ALEXANDRA
DISTRICT HEALTH

151st Annual Report
2021 – 2022

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 formally changed from Alexandra District Hospital to Alexandra District Health.

2021
Alexandra District Health reaches 150 years of service provision to our community.

Photo courtesy State Library of Victoria

ALEXANDRA DISTRICT HEALTH

150 Celebrating 150 years caring for our community

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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
Mr Kim Flanagan

Finance, Audit and Risk Committee Chair
Mr Alan Studley

Quality and Clinical Governance Committee Chair
Ms Michelle Fleming

Chief Executive Officer
Mrs Deborah Rogers
Mr Chris McDonnell (Acting)

Responsible Ministers
The responsible Minister is the Minister for Health:

- **The Hon Martin Foley MP,** Minister for Health, Minister for Ambulance Services**,** Minister for Equality. From 1 July 2021 to 27 June 2022.
- **The Hon Mary-Anne Thomas MP,** Minister for Health, Minister for Ambulance Services. From 27 June 2022 to 30 June 2022.

Accreditation Status
Fully Accredited to 9th March 2025.

Board of Directors

Chair	Mr Kim Flanagan
Deputy Chair	Ms Cindy Neenan
Board Members	Mr Steven Hogan
	Mr Alan Studley
	Mr James McCarthy
	Mr Kerry Power
	Ms Michelle Fleming
	Ms Lorna Gelbert
	Ms Maree Fellows

Finance, Audit and Risk
All ADH Board Directors participate in the Finance, Audit and Risk Committee. ADH aim to have an independent audit committee member participate.

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 2022.

Kim Flanagan, Board Chair
Alexandra
30th June 2022

About Us

Alexandra District Health employs a team of approximately 120 staff who work across our clinical and corporate services. Our services consist of a 25-bed acute ward, 6-day procedure beds and a 6 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 L Fraser MBBS, RACGP
Dr D Deelen MBBS, RACGP
Dr C Aitken MBBS, FRACGP
Dr S Jnguyenphamhh, MBBS, FRACGP
Dr Thong Le MBBS, RACGP
Dr P Chan, MBBS (Hons), FCICM, BSc (Hons)

General Surgeon
Dr A Dhir MBBS, FRACS (to May 2022)

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

Gastroenterologist
Dr P Mahindra MBBS, FRACGP
Dr E Tsoi MBBS, FRACP

Anaesthetists
Dr M Adams BHB, MBChB, FANZCA, MHlthServM
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
Dr D Ware 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 (ADH), we are pleased to present the 151st Report of Operations and Annual Report for the year ended 30th June 2022.

The COVID-19 global pandemic continues to challenge us all. We have been very pleased that we have avoided any large COVID outbreaks and service closures. We believe that our comprehensive COVID preparation and infection control processes have been robust and have enabled us to provide continuity of service. Our use of telehealth consultations has increased both in our primary health team and in the acute services. Consistently, the staff at ADH rise to the challenges, continuing to provide exceptional care and services to our community. We are indebted to their resilience and hard work.

Through our partnerships, we ensured our community stayed safe during these unprecedented times. We have undertaken 5,242 COVID-19 swabs through our drive through, walk up and urgent care settings. We have also provided asymptomatic testing for priority groups.

The theatre redevelopment works commenced in March and have now been fully completed. These building works were undertaken to meet new infection control standards. ADH is now in a position to fully utilise the theatre to provide additional theatre services to the community. ADH is also in a position to participate in the state-wide initiatives to increase elective surgery and hopefully utilise the theatre to its fullest capacity.

Our Urgent Care Centre (UCC) is now staffed by two highly experienced doctors. Having such a highly skilled and trained medical and nursing staff in the UCC has meant that we have been able to enhance our locally based urgent care to patients who are very unwell and require immediate care. We have received considerable feedback from patients that treatment provided by the medical and nursing staff in the UCC has been outstanding and has resulted in very positive outcomes for our patients.

Attracting and maintaining our workforce remains a challenge for all Rural Health Services and ADH is no different. House prices rose significantly in rural areas during the pandemic and rental accommodation was virtually impossible to find. We have commenced the development of a strategic workforce plan that will focus on building our leadership capacity, upskilling clinical staff and implementing staff wellbeing and support strategies.

We celebrate the service of Nola Evans, Enrolled Nurse who has been a dedicated member of the ADH team for the past 30 years. We also commend Ward Clerk, Dee Murphy who celebrated 20 years of service and Registered Nurses Louise Twitchett and Lisa Smith who have both reached 15 years of service. Congratulations on your contribution and dedication to the ADH team.

Our Chief Executive Officer (CEO), Debbie Rogers, went on long service leave in December 2021 and resigned from ADH on 30th June 2022. We would like to thank Debbie for her service to ADH and the community during her term as CEO.

While Debbie was on long service leave, Chris McDonnell acted as CEO and his term finished on 30th June 2022. During his term as CEO, Chris developed a long-term financial plan for ADH that will guide us into the future. He also managed the upgrade of our theatre which will increase our surgical capability and offering to the community of Alexandra. We also thank Chris for his service to ADH and wish him well in his retirement. The Board of ADH is now working with executive recruiters to find a replacement CEO.

Our Board

Alexandra District Health has a sophisticated and diverse Board of Directors providing governance oversight and strategic direction for the Health Service. In December 2021 our long serving Board Chair, Lorna Gelbert, stepped down and Kim Flanagan, Deputy Chair, was elected Chair of the Board of Directors. We take this opportunity to thank Lorna for her tireless effort, unwavering determination, and wise counsel during her period as Board Chair. During 2021-2022 we welcomed one new Board Director, Maree Fellows, who brought a wealth of healthcare experience and Lorna was appointed for another three-year term by the Minister for Health.

