PORTLAND
DISTRICT HEALTH

# 2022-23 ANNUAL REPORT

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

PORTLAND
DISTRICT HEALTH

# 2022-23
# ANNUAL REPORT

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

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

Established under the *Health Services Act 1988*, Portland District Health today stands as a modern Public Health Service evolving from the amalgamation of the Portland and District Community Health Centre and Portland and District Hospital on July 1 2003.

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.

## CONTENTS



### 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.

# ACKNOWLEDGEMENT OF TRADITIONAL OWNERS


We acknowledge the traditional owners of the lands and waterways in which we live and work, the Gunditjmara people of South West Victoria. We honour and pay our respects to elders, past, present and emerging.

# FUTURE PRIORITIES

## OUR VALUES: Organisational

### Togetherness

We work with community, staff and partners

### Courage

We change, adapt and innovate

### Optimism

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

## OUR VALUES: Operational

**C**ompassion
**A**ccountability
**R**espect
**E**xcellence

# CEO'S REPORT

Thank you to the Board, staff, and community for supporting Portland District Health over the last 12 months.

Since commencing as CEO in December 2023, I have been thrilled to be leading a team that is so committed to the work that they do, which ensures that our community can receive the proper care at the right time, as close to home as possible. Our urgent care centre staff continue to deliver day in and day out. Our finance team looks for ways to make our dollar go further in a tight environment.

There have been many highlights over the last 12 months, but this report does not have the space to cover them all.

## COVID-19

COVID-19 continues at lower levels in our community. The impact on our health service and aged care facility is still evident in continued surgical mask-wearing by staff and visitors to help us maintain services as much as possible. We have sustained reasonable staffing levels over winter through continued vaccinations and planning.

## SERVICE DELIVERY

Portland District Health's capacity to return to regular services and access was challenged by the changing nature of staffing in health services post-COVID-19. Our permanent team have done a fantastic job, but the unprecedented shortages of health staff in Australia resulted in higher than anticipated use of locum medical, nursing, and allied health staff. We continue to work on attracting and retaining our excellent staff to our fantastic service.

## ACCREDITATION

Portland District Health worked hard over the previous 12 months to ensure our clinical governance was on track. The hard work of all staff led by the dedicated Quality team enabled Portland District Health to pass National Safety and Quality Health Service and Aged Care quality and safety standards. Accreditation demonstrates commitment by all staff towards high-quality service delivery.

## STAFF RECRUITMENT

Recruitment of long-term staff remains a challenge. The human resources and medical administration teams have worked hard to ensure that we are sourcing staff committed to supporting the delivery of high-quality services.

## RETURN OF MATERNITY SERVICES

Maternity Services recommenced in Portland in August 2022 and have delivered 60 babies over the last 12 months. The midwifery and medical staff are to be congratulated for reinvigorating the service to support women and their families to have safe and sustainable birthing options close to home.

## VOLUNTEERS

Our Volunteers play an essential role in the work at Portland District Health and bring a sense of community and well-being. They assist us to deliver services, for example: Meals on Wheels, packing needle syringe kits, printing forms, and visiting residents in Harbourside Lodge. Volunteers are a tremendous support to our staff and our community – thank you.

## FUNDRAISING

The community is very generous in its support of Portland District Health: The golf day, fete, winter blanket drive, and the donations from our community sponsors. These donations enabled us to purchase several hospital beds. Our patients and staff thank everyone for their contributions and support.

## WORK EXPERIENCE AND FUTURE LEADERS

We were pleased to welcome back work-experience students from Portland and Bayview Secondary Colleges. Structured work experience is an opportunity for local students to consider careers in various health professions.

Visits from the Future Leaders program were a welcome sight at Portland District Health, and we were thrilled to be able to contribute to the development of the next generation of leaders in our community during their visit.

## NURSING

The nursing directorate delivered another year of excellent patient care at Portland District Health. We welcomed a new urgent care nurse unit manager, Cassie Jewell, and the introduction of the latest clinical midwifery consultant, Chloe Petch.

North and South wards continue to deliver excellent care to those who are inpatients, as well as supporting dialysis and chemotherapy.

Our admission team lost a long-time staff member to cancer who's bright and friendly nature will be missed by all her work colleagues.

At Harbourside Lodge, the team lost long-time Portland District Health staff member, who was larger than life and loved by all the residents and staff.

The nursing, midwifery, and maternal child health nurses also lost an esteemed colleague in tragic circumstances that impacted her family and colleagues.

## MEDICAL

Portland District Health welcomed a new Director of Medical Services, Dr Andrew Walby. Andrew has focused on ensuring our hard-working medical team can provide services that meet our community's needs. Recruitment of medical practitioners is challenging because many Doctors prefer to work as locums and enjoy the flexibility to move around. In collaboration with our partner training and health services we are exploring new recruitment and employment strategies. We also welcomed a new Director of Pharmacy, Zoe Kirkman, and our medical imaging team has had several staffing changes as it continues to deliver outstanding service.

## COMMUNITY

The Community and Allied Health team has continued supporting people to maintain good health in the community.

Our District Nursing team clocked up many hours on the road visiting people in their homes, and our allied health and health promotion teams have provided non-stop support to the community.

## CORPORATE

The Corporate Services team have continued to deliver a great range of support services to our clinical teams, for example relocating the education team and decommissioning of the former nurse's home to install our new chiller, which will provide cool air into the health service.

The Food Services team successfully passed a food services audit, which is a fantastic outcome. Thanks to the team for the food produced to support staff well-being days and the excellent feedback we get from patients regarding food.

Our environmental services team delivered another tremendous year of work ensuring that our health service is clean, and patients supported in their care.

We have continued improving our emergency management training and processes to ensure the organisation is well prepared.

## FIRST NATIONS

Portland District Health sits on Gunditjamara land. In collaboration with traditional owners, Portland District Health celebrated Reconciliation and NAIDOC weeks, welcoming many First Nations people on our site. We remain committed to Portland District Health as a culturally safe space through increased cultural awareness training and refining our Reconciliation Action Plan.

Many unsung heroes get on with their jobs with a smile. They are the people who welcome you at the door, ward clerks, our administration and health information staff. They provide services you don't see but which are vital for the delivery of the services that you do see.

It has been a pleasure to return to this service with a Board dedicated to delivering a sustainable service and an executive and staff empowered to provide it in our community.

**Samantha Sharp**
CEO, Portland District Health

# CHAIRPERSON'S REPORT

Throughout 2022/2023, the Board continued to consolidate reforms at Portland District Health as services normalised post-COVID-19 pandemic. After significant community consultation, Portland District Health presented a new Strategic Plan to Government.

The Board welcomed new CEO, Ms Samantha Sharp to Portland District Health in December 2022, who, with a revitalisated Executive, is implementing the Strategic Plan. The Board thanks Ms Karena Prevett for her sterling performance as Acting and Interim CEO throughout a complex and challenging period.

While COVID-19 is no longer designated a pandemic, health services, particularly in regional Victoria, remain disrupted by the challenges of recruiting medical workforce. Portland District Health will continue to explore partnerships with regional and sub-regional health services, including those across the South Australian border, to improve recruitment, to enhance services and to meet financial challenges.

There was little change in Board membership: two directors, Ms Nadia Baillie and Prof Michael Bailey, were appointed for a further three years until 30 June 2026. Assoc Prof Michael Bartos resigned, effective 16 August 2022. Consequently, Board sub-committee membership was also stable, enabling Committees to undertake important work, for example, Clinical Governance Committee oversaw two successful accreditations, and Finance, Audit and Risk Committee guided Portland District Health to sound financial performance in a very complex environment.

Portland District Health is recalibrating the Consumer Advisory and First Nations Advisory Committees to ensure our decisions are directly informed by a variety of voices from the communities we serve.

The Board is indebted to its staff whose work is characterised by passion, commitment, and the belief that our community is entitled to proper care at the right time, as close to home as possible.

**Emeritus Professor Peter Matthews**
Chairperson, Portland District Health Board

# 2022-23 FINANCIAL OVERVIEW

Portland District Health Portland District Health incurred a comprehensive deficit in 2022/2023 of $3.2m ($3.2m deficit 2021/2022), resulting in the same position as the previous year.

Due to Portland District Health relinquishing its shareholding with Active Health Portland Limited in November 2022, the financial reports for year ended 30 June 2023, is not being reported as a consolidated report.

Portland District Health continues to be challenged to maintain service delivery in a financially sustainable manner. The Department of Health works closely with Portland District Health to manage financial performance. With a new CEO and CFO during the financial year, Portland District Health are scoping new financial strategies to work towards achieving a sustainable business model. Portland District Health acknowledges the support provided by the Department of Health during the year and looks forward to continuing the close collaboration in the current year.

## OPERATING PERFORMANCE

The Net Result before Capital and Specific Items is used by management of Portland District Health,the Department of Health and the Victorian Government to measure the ongoing operating performance of health services. For the financial year ended 30 June 2023 the Net result before capital and specific Items was a deficit of ($97K) (2021/2022 surplus $290k).

The key expenditure that continues to challenge Portland District Health in being sustainable is the high cost of providing a skilled medical workforce and enticing them into employment at Portland District Health. Cost of agency staff plus oncosts of bringing skilled staff to Portland continued to increase over the 2022/2023 financial year.

## CASH

Portland District Health generated net cash flows from operations in 2022/2023 of $52k (2021/2022 $710K). However overall there was a decrease in cash of $933K at year end (2021/2022 increase in $33K), due to the purchase of assets for $685K and reduction in aged care bonds held of $252K.

The current asset ratio at 30 June 2023 is 0.50:1 (2021/2022 0.56:1), which remain below the target of 0.7:1.

## ASSET PURCHASES

Major assets purchases throughout the year saw some upgrades with medical equipment, nurse on call system, and a progress payment for the new Chiller in which a grant of $690K has been secured for this project.

## THE FUTURE

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

In 2023/24 Portland District Health have secured new Commonwealth funding for approx. $480K to commence the Commonwealth Home Support Program from 1 October 2023.

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

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

# PERFORMANCE AT A GLANCE

| FINANCIALS | 2023 $'000s | 2022 $'000s | 2021 $'000s | 2020 $'000s | 2019 $'000s |
|---|---|---|---|---|---|
| **Operating Result** | **(97)** | **290** | **(207)** | **798** | **269** |
| Total Revenue | 63,535 | 59,775 | 57,700 | 54,134 | 52,371 |
| Total Expenses | 66,640 | 63,250 | 61,048 | 56,690 | 53,564 |
| **Net Result from transactions** | **(3,105)** | **(3,475)** | **(3,348)** | **(2,556)** | **(1,193)** |
| Total other economic flows | (105) | (33) | 600 | (571) | (175) |
| **Net Result** | **(3,210)** | **(3,508)** | **(2,747)** | **(3,127)** | **(1,368)** |
| Total Assets | 71,621 | 75,323 | 71,099 | 72,289 | 74,718 |
| Total Liabilities | 17,894 | 18,331 | 17,130 | 16,200 | 15,441 |
| **Net Assets / Total Equity** | **53,727** | **56,992** | **53,969** | **56,089** | **59,276** |

** Financials includes the consolidated controlled entity Active Health Portland Ltd between periods 2019-2022. The 2023 financials no longer has a requirement to consolidate with controlled entities.*

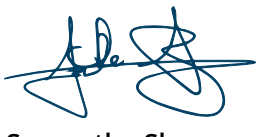
| Reconciliation of Net Result and Net Operating Result | 2023 $'000s |
|---|---|
| **Net Operating Result*** | **(97)** |
| Capital Purpose Income | 592 |
| Specific Income | 1,832 |
| COVID-19 State Supply Arrangements<br>- Assets received free of charge or for nil consideration under the State Supply | 480 |
| State supply items consumed up to 30 June 2023 | (296) |
| Expenditure for capital purpose | - |
| Depreciation and Amortisation | (3,539) |
| Net gain/(loss) on non-financial assets | (103) |
| Total gain from other economic flows | 1 |
| Total gain/(loss) on financial instruments at fair value | (3) |
| Controlled Entity result | - |
| Other | (1893) |
| Net Result | (3,210) |

**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 2023.

**Peter Matthews**
Chairman - Board of Directors
Portland District Health



**Samantha Sharp**
Chief Executive Officer
Portland District Health

# BOARD OF DIRECTORS

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

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

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

## BOARD CHAIRPERSON

**Prof. Peter Matthews**

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

Committees:
- Governance Remuneration & Nominations
- Consumer Advisory
- Clinical Credentialling
- People & Culture

## DIRECTOR / DEPUTY CHAIR

**Mr. Jed Macartney (OAM)**

Appointed: 01 July 2021
Term Expires: 30 June 2024

Committees:
- Finance, Audit & Risk (Chair)
- Clinical Governance
- Consumer Advisory (Chair)
- Governance Remuneration & Nominations

## DIRECTOR

**Ms Nadia Baillie**

Appointed: 01 July 2021
Term Expires: 30 June 2026

Committees:
- Governance Remuneration & Nominations (Chair)
- Finance, Audit & Risk

## DIRECTOR

**Prof. Michael Bailey**

Appointed: 01 July 2017
Term Expires: 30 June 2026

Committees:
- Clinical Governance
- People & Culture

## DIRECTOR

**Assoc. Prof. Michael Bartos - Resigned**

Appointed: 01 July 2018
Term Expires: 30 June 2024
Resigned: 16 August 2022

Committees:
- People & Culture
- Governance Remuneration & Nominations

## DIRECTOR

**Dr. Lucy Cuddihy**

Appointed: 01 July 2021
Term Expires: 30 June 2024

Committees:
- Clinical Governance (Chair)
- People & Culture
- Clinical Credentialing (Chair)

## DIRECTOR

**Mr. Andrew Long**

Appointed: 01 July 2021
Term Expires: 30 June 2024

Committees:
- Finance, Audit & Risk
- People & Culture (Chair)

## DIRECTOR

**Ms Alexandra Georgalas**

Appointed: 01 July 2022
Term Expires: 30 June 2025

Committees:
- Finance, Audit & Risk
- Clinical Credentialing
- Governance Remuneration & Nominations

## DIRECTOR

**Ms Rebecca Smith**

Appointed: 01 July 2022
Term Expires: 30 June 2025

Committees:
- Clinical Governance
- Clinical Credentialing
- People & Culture

## DIRECTOR

**Mr Paul Wright**

Appointed: 01 July 2022
Term Expires: 30 June 2025

Committees:
- Finance, Audit & Risk
- Consumer Advisory

## DIRECTOR

**Ms Suzanne Anderton**

Appointed: 01 July 2022
Term Expires: 30 June 2025

Committees:
- Clinical Governance
- Consumer Advisory

## MINISTERIAL DELEGATE

**Dr. Marcus Kennedy**

Appointed: 10 July 2020
Term Expires: 27 October 2023

**2022-23 MEETING ATTENDANCE**

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

# EXECUTIVE MANAGEMENT

## Chief Executive Officer

**Samantha Sharp**
5 December 2022 to present

## Interim Chief Executive Officer

**Karena Prevett**
12 April 2022 to 5 December 2022

## Director of Corporate Services

**Karena Prevett**
5 December to present

## Acting Director of Corporate Services

**Annette Hinchcliffe**
12 April 2022 to 5 December 2022

## Director of Nursing, Aged Care and Midwifery

**Roslyn Nagorcka**

## Director of Primary Care Services

**Margaret Cadenhead**

## Director Medical Services

**Dr Kaushik Banerjea**
to 30 August 2022

## Acting Director Medical Services

**Dr Andrew Walby**
30 August 2022 to 26 February 2023

## Director Medical Services

**Dr Andrew Walby**
27 February 2023 to present

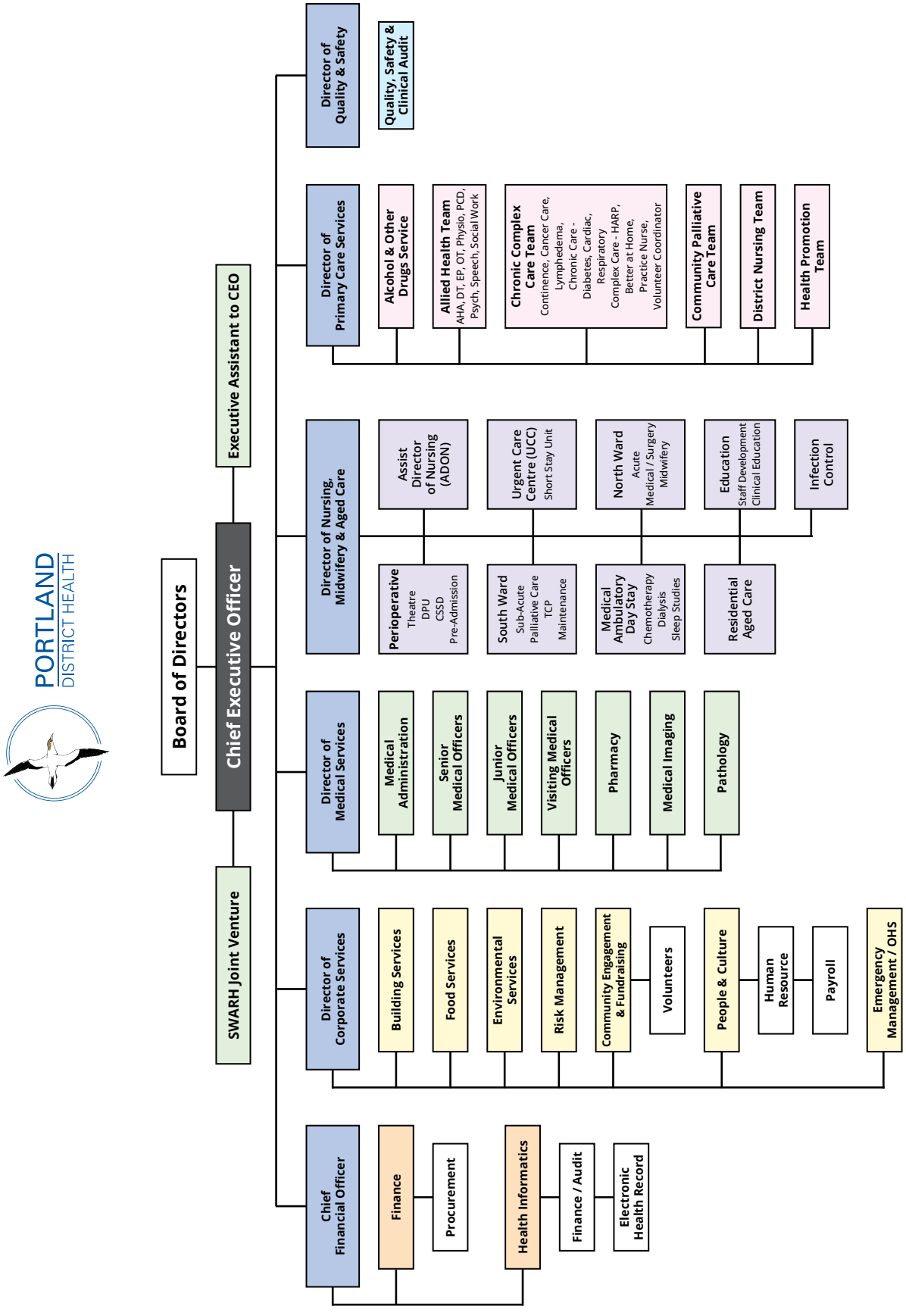
## Chief Financial Officer

**Julie McDonald**

## Director Quality, Safety & Risk

**Suzanne Callaway**

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

## 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

## 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
Health Independence
- Community Rehab
- HARP
- Post-Acute Care

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

# PORTLAND DISTRICT HEALTH MEDICAL OFFICERS

## SALARIED MEDICAL OFFICERS

### Emergency Physicians
Dr T Baker MBBS (Hons) B.MedSc (Hons) FACEM
Dr A Lishman MBBS (Hons) B.MedSc FACEM

### Specialist Physicians
Dr N Sharma MBBS MS FRACP FCSANZ
Dr E Puglisi MBBS MD
Dr R George MBBS FRACP RGUMS (India)
Dr S Singh MBBS MD FRACP

