929	1,764	2,801	122	279	29	206	59,956

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

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

The cost of a leasehold improvement is capitalised as an asset and depreciated over the shorter of the remaining term of the lease or the estimated useful life of the improvements.

Subsequent measurement

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

PORTLAND DISTRICT HEALTH FINANCIAL STATEMENTS

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

Further information regarding fair value measurement is disclosed below.

Revaluation

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

Where an independent valuation has not been undertaken at balance date, 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 2019. The valuation, which complies with Australian Valuation Standards, was determined by reference to the amount for which assets could be exchanged between knowledgeable willing parties in an arm's length transaction. The managerial assessment performed at 30 June 2021 indicated an overall:

- 21% increase in fair value of land (\$627,000)
- 6% increase in fair value of buildings.

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

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

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

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

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

Impairment

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

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

PORTLAND DISTRICT HEALTH FINANCIAL STATEMENTS

Notes to the financial statements

For the Financial Year Ended 2021

How we recognise right-of-use assets

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

Unless the lease is considered a short-term lease or a lease of a low-value asset (refer to Note 6.1 for further information), the contract gives rise to a right-of-use asset and corresponding lease liability. 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.

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

Class of right-of-use asset	Lease term
Leased plant, equipment, furniture, fittings and vehicles	3 to 5 years

Presentation of right-of-use assets

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

Initial recognition

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

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

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

Portland District Health's Motor Vehicle lease agreements contain purchase options which the health service is not reasonably certain to exercise at the completion of the lease.

Portland District Health holds lease agreements which contain significantly below-market terms and conditions, which are principally to enable the health service to further its objectives. The health service has applied temporary relief and continues to measure those right-of-use asset at cost. Refer to Note 6.1 for further information regarding the nature and terms of the concessional lease, and XYZ Health Service's dependency on such lease arrangements.

Subsequent measurement

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

Impairment

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

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

PORTLAND DISTRICT HEALTH FINANCIAL STATEMENTS

Notes to the financial statements

For the Financial Year Ended 2021

4.1(c) Fair value measurement hierarchy for assets

Balance at 30 June 2021	Consolidated Carrying Amount	Fair value measurement at end of reporting period using:		
		Level 1 ⁽ⁱ⁾	Level 2 ⁽ⁱ⁾	Level 3 ⁽ⁱ⁾
Land at Fair Value				
Land Improvements	698			698
Specialised land	3,127			3,127
Total of land at fair value	3,825	-	-	3,825
Buildings at Fair Value				
Specialised buildings	50,929			50,929
Total of building at fair value	50,929	-	-	50,929
Plant and Equipment at Fair Value				
Plant Equipment and Vehicles at Fair Value				
- Plant and equipment	1,764			1,764
- Medical equipment	2,801			2,801
- Computers and Communication	122			122
- Furniture and Fittings	279			279
- Motor Vehicles	29		29	
Total of plant and equipment at fair value	4,996	-	29	4,966
	59,750	-	29	59,721

Balance at 30 June 2020	Consolidated Carrying Amount	Fair value measurement at end of reporting period using:		
		Level 1 ⁽ⁱ⁾	Level 2 ⁽ⁱ⁾	Level 3 ⁽ⁱ⁾
Land at fair value				
Land Improvements	732			732
Specialised land	2,500			2,500
Total of land at fair value	3,232			3,232
Buildings at fair value				
Specialised buildings	53,881			53,881
Total of building at fair value	53,881			53,881
Plant and Equipment at Fair Value				
Plant Equipment and Vehicles at Fair Value				
- Plant and equipment	1,422			1,422
- Medical equipment	2,461			2,461
- Computers and Communication	89			89
- Furniture and Fittings	229			229
- Motor Vehicles	50		50	
Total of Plant Equipment and Vehicles at Fair Value	4,251		50	4,201
	61,364		50	61,314

PORTLAND DISTRICT HEALTH FINANCIAL STATEMENTS

Notes to the financial statements

For the Financial Year Ended 2021

4.1(d) Reconciliation of Level 3 Fair Value measurement

Consolidated 30 June 2021	Land \$'000	Buildings \$'000	Plant & Equip \$'000	Medical Equip \$'000	Computers /Comm \$'000	Furniture /Fittings \$'000	Total \$'000
Opening Balance	3,232	53,881	1,422	2,461	89	229	61,314
Additions/(Disposals)	29	2	(13)	868	70	89	1,045
Revaluation increments/(decrements)	627	0	0	0	0	0	627
Gains or losses recognised in net result	0	0	0	0	0	0	0
(Depreciation)	(63)	(2,954)	(129)	(528)	(37)	(39)	(3,750)
Closing Balance	3,825	50,929	1,280	2,801	122	279	59,236

Consolidated 30 June 2020	Land \$'000	Buildings \$'000	Plant & Equip \$'000	Medical Equip \$'000	Computers /Comm \$'000	Furniture /Fittings \$'000	Total \$'000
Opening Balance	2,995	56,815	945	2,434	112	166	63,468
Additions/(Disposals)	237	21	736	554	27	98	1,672
Revaluation increments/(decrements)	0	0	0	0	0	0	0
Gains or losses recognised in net result	0	0	0	0	0	0	0
(Depreciation)		(2,955)	(259)	(527)	(50)	(35)	(3,826)
Closing Balance	3,232	53,881	1,422	2,461	89	229	61,314

PORTLAND DISTRICT HEALTH FINANCIAL STATEMENTS

Notes to the financial statements

For the Financial Year Ended 2021

Note 4.1 Property, plant & equipment (cont)

(e) Fair Value Determination

Asset class	Likely valuation approach	Significant inputs (Level 3 only) ^(c)
Non-specialised land	Market approach	N.a.
Specialised Land (Crown / Freehold)	Market approach	Community Service Obligations Adjustments ^(c)
Non-specialised buildings	Market approach	N.a.
Specialised buildings ^(a)	Current replacement cost	- Cost per square metre - Useful life
Vehicles	Market approach	N.a.
Plant and equipment ^(a)	Depreciated replacement cost approach	- Cost per unit - Useful life
Medical Equipment	Depreciated replacement cost approach	- Cost per unit - Useful life

Notes:

(c) CSO adjustment of 20% was applied to reduce the market approach value for Portland District Health specialised land.