Financial Performance

The financial results for 2021-22, 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.

Our Future

ADH, like all health services around Australia, continues the campaign to counter the global COVID-19 pandemic which is now coupled with one of the worst outbreaks of influenza in decades. We will continue to strive for ways to support our staff and ensure work/life balance during these tough times and ensure our continued services to the community at large.

A major challenge for ADH is to grow our services to meet the changing needs of a community. We have a community who can't always get access to locally based specialist health services and need to travel to Melbourne to access these services. ADH has a role to play in the provision of more specialist services in the catchment area and has the commitment to respond to these emerging needs. How we do this, by ourselves or in partnership with other regional health services, is a challenge that ADH will proactively address in the next twelve months.

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.

In line with the Gender Equality Act of 2020, ADH has developed its inaugural Gender Equality Action Plan (2022 – 2025). The plan outlines ADH's commitment to providing a workplace that is gender equitable and respectful to all staff. The plan was developed following a detailed analysis of data obtained from the workplace gender audit and data collected from the 2021 People Matter Survey.

ADH reached two major milestones in December of 2021 celebrating 150 years as a Health Service and 10 years in our new building. We look forward to showcasing and celebrating our history with the community later in 2022.

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 2021-2022 Annual Report and learning more about our accomplishments over the past financial year.

Kim Flanagan
Board Chair

Chris McDonnell
Acting Chief Executive Officer

Executive Team

Acting Chief Executive Officer (4 January 2022 – 30 June 2022)
Chris McDonnell

Chris McDonell commenced as Acting CEO at Alexandra District Health in January this year. Chris is an experienced health CEO having previously served at Seymour Health for eight years and prior to that as CEO at Nexus Primary Health. Chris was also directly involved in the 2009 bushfire recovery process across Mitchell and Murrindindi, coordinating the mental health and psychosocial services in areas including Marysville and Kinglake.
Chris has post-graduate qualifications in industrial relations and is an experienced mediator and trainer. Chris is pleased to be part of Alexandra District Health and its commitment to quality health care to the community.

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 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
Andrew Brown
Fiona Coad (acting 20th December 2021 – 11th April 2022) Claire Palmer (to 15th March 2021)
Fiona Mackey (acting 15th March 2021 to 9th June 2021) Katie Hellema (from 9th June 2021)

Andrew Brown commenced as Director of Clinical Services at Alexandra District Health in April 2022. Andrew is a registered nurse who has worked in a range of clinical, project, management and executive roles in the public and private sectors in regional health over 30 years. Andrew has also served as a long-term Director on both a Small Rural Health Service and an Integrated Aged Care board, including Chair roles at both organisations.

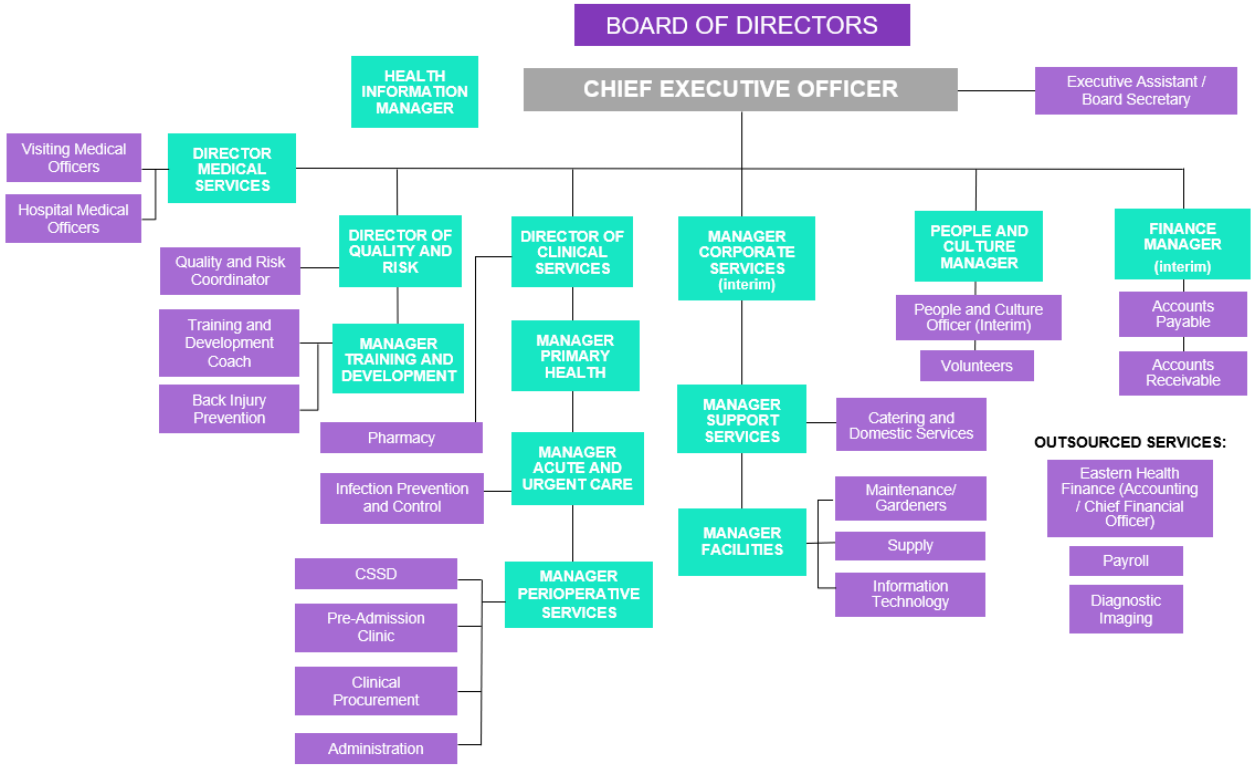
Director Quality and Risk
Claire Palmer

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.