### Surgeon

### Anaesthetists
Dr P Reid MB CHB DUND (GP Anaesthetist)
Dr J Parker MBBS FACRRM (GP Anaesthetist)

### Hospital Medical Officers
Dr K Goraya MBBS
Dr F Yasmin MBBS
Dr B Yarramsetty MBBS
Dr S Shehata MBBS
Dr A Cameron MBBS FRACGP
Dr D Adhikari MBBS
Dr R Veeramreddi MBBS
Dr A Sharma

### Senior Medical Officers
Dr B Chiezey MBBS
Dr M Pilkington MBBS
Dr A Sorial RACGP

### Registrars
Dr A Marshall MD
Dr S Wilkes MD
Dr Kyle Pycroft MD

### Interns
Dr K Harvey MD
Dr B Borges MD
Dr Greg Howe MD
Dr Branden Burgess MD

### Paediatrician
Dr B Baade MBBS, FRACP, MD

### Ophthalmologists
Assoc Prof J O'Shea MBBS MD, FRANZCO

## VISITING MEDICAL OFFICERS

### General Practitioners
Dr G Patel MBBS

### Anaesthetists
Dr J Williams MBBS FANZCA
Dr G Matthews MBBS FACRRM
Dr K Fielke MBBS FACRRM
Dr J Muir, MBBS FANZCA

### Physicians

### Endocrinologist
Prof G Nicholson MBBS FRACP

### Nephrologists
Dr C Somerville MBBS FRACP PHD
Dr A Tjipto MBBS FRACP

### Oncologists
Assoc Prof I Collins MBBS FRACP
Dr T Hayes MBBS FRACP

### Radiation Oncologists
Dr S Joseph MBBS FRANZCR
Dr M Ali MBBS FRANZCR FCPS

### Haematologists
Dr J Brotchie MBBS FRACP
Dr P Polistena MBBS FRACP

### ENT Specialist
Dr A Cass MBBS FRACS

### Obstetricians & Gynaecologists
Dr Y Diab MBBS MD FRANZCOG

### 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
Dr D Arhanghelschi MBBS FRANZCR
Dr D Richmond MBBS FRANZCR

### General Surgeons
Mr U Naidoo MBCHB FCS (FA)
Mr J Ragg MBBS FRACS
Mr P Gan MBBS FRACS
Mr S Karunaratne MBBS MS FRCSED FRACS

### Orthopaedic Surgeons
Dr K Arogundade MBBS FRACS MD FRCS
Dr A Mitra MBBS FRACS
Dr N Russell BMBS FRACS

### Plastic Surgeons
Dr R Toma MBBS FRACS (Plast)
Dr J Masters MBBS FRACS (Plast)
Dr R Capstick MBBS FRACS (Plast)

### Urologist
Mr A Davidson MBBS FRACS

### Dermatologists
Dr M Goh MBBS FACD
Dr F Lai MBBS FACD
Dr P McDonald MBBS FACD
Dr C Tancharoen MBBS FACD
Dr C Higgins MBBS FACD

## VISITING DENTAL OFFICERS

### Oral Maxillo Facial Surgeon
Dr B Robinson MDS BDS

### 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 | |
|---|---|---|---|---|
| | **2023** | **2022** | **2023** | **2022** |
| Nursing | 151.19 | 160.18 | 153.65 | 164.82 |
| Administration & Clerical | 50.95 | 53.85 | 52.83 | 56.53 |
| Medical Support | 4.42 | 4.11 | 4.91 | 4.88 |
| Hotel and Allied Services | 45.45 | 45.81 | 45.02 | 42.17 |
| Medical Officers | 14.95 | 17.73 | 14.90 | 19.51 |
| Ancillary Staff (Allied Health) | 19.41 | 20.24 | 15.93 | 28.21 |
| **TOTAL** | **286.36** | **301.92** | **286.59** | **316.42** |

## Staffing

| | 2022/2023 | 2021/2022 | 2020/2021 | 2019/2020 |
|---|---|---|---|---|
| Number of Staff Employed | **465** | 489 | 490 | 486 |
| Number of Staff Employed (EFT) | **286.36** | 316.42 | 310.26 | 299.69 |
| Time Lost through Work Cover Claims (EFT) | **2.31** | 1.76 | 0.67 | 0.63 |
| Time Lost through Industrial Disputes (hours) | **0.00** | 0 | 0 | 0.00 |
| Sick Leave as % of Basic Salaries | **5.63** | 5.4 | 4.43% | 4.89% |

## STATUTORY COMPLIANCE

During 2022/23, Portland District Health made Nil mandatory reports to AHPRA regarding health professionals. There were no reports under the *Protected Disclosure Act*.

## CODE OF CONDUCT

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

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

## GENDER EQUALITY ACT 2020

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

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

The Act requires us to:

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

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

## WORKPLACE HEALTH & SAFETY

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

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

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

## INDUSTRIAL RELATIONS

Nil work hours were lost at Portland District Health as a result of industrial action during 2022/23.

## OCCUPATIONAL VIOLENCE STATISTICS

Portland District Health is committed to addressing occupational violence incidences. Encouragement and education to report incidences has resulted in a significant lift in numbers reported in 2022/23.

| Occupational Violence Statistics | 2022/23 | 2021/22 | 2020/21 |
|---|---|---|---|
| 1. WorkCover accepted claims with an occupational violence cause per 100 FTE | 0.00 | 0.00 | 0.33 |
| 2. Number of accepted WorkCover claims with lost time injury with an occupational violence cause per 1,000,000 hours worked | 0.00 | 1.60 | 1.92 |
| 3. Number of occupational violence incidents reported | 148 | 56 | 79 |
| 4. Number of occupational violence incidents reported per 100 FTE | 51.68 | 18.1 | 26.4 |
| 5. Percentage of occupational violence incidents resulting in a staff injury, illness or condition | 6% | 0.0% | 6.3% |

# SERVICE ACTIVITY

| ACTIVITY / INDICATOR | 2022/23 | 2021/22 | 2020/21 | 2019/20 | 2018/19 |
|---|---|---|---|---|---|
| Number of inpatients - Hospital | 5,604 | 5,147 | 4,971 | 5,501 | 5,617 |
| Number of inpatients - Nursing Home | 38 | 53 | 56 | 54 | 58 |
| Number of inpatient days - Hospital | 13,461 | 10,613 | 12,100 | 12,746 | 14,063 |
| Number of inpatient days - Nursing Home | 9,824 | 10,441 | 10,322 | 10,530 | 10,501 |
| Daily Average (days - Hospital) | 37 | 29 | 33 | 35 | 39 |
| Daily Average (days - Nursing Home) | 26.92 | 29 | 28.28 | 29 | 29 |
| Average stay (days - Hospital) | 2.40 | 2.06 | 2.43 | 2.32 | 2.50 |
| Average stay (days - Nursing Home) | 258.53 | 197 | 184.32 | 195 | 181.05 |
| 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 | 10,546 | 10,492 | 9,464 | 9,080 | 8,748 |
| COVID-19 Testing Presentations | 4,932 | 1,8624 | 6,336 | 1,990 | - |
| Births | 46 | 51 | 76 | 77 | 75 |
| Hospital in the Home – separations | 55 | 29 | 18 | 10 | 9 |
| Meals on Wheels delivered | 5,118 | 5,637 | 5,912 | 6,131 | 5,996 |
| Meals served (total) | 85,393 | 83,764 | 84,652 | 90,229 | 97,722 |
| Surgical procedures performed | 2,418 | 2,108 | 1,966 | 2,008 | 2,584 |

| Radiology Department | 2022/23 | 2021/22 | 2020/21 | 2019/20 | 2018/19 |
|---|---|---|---|---|---|
| Mammogram & Breast screens | 184 | 207 | 206 | 1,120 | 1,333 |
| CT Examinations | 3,975 | 3,252 | 2,992 | 2,874 | 2,814 |
| OPG / Dental Examinations | 415 | 418 | 483 | 418 | 465 |
| Bone Densitometry | 579 | 492 | 461 | 832 | 1014 |
| Fluoro | 41 | 50 | 45 | 6173 | 6427 |
| Procedures | 338 | 372 | 402 | 438 | 456 |
| X-ray – Inpatients / Outpatients | 5,044 | 6,843 | 7,217 | 18,072 | 19,284 |
| Examinations including Breastscreens (Total) | 18,989 | 17,183 | 17,300 | 19,029 | 20,394 |
| Ultrasound | 5,983 | 5,549 | 5,494 | | |

| Primary Care Statistics (Contact Hours) | 2022/23 | 2021/22 | 2020/21 | 2019/20 | 2018/19 |
|---|---|---|---|---|---|
| Community Nursing | 2,947 | 3,203 | 4,931 | 5,084 | 5,022 |
| Counselling / Case Work | 1,507 | 1,560 | 1,452 | 1,535 | 1,488 |
| Dietetics | 1,387 | 993 | 1326 | 1259 | 1266 |
| District Nurse visits | 7,327 | 8,336 | 8,487 | 8,992 | 9,930 |
| IHSHY Youth Worker - Direct Care | 72 | 72 | 213 | 288 | 136 |
| Occupational Therapy | 345 | 471 | 445 | 913 | 622 |
| Palliative Care | 1,763 | 1,889 | 1,992 | 1,968 | 2,390 |
| Physiotherapy | 841 | 916 | 1,245 | 2,615 | 2,215 |
| Speech Pathology / Therapy | 1,357 | 851 | 1,149 | 1,240 | 996 |

| HACC / CHSP (Contact Hours) | 2022/23 | 2021/22 | 2020/21 | 2019/20 | 2018/19 |
|---|---|---|---|---|---|
| Dietetics – HACC-PYP | 184 | 245 | 173 | 120 | 261 |
| Dietetics – CHSP | 330 | 341 | 438 | 363 | 281 |
| Occupational Therapy – HACC/PYP | 145 | 56 | 131 | 92 | 257 |
| Occupational Therapy - CHSP | 593 | 771 | 622 | 792 | 597 |
| Podiatry - HACC-PYP | 17 | 81 | 155 | 109 | 133 |
| Podiatry - CHSP | 114 | 345 | 420 | 402 | 503 |
| Volunteer Coordinator – HACC/PYP | 602 | 391 | 555 | 294 | 463 |
| Volunteer Coordinator - CHSP | 935 | 1,070 | 1,090 | 1,198 | 1,059 |

# Life Governors / Service Awards

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

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

Association for the Blind
Portland Neighborhood House
Mr Jeff Baulch
Mrs Marilyn Baulch
Mr W (Bill) Collett
Mr David Harris
Mr Jeff Knuckey
Mrs Anne Lanyon

## LIFE GOVERNORS

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

## STAFF LENGTH OF SERVICE AWARDS

***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".***

### 5 years

Britta Baade
Michelle Bailey
Mandy Barby
Jennifer Batten
Amelia Berry
Jennifer Cameron
Kevin Council
Juanita Dickinson
Jennifer Farrell
Maria Teresa Finnigan
Deborah Gould
Nancy Grant
Marissa Jones
Bee Keegan
Craig Keenan
Sally Kerr
Hayley King
Alexandra Lesslie
Meghan Lindsey
Kimberley Lynch
Sarah-kate Mallen
Jacob Malseed
Marita Martin
Kylie Micallef
Nadeen Murray
Marcellus Nieuwerkerk
Emily Parsons
Philip Payne
Chloe Petch
Busta Preece
Irene Robbins
Alicia Wilson

### 10 Years

Janice Baynes
Jessica Calleja
Marlene Duffy
Renee Elijah
Helen Gray
Terri Gull
Susan Hayes
Fiona Heenan

### 10 Years cont.

Emily Johnston
Sophie Kerr
Casey Mills
Patricia Rawlings
Kellie Silva
Lesley Walker
Norma Weir
Julie Zahra

### 15 Years

Timothy Baker
Marisa Di Serio
Cheryl Donehue
Mark Fuller
Annette Kerr
Rosana Pekin
Martin Schmetzer
Tracy Stafford
Leanne Stiles
Nicole Taylor
Ellen Wombwell

### 20 Years

Susan Fechner
Lauren Hockley
Amanda Malseed
Casey Scott

### 25 Years

Susan Maher
Joanna Spurge

### 30 Years

Lynette Thomas
Jennifer Trenorden

### 35 Years

Erin Barker
Megan Bunge
Peter Bunge
Tanya Doran
Jillian Jennings


## VOLUNTEER SERVICE AWARDS

***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.***

### 5 years

Judy Compt
Jacqui Holmes
Lesley Holmes
Margaret Kerr
Fiona Lock
Rose Marshall
Sandra Shepherd
Helen Welfare
Mia Wilson

### 10 Years

Assets Real Estate
Sam Carter
Lunda Davis
Alan Ford
Beverly Turner

### 15 Years

Anne Mewett
Rosemary Vagg

### 20 Years

Gwen Finck

# REPORTING AGAINST THE STATEMENT OF PRIORITIES

## PART A: STRATEGIC PRIORITIES

In 2022-2023 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): KEEP PEOPLE HEALTHY AND SAFE IN THE COMMUNITY

#### Maintain COVID-19 Readiness

- Maintain a robust COVID-19 readiness and response, working with the department, Health Service Partnership and Local Public Health Unit (LPHU) to ensure effective responses to changes in demand and community pandemic orders. This includes, but is not limited to, participation in the COVID-19 Streaming Model, the Health Service Winter Response framework and continued support of the COVID-19 vaccine immunisation program and community testing

#### Outcomes

- All current staff employed at PDH are COVID and Flu vaccinated.
- PDH works with the Barwon PHU to discuss any issues around COVID
- An update of the Outbreak management plan for PDH is currently underway.
- Each area has two weeks worth of PPE in stores in the event of an outbreak
- Residential Aged Care is also COVID outbreak ready with staff COVID testing daily.
- All staff and visitors still wear surgical masks in line with current best practice to maximise infection control.

### Priority 2 (Immediate and Ongoing): CARE CLOSER TO HOME

#### Delivering More Care in The Home or Virtually

- Increase the provision of home-based or virtual care, where appropriate and preferred, by the patient, including via the Better at Home program.

#### Outcomes

- PDH is currently servicing Hospital in the Home patients referred to North Ward, with a view to expanding the program in 23/24 to accommodate increasing patient wishes to return home for care.
- To support this, Better at Home Funding has been sourced for a stand-alone Hospital in the Home service seven days a week.
- PDH has joined as a participant in the Victorian Stroke Treatment program through our Urgent Care Centre, with the program to be up and running in late 2023.
- PDH delivered the agreed activity for the Barwon South West Better@Home 2022-2023 non-admitted contract. The service aimed at assisting people with chronic and complex conditions to gain access to care and support as a hospital avoidance strategy. Ongoing workforce challenges resulted in a review of the additional service and determined that investment in a hospital substitution service model would enhance the surgical care pathway.
- Continued participation in the Barwon South West Digital Health strategy with investment in offering virtual care as an alternate service delivery option.
- Active partner for the provision of mental health and alcohol and other drugs services funded by the Western Victoria Primary Health Network successful submission. This project has multiple partners, with the lead agency being MIND Australia.
- Partnered with all other South West Vicotria health services to develop submission for the provision of integrated chronic condition care and support funded by the Western Victoria Primary Health Network successful submission.

