150th Annual Report 2020/2021

ALEXANDRA DISTRICT HEALTH

Our History

1870

In 1870, the local Council purchased two buildings for two pounds. They spend a further 50 pounds, converting an old hotel into a courthouse and the other section into a hospital.

1871

In December 1871 Alexandra Cottage Hospital was incorporated and registered as a Public Hospital.

1957

A fire destroyed a major part of the hospital destroying all records prior to that point.

1993

A redevelopment of the old hospital facility took place including a new urgent care and operating theatre

2004

Alexandra District Health redeveloped its Community Health building at Alexandra and took on community health services at sites in Eildon and Marysville.

2008

Alexandra District Health was awarded the Rural Health Service of the Year award in the Victorian Public Healthcare Awards.

2009

In 2009 the Black Saturday fires devastated the community. Alexandra District Health was directly involved in both the medical response and the rebuilding process including our facility in Marysville that was relocated to Buxton until Marysville was rebuilt.

2010

Construction commenced for the new hospital on the corner of Cooper and Wattle Streets.

2011

Alexandra District Health was awarded the Rural Health Service of the Year award in the Victorian Public Healthcare Awards.
Construction was completed and the hospital relocated to its new home in October 2011.

2015

On the 18th of June 2015 the name of our health service formerly changed from Alexandra District Hospital to Alexandra District Health.

Photo courtesy State Library of Victoria

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Mission Statement

Our Mission

To partner with our community so together we achieve excellence in rural healthcare.

Our Values

The following values underpin all interactions between Alexandra District Health patients, staff, other service providers, supporters and the communities in which ADH operates. The values were developed and are owned by our staff and enthusiastically supported by the Board.

		We will:
A	Accessible	create a welcoming environment for all
D	Dedicated	strive to do our best each and every time
H	Holistic	consider the treatment of the whole person, considering mental and social factors, rather than just symptoms of a disease
C	Compassionate	be sympathetic and show care and kindness to patients, visitors and each other
A	Accountable	take responsibility for our actions
R	Respect	maintain the privacy and confidentiality of others
E	Excellent	continuously strive to do better, learning from our mistakes
S	Safe	ensure a safe Health Service for all patients, staff and visitors

Strategic Goals and Objectives

Service Profile and Clinical Excellence

- Services adapt to the changing needs of our community and are appropriate for the future needs of our community.
- Care that is safe, evidence based, proactive and contemporary.

Communication, Partnerships and Engagement

- Excellence in rural health care through mutually beneficial partnerships with our community, our staff and our service partners.

Governance and Leadership

- Board and executive providing strong leadership and direction.
- A resilient Health Service.

Workforce

- Engaged, outstanding people providing great healthcare locally within a safe and healthy work environment.

Resourcing and Sustainability

- A sustainable financial base to deliver present and future services.
- Our buildings and equipment are well planned, well maintained and fit for purpose.
- Our outreach services are delivered in fit for purpose facilities.

Our Profile

Board of Directors Chair
Ms Lorna Gelbert

Finance, Audit and Risk Committee Chair
Mr Alan Studley

Quality and Clinical Governance Committee Chair
Mr Kim Flanagan

Chief Executive Officer
Mrs Deborah Rogers

Responsible Ministers
The Hon Martin Foley MP
Minister for Health, Minister for Ambulance Services and Minister for Equality from 26th September 2020 to 30th June 2021
Minister for Mental Health from 1st July 2020 to 26th September 2020

The Hon James Merlino MP, Minister for Mental Health from 29th September 2020 to 30th June 2021

Jenny Mikakos MP, Minister for Health and Minister for Ambulance Services from 1st July 2020 to 26th September 2020

Originally Established
Incorporated December 11th 1871 – Hospital and Charities Act (6274)

Accreditation Status
Fully Accredited to 9th March 2022

Board of Directors

Chair	Ms Lorna Gelbert
Deputy Chair	Mr Kim Flanagan
Board Members	Mr Steven Hogan
	Mr Alan Studley
	Ms Cindy Neenan
	Mr James McCarthy
	Mr Kerry Power
	Ms Michelle Fleming
	Ms Megan Buntine
	Ms Cheryle Royle
Auditor	HLB Mann Judd (Internal Auditor)
	Richmond, Sinnott & Delahunty
	VAGO (Victorian Auditor General's Office)
Bankers	Westpac (CBS), NAB
Solicitors	Health Legal

Responsible Bodies Declaration
In accordance with the *Financial Management Act 1994*, I am pleased to present the Report of Operations for Alexandra District Health for the year ending 30th June 2021.

Lorna Gelbert, Board Chair
Alexandra
30th June 2021

About Us

Alexandra District Health employs a team of approximately 110 staff who work across our clinical and corporate services. Our services consist of a 25-bed acute ward, 6 day procedure beds and a 3 cubicle Urgent Care Centre.

We provide a range of inpatient (medical and surgical) and primary health services in Alexandra.

Our Services:

- Acute Ward
- Advance Care Planning Clinic
- Asthma Education
- Cardiac Rehabilitation
- Counselling services
- Heart Health Program
- Continence Management
- Diabetes Education
- Dietetics
- District Nursing Service
- Life Diabetes Prevention Program
- Meals on Wheels
- Occupational Therapy
- Physiotherapy
- Pulmonary Rehabilitation Program
- Sexual Health
- Social Work
- Speech Pathology
- Surgery including: General, Gynaecology, Ear, Nose and Throat, Orthopaedic, Endoscopy, Urology, Ophthalmology
- Urgent Care
- Wound Management Clinic

Exercise Programs

- Gymnasium
- Stall the fall
- Gentle exercise
- Strength training
- Fit for birth
- Bounce Back with Babes

Visiting Services

- Hearing Clinic
- Echocardiography
- Lung Function Testing
- Childbirth Education
- Private Specialist Services:
  General Surgeon, Gynaecologist, Urologist, Ear, Nose and Throat Surgeon, Orthopaedic Surgeon, Paediatrician, Gastroenterologist, Ophthalmologist, Renal Specialist, Cardiologist Respiratory Specialist
- Pathology
- Podiatry
- Radiology
- Ultrasound (NHW)

Medical Staff:

Director Medical Services
Dr Colin Feekery MBBS, RACMA, RACP

General Practitioners
Dr T Chuah MBBS
Dr L Fraser MBBS, RACGP
Dr Z Kovacs MBBS (from February 2021)
Dr M Lowe MBBS, RACGP
Dr P Mohammadi MBBS (from September 2020 to April 2021)
Dr A Taheri MBBS
Dr R Vohra MBBS

General Surgeon
Dr A Das MBBS, FRACS (from May 2021)
Dr A Dhir MBBS, FRACS (from May 2021)
Mr R Masters MBBS, FRACS (Ret. November 2020)

Ear, Nose, Throat Surgeon
Mr A Guiney, MBBS, FRACS

Gastroenterologist
Dr P Mahindra MBBS, FRACGP
Dr E Tsoi MBBS, FRACP (from September 2020)

Anaesthetists
Dr M Adams BHB, MBChB, FANZCA, MHlthServMt
Dr E Beasley MBBS, FANZCA
Dr T Callahan BMBS (Hons), BSc (Hons), FANZCA
Dr Y D'Oliveiro MBBCh BAO, FANZCA (from February 2021)
Dr M Keane, MBBS, FANZCA
Dr S Mahjoob, MBBS, FANZCA
Dr J Monagle, MBBS, FANZCA
Dr C Noonan, MBBS, FANZCA
Dr D Stanzsus, MBBS, FANZCA

Orthopaedic Surgeons
Mr J Harvey, MBBS, FRACS
Mr C Kondogiannis, MBBS, FRACS

Urologist
Dr P Ruljancich MBBS, FRACS

Ophthalmologist
Dr R Bunting MBBS, RANZCO, FRCOphth

Cardiologist
Dr E Kotschet MBBS (Hons) FRACP

Paediatrician
Dr D Cutting MBBS, FRACP

Nephrologist
Dr P Branley MBBS, BPharm

Respiratory Physician
Dr M Clarence, MBBS Surgery

Gynaecologist
Dr A Lawrence B.Sc. (Hons), MBBS (Hons), FRANZCOG, MRCOG

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

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Board Chair and Chief Executive Officer Report

Our year in review

On behalf of the Board of Directors and staff of Alexandra District Health, we are pleased to present the 150th Report of Operations and Annual Report for the year ended 30th June 2021.

This year, the global pandemic continued to challenge us as a Health Service. However, the staff at Alexandra District Health rose to the challenge, demonstrating our resilience as we continued to provide services to our community.

Through our partnerships, we ensured our community stayed safe during these unprecedented times. We have undertaken 2276 COVID-19 swabs through our drive through, walk up and urgent care settings. We have also provided asymptomatic testing for priority groups.

Alexandra District Health has developed a respiratory protection plan which included appointing a co-ordinator, training two registered nurses as respirator 'fit testers' and fit testing of all of our clinical staff to ensure our staff are wearing the 'correct' respirator mask when exposed to people with COVID-19 symptoms.

In partnership with Kilmore District Health, Alexandra District Health has established and conducted COVID-19 vaccination clinics. We have made significant progress with staff vaccinations, with 64% of our staff now fully vaccinated against COVID-19, and 79% having received their first dose as at 30th June 2021. The clinic is run every week and supported by both Alexandra and Kilmore staff to provide AstraZeneca and Pfizer vaccinations to our community.

Alexandra District Health has been working closely with Health and Wellbeing Division of the Department of Health, following the confirmation of level 2 capability against the Surgical and Procedural Framework. Alexandra District Health, in consultation with our surgeons and anaesthetists have developed a Manual of Surgical Procedures which complies with level 2 capability and also outlines mitigation strategies to ensure we can safely undertake some level 3 procedures. Our participation in the Hume Health Services Partnership elective surgery deferred care project has helped to ensure our local community has access to elective surgery by increasing the number of theatre sessions conducted at Alexandra District Health and assisting people whose surgery was impacted by COVID-19 restrictions.

During the year we farewelled Mr Rick Masters, General Surgeon, who retired after more than 20 years of providing surgical services at Alexandra District Health. We also celebrated the retirement of Elizabeth Fitzpatrick and Geraldine McClure after 32 years and 27 years of service respectively to nursing at Alexandra District Health. In June 2021, Dianne Goschnick celebrated an amazing milestone of 50 years of nursing, with 39 of those years spent at Alexandra District Health.

Following on from the branding work undertaken last year, we replaced our external signage, making wayfinding much easier for people trying to navigate the Health Service. We also improved some of the internal signs following feedback from consumers in our access and inclusion working group.

Our new website was launched in February 2021 and has been an important addition for sharing information with our community during our COVID-19 response. We are very grateful for the hard work of Suzy van der Vlies from our Community Engagement Committee, as she led this important project. The new website has news and announcements and enables our community to easily connect with us, find information about the services we offer, and how to access them. The website provides access to forms for patients undergoing surgery and for those in our community wishing to provide feedback on our services. It also features an accessibility function to enable people with visual impairment to access tools such as; increasing and decreasing text size, changing background colours and contrast, and a grayscale function. We encourage our community to visit our website at www.adh.org.au.

Board Chair and
Chief Executive Officer Report continued

Our education and training program continues to enhance our workforce. The graduate nurse program in collaboration with Eastern Health supports four graduates each year and this year we have also facilitated two enrolled nurses in our transition to practice program during their first year after graduating with a Diploma of Nursing. The 'old Myrtle Street Clinic' has been transformed into our Training and Education Centre and has been renamed 'The Cottage' in recognition of the Alexandra Cottage Hospital, our original name.

Our Board

Alexandra District Health has a dedicated Board of Directors providing governance oversight and strategic direction for the Health Service. In 2020/2021 we welcomed five new Board Directors: Alan Studley, Cindy Neenan, James McCarthy, Kerry Power and Michelle Fleming. Our new Directors bring extensive experience, enthusiasm and diversity to our Board. They join Lorna Gelbert who was reappointed for a further 3-year term, re-elected as Board Chair, along with existing Directors Kim Flanagan, Deputy Chair, and Steven Hogan.

Megan Buntine and Cheryle Royle resigned from their positions as Board Directors and we thank them for their service.

Financial Performance

The financial results for 2020-21, prior to the inclusion of capital and specific items, show an improvement in the financial performance of the Health Service when compared to the previous year.

The operating position reflects a further reduction in revenue from private inpatients and primary health client fees. This is due to reduced activity which has been attributed to COVID-19 restrictions. These reductions were partially offset by corresponding reductions in the cost of medical services and general health service delivery costs which continue to be closely managed.

We remain committed to adjusting to the continuing financial impacts of COVID-19 by adapting to the changing needs of our community and providing alternative methods of delivering our services, such as enabling telehealth options for primary health consultations and specialist consulting. We are also actively working on strategies to attract general practitioners and their families to the region in an effort to address the shortage of medical workforce in Alexandra, which impacts activity in urgent care and inpatient occupancy.

Gender Equity Act

In 2020, the *Gender Equality Act 2020* (the Act) came into action and applies to public service entities, universities and local governments with 50 or more employees, with a positive duty to promote gender equality.

Alexandra District Health has been engaged in gender equity work for some time, through the public health focus on responses to and the prevention of family violence, through the 'Strengthening Hospital Response to Family Violence', a model which was developed to provide a system-wide approach which has now been applied to health services across Victoria. We have systems in place to ensure all employees are trained in equal employment opportunity, as part of the induction and annual training program and we will continue working actively in this area.

Alexandra District Health is required to undertake a number of positive obligations in response to the Act and we have commenced activities towards this, including undertaking a workforce gender audit and survey, through the annual People Matter Survey. We are implementing gender equality impact assessments and developing a gender equality action plan, based on the audit and survey result. Reporting on these activities is due to the Gender Equality Commission in December 2021. Alexandra District Health will establish a Gender Equality Steering Committee with oversight responsibilities. Alexandra District Health is an active member in the Victorian Health Organisation Gender Equality Network (VHOGEN), a collaborative group for health services sharing information and education to assist with the implementation of the requirements under the Act.