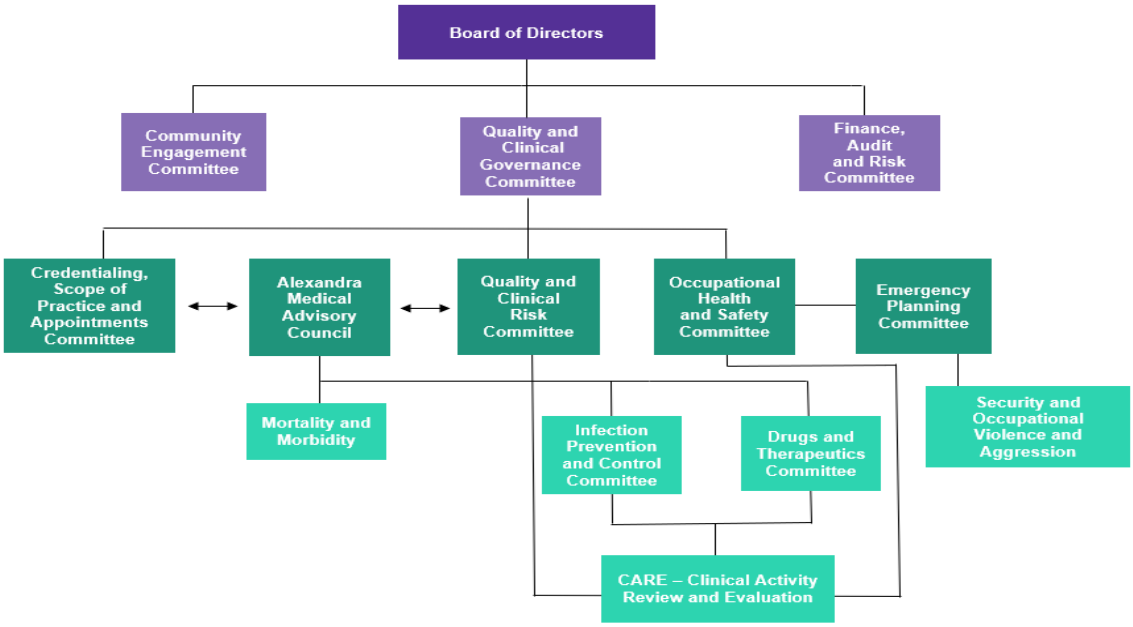
Director People and Culture
Brant Doyle (to 31st December 2021)

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

Mr Kim Flanagan – Chair
Kim is the Chair of the Board of Directors for Alexandra District Health. He is also a non-executive director of The Lost Dogs Home, the Carinya Society and the Chief Operating Officer of New Age HSE Services, a respected management consulting company.

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.

Ms Cindy Neenan - Deputy Chair
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 the Deputy Chair of the ADH Board, is a member of the Finance, Audit and Risk Committee and the Quality and Clinical Governance Committee.

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. Steven continues to consult with a number of not for profit organisations on people and culture matters.

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.

Board of Directors - continued

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.

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 Lorna Gelbert
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.

Board of Directors - continued

Ms Maree Fellows

Maree has had extensive tenure and background as an Executive in the health sector holding roles such as Director of Nursing, Director of Clinical Services and CEO of numerous private hospitals across Melbourne throughout her professional career spanning across 2 decades. In May 2021 Maree joined the team at Bairnsdale Regional Health Services as her first entry as an Executive in the public health sector, assuming responsibility for the directorates of both the Community Wellbeing and Partnerships as well as Clinical Operations at Bairnsdale in an Interim capacity. Her appointment enabled some executive leave/relief during a 10-month period, and she has subsequently returned to Bairnsdale in May 2022 as Director of Clinical Operations.

Maree brings to ADH a broad knowledge of managing resources in the health sector, an understanding of private and public health funding models, and a comprehensive knowledge and experience in clinical governance gained from her years of experience in health as a Nurse Executive. Maree has qualifications in the following: RN, RM, B Nursing RMIT, Grad Dip Health Administration RMIT, LLB –part-(Monash).

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.

Attestations

Financial Management Compliance

I, Kim Flanagan, 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.

Kim Flanagan
Board Chair
Alexandra District Health
30th June 2022

Data Integrity Declaration

I, Chris McDonnell, 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.

Chris McDonnell
Acting Chief Executive Officer
Alexandra District Health
30th June 2022

Attestations - continued

Conflict of Interest Declaration

I, Chris McDonnell, 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.

Chris McDonnell
Acting Chief Executive Officer
Alexandra District Health
30th June 2022

Integrity, Fraud and Corruption Declaration

I, Chris McDonnell, 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.