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

How we measure fair value

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

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

In addition, 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.

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

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

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 FINANCIAL STATEMENTS

Notes to the financial statements

For the Financial Year Ended 2021

Note 4.1 Property, plant & equipment (cont)

Identifying unobservable inputs (level 3) fair value measurements

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

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

Consideration of highest and best use (HBU) for non-financial physical assets

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

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

Theoretical opportunities that may be available in relation to the asset(s) 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 uses.

Non-specialised land, non-specialised buildings and cultural assets

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

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

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.

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Note 4.1 Property, plant & equipment (cont)

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

For 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 2019.

Vehicles

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 2021.

PORTLAND DISTRICT HEALTH FINANCIAL STATEMENTS

Notes to the financial statements

For the Financial Year Ended 2021

4.1(f) Property, Plant and Equipment Revaluation Surplus

	Consolidated 2021 \$'000	Consolidated 2020 \$'000
Property, Plant and Equipment Revaluation Surplus		
Balance at the beginning of the reporting period	50,729	50,729
Revaluation Increment		
- Land	627	
- Buildings		
Balance at the end of the reporting period	51,356	50,729
* Represented by:		
- Land	3,032	2,405
- Buildings	48,324	48,324
	51,356	50,729

PORTLAND DISTRICT HEALTH FINANCIAL STATEMENTS

Notes to the financial statements

For the Financial Year Ended 2021

4.2 Depreciation and amortisation

	Consolidated 2021 \$'000	Consolidated 2020 \$'000
Depreciation and amortisation		
Land	63	0
Buildings	2,954	2,955
Plant & Equipment	129	259
Medical Equipment	528	527
Computers & Communication	37	50
Motor Vehicles	21	67
Furniture & Fittings	39	35
Leased Assets (low value and short term)	171	12
Total Depreciation	3,943	3,904

How we recognise depreciation

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

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

How we recognise amortisation

Amortisation is the systematic allocation of the depreciable amount of an asset over its useful life.

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

	2021	2020
Buildings		
- Structure Shell Building Fabric	45 to 60 years	45 to 60 years
- Site Engineering Services and Central Plant	20 to 30 years	20 to 30 years
Central Plant		
- Fit Out	20 to 30 years	20 to 30 years
- Trunk Reticulated Building systems	30 to 40 years	30 to 40 years
Plant and Equipment	3 to 7 years	3 to 7 years
Medical Equipment	7 to 10 years	7 to 10 years
Computers and Communication	3 to 9 years	3 to 9 years
Furniture and Fittings	10 to 13 years	10 to 13 years
Motor Vehicles	10 years	10 years
Leasehold Improvements	2 to 10 years	2 to 10 years
Intangible Assets	3 to 4 years	3 to 4 years

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

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Notes to the financial statements

For the Financial Year Ended 2021

4.3 Investment Properties

4.3(a) Movements in carrying value for investment properties as at 30 June 2021

	Consolidated 2021 \$'000	Consolidated 2020 \$'000
Balance at Beginning of Period	2,640	3,120
Additions	-	40
Net Gain/(loss) from Fair Value Adjustments	326	(520)
Balance at End of Period	2,966	2,640

4.3(b) Fair value measurement hierarchy for investment properties

	Carrying amount as at 30 June 2021	Fair value measurement at end of reporting period using:		
		Level 1 ⁽ⁱ⁾	Level 2 ⁽ⁱ⁾	Level 3 ⁽ⁱ⁾
Investment properties	2,966		2,966	
	2,966	-	2,966	-

	Carrying amount as at 30 June 2020	Fair value measurement at end of reporting period using:		
		Level 1 ⁽ⁱ⁾	Level 2 ⁽ⁱ⁾	Level 3 ⁽ⁱ⁾
Investment properties	2,640		2,640	
	2,640	-	2,640	-

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

Subsequent to initial recognition at cost, investment properties are revalued to 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 2021 have been arrived on the basis of an independent valuation carried out by VRC Property who are very experienced in this sector. The valuation was determined with reference to market evidence of properties including location, condition and lease terms.

Rental revenue from leasing of investment properties is recognised in the comprehensive operating statement in the periods in which it is receivable on a straight line basis over the lease term.

There have been no transfers between levels during the period. There were no changes in valuation techniques throughout the period to 30 June 2021.

PORTLAND DISTRICT HEALTH FINANCIAL STATEMENTS

Notes to the financial statements

For the Financial Year Ended 2021

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 and contract assets

5.2 Payables and contract liabilities

5.3 Other Liabilities

Telling the COVID 19 story

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

Key judgements and estimates

This section contains the following key judgements and estimates:

Key judgements and estimates	Description
Estimating 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 significant 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: <ul style="list-style-type: none"> • 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 significantly 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 significant 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 significant judgement to measure its progress towards satisfying a performance obligation as detailed in Note 2. Where a performance obligation is yet to be satisfied, the health service assigns funds to the outstanding obligation and records this as a contract liability until the promised good or service is transferred to the customer.
Recognition of other provisions	Other provisions include Portland District Health’s obligation to restore leased assets to their original condition at the end of a lease term. The health service applies significant judgement and estimate to determine the present value of such restoration costs.