Board Chair and
Chief Executive Officer Report continued

Our Future

Alexandra District Health, like all Victorian Health Services, continues to plan services around COVID-19 restrictions and to ensure compliance with all directions from the Chief Health Officer. We will continue to look for ways to support our staff and ensure work / life balance during these times of rapid change.

We plan to increase our elective surgery capacity with additional surgical lists being added to our schedule and we hope to partner with other health services in elective surgery waiting list management. This means that Victorians can access elective surgery within acceptable waiting times.

We strive to increase our medical workforce to provide our community and our patients with access to a reliable and skilled medical workforce which will support them into the future. A robust medical workforce enhances our acute inpatient and urgent care services to ensure the ongoing sustainability of our Health Service.

This December, we celebrate two key milestones – 150 years as a Health Service and 10 years in our new building. We look forward to being able to celebrate this with our community and our staff and hope you will join us.

Our success is only possible through the strong governance and commitment of our Board, competent leadership from our executive and the continued dedication of our staff and community partners. We thank our patients and clients who have shared in our journey and our community as a whole for supporting us.

We acknowledge the assistance of the Victorian Government, the Victorian Department of Health and the Federal Government in the funding of our operations and initiatives.

Despite another challenging year, we are proud to lead Alexandra District Health into the future. We hope that you enjoy reading our 2020/2021 Annual Report and learning more about our accomplishments over the past financial year.

Executive Team

Chief Executive Officer
Deborah Rogers

The Chief Executive Officer is responsible to the Board of Directors for the effective operational, financial and human resource management of Alexandra District Health. Additionally, this position holds full responsibility for legislative compliance and organisational performance together with organisational development and enhancement.

Director Corporate Services / Chief Finance Officer / Chief Procurement Officer
Andrew Lowe

The Director Corporate Services / Chief Financial Officer / Chief Procurement Officer is a member of the executive team having responsibility for the leadership and management of the Corporate Services Division. The Director of Corporate Services is responsible for the overall finance and accounting function, assisting in the formation of financial and budgeting policies and procedures.

Director Medical Services
Dr Colin Feekery

The Director Medical Services (DMS) acts on behalf of Alexandra District Health, in overseeing the professional performance of all employed and visiting medical practitioners to enhance and develop medical service provision. The DMS is responsible for ensuring a safe medical care environment for patients of the Health Service.

Director of Clinical Services
Claire Palmer (to 15th March 2021)
Fiona Mackey (acting 15th March 2021 to 9th June 2021)
Katie Hellema (from 9th June 2021)

The Director of Clinical Services (DoCS) provides strategic direction to clinical (nursing and ambulatory care) services and primary health streams. The DoCS strategically manages the performance of the clinical services areas including targets, budgets, people, and resources and planning to ensure compliance with legislation and delivery of safe, high quality services.

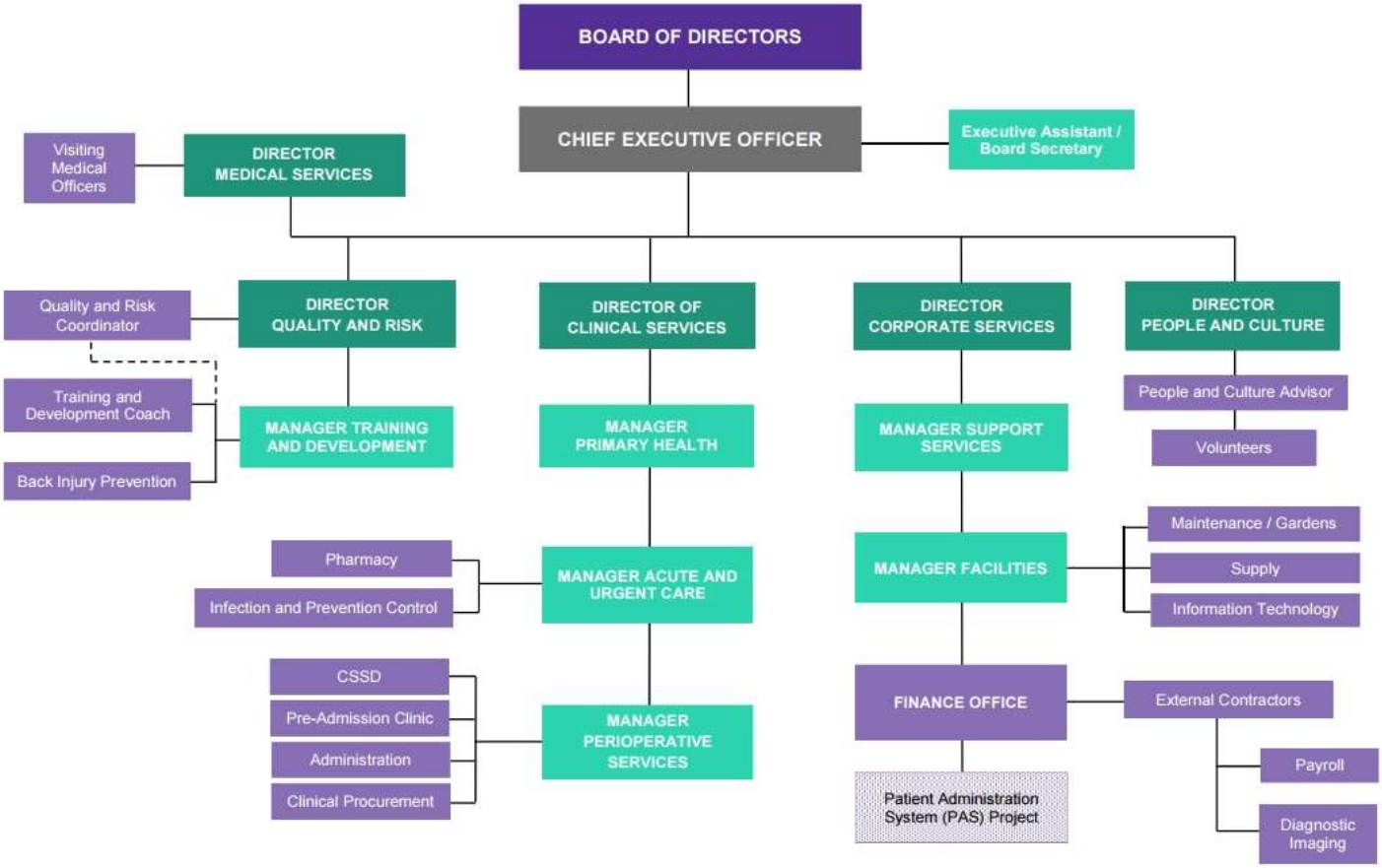
Director Quality and Risk
Claire Palmer (from 15th March 2021)

The Director Quality and Risk (DQR) works in collaboration with the Chief Executive Officer and the executive team to lead the quality improvement and risk management program at Alexandra District Health. The DQR works collaboratively with the senior leadership team, clinical and non-clinical staff and consumers to ensure that Alexandra District Health has an effective, coordinated, organisation-wide approach to the provision of quality improvement, incident and risk management, management of policies and procedures, emergency management systems and accreditation process across all areas of the organisation.

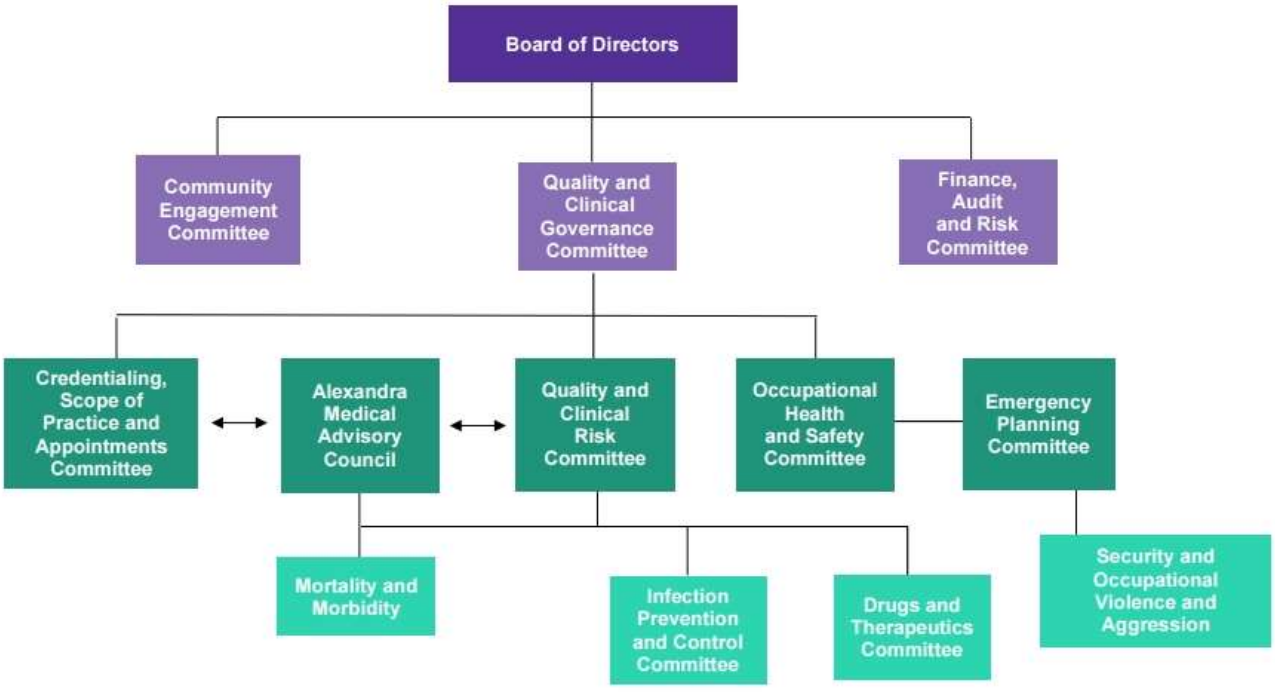
Director People and Culture
Brant Doyle

The Director People and Culture is responsible for all human resources management and reporting. This includes industrial relations, recruitment and strategic management.

Organisational Structure



Committee Reporting Structure



Board of Directors

Ms Lorna Gelbert – Chair

Lorna is a former practicing lawyer and accredited property law specialist having retired from practice on 30th June 2020. Until the end of 2013, Lorna was a partner with a medium sized law firm in the Melbourne CBD and then operated a small practice in Buxton in partnership with her husband. Lorna has previously been a board director of Places Victoria, Women's Legal Service Victoria and Family Law Legal Service. She is the former Chair of the Law Institute of Victoria Specialisation Board's Property and Commercial Tenancy Committee. In addition to her role as Board Chair, Lorna is also a member of the Finance, Audit and Risk Committee and the Quality and Clinical Governance Committee.

Mr Kim Flanagan – Deputy Chair

In addition to being Board Deputy Chair, Kim is Chair of the Quality and Clinical Governance Committee and is a member of the Finance, Audit and Risk Committee. He is also a non-executive director of The Lost Dogs Home and the Chief Operating Officer of New Age HSE Services, a respected management consulting company. Previously he was a non-executive director for AGECOM Enterprises Limited (Bendigo Community Bank), Chair of their People, Performance, Governance and Risk Committee.

Kim has worked in both federal and state government business enterprises and departments such as the Department of Health and Human Services and the Westgate Tunnel Authority. He has also been an executive in the private sector with companies such as BHP, Finemore Holdings Limited, the Ford Motor Company of Australia, UGL Limited and NBN Co.

Kim has a Bachelor's Degree in Social Science majoring in Human Physiology and Sociology as well as a Diploma of Business Management. He is trained in Six Sigma and Lean philosophy, Six Sigma Project Champion and is an accredited Exemplar Global Master Auditor. He is also a Fellow of the Institute of Logistics and Transport, a member of the Australian Institute of Company Directors and a Fellow of the International Safety, Quality and Environment Management Association.

Mr Steven Hogan

Prior to retirement, Steven had an extensive career in senior executive roles in retail, finance, health and manufacturing and most recently, in not-for-profit associations in the insurance and construction sectors. While most of his roles have been supporting organisations at a strategic executive level, his area of specialisation is in the area of human resources where he has been a certified member of the Australian Human Resources Institute for over 35 years.

Based in Melbourne, and with a number of family and friends in Marysville, Buxton and Eildon, Steven feels a good affiliation with the area and brings a strong focus on strategy and the importance of people and culture to the success of organisations. Steven is a member of the Finance, Audit and Risk Committee and the Quality and Clinical Governance Committee and is Chair of the Community Engagement Committee.

Mr James McCarthy

James is Chief Executive Officer of a community organisation within the Yarra Ranges and works as a social worker for Anglicare Victoria. James also operates a private practice specialising in supervision and human service consulting. He has an extensive background in the human and community services sector covering mental health, alcohol and drugs, disability, homelessness, refugee and palliative care, and was previously a family violence case investigator with the Coroners Court of Victoria. In addition to his involvement with numerous organisations, he is the current Chairperson of Relationship Matters and holds a number of roles with St John Ambulance Victoria.

James is a member of the Finance, Audit and Risk Committee and the Quality, Clinical Governance Committee and the Community Engagement Committee.

Board of Directors continued

Ms Cindy Neenan

Cindy is a semi-retired executive who has forged a successful career across manufacturing and engineering in Australia, NZ and overseas. Cindy's expertise resides in all aspects of human resources, particularly industrial relations and organisation development. She has been a past director of a Mercer Superannuation Master Trust Fund, past Chair of the Australian Automotive Industrial Relations Committee and founder and Chair of Diversity and People councils across her industry. She has previously managed large commercial portfolios as a purchasing director, overseeing vendor costs and quality systems, business process re-engineering, and holds a six-sigma qualification.