Chris McDonnell
Acting Chief Executive Officer
Alexandra District Health
30th June 2022

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**	
	2021	2022	2021	2022
Nursing	26.26	27.96	24.40	26.88
Administration and Clerical	14.70	14.64	14.42	14.12
Medical Support	1.47	0.58	1.31	0.66
Hotel and Allied Services	9.32	8.68	8.78	8.86
Medical Officers	0.00	0.00	0.00	0.00
Hospital Medical Officers	0.00	0.00	0.00	0.00
Sessional Clinicians	0.70	2.23	0.46	1.72
Ancillary Staff (Allied Health)	6.50	7.92	5.46	7.63
Total	**58.95**	**62.01**	**54.83**	**59.87**

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 are 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 2021/2022 there were twelve 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 2021/2022.

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 2021/2022.
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 2021/2022. 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 2021/2022 and may be viewed on the Health Service website

- Alexandra District Health 150th 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 2021-22, there were two consultancies where the total fees payable to the consultants were less than $10,000. The total expenditure incurred during 2021-22 in relation to these consultancies is $8,496.83 (excl. GST).

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

In 2021-22, there was one consultancy where the total fees payable to the consultant were $10,000 or greater. The total expenditure incurred during 2021-22 in relation to this consultancy was $11,818.18 (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 2021-22 (excluding GST)	Future expenditure (excluding GST)
Aspex Consulting	GP Modelling and Assessment	December 2021	February 2021	$11,818.18	$11,818.18	$0.00

Information and Communication Technology (ICT) Expenditure

The total ICT expenditure incurred during 2021-22 is $0.45 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)
$0.37 million	**$0.08 million**	$0.03 million	$0.05 million

Financial Performance – 5 Year Summary

	2022	2021	2020	2019	2018	2017
	$'000	$'000	$'000	$'000	$'000	$'000
OPERATING RESULT	**43**	**328**	**38**	**85**	**88**	**33**
Total revenue	12,300	9,143	9,601	8,652	8,305	7,824
Total expenses	(12,025)	(9,968)	(9,927)	(9,502)	(9,388)	(8,876)
Net result from transactions	**275**	**(825)**	**(326)**	**(850)**	**(1,083)**	**(1,052)**
Total other economic flows	52	65	8	(63)	4	(11)
Net result	**327**	**(760)**	**(318)**	**(913)**	**(1,079)**	**(1,063)**
Total assets	34,208	31,103	31,305	31,447	28,233	26,670
Total liabilities	(3,429)	(3,174)	(2,653)	(2,476)	(2,191)	(1,730)
Net assets/Total equity	**30,779**	**27,929**	**28,652**	**28,971**	**26,042**	**24,940**

Statutory Reporting - continued

Financial Performance – Net Result from Transactions Reconciliation

	2021-22
	$'000
Net operating result	43
Capital purpose income	1,554
Specific income	77
COVID-19 State Supply Arrangements	219
State supply items consumed up to 30 June 2022	(219)
Expenditure for capital purpose	(18)
Depreciation and amortisation	(1,381)
Net result from transactions	**275**

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 2021/22 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	2021-22	2020-21	2019-20
The number of reported hazards/incidents	42	**20**	**23**
The number of reported hazards/incidents per 100 FTE	0.67	**0.36**	**0.41**
The number of 'lost time' standard WorkCover claims	3	**3**	**1**
The average cost per WorkCover claim	$105.090.83	**$48,563.10**	**$6,765**

Occupational Violence Statistics

Occupational violence statistics	2021-22
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	8
Number of occupational violence incidents reported per 100 FTE	13.36
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 2021-22.
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 2021/22 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 2021/22 we produced 111 megawatt hours (MWH) of electricity utilising our solar power system resulting in a carbon offset of 76.67 tonnes or the equivalent of 1,967 trees. The solar power produced was marginally lower than the previous year.

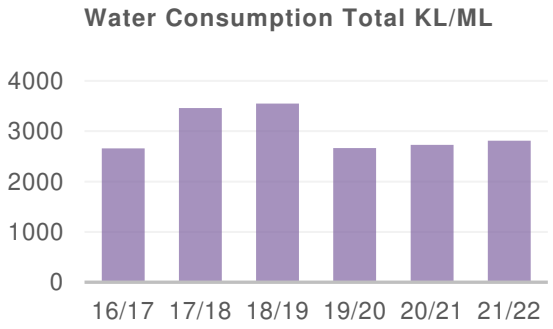
We continue with our commitment to encourage staff to reduce clinical waste where possible. However, the impact of COVID-19 on clinical waste has been significant and this has resulted in 711 kilograms of waste.

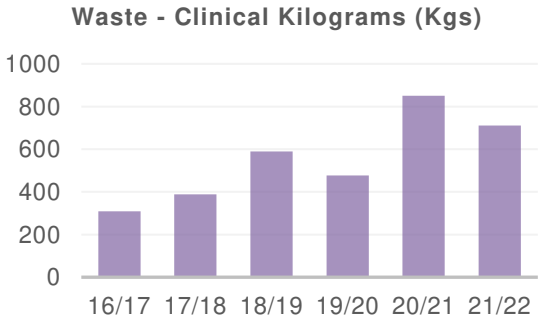
Our overall general waste contributing to landfill has marginally increased from 9,340kgs to 9,980kgs. This was partly due to changes implemented by the Environmental Protection Agency (EPA) regarding COVID-19 PPE disposal which has resulted in increased general waste but a decrease in clinical waste totals.