PORTLAND DISTRICT HEALTH FINANCIAL STATEMENTS

Notes to the financial statements

For the Financial Year Ended 2021

5.1 Receivables and contract assets

	Consolidated 2021 \$'000	Consolidated 2020 \$'000
CURRENT		
Contractual		
Trade Debtors	655	638
Patient Fees	383	515
Accrued Revenue - Other	67	55
Amounts receivable from government	35	142
<i>Less</i> Allowance for impairment losses of contractual receivables		
Trade Debtors	(40)	(31)
Patient Fees	(61)	(100)
	1,039	1,219
Statutory		
GST Receivable	118	144
	118	144
TOTAL CURRENT RECEIVABLES	1,157	1,363
NON CURRENT		
Amounts receivable from government	29	142
TOTAL NON CURRENT RECEIVABLES	29	142
TOTAL RECEIVABLES	1,186	1,505

(i) Financial Assets classified as receivables and contract assets (Note 7.1 (a))

Total receivables and contract assets	1,186	1,505
Provision for impairment	101	131
GST Receivable	(118)	(144)
Total Financial Assets	1,169	1,492

5.1a Movement in the Allowance for impairment losses of contractual receivables

	Consolidated 2021 \$'000	Consolidated 2020 \$'000
Balance at beginning of year	131	70
Increase/(decrease) in allowance recognised in net result	(30)	61
Balance at end of year	101	131

PORTLAND DISTRICT HEALTH FINANCIAL STATEMENTS

Notes to the financial statements

For the Financial Year Ended 2021

5.1 Receivables and contract assets cont.

How we recognise receivables

Receivables consist of:

- Contractual receivables, which consists of debtors in relation to goods and services and accrued investment income. These receivables are classified as financial instruments and categorised as 'financial assets at amortised costs'. They are initially recognised at fair value plus any directly attributable transaction costs. Portland District Health holds the contractual receivables with the objective to collect the contractual cash flows and therefore subsequently measured at amortised cost using the effective interest method, less any impairment.
- Statutory receivables, which predominantly includes amounts owing from the Victorian Government and Goods and Services Tax (GST) input tax credits 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. Portland District Health 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 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.

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

Impairment losses of contractual receivables

Refer to Note 7.1 (c) Contractual receivables at amortised costs for Portland District Health's contractual impairment losses.

PORTLAND DISTRICT HEALTH FINANCIAL STATEMENTS

Notes to the financial statements

For the Financial Year Ended 30 June 2021

5.2 Payables and contract liabilities

	Note	Consolidated 2021 \$'000	Consolidated 2020 \$'000
CURRENT			
Contractual			
Trade Creditors ⁽ⁱ⁾		1,048	1,872
Accrued Salary & Wages		841	471
Contract liabilities	5.2(a)	1,132	299
Accrued Expenses		1,446	737
Total Current Contractual		4,467	3,379
TOTAL PAYABLES		4,467	3,379

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

Total payables and contract liabilities	4,467	3,379
Contract Liabilities	(1,132)	-
Total financial liabilities	3,335	3,379

How we recognise payables and contract liabilities

Payables consist of:

- contractual payables which comprise predominantly of accounts payable representing liabilities for goods and services provided to the health service prior to the end of the financial year that are unpaid. Contractual payables are classified as financial instruments and are initially recognised at fair value, and then subsequently carried at amortised cost.
- statutory payables, such as goods and services tax and fringe benefits tax payables. 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 Nett 30 days.

PORTLAND DISTRICT HEALTH FINANCIAL STATEMENTS

Notes to the financial statements

For the Financial Year Ended 2021

5.2 Payables (cont)

5.2(a) Contract Liabilities

	Consolidated 2021 \$'000	Consolidated 2020 \$'000
Opening balance of contract liabilities	299	-
Payments received for performance obligations not yet fulfilled	1,132	299
Revenue recognised for the completion of a performance obligation	(299)	-
Total Current contract liabilities	1,132	299
Total Contract Liabilities	1,132	299

How we recognise contract liabilities

Contract Liabilities includes income received from the Department of Health for 'Blitz' elective surgery that was not completed in 20/21.

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 7.1(b) for the maturity analysis of payables.

5.3 Other Liabilities

	Consolidated 2021 \$'000	Consolidated 2020 \$'000
CURRENT		
Monies Held in Trust		
- Patient Monies Held in Trust	58	32
- Accommodation Bonds (Refundable Entrance Fees)	2,911	2,157
Total Other Liabilities	2,969	2,189
Represented by the following assets:		
Cash Assets (refer to Note 6.2)	2,672	2,189
Receivable	297	
TOTAL	2,969	2,189

How we recognise Other Liabilities

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

RADs/accommodation bonds are non-interest-bearing deposits made by some aged care residents to the Group 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 FINANCIAL STATEMENTS

Notes to the financial statements

For the Financial Year Ended 2021

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 the hospital.