## Priority 3 (Immediate and Ongoing): KEEP IMPROVING CARE

### Improve Quality and Safety of Care

- Work with Safer Care Victoria Safer Care Victoria in areas of clinical improvement to ensure the Victorian health system is safe and delivers best care, including working together on hospital acquired complications, low value care and targeting preventable harm to ensure that limited resources are optimised without compromising clinical care and outcomes.

### Outcomes

**Safer Care Victoria Safer Care Victoria in areas of clinical improvement** (safe and delivers best care):

- Quarterly reporting in Serious Adverse Patient Safety Event data to HealthCollect Portal
- Submission of Sentinel Events reporting to the Safer Care Victoria Sentinel Events Portal
- Monitoring to improve clinical outcomes through submission to the Australian Council on Healthcare Standards Clinical Indicator Program for national benchmarking, with the aim to exceed best practice targets.
- Meeting the National Safety and Quality Health Service Standards for hospital accreditation.

### Hospital acquired complications:

We have adopted best practices (Clinical Care Standards) to minimize risk and harm for patients in acquiring Hospital Acquired Complicationss, such as tools and resources developed by Australian Commission on Safety and Quality in Health Care, Safer Care Victoria and Clinical Excellence Commission and Clinical Care Standards.

We currently use updated safe and best care indicators (Portland District Health CARE Key Performance Indicators) data to monitor Hospital Acquired Complications and reporting through to committees, the Board Directors, and external regulatory bodies.

### We currently use Safer Care Victoria resources and investigation tools to target preventable harm, such as:

- Safer Care Victoria Serious Adverse Patient Safety Event and Statutory Duty of Candour consumer information
- Safer Care Victoria Serious Adverse Patient Safety Event review tools and guidelines
- Safer Care Victoria Falls Review Tool
- Safer Care Victoria Hospital Acquired Complications resource
- Partner with Safer Care Victoria in patient safety and experience initiatives such as forums and training, Barriers to reporting of Sentinel Events Survey, volunteering for trials such as the Health Complaints Analysis Tool project.

### Resources are optimised without compromising clinical care and outcomes.

- Education and sharing of resources to leadership team and accountability to committees and the Board of Directors. Rather than relying solely on one department or person. Submission of an annual Quality Account Report with Safer Care Victoria that covers infection prevention and control and improvement strategies.
- Use of best clinical practice resources and guidelines that have been developed by subject matter experts and external leading organisations such as the Australian Commission on Safety and Quality in Health Care, Safer Care Victoria and Clinical Excellence Commission and Clinical Care Standards.
- Clinical Governance System and adopted tools and processes in relation to governance of clinical incidents.
- Encourage staff participation (both clinical and non-clinical) in training by Safer Care Victoria such as Serious Adverse Patient Safety Event

## Priority 3 (Immediate and Ongoing): KEEP IMPROVING CARE (Continued)

### Plan Update to Nutrition and Food Quality Standards

- Develop a plan to implement nutrition and quality of food standards in 2022-23, implemented by December of 2023.

#### Outcomes

A self-assessment was completed to identify how PDH wase progressing towards implementing the standards.

A cross division working group was formed, between Corporate Service and Primary Care Services, to analysis the gaps, develop an action plan and implement the required changes. Progress towards full achievement of the identified gaps continues

### Climate Change Commitments

- Contribute to enhancing health system resilience by improving the environmental sustainability, including identifying and implementing projects and/or processes that will contribute to committed emissions reduction targets through reducing or avoiding carbon emissions and/or implementing initiatives that will help the health system to adapt to the impacts of climate change.

#### Outcomes

- PDH is currently undergoing site assessment for electronic vehicles (EV) with the view of looking at EVs in the PDH vehicle fleet
- PDH is compliant with single-use plastic ban, which came into effect on 1 February 2023
- Currently working on co-mingled recycling as this is not covered under the current contract with Cleanaway
- Participated in the Energy Audit undertaken in June 2023 – awaiting audit report outcomes
- Active member of the Regional Environmental Network

### Asset Maintenance and Management

- Improve health service and Department Asset Management Accountability Framework (AMAF) compliance by collaborating with Health Infrastructure to develop policy and processes to review the effectiveness of asset maintenance and its impact on service delivery.

#### Outcomes

Working toward improving our asset maintenance against the Asset management accountability framework. A new system is being introduced to assist with overall effectiveness of assets and how they can aid in improved service delivery. An improvement plan continues to be refined to assist with overall implementation.

## Priority 4 (Immediate and Ongoing): IMPROVE ABORIGINAL HEALTH AND WELLBEING

### Improve Aboriginal Cultural Safety

- Strengthen commitments to Aboriginal Victorians by addressing the gap in health outcomes by delivering culturally safe and responsive health care.
- Establish meaningful partnerships with Aboriginal Community-Controlled Health Organisations.
- Implement strategies and processes to actively increase Aboriginal employment
- Improve patient identification of Aboriginal people presenting for health care, and to address variances in health care and provide equitable access to culturally safe care pathways and environments.
- Develop discharge plans for every Aboriginal patient.

### Outcomes

- PDH has strong relationships with Dhauwurd Wurrung our Local Aboriginal Health Service.
- Aboriginal Hospital Liaison Officers are utilized when Aboriginal patients are admitted through a contract of service.
- Current advertisement for a Aboriginal Workforce Officer to be employed at PDH.
- Currently an expression of Interest is in the community for Aboriginal Artwork for Maternity Services, Maternal and Child Health and general Hospital paintings. Cot cards, bibs and pamphlets require artwork.

## Priority 5 (Immediate and Ongoing): MOVING FROM COMPETITION TO COLLABORATION

### Foster and Develop Local Partnerships

- Strengthen cross-service collaboration, including through active participation in health service partnerships2 (HSP).
- Work together with other HSP members on strategic system priorities where there are opportunities to achieve better and more consistent outcomes through collaboration, including the pandemic response, elective surgery recovery and reform, implementation of the Better at Home program and mental health reform

### Outcomes

- PDH and Heywood Rural Health are working actively on developing a shared administration for the Commonwealth Home Support Service.
- PDH is actively supporting elective surgery and recovery reform
- PDH is an active participant in the Barwon Health Service Partnership
- Working with Western District Health Service to develop a seamless Maternity service between both services.
- Work with South West Healthcare around Domiciliary care for mothers on discharge from their service.
- Work with South West Healthcare around Domiciliary care for mothers on discharge from their service.

## Priority 6 (Immediate and Ongoing): A STRONGER WORKFORCE:

### Improve Workforce Wellbeing

- Participate in the Occupational Violence and Aggression (OVA) training that will be implemented across the sector in 2022-23.
- Support the implementation of the Strengthening Hospital Responses to Family Violence (SHRFV) initiative deliverables including health service alignment to MARAM, the Family Violence Multi-Agency Risk Assessment and Management framework.
- Prioritise wellbeing of healthcare workers and implement local strategies to address key issues

### Outcomes

- PDH has undertaken a range of OVA pieces of training provided by the Department of Health.
- PDH has a SHRFV Committee meeting monthly with our SHRFV coordinator from SWHC.
- PDH has developed a SHRFV work plan, which we work on each meeting.
- PDH has refocused its engagement in the health and wellbeing of staff through increased culture and wellbeing activities with a focus on leadership development through the “When PDH Leads” program, which is a combination of Studer program work and in house Leadership training and development.
- Additional staff well-being and support has been undertaken through planned activities around international women's day, volunteer week, international nurses day, aged care workers day, environmental health services day, Doctors days, RUOK day and working with staff to make PDH a fun and welcoming place to work.

# 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 | 85% | 92.7% |
| Percentage of healthcare workers immunised for influenza | 92% | 100% |
| **Patient experience** | | |
| Percentage of patients who reported positive experiences of their hospital stay | 95% | 94.7% |
| **Maternity and Newborn** | | |
| Percentage of full-term babies (without congenital anomalies) who are considered in poor condition shortly after birth (APGAR score <7 to 5 minutes) | ≤ 1.4% | 0% |
| Percentage of singleton babies with severe fetal growth restriction (FGR) delivered at 40 or more weeks gestation | ≤ 28.6% | 0% |

## Strong governance, leadership and culture

| Key Performance Indicator | Target | Result |
|---|---|---|
| **Organisational culture** | | |
| People matter survey - Percentage of staff with an overall positive response to safety culture survey questions | 62% | 50% |

## Effective Financial Management

| Key Performance Indicator | Target | Outcomes |
|---|---|---|
| Operating result ($M) | $0.00 | -$0.10 |
| Average number of days to pay trade creditors | 60 days | 34 days |
| Average number of days to receive patient fee debtors | 60 days | 21 days |
| Adjusted current asset ratio (Variance between actual ACAR and target, including performance improvement over time or maintaining actual performance | 0.7 or 3% improvement from health service base target | 0.64 |
| Variance between forecast and actual Net result from transactions (NRFT) for the current financial year ending 30 June. | Variance ≤ $250,000 | 0.30 |
| Actual number of days available cash, measured on the last day of each month | 14 days | 4 days |

## PART C: ACTIVITY AND FUNDING SUMMARY

| Funding type | Activity Achieved |
|---|---|
| **Consolidated Activity Funding** | |
| Acute admitted, subacute admitted, emergency services, non-admitted NWAU | 5,239 |
| **Acute admitted OVA** | 25 |
| National Bowel Cancer Screening Program NWAU | 16 |
| Acute admitted OVA | 25 |
| Acute admitted TAC | 3 |
| **Acute Non-Admitted** | |
| Home Enteral Nutrition NWAU | 1 |
| **Subacute / Non-Acute, Admitted and Non-admitted** | |
| Subacute - OVA | 3 |
| Transition Care – Bed days | 812 days |
| Transition Care – Home days | 26 days |
| **Aged Care** | Aged Care |
| Residential Aged Care – Harbourside Lodge | 9,824 bed days |
| Home and Community Care (HACC) | 1,698 hours |
| **Mental Health and Drug Services** | |
| Drug Services | 1 |
| **Primary Health** | |
| Community Health / Primary Care Programs | 8,548 |

## PART D: NATIONAL HEALTH REFORM FUNDING

| Funding type | Number of Services (NWAU) | Victorian average price per NWAU | Funding Allocation ($) |
|---|---|---|---|
| **ABF Allocation** | | | |
| Emergency Department | 1,026 | 5,225 | 5,194,488 |
| Acute Admitted | 3,787 | 5,430 | 21,537,654 |
| Sub-Acute | 328 | 4,621 | 1,438,337 |
| Non-Admitted | 611 | 4,764 | 3,024,756 |
| **Total ABF Allocation** | **5,752** | | **31,195,235** |
| **Block Allocation** | | | |
| Teaching, Training and Research | | | 367,583 |
| Other Non-Admitted Services | | | 2,306 |
| Total Block Allocation | | | 369,889 |
| **Grand Total Funding allocation** | | | **31,565,123** |

# MANDATORY REPORTING

In accordance with the Directions of the Minister for Finance under the F*inancial 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, Samantha Sharp 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, Samantha Sharp, 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 Directors, 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 Board of Directors meeting.

### INTEGRITY, FRAUD AND CORRUPTION

I, Samantha Sharp, 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 Samantha Sharp**
Chief Executive Officer
Portland District Health
Date: 30 July 2023

### FINANCIAL MANAGEMENT COMPLIANCE ATTESTATION

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

**Mr Jed Macartney (OAM)**
Chairperson of Finance, Audit & Risk Committee
Portland District Health
Date: 30 July 2023

# MANDATORY REPORTING Continued

## ESSENTIAL SERVICES

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

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

The maintenance of essential safety measures involves:

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

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

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

## COMMERCIAL APPOINTMENTS

External Auditors: Crowe

Internal Auditors: Moore

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

**2022/23**

**Compliments** 178 **Complaints** 54

### COMPLIMENTS AND COMPLAINTS

| Category | Jul | Aug | Sep | Oct | Nov | Dec | Jan | Feb | Mar | Apr | May | Jun |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Compliments | 22 | 13 | 7 | 9 | 20 | 11 | 9 | 13 | 19 | 22 | 14 | 19 |
| Complaints | 4 | 3 | 5 | 4 | 10 | 4 | 4 | 3 | 3 | 5 | 4 | 5 |
| Acknowledged within 5 days | 100% | 100% | 80% | 100% | 70% | 75% | 100% | 100% | 100% | 60% | 75% | 80% |
| Open >30 days | 2 | 1 | 0 | 4 | 3 | 5 | 1 | 2 | 0 | 0 | 0 | 1 |

# MANDATORY REPORTING Continued

## CONSULTANCIES

During 2022/23, Portland District Health engaged seven consultancies where the total fees payable to the consultants were less than $10,000, with a total expenditure of $20,697.50 (excl. GST).

In 2022/23 there were seven consultancies where the total fees payable to the consultants were $10,000 or greater. The total expenditure incurred in relation to these consultants was $291,948.00 (excl GST).

### Consultancies > $10,000

| CONSULTANT | PURPOSE OF CONSULTANCY | EXPENDITURE 2022-23 (ex GST) |
|---|---|---|
| Pinnacle Health Consultants | Redesign of Maternity Services | $76,500.00 |
| Steam Consulting | Theatre Gap Analysis review | $17,000.00 |
| Quality Services Improvement | Program Evaluation | $25,391.06 |
| Pharmconsult | Review of medication management and pharmacy services | $35,898.24 |
| Stephen Gardner | Development of Financial Management Improvement Plan | $49,181.77 |
| Cooper Hardiman | Human Resources Consultancy Services | $56,976.98 |
| Workwell Consulting | Strategy Development | $31,000.00 |
| **Total** | | **$291,948.05** |

## DETAILS OF INFORMATION & COMMUNICATION TECHNOLOGY (ICT) EXPENDITURE

During 2022/23 Portland District Health ICT Business as Usual (BAU) Operational expenditure (excluding GST) was $1,570,444 and Capital expenditure (excluding GST) was $13,756.

The total ICT expenditure incurred during 2022/23 is $1,570,444 (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) |
| $1,570,444 | $13,756 | $ 0 | $13,756 |

# ENVIRONMENTAL PERFORMANCE

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

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

Our solar panels installed 3 years ago continue to provide substantial electricity saving to the organisation.

Our key highlights for 2022/2023 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.
- Undergoing site assessment for electronic vehicles (EV) with the view of looking at EVs in the PDH vehicle fleet.
- Compliance with single use plastic ban which came into effect on 1 February 2023.
- Participated in the Energy Audit undertaken in June 2023 – awaiting audit report.
- Active member of Regional Environmental Network.

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.

## 2022-23 Energy and Water Performance Report

### Environmental impacts & energy use

| Energy Use | 2020-21 | 2021-22 | 2022-23 |
|---|---|---|---|
| Electricity (MWh) | 1,512 | 1,502 | 1,430 |
| Natural Gas (gigajoules) | 7,274 | 7,554 | 7,880 |
| **Carbon emissions (thousand tonnes of $CO_2e$)** | **2020-21** | **2021-22** | **2022-23** |
| Electricity | 1 | 1.37 | 0.98 |
| Natural Gas | 0 | 0.39 | 0.31 |
| Total emissions | 2 | 1.76 | 1.29 |
| **Water use (millions litres)** | **2020-21** | **2021-22** | **2022-23** |
| Potable Water | 13 | 12.82 | 12.71 |

### Factors influencing environmental impacts

| | 2020-21 | 2021-22 | 2022-23 |
|---|---|---|---|
| Floor area (m2) | 12,383 | 12,383 | 12,383 |
| Separations | 5,506 | 4,932 | 5,604 |
| In-Patient Bed Days | 12,514 | 10,958 | 13,461 |
| Aged Care Bed Nights | 10,576 | 10,218 | 9,824 |

### General Notes

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.

## HEALTHSHARE VICTORIA (HSV) PURCHASING POLICIES

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

During 2022-23 Portland District Health engaged 13 certified Social Enterprises, Aboriginal businesses and Traditional Owner Corporations, Disability Enterprises and social value companies listed. This represented spent of $126,837 million.

## 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.

## 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 2022/23 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 57 requests under the *Freedom of Information Act 1982* were processed during 2022/23 with no requests denied and information not granted and 1 request withdrawn. Portland District Health's nominated officers under the *Freedom of Information Act* are: Principal Officer: Samantha Sharp; 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 directives, issued under Regulation 8 of the Hospital and Charities (Fees) Regulations 1986 as amended.

## OCCUPATIONAL HEALTH & SAFETY ACT 2004 COMPLIANCE

Portland District Health complies with the *Occupational Health & Safety Act of 2004* and its associated regulations and code of practice to meet the Australian Council of Health Care Standards requirement. Portland District Health is committed to providing a safe and healthy environment for patients, residents, staff, visitors, volunteers and contractors under the auspices of the Health 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.

# STATEMENT OF COMPLIANCE Continued

## HEALTHSHARE VICTORIA (HSV) PURCHASING POLICIES

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

During 2022-23 Portland District Health engaged 13 certified Social Enterprises, Aboriginal businesses and Traditional Owner Corporations, Disability Enterprises and social value companies listed. This represented spent of $126,837 million.

| Occupational, Health & Safety Reporting | 2022-23 | 2021-22 | 2020-21 |
|---|---|---|---|
| 1. The number of reported hazards/incidents for the year per 100 FTE | 88.70 | 28.99 | 42.77 |
| 2. The number of 'lost time' standard WorkCover claims for the year per 100 FTE | 1.40 | 0.95 | 0.65 |
| 3. The average cost per WorkCover claim for the year | 17,518 | $51,171 | $37,012 |

Lost time Workcover claims for 2022/2023 was one higher compared to 2021/2023, although overall claim costs reduced.

Reported hazards and incidents have more than doubled in 2022-2023 compared to the prior year as a result of a greater level of confidence to report.

Seventy nine percent of reported incidents were categorised as no harm/near miss.