Cindy has a keen interest in public health advancements for cancer standard of care treatment and to this end sits on the Human Research Ethics Committee in a large metropolitan hospital. She is passionate about community sport, is the finance manager of her local rowing club and community liaison with local council and peak bodies overseeing environmental systems on the inner west river system. She also coaches school, club and adult rowing. Cindy is a member of the Finance, Audit and Risk Committee and the Quality and Clinical Governance Committee.

Mr Kerry Power

Kerry is an experienced clinician with a long history working as an intensive care paramedic in metropolitan Melbourne. He spent 39 years with Ambulance Victoria working in pre-hospital emergency care, providing clinical education and working as a senior clinician in both emergency operations and clinical oversight in ambulance dispatch. His experience includes training and deployment of Kinglake and Lang Lang CERT Teams, co-management of the Metropolitan MICA System and group manager for the Lodden Mallee region.

He provided management support for three major projects while with Ambulance Victoria, including partnering with Beyond Blue to improve mental health for paramedics and addressing the escalation of occupational violence through innovative programs. Kerry is also a recipient of the Ambulance Service Medal (ASM).

Born in Alexandra, Kerry moved back to the area 10 years ago and is enjoying living a quieter life in Eildon. Kerry is a member of the Finance, Audit and Risk Committee and the Quality and Clinical Governance Committee.

Ms Michelle Fleming

Michelle has a background in health and community services and currently works as Associate Program Director in the Specialty Medicine and Ambulatory Care Program at Eastern Health. Michelle has significant operational leadership experience within ambulatory services including community health, aboriginal health, general practice, COVID-19 community services and sexual assault support services. Michelle has a Graduate Diploma in Health Promotion, Masters in Health and Human Services Management and is a member of the Australian Health Promotion Association.

Michelle is passionate about delivering the best quality care to patients and about the key role of ambulatory services in helping people avoid hospital admission and remain well within their own community. She has strong connections to the local community, having lived in the local area for most of her life and currently residing in Taggerty.

Michelle is a member of the Finance, Audit and Risk Committee and the Quality and Clinical Governance Committee.

Board of Directors continued

Mr Alan Studley

Alan is Chair of the Finance, Audit and Risk Committee and a member of the Quality and Clinical Governance Committee. In addition to his role at Alexandra District Health, Alan is a non-executive director of Access Community Health, Wayss (Family Violence & Housing Support) and ANZGITA.

Alan has worked for multi-national companies in the fields of manufacturing, media and food production. His roles have included Finance Director, Chief Executive Officer and Executive Chairman of large acute care health facilities, public transport related services and a federal government trust responsible for national heritage assets.

In the past Alan has been a director and trustee of the Metropolitan Ambulance Service, Royal Guide Dogs for the Blind Association of Victoria and Australia, Aware Super (Health Super) and ASX listed Sausage Software Pty Ltd. He has acted as a surveyor for the Australian Council of Healthcare Standards and member of the Department of Human Services, Strategy Steering Committee I2T2. He is a Fellow of the Australian Institute of Company Directors and CPA Australia.

Ms Cheryle Royle
(resigned 24th June 2020, formally accepted 8th September 2020)

Cheryle has an extensive background in healthcare management, having been the Chief Executive Officer of a number of hospitals in Victoria, and prior to retiring/semi-retiring was the Chief Executive Officer of St Vincent's Hospital in Brisbane. As a previous nurse and midwife, Cheryle progressed through the leadership ladder from Director of Nursing to Chief Executive Officer of both single and multiple hospital sites.

Until her resignation in June 2020, Cheryle was Board Deputy Chair, Chair of the Quality and Clinical Governance Committee and a member of the Finance, Audit and Risk Committee.

Ms Megan Buntine
(resigned 18th June 2020, formally accepted 8th September 2020)

Megan is the principal consultant of Megan J Buntine Consulting Services where her mission is to build the capability of organisations and individuals through the work she does. She specialises in supporting non-profit organisations, small businesses, and individuals with goal setting, strategic planning and good governance, and she does this work across Victoria and also interstate. Megan has worked and volunteered across the human services and broader community sectors for more than 30 years, as well as running her own businesses over the past 20 years.

Until her resignation in June 2020, Megan was a member of the Finance, Audit and Risk Committee, the Quality and Clinical Governance Committee and the Community Engagement Committee.

Attestations

Financial Management Compliance

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

Lorna Gelbert
Board Chair
Alexandra District Health
30th June 2021

Data Integrity Declaration

I, Deborah Rogers, certify that Alexandra District Health has put in place appropriate internal controls and processes to ensure that reported data accurately reflects actual performance. Alexandra District Health has critically reviewed these controls and processes during the year.

Deborah Rogers
Chief Executive Officer
Alexandra District Health
30th June 2021

Conflict of Interest Declaration

I, Deborah Rogers, certify that Alexandra District Health has put in place appropriate internal controls and processes to ensure that it has complied with the requirements of hospital circular 07/2017 Compliance reporting in health portfolio entities (Revised) and has implemented a 'Conflict of Interest' policy consistent with the minimum accountabilities required by the VPSC. Declaration of private interest forms have been completed by all executive staff within Alexandra District Health and members of the board, and all declared conflicts have been addressed and are being managed. Conflict of interest is a standard agenda item for declaration and documenting at each executive board meeting.

Deborah Rogers
Chief Executive Officer
Alexandra District Health
30th June 2021

Integrity, Fraud and Corruption Declaration

I, Deborah Rogers, certify that Alexandra 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 Alexandra District Health during the year.

Deborah Rogers
Chief Executive Officer
Alexandra District Health
30th June 2021

Workforce Data

Employment and Conduct Principles

All employees are correctly classified in the workforce data collections and are required to comply with the Alexandra District Health Code of Conduct under their respective employment agreements. Alexandra District Health is committed to applying the public sector employment principles and upholds the key principles of merit and equity in all aspects of the employment relationship. To this end we have policies and practices in place to ensure all employment related decisions, including recruitment and retention, are based on merit.

Hospitals labour category	JUNE current month FTE*		Average Monthly FTE**	
	2020	2021	2020	2021
Nursing	25.72	26.26	25.94	24.40
Administration and Clerical	12.98	14.70	13.59	14.42
Medical Support	0.56	1.47	0.53	1.31
Hotel and Allied Services	9.16	9.32	9.40	8.78
Medical Officers	0.21	0.00	0.27	0.00
Hospital Medical Officers	0.00	0.00	0.00	0.00
Sessional Clinicians	0.18	0.70	0.14	0.46
Ancillary Staff (Allied Health)	6.68	6.50	6.12	5.46
Total	55.49	58.95	55.99	54.83

Financial Performance

	2021 $000	2020 $000	2019 $000	2018 $000	2017 $000
OPERATING RESULT*	**333**	**38**	**85**	**88**	**33**
Total revenue	9,143	9,601	8,652	8,305	7,824
Total expenses	(9,968)	(9,927)	(9,502)	(9,388)	(8,876)
Net result from transactions	**(825)**	**(326)**	**(850)**	**(1,083)**	**(1,052)**
Total other economic flows	65	8	(63)	4	(11)
Net result	**(760)**	**(318)**	**(913)**	**(1,079)**	**(1,063)**
Total assets	31,103	31,305	31,446	28,233	26,670
Total liabilities	(3,174)	(2,653)	(2,476)	(2,191)	(1,730)
Net assets/Total equity	**27,929**	**28,652**	**28,970**	**26,042**	**24,940**

	2020-21 $000
Net operating result *	**333**
Capital purpose income	162
Specific income	Nil
COVID 19 State Supply Arrangements - Assets received free of charge or for nil consideration under the State Supply	87
State supply items consumed up to 30 June 2021	(87)
Expenditure for capital purpose	(18)
Depreciation and amortisation	(1,300)
Impairment of non-financial assets	Nil
Finance costs (other)	(2)
Net result from transactions	**(825)**

* The Operating Result is the result for which the Health Service is monitored in its Statement of Priorities.

Subsequent Events
Alexandra District Health is unaware of any subsequent events occurring after the balance sheet date.

Statutory Reporting

Alexandra District Health's Annual Report has been compiled to meet the requirements of the *Public Administration Act, Financial Management Act* and other requirements.

Disclosures required under Legislation but not recorded elsewhere in this annual report is summarised below.

Freedom of Information Act, 1982
The Freedom of Information Officer is the Chief Executive Officer (CEO). Persons wishing to access information under the *Freedom of Information Act 1982* should apply in writing to the CEO. Online applications and further information about FOI requests can be found by visiting our website https://adh.org.au/patients-and-visitors/freedom-of-information/

During 2020/2021 there were nine Freedom of Information requests. Eight were granted in full, one found no documents on file.

Building Standards
Alexandra District Health complies with Regulation 1209 and 1215 of the *Building Act 1993*. The Alexandra District Health engages an independent contractor to perform an assessment of all buildings in accordance with Section 22E of the Act. A current Annual Safety Measures Report is on display at the Urgent Care entry.

Local Jobs First Act 2003
Alexandra District Health has no contracts required to be reported under the Local Jobs First Disclosure in 2020/2021.

National Competition Policy
Alexandra District Health has a policy in place for the implementation of the Victorian Government's policy on Competitive Neutrality.

Industrial Disputes
No time lost through industrial disputes.

Pecuniary Interests
The Board of Directors members are required to notify the Chair of the Board of any pecuniary interests. All members have completed a statement of pecuniary interests.

Carers Recognition Act 2012
Alexandra District Health complied with the *Carers Recognition Act 2012* for the year 2020/2021.
Our organisation is aware of its responsibilities under the Act.

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

Public Interest Disclosure Act, 2012
Alexandra District Health complied with the *Public Interest Disclosure Act 2012* for the year 2020/2021. There are no disclosures to report.

Complaints regarding improper conduct and corruption in the Victorian public sector can be reported to the Independent Broad-based Anticorruption Commission (IBAC).
www.ibac.vic.gov.au

Publications
The following publications dealing with the functions, powers, duties and activities of the hospital were produced in 2020/2021 and may be viewed on the Health Service website

- Alexandra District Health 149th Annual Report.
- Alexandra District Health Strategic Directions 2020-2024
- Alexandra District Health Aboriginal and Torres Strait Islander Cultural Policy.

Additional information available on request
Details of the items listed before have been retained by Alexandra District Health and are available to the relevant Ministers, Members of Parliament and the public on request (subject to the freedom of information requirements, if applicable):

- Details of shares held by senior officers as nominee or held beneficially.
- 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 visit 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.
- A list of major committees sponsored by the Health Service, the purpose of each committee and the extent to which those purposes have been achieved.
- Details of assessments and measures undertaken to improve the occupational health and safety of employees.

Statutory Reporting continued

Details of consultancies (under $10,000)

In 2020-21, there were three consultancies where the total fees payable to the consultants were less than $10,000. The total expenditure incurred during 2020-21 in relation to these consultancies is $22,960.80 (excl. GST).

Details of consultancies (valued at $10,000 or greater)

In 2020-21, there were three consultancies where the total fees payable to the consultants were $10,000 or greater. The total expenditure incurred during 2020-21 in relation to this consultancy is $54,125.00 (excl. GST).

Details of individual consultancies are listed in the table below.

Consultancies over $10,000

Consultant	Purpose of consultancy	Start date	End date	Total approved project fee (excluding GST)	Expenditure 2020-21 (excluding GST)	Future expenditure (excluding GST)
Taylor & Grace	Re-branding and website design and development	November 2019	February 2021	$26,126.00	$12,500.00	$0.00
LEHR Consultants International Australia	AS4187 Infection Control Compliance	March 2021	January 2022	$96,625.00	$39,125.00	$57,500.00
John Brand & Co	Design and documentation to convert pathology lab into additional clinical consulting space	April 2021		$94,950.00	$2,500.00	$92,450.00

Information and Communication Technology (ICT) Expenditure

The total ICT expenditure incurred during 2020-21 is $0.37 million (excluding GST) with the details shown below:

Business as Usual (BAU) ICT expenditure	Non-Business as Usual (non-BAU) ICT expenditure		
Total (excluding GST)	Total=Operational expenditure and Capital Expenditure (excluding GST) (a) + (b)	Operational expenditure (excluding GST) (a)	Capital expenditure (excluding GST) (b)
$0.34 million	**$0.03 million**	$0 million	$0.03 million

Statutory Reporting continued

Occupational Health and Safety

Alexandra District Health has an Occupational Health and Safety (OH&S) Committee which meets monthly. Staff report incidents, accidents and near misses which are then assessed at monthly meetings and appropriate action is taken.

During 2020/21 Alexandra District Health has continued to provide:

- Ongoing mandatory manual handling and occupational violence training for all staff.
- Face to face and online training on anti-bullying and harassment to all staff.
- Annual fire and emergency management training.
- Orientation programs for new staff incorporating an introduction to Alexandra District Health's occupational health and safety, and anti-bullying and harassment programs.

Occupational Health and Safety Data

Occupational Health and Safety Statistics	2020-21	2019-20	2018-19
The number of reported hazards/incidents	20	23	14
The number of reported hazards/incidents per 100 FTE	0.36	0.41	0.25
The number of 'lost time' standard WorkCover claims	3	1	0
The average cost per WorkCover claim	$8,765	$6,765	$0.00

Occupational Violence Statistics

Occupational violence statistics	2020-21
Workcover accepted claims with an occupational violence cause per 100 FTE	0
Number of accepted Workcover claims with lost time injury with an occupational violence cause per 1,000,000 hours worked.	0
Number of occupational violence incidents reported	4
Number of occupational violence incidents reported per 100 FTE	7.30
Percentage of occupational violence incidents resulting in a staff injury, illness or condition	0

Definitions

Occupational violence – any incident where an employee is abused, threatened or assaulted in circumstances arising out of, or in the course of their employment.

Incident – an event or circumstance that could have resulted in, or did result in, harm to an employee. Incidents of all severity rating must be included. Code Grey reporting is not included.

Accepted Workcover claims – Accepted Workcover claims that were lodged in 2019-20.