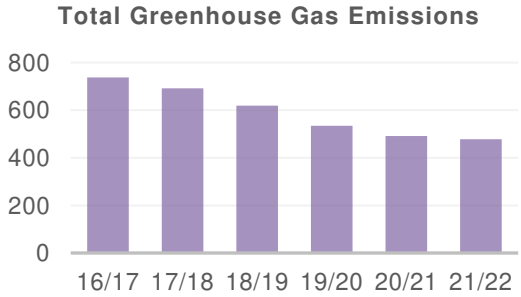
We continue working on an “End of Life” replacement program to upgrade our existing Fluorescent lighting with light-emitting diode (LED) replacements throughout the hospital site. This year we also carried out some replacement of external fittings on the façade of building. This initiative has also seen an overall improvement in lighting quality in these perimeter areas.

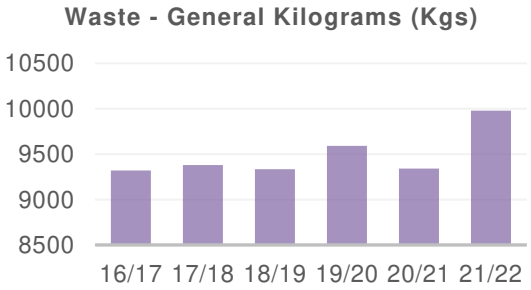
Theatre department continue to participate in a sterile wrap and polyvinyl chloride (PVC) recycling project resulting in these products being recycled and no longer ending up in landfill.

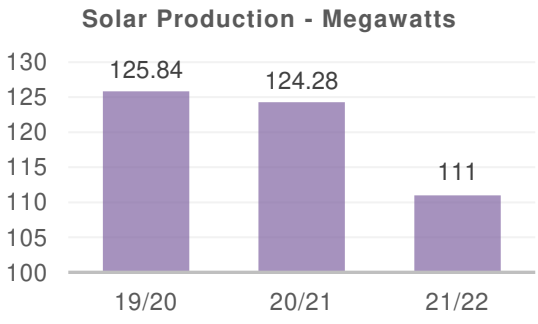
ADH will cease sending and receiving faxed paperwork and instead this will be done electronically via the Liquid Files software. When software programming work has been completed Hume Rural Health Alliance (HRHA) will assist ADH with the implementation.











Statement of Priorities

Strategic Priorities

Priority One

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

Outcome

ADH has implemented a COVID safe plan and winter response plan to ensure preparations are in place in case of an outbreak. The plan is regularly reviewed and updated as government advice changes.

A COVID-19 testing service has been provided initially at seven days per week, later three days per week. Testing has been facilitated for priority groups including health care staff, residential aged care workers, teachers, and at-risk communities.

ADH continues to be an active participant in the Murrindindi Pandemic Committee and contributes to implementing of directions and of the Murrindindi Pandemic Plan.

Priority Two

Actively collaborate on the development and delivery of priorities within your Health Service Partnership, contribute to inclusive and consensus-based decision-making, support optimum utilisation of services, facilities and resources within the Partnership, and be collectively accountable for delivering against Partnership accountabilities as set out in the Health Service Partnership Policy and Guidelines.

Outcome

ADH has been an active participant in the Hume Health Service partnership, strategic service planning and partnership evaluation. This includes

- Participation in the regional COVID response including preparing for increased transfers and admissions from partner health services.
- Developing and supporting regional protocols for patient transfers in the region
- Preparing to the implementation of the Victorian Virtual Emergency Department (VVED)
- Regional credentialing and privileging project

Priority Three

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

- implement the *Better at Home* initiative to enhance in-home and virtual models of patient care when it is safe, appropriate and consistent with patient preference.
- improve elective surgery performance and ensure that patients who have waited longer than clinically recommended for treatment have their needs addressed as a priority.

Outcome

ADH has been involved in the development of a regional response to implement the state-wide elective surgery initiative. ADH surgical capacity has been included in the regional elective surgery reform initiative submission. We worked with Hume Better at Home team providing COVID positive pathways.

Statement of Priorities – continued

Strategic Priorities

Priority Four

Address critical mental health demand pressures and support the implementation of mental health system reforms to embed integrated mental health and suicide prevention pathways for people with, or at risk of, mental illness or suicide through a whole-of-system approach as an active participate in your Health Service Partnership and through your Partnership's engagement with Regional Mental Health and Wellbeing Boards

Outcome

ADH has been a member of the Goulburn Mental Health Steering Committee in Lower Hume. Our leadership and staff have been engaged in the sub regional forums and have implemented practice and systems change in the organisation to ensure we meet the mental health needs of those at risk of mental illness and suicide. ADH has supported the research component in testing the elements of a high functioning mental health system.

Priority Five

Embed the Aboriginal and Torres Strait Islander Cultural Safety Framework into your organisation and build a continuous quality improvement approach to improving cultural safety, underpinned by Aboriginal self-determination, to ensure delivery of culturally safe care to Aboriginal patients and families, and to provide culturally safe workplaces for Aboriginal employees.

Outcome

ADH is committed to making its services and built in environment welcoming for people from Aboriginal and Torres Strait Islander background, with oversight via its Quality and Clinical Risk Committee. Strategies in place include regular workforce education and awareness, identification of people who identify as Aboriginal or Torres Strait Islander at the beginning of their health journey and working with other agencies on shared goals, including the Taungurung Land and Waters Council and Eastern Health's Aboriginal Health Team.