## PUBLIC INTEREST DISCLOSURE ACT 2012

Portland District Health has in place appropriate procedures for disclosure in accordance with the *Public Interest Disclosure Act 2012*. No public interest disclosures were made under the Act in 2021/2022.

## 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.

**Samantha Sharp**
Chief Executive Officer
Portland District Health
Date: 30 July 2023

# GOVERNANCE

## BOARD OF DIRECTORS:

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

## GOVERNANCE COMMITTEES:

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

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

### CLINICAL GOVERNANCE COMMITTEE – bi-monthly

The committee's primary function is to assist the Board of Directors 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 Directors 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 RISK COMMITTEE – monthly

The Finance, Audit & Risk Committee recommends and advises the Board of Directors 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 the Corporate Risk and Management Plan is in place and reviewed regularly.

External Member: Nil

### PEOPLE AND CULTURE COMMITTEE – quarterly

The committee's primary function recommends and advises the Board of Directors 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.

### GOVERNANCE, REMUNERATION AND NOMINATIONS COMMITTEE – twice yearly

The Governance, Remuneration and Nominations 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.

- CEO Recruitment and Working Party

# GOVERNANCE Continued

## OTHER BOARD ADVISORY COMMITTEES:

### Consumer Advisory Committee – bi-monthly

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 Directors 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 – quarterly

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

This committee is a collaboration between Traditional Gunditjmara 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 ways to improve health and wellbeing of the First Nations people. The committee has been in hiatus while PDH & the Traditional Owners work on establishing a new way of yarning.

### e-Credentialing & Scope of Practice (Medical Appointment) Committee – quarterly (or as required as part of the South West regional committee)

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

Project Control Groups and Working Parties – as needed

Project Control Groups and Working Parties are convened by the board to oversee short and intermediate term projects. In 2022-23 these were:

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

## EXECUTIVE ROLE

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

## RESPONSIBLE MINISTER

***The responsible Minister is the Minister for Health:***

***Minister for Health:***

The Hon Mary-Anne Thomas
from 1 July 2022 to 30 June 2023

## OTHER RELEVANT MINISTERS

***The responsible Minister for Mental Health:***

***Minister for Ambulance Services***

The Hon Mary-Ann Thomas
from 1 July 2022 to 5 December 2022

The Hon. Gabrielle Williams
from 5 December 2022 to 30 June 2023

***Minister for Mental Health***

The Hon. Gabrielle Williams
from 1 July 2022 to 30 June 2023

***Minister for Disability, Ageing and Carers***

The Hon. Colin Brooks
from 1 July 2022 to 5 December 2022

The Hon. Lizzie Blandthorn
from 5 December 2022 to 30 June 2023

## ETHICAL STANDARDS

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

## ADDITIONAL INFORMATION AVAILABLE ON REQUEST

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

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

# DONATIONS 2022/2023

## SIGNIFICANT PARTNERSHIP RECOGNITION

- United Way Glenelg
- Portland & District Motoring Enthusiasts Club Inc: Cruise for Charity
- Salvation Army Portland
- PDH Annual Blanket and Coat Winter Appeal
- PDH Christmas Present Appeal
- Rotary Beats Cycle for Hope: "Random act of kindness" gift card
- Assets Real Estate
- Portland Community Markets
- Portland Golf Club
- Qube Ports
- 3RPC Incorporated

## PDH ANNUAL FUNDRAISERS

PDH Golf Day Fundraiser & Online Auction: $31,489

PDH Community Market/Fete : $12,502


## PDH DONATIONS ($50+ AND IN KIND)

Anti Cancer Council of Victoria

Assets Real Estate

Bayview college

Bill & Jenn Collett

Derril Road Athletic Club

Don Medhurst

Esther Colliver

Ibis Wanderers

In memory of Donald Medhurst

In memory Thelma Sealey

John Leighton

Kevin Phillips

Marjorie Shalders

Mary & Mel Rowlands

Menka Kortis

Mervyn & Sophie Wise

MixxFM – Rowly Paterson

Mr I W Meldrum

Mr M Wise

Narrawong Patches & Craft

Peter Boyce

Portland Lions Club Inc

Portland Masonic Lodge

Portland Observer AFL tipping

Qube Ports

Ray Penny

Ray Penny

South West TAFE

St John's Angican Church, Heywood,

Sue Haldane

Uniting Church Portland

## 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 2022/23. 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 22 | Manner of establishment and the relevant Ministers | |
| FRD 22 | Purpose, functions, powers and duties | Inside Front Cover |
| FRD 22 | Nature and range of services provided | |
| FRD 22 | Activities, programs and achievements for the reporting period | |
| FRD 22 | Significant changes in key initiatives and expectations for the future | |
| **Management and structure** | | |
| FRD 22 | Organisational structure | |
| FRD 22 | Workforce data / employment and conduct principles | |
| FRD 22 | Occupational Health and Safety | |
| **Financial information** | | |
| FRD 22 | Summary of the financial results for the year | |
| FRD 22 | Significant changes in financial position during the year | |
| FRD 22 | Operational and budgetary objectives and performance against objectives | |
| FRD 22 | Subsequent events | |
| FRD 22 | Details of consultancies under $10,000 | |
| FRD 22 | Details of consultancies over $10,000 | |
| FRD 22 | Disclosure of ICT expenditure | |
| **Legislation** | | |
| FRD 22 | Application and operation of *Freedom of Information Act 1982* | |
| FRD 22 | Compliance with building and maintenance provisions of *Building Act 1993* | |
| FRD 22 | Application and operation of *Public Interest Disclosure Act* (Updated 2020-2021) | |
| FRD 22 | Statement on National Competition Policy | |
| FRD 22 | Application and operation of *Carers Recognition Act 2012* | |
| FRD 22 | Summary of the entity's environmental performance | |
| FRD 22 | Additional information available on request | |
| **Other relevant reporting directives** | | |
| FRD 25D | *Local Jobs First Act* disclosures | |
| SD 5.1.4 | Financial Management Compliance attestation | |
| SD 5.2.3 | Declaration in report of operations | |
| **Attestations** | | |
| Attestation on Data Integrity | | |
| Attestation on managing Conflicts of Interest | | |
| Attestation on Integrity, fraud and corruption | | |
| **Other reporting requirements** | | |
| • Reporting of outcomes from Statement of Priorities 2022-2023 | | |
| • Occupational Violence reporting | | |
| • *Gender Equality Act* | | |
| • Asset Management Accountability Framework | | |
| • Reporting obligations under the *Safe Patient Care Act 2015* | | |
| • Reporting of compliance regarding Car Parking Fees | | |

PORTLAND
DISTRICT HEALTH

ABN 19 736 725 377

# ANNUAL FINANCIAL STATEMENTS

Year Ended 30 June 2023

## How this report is structured

Portland District Health presents its audited general purpose financial statements for the financial year ended 30 June 2023 in the following structure to provide users with the information about Portland District Health stewardship of the resources entrusted to it.

## CONTENTS

# Financial Statements
# Financial Year ended 30 June 2023

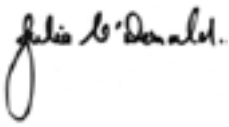
***Board member's, accountable officer's, and chief finance & accounting officer's declaration.***

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

We further state that, in our opinion, the information set out in the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement and accompanying notes, presents fairly the financial transactions during the year ended 30 June 2023 and the financial position of Portland District Health at 30 June 2023.

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

We authorise the attached financial statements for issue on 4 October 2023.

| Board member | Accountable Officer | Chief Finance & Accounting Officer |
|---|---|---|
|  |  |  |
| **Prof Peter Matthews** | **Samantha Sharp** | **Julie McDonald** |
| Chairperson | Chief Executive Officer | Chief Finance and Accounting Officer |
| Portland | Portland | Portland |
| 04/10/2023 | 04/10/2023 | 04/10/2023 |

# Independent Auditor's Report

Victorian Auditor-General's Office

***To the Board of Portland District Health***

| | |
|---|---|
| **Opinion** | I have audited the financial report of Portland District Health (the health service) which comprises the:<br>• balance sheet as at 30 June 2023<br>• comprehensive operating statement for the year then ended<br>• statement of changes in equity for the year then ended<br>• cash flow statement for the year then ended<br>• notes to the financial statements, including significant accounting policies<br>• board member's, accountable officer's and chief finance & accounting officer's declaration.<br>In my opinion the financial report presents fairly, in all material respects, the financial position of the health service as at 30 June 2023 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 7 of the *Financial Management Act 1994* and applicable Australian Accounting Standards. |
| **Basis for Opinion** | I have conducted my audit in accordance with the *Audit Act 1994* which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report.<br>My independence is established by the *Constitution Act 1975.* My staff and I are independent of the health service in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.<br>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion. |
| **Board's responsibilities for the financial report** | The Board of the health service is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the *Financial Management Act 1994*, and for such internal control as the Board determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.<br>In preparing the financial report, the Board is responsible for assessing the health service's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so. |

Level 31 / 35 Collins Street, Melbourne Vic 3000
T 03 8601 7000 enquiries@audit.vic.gov.au www.audit.vic.gov.au

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

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

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

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

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

MELBOURNE
20 October 2023

Charlotte Jeffries
*as delegate for the Auditor-General of Victoria*

# Portland District Health
# Comprehensive Operating Statement
# For the Financial Year Ended 30 June 2023

| | Note | Parent 2023 $'000 | Parent 2022 $'000 | Consolidated 2022 $'000 |
|---|---|---|---|---|
| **Revenue and income from transactions** | | | | |
| Operating activities | 2.1 | 61,807 | 56,525 | 58,241 |
| Non-operating activities | 2.1 | 527 | 343 | 343 |
| Share of revenue from joint operations | 8.8 | 1,201 | 1,147 | 1,147 |
| **Total revenue and income from transactions** | | **63,535** | **58,015** | **59,731** |
| | | | | |
| **Expenses from transactions** | | | | |
| Employee expenses | 3.1 | (47,460) | (43,153) | (44,904) |
| Supplies and consumables | 3.1 | (7,817) | (7,561) | (7,578) |
| Finance costs | 3.1 | (25) | (14) | (14) |
| Depreciation and amortisation | 4.4 | (3,539) | (3,901) | (3,908) |
| Other administrative expenses | 3.1 | (4,704) | (3,809) | (3,917) |
| Other operating expenses | 3.1 | (1,993) | (1,731) | (1,813) |
| Share of expenditure from joint operations | 8.8 | (1,102) | (1,106) | (1,106) |
| **Total Expenses from transactions** | | **(66,640)** | **(61,275)** | **(63,240)** |
| | | | | |
| **Net result from transactions - net operating balance** | | **(3,105)** | **(3,260)** | **(3,509)** |
| | | | | |
| **Other economic flows included in net result** | | | | |
| Net gain/(loss) on sale of non-financial assets | 3.2 | (103) | 128 | 128 |
| Net gain/(loss) on financial instruments | 3.2 | (3) | (19) | (19) |
| Share of other economic flows from equity arrangements | 3.2 | - | (79) | (79) |
| Share of other economic flows from join ventures | 8.8 | 1 | (4) | (4) |
| Other gain/(loss) from other economic flows | 3.2 | - | (34) | (34) |
| **Total other economic flows included in net result** | | **(105)** | **(8)** | **(8)** |
| | | | | |
| **Net result for the year** | | **(3,210)** | **(3,268)** | **(3,517)** |
| | | | | |
| **Other economic flows - other comprehensive income** | | | | |
| **Items that will not be reclassified to net result** | | | | |
| Changes in property, plant and equipment revaluation surplus | 4.1(b) | - | 6,541 | 6,541 |
| **Total other comprehensive income** | | **-** | **6,541** | **6,541** |
| | | | | |
| **Comprehensive result for the year** | | **(3,210)** | **3,273** | **3,024** |

This statement should be read in conjunction with the accompanying notes

# Portland District Health
# Balance Sheet as at 30 June 2023

| | Note | Parent 2023 $'000 | Parent 2022 $'000 | Consolidated 2022 $'000 |
|---|---|---|---|---|
| **Current assets** | | | | |
| Cash and cash equivalents | 6.2 | 4,804 | 5,737 | 5,851 |
| Receivables and contract assets | 5.1 | 1,339 | 758 | 873 |
| Inventories | | 94 | 77 | 77 |
| Prepaid expenses | | 721 | 656 | 666 |
| Share of assets in joint operations | 8.8 | 1,164 | 1,496 | 1,496 |
| **Total current assets** | | **8,122** | **8,724** | **8,963** |
| | | | | |
| **Non-current assets** | | | | |
| Property, plant and equipment | 4.1(a) | 59,625 | 62,450 | 62,480 |
| Right of use assets | 4.2(a) | 308 | 381 | 381 |
| Investment property | 4.5(a) | 2,830 | 3,010 | 3,010 |
| Share of assets in joint operations | 8.8 | 736 | 452 | 452 |
| **Total non-current assets** | | **63,499** | **66,293** | **66,323** |
| | | | | |
| **Total assets** | | **71,621** | **75,017** | **75,286** |
| | | | | |
| **Current liabilities** | | | | |
| Payables | 5.2 | 3,628 | 3,944 | 4,026 |
| Contract Liabilities | 5.3 | 991 | 515 | 515 |
| Borrowings | 6.1 | 202 | 204 | 204 |
| Employee benefits | 3.3 | 7,924 | 7,951 | 8,082 |
| Other liabilities | 5.4 | 2,321 | 2,554 | 2,554 |
| Share of liabilities in joint operations | 8.8 | 1,257 | 1,454 | 1,454 |
| **Total current liabilities** | | **16,323** | **16,622** | **16,835** |
| | | | | |
| **Non-current liabilities** | | | | |
| Borrowings | 6.1 | 212 | 322 | 322 |
| Employee benefits | 3.3 | 1,176 | 1,002 | 1,002 |
| Share of liabilities in joint operations | 8.8 | 183 | 134 | 134 |
| **Total non-current liabilities** | | **1,571** | **1,458** | **1,458** |
| | | | | |
| **Total liabilities** | | **17,894** | **18,080** | **18,293** |
| | | | | |
| **Net assets** | | **53,727** | **56,937** | **56,993** |
| | | | | |
| **Equity** | | | | |
| Property, plant and equipment revaluation surplus | 4.3 | 57,887 | 57,896 | 57,896 |
| Restricted specific purpose reserve | SCE | 1,011 | 858 | 858 |
| Contributed capital | SCE | 35,695 | 35,695 | 35,695 |
| Accumulated surplus/(deficit) | SCE | (40,866) | (37,512) | (37,456) |
| **Total equity** | | **53,727** | **56,937** | **56,993** |

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

# Portland District Health
# Cash Flow Statement
# For the Financial Year Ended 30 June 2023

| | Note | Parent 2023 $'000 | Parent 2022 $'000 | Consolidated 2022 $'000 |
|---|---|---|---|---|
| **Cash Flows from operating activities** | | | | |
| Operating grants from State Government | | 47,286 | 47,527 | 47,527 |
| Operating grants from Commonwealth Government | | 5,259 | - | - |
| Capital grants from State Government | | 592 | 489 | 489 |
| Patient fees received | | 5,343 | 6,502 | 6,532 |
| GST received from ATO | | 1,122 | 429 | 278 |
| Interest and investment income received | | 209 | 35 | 35 |
| Other receipts | | 2,869 | 2,221 | 3,988 |
| **Total receipts** | | **62,680** | **57,203** | **58,849** |
| | | | | |
| Payments to employees | | (47,217) | (42,298) | (44,053) |
| Payments for supplies and consumables | | (8,293) | (7,792) | (7,167) |
| Payments for repairs and maintenance | | (1,118) | (1,045) | (1,045) |
| Finance costs | | (24) | (14) | (14) |
| Other payments | | (5,976) | (5,083) | (5,860) |
| **Total payments** | | **(62,628)** | **(56,232)** | **(58,139)** |
| | | | | |
| **Net cash flows from/(used in) operating activities** | 8.1 | **52** | **971** | **710** |
| | | | | |
| **Cash Flows from investing activities** | | | | |
| Proceeds from sale of non-financial assets | | 85 | 152 | 152 |
| Purchase of non-financial assets | | (685) | (827) | (827) |
| **Net cash flows from/(used in) investing activities** | | **(600)** | **(675)** | **(675)** |
| | | | | |
| **Cash flows from financing activities** | | | | |
| Repayment of borrowings | | (133) | (135) | (135) |
| Receipt of borrowings | | - | 287 | 287 |
| Repayment of accommodation deposits | | (1,002) | (672) | (672) |
| Receipt of accommodation deposits | | 750 | 257 | 257 |
| **Net cash flows from/(used in) financing activities** | | **(385)** | **(263)** | **(263)** |
| | | | | |
| **Net increase/(decrease) in cash and cash equivalents held** | | **(933)** | **33** | **(228)** |
| Cash and cash equivalents at beginning of year | | 5,737 | 5,704 | 6,079 |
| **Cash and cash equivalents at end of year** | 6.2 | **4,804** | **5,737** | **5,851** |

This statement should be read in conjunction with the accompanying notes

# Portland District Health
# Statement of Changes in Equity
# For the Financial Year Ended 30 June 2023

| Consolidated | Property, Plant and Equipment Revaluation Surplus $'000 | Restricted Specific Purpose Reserve $'000 | Contributed Capital $'000 | Accumulated Surplus/(Deficit) $'000 | Total $'000 |
|---|---|---|---|---|---|
| **Balance at 1 July 2021** | **51,355** | **858** | **35,695** | **(33,939)** | **53,969** |
| Net result for the year | - | - | - | (3,517) | (3,517) |
| Other comprehensive income for the year | 6,541 | - | - | - | 6,541 |
| **Balance at 30 June 2022** | **57,896** | **858** | **35,695** | **(37,456)** | **56,993** |

| Parent | Property, Plant and Equipment Revaluation Surplus $'000 | Restricted Specific Purpose Reserve $'000 | Contributed Capital $'000 | Accumulated Surplus/(Deficit) $'000 | Total $'000 |
|---|---|---|---|---|---|
| **Balance at 1 July 2021** | **51,355** | **858** | **35,695** | **(34,244)** | **53,664** |
| Net result for the year | - | - | - | (3,268) | (3,268) |
| Other comprehensive income for the year | 6,541 | - | - | - | 6,541 |
| **Balance at 30 June 2022** | **57,896** | **858** | **35,695** | **(37,512)** | **56,937** |
| Net result for the year | - | - | - | (3,210) | (3,210) |
| Other comprehensive income for the year | - | - | - | - | - |
| Transfer from/(to) accumulated surplus/(deficit) | - | - | - | - | - |
| Movement in reserves | (9) | 153 | - | (144) | - |
| **Balance at 30 June 2023** | **57,887** | **1,011** | **35,695** | **(40,866)** | **53,727** |

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

# Portland District Health
# Notes to the Financial Statements
# For the Financial Year Ended 30 June 2023

## 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***

These financial statements represent the audited general purpose financial statements for Portland District Health for the year ended 30 June 2023. The report provides users with information about Portland District Health's stewardship of the resources entrusted to it.