Lost time – is defined as greater than one day.

Injury, illness or condition – This includes all reported harm as a result of the incident, regardless of whether the employee required time off work or submitted a claim.

Environment and Sustainability

Alexandra District Health strives to provide a sustainable environment for the community and continues to work to reduce our carbon footprint.

How do we perform?

During 2020/21 our solar production has continued to perform well and this has assisted us to reduce the electricity we purchased throughout the year, especially during the summer months.

In 2020/21 we produced 124280 KWs of electricity utilising our solar power system resulting in a carbon offset of 85.78 tonnes or the equivalent of 2215 trees. The solar power produced was marginally lower than the previous year.

We continue with our commitment to encourage staff to reduce clinical waste where possible. However, the impact of COVID-19 on clinical waste has been significant and this has resulted in an annual increase from 477 kgs to 613 kgs.

Our overall general waste contributing to landfill has seen a reduction from 9591kgs to 9340kgs. The reduction in general waste was a positive achievement considering the increase in individually packaged food items introduced as a result of COVID-19 requirements.

Our theatre department continue to participate in a sterile wrap and PVC recycling project which results in these products no longer ending up in landfill.

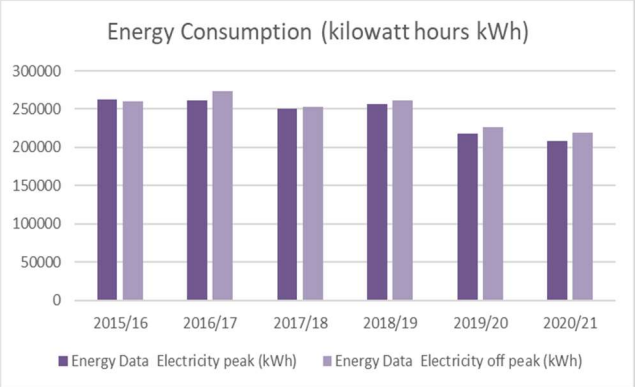
We continue to work on our “End of Life” replacement program to upgrade our halogen & fluorescent lighting with LED replacements throughout the hospital site. This year we completed the replacement of fittings in patient rooms, as well as numerous offices and corridors. This initiative has resulted in an overall improvement in the lighting quality in these areas.

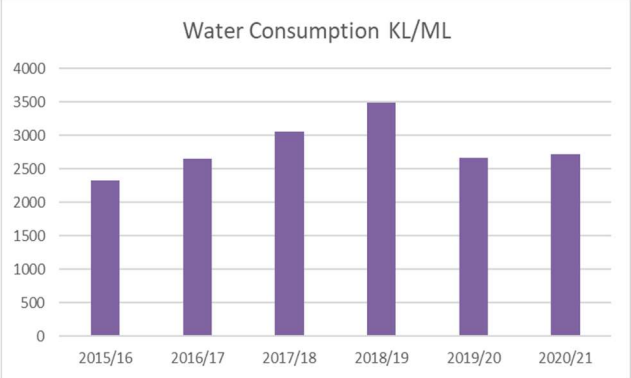
Initiatives

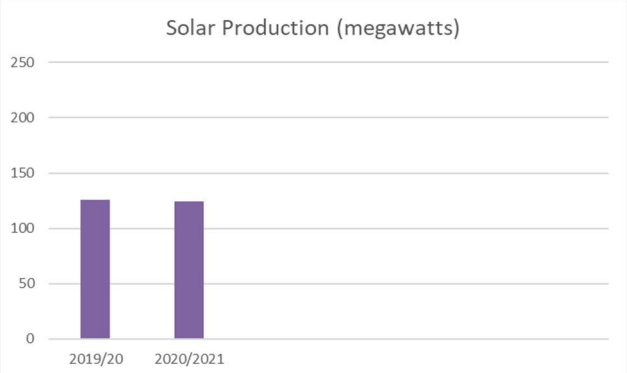
ADH has previously looked into options and feasibility of the possibility of further expanding our electrical solar generation system, along with investigating the viability of battery storage for the site and this continues to be a priority. There is a new Government initiative for solar production and we have commenced investigations to see if we meet the criteria for funding.

The co-mingle skip located on site continues to be a successful initiative. In line with our commitment to reduce waste, a project on waste recycling has commenced within office areas and staff rooms. This project aims to aid waste reduction through increased recycling and also serves to raise staff awareness of recycling practices.

Ongoing garden maintenance and the continued utilisation of good quality organic mulch continues to assist with moisture retention and minimises water usage for garden areas.







Asset Management Accountability Framework

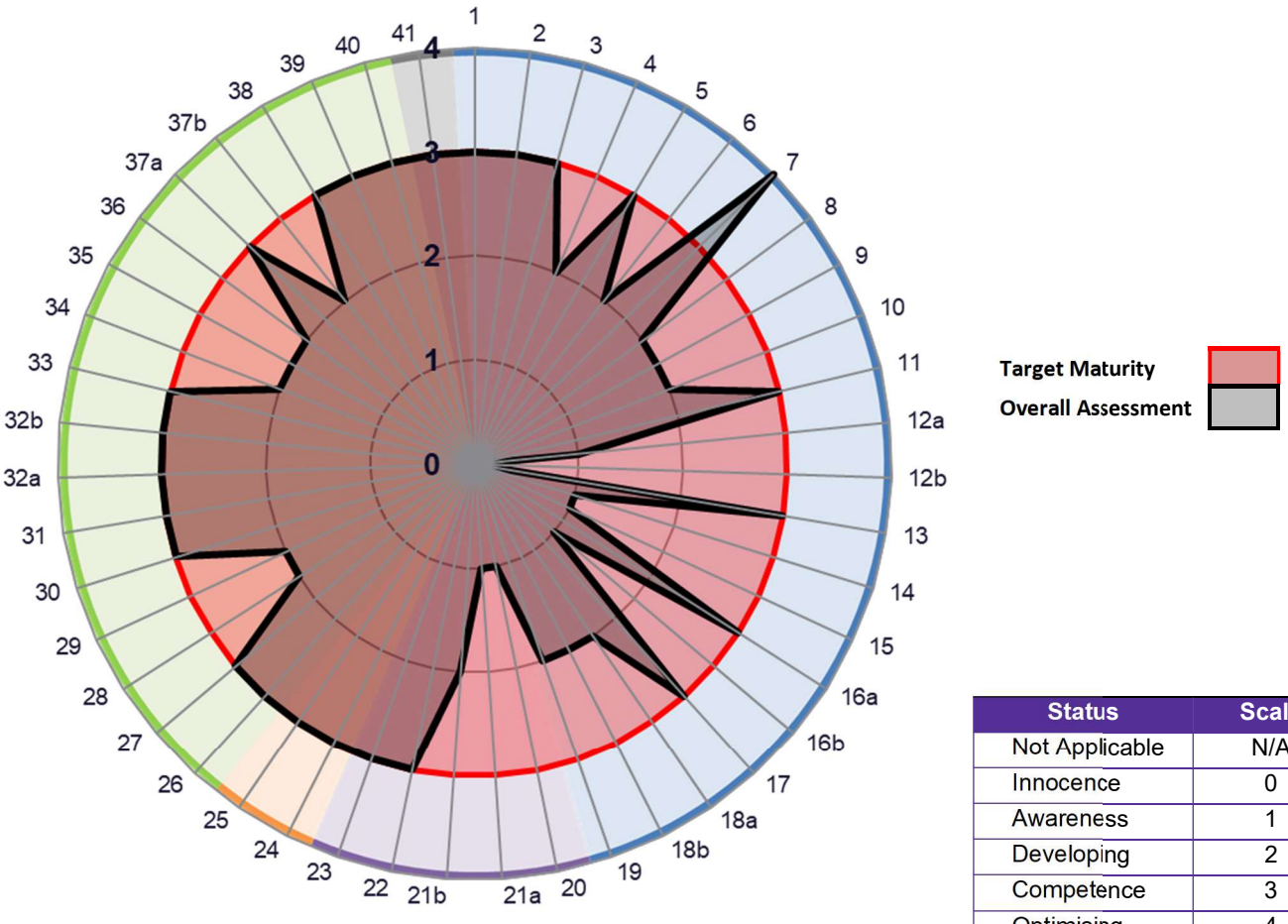
Asset Management Accountability Framework Maturity Assessment

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

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

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

Results:



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

Asset Management Accountability Framework continued

Leadership and Accountability (requirements 1 – 19)

Alexandra District Health has met its target maturity level under some requirements within this category. Alexandra District Health did not comply with some requirements in the areas on governance, allocating asset management responsibility, monitoring asset performance, asset management system performance and evaluation of asset performance. There is no material non-compliance reported in this category. Alexandra District Health is developing a plan for improvement to establish processes to increase maturity ratings in leadership and accountability.

Planning (requirements 20 – 23)

Alexandra District Health met its target maturity level under the risk management and contingency planning requirements, although did not comply with the requirements in the area of asset management strategy. There is no material non-compliance reported in this area, as Alexandra District Health is aware of its deficiencies and is developing a plan to improve the maturity rating in this area.

Acquisition (requirements 24 and 25)

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

Operation (requirements 26 – 40)

Alexandra District Health has met its target maturity level under most requirements within this category. Alexandra District Health did not comply with some requirements in the areas of monitoring and preventative action and information management. There is no material non-compliance reported in this category. A plan for improvement is in place to improve Alexandra District Health's maturity rating in these areas.

Disposal (requirement 41)

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

Statement of Priorities

Strategic priorities

Priority One:

Maintain robust COVID-19 readiness and response and working with the Department of Health to rapidly respond to outbreaks, if and when they occur, and providing testing for our community and staff.

Participate in, and assist with, the implementation of the COVID-19 vaccine immunisation program rollout, ensuring our local community's confidence in the program.

Outcome:

ADH has developed a COVIDsafe plan to ensure preparations are in place in case of an outbreak. The plan is regularly reviewed and updated as Government directives change.

We have developed and implemented a Respiratory Protection Program, with all ADH clinical staff 'fit tested' for the correct N95/P2 respirator mask. ADH also provided fit testing for Darlingford Upper Goulburn Nursing Home staff.

A COVID-19 testing service is provided seven days per week. Asymptomatic testing has been facilitated for priority groups such as residential aged care workers, teachers, and meat and seafood processing workers.

A partnership was established with Kilmore District Health to provide a weekly COVID-19 vaccination clinic to the Murrindindi community.

ADH is an active participant in the Murrindindi Pandemic Committee and contributed to the development of the Murrindindi Pandemic Plan.

Priority Two:

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

Outcome:

We have developed videos for social media about correctly wearing a face mask and how to use hand sanitiser effectively for community education.

Telehealth options have been offered for specialist consulting and allied health consultations to ensure patients can still access medical and allied health care.

We actively participate in the deferred elective surgery program focusing on Endoscopy to assist people whose surgery was deferred as part of the COVID-19 response and Government directives to reduce elective surgery during COVID-19 outbreaks.

Priority Three:

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

Outcome:

While ADH does not have mental health beds, we are an active participant in the Lower Hume Primary Care Partnership and the development of a stepped model of mental health care.

Priority Four:

Develop and foster our local health partner relationships, which have been strengthened during the pandemic response, to continue delivering collaborative approaches to planning, procurement and service delivery at scale. This extends to prioritising innovative ways to deliver health care through shared expertise

Statement of Priorities continued

Strategic priorities

and workforce models, virtual care, co-commissioning services and surgical outpatient reform to deliver improved patient care through greater integration.

Outcome:

We actively participate in the Hume Health Service Partnership elective surgery deferred care project which has helped to ensure our local community has access to elective surgery with an increase in the number of theatre sessions conducted at ADH.

As a key member of the Goulburn Regional Partnership we have;

- Developed and implemented a respiratory protection plan and appointed a respiratory protection co-ordinator
- Participated in collaborative urgent care clinical case reviews, leading to system and process improvement
- Established HR software systems to improve recruitment and onboarding processes

During 20/21 we moved our outsourced payroll services to GV Health, strengthening our relationship with our regional health service.

As the health leader within Murrindindi, we provided respirator fit testing for Darlingford Upper Goulburn Nursing Home staff and mandatory asymptomatic testing of work groups, such as aged care workers and teachers.

Together with Menzies Support Services we have continued to implement our Disability Action Plan and introduced initiatives such as a mobility scooter charging station and improved signage and wayfinding.

Performance priorities

High quality and safe care

Key performance indicator	Target	Result
Infection prevention and control		
Compliance with Hand Hygiene Australia Program	83%	92%*
Percentage of healthcare workers immunised for influenza	90%	95%
Patient experience		
Victorian Healthcare Experience Survey – percentage of positive patient experience	95%	No surveys conducted in 2020-2021
Victorian Healthcare Experience Survey – percentage of very positive responses to questions on discharge care	75%	No surveys conducted in 2020-2021

**Hand hygiene result data taken from ADH Small Rural Health Service Performance Monitor. The result has been calculated as an average of quarter 2 and quarter 3 data.*

Patient Experience

There were no Victorian Healthcare Experiences Survey conducted throughout 2020-2021 due to COVID-19 so there is no data to be reported.