Performance priorities
High quality and safe care

Key performance indicator	Target	2021 – 22 Result
Infection prevention and control		
Compliance with Hand Hygiene Australia Program	**85%**	**91.1%**
Percentage of healthcare workers immunised for influenza	92%	91%
Victorian Healthcare Experience Survey – percentage of positive patient experience responses – Quarter 1	95%	100%
Victorian Healthcare Experience Survey – percentage of positive patient experience responses – Quarter 2	95%	100%
Victorian Healthcare Experience Survey – percentage of positive patient experience responses – Quarter 3	95%	94.1%

Strong governance, leadership and culture

Key performance measure	Target	2021-22 Result
Organisational culture		
People matter survey – Percentage of staff with an overall positive response to safety culture survey questions	62%	71%

Performance priorities
Effective financial management

Key performance indicator	Target	2021-22 result
Operating result ($m)	$0.00	$0.04
Average number of days to paying trade creditors	60 days	53
Average number of days to receiving patient fee debtors	60 days	43
Adjusted current asset ratio	0.7 or 3% improvement from health service base target	2.28
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	178.6
Measures the accuracy of forecasting the Net result from transactions (NRFT) for the current financial year ending 30 June.	Variance ≤ $250,000	$460,000

Funding and activity

Funding Type	2021-22 Activity achievement	Units
Small Rural		
Small Rural Acute	493.14	NWAU
Small Rural Primary Health & HACC	7,124	Service hours

Alexandra District Health

Financial Report

2021-22

Contents

ALEXANDRA DISTRICT HEALTH

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 2022 and the financial position of Alexandra District Health at 30 June 2022.

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 this day 29 September 2022.

Board Member

Mr Kim Flanagan
Chair
Alexandra
29 September 2022

Accountable Officer

Mr Andrew Brown
Acting Chief Executive Officer
Alexandra
29 September 2022

Chief Finance & Accounting Officer

Mr Alan Drews
Chief Finance Officer
Alexandra
29 September 2022

Independent Auditor's Report

Victorian Auditor-General's Office

To the Board of Alexandra District Health

Opinion	I have audited the financial report of Alexandra District Health (the health service) which comprises the: • balance sheet as at 30 June 2022 • 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 2022 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.
Other Information	My opinion on the financial report does not cover the Other Information and accordingly, I do not express any form of assurance conclusion on the Other Information. However, in connection with my audit of the financial report, my responsibility is to read the Other Information and in doing so, consider whether it is materially inconsistent with the financial report or the knowledge I obtained during the audit, or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude there is a material misstatement of the Other Information, I am required to report that fact. I have nothing to report in this regard.
Board's responsibilities for the financial report	The Board of the health service is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the 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
27 October 2022

Dominika Ryan
as delegate for the Auditor-General of Victoria

Alexandra District Health
Comprehensive Operating Statement
For the Financial Year Ended 30 June 2022

	Note	Total 2022 $'000	Total 2021 $'000
Revenue and income from transactions			
Operating activities	2.1	12,060	8,945
Non-operating activities	2.1	15	8
Share of revenue from joint operations	8.9	225	190
Total revenue and income from transactions		**12,300**	**9,143**
Expenses from transactions			
Employee expenses	3.1	(8,223)	(6,647)
Supplies and consumables	3.1	(879)	(667)
Finance costs	3.1	(2)	(2)
Depreciation and amortisation	4.6	(1,381)	(1,300)
Share of expenditure from joint operations	8.9	(224)	(200)
Other administrative expenses	3.1	(775)	(685)
Other operating expenses	3.1	(541)	(467)
Total Expenses from transactions		**(12,025)**	**(9,968)**
Net result from transactions - net operating balance		**275**	**(825)**
Other economic flows included in net result			
Net gain/(loss) on sale of non-financial assets	3.2	-	(2)
Net gain/(loss) on financial instruments	3.2	(2)	(2)
Share of other economic flows from joint arrangements	8.9	-	(1)
Other gains/(losses) from other economic flows	3.2	54	70
Total other economic flows included in net result		**52**	**65**
Net result for the year		**327**	**(760)**
Other economic flows - other comprehensive income			
Items that will not be reclassified to net result			
Changes in property, plant and equipment revaluation surplus	4.2(b)	2,523	37
Total other comprehensive income		**2,523**	**37**
Comprehensive result for the year		**2,850**	**(723)**

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

Alexandra District Health
Balance Sheet as at 30 June 2022

	Note	Total 2022 $'000	Total 2021 $'000
Current assets			
Cash and cash equivalents	6.2	5,074	4,011
Receivables and contract assets	5.1	147	112
Inventories	4.7	14	14
Investments and other financial assets	4.1	17	767
Share of assets in joint operations	8.9	317	336
Prepaid expenses		151	110
Total current assets		**5,720**	**5,350**
Non-current assets			
Receivables and contract assets	5.1	239	206
Share of assets in joint operations	8.9	6	11
Property, plant and equipment	4.2(a)	27,411	24,611
Right-of-use assets	4.3(a)	829	923
Intangible assets	4.5(a)	3	2
Total non-current assets		**28,488**	**25,753**
Total assets		**34,208**	**31,103**
Current liabilities			
Payables and contract liabilities	5.2	1,634	1,249
Borrowings	6.1	29	11
Employee benefits	3.3	1,466	1,529
Share of liabilities in joint operations	8.9	166	190
Total current liabilities		**3,295**	**2,979**
Non-current liabilities			
Borrowings	6.1	18	48
Employee benefits	3.3	113	142
Share of liabilities in joint operations	8.9	3	5
Total non-current liabilities		**134**	**195**
Total liabilities		**3,429**	**3,174**
Net assets		**30,779**	**27,929**
Equity			
Revaluation surplus	4.4	16,067	13,544
Restricted specific purpose reserve	SCE	24	24
Contributed capital	SCE	3,592	3,592
Accumulated surplus	SCE	11,096	10,769
Total equity		**30,779**	**27,929**