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

Structure

6.1 Borrowings

6.2 Cash and cash equivalents

6.3 Commitments for expenditure

Telling the COVID 19 story

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

Key judgements and estimates

This section contains the following key judgements and estimates:

Key judgements and estimates	Description
Determining if a contract is or contains a lease	Portland District Health applies significant judgement to determine if a contract is or contains a lease by considering if the health service: <ul style="list-style-type: none"> • has the right-to-use an identified asset • has the right to obtain substantially all economic benefits from the use of the leased asset • 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 significant judgement when determining if a lease meets the short-term or low value lease exemption criteria. The health service estimates the fair value of leased assets when new. Where the estimated fair value is less than \$10,000, the health service applies the low-value lease exemption. The health service also estimates the lease term with reference to remaining lease term and period that the lease remains enforceable. Where the enforceable lease period is less than 12 months the health service applies the short-term lease exemption.
Discount rate applied to future lease payments	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.
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: <ul style="list-style-type: none"> • If there are significant penalties to terminate (or not extend), the health service is typically reasonably certain to extend (or not terminate) the lease. • If any leasehold improvements are expected to have a significant remaining value, the health service is typically reasonably certain to extend (or not terminate) the lease. • The health service considers historical lease durations and the costs and business disruption to replace such leased assets.

PORTLAND DISTRICT HEALTH FINANCIAL STATEMENTS

Notes to the financial statements

For the Financial Year Ended 2021

6.1 Borrowings

	Consolidated 2021 \$'000	Consolidated 2020 \$'000
CURRENT		
DH Loan (ii)	73	1,873
Lease Liability ⁽ⁱ⁾	209	162
Total Current borrowings	282	2,035
NON CURRENT		
DH Loan (ii)	144	217
Lease Liability (ii)	198	203
Total Non-Current borrowings	342	420
Total Borrowings	625	2,455

(i) Secured by the assets leased. Finance leases are effectively secured as the rights to the leased assets revert to the lessor in the event of default.

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

How we recognise borrowing

Initial recognition

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

Subsequent recognition

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'.

For the purposes of the Cash Flow Statement, cash assets includes cash on hand and in banks, and short-term deposits which are readily convertible to cash on hand, and are subject to an insignificant risk of change in value, net of outstanding bank overdrafts.

(a) Maturity analysis of borrowings

Please refer to Note 7.1(b) for the maturity analysis of borrowings.

(b) Defaults and breaches

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

PORTLAND DISTRICT HEALTH FINANCIAL STATEMENTS

Notes to the financial statements

For the Financial Year Ended 2021

6.1 (a) Lease liabilities

Portland District Health's lease liabilities are summarised below:

	Consolidated 2021 \$'000	Consolidated 2020 \$'000
Total undiscounted lease liabilities	418	365
Less unexpired finance expenses	(11)	(9)
Net lease liabilities	407	356

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

	Consolidated 2021 \$'000	Consolidated 2020 \$'000
Not longer than one year	224	106
Longer than one year but not longer than five years	194	259
Minimum future lease liability	418	365
Less unexpired finance expenses	(11)	(9)
Present value of lease liability	407	356

*Represented by:

Current liabilities	209	162
Non current liabilities	198	203
	407	365

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 plant, equipment, furniture, fittings and vehicles	2 to 5 years

PORTLAND DISTRICT HEALTH FINANCIAL STATEMENTS

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For the Financial Year Ended 2021

6.1 (a) Lease liabilities (cont)

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 2.2%.

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.

These terms are used to maximise operational flexibility in terms of managing contracts. The majority of extension and termination options held are exercisable only by the health service and not by the respective lessor.

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).

The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the lessee.

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-substance fixed payments.

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

PORTLAND DISTRICT HEALTH FINANCIAL STATEMENTS

Notes to the financial statements

For the Financial Year Ended 2021

6.2 Cash and Cash Equivalents

	Consolidated 2021 \$'000	Consolidated 2020 \$'000
Cash on Hand (excluding monies held in trust)	11	8
Cash at Bank (excluding monies held in trust)	3,775	2,806
Cash at Bank – CBS (excluding monies held in trust)	224	780
Cash at Bank – CBS (monies held in trust)	2,672	2,189
Total Cash and Cash Equivalents	6,681	5,783
Represented by:		
Cash for Health Service Operations	3,407	3,095
Cash for Jointly Controlled Assets (Note 8.8)	603	499
Cash for Monies Held in Trust (Note 5.3)	2,672	2,189
Total Cash and Cash Equivalents	6,681	5,783

How we recognise cash and cash equivalents

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

For cash flow statement presentation purposes, cash and cash equivalents include bank overdrafts, which are included as liabilities on the balance sheet.

6.3 Commitments for Expenditure

	Consolidated 2021 \$'000	Consolidated 2020 \$'000
Capital expenditure commitments		
Less than 1 year	-	650
Longer than 1 year but not longer than 5 years	-	197
Total Commitments (inclusive of GST)	-	847
less GST recoverable from the Australian Tax Office	-	(77)
Total Commitments (exclusive of GST)	-	770

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

How we disclose our commitments

Commitments for future expenditure include operating and capital commitments arising from contracts. These commitments are disclosed by way of a note 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 individual 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 FINANCIAL STATEMENTS

Notes to the financial statements

For the Financial Year Ended 2021

NOTE 7: RISKS, CONTINGENCIES & 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 hospital is related mainly to fair value determination.

Structure

7.1 Financial instruments

7.2 Financial risk management objectives and policy

7.3 Contingent assets and contingent liabilities

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. Such financial assets and financial liabilities do not meet the definition of financial instruments in AASB 132 *Financial Instruments: Presentation*.