Statement of Priorities continued

Performance priorities

Effective financial management

Key performance indicator	Target	2020-21 result
Operating result ($m)	$0.0	$0.33
Average number of days to paying trade creditors	60 days	77 days
Average number of days to receiving patient fee debtors	60 days	52 days
Adjusted current asset ratio	0.7 or 3% improvement from health service base target	2.34
Actual number of days a health service can maintain its operations with unrestricted available cash, measured on the last day of each month.	14 days	201.7 days
Measures the accuracy of forecasting the Net result from transactions (NRFT) for the current financial year ending 30 June.	Variance ≤ $250,000	Not achieved

Funding and activity

Small Rural	2020-21 Activity achievement	Units
Small Rural Acute	15	WIES Equivalents
Small Rural Primary Health & HACC		
Nursing	695	Service hours
Counselling / Social Work	1070	Service hours
Dietetics	475	Service hours
Occupational Therapy	0	Service hours
Physiotherapy	1779	Service hours
Speech Pathology	930	Service hours
Initial needs identification	916	Service hours
Small Rural HACC	397	Service hours

ALEXANDRA
DISTRICT HEALTH

Financial Report 2020-21

Independent Auditor's Report

Victorian Auditor-General's Office

To the Board of Alexandra Health Service

Opinion	I have audited the financial report of Alexandra Health Service (the health service) which comprises the: • balance sheet as at 30 June 2021 • comprehensive operating statement for the year then ended • statement of changes in equity for the year then ended • cash flow statement for the year then ended • notes to the financial statements, including significant accounting policies • board member's, accountable officer's and chief finance & accounting officer's declaration. In my opinion the financial report presents fairly, in all material respects, the financial position of the health service as at 30 June 2021 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 7 of the *Financial Management Act 1994* and applicable Australian Accounting Standards.
Basis for Opinion	I have conducted my audit in accordance with the *Audit Act 1994* which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report. My independence is established by the *Constitution Act 1975.* My staff and I are independent of the health service in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.
Board's responsibilities for the financial report	The Board of the health service is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the *Financial Management Act 1994*, and for such internal control as the Board determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error. In preparing the financial report, the Board is responsible for assessing the health service's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.

Auditor's responsibilities for the audit of the financial report

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

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

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

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

MELBOURNE
15 October 2021

Dominika Ryan
as delegate for the Auditor-General of Victoria

Financial Statements
Financial Year ended 30 June 2021

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

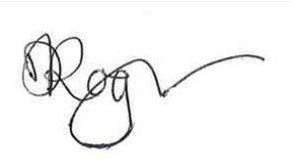
The attached financial statements for Alexandra District Health have been prepared in accordance with Direction 5.2 of the Standing Directions of the Assistant Treasurer under the Financial Management Act 1994, applicable Financial Reporting Directions, Australian Accounting Standards including Interpretations,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

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

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

We authorise the attached financial statements for issue on 23 September 2021.

Ms Lorna Gelbert
Chair
Alexandra
23 September 2021



Ms Deborah Rogers
Chief Executive Officer
Alexandra
23 September 2021

Ms Cheryl Nickels-Beattie
Interim Director of Finance
Alexandra
23 September 2021

Alexandra District Health
Comprehensive Operating Statement
For the Financial Year Ended 30 June 2021

	Note	Total 2021 $'000	Total 2020 $'000
Revenue and income from transactions			
Operating activities	2.1	9,125	9,558
Non-operating activities	2.1	18	43
Total revenue and income from transactions		**9,143**	**9,601**
Expenses from transactions			
Employee expenses	3.1	(6,647)	(6,604)
Supplies and consumables	3.1	(667)	(716)
Finance costs	3.1	(2)	-
Depreciation and amortisation	3.1	(1,300)	(1,316)
Other administrative expenses	3.1	(885)	(760)
Other operating expenses	3.1	(467)	(531)
Total Expenses from transactions		**(9,968)**	**(9,927)**
Net result from transactions - net operating balance		**(825)**	**(326)**
Other economic flows included in net result			
Net gain/(loss) on sale of non-financial assets	3.4	(2)	7
Net gain/(loss) on financial instruments	3.4	(2)	(3)
Other gain/(loss) from other economic flows	3.4	69	4
Total other economic flows included in net result		**65**	**8**
Net result for the year		**(760)**	**(318)**
Other comprehensive income			
Items that will not be reclassified to net result			
Changes in property, plant and equipment revaluation surplus	4.2(b)	37	-
Total other comprehensive income		**37**	**-**
Comprehensive result for the year		**(723)**	**(318)**

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

Alexandra District Health
Balance Sheet
As at 30 June 2021

	Note	Total 2021 $'000	Total 2020 $'000
Current assets			
Cash and cash equivalents	6.2	4,320	3,465
Receivables and contract assets	5.1	132	146
Inventories		14	15
Investments and other financial assets	4.1	767	767
Prepaid expenses		117	132
Total current assets		**5,350**	**4,525**
Non-current assets			
Receivables and contract assets	5.1	206	140
Property, plant and equipment	4.2	25,545	26,628
Intangible assets	4.3	2	12
Total non-current assets		**25,753**	**26,780**
Total assets		**31,103**	**31,305**
Current liabilities			
Payables and contract liabilities	5.2	1,438	1,051
Borrowings	6.1	12	10
Employee benefits	3.2	1,529	1,321
Total current liabilities		**2,979**	**2,382**
Non-current liabilities			
Borrowings	6.1	53	35
Employee benefits	3.2	142	236
Total non-current liabilities		**195**	**271**
Total liabilities		**3,174**	**2,653**
Net assets		**27,929**	**28,652**
Equity			
Property, plant and equipment revaluation surplus	4.2(f)	13,544	13,507
Restricted specific purpose reserve	SCE	24	24
Contributed capital	SCE	3,592	3,592
Accumulated surplus	SCE	10,769	11,529
Total equity		**27,929**	**28,652**

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

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

Total	Note	Property, Plant and Equipment Revaluation Surplus $'000	Restricted Specific Purpose Reserve $'000	Contributed Capital $'000	Accumulated Surplus $'000	Total $'000
Balance at 30 June 2019		**13,507**	**24**	**3,592**	**11,847**	**28,970**
Net result for the year		-	-	-	(318)	(318)
Transfer from/(to) accumulated deficits		-	-	-	-	-
Balance at 30 June 2020		**13,507**	**24**	**3,592**	**11,529**	**28,652**
Net result for the year		-	-	-	(760)	(760)
Other comprehensive income for the year		37	-	-	-	37
Transfer from/(to) accumulated deficits		-	-	-	-	-
Balance at 30 June 2021		**13,544**	**24**	**3,592**	**10,769**	**27,929**

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

Alexandra District Health
Cash Flow Statement
For the Financial Year Ended 30 June 2021

	Note	Total 2021 $'000	Total 2020 $'000
Cash Flows from operating activities			
Operating grants from government		8,024	7,696
Capital grants from government - State		119	134
Patient fees received		160	298
Private practice fees received		14	20
GST received from ATO		4	-
Interest and investment income received		18	49
Commercial Income Received		140	140
Other receipts		315	453
Total receipts		**8,794**	**8,790**
Employee expenses paid		(6,439)	(6,541)
Payments for supplies and consumables		(52)	(509)
Payments for medical indemnity insurance		(81)	(99)
Payments for repairs and maintenance		(239)	(264)
Finance Costs		(2)	-
GST paid to ATO		-	(7)
Other payments		(1,017)	(931)
Total payments		**(7,830)**	**(8,351)**
Net cash flows from/(used in) operating activities	8.1	**964**	**439**
Cash Flows from investing activities			
Purchase of investments		-	(517)
Purchase of property, plant and equipment		(135)	(347)
Capital donations and bequests received		24	789
Other capital receipts		19	-
Purchase of Intangible assets		(8)	(2)
Proceeds from disposal of property, plant and equipment		5	7
Net cash flows from/(used in) investing activities		**(95)**	**(70)**
Cash flows from financing activities			
Repayment of borrowings		(14)	(7)
Net cash flows from /(used in) financing activities		**(14)**	**(7)**
Net increase/(decrease) in cash and cash equivalents held		**855**	**362**
Cash and cash equivalents at beginning of year		3,465	3,103
Cash and cash equivalents at end of year	6.2	**4,320**	**3,465**

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

Notes to the Financial Statements

Alexandra District Health
Notes to the Financial Statements
For the Financial Year Ended 30 June 2021

Note 1: Basis of preparation

Structure

Alexandra District Health
Notes to the Financial Statements
For the Financial Year Ended 30 June 2021

Note 1: Basis of preparation

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

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

Note 1.1: Basis of preparation of the financial statements

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

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

Alexandra 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.

Alexandra District Health operates on a fund accounting basis and maintains three funds: Operating, Specific Purpose and Capital Funds. Alexandra District Health's Capital and Specific Purpose Funds include:

- Donation and Fundraising Funds
- Commercial activities.

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

The financial statements have been prepared on a going concern basis (refer to Note 8.9 Economic Dependency).

The financial statements are in Australian dollars.

Alexandra District Health
Notes to the Financial Statements
For the Financial Year Ended 30 June 2021

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 Alexandra District Health on 23rd September, 2021.

Note 1.2 Impact of COVID-19 pandemic

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

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

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

As restrictions have eased towards the end of the financial year Alexandra District Health has revised some measures where appropriate including returning to work onsite, recommencement of surgical activities and opening access for visitors during periods where we are able.

The financial impacts of the pandemic are disclosed at:

- Note 2: Funding delivery of our services
- Note 3: The cost of delivering services.
- Note 4: Key assets to support service delivery
- Note 5: Other assets and liabilities
- Note 6: How we finance our operations
- Note 8: Other disclosures.

Alexandra District Health
Notes to the Financial Statements
For the Financial Year Ended 30 June 2021

Note 1.3 Abbreviations and terminology used in the financial statements
The following table sets out the common abbreviations used throughout the financial statements:

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

Note 1.4 Joint arrangements
Interests in joint arrangements are accounted for by recognising in Alexandra District Health's financial statements, its share of assets and liabilities and any revenue and expenses of such joint arrangements.

Alexandra District Health has the following joint arrangements:

- Hume Region Health Alliance - Joint Operation

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

Note 1.5 Key accounting estimates and judgements
Management make estimates and judgements when preparing the financial statements.

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

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

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

Alexandra District Health
Notes to the Financial Statements
For the Financial Year Ended 30 June 2021

Note 1.6 Accounting standards issued but not yet effective

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

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

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

Note 1.7 Goods and Services Tax (GST)

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

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

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

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

Alexandra District Health
Notes to the Financial Statements
For the Financial Year Ended 30 June 2021

Note 1.8 Reporting Entity
The financial statements include all the activities of Alexandra District Health.

Its principal address is:

12 Cooper Street
Alexandra, Victoria 3714

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

Note 2: Funding delivery of our services

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

Structure

2.1 Revenue and income from transactions
2.2 Fair value of assets and services received free of charge or for nominal consideration
2.3 Other income

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 its impact on our economy and the health of our community.

Key judgements and estimates

This section contains the following key judgements and estimates:

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

Note 2.1 Revenue and income from transactions

	Total 2021 $'000	Total 2020 $'000
Operating activities		
Revenue from contracts with customers		
Government grants (State) - Operating	130	86
Patient and resident fees	168	294
Private practice fees	14	20
Commercial activities [1]	140	140
Total revenue from contracts with customers	**452**	**540**
Other sources of income		
Government grants (State) - Operating	7,956	7,490
Government grants (Commonwealth) - Operating	170	170
Government grants (State) - Capital	119	134
Other capital purpose income	19	-
Capital donations	24	-
Assets received free of charge or for nominal consideration	87	789
Other revenue from operating activities (including non-capital donations)	298	435
Total other sources of income	**8,673**	**9,018**
Total revenue and income from operating activities	**9,125**	**9,558**
Non-operating activities		
Income from other sources		
Capital interest	2	-
Other interest	16	43
Total other sources of income	**18**	**43**
Total income from non-operating activities	**18**	**43**
Total revenue and income from transactions	**9,143**	**9,601**

1. Commercial activities represent business activities which Alexandra District Health enter into to support their operations.

Note 2.1 Revenue and income from transactions (continued)

How we recognise revenue and income from transactions
Government operating grants

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

When both these conditions are satisfied, the health service:

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

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

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

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

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

Capital grants

Where Alexandra 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 Alexandra 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.

Note 2.1 Revenue and income from transactions (continued)

Commercial activities

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

Non-cash contributions from the Department of Health

The Department of Health makes some payments on behalf of Alexandra District Health as follows:

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

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

	Total 2021 $'000	Total 2020 $'000
Cash donations and gifts	-	789
Personal protective equipment	87	-
Total fair value of assets and services received free of charge or for nominal consideration	**87**	**789**

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

Donations and bequests

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

Personal protective equipment

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

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

Contributions

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

On initial recognition of the asset, Alexandra District Health recognises related amounts being contributions by owners, lease liabilities, financial instruments, provisions and revenue or contract liabilities arising from a contract with a customer.

Alexandra District Health recognises income immediately in the profit or loss as the difference between the initial fair value of the asset and the related amounts.

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

Voluntary Services

Contributions by volunteers, in the form of services, are only recognised when fair value can be reliably measured, and the services would have been purchased if they had not been donated. Alexandra District Health has considered the services provided by volunteers and has determined the value of volunteer services cannot be readily determined and therefore it has not recorded any income related to volunteer services.

Note 2.3 Other income

	Total 2021 $'000	Total 2020 $'000
Interest	18	43
Total other income	**18**	**43**

How we recognise other income

Interest Income

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

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 Employee benefits in the balance sheet
3.3 Superannuation
3.4 Other economic flows

Telling the COVID-19 story

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

Additional costs were incurred to deliver the following additional services:

- implement COVID safe practices throughout Alexandra District Health including increased cleaning, increased security, consumption of personal protective equipment provided as resources free of charge.
- establish vaccination clinics to administer vaccines to staff and the community resulting in an increase in employee costs, additional equipment purchased.