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 2022

Total	Property, Plant and Equipment Revaluation Surplus $'000	Restricted Specific Purpose Reserve $'000	Contributed Capital $'000	Accumulated Surplus $'000	Total $'000
Balance at 1 July 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 surplus/(deficit)	-	-	-	-	-
Balance at 30 June 2021	**13,544**	**24**	**3,592**	**10,769**	**27,929**
Net result for the year	-	-	-	327	327
Other comprehensive income for the year	2,523	-	-	-	2,523
Transfer from/(to) accumulated surplus/(deficit)	-	-	-	-	-
Balance at 30 June 2022	**16,067**	**24**	**3,592**	**11,096**	**30,779**

This Statement should be read in conjunction with the accompanying notes

Alexandra District Health
Cash Flow Statement
For the Financial Year Ended 30 June 2022

	Note	Total 2022 $'000	Total 2021 $'000
Cash Flows from operating activities			
Operating grants from State Government		9,248	7,854
Operating grants from Commonwealth Government		173	170
Capital grants from State Government		1,523	119
Patient fees received		150	160
Private practice fees received		15	14
GST received from ATO		-	4
Interest and investment income received		15	18
Car park income received		-	140
Other receipts received		613	315
Total receipts		**11,737**	**8,794**
Employee expenses		(7,396)	(6,439)
Payments for supplies and consumables		(49)	(52)
Payments for repairs and maintenance		(256)	(239)
Finance costs		(2)	(2)
GST paid to ATO		(37)	-
Payment for share of rural health alliance		(124)	(106)
Other payments		(2,039)	(1,068)
Total payments		**(9,903)**	**(7,906)**
Net cash flows from operating activities	8.1	**1,834**	**888**
Cash Flows from investing activities			
Proceeds from sale of non-financial assets		-	5
Purchase of non-financial assets		(1,532)	(143)
Proceeds from sale of financial assets		750	19
Capital donations and bequests received		23	24
Net cash flows used in investing activities		**(759)**	**(95)**
Cash flows from financing activities			
Repayment of borrowings		(12)	(14)
Net cash flows used in financing activities		**(12)**	**(14)**
Net increase in cash and cash equivalents held		**1,063**	**779**
Cash and cash equivalents at beginning of year		4,011	3,232
Cash and cash equivalents at end of year	6.2	**5,074**	**4,011**

This Statement should be read in conjunction with the accompanying notes

Alexandra District Health
Notes to the Financial Statements
For the Financial Year Ended 30 June 2022

Note 1: Basis of preparation

Structure

These financial statements represent the audited general purpose financial statements for Alexandra District Health for the year ended 30 June 2022. 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.

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.

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 8.8 Economic Dependency).
The financial statements are in Australian dollars.

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

The annual financial statements were authorised for issue by the Board of Alexandra District Health on 29 September 2022.

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. On 2 August 2020 a state of disaster was added with both operating concurrently. The state of disaster in Victoria concluded on 28 October 2020 and the state of emergency concluded on 15 December 2021.

The COVID-19 pandemic has created economic uncertainty. Actual economic events and conditions in the future may be materially different from those estimated by the health service at the reporting date. Management recognises that it is difficult to reliably estimate with certainty, the potential impact of the pandemic after the reporting date on the health service, its operations, its future results and financial position.

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.

In response to the ongoing COVID-19 pandemic, Alexandra District Health has introduced a range of measures in both the prior and current years, including:

- 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
- changing infection control practices and
- implementing work from home arrangements where appropriate.

As restrictions have eased, Alexandra Health has, where appropriate, revised some measures including returning to work onsite, recommencing surgical activities and opening access for visitors.

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

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

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

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

Note 1.4 Joint arrangements
Interests in joint arrangement 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 Operating

Details of the joint arrangements are set out in Note 8.9.

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

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

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

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

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 2021-2: *Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definitions of Accounting Estimates.*	Reporting periods on or after 1 January 2023.	Adoption of this standard is not expected to have a material impact.
AASB 2021-5: *Amendments to Australian Accounting Standards – Deferred Tax related to Assets and Liabilities arising from a Single Transaction*	Reporting periods on or after 1 January 2023.	Adoption of this standard is not expected to have a material impact.
AASB 2021-6: *Amendments to Australian Accounting Standards – Disclosure of Accounting Policies: Tier 2 and Other Australian Accounting Standards*	Reporting periods on or after 1 January 2023.	Adoption of this standard is not expected to have a material impact.

AASB 2021-7: *Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections*	Reporting periods on or after 1 January 2023.	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.

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

Alexandra District Health's 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 services 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

Telling the COVID-19 story

Revenue recognised to fund the delivery of our services increased during the financial year which was partially attributable to the COVID-19 Coronavirus pandemic.

Additional revenue of $0.85m was received from the Department of Health to fund certain direct and indirect COVID-19 related costs, including:

- increased staffing costs to:
  - cover staff who were in isolation
  - service local COVID testing
- Increased costs of screening and cleaning
- COVID workforce initiatives and payment of surge allowances
- pathology testing costs due to COVID-19 tests
- increased personal protective equipment costs

Funding provided included:

- COVID-19 and state repurposing grants
- Sustainability funding

This resulted in approximately $0.85m being recognised as income for the year ended 30 June 2022 (2021: $0.28m).