7.1(a) Categorisation of Financial Instruments

	Financial Assets at Amortised Cost \$'000	Financial Liabilities at Amortised Cost \$'000	Total \$'000
Consolidated 2021			
Contractual Financial Assets			
Cash and cash equivalents	6,681		6,681
Receivables and contract assets	1,169		1,169
Total Financial Assets ⁽ⁱ⁾	7,850	-	7,850
Financial Liabilities			
Payables		3,335	3,335
Borrowings		625	625
Other Financial Liabilities			
- Accommodation bonds		2,911	2,911
- Other		58	58
Total Financial Liabilities ⁽ⁱ⁾		6,929	6,929

PORTLAND DISTRICT HEALTH FINANCIAL STATEMENTS

Notes to the financial statements

For the Financial Year Ended 2021

7.1(a) Categorisation of Financial Instruments (cont)

Consolidated 2020	Financial Assets at Amortised Cost \$'000	Financial Liabilities at Amortised Cost \$'000	Total \$'000
Contractual Financial Assets			
Cash and cash equivalents	5,783		5,783
Receivables and contract assets	1,492		1,492
Total Financial Assets ⁽ⁱ⁾	7,275	-	7,275
Financial Liabilities			
Payables	-	3,080	3,080
Borrowings	-	2,455	2,455
Other Financial Liabilities	-		-
- Accommodation bonds	-	2,157	2,157
- Other	-	32	32
Total Financial Liabilities ⁽ⁱ⁾	-	7,724	7,724

(i) The carrying amount excludes statutory receivables (i.e. GST receivable) and statutory payables (i.e. Revenue in Advance and DHHS 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 costs if both of the following criteria are met and the assets are not designated as fair value through net result:

- the assets are held by Portland District Health to collect the contractual cash flows, and
- the assets' contractual terms give rise to cash flows that are solely payments of principal and interests.

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

Portland District Health recognises the following assets in this category:

- cash and deposits;
- receivables (excluding statutory receivables); and
- term deposits

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For the Financial Year Ended 2021

7.1(a) Categorisation of Financial Instruments (cont)

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.

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

PORTLAND DISTRICT HEALTH FINANCIAL STATEMENTS

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For the Financial Year Ended 2021

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.

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 2020-21.

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, impairment assessment includes the health service's contractual receivables and its investment in debt instruments.

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

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

PORTLAND DISTRICT HEALTH FINANCIAL STATEMENTS

Notes to the financial statements

For the Financial Year Ended 2021

Note 7.2: Financial risk management objectives and policies (cont)

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.

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

In prior years, a provision for doubtful debts is recognised when there is objective evidence that the debts may not be collected and bad debts are written off when identified. A provision is made for estimated irrecoverable amounts from the sale of goods when there is objective evidence that an individual receivable is impaired. Bad debts considered as written off by mutual consent.

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

	1-Jul-20	Less than	1-3	3 months	1-5	
	Current	1 month	months	-1 year	years	Total
Expected loss rate	0%	0%	0%	70%	100%	
Gross carrying amount of contractual receivables	1,037	173	124	127	31	1,492
Loss allowance	0	0	0	100	31	131

	30-Jun-21	Less than	1-3	3 months	1-5	
	Current	1 month	months	-1 year	years	Total
Expected loss rate	0%	0%	28%	77%	100%	
Gross carrying amount of contractual receivables	529	481	47	104	8	1,169
Loss allowance	0	0	13	80	8	101

Reconciliation of the movement in the loss allowance for contractual receivables

	2021	2020
Balance at beginning of the year	131	70
decrease in provision recognised in the net result	-39	61
Balance at end of the year	92	131

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 the result, the loss allowance recognised for these financial assets during the period was limited to 12 months expected losses.

PORTLAND DISTRICT HEALTH FINANCIAL STATEMENTS

Notes to the financial statements

For the Financial Year Ended 2021

Note 7.2: Financial risk management objectives and policies (cont)

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
- holding investments and other contractual financial assets that are readily tradeable in the financial markets and
- careful maturity planning of its financial obligations based on forecasts of future cash flows.

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

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

		Consolidated Carrying Amount \$'000	Consolidated Nominal Amount \$'000	Maturity Dates			
				Less than 1 Month \$'000	1-3 Months \$'000	3 months - 1 Year \$'000	1-5 Years \$'000
2021							
Financial Liabilities							
<i>At amortised cost</i>							
Payables	5.2	4,467	4,467	1,889	1,446	1,132	
Borrowings	6.1	625	625			209	415
Other Financial Liabilities (i)							
Accommodation Bonds	5.3	2,911	2,911			900	2,011
Other	5.3	58	58	58			
Total Financial Liabilities		8,061	8,061	1,947	1,446	2,242	2,426
2020							
Financial Liabilities							
<i>At amortised cost</i>							
Payables	5.2	3,379	3,379	3,379	-	-	
Borrowings	6.1	2,455	2,455			2,035	420
Other Financial Liabilities (i)							
Accommodation Bonds	5.3	2,157	2,157				2,157
Other	5.3	32	32	32			
Total Financial Liabilities		8,023	8,023	3,411	-	2,035	2,577

(i) Maturity of accommodation bonds is based on historical redemption rates.

PORTLAND DISTRICT HEALTH FINANCIAL STATEMENTS

Notes to the financial statements

For the Financial Year Ended 2021

Note 7.2 (c): Market risk

Portland District Health's exposures to market risk are primarily through interest rate 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.

PORTLAND DISTRICT HEALTH FINANCIAL STATEMENTS

Notes to the financial statements

For the Financial Year Ended 2021

Note 7.3 Contingent Assets and Contingent Liabilities

As at balance date, the Board of Directors are unaware of the existence of a contingent asset that may have a material effect on the balance sheet (2020 \$0).

How we measure and disclose contingent assets and contingent liabilities

Contingent assets and contingent liabilities are not recognised in the balance sheet but are disclosed and, if quantifiable, are measured at nominal value.

Contingent assets and liabilities are presented inclusive of GST receivable or payable respectively.

Contingent assets

Contingent assets are possible assets that arise from past events, whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the health service.

These are classified as either quantifiable, where the potential economic benefit is known, or non-quantifiable.