This section explains the basis of preparing the financial statements.

***Note 1.1 Basis of preparation of the financial statements***
These financial statements are general purpose financial statements which have been prepared in accordance with the *Financial Management Act 1994* and applicable Australian Accounting Standards, which include interpretations issued by the Australian Accounting Standards Board (AASB). They are presented in a manner consistent with the requirements of AASB 101 *Presentation of Financial Statements.*

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

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

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

# Portland District Health
# Notes to the Financial Statements
# For the Financial Year Ended 30 June 2023

### *Note 1.1 Basis of preparation of the financial statements (cont)*

The financial statements have been prepared on a going concern basis (refer to Note 8.10 Economic Dependency).

The financial statements for year ended 30 June 2023 have been prepared as a parent entity only due to PDH relinquishing its shareholding with Active Health Portland Ltd in November 2022.

The financial statements are presented in Australian dollars.

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

The annual financial statements were authorised for issue by the Board of Portland District Health on 4 October 2023.

### *Note 1.2 Impact of COVID-19 pandemic*

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

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

- Note 2: Funding delivery of our services
- Note 3: The cost of delivering services.

### *Note 1.3 Abbreviations and terminology used in the financial statements*

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

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

# Portland District Health
# Notes to the Financial Statements
# For the Financial Year Ended 30 June 2023

### *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 for 2022, due to PDH having control over Active Health Portland Limited (AHP).

However, in November 2022 PDH relinquished its shareholding with AHP and therefore as at 30 June 2023 did not have control over any entities.

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

Transactions between segments within Portland District Health have been eliminated to no longer 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:

- 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 makes estimates and judgements when preparing the financial statements.

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

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

The accounting policies and significant management judgements and estimates used, and any changes thereto, are identified at the beginning of each section where applicable and relate to the following disclosures:

- Note 2.1: Revenue and income from transactions
- Note 3.3: Employee benefits and related on-costs
- Note 4.1: Property, plant and equipment
- Note 4.2: Right-of-use assets
- Note 4.4: Depreciation and amortisation
- Note 4.5: Investment property
- Note 5.1: Receivables and contract assets
- Note 5.2: Payables and contract liabilities
- Note 5.3: Other liabilities
- Note 6.1(a): Borrowings and Lease liabilities
- Note 7.4: Fair value determination

# Portland District Health
# Notes to the Financial Statements
# For the Financial Year Ended 30 June 2023

### *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 and their potential impact when adopted in future periods is outlined below:

| Standard | Adoption Date | Impact |
|---|---|---|
| AASB 17: *Insurance Contracts* | Reporting periods beginning 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 – Classification of Liabilities as Current or Non-Current* | Reporting periods beginning on or after 1 January 2023. | Adoption of this standard is not expected to have a material impact. |
| AASB 2022-5: *Amendments to Australian Accounting Standards – Lease Liability in a Sale and Leaseback* | Reporting periods beginning on or after 1 January 2024. | Adoption of this standard is not expected to have a material impact. |
| AASB 2022-6: *Amendments to Australian Accounting Standards – Non-Current Liabilities with Covenants* | Reporting periods beginning on or after 1 January 2023. | Adoption of this standard is not expected to have a material impact. |
| AASB 2022-8: *Amendments to Australian Accounting Standards – Insurance Contracts: Consequential Amendments* | Reporting periods beginning on or after January 2023. | Adoption of this standard is not expected to have a material impact. |
| AASB 2022-9: *Amendments to Australian Accounting Standards – Insurance Contracts in the Public Sector* | Reporting periods beginning on or after 1 January 2026. | Adoption of this standard is not expected to have a material impact. |
| AASB 2022-10: *Amendments to Australian Accounting standards – Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities* | Reporting periods beginning on or after 1 January 2024. | Adoption of this standard is not expected to have a material impact. |

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

### *Note 1.8 Goods and Services Tax (GST)*

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

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

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

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

### *Note 1.9 Reporting Entity*

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

Portland District Health's principal address is:

141-145 Bentinck Street
Portland Vic 3305

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

# Portland District Health
# Notes to the Financial Statements
# For the Financial Year Ended 30 June 2023

## Note 2: Funding delivery of our services

Portland District Health's overall objective is to provide quality health service that supports and enhances the wellbeing of all Victorians. Portland District Health is predominantly funded by grant funding for the provision of outputs. Portland District Health also receives income from the supply of services.

## Structure

***2.1 Revenue and income from transactions***

## Telling the COVID-19 story

Revenue recognised to fund the delivery of our services during the financial year was not materially impacted by the COVID-19 Coronavirus pandemic and scaling down the COVID-19 public health response during the year ended 30 June 2023.

## Key judgements and estimates

This section contains the following key judgements and estimates:

| Key judgements and estimates | Description |
|---|---|
| Identifying performance obligations | 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.<br>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 the beneficiaries.<br>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 timing 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
# Notes to the Financial Statements
# For the Financial Year Ended 30 June 2023

### *Note 2.1 Revenue and income from transactions*

| | Note | Parent 2023 $'000 | Consolidated 2022 $'000 |
|---|---|---|---|
| **Operating activities** | | | |
| **Revenue from contracts with customers** | | | |
| Government grants (State) - Operating | | 23,181 | 22,049 |
| Government grants (Commonwealth) - Operating | | 5,259 | 4,455 |
| Patient and resident fees | | 5,150 | 5,993 |
| Commercial activities [1] | | 73 | 78 |
| **Total revenue from contracts with customers** | 2.1(a) | **33,663** | **32,575** |
| | | | |
| **Other sources of income** | | | |
| Government grants (State) - Operating | | 25,039 | 21,657 |
| Government grants (State) - Capital | | 592 | 489 |
| Other capital purpose income | | 104 | 76 |
| Assets received free of charge or for nominal consideration | 2.1(b) | 296 | 480 |
| Other income from operating activities | | 2,113 | 2,964 |
| **Total other sources of income** | | **28,144** | **25,666** |
| | | | |
| **Total revenue and income from operating activities** | | **61,807** | **58,241** |
| | | | |
| **Non-operating activities** | | | |
| **Income from other sources** | | | |
| Rental income | | 318 | 308 |
| Other interest | | 209 | 35 |
| **Total other sources of income** | | **527** | **343** |
| | | | |
| **Total income from non-operating activities** | | **527** | **343** |
| | | | |
| **Total revenue and income from transactions** | | **62,334** | **58,584** |

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

## *Note 2.1 Revenue and income from transactions (cont)*

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

| | Parent 2023 $'000 | Consolidated 2022 $'000 |
|---|---|---|
| Portland District Health disaggregates revenue by the timing of revenue recognition. | | |
| **Goods and services transferred to customers:** | | |
| At a point in time | 33,590 | 32,497 |
| Over time | 73 | 78 |
| **Total revenue from contracts with customers** | **33,663** | **32,575** |

### How we recognise revenue and income from operating activities

**Government operating grants**

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

When both these conditions are satisfied, the health service:

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

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

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

- recognises the asset received in accordance with the recognition requirements of other applicable Accounting Standards (for example, AASB 9, AASB 16, AASB 116 and AASB 138)
- recognises related amounts (being contributions by owners, lease liabilities, financial instruments, provisions, revenue or contract liabilities from a contract with a customer), and
- recognises income immediately in profit or loss as the difference between the initial carrying amount of the asset and the related amount in accordance with AASB 1058.

In contracts with customers, the 'customer' is typically a funding body, who is the party that promises funding in exchange for Portland District Health's goods or services. Portland District Health's funding

### *Note 2.1 Revenue and income from transactions (cont)*

### *Government operating grants (cont)*

bodies often direct that goods or services are to be provided to third party beneficiaries, including individuals or the community at large. In such instances, the customer remains the funding body that has funded the program or activity, however the delivery of goods or services to third party beneficiaries is a characteristic of the promised good or service being transferred to the funding body.

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

| Government grant | Performance obligation |
|---|---|
| Activity Based Funding (ABF) paid as National Weighted Activity Unit (NWAU) | NWAU is a measure of health service activity expressed as a common unit against which the national efficient price (NEP) is paid.<br>The performance obligations for NWAU are the number and mix of admissions, emergency department presentations and outpatient episodes, and is weighted for clinical complexity.<br>Revenue is recognised at point in time, which is when a patient is discharged. |

**Capital grants**

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

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

**Patient and resident fees**

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

**Commercial activities**

Revenue from commercial activities includes items such as provision for meals to external users, rent and recoveries for salary and wages. Commercial activity revenue is recognised at a point in time, upon provision of the goods or service to the customer.

## *Note 2.1 Revenue and income from transactions (cont)*

### How we recognise revenue and income from non-operating activities

**Rental income – investment properties**

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

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

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

| | As at 30 June | |
|---|---|---|
| | 2023 $'000 | 2022 $'000 |
| Within one year | 527 | 334 |
| **Total undiscounted future lease payments receivable** | 527 | 334 |

**Interest Income**

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

**Donations and bequests**

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

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

| | Parent 2023 $'000 | Consolidated 2022 $'000 |
|---|---|---|
| Personal protective equipment and other consumables | 296 | 480 |
| **Total fair value of assets and services received free of charge or for nominal consideration** | **296** | **480** |

# Portland District Health
# Notes to the Financial Statements
# For the Financial Year Ended 30 June 2023

## Note 2.1 Revenue and income from transactions (cont)

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

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

**Personal protective equipment**

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

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

### Non-cash contributions from the Department of Health

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

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

# Portland District Health
# Notes to the Financial Statements
# For the Financial Year Ended 30 June 2023

## Note 3: The cost of delivering our services

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

## Structure

***3.1 Expenses from transactions***
***3.2 Other economic flows***
***3.3 Employee benefits in the balance sheet***
***3.4 Superannuation***

## Telling the COVID-19 story

Expenses incurred to deliver services during the financial year were not materially impacted by the COVID-19 Coronavirus pandemic and scaling down of the COVID-19 public health response during the year ended 30 June 2023.

## Key judgements and estimates

This section contains the following key judgements and estimates:

| Key judgements and estimates | Description |
|---|---|
| Classifying employee benefit liabilities | Portland District Health applies significant judgment when classifying its employee benefit liabilities.<br>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.<br>Employee benefit liabilities are classified as a non-current liability if Portland District Health has a conditional right to defer payment beyond 12 months. Long service leave entitlements (for staff who have not yet exceeded the minimum vesting period) fall into this category. |
| Measuring employee benefit liabilities | Portland District Health applies significant judgment when measuring its employee benefit liabilities.<br>The health service applies judgement to determine when it expects its employee entitlements to be paid.<br>With reference to historical data, if the health service does not expect entitlements to be paid within 12 months, the entitlement is measured at its present value, being the expected future payments to employees.<br>Expected future payments incorporate:<br>▪ discounting at the rate of 4.063%, as determined with reference to market yields on government bonds at the end of the reporting period.<br>All other entitlements are measured at their nominal value. |

# Portland District Health
# Notes to the Financial Statements
# For the Financial Year Ended 30 June 2023

***Note 3.1 Expenses from transactions***

| | Note | Parent 2023 $'000 | Consolidated 2022 $'000 |
|---|---|---|---|
| Salaries and wages | | 29,566 | 31,564 |
| On-costs | | 6,938 | 6,616 |
| Agency expenses | | 9,438 | 5,623 |
| Fee for service medical officer expenses | | 1,164 | 853 |
| Workcover premium | | 354 | 248 |
| **Total employee expenses** | | **47,460** | **44,904** |
| | | | |
| Drug supplies | | 2,265 | 2,361 |
| Medical and surgical supplies (including Prostheses) | | 2,545 | 2,642 |
| Diagnostic and radiology supplies | | 1,429 | 1,220 |
| Other supplies and consumables | | 1,578 | 1,355 |
| **Total supplies and consumables** | | **7,817** | **7,578** |
| | | | |
| Finance costs | | 25 | 14 |
| **Total finance costs** | | **25** | **14** |
| | | | |
| Other administrative expenses | | 4,704 | 3,917 |
| **Total other administrative expenses** | | **4,704** | **3,917** |
| | | | |
| Fuel, light, power and water | | 493 | 414 |
| Repairs and maintenance | | 685 | 480 |
| Maintenance contracts | | 331 | 440 |
| Medical indemnity insurance | | 484 | 449 |
| Expenditure for capital purposes | | - | 30 |
| **Total other operating expenses** | | **1,993** | **1,813** |
| | | | |
| **Total operating expenses** | | **61,998** | **58,226** |
| | | | |
| Depreciation and amortisation | 4.4 | 3,539 | 3,908 |
| **Total depreciation and amortisation** | | **3,539** | **3,908** |
| | | | |
| **Total non-operating expenses** | | **3,539** | **3,908** |
| | | | |
| **Total expenses from transactions** | | **65,537** | **62,134** |

## *Note 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 consumable costs are recognised as an expense in the reporting period in which they are incurred. The carrying amounts of any inventories held for distribution are expensed when distributed.

#### Finance costs

Finance costs include:

- interest on 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 leases which are recognised in accordance with AASB 16 *Leases*.

#### Other operating expenses

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

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

The DH also makes certain payments on behalf of Portland District Health. These amounts have been brought to account 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 outside the normal operations such as depreciation and amortisation, and assets and services provided free of charge or for nominal consideration.

### *Note 3.2 Other economic flows*

| | Parent 2023 $'000 | Consolidated 2022 $'000 |
|---|---|---|
| Net gain/(loss) on revaluation of investment property | (180) | 46 |
| Net gain/(loss) on disposal of property plant and equipment | 77 | 82 |
| **Total net gain/(loss) on non-financial assets** | **(103)** | **128** |
| | | |
| Allowance for impairment losses of contractual receivables | - | (19) |
| Net gain/(loss) on revaluation of loan | (3) | - |
| **Total net gain/(loss) on financial instruments** | **(3)** | **(19)** |
| | | |
| Share of net profits/(losses) of joint entities, and joint ventures | 1 | (79) |
| **Total share of other economic flows from joint arrangements** | **1** | **(79)** |
| | | |
| Net gain/(loss) arising from revaluation of long service liability | | (34) |
| **Total other gains/(losses) from other economic flows** | **-** | **(34)** |
| | | |
| **Total gains/(losses) from other economic flows** | **(105)** | **(4)** |

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

# Portland District Health
# Notes to the Financial Statements
# For the Financial Year Ended 30 June 2023

### *Note 3.3 Employee benefits and related on-costs*

| | Parent 2023 $'000 | Consolidated 2022 $'000 |
|---|---|---|
| **Current employee benefits and related on-costs** | | |
| *Accrued days off* | | |
| Unconditional and expected to be settled wholly within 12 months [i] | 69 | 84 |
| | **69** | **84** |
| *Annual leave* | | |
| Unconditional and expected to be settled wholly within 12 months [i] | 2,619 | 2,568 |
| Unconditional and expected to be settled wholly after 12 months [ii] | 415 | 464 |
| | **3,034** | **3,032** |
| *Long service leave* | | |
| Unconditional and expected to be settled wholly within 12 months [i] | 593 | 567 |
| Unconditional and expected to be settled wholly after 12 months [ii] | 2,837 | 3,119 |
| | **3,430** | **3,686** |
| *Provisions related to employee benefit on-costs* | | |
| Unconditional and expected to be settled within 12 months [i] | 871 | 770 |
| Unconditional and expected to be settled after 12 months [ii] | 520 | 510 |
| | **1,391** | **1,280** |
| **Total current employee benefits and related on-costs** | **7,924** | **8,082** |
| **Non-current employee benefits and related on-costs** | | |
| Conditional long service leave | 1,032 | 895 |
| Provisions related to employee benefit on-costs | 144 | 107 |
| **Total non-current employee benefits and related on-costs** | **1,176** | **1,002** |
| **Total employee benefits and related on-costs** | **9,100** | **9,084** |

[i] The amounts disclosed are nominal amounts.

[ii] The amounts disclosed are discounted to present values.