Key judgements and estimates

This section contains the following key judgements and estimates:

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

Note 3.1 Expenses from transactions

	Note	Total 2021 $'000	Total 2020 $'000
Salaries and wages		5,589	5,515
On-costs		497	493
Agency expenses		37	38
Fee for service medical officer expenses		474	502
Workcover premium		50	56
Total employee expenses		**6,647**	**6,604**
Drug supplies		54	75
Medical and surgical supplies (including Prostheses)		346	371
Diagnostic and radiology supplies		102	106
Other supplies and consumables		165	164
Total supplies and consumables		**667**	**716**
Finance costs		2	-
Total finance costs		**2**	**-**
Other administrative expenses		885	760
Total other administrative expenses		**885**	**760**
Fuel, light, power and water		129	149
Repairs and maintenance		90	66
Maintenance contracts		149	198
Medical indemnity insurance		81	99
Expenditure for capital purposes		18	19
Total other operating expenses		**467**	**531**
Total operating expense		**8,668**	**8,611**
Depreciation and amortisation	4.4	1,300	1,316
Total depreciation and amortisation		**1,300**	**1,316**
Total non-operating expense		**1,300**	**1,316**
Total expenses from transactions		**9,968**	**9,927**

Note 3.1 Expenses from transactions (continued)

How we recognise expenses from transactions

Expense recognition

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

Employee expenses

Employee expenses include:

- Salaries and wages (including fringe benefits tax, leave entitlements, 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:

- amortisation of discounts or premiums relating to borrowings
- 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 Department of Health also makes certain payments on behalf of Alexandra 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 Employee benefits in the balance sheet

	Total 2021 $'000	Total 2020 $'000
Current provisions		
Accrued days off		
Unconditional and expected to be settled wholly within 12 months [i]	12	6
	12	**6**
Annual leave		
Unconditional and expected to be settled wholly within 12 months [i]	347	331
Unconditional and expected to be settled wholly after 12 months [ii]	76	76
	423	**407**
Long service leave		
Unconditional and expected to be settled wholly within 12 months [i]	140	133
Unconditional and expected to be settled wholly after 12 months [ii]	718	562
	858	**695**
Provisions related to employee benefit on-costs		
Unconditional and expected to be settled within 12 months [i]	133	127
Unconditional and expected to be settled after 12 months [ii]	103	86
	236	**213**
Total current employee benefits	**1,529**	**1,321**
Non-current provisions		
Conditional long service leave [i]	128	213
Provisions related to employee benefit on-costs [ii]	14	23
Total non-current employee benefits	**142**	**236**
Total employee benefits	**1,671**	**1,557**

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

Note 3.2 Employee benefits in the balance sheet (continued)

How we recognise employee benefits
Employee benefit recognition

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

Provisions

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

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

Annual leave and accrued days off

Liabilities for annual leave and accrued days off are recognised in the provision for employee benefits as 'current liabilities' because Alexandra 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 Alexandra District Health expects to wholly settle within 12 months or
- Present value – if Alexandra 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 Alexandra 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 Alexandra District Health expects to wholly settle within 12 months or
- Present value – if Alexandra 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.

On-costs related to employee benefits

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

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

	Total 2021 $'000	Total 2020 $'000
Unconditional accrued days off	12	6
Unconditional annual leave entitlements	567	545
Unconditional long service leave entitlements	950	770
Total current employee benefits and related on-costs	**1,529**	**1,321**
Conditional long service leave entitlements	142	236
Total non-current employee benefits and related on-costs	**142**	**236**
Total employee benefits and related on-costs	**1,671**	**1,557**
Carrying amount at start of year	1,557	1,443
Additional provisions recognised	647	523
Unwinding of discount and effect of changes in the discount rate	69	4
Amounts incurred during the year	(602)	(413)
Carrying amount at end of year	**1,671**	**1,557**

Note 3.3 Superannuation

	Paid Contribution for the Year		Contribution Outstanding at Year End	
	Total 2021 $'000	Total 2020 $'000	Total 2021 $'000	Total 2020 $'000
Defined benefit plans:[i]				
Aware Super	8	7	-	-
Defined contribution plans:				
Aware Super	343	372	-	-
Hesta	62	44	-	-
Other (Please list)	84	70	-	-
Total	**497**	**493**	**-**	**-**

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

How we recognise superannuation

Employees of Alexandra 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 Alexandra District Health to the superannuation plans in respect of the services of current Alexandra 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.

Alexandra 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 Alexandra District Health.

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

Defined contribution superannuation plans

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

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

Note 3.4 Other economic flows included in net result

	Total 2021 $'000	Total 2020 $'000
Impairment of property plant and equipment (including intangible assets)	(7)	-
Net gain/(loss) on disposal of property plant and equipment	5	7
Total net gain/(loss) on non-financial assets	**(2)**	**7**
Allowance for impairment losses of contractual receivables	(2)	(3)
Total net gain/(loss) on financial instruments	**(2)**	**(3)**
Net gain/(loss) arising from revaluation of long service liability	69	4
Total other gains/(losses) from other economic flows	**69**	**4**
Total gains/(losses) from other economic flows	**65**	**8**

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.

Net gain/(loss) on non-financial assets

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

- net gain/(loss) on disposal of non-financial assets
- any gain or loss on the disposal of non-financial assets is recognised at the date of disposal.

Net gain/(loss) on financial instruments

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

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

Note 4: Key assets to support service delivery

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

Structure

4.1 Investments and other financial assets
4.2 Property, plant & equipment
4.3 Intangible assets
4.4 Depreciation and amortisation

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
Measuring fair value of property, plant and equipment	Alexandra District Health obtains independent valuations for its non-current assets at least once every five years. If an independent valuation has not been undertaken at balance date, the health service estimates possible changes in fair value since the date of the last independent valuation with reference to Valuer-General of Victoria indices. Managerial adjustments are recorded if the assessment concludes a material change in fair value has occurred. Where exceptionally large movements are identified, an interim independent valuation is undertaken.
Estimating useful life and residual value of property, plant and equipment	Alexandra District Health assigns an estimated useful life to each item of property, plant and equipment, whilst also estimating the residual value of the asset, if any, at the end of the useful life. This is used to calculate depreciation of the asset. The health service reviews the useful life, residual value and depreciation rates of all assets at the end of each financial year and where necessary, records a change in accounting estimate.
Estimating useful life of right-of-use assets	The useful life of each right-of-use asset is typically the respective lease term, except where the health service is reasonably certain to exercise a purchase option contained within the lease (if any), in which case the useful life reverts to the estimated useful life of the underlying asset. Alexandra District Health applies significant judgement to determine whether or not it is reasonably certain to exercise such purchase options.

Key judgements and estimates (continued)

Key judgements and estimates	Description
Estimating the useful life of intangible assets	Alexandra District Health assigns an estimated useful life to each intangible asset with a finite useful life, which is used to calculate amortisation of the asset.
Identifying indicators of impairment	At the end of each year, Alexandra District Health assesses impairment by evaluating the conditions and events specific to the health service that may be indicative of impairment triggers. Where an indication exists, the health service tests the asset for impairment. The health service considers a range of information when performing its assessment, including considering: ▪ If an asset's value has declined more than expected based on normal use ▪ If a significant change in technological, market, economic or legal environment which adversely impacts the way the health service uses an asset ▪ If an asset is obsolete or damaged ▪ If the asset has become idle or if there are plans to discontinue or dispose of the asset before the end of its useful life ▪ If the performance of the asset is or will be worse than initially expected. Where an impairment trigger exists, the health service applies significant judgement and estimate to determine the recoverable amount of the asset.

Note 4.1 Investments and Other financial assets

	Operating Fund		Total	
	2021 $'000	2020 $'000	2021 $'000	2020 $'000
Current				
Term deposits > 3 months	767	767	767	767
Total current financial assets	**767**	**767**	**767**	**767**
Represented by:				
Health service investments	767	767	767	767
Total other financial assets	**767**	**767**	**767**	**767**

How we recognise investments and other financial assets

Alexandra District Health's investments and other financial assets are made in accordance with Standing Direction 3.7.2 - Treasury Management, including the Central Banking System.

Alexandra District Health manages its investments and other financial assets in accordance with an investment policy approved by the Board.

Investments are recognised when Benalla Health enters into a contract to either purchase or sell the investment (i.e. when it becomes a party to the contractual provisions to the investment). Investments are initially measured at fair value, net of transaction costs.

Alexandra District Health classifies its other financial assets between current and non-current assets based on the Board's intention at balance date with respect to the timing of disposal of each asset. Term deposits with original maturity dates of three to twelve months are classified as current, whilst term deposits with original maturity dates in excess of 12 months are classified as non-current.

Alexandra District Health assesses at each balance sheet date whether a financial asset or group of financial assets is impaired.

All financial assets, except for those measured at fair value through the Comprehensive Operating Statement are subject to annual review for impairment.

Note 4.2 Property, plant and equipment

Note 4.2 (a) Gross carrying amount and accumulated depreciation

	Total 2021 $'000	Total 2020 $'000
Land at fair value - Freehold	291	254
Total land at fair value	**291**	**254**
Right of use concessionary land at cost	870	870
Total right of use concessionary land at cost	**870**	**870**
Buildings at fair value	25,920	25,920
Less accumulated depreciation	(2,205)	(1,104)
Total buildings at fair value	**23,715**	**24,816**
Works in progress at fair value	**-**	**123**
Total land and buildings	**24,876**	**26,063**
Plant and equipment at fair value	1,206	1,030
Less accumulated depreciation	(947)	(909)
Total plant and equipment at fair value	**259**	**121**
Motor vehicles at fair value	148	173
Less accumulated depreciation	(148)	(169)
Total motor vehicles at fair value	**-**	**4**
Medical equipment at fair value	1,678	1,657
Less accumulated depreciation	(1,472)	(1,373)
Total medical equipment at fair value	**206**	**284**
Computer equipment at fair value	296	262
Less accumulated depreciation	(195)	(185)
Total computer equipment at fair value	**101**	**77**
Furniture and fittings at fair value	253	241
Less accumulated depreciation	(214)	(208)
Total furniture and fittings at fair value	**39**	**33**
Right of use equipment and vehicles at fair value	77	49
Less accumulated depreciation	(13)	(3)
Total right of use equipment and vehicles at fair value	**64**	**46**
Total plant, equipment, furniture, fittings and vehicles at fair value	**669**	**565**
Total property, plant and equipment	**25,545**	**26,628**

Note 4.2 (b) Reconciliations of the carrying amounts of each class of asset

	Note	Land $'000	Right of Use - Concessionary Land $'000	Buildings $'000	Building works in progress $'000	Plant & equipment $'000	Motor vehicles $'000	Medical Equipment $'000	Computer Equipment $'000
Balance at 1 July 2019		**254**	**870**	**25,920**	**-**	**132**	**21**	**272**	**46**
Additions		-	-	-	123	25	-	123	63
Disposals		-	-	-	-	-	-	-	-
Net transfers between classes		-	-	-	-	-	-	-	-
Depreciation	4.4	-	-	(1,104)	-	(36)	(17)	(111)	(32)
Balance at 30 June 2020	4.2 (a)	**254**	**870**	**24,816**	**123**	**121**	**4**	**284**	**77**
Additions		-	-	-	-	75	-	21	31
Disposals		-	-	-	-	-	-	-	(2)
Revaluation increments/(decrements)		37	-	-	-	-	-	-	-
Net Transfers between classes		-	-	-	(123)	95	-	-	25
Depreciation	4.4	-	-	(1,101)	-	(32)	(4)	(99)	(30)
Balance at 30 June 2021	4.2 (a)	**291**	**870**	**23,715**	**-**	**259**	**-**	**206**	**101**

	Note	Furniture & Fittings $'000	Right of use - PE & V $'000	Total $'000
Balance at 1 July 2019		**26**	**18**	**27,559**
Additions		13	34	381
Disposals		-	-	-
Revaluation increments/(decrements)		-	-	-
Depreciation	4.4	(6)	(6)	(1,312)
Balance at 30 June 2020	4.2 (a)	**33**	**46**	**26,628**
Additions		10	34	171
Disposals		-	-	(2)
Revaluation increments/(decrements)		-	-	37
Net Transfers between classes		3	-	-
Depreciation	4.4	(7)	(16)	(1,289)
Balance at 30 June 2021	4.2 (a)	**39**	**64**	**25,545**

Note 4.2 (b) Reconciliations of the carrying amounts of each class of asset

Land and Buildings and Leased Assets Carried at Valuation

The Valuer-General Victoria undertook to re-value all of Alexandra District Healths owned and leased land and buildings to determine their fair value. The valuation, which conforms to Australian Valuation Standards, was determined by reference to the amounts for which assets could be exchanged between knowledgeable willing parties in an arm's length transaction. The valuation was based on independent assessments. The effective date of the valuation was 30 June 2019.

How we recognise property, plant and equipment

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

Initial recognition

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

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

Subsequent measurement

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

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

Further information regarding fair value measurement is disclosed below.

Note 4.2 (b) Reconciliations of the carrying amounts of each class of asset

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

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

- increase/decrease in fair value of land of 14.4% ($36,576)
- Buildings were deemed an immaterial movement by the Valuer General Victoria for health agencies in 2021.

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

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

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

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

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

Note 4.2 (b) Reconciliations of the carrying amounts of each class of asset

Impairment

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

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

How we recognise right-of-use assets

Where Alexandra 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. Alexandra 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 land	40 years
Leased equipment and vehicles	2 to 5 years

Presentation of right-of-use assets

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

Initial recognition

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

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

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

Alexandra District Health’s vehicle lease agreements contain purchase options which the health service is not reasonably certain to exercise at the completion of the lease.