Contingent liabilities

Contingent liabilities are:

- possible obligations that arise from past events, whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the health service or
- present obligations that arise from past events but are not recognised because:
 - It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligations or
 - the amount of the obligations cannot be measured with sufficient reliability.

Contingent liabilities are also classified as either quantifiable or non-quantifiable.

PORTLAND DISTRICT HEALTH FINANCIAL STATEMENTS

Notes to the financial statements

For the Financial Year Ended 2021

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 results 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 Controlled Entities
- 8.8 Jointly Controlled Operations
- 8.9 Investments accounted for using the Equity Method
- 8.10 Equity
- 8.11 Economic dependency

Telling the COVID 19 story

Our other disclosures were not materially impacted by the COVID-19 Coronavirus pandemic and its impact on our economy and the health of our community.

8.1 Reconciliation of Net Result for the Year to Net Cash from Operating Activities

	Consolidated 2021 \$'000	Consolidated 2020 \$'000
Net result for the period	(2,747)	(3,127)
Non-cash movements:		
Depreciation and amortisation	3,943	3,904
Allowance for impairment losses of contractual receivables	(28)	61
(Gain)/loss on revaluation of investment property	(326)	520
(Gain)/loss on disposal of non financial assets	(59)	(18)
Movements included in investing and financing activities		
Operating (Profit)/Loss from Joint Ventures	7	(1)
Capital Donations	(58)	(34)
Movements in assets and liabilities:		
Change in operating assets and liabilities		
(Increase)/decrease in receivables	539	(67)
(Increase)/decrease in prepayments and other assets	447	166
(Increase)/decrease in inventories	9	1
Increase/(decrease) in payables	1,050	(651)
Increase/(decrease) in provisions	800	813
Increase/(decrease) in other liabilities	25	13
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	3,601	1,580

PORTLAND DISTRICT HEALTH FINANCIAL STATEMENTS

Notes to the financial statements

For the Financial Year Ended 2021

8.2 Responsible Persons disclosure

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.

Responsible Ministers	Period	
The Honourable Jenny Mikakos:		
Minister for Health	1/07/2020	26/09/2020
Minister for Ambulance Services	1/07/2020	26/09/2020
Minister for the coordination of Health and Human Services COVID-19	1/07/2020	26/09/2020
The Honourable Martin Foley:		
Minister for Health	26/09/2020	30/06/2021
Minister for Ambulance Services	26/09/2020	30/06/2021
Minister for Mental Health	1/07/2020	29/09/2021
Minister for the coordination of Health and Human Services COVID-19	26/09/2020	9/11/2020
The Honourable James Merlino:		
Minister for Mental Health	29/09/2020	30/06/2021
The Honourable Luke Donnellan:		
Minister for Disability, Ageing and Carers	1/07/2020	30/06/2021
Minister for Child Protection	1/07/2020	30/06/2021
Governing Boards		
Dr A Levings	1/07/2020	30/06/2021
Ms A Rank	1/07/2020	29/06/2021
Prof M Bailey	1/07/2020	30/06/2021
Prof L Fuller	1/07/2020	29/06/2021
Dr A Miller	1/07/2020	30/06/2021
Mr B Brown	1/07/2020	7/10/2020
Mr A Campbell	1/07/2020	30/06/2021
Ms S Burgoyne	1/07/2020	30/09/2020
Prof M Bartos	1/07/2020	30/06/2021
Accountable Officers		
Ms C Giles	1/07/2020	30/06/2021

Remuneration of Responsible Officers

The number of responsible persons and their relevant income bands

Income Band	Consolidated	
	2021 No.	2020 No.
\$0 - \$9,999	8	9
\$10,000 - \$19,999	1	0
\$240,000 - \$249,999	0	1
\$250,000 - \$259,999	1	0
Total Numbers	10	10

	2021 \$'000	2020 \$'000
Total remuneration received or due and receivable by Responsible Persons from the reporting entity amounted to:	292	275

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

PORTLAND DISTRICT HEALTH FINANCIAL STATEMENTS

Notes to the financial statements

For the Financial Year Ended 2021

8.3 Remuneration of Executives

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

Remuneration of executive officers	Consolidated	
	2021 \$'000	2020 \$'000
Short-term benefits	842	776
Post-employment benefits	63	63
Other long-term benefits	22	24
Total remuneration (i)	927	863
Total number of executives	4	4
Total annualised employee equivalent (AEE)*	4	4

(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.

*Annualised employee equivalent is based on the time fraction worked during the reporting period. This is calculated as the total number of days the employee is engaged to work during the week by the total number of full-time working days per week.

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.

Post-employment Benefits

Pensions and other retirement benefits 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.

8.4 Related Parties

Portland District Health is a wholly owned and controlled entity of the State of Victoria. Related parties of the hospital include:

- All key management personnel (KMP) and their close family members;
- Cabinet ministers and their close family members;
- Controlled Entities – Active Health Portland Limited;
- Jointly Controlled Operation - A member of the South West Alliance of Rural Health; and
- All hospitals and public sector entities that are controlled and consolidated into the State of Victoria financial statements.