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

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

| | Parent 2023 $'000 | Consolidated 2022 $'000 |
|---|---|---|
| **Current employee benefits and related on-costs** | | |
| Unconditional accrued days off | 69 | 84 |
| Unconditional annual leave entitlements | 3,953 | 3,865 |
| Unconditional long service leave entitlements | 3,902 | 4,133 |
| **Total current employee benefits and related on-costs** | **7,924** | **8,082** |
| | | |
| **Non-current employee benefits and related on-costs** | | |
| Conditional long service leave entitlements | 1,176 | 1,002 |
| **Total non-current employee benefits and related on-costs** | **1,176** | **1,002** |
| | | |
| **Total employee benefits and related on-costs** | **9,100** | **9,084** |
| | | |
| **Attributable to:** | | |
| Employee benefits | 7,565 | 7,697 |
| Provision for related on-costs | 1,535 | 1,387 |
| **Total employee benefits and related on-costs** | **9,100** | **9,084** |

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

| | Parent 2023 $'000 | Consolidated 2022 $'000 |
|---|---|---|
| **Carrying amount at start of year** | 1,387 | 1,823 |
| Additional provisions recognised | 1,535 | 1,386 |
| Amounts incurred during the year | (1,388) | (1,788) |
| Net gain/(loss) arising from revaluation of long service liability | - | (34) |
| **Carrying amount at end of year** | **1,535** | **1,387** |

### How we recognise employee benefits

**Employee benefit recognition**

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

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

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

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

**Annual leave and accrued days off**

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

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

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

**Long service leave**

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

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

The components of this current LSL liability are measured at:

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

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

**Provision for on-costs related to employee benefits**

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

# Portland District Health
# Notes to the Financial Statements
# For the Financial Year Ended 30 June 2023

***Note 3.4 Superannuation***

| | Paid Contribution for the Year | | Contribution Outstanding at Year End | |
|---|---|---|---|---|
| | Parent 2023 $'000 | Consolidated 2022 $'000 | Parent 2023 $'000 | Consolidated 2022 $'000 |
| **Defined benefit plans:**[i] | | | | |
| Aware Super | - | 8 | - | - |
| | | | | |
| **Defined contribution plans:** | | | | |
| Aware Super | 1,739 | 1,859 | 120 | 130 |
| Hesta | 1,052 | 1,014 | 70 | 77 |
| Other | 422 | 359 | 33 | 30 |
| **Total** | **3,213** | **3,240** | **223** | **237** |

### How we recognise superannuation

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

#### Defined benefit superannuation plans

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

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

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

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

***Note 3.4 Superannuation (cont)***

**Defined contribution superannuation plans**

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

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

# Portland District Health
# Notes to the Financial Statements
# For the Financial Year Ended 30 June 2023
# Note 4: Key assets to support service delivery

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

## Structure

***4.1 Property, plant & equipment***
***4.2 Right-of-use assets***
***4.3 Revaluation surplus***
***4.4 Depreciation and amortisation***
***4.5 Investment properties***
***4.6 Impairment of assets***

## Telling the COVID-19 story

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

## Key judgements and estimates

This section contains the following key judgements and estimates:

| Key judgements and estimates | Description |
|---|---|
| Estimating useful life of property, plant and equipment | Portland District Health assigns an estimated useful life to each item of property, plant and equipment. This is used to calculate depreciation of the asset. The health service reviews the useful life and depreciation rates of all assets at the end of each financial year and where necessary, records a change in accounting estimate. |
| 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.<br>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. |

| Key judgements and estimates | Description |
|---|---|
| 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.<br>The health service considers a range of information when performing its assessment, including considering:<br>▪ If an asset's value has declined more than expected based on normal use<br>▪ If a significant change in technological, market, economic or legal environment which adversely impacts the way the health service uses an asset<br>▪ If an asset is obsolete or damaged<br>▪ 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<br>▪ If the performance of the asset is or will be worse than initially expected.<br>Where an impairment trigger exists, the health service applies significant judgement and estimate to determine the recoverable amount of the asset. |

# Portland District Health
# Notes to the Financial Statements
# For the Financial Year Ended 30 June 2023

***Note 4.1 Property, plant and equipment***
***Note 4.1(a) Gross carrying amount and accumulated depreciation***

| | Parent 2023 $'000 | Consolidated 2022 $'000 |
|---|---|---|
| Land at fair value - Crown | 4,650 | 4,650 |
| Land improvements at fair value | 783 | 783 |
| less accumulated depreciation | (161) | (112) |
| **Total land at fair value** | **5,272** | **5,321** |
| | | |
| Buildings at fair value | 52,964 | 52,962 |
| Less accumulated depreciation | (2,701) | - |
| **Total buildings at fair value** | **50,263** | **52,962** |
| | | |
| Works in progress at cost | **335** | **-** |
| | | |
| **Total land and buildings** | **55,870** | **58,283** |
| | | |
| Plant and equipment at fair value | 6,595 | 6,520 |
| Less accumulated depreciation | (5,413) | (5,246) |
| **Total plant and equipment at fair value** | **1,182** | **1,274** |
| | | |
| Motor vehicles at fair value | 98 | 128 |
| Less accumulated depreciation | (98) | (120) |
| **Total motor vehicles at fair value** | **-** | **8** |
| | | |
| Medical equipment at fair value | 8,341 | 8,267 |
| Less accumulated depreciation | (6,118) | (5,751) |
| **Total medical equipment at fair value** | **2,223** | **2,516** |
| | | |
| Computer equipment at fair value | 428 | 502 |
| Less accumulated depreciation | (362) | (410) |
| **Total computer equipment at fair value** | **66** | **92** |
| | | |
| Furniture and fittings at fair value | 797 | 818 |
| Less accumulated depreciation | (513) | (511) |
| **Total furniture and fittings at fair value** | **284** | **307** |
| | | |
| **Total plant, equipment, furniture, fittings and vehicles at fair value** | **3,755** | **4,197** |
| | | |
| **Total property, plant and equipment** | **59,625** | **62,480** |

# Portland District Health
# Notes to the Financial Statements
# For the Financial Year Ended 30 June 2023

## *Note 4.1 Property, plant and equipment (cont)*
## *Note 4.1(b) Reconciliations of carrying amount by class of asset*

| | Note | Land & land improvements $'000 | Buildings & WIP $'000 | Plant & equipment $'000 | Motor vehicles $'000 | Medical Equipment $'000 | Computer Equipment $'000 | Furniture & Fittings $'000 | Total $'000 |
|---|---|---|---|---|---|---|---|---|---|
| **Balance at 1 July 2021** | | **3,825** | **50,929** | **1,279** | **29** | **2,801** | **122** | **279** | **59,264** |
| Additions | | 13 | - | 202 | - | 240 | 13 | 74 | 542 |
| Disposals | | - | (22) | - | (21) | - | - | - | (43) |
| Revaluation increments/(decrements) | | 1,532 | 5,009 | - | - | - | - | - | 6,541 |
| Net transfers between classes | | - | - | - | 27 | 6 | - | - | 33 |
| Depreciation | 4.4 | (49) | (2,954) | (207) | (27) | (531) | (44) | (45) | (3,857) |
| **Balance at 30 June 2022** | 4.1(a) | **5,321** | **52,962** | **1,274** | **8** | **2,516** | **91** | **308** | **62,480** |
| Additions | | - | 337 | 83 | - | 157 | 16 | 30 | 623 |
| Disposals | | - | - | - | - | - | - | - | - |
| Decrements due to no consolidation (i) | | - | - | (2) | - | (6) | (11) | (11) | (30) |
| Net Transfers between classes | | - | - | - | - | - | 1 | (1) | - |
| Depreciation | 4.4 | (49) | (2,701) | (173) | (8) | (444) | (31) | (42) | (3,448) |
| **Balance at 30 June 2023** | 4.1(a) | **5,272** | **50,598** | **1,182** | **-** | **2,223** | **66** | **284** | **59,625** |

i) Decrements due to no consolidation relates to the assets held by AHP Ltd, for which PDH relinquished their shareholding in Nov 2022, and no longer require consolidating reporting. This ensures note aligns to 4.1

### How we recognise property, plant and equipment

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

#### Initial recognition

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

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

#### Subsequent measurement

Items of property, plant and equipment are subsequently measured at fair value less accumulated depreciation and impairment losses where applicable.

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

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

# Portland District Health
# Notes to the Financial Statements
# For the Financial Year Ended 30 June 2023

***Note 4.1 Property, plant and equipment (cont)***
***Note 4.1(b) Reconciliations of carrying amount by class of asset (cont)***

**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 2022 for land and 30 June 2019 for buildings. 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. As an independent valuation was not undertaken on 30 June 2023, a managerial assessment was performed at 30 June 2023, which indicated an overall:

- increase/decrease in fair value of land of 0% ($0)
- increase/decrease in fair value of buildings of 7% ($3,652,869).

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

# Portland District Health
# Notes to the Financial Statements
# For the Financial Year Ended 30 June 2023

### *4.2 Right-of-use assets*

### *4.2(a) Gross carrying amount and accumulated depreciation*

| | Parent 2023 $'000 | Consolidated 2022 $'000 |
|---|---|---|
| Right of use vehicles at fair value | 541 | 486 |
| Disposal on Sale of ROU assets | (37) | |
| Less accumulated depreciation | (196) | (105) |
| **Total right of use vehicles at fair value** | **308** | **381** |

### *4.2(b) Reconciliations of carrying amount by class of asset*

| | Note | Right-of-use - Vehicles $'000 | Total $'000 |
|---|---|---|---|
| **Balance at 1 July 2021** | | **206** | **206** |
| Additions | | 286 | 286 |
| Disposals | | (27) | (27) |
| Net transfers between classes | | (33) | (33) |
| Depreciation | 4.4 | (51) | (51) |
| **Balance at 30 June 2022** | 4.2(a) | **381** | **381** |
| Additions | | 55 | 55 |
| Disposals | | (37) | (37) |
| Depreciation | 4.4 | (91) | (91) |
| **Balance at 30 June 2023** | 4.2(a) | **308** | **308** |

## *4.2 Right-of-use assets (cont)*

## *4.2(b) Reconciliations of carrying amount by class of asset (cont)*

### 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 vehicles | 2 to 5 years |

### 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(a).

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 holds lease agreements which contain significantly below-market terms and conditions, which are principally to enable the health service to further its objectives. Refer to Note 6.1 for further information regarding the nature and terms of the concessional lease, and Portland District Health's dependency on such lease arrangements.

### Subsequent measurement

Right-of-use assets are subsequently measured at fair value, with the exception of right-of-use assets arising from leases with significantly below-market terms and conditions, which are subsequently measured at cost, less accumulated depreciation and accumulated impairment losses where applicable. Right-of-use assets are also adjusted for certain remeasurements of the lease liability (for example, when a variable lease payment based on an index or rate becomes effective).

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

# Portland District Health
# Notes to the Financial Statements
# For the Financial Year Ended 30 June 2023

### *Note 4.3 Revaluation surplus*

| | Note | Parent 2023 $'000 | Consolidated 2022 $'000 |
|---|---|---|---|
| Balance at the beginning of the reporting period | | 57,896 | 51,355 |
| **Revaluation increment** | | | |
| - Land | 4.1(b) | - | 1,532 |
| - Buildings | 4.1(b) | (9) | 5,009 |
| **Balance at the end of the Reporting Period*** | | **57,887** | **57,896** |
| *** Represented by:** | | | |
| - Land | | 4,564 | 4,564 |
| - Buildings | | 53,323 | 53,332 |
| | | **57,887** | **57,896** |

### *Note 4.4 Depreciation and amortisation*

| | Parent 2023 $'000 | Consolidated 2022 $'000 |
|---|---|---|
| **Depreciation** | | |
| **Property, plant and equipment** | | |
| Land Improvement | 49 | 49 |
| Buildings | 2,701 | 2,954 |
| Plant and equipment | 173 | 207 |
| Motor vehicles | 8 | 27 |
| Medical equipment | 444 | 531 |
| Computer equipment | 31 | 44 |
| Furniture and fittings | 42 | 45 |
| **Total depreciation - property, plant and equipment** | **3,448** | **3,857** |
| **Right-of-use assets** | | |
| Right-of-use motor vehicles | 91 | 51 |
| **Total depreciation - right-of-use assets** | **91** | **51** |
| **Total depreciation** | **3,539** | **3,908** |
| **Total depreciation and amortisation** | **3,539** | **3,908** |

*Note 4.4 Depreciation and amortisation (cont)*

### How we recognise depreciation

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

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset, whichever is the shortest. Where a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the health service anticipates exercising 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 and amortisation charges are based.

| | 2023 | 2022 |
|---|---|---|
| Buildings | | |
| - Structure shell building fabric | 45 to 60 years | 45 to 60 years |
| - Site engineering services and central plant | 20 to 30 years | 20 to 30 years |
| Central plant | | |
| - Fit out | 20 to 30 years | 20 to 30 years |
| - Trunk reticulated building system | 30 to 40 years | 30 to 40 years |
| Plant and equipment' | 3 to 20 years | 3 to 7 years |
| Medical equipment | 7 to 20 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 | 3 to 10 years | 10 years |

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

# Portland District Health
# Notes to the Financial Statements
# For the Financial Year Ended 30 June 2023

***Note 4.5 Investment property***

***Note 4.5(a) Gross carrying amount***

| | Parent 2023 $'000 | Consolidated 2022 $'000 |
|---|---|---|
| Investment property at fair value | **2,830** | **3,010** |
| **Total investment property at fair value** | **2,830** | **3,010** |

***Note 4.5(b) Reconciliations of carrying amount***

| | Parent 2023 $'000 | Consolidated 2022 $'000 |
|---|---|---|
| **Balance at Beginning of Period** | 3,010 | 2,966 |
| Net gain/(loss) from fair value adjustments | (180) | 44 |
| **Balance at End of Period** | **2,830** | **3,010** |

### 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.

***Note 4.5 Investment property (cont)***
***Note 4.5(b) Reconciliations of carrying amount (cont)***

The fair value of the health service's investment properties at 30 June 2023 have been arrived on the basis of an independent valuation carried out by Valuer-General Victoria. The valuation was determined with reference to market evidence of properties including location, condition and lease terms.

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

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.

### *Note 4.6 Impairment of assets*

#### How we recognise impairment

At the end of each reporting period, Portland District Health reviews the carrying amount of its tangible and intangible assets that have a finite useful life, to determine whether there is any indication that an asset may be impaired. The assessment will include consideration of external sources of information and internal sources of information.

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

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

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

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

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

Portland District Health did not record any impairment losses for the year ended 30 June 2023.

# Portland District Health
# Notes to the Financial Statements
# For the Financial Year Ended 30 June 2023

## Note 5 Other assets and liabilities

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

## Structure

***5.1 Receivables***
***5.2 Payables***
***5.3 Contract liabilities***
***5.4 Other liabilities***

## Telling the COVID-19 story

The measurement of other assets and liabilities 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. |
| 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. |
| 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. |

# Portland District Health
# Notes to the Financial Statements
# For the Financial Year Ended 30 June 2023

***Note 5.1 Receivables***

| | Note | Parent 2023 $'000 | Consolidated 2022 $'000 |
|---|---|---|---|
| **Current receivables** | | | |
| **Contractual** | | | |
| Inter hospital debtors | | | |
| Trade receivables | | 194 | 312 |
| Patient fees | | 245 | 419 |
| Accrued revenue | | 53 | 49 |
| Amounts receivable from governments and agencies | | 652 | 52 |
| **Gross contractual receivables** | 7.2(a) | **1,144** | **832** |
| Allowance for impairment losses | 5.1(a) | (35) | (120) |
| **Total contractual receivables** | | **1,109** | **712** |
| | | | |
| **Statutory** | | | |
| GST receivable | | 230 | 161 |
| **Total statutory receivables** | | **230** | **161** |
| | | | |
| **Total current receivables and contract assets** | | **1,339** | **873** |
| | | | |
| *(i) Financial assets classified as receivables (Note 7.1(a))* | | | |
| | | | |
| Total receivables and contract assets | | 1,339 | 873 |
| GST receivable | | (230) | (161) |
| Total financial assets classified as receivables | 7.1(a) | **1,109** | **712** |

As at 30 June 2023, Portland District Health has contract assets of $403,672 which is net of an allowance for expected credit losses of $35,419. This is included in the contractual receivable balances presented above.

***Note 5.1 Receivables (cont)***
***Note 5.1(a) Movement in the allowance for impairment losses of receivables***

| | Parent 2023 $'000 | Consolidated 2022 $'000 |
|---|---|---|
| **Balance at the beginning of the year** | 120 | 101 |
| Increase in allowance | - | 19 |
| Amounts written off during the year | (85) | - |
| **Balance at the end of the year** | **35** | **120** |

### How we recognise receivables

Receivables consist of:

- **Contractual receivables**, which mostly includes debtors in relation to goods and services. These receivables are classified as financial instruments and categorised as 'financial assets at amortised costs'. They are initially recognised at fair value plus any directly attributable transaction costs. The health service holds the contractual receivables with the objective to collect the contractual cash flows and therefore they are subsequently measured at amortised cost using the effective interest method, less any impairment.

- **Statutory receivables**, includes Goods and Services Tax (GST) input tax credits that are recoverable. Statutory receivables do not arise from contracts and are recognised and measured similarly to contractual receivables (except for impairment) but are not classified as financial instruments for disclosure purposes. The health service applies AASB 9 for initial measurement of the statutory receivables and as a result statutory receivables are initially recognised at fair value plus any directly attributable transaction cost.

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

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

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

**Impairment losses of contractual receivables**

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

***Note 5.2 Payables***

| | Note | Parent 2023 $'000 | Consolidated 2022 $'000 |
|---|---|---|---|
| **Current payables** | | | |
| **Contractual** | | | |
| Trade creditors | | 1,110 | 1,554 |
| Accrued salaries and wages | | 1,104 | 1,590 |
| Accrued expenses | | 1,395 | 882 |
| **Total contractual payables** | | **3,609** | **4,026** |
| | | | |
| **Statutory** | | | |
| GST payable | | 19 | - |
| **Total statutory payables** | | **19** | **-** |
| | | | |
| **Total current payables** | | **3,628** | **4,026** |
| | | | |
| *(i) Financial liabilities classified as payables (Note 7.1(a))* | | | |
| | | | |
| Total payables and contract liabilities | | 3,628 | 4,026 |
| GST payable | | (19) | - |
| Total financial liabilties classified as payables | 7.1(a) | **3,609** | **4,026** |

**How we recognise payables and contract liabilities**
Payables consist of:

- **Contractual payables**, which mostly includes payables in relation to goods and services. These payables are classified as financial instruments and measured at amortised cost. Accounts payable and salaries and wages payable represent liabilities for goods and services provided to the Portland District Health prior to the end of the financial year that are unpaid.