Note 4.2 (b) Reconciliations of the carrying amounts of each class of asset

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

Subsequent measurement

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

Impairment

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

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

Note 4.2 (c) Fair value measurement hierarchy for assets

	Note	Total carrying amount 30 June 2021 $'000	Fair value measurement at end of reporting period using: Level 1 [i] $'000	Level 2 [i] $'000	Level 3 [i] $'000
Non-specialised land		257	-	257	-
Specialised land		34	-	-	34
Total land at fair value	4.2 (a)	**291**	**-**	**257**	**34**
Specialised buildings		23,715	-	-	23,715
Total buildings at fair value	4.2 (a)	**23,715**	**-**	**-**	**23,715**
Plant and equipment at fair value	4.2 (a)	259	-	-	259
Motor vehicles at fair value	4.2 (a)	-	-	-	-
Medical equipment at Fair Value	4.2 (a)	206	-	-	206
Computer equipment at fair value	4.2 (a)	101	-	-	101
Furniture and fittings at fair value	4.2 (a)	39	-	-	39
Right of use PPE	4.2 (a)	64	-	-	64
Total plant, equipment, furniture, fittings and vehicles at fair value		**669**	**-**	**-**	**669**
Total property, plant and equipment at fair value		**24,675**	**-**	**257**	**24,418**

		Total carrying amount 30 June 2020 $'000	Fair value measurement at end of reporting period using: Level 1 [i] $'000	Level 2 [i] $'000	Level 3 [i] $'000
Non-specialised land		225	-	225	-
Specialised land		29	-	-	29
Total land at fair value	4.2 (a)	**254**	**-**	**225**	**29**
Specialised buildings		24,816	-	-	24,816
Total buildings at fair value	4.2 (a)	**24,816**	**-**	**-**	**24,816**
Plant and equipment at fair value	4.2 (a)	121	-	-	121
Motor vehicles at fair value	4.2 (a)	4	-	-	4
Medical equipment at Fair Value	4.2 (a)	284	-	-	284
Computer equipment at fair value	4.2 (a)	77	-	-	77
Furniture and fittings at fair value	4.2 (a)	33	-	-	33
Right of use PPE	4.2 (a)	46	-	-	46
Total plant, equipment, furniture, fittings and vehicles at fair value		**565**	**-**	**-**	**565**
Total Property, Plant and Equipment		**25,635**	**-**	**225**	**25,410**

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

4.2 (d): Reconciliation of level 3 fair value measurement

Total	Note	Land $'000	Buildings $'000	Plant and equipment $'000	Motor vehicles $'000	Medical equipment $'000	Computer equipment $'000	Furniture & fittings $'000	Right of Use Assets $'000
Balance at 1 July 2019	4.2 (b)	**899**	**25,920**	**132**	**21**	**272**	**46**	**26**	**18**
Additions/(Disposals)	4.2 (b)	-	-	25	-	123	63	13	34
Assets provided free of charge		-	-	-	-	-	-	-	-
Net Transfers between classes	4.2 (b)	(870)	-	-	-	-	-	-	-
Gains/(Losses) recognised in net result		-	-	-	-	-	-	-	-
- Depreciation and amortisation	4.4	-	(1,104)	(36)	(17)	(111)	(32)	(6)	(6)
- Impairment loss		-	-	-	-	-	-	-	-
Items recognised in other comprehensive income		-	-	-	-	-	-	-	-
- Revaluation		-	-	-	-	-	-	-	-
Balance at 30 June 2020	4.2 (c)	**29**	**24,816**	**121**	**4**	**284**	**77**	**33**	**46**
Additions/(Disposals)	4.2 (b)	-	-	75	-	21	29	10	34
Assets provided free of charge		-	-	-	-	-	-	-	-
Net Transfers between classes	4.2 (b)	-	-	95	-	-	25	3	-
Gains/(Losses) recognised in net result		-	-	-	-	-	-	-	-
- Depreciation and Amortisation	4.4	-	(1,101)	(32)	(4)	(99)	(30)	(7)	(16)
- Impairment loss		-	-	-	-	-	-	-	-
Items recognised in other comprehensive income		-	-	-	-	-	-	-	-
- Revaluation		5	-	-	-	-	-	-	-
Balance at 30 June 2021	4.1 (c)	**34**	**23,715**	**259**	**-**	**206**	**101**	**39**	**64**

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

Note 4.2 (e) Property, plant and equipment (fair value determination)

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

(i) A community service obligation (CSO) of 25% was applied to Alexandra District Health's specialised land.

How we measure fair value

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

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

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

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

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

Note 4.2 (e) Property, plant and equipment (fair value determination)

Valuation hierarchy

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

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

Identifying unobservable inputs (level 3) fair value measurements

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

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

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

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

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

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

Non-specialised land and non-specialised buildings

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

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

Note 4.2 (e) Property, plant and equipment (fair value determination)

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, Alexandra 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.

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

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

Vehicles

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

Furniture, fittings, plant and equipment

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

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

Note 4.2 (f) Property, plant and equipment revaluation reserve

	Note	Total 2021 $'000	Total 2020 $'000
Balance at the beginning of the reporting period		13,507	13,507
Revaluation increment			
- Land	4.2(b)	37	-
Balance at the end of the Reporting Period*		**13,544**	**13,507**
*** Represented by:**			
- Land		685	648
- Buildings		12,859	12,859
		13,544	**13,507**

Note 4.3 Intangible assets

Note 4.3 (a) Intangible assets - Gross carrying amount and accumulated amortisation

	Total 2021 $'000	Total 2020 $'000
Intangible produced assets - software	12	24
Less accumulated amortisation	(10)	(12)
Total intangible produced assets - software	**2**	**12**
Total intangible assets	**2**	**12**

Note 4.3 (b) Intangible assets - Reconciliations of the carrying amounts of each class of asset

	Note	Software $'000	Total $'000
Balance at 1 July 2019		**14**	**14**
Additions		2	2
Depreciation	4.4	(4)	(4)
Balance at 30 June 2020	4.3(a)	**12**	**12**
Additions		8	8
Impairment of Intangible Assets		(7)	(7)
Depreciation	4.4	(11)	(11)
Balance at 30 June 2021	4.3(a)	**2**	**2**

How we recognise intangible assets

Intangible assets represent identifiable non-monetary assets without physical substance such as computer software.

Initial recognition

Purchased intangible assets are initially recognised at cost.

Alexandra District Health has no internally generated intangible assets.

Subsequent measurement

Intangible assets with finite useful lives are carried at cost less accumulated amortisation and accumulated impairment losses.

Impairment

Intangible assets with indefinite useful lives (and intangible assets not yet available for use) are tested annually for impairment and whenever there is an indication that the asset may be impaired. Intangible assets with finite useful lives are testing for impairment whenever an indication of impairment is identified.

Note 4.4 Depreciation and amortisation

	Total 2021 $'000	Total 2020 $'000
Depreciation		
Buildings	1,101	1,104
Plant and equipment	32	36
Motor vehicles	4	17
Medical equipment	99	111
Computer equipment	30	32
Furniture and fittings	7	6
Right of use - plant, equipment, furniture, fittings and motor vehicles	16	6
Total depreciation	**1,289**	**1,312**
Amortisation		
Software	11	4
Total amortisation	**11**	**4**
Total depreciation	**1,300**	**1,316**

How we recognise depreciation

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

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

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.

	2021	2020
Buildings		
- Structure shell building fabric	4 to 42 years	4 to 42 years
- Site engineering services and central plant	25 to 42 years	25 to 42 years
Central Plant		
- Fit Out	17 years	17 years
- Trunk reticulated building system	3 to 5 years	3 to 5 years
Plant and equipment	2 to 25 years	2 to 25 years
Medical equipment	3 to 20 years	3 to 20 years
Computers and communication	2 to 20 years	2 to 20 years
Furniture and fitting	4 to 25 years	4 to 25 years
Motor Vehicles	3 to 5 years	3 to 5 years
Land Improvements	3 to 4 years	3 to 4 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.

Note 5: Other assets and liabilities

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

Structure

5.1 Receivables and contract assets
5.2 Payables and contract liabilities

Telling the COVID-19 story

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

Key judgements and estimates

This section contains the following key judgements and estimates:

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

Note 5.1 Receivables and contract assets

	Notes	Total 2021 $'000	Total 2020 $'000
Current receivables and contract assets			
Contractual			
Inter hospital debtors		4	31
Trade debtors		65	62
Patient fees		28	20
Provision for impairment	5.1(a)	(3)	(2)
Accrued revenue		9	2
Total contractual receivables		**103**	**113**
Statutory			
GST receivable		29	33
Total statutory receivables		**29**	**33**
Total current receivables and contract assets		**132**	**146**
Non-current receivables and contract assets			
Contractual			
Long service leave - Department of Health		206	140
Total contractual receivables		**206**	**140**
Total non-current receivables and contract assets		**206**	**140**
Total receivables and contract assets		**338**	**286**
(i) Financial assets classified as receivables and contract assets (Note 7.1(a))			
Total receivables and contract assets		338	286
Provision for impairment		3	2
GST receivable		(29)	(33)
Total financial assets	7.1(a)	**312**	**255**

Note 5.1 Receivables and contract assets (continued)

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

	Total 2021 $'000	Total 2020 $'000
Balance at the beginning of the year	2	3
Increase in allowance	1	-
Amounts written off during the year	-	-
Reversal of allowance written off during the year as uncollectable	-	(1)
Balance at the end of the year	**3**	**2**

How we recognise receivables

Receivables consist of:

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

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

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

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

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

Impairment losses of contractual receivables

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

Note 5.2 Payables and contract liabilities

	Note	Total 2021 $'000	Total 2020 $'000
Current payables and contract liabilities			
Contractual			
Trade creditors		214	334
Accrued salaries and wages		174	149
Accrued expenses		366	291
Contract liabilities	5.2(a)	111	277
Inter hospital creditors		16	-
Amounts payable to governments and agencies		557	-
Total contractual payables		**1,438**	**1,051**
Total current payables and contract liabilities		**1,438**	**1,051**
Total payables and contract liabilities		**1,438**	**1,051**
(i) Financial liabilities classified as payables and contract liabilities (Note 7.1(a))			
Total payables and contract liabilities		1,438	1,051
Contract liabilities		(111)	(277)
Total financial liabilties	7.1(a)	**1,327**	**774**

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 Alexandra District Health prior to the end of the financial year that are unpaid.

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

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

Note 5.2 (a) Contract liabilities

	Total 2021 $'000	Total 2020 $'000
Opening balance of contract liabilities	277	393
Payments received for performance obligations not yet fulfilled	-	-
Return of funding where performance obligations not met	(36)	-
Revenue recognised for the completion of a performance obligation	(130)	(116)
Closing balance of contract liabilities	**111**	**277**
*** Represented by:**		
- Current contract liabilities	111	277
	111	**277**

How we recognise contract liabilities
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 ageing analysis of payables.

Note 6: How we finance our operations

This section provides information on the sources of finance utilised by Alexandra District Health during its operations, along with interest expenses (the cost of borrowings) and other information related to financing activities of Alexandra 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
6.4 Non-cash financing and investing activities

Telling the COVID-19 story

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

Key judgements and estimates

This section contains the following key judgements and estimates:

Key judgements and estimates	Description
Determining if a contract is or contains a lease	Alexandra District Health applies significant judgement to determine if a contract is or contains a lease by considering if the health service: • has the right-to-use an identified asset • has the right to obtain substantially all economic benefits from the use of the leased asset and • can decide how and for what purpose the asset is used throughout the lease.
Determining if a lease meets the short-term or low value asset lease exemption	Alexandra District Health applies significant judgement when determining if a lease meets the short-term or low value lease exemption criteria. The health service estimates the fair value of leased assets when new. Where the estimated fair value is less than $10,000, the health service applies the low-value lease exemption. The health service also estimates the lease term with reference to remaining lease term and period that the lease remains enforceable. Where the enforceable lease period is less than 12 months the health service applies the short-term lease exemption.
Discount rate applied to future lease payments	Alexandra 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, Alexandra 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 Alexandra District Health is reasonably certain to exercise such options. Alexandra District Health determines the likelihood of exercising such options on a lease-by-lease basis through consideration of various factors including: • If there are significant penalties to terminate (or not extend), the health service is typically reasonably certain to extend (or not terminate) the lease. • If any leasehold improvements are expected to have a significant remaining value, the health service is typically reasonably certain to extend (or not terminate) the lease. • The health service considers historical lease durations and the costs and business disruption to replace such leased assets.

Note 6.1 Borrowings

	Note	Total 2021 $'000	Total 2020 $'000
Current borrowings			
Lease liability [(i)]	6.1(a)	12	10
Total current borrowings		**12**	**10**
Non-current borrowings			
Lease liability [(i)]	6.1(a)	53	35
Total non-current borrowings		**53**	**35**
Total borrowings		**65**	**45**

[i] Secured by the assets leased.

How we recognise borrowings

Borrowings refer to interesting bearing liabilities mainly raised from advances from the Treasury Corporation of Victoria (TCV) and other funds raised through lease liabilities 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 Alexandra 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 (a) Lease liabilities

Alexandra District Health's lease liabilities are summarised below:

	Total 2021 $'000	Total 2020 $'000
Total undiscounted lease liabilities	71	49
Less unexpired finance expenses	(6)	(4)
Net lease liabilities	**65**	**45**

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

	Total 2021 $'000	Total 2020 $'000
Not longer than one year	12	11
Longer than one year but not longer than five years	59	38
Longer than five years	-	-
Minimum future lease liability	**71**	**49**
Less unexpired finance expenses	(6)	(4)
Present value of lease liability	**65**	**45**
Represented by:		
- Current liabilities	12	10
- Non-current liabilities	53	35
	65	**45**

How we recognise lease liabilities

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

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

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

Type of asset leased	Lease term
Leased equipment and vehicles	2 to 3 years

Note 6.1 (a) Lease liabilities (continued)

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 Alexandra District Healths incremental borrowing rate. Our lease liability has been discounted by rates of between 3% to 5%.

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

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

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).

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

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

Note 6.2 Cash and Cash Equivalents

	Note	Total 2021 $'000	Total 2020 $'000
Cash on hand		-	1
Cash at bank		571	595
Cash at bank - CBS		3,749	2,869
Total cash held for operations		**4,320**	**3,465**
Total cash and cash equivalents	7.1(a)	**4,320**	**3,465**

How we recognise cash and cash equivalents

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

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

Note 6.3 Commitments for expenditure

There are no capital or operating commitments at 30 June 2021 (2020 $Nil).