PORTLAND DISTRICT HEALTH FINANCIAL STATEMENTS

Notes to the financial statements

For the Financial Year Ended 2021

8.4 Related Parties (cont)

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, Accountable Officer and the Executive Officers of Portland District Health and its controlled entity are deemed to be KMPs. This includes the following:

	KMPs	Position Title
Portland District Health	Dr A Levings	Chair of the Board
Portland District Health	Prof M Bailey	Board Member
Portland District Health	Dr A Miller	Board Member
Portland District Health	Mr A Campbell	Board Member
Portland District Health	Prof M Bartos	Board Member
Portland District Health	Ms A Rank	Board Member
Portland District Health	Prof L Fuller	Board Member
Portland District Health	Mr B Brown	Board Member
Portland District Health	Ms S Burgoyne	Board Member
Portland District Health	Ms C Giles	Chief Executive Officer
Portland District Health	Ms K Prevett	Executive Director Corporate Services
Portland District Health	Dr K Banerjea	Executive Director Clinical Services Medical
Portland District Health	Ms R Alexander	Executive Director Clinical Services Nursing
Portland District Health	Ms M Cadenhead	Executive Director Primary Care Services
Active Health Portland	Ms A Rank	Board member
Active Health Portland	Mr M Noske	Chair of Board
Active Health Portland	Mr D Ford	Board member
Active Health Portland	Ms M Robertson	Board member
Active Health Portland	Ms T Amos	Board member

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.

Compensation - KMP	Consolidated	
	2021 \$'000	2020 \$'000
Short-term benefits (i)	1,106	1,024
Post-employment benefits	85	84
Other long-term benefits	28	30
Total remuneration (ii)	1,219	1,138

(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.

PORTLAND DISTRICT HEALTH FINANCIAL STATEMENTS

Notes to the financial statements

For the Financial Year Ended 2021

8.4 Related Parties (cont)

Significant transactions with government-related entities

Portland District Health received funding from the Department of Health and Human Services of \$41.6m (2020: \$39.7m). Balances outstanding at 30 June 2021 are nil (2020 \$Nil).

Portland District Health has loans from the Department of Health in 2021 of \$217,000. (2020 : \$2,090,000).

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

Professional medical indemnity insurance and other insurance products are obtained from a Victorian Public Financial Corporation.

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

Transactions with Key Management Personnel 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 Victorian Government Procurement Board requirements. Outside of normal citizen type transactions with the Department of Health and Human Services, all other related party transactions that involved KMPs and their close family members have been entered into on an arm's length basis. Transactions are disclosed when they are considered material to the users of the financial report in making and evaluation decisions about the allocation of scarce resources. No provision has been required, nor any expense recognised, for impairment of receivables from related parties.

There were no related party transactions with Cabinet Ministers required to be disclosed in 2021 (2020 nil)

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

There were no other related party transactions required to be disclosed for Active Health Portland Limited Board of Directors in 2021 (none).

Other Transactions of Responsible Persons and their Related Parties

Transactions with responsible persons and their related parties are all on normal terms and conditions.

A related party of an Executive Officer of Portland District Health Mr M Alexander was paid \$3.3k rent during the current financial year.

An Executive Officer of Portland District Health Ms R Nagorcka was paid \$10.3k rent during the current financial year.

Controlled Entities Related Party Transactions - Active Health Portland Ltd

The transactions between the two entities relate to reimbursements made by Active Health Portland to Portland District Health for goods and services and the transfer of funds by way of distributions made to the hospital.

PORTLAND DISTRICT HEALTH FINANCIAL STATEMENTS

Notes to the financial statements

For the Financial Year Ended 2021

8.5 Remuneration of Auditors

	Consolidated	
	2021 \$'000	2020 \$'000
Victorian Auditor-General's Office		
Audit of the Financial Statements	28	28
Total Remuneration of Auditors	28	28

8.6 Events Occurring After the Balance Sheet Date

Assets, liabilities, income or expenses arise from past transactions or other past events. Where the transactions result from an agreement between Portland District Health and other parties, the transactions are only recognised when the agreement is irrevocable at or before the end of the reporting period.

Adjustments are made to amounts recognised in the financial statements for events which occur between the end of the reporting period and the date when the financial statements are authorised for issue, where those events provide information about conditions which existed at the reporting date. Note disclosure is made about events between the end of the reporting period and the date the financial statements are authorised for issue where the events relate to conditions which arose after the end of the reporting period that are considered to be of material interest.

There are no matters or circumstances have arisen since the end of the financial year which significantly affected or may affect the operations of Portland District Health, the results of the operations or the state of affairs of Portland District Health in the future financial years.

8.7 Controlled Entities

The Portland District Health's interest in controlled operations are detailed below. The amounts are included in the consolidated financial statements under their respective categories:

Name of Entity	Country of Incorporation	Equity Holding
Active Health Portland Ltd	Australia	100%

Controlled Entities contribution to the consolidated result

	2021 \$'000	2020 \$'000
Active Health Portland		
Net Result for the year	(57)	38

PORTLAND DISTRICT HEALTH FINANCIAL STATEMENTS

Notes to the financial statements

For the Financial Year Ended 2021

8.8 Jointly Controlled Operations

Name of Entity	Principal Activity	Ownership Interest	
		2021 %	2020 %
South West Alliance of Rural Health (SWARH)	Information Systems	5.9	5.73

Portland District Health's interest in assets and liabilities in the above jointly controlled operations are detailed below. The amounts are included in the consolidated financial statements under their respective categories:

South West Alliance of Rural Health	2021 \$'000	2020 \$'000
Current Assets		
Cash at Bank	603	499
Receivables	182	370
Prepayments	40	31
Inventories	1	3
Total Current Assets	825	903
Non-Current Assets		
Property, Plant and Equipment	484	331
Receivables	29	33
Total Non-Current Assets	513	364
Total Assets	1,338	1267
Current Liabilities		
Payables and contract liabilities	644	814
Financial Liabilities	125	56
Employee Benefits	102	98
Total Current Liabilities	871	968
Non-Current Liabilities		
Employee Benefits	20	19
Financial Liabilities	125	74
Total Non-Current Liabilities	145	93
Total Liabilities	1,015	1061
Share of Controlled Entities' Net Assets	323	206