- **Statutory payables** comprise Goods and Services Tax (GST) payable. Statutory payables are recognised and measured similarly to contractual payables, but are not classified as financial instruments and not included in the category of financial liabilities at amortised cost, because they do not arise from contracts.

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

# Portland District Health
# Notes to the Financial Statements
# For the Financial Year Ended 30 June 2023

***Note 5.3 Contract liabilities***

| | Parent 2023 $'000 | Consolidated 2022 $'000 |
|---|---|---|
| **Opening balance of contract liabilities** | 515 | 1,132 |
| Grant consideration for sufficiently specific performance obligations received during the year | 991 | 515 |
| Revenue recognition for the completion of a performance obligation | (515) | (1,132) |
| **Closing balance of contract liabilities** | **991** | **515** |
| | | |
| ***Represented by:** | | |
| - Current contract liabilities | 991 | 515 |
| - Non-current contract liabilities | | |
| | **991** | **515** |

### How we recognise contract liabilities

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

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

### Maturity analysis of payables

Please refer to Note 7.2(b) for the maturity analysis of payables.

# Portland District Health
# Notes to the Financial Statements
# For the Financial Year Ended 30 June 2023

***Note 5.4 Other liabilities***

| | Note | Parent 2023 $'000 | Consolidated 2022 $'000 |
|---|---|---|---|
| **Current monies held in trust** | | | |
| Patient monies | | 54 | 35 |
| Refundable accommodation deposits | | 2,267 | 2,519 |
| **Total current monies held in trust** | | **2,321** | **2,554** |
| | | | |
| *** Represented by:** | | | |
| - Cash assets | 6.2 | 2,321 | 2,554 |
| | | **2,321** | **2,554** |

## How we recognise other liabilities

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

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

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

# Portland District Health
# Notes to the Financial Statements
# For the Financial Year Ended 30 June 2023

## Note 6: How we finance our operations

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

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

## Structure

***6.1 Borrowings***
***6.2 Cash and cash equivalents***
***6.3 Commitments for expenditure***

## Telling the COVID-19 story

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

# Portland District Health
# Notes to the Financial Statements
# For the Financial Year Ended 30 June 2023
## 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:<br>▪ has the right-to-use an identified asset<br>▪ has the right to obtain substantially all economic benefits from the use of the leased asset and<br>▪ 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.<br>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.<br>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.<br>Portland District Health determines the likelihood of exercising such options on a lease-by-lease basis through consideration of various factors including:<br>▪ If there are significant penalties to terminate (or not extend), the health service is typically reasonably certain to extend (or not terminate) the lease.<br>▪ 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.<br>▪ The health service considers historical lease durations and the costs and business disruption to replace such leased assets. |

# Portland District Health
# Notes to the Financial Statements
# For the Financial Year Ended 30 June 2023

## *Note 6.1 Borrowings*

| | Note | Parent 2023 $'000 | Consolidated 2022 $'000 |
|---|---|---|---|
| **Current borrowings** | | | |
| Lease liability [(i)] | 6.1(a) | 129 | 131 |
| Advances from government (ii) | | 73 | 73 |
| **Total current borrowings** | | **202** | **204** |
| | | | |
| **Non-current borrowings** | | | |
| Lease liability [(i)] | 6.1(a) | 212 | 249 |
| Advances from government (ii) | | - | 73 |
| **Total non-current borrowings** | | **212** | **322** |
| | | | |
| **Total borrowings** | 7.1(a) | **414** | **526** |

[i] Secured by the assets leased.

[ii] These are secured loans which bear no interest.

### How we recognise borrowings

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

**Initial recognition**

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

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

**Maturity analysis**

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

**Defaults and breaches**

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

### *Note 6.1 Borrowings (costs)*
### *Note 6.1(a) Lease liabilities*

Portland District Health's lease liabilities are summarised below:

| | Parent 2023 $'000 | Consolidated 2022 $'000 |
|---|---|---|
| Total undiscounted lease liabilities | 348 | 392 |
| Less unexpired finance expenses | (7) | (12) |
| **Net lease liabilities** | **341** | **380** |

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

| | Parent 2023 $'000 | Consolidated 2022 $'000 |
|---|---|---|
| Not longer than one year | 131 | 137 |
| Longer than one year but not longer than five years | 217 | 255 |
| **Minimum future lease liability** | **348** | **392** |
| Less unexpired finance expenses | (7) | (12) |
| **Present value of lease liability** | **341** | **380** |
| | | |
| *** Represented by:** | | |
| - Current liabilities | 129 | 131 |
| - Non-current liabilities | 212 | 249 |
| | **341** | **380** |

## 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
# Notes to the Financial Statements
# For the Financial Year Ended 30 June 2023

## *Note 6.1 Borrowings (costs)*
## *Note 6.1(a) Lease liabilities (cont)*

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

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

All leases are recognised on the balance sheet, with the exception of low value leases (less than $10,000 AUD) and short term leases of less than 12 months.

**Separation of lease and non-lease components**

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

**Initial measurement**

The lease liability is initially measured at the present value of the lease payments unpaid at the commencement date, discounted using the interest rate implicit in the lease if that rate is readily determinable or Portland District Health's incremental borrowing rate. Our lease liability has been discounted by rates of between [2.1%] to [4.8%].

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).

## *Note 6.1 Borrowings (costs)*
## *Note 6.1(a) Lease liabilities (cont)*

**Subsequent measurement**

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

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

## *Note 6.2 Cash and cash equivalents*

| | Note | Parent 2023 $'000 | Consolidated 2022 $'000 |
|---|---|---|---|
| Cash on hand (excluding monies held in trust) | | 11 | 11 |
| Cash at bank (excluding monies held in trust) | | 270 | 506 |
| Cash at bank - CBS (excluding monies held in trust) | | 2,093 | 2,780 |
| **Total cash held for operations** | | **2,374** | **3,297** |
| | | | |
| Cash at bank (monies held in trust) | 5.4 | 2,321 | 2,554 |
| Cash at bank Interest (monies held in trust) | | 109 | |
| **Total cash held as monies in trust** | | **2,430** | **2,554** |
| | | | |
| **Total cash and cash equivalents** | 7.1(a) | **4,804** | **5,851** |

### How we recognise cash and cash equivalents

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

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

# Portland District Health
# Notes to the Financial Statements
# For the Financial Year Ended 30 June 2023

***Note 6.3 Commitments for expenditure***

| | Parent 2023 $'000 | Consolidated 2022 $'000 |
|---|---|---|
| **Capital expenditure commitments** | | |
| Less than one year | 1,852 | 513 |
| **Total capital expenditure commitments** | **1,852** | **513** |
| | | |
| **Total commitments for expenditure (inclusive of GST)** | **1,852** | **513** |
| Less GST recoverable from Australian Tax Office | (168) | (47) |
| **Total commitments for expenditure (exclusive of GST)** | **1,684** | **466** |

## How we disclose our commitments

**Expenditure commitments**

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

# Portland District Health
# Notes to the Financial Statements
# For the Financial Year Ended 30 June 2023

## Note 7: Risks, contingencies and valuation uncertainties

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

## Structure

***7.1 Financial instruments***
***7.2 Financial risk management objectives and policies***
***7.3 Contingent assets and contingent liabilities***
***7.4 Fair value determination***

**Portland District Health**
**Notes to the Financial Statements**
**For the Financial Year Ended 30 June 2023**
**Key judgements and estimates**

This section contains the following key judgements and estimates:

| Key judgements and estimates | Description |
|---|---|
| Measuring fair value of non-financial assets | Fair value is measured with reference to highest and best use, that is, the use of the asset by a market participant that is physically possible, legally permissible, financially feasible, and which results in the highest value, or to sell it to another market participant that would use the same asset in its highest and best use.<br>In determining the highest and best use, Portland District Health has assumed the current use is its highest and best use. Accordingly, characteristics of the health service's assets are considered, including condition, location and any restrictions on the use and disposal of such assets.<br>Portland District Health uses a range of valuation techniques to estimate fair value, which include the following:<br>▪ Market approach, which uses prices and other relevant information generated by market transactions involving identical or comparable assets and liabilities. The fair value of Portland District Health's investment properties and cultural assets are measured using this approach.<br>▪ Cost approach, which reflects the amount that would be required to replace the service capacity of the asset (referred to as current replacement cost). The fair value of Portland District Health's specialised buildings, furniture, fittings, plant, equipment and vehicles are measured using this approach.<br>▪ Income approach, which converts future cash flows or income and expenses to a single undiscounted amount. Portland District Health does not this use approach to measure fair value.<br>The health service selects a valuation technique which is considered most appropriate, and for which there is sufficient data available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.<br>Subsequently, the health service applies significant judgement to categorise and disclose such assets within a fair value hierarchy, which includes:<br>▪ Level 1, using quoted prices (unadjusted) in active markets for identical assets that the health service can access at measurement date. Portland District Health does not categorise any fair values within this level.<br>▪ Level 2, inputs other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly. Portland District Health categorises investment properties in this level.<br>▪ Level 3, where inputs are unobservable. Portland District Health categorises specialised land, specialised buildings, plant, equipment, furniture, fittings, vehicles, right-of-use vehicles in this level. |

# Portland District Health
# Notes to the Financial Statements
# For the Financial Year Ended 30 June 2023

## *Note 7.1 Financial instruments*

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

## *Note 7.1(a) Categorisation of financial instruments*

| Parent<br>30 June 2023 | Note | Financial Assets at Amortised Cost<br>$'000 | Financial Liabilities at Amortised Cost<br>$'000 | Total<br>$'000 |
|---|---|---|---|---|
| **Contractual Financial Assets** | | | | |
| Cash and Cash Equivalents | 6.2 | 4,804 | - | 4,804 |
| Receivables | 5.1 | 1,109 | - | 1,109 |
| **Total Financial Assets** [i] | | **5,913** | **-** | **5,913** |
| | | | | |
| **Financial Liabilities** | | | | |
| Payables | 5.2 | - | 3,609 | 3,609 |
| Borrowings | 6.1 | - | 414 | 414 |
| Other Financial Liabilities - Refundable Accommodation Deposits | 5.4 | - | 2,267 | 2,267 |
| Other Financial Liabilities - Patient monies held in trust | 5.4 | - | 54 | 54 |
| **Total Financial Liabilities** [i] | | **-** | **6,344** | **6,344** |

| Consolidated<br>30 June 2022 | Note | Financial Assets at Amortised Cost<br>$'000 | Financial Liabilities at Amortised Cost<br>$'000 | Total<br>$'000 |
|---|---|---|---|---|
| **Contractual Financial Assets** | | | | |
| Cash and cash equivalents | 6.2 | 5,851 | - | 5,851 |
| Receivables and contract assets | 5.1 | 712 | - | 712 |
| **Total Financial Assets** [i] | | **6,563** | **-** | **6,563** |
| | | | | |
| **Financial Liabilities** | | | | |
| Payables | 5.2 | - | 4,026 | 4,026 |
| Borrowings | 6.1 | - | 526 | 526 |
| Other Financial Liabilities - Refundable Accommodation Deposits | 5.4 | - | 2,519 | 2,519 |
| Other Financial Liabilities - Patient monies held in trust | 5.4 | - | 35 | 35 |
| **Total Financial Liabilities** [i] | | **-** | **7,106** | **7,106** |

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

## *Note 7.1 Financial instruments (cont)*
## *Note 7.1(a) Categorisation of financial instruments (costs)*

### How we categorise financial instruments
### Categories of financial assets

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

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

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

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

Financial assets at amortised cost

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

- the assets are held by Portland District Health solely to collect the contractual cash flows, and
- the assets' contractual terms give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specific dates.

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

Portland District Health recognises the following assets in this category:

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

### Categories of financial liabilities

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

## *Note 7.1 Financial instruments (cont)*
## *Note 7.1(a) Categorisation of financial instruments (costs)*

Financial liabilities at amortised cost

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

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

Portland District Health recognises the following liabilities in this category:

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

**Offsetting financial instruments**

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

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

**Derecognition of financial assets**

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

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

### *Note 7.1 Financial instruments (cont)*
### *Note 7.1(a) Categorisation of financial instruments (costs)*

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

**Derecognition of financial liabilities**

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

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability.

The difference in the respective carrying amounts is recognised as an 'other economic flow' in the comprehensive operating statement.

**Reclassification of financial instruments**

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

A financial liability reclassification is not permitted.

### *Note 7.2 Financial risk management objectives and policies*

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

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

Portland District Health's main financial risks include credit risk, liquidity risk, interest rate risk, foreign currency risk and equity price 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 Financial risk management objectives and policies (cont)*
### *Note 7.2(a) Credit risk*

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

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

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

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

Contractual 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 2022-23.

**Impairment of financial assets under AASB 9**

Portland District Health records the allowance for expected credit losses for the relevant financial instruments by 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.

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

## *Note 7.2 Financial risk management objectives and policies (cont)*

**Impairment of financial assets under AASB 9 (cont)**

Contractual receivables are written off when there is no reasonable expectation of recovery and impairment losses are classified as a transaction expense. Subsequent recoveries of amounts previously written off are credited against the same line item.

**Contractual receivables at amortised cost**

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

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

| 30 June 2023 | Note | Current | Less than 1 month | 1–3 months | 3 months –1 year | 1–5 years | Total |
|---|---|---|---|---|---|---|---|
| **Expected loss rate** | | 0.0% | 0.0% | 10.0% | 80.0% | 100.0% | |
| Gross carrying amount of contractual receivables | 5.1 | 1,048 | 26 | 30 | 40 | - | **1,144** |
| **Loss allowance** | | - | - | **(3)** | **(32)** | - | **(35)** |

| 30 June 2022 | Note | Current | Less than 1 month | 1–3 months | 3 months –1 year | 1–5 years | Total |
|---|---|---|---|---|---|---|---|
| **Expected loss rate** | | 0.0% | 0.0% | 10.0% | 80.0% | 100.0% | |
| Gross carrying amount of contractual receivables | 5.1 | 478 | 60 | 29 | 141 | 4 | **712** |
| **Loss allowance** | | - | - | **(3)** | **(113)** | **(4)** | **(120)** |

**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.

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

### *Note 7.2 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.

| | | | | Maturity Dates | | | |
|---|---|---|---|---|---|---|---|
| **Parent**<br>**30 June 2023** | **Note** | **Carrying Amount $'000** | **Nominal Amount $'000** | **Less than 1 Month $'000** | **1-3 Months $'000** | **3 months - 1 Year $'000** | **1-5 Years $'000** |
| **Financial Liabilities at amortised cost** | | | | | | | |
| Payables | 5.2 | 3,609 | 3,609 | 3,609 | - | - | - |
| Borrowings | 6.1 | 414 | 414 | - | 21 | 137 | 256 |
| Other Financial Liabilities - Refundable Accommodation Deposits | 5.4 | 2,267 | 2,267 | - | - | 680 | 1,587 |
| Other Financial Liabilities - Patient monies held in trust | 5.4 | 54 | 54 | 54 | - | - | - |
| **Total Financial Liabilities** | | **6,344** | **6,344** | **3,663** | **21** | **817** | **1,843** |

| | | | | Maturity Dates | | | |
|---|---|---|---|---|---|---|---|
| **Consolidated**<br>**30 June 2022** | **Note** | **Carrying Amount $'000** | **Nominal Amount $'000** | **Less than 1 Month $'000** | **1-3 Months $'000** | **3 months - 1 Year $'000** | **1-5 Years $'000** |
| **Financial Liabilities at amortised cost** | | | | | | | |
| Payables | 5.2 | 4,026 | 4,045 | 4,045 | - | - | - |
| Borrowings | 6.1 | 526 | 526 | - | 34 | 170 | 322 |
| Other Financial Liabilities - Refundable Accommodation Deposits | 5.4 | 2,519 | 2,519 | - | - | 780 | 1,739 |
| Other Financial Liabilities - Patient monies held in trust | 5.4 | 35 | 35 | 35 | - | - | - |
| **Total Financial Liabilities** | | **7,106** | **7,125** | **4,080** | **34** | **950** | **2,061** |

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

## *Note 7.2 Financial risk management objectives and policies (cont)*
## *Note 7.2(c) Market risk*

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

**Sensitivity disclosure analysis and assumptions**

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

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

**Interest rate risk**

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

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Portland District Health has minimal exposure to cash flow interest rate risks through cash and deposits, term deposits and bank overdrafts that are at floating rate.