Note 6.4 Non-cash financing and investing activities

	Total 2021 $'000	Total 2020 $'000
Acquisition of plant and equipment by means of Leases	34	34
Total non-cash financing and investing activities	**34**	**34**

Note 7: Risks, contingencies and valuation uncertainties

Alexandra 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

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 Alexandra 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

Total 30 June 2021	Note	Financial Assets at Amortised Cost $'000	Financial Liabilities at Amortised Cost $'000	Total $'000
Contractual Financial Assets				
Cash and Cash Equivalents	6.2	4,320	-	4,320
Receivables and contract assets	5.1	312	-	312
Investments and other financial assets	4.1	767	-	767
Total Financial Assets [i]		**5,399**	**-**	**5,399**
Financial Liabilities				
Payables	5.2	-	1,327	1,327
Borrowings	6.1	-	65	65
Total Financial Liabilities [i]		**-**	**1,392**	**1,392**

Note 7.1 (a) Categorisation of financial instruments

Total 30 June 2020	Note	Financial Assets at Amortised Cost $'000	Financial Liabilities at Amortised Cost $'000	Total $'000
Contractual Financial Assets				
Cash and cash equivalents	6.2	3,465	-	3,465
Receivables and contract assets	5.1	255	-	255
Investments and other financial assets	4.1	767	-	767
Total Financial Assets [i]		**4,487**	**-**	**4,487**
Financial Liabilities				
Payables	5.2	-	774	774
Borrowings	6.1	-	45	45
Total Financial Liabilities [i]		**-**	**819**	**819**

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

How we categorise financial instruments

Categories of financial assets

Financial assets are recognised when Alexandra District Health becomes party to the contractual provisions to the instrument. For financial assets, this is at the date Alexandra 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.

Note 7.1 (a) Categorisation of financial instruments

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 Alexandra 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.

Alexandra District Health recognises the following assets in this category:

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

Note 7.1 (a) Categorisation of financial instruments

Categories of financial liabilities

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

Financial liabilities at amortised cost

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

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

Alexandra District Health recognises the following liabilities in this category:

- payables (excluding statutory payables and contract liabilities)
- borrowings.

Offsetting financial instruments

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

Note 7.1 (a) Categorisation of financial instruments

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
- Alexandra 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
- Alexandra District Health has transferred its rights to receive cash flows from the asset and either:
  - has transferred substantially all the risks and rewards of the asset or
  - has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

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

Derecognition of financial liabilities

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

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

Reclassification of financial instruments

A financial asset is required to be reclassified between fair value between amortised cost, fair value through net result and fair value through other comprehensive income when, and only when, Alexandra 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, Alexandra 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.

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

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

Note 7.2 (a) Credit risk

Credit risk refers to the possibility that a borrower will default on its financial obligations as and when they fall due. Alexandra 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 Alexandra District Health. Credit risk is measured at fair value and is monitored on a regular basis.

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

In addition, Alexandra 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, Alexandra 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 Alexandra District Health will not be able to collect a receivable. Objective evidence includes financial difficulties of the debtor, default payments, debtors that are more than 60 days overdue, and changes in debtor credit ratings.

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

Except as otherwise detailed in the following table, the carrying amount of contractual financial assets recorded in the financial statements, net of any allowances for losses, represents Alexandra 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 Alexandra District Health's credit risk profile in 2020-21.

Note 7.2 (a) Credit risk

Impairment of financial assets under AASB 9

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

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

Contractual receivables at amortised cost

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

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

Contractual receivables at amortised cost

30 June 2021	Note	Current	Less than 1 month	1–3 months	3 months –1 year	1–5 years	Total
Expected loss rate		0.0%	0.0%	0.0%	25.0%	0.0%	
Gross carrying amount of contractual receivables $'000	5.1	88	4	2	12	0	**106**
Loss allowance		-	-	-	**(3)**	-	**(3)**

30 June 2020		Current	Less than 1 month	1–3 months	3 months –1 year	1–5 years	Total
Expected loss rate		0.0%	0.0%	0.0%	100.0%	0.0%	
Gross carrying amount of contractual receivables $'000	5.1	106	7	0	2	0	**115**
Loss allowance		-	-	-	**(2)**	-	**(2)**

Note 7.2 (a) Credit risk

Statutory receivables and debt investments at amortised cost

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

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

Note 7.2 (b) Liquidity risk

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

Alexandra 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 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.

Alexandra 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 other financial assets.

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

Note 7.2 (b) Payables and borrowings maturity analysis

				Maturity Dates				
Total		**Carrying Amount**	**Nominal Amount**	**Less than 1 Month**	**1-3 Months**	**3 months - 1 Year**	**1-5 Years**	**Over 5 years**
30 June 2021	**Note**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Payables	**5.2**	1,327	1,327	1,327	-	-	-	-
Borrowings	**6.1**	65	65	1	3	8	53	-
Total Financial Liabilities		**1,392**	**1,392**	**1,328**	**3**	**8**	**53**	**-**

				Maturity Dates				
Total		**Carrying Amount**	**Nominal Amount**	**Less than 1 Month**	**1-3 Months**	**3 months - 1 Year**	**1-5 Years**	**Over 5 years**
30 June 2020	**Note**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Financial Liabilities at amortised cost								
Payables	**5.2**	774	774	497	-	277	-	-
Borrowings	**6.1**	45	45	1	3	7	34	-
Total Financial Liabilities		**819**	**819**	**498**	**3**	**284**	**34**	**-**

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

Note 7.2 (c) Market risk

Alexandra District Health Serivce'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
Alexandra District Health Service's sensitivity to market risk is determined based on the observed range of actual historical data for the preceding five-year period. Alexandra District Health Service'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 0.5% 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. Alexandra District Health Service 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. Alexandra District Health Service has minimal exposure to cash flow interest rate risks through cash and deposits, term deposits and bank overdrafts that are at floating rate.

Foreign currency risk
All foreign currency transactions during the financial year are brought to account using the exchange rate in effect at the date of the transaction. Foreign monetary items existing at the end of the reporting period are translated at the closing rate at the date of the end of the reporting period.

Alexandra District Health Service has minimal exposure to foreign currency risk.

Note 7.3: Contingent assets and contingent liabilities

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

How we measure and disclose contingent assets and contingent liabilities

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

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

Contingent assets

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

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

Contingent liabilities

Contingent liabilities are:

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

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

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 Jointly controlled operations
8.8 Equity
8.9 Economic dependency

Telling the COVID-19 story

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

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

	Note	Total 2021 $'000	Total 2020 $'000
Net result for the year		(760)	(318)
Non-cash movements:			
(Gain)/Loss on sale or disposal of non-financial assets	3.4	(5)	(7)
Depreciation and amortisation of non-current assets	4.4	1,300	1,316
Impairment of non-current assets	3.4	7	-
Bad and doubtful debt expense	3.1	1	(1)
Other non-cash movements		(43)	(789)
Movements in Assets and Liabilities:			
(Increase)/Decrease in receivables and contract assets		(53)	87
(Increase)/Decrease in inventories		1	(3)
(Increase)/Decrease in prepaid expenses		15	4
Increase/(Decrease) in payables and contract liabilities		387	36
Increase/(Decrease) in employee benefits		114	114
Net cash inflow from operating activities		**964**	**439**

Note 8.2 Responsible persons

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

	Period
The Honourable Martin Foley:	
Minister for Mental Health	1 Jul 2020 - 29 Sep 2020
Minister for Health	26 Sep 2020 - 30 Jun 2021
Minister for Ambulance Services	26 Sep 2020 - 30 Jun 2021
Minister for the Coordination of Health and Human Services: COVID-19	26 Sep 2020 - 30 Jun 2021
The Honourable Jenny Mikakos:	
Minister for Health	1 Jul 2020 - 26 Sep 2020
Minister for Ambulance Services	1 Jul 2020 - 26 Sep 2020
Minister for the Coordination of Health and Human Services: COVID-19	1 Jul 2020 - 26 Sep 2020
The Honourable Luke Donnellan:	
Minister for Child Protection	1 Jul 2020 - 30 Jun 2021
Minister for Disability, Ageing and Carers	1 Jul 2020 - 30 Jun 2021
The Honourable James Merlino:	
Minister for Mental Health	29 Sep 2020 - 30 Jun 2021
Governing Boards	
Ms Lorna Gelbert	1 Jul 2020 - 30 Jun 2021
Mr Kim Flanagan	1 Jul 2020 - 30 Jun 2021
Mr Steven Hogan	1 Jul 2020 - 30 Jun 2021
Ms Michelle Fleming	1 Jul 2020 - 30 Jun 2021
Mr James McCarthy	1 Jul 2020 - 30 Jun 2021
Ms Cindy Neenan	1 Jul 2020 - 30 Jun 2021
Mr Alan Studley	1 Jul 2020 - 30 Jun 2021
Ms Kerry Power	1 Jul 2020 - 30 Jun 2021
Accountable Officers	
Ms Debbie Rogers	1 Jul 2020 - 30 Jun 2021

Note 8.2 Responsible persons (continued)

Remuneration of Responsible Persons

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

Income Band	Total 2021 No	Total 2020 No
$0 - $9,999	8	8
$200,000 - $209,999	1	1
Total Numbers	**9**	**9**

	Total 2021 $'000	Total 2020 $'000
Total remuneration received or due and receivable by Responsible Persons from the reporting entity amounted to:	**$236**	**$229**

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

Note 8.3 Remuneration of executives

Remuneration of executive officers (including Key Management Personnel disclosed in Note 8.4)	Total Remuneration	
	2021 $'000	2020 $'000
Short-term benefits	134	133
Post-employment benefits	13	12
Other long-term benefits	4	3
Termination benefits	-	-
Total remuneration [i]	**151**	**148**
Total number of executives	1	1
Total annualised employee equivalent [ii]	1.0	1.0

i The total number of executive officers includes persons who meet the definition of Key Management Personnel (KMP) of Alexandra District Health under AASB 124 Related Party Disclosures and are also reported within Note 8.4 Related Parties.
[ii] Annualised employee equivalent is based on working 38 ordinary hours per week over the reporting period.

Total remuneration payable to executives during the year included an additional executive officer for part of the year and payments made for higher duties.

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

Short-term employee benefits

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

Post-employment benefits

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

Other long-term benefits

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

Termination benefits

Termination of employment payments, such as severance packages.

Note 8.4: Related Parties

Alexandra 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 Hume Regional Health 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 Alexandra District Health, directly or indirectly.

Key management personnel

The Board of Directors, Chief Exectuive Officer and the Executive Directors of Alexandra District Healths are deemed to be KMPs.

Entity	KMPs	Position Title
Alexandra District Health	Ms Lorna Gelbert	Board Chair
Alexandra District Health	Mr Kim Flanagan	Board Member
Alexandra District Health	Mr Steven Hogan	Board Member
Alexandra District Health	Ms Michelle Fleming	Board Member
Alexandra District Health	Mr James McCarthy	Board Member
Alexandra District Health	Ms Cindy Neenan	Board Member
Alexandra District Health	Mr Alan Studley	Board Member
Alexandra District Health	Ms Kerry Power	Board Member
Alexandra District Health	Ms Deborah Rogers	Chief Executive Officer
Alexandra District Health	Mr Andrew Lowe	Director of Corporate Services

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

	Total 2021 $'000	Total 2020 $'000
Compensation - KMPs		
Short-term Employee Benefits	345	339
Post-employment Benefits	32	30
Other Long-term Benefits	10	8
Termination Benefits	-	-
Total [i]	**387**	**377**

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

Note 8.4: Related Parties

Significant transactions with government related entities

Alexandra District Health received funding from the Department of Health of $8.5 m (2020: $7.6 m) and indirect contributions of $0.11 m (2020: $0.015 m). Balances outstanding as at 30 June 2021 are $0.09 m (2020 $0.01 m)

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

Transactions with KMPs and other related parties

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

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

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

Note 8.5: Remuneration of Auditors

	Total 2021 $'000	Total 2020 $'000
Victorian Auditor-General's Office		
Audit of the financial statements	20	21
Total remuneration of auditors	**20**	**21**

Note 8.6: Events occurring after the balance sheet date

There are no events occurring after the Balance Sheet date.

Note 8.7 Joint arrangements

	Principal Activity	Ownership Interest 2021 %	Ownership Interest 2020 %
Hume Rural Health Alliance	Information Technology Services	2.92	2.68

Alexandra District Healths interest in the above joint arrangements are detailed below. The amounts are included in the consolidated financial statements under their respective categories:

	2021 $'000	2020 $'000
Current assets		
Cash and cash equivalents	309	233
Receivables	20	22
Prepaid expenses	7	3
Total current assets	**336**	**258**
Non-current assets		
Intangible Assets	10	12
Property, plant and equipment	1	16
Total non-current assets	**11**	**28**
Total assets	**347**	**286**
Current liabilities		
Payables	189	112
Lease Liability	1	4
Total current liabilities	**190**	**116**
Non-current liabilities		
Lease Liability	5	7
Total non-current liabilities	**5**	**7**
Total liabilities	**195**	**123**
Net assets	**152**	**163**
Equity		
Accumulated surplus	152	163
Total equity	**152**	**163**

Note 8.7 Joint arrangements

Alexandra District Healths interest in revenues and expenses resulting from joint arrangements are detailed below:

	2021 $'000	2020 $'000
Revenue		
Operating Activities	180	176
Non Operating Activities	1	1
Capital Purpose Income	9	45
Total revenue	**190**	**222**
Expenses		
Employee Benefits	60	52
Other Expenses from Continuing Operations	101	110
Expenditure using Capital Income	16	24
Depreciation	23	16
Total expenses	**200**	**202**
Revaluation of Long Service Leave	**(1)**	-
Net result	**(11)**	**20**

Contingent liabilities and capital commitments

There are no known contingent liabilities or capital commitments held by the joint arrangements at balance date.

Note 8.8: Equity

Contributed capital

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

Specific restricted purpose reserves

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

Note 8.9: Economic dependency

Alexandra District Health is dependent on the Department of Health for the majority of its revenue used to operate the health service. At the date of this report, the Board of Directors has no reason to believe the Department of Health will not continue to support Alexandra District Health.