PORTLAND DISTRICT HEALTH FINANCIAL STATEMENTS

Notes to the financial statements

For the Financial Year Ended 2021

8.8 Jointly Controlled Operations (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:

South West Alliance of Rural Health	2021 \$'000	2020 \$'000
Revenue		
Revenue from operations	1,204	1,115
Total Revenue	1,204	1,115
Expenses		
Employee benefits	(456)	(501)
Maintenance Contract & IT Support	(424)	(443)
Finance Costs	-	(6)
Depreciation	(112)	(104)
Other expenses from ordinary activities	(95)	(97)
Total Expenses	(1,088)	(1,152)
Net operating result	116	(37)
Capital and specific items		
Capital revenue	55	55
Net Capital Result for the Year	55	55
Other economic flows included in the result		
Revaluation of long service leave	5	(9)
Share of Jointly Controlled Entities' Net Result	177	9

The financial results included for South West Alliance of Rural Health are unaudited at the date of signing the financial statements.

Contingent Liabilities and Capital Commitments

There are no known contingent assets or liabilities for South West Alliance of Rural Health as at the date of this report.

PORTLAND DISTRICT HEALTH FINANCIAL STATEMENTS

Notes to the financial statements

For the Financial Year Ended 2021

8.9 Investments accounted for using the equity method

Name of Entity	Principal Activity	Published Fair Value		Ownership Interest	
		2021 \$'000	2020 \$'000	2021 %	2020 %
<i>Southern Grampians/Glenelg Shire PCP</i>	Primary Health	79	86	31	31

An associate is an entity over which Portland District Health exercises significant influence, but not control.

The investment in the associate is accounted for using the equity method of accounting. Under the equity method for accounting, the investment in the associate is recognised at cost on initial recognition, and the carrying amount is increased or decreased in subsequent years to recognise Portland District Health's share of the profits or losses of the associates after the date of acquisition. Portland District Health's share of the associate's profit or loss is recognised in Portland District Health's net result as 'Share of net result of associates and Joint Ventures accounted for using the Equity Method'. The share of post-acquisition changes in revaluation surpluses and any other reserves are recognised in both the comprehensive operating statement and the statement of changes in equity.

8.10:Equity

Contributed capital

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

Financial assets at fair value through comprehensive income revaluation reserve

The financial assets at fair value through other comprehensive income revaluation reserve arises on the revaluation of financial assets (such as equity instruments) measured at fair value through other comprehensive income. Where such a financial asset is sold, that portion of the reserve which relates to that financial asset may be transferred to accumulated surplus/deficit.

Specific restricted purpose reserves

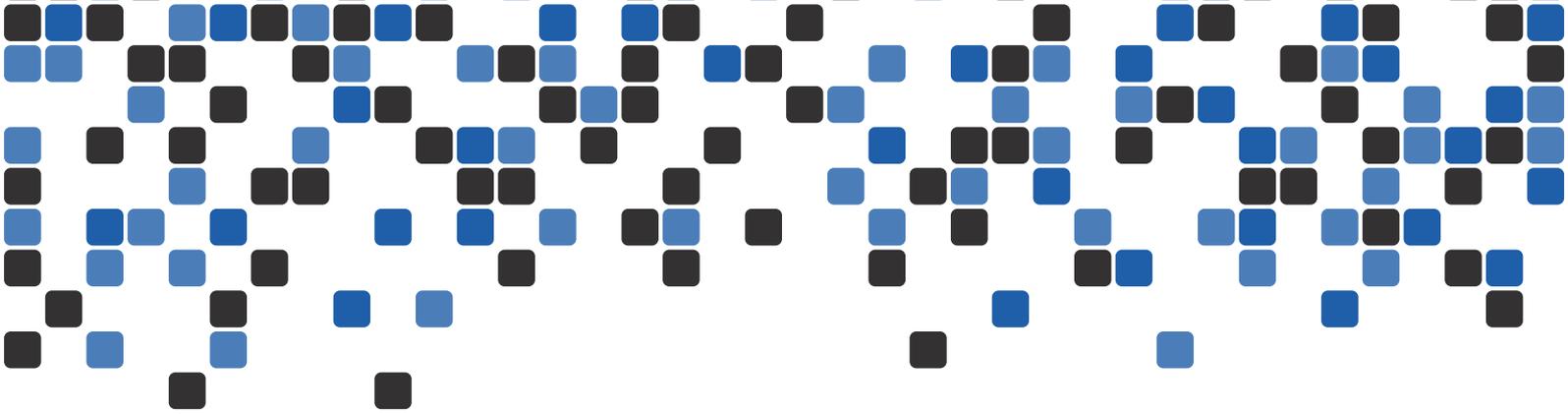
The specific restricted purpose reserve is established where Portland District Health has possession or title to the funds but has no discretion to amend or vary the restriction and/or condition underlying the funds received.

8.11:Economic dependency

The Portland District Health is wholly dependent on the continued financial support of the State Government and in particular, the Department of Health.

The Department of Health and Human Services has provided confirmation that it will continue to provide the Portland District Health adequate cash flow support to meet its current and future obligations as and when they fall due for a period up to 30 September 2022. On that basis, the financial statements have been prepared on a going concern basis.

The health service's current asset ratio continues to be below an adequate short term position (2021: 0.54 and 2020: 0.56) while cash generated from operations has improved from a \$1.6m surplus in 2020 to a \$3.6m surplus in 2021 and cash reserves have improved from \$3.6m in 2020 to \$4.0m in 2021.



*Our Community,
Your Health*

PORTLAND DISTRICT HEALTH

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