## *Note 7.3 Contingent assets and contingent liabilities*

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

### *Note 7.4 Fair value determination*

**How we measure fair value**

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

The following assets and liabilities are carried at fair value:

- Property, plant and equipment
- Right-of-use assets
- Investment properties

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

**Valuation hierarchy**

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

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

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

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

**Identifying unobservable inputs (level 3) fair value measurements**

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

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

## *Note 7.4 Fair value determination (cont)*
## *Note 7.4(b) Fair value determination of non-financial physical assets (cont)*

| | Note | Carrying amount 30 June 2023 $'000 | Fair value measurement at end of reporting period using: Level 1[i] $'000 | Level 2[i] $'000 | Level 3[i] $'000 |
|---|---|---|---|---|---|
| Non-specialised land | | 622 | - | - | 622 |
| Specialised land | | 4,650 | - | - | 4,650 |
| **Total land at fair value** | 4.1(a) | **5,272** | **-** | **-** | **5,272** |
| Specialised buildings | | 50,263 | - | - | 50,263 |
| **Total buildings at fair value** | 4.1(a) | **50,263** | **-** | **-** | **50,263** |
| Plant and equipment | 4.1(a) | 1,182 | - | - | 1,182 |
| Medical equipment | 4.1(a) | 2,223 | - | - | 2,223 |
| Computer equipment | 4.1(a) | 66 | - | - | 66 |
| Furniture and fittings | 4.1(a) | 284 | - | - | 284 |
| **Total plant, equipment, furniture, fittings and vehicles at fair value** | | **3,755** | **-** | **-** | **3,755** |
| Right of use vehicles | 4.2(a) | 308 | - | - | 308 |
| **Total right-of-use assets at fair value** | | **308** | **-** | **-** | **308** |
| Investment property | 4.5(a) | 2,830 | - | 2,830 | - |
| **Total investment property at fair value** | | **2,830** | **-** | **2,830** | **-** |
| **Total non-financial physical assets at fair value** | | **62,428** | **-** | **2,830** | **59,598** |

[i] Classified in accordance with the fair value hierarchy.

| | Note | Consolidated carrying amount $'000 | Fair value measurement at end of reporting period using: Level 1[i] $'000 | Level 2[i] $'000 | Level 3[i] $'000 |
|---|---|---|---|---|---|
| Land Improvements | | 671 | - | - | 671 |
| Specialised land | | 4,650 | - | - | 4,650 |
| **Total land at fair value** | 4.1(a) | **5,321** | **-** | **-** | **5,321** |
| Specialised buildings | | 52,962 | - | - | 52,962 |
| **Total buildings at fair value** | 4.1(a) | **52,962** | **-** | **-** | **52,962** |
| Plant and equipment | 4.1(a) | 1,274 | - | - | 1,274 |
| Motor vehicles | 4.1(a) | 8 | - | - | 8 |
| Medical equipment | 4.1(a) | 2,516 | - | - | 2,516 |
| Computer equipment | 4.1(a) | 92 | - | - | 92 |
| Furniture and fittings | 4.1(a) | 307 | - | - | 307 |
| **Total plant, equipment, furniture, fittings and vehicles at fair value** | | **4,197** | **-** | **-** | **4,197** |
| Right of use vehicles | 4.2(a) | 381 | - | - | 381 |
| **Total right-of-use assets at fair value** | | **381** | **-** | **-** | **381** |
| Investment property | 4.5(a) | 3,010 | - | 3,010 | - |
| **Total investment property at fair value** | | **3,010** | **-** | **3,010** | **-** |
| **Total non-financial physical assets at fair value** | | **65,871** | **-** | **3,010** | **62,861** |

[i] Classified in accordance with the fair value hierarchy.

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

### How we measure fair value of non-financial physical assets

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

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

Portland District Health has assumed the current use of a non-financial physical asset is its highest and best use unless market or other factors suggest that a different use by market participants would maximise the value of the asset.

Theoretical opportunities that may be available in relation to the asset(s) are not 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.

#### Specialised land and specialised buildings

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

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

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

The CSO adjustment 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.

### *Note 7.4 Fair value determination (cont)*
### *Note 7.4(b) Fair value determination of non-financial physical assets (cont)*

For Portland District Health, the current 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 2022.

**Vehicles**

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

**Furniture, fittings, plant and equipment**

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

There were no changes in valuation techniques throughout the period to 30 June 2023.

# Portland District Health
# Notes to the Financial Statements
# For the Financial Year Ended 30 June 2023

## *Note 7.4 Fair value determination (cont)*
## *Note 7.4(b) Fair value determination of non-financial physical assets (cont)*

### *Reconciliation of level 3 fair value measurement*

| Consolidated | Note | Land $'000 | Buildings $'000 | Plant, equipment, furniture, fittings and vehicles $'000 | Right-of-use plant, equipment, furniture, fittings and vehicles $'000 |
|---|---|---|---|---|---|
| **Balance at 1 July 2021** | | **3,825** | **50,929** | **4,510** | **206** |
| Additions/(Disposals) | | 13 | (22) | 508 | 259 |
| Net Transfers between classes | | - | - | 33 | (33) |
| - Depreciation and amortisation | | (49) | (2,954) | (854) | (51) |
| - Revaluation | | 1,532 | 5,009 | - | - |
| **Balance at 30 June 2022** | 7.4(b) | **5,321** | **52,962** | **4,197** | **381** |

| Parent | Note | Land $'000 | Buildings $'000 | Plant, equipment, furniture, fittings and vehicles $'000 | Right-of-use plant, equipment, furniture, fittings and vehicles $'000 |
|---|---|---|---|---|---|
| **Balance at 30 June 2022** | 7.4(b) | **5,321** | **52,962** | **4,197** | **381** |
| Additions/(Disposals) | | - | 1 | 256 | 55 |
| *Gains/(Losses) recognised in net result* | | - | - | - | (37) |
| - Depreciation and Amortisation | | (49) | (2,700) | (698) | (91) |
| **Balance at 30 June 2023** | 7.4(b) | **5,272** | **50,263** | **3,755** | **308** |

[i] Classified in accordance with the fair value hierarchy, refer Note 7.4.

### *Fair value determination of level 3 fair value measurement*

| Asset class | Likely valuation approach | Significant inputs (Level 3 only) |
|---|---|---|
| Specialised land (Crown/freehold) | Market approach | Community Service Obligations Adjustments [(i)] |
| Specialised buildings | Current replacement cost approach | - Cost per square metre<br>- Useful life |
| Vehicles | Current replacement cost approach | - Cost per unit<br>- Useful life |
| Plant and equipment | Current replacement cost approach | - Cost per unit<br>- Useful life |
| Medical equipment | Current replacement cost approach | - Cost per unit<br>- Useful life |

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

# Portland District Health
# Notes to the Financial Statements
# For the Financial Year Ended 30 June 2023

## Note 8: Other disclosures

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

## Structure

***8.1 Reconciliation of net result for the year to net cash flow from operating activities***
***8.2 Responsible persons disclosure***
***8.3 Remuneration of executives***
***8.4 Related parties***
***8.5 Remuneration of auditors***
***8.6 Events occurring after the balance sheet date***
***8.7 Controlled entities***
***8.8 Joint arrangements***
***8.9 Investments using the equity method***
***8.10 Equity***
***8.11 Economic dependency***

# Portland District Health
# Notes to the Financial Statements
# For the Financial Year Ended 30 June 2023

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

| | Note | Parent 2023 $'000 | Consolidated 2022 $'000 |
|---|---|---|---|
| **Net result for the year** | | (3,210) | (3,517) |
| | | | |
| **Non-cash movements:** | | | |
| (Gain)/Loss on sale or disposal of non-financial assets | | 106 | (82) |
| (Gain)/Loss on revaluation of investment property | | - | (46) |
| Depreciation of non-current assets | 4.4 | 3,539 | 3,908 |
| Loss allowance for receivables | | - | 19 |
| Share of net results in joint ventures | | (100) | 44 |
| | | | |
| **Movements in Assets and Liabilities:** | | | |
| (Increase)/Decrease in receivables and contract assets | | (527) | 83 |
| (Increase)/Decrease in inventories | | (17) | (3) |
| (Increase)/Decrease in prepaid expenses | | (65) | (550) |
| Increase/(Decrease) in payables and contract liabilities | | 160 | 718 |
| Increase/(Decrease) in monies in trust | | 19 | - |
| Increase/(Decrease) in employee benefits | | 147 | 136 |
| | | | |
| **Net cash inflow from operating activities** | | **52** | **710** |

## *Note 8.2 Responsible persons disclosures*

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

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

# Portland District Health
# Notes to the Financial Statements
# For the Financial Year Ended 30 June 2023

## *Note 8.2 Responsible persons disclosures (cont)*

| | Period |
|---|---|
| The Honourable Mary-Anne Thomas MP: | |
| Minister for Health | 1 Jul 2022 - 30 June 2023 |
| Minister for Health Infrastructure | 5 Dec 2022 - 30 June 2023 |
| Minister for Medical Research | 5 Dec 2022 - 30 June 2023 |
| Former Minister for Ambulance Services | 1 Jul 2022 - 5 Dec 2022 |
| The Honourable Gabrielle Williams MP: | |
| Minister for Mental Health | 1 Jul 2022 - 30 June 2023 |
| Minister for Ambulance Services | 5 Dec 2022 - 30 June 2023 |
| The Honourable Lizzy Blandthorn MP: | |
| Minister for Disability, Ageing and Carers | 5 Dec 2022 - 30 June 2023 |
| The Honourable Colin Brooks MP: | |
| Former Minister for Disability, Ageing and Carers | 1 Jul 2022 - 5 Dec 2022 |
| **Governing Board** | |
| Prof P Matthews (Chairperson of the Board) | 1 Jul 2022 - 30 Jun 2023 |
| Prof M Bailey | 1 Jul 2022 - 30 Jun 2023 |
| Mrs N Baillie | 1 Jul 2022 - 30 Jun 2023 |
| Mr A Long | 1 Jul 2022 - 30 Jun 2023 |
| Mr J Macartney OAM | 1 Jul 2022 - 30 Jun 2023 |
| Dr L Cuddihy | 1 Jul 2022 - 30 Jun 2023 |
| Ms R Smith | 1 Jul 2022 - 30 Jun 2023 |
| Ms A Georgalas | 1 Jul 2022 - 30 Jun 2023 |
| Ms S Anderton | 1 Jul 2022 - 30 Jun 2023 |
| Mr P Wright | 1 Jul 2022 - 30 Jun 2023 |
| Prof M Bartos | 1 Jul 2022 - 16 Aug 2022 |
| **Ministerial Delegate** | |
| Mr M Kennedy | 1 Jul 2022 - 30 Jun 2023 |
| **Accountable Officers** | |
| Ms K Prevett (Acting and interim Chief Executive Officer) | 1 Jul 2022 - 5 Dec 2022 |
| Ms S Sharp | 5 Dec 2022 - 30 Jun 2023 |

**Remuneration of Responsible Persons**

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

| | Parent | Consolidated |
|---|---|---|
| | 2023 | 2022 |
| **Income Band** | **No** | **No** |
| $0 - $19,999 | 10 | 7 |
| $30,000 - $39,999 | - | 1 |
| $40,000 - $49,999 | 1 | - |
| $120,000 - $129,999 | 1 | 1 |
| $150,000 - $159,999 | 1 | - |
| $250,000 - $259,999 | - | 1 |
| **Total Numbers** | **13** | **11** |

| | Parent | Consolidated |
|---|---|---|
| | 2023 | 2022 |
| | $'000 | $'000 |
| **Total remuneration received or due and receivable by Responsible Persons from the reporting entity amounted to:** | **385** | **518** |

# Portland District Health
# Notes to the Financial Statements
# For the Financial Year Ended 30 June 2023

### *Note 8.2 Responsible persons disclosures (cont)*

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

### *Note 8.3 Remuneration of executives*

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

| Remuneration of executive officers | Parent Total Remuneration | Consolidated Total Remuneration |
|---|---|---|
| **(including Key Management Personnel disclosed in Note 8.4)** | **2023 $'000** | **2022 $'000** |
| Short-term benefits | 974 | 666 |
| Post-employment benefits | 77 | 53 |
| Other long-term benefits | 23 | 18 |
| Termination benefits | | |
| **Total remuneration** [i] | **1,074** | **737** |
| | | |
| Total number of executives | 8 | 4 |
| Total annualised employee equivalent [ii] | 7.6 | 3.1 |

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

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

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

**Short-term employee benefits**

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

**Post-employment benefits**

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

**Other long-term benefits**

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

# Portland District Health
# Notes to the Financial Statements
# For the Financial Year Ended 30 June 2023

## *Note 8.3 Remuneration of executives (cont)*

**Other factors**
Several factors affected total remuneration payable to executives over the year. A number of employment contracts were completed and renegotiated, and a number of executive officers retired, resigned or were retrenched in the past year. This has had a significant impact on remuneration figures for the termination benefits category.

## *Note 8.4 Related parties*

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

- all key management personnel (KMP) and their close family members and personal business interests
- cabinet ministers (where applicable) and their close family members
- jointly controlled operations – A member of the SWARH Joint Venture Alliance and
- all health services and public sector entities that are controlled and consolidated into the State of Victoria financial statements.

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

### Key Management personnel

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

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

### *Note 8.4 Related parties (cont)*

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

| | Parent 2023 $'000 | Consolidated 2022 $'000 |
|---|---|---|
| **Compensation - KMPs** | | |
| Short-term Employee Benefits | 1,324 | 1,135 |
| Post-employment Benefits | 106 | 91 |
| Other Long-term Benefits | 29 | 29 |
| **Total** [ii] | **1,459** | **1,255** |

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

### Significant transactions with government related entities

The Portland District Health received funding from the DH of $48m (2022: $44m) and indirect contributions of $1.06m (2022: $661 K).
Balances outstanding as at 30 June 2023 are $652K (2022: $52 K).

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

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

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

### Transactions with KMPs and other related parties

Given the breadth and depth of State government activities, related parties transact with the Victorian public sector in a manner consistent with other members of the public e.g., stamp duty and other government fees and charges. Further employment of processes within the Victorian public sector occurs 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

### *Note 8.4 Related parties (cont)*

on terms and conditions consistent with the HealthShare Victoria and Victorian Government Procurement Board requirements.

Outside of normal citizen type transactions with the Portland District Health, there were no related party transactions that involved key management personnel, their close family members or their personal business interests. No provision has been required, nor any expense recognised, for impairment of receivables from related parties. There were no related party transactions with Cabinet Ministers required to be disclosed in 2023 (2022: none).

There was 1 related party transactions required to be disclosed for the Portland District Health Board of Directors, Chief Executive Officer and Executive Directors in 2023 amounting to $16K to Ms R Nagorcka (2022: none). This payment was at arms length and paid under normal commercial terms and conditions.

### *Note 8.5 Remuneration of auditors*

| | Parent 2023 $'000 | Consolidated 2022 $'000 |
|---|---|---|
| **Victorian Auditor-General's Office** | | |
| Audit of the financial statements | 25 | 33 |
| **Total remuneration of auditors** | **25** | **33** |

### *Note 8.6 Events occurring after the balance sheet date*

There are no events occurring after the Balance Sheet date.

# Portland District Health
# Notes to the Financial Statements
# For the Financial Year Ended 30 June 2023

### *Note 8.7 Controlled entities*

The Portland District Health's interest in controlled operations are detailed below, which was relinquished in November 2022. There are no amounts are included in the consolidated financial statements for year ended 30 June 2023.

| | Country of Incorporation | Ownership Interest % | Equity Holding |
|---|---|---|---|
| Active Health Portland Limited - until November 2022 | Australia | 0 | n/a |

**Controlled entities contribution to the consoldiated results:**

| | 2023 | 2022 |
|---|---|---|
| **Net result for the year** | **$'000** | **$'000** |
| Active Health Portland Limited | - | (249) |

### *Note 8.8 Joint arrangements*

| | Principal Activity | Ownership Interest 2023 % | Ownership Interest 2022 % |
|---|---|---|---|
| South West Alliance of Rural Health (SWARH) | Information Systems | 4.8 | 5.4 |

### *Note 8.8 Joint arrangements (cont)*

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

| | 2023 $'000 | 2022 $'000 |
|---|---|---|
| **Current assets** | | |
| Cash and cash equivalents | 838 | 1,152 |
| Inventories | 1 | 2 |
| Receivables | 284 | 302 |
| Prepaid expenses | 41 | 40 |
| **Total current assets** | **1,164** | **1,496** |
| | | |
| **Non-current assets** | | |
| Receivables | 49 | 45 |
| Intangible assets | 218 | 12 |
| Property, plant and equipment | 241 | 395 |
| ROU Assets | 228 | |
| **Total non-current assets** | **736** | **452** |
| | | |
| **Total assets** | **1,900** | **1,948** |
| | | |
| **Current liabilities** | | |
| Payables | 1,049 | 1,225 |
| Financial liabilities | 80 | 85 |
| Employee benefits and related on-cost provisions | 128 | 144 |
| **Total current liabilities** | **1,257** | **1,454** |
| | | |
| **Non-current liabilities** | | |
| Financial liabilities | 157 | 109 |
| Employee benefits and related on-cost provisions | 26 | 25 |
| **Total non-current liabilities** | **183** | **134** |
| | | |
| **Total liabilities** | **1,440** | **1,588** |
| | | |
| **Net assets** | **460** | **360** |
| | | |
| **Equity** | | |
| Accumulated surplus | 460 | 360 |
| **Total equity** | **460** | **360** |

### *Note 8.8 Joint arrangements (cont)*

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

| | 2023 $'000 | 2022 $'000 |
|---|---|---|
| **Revenue and income from transactions** | | |
| Operating activities | 1,175 | 1,061 |
| Non-operating activities | 26 | 86 |
| **Total revenue and income from transactions** | **1,201** | **1,147** |
| | | |
| **Expenses from transactions** | | |
| Employee benefits | (510) | (495) |
| Maintenance contract & IT support | (330) | (361) |
| Depreciation | (116) | (125) |
| Operating expenses | (146) | (125) |
| **Total expenses from transactions** | **(1,102)** | **(1,106)** |
| | | |
| **Net result from transactions** | **99** | **41** |
| | | |
| **Other economic flows included in the net result** | | |
| Revaluation of long service leave | 1 | (4) |
| **Total other economic flows included in the net result** | **1** | **(4)** |
| | | |
| **Comprehensive result for the year** | **100** | **37** |

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

**Contingent liabilities and capital commitments**

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

## *Note 8.9 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 the Portland District Health.

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

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

**Restricted specific 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.

## *Note 8.10 Economic dependency*

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 has provided confirmation that it will continue to provide 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 31 October 2024. On that basis, the financial statements have been prepared on a going concern basis.

PORTLAND
DISTRICT HEALTH

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