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 criterion 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 the beneficiaries. If this criterion 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

	Note	Total 2022 $'000	Total 2021 $'000
Operating activities			
Revenue from contracts with customers			
Government grants (State) - Operating		277	130
Patient and resident fees		210	168
Private practice fees		15	14
Commercial activities [1]		130	140
Total revenue from contracts with customers	2.1(a)	**632**	**452**
Other sources of income			
Government grants (State) - Operating		9,265	7,956
Government grants (Commonwealth) - Operating		173	170
Government grants (State) - Capital		1,554	119
Other capital purpose income		-	19
Capital donations		23	24
Assets received free of charge or for nominal consideration	2.2	219	87
Other income from operating activities		194	118
Total other sources of income		**11,427**	**8,493**
Total revenue and income from operating activities		**12,060**	**8,945**
Non-operating activities			
Income from other sources			
Capital interest		-	2
Other interest		15	6
Total other sources of income		**15**	**8**
Total income from non-operating activities		**15**	**8**
Total revenue and income from transactions		**12,075**	**8,953**

([1]commercial activities represent business activities which Alexandra District Health enters into to support their operations.)

2.1 (a) Timing of Revenue from Contracts with Customers

	Total 2022 $'000	Total 2021 $'000
Alexandra District Health disaggregates revenue by the timing of revenue recognition.		
Goods and services transferred to customers:		
At a point in time	407	130
Over time	225	322
Total revenue from contracts with customers	**632**	**452**

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 and
- recognises revenue as it satisfies 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, the health service:

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

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

This policy applies to some of Alexandra District Health's revenue streams, with information detailed below relating to these revenue streams:

Government grant	Performance obligation
Activity Based Funding (ABF) paid as Weighted Inlier Equivalent Separation (WIES) casemix. Alexandra District Health is eligible for WIES and NWAU funding in relation to Department of Veterans 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 DH in the annual Statement of Priorities. Revenue is recognised at a point in time, which is when a patient is discharged. 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 (DRG). WIES was superseded by NWAU from 1 July 2021, for acute, sub-acute and state-wide (which includes specified grants, state-wide services and teaching and training). Services not transitioning at this time include mental health and small rural services.
Activity Based Funding (ABF) paid as National Weighted Activity Unit (NWAU)	NWAU funding commenced 1 July 2021 and supersedes WIES for acute, sub-acute and state-wide services (which includes specified grants, state-wide services and teaching and training). Services not transitioning at this time include mental health and small rural services. NWAU is a measure of health service activity expressed as a common unit against which the national efficient price (NEP) is paid. The performance obligations for NWAU are the number and mix of admissions, emergency department presentations and outpatient episodes, and is weighted for clinical complexity. Revenue is recognised at point in time, which is when a patient is discharged.
Deferred Elective Surgery Funding	The performance obligations for Deferred Elective Surgery Funding are the number of patients treated in the hospital in accordance with the levels of activity agreed with the DH. Revenue is recognised at point in time, which is when a patient is discharged.

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.

Commercial activities

Revenue from commercial activities includes items such as training and seminar fees and property rental income. 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 with the DH.

How we recognise revenue and income from non-operating activities

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.

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

	Total 2022 $'000	Total 2021 $'000
Plant and equipment	9	-
Personal protective equipment and other consumables	210	87
Total fair value of assets and services received free of charge or for nominal consideration	**219**	**87**

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

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

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 greatly values the services provided by volunteers but does not depend on volunteers to deliver its services. Consequently, it has not recorded any income related to volunteer services.

Note 3: The cost of delivering our services

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

Structure

3.1 Expenses from transactions
3.2 Other economic flows included in net result
3.3 Employee benefits and related on-costs
3.4 Superannuation

Telling the COVID-19 story

Expenses incurred to fund the delivery of 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 and 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 and consumables
- establish COVID-19 testing facilities for staff and the community, resulting in an increase in employee costs and consumables and
- implement work from home arrangements resulting in increased ICT infrastructure costs and additional equipment purchases.

Key judgements and estimates

This section contains the following key judgements and estimates:

Key judgements and estimates	Description
Classifying employee benefit liabilities	Alexandra District Health applies significant judgement when 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.

Measuring employee benefit liabilities	Alexandra District Health applies significant judgement when measuring its employee benefit liabilities. The health service applies judgement to determine when it expects its employee entitlements to be paid. With reference to historical data, if the health service does not expect entitlements to be paid within 12 months, the entitlement is measured at its present value, being the expected future payments to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures, and are discounted at rates determined by reference to market yields on government bonds at the end of the reporting period. All other entitlements are measured at their nominal value.

Note 3.1: Expenses from transactions

	Note	Total 2022 $'000	Total 2021 $'000
Salaries and wages		6,964	5,589
On-costs		644	497
Agency expenses		127	37
Fee for service medical officer expenses		430	474
Workcover premium		58	50
Total employee expenses		**8,223**	**6,647**
Drug supplies		51	54
Medical and surgical supplies (including Prostheses)		573	346
Diagnostic and radiology supplies		69	102
Other supplies and consumables		186	165
Total supplies and consumables		**879**	**667**
Finance costs		2	2
Total finance costs		**2**	**2**
Other administrative expenses		775	685
Total other administrative expenses		**775**	**685**
Fuel, light, power and water		147	129
Repairs and maintenance		145	90
Maintenance contracts		147	149
Medical indemnity insurance		78	81
Expenses related to leases of low value assets		13	-
Expenditure for capital purposes		11	18
Total other operating expenses		**541**	**467**
Total operating expenses		**10,420**	**8,468**
Depreciation and amortisation	4.6	1,381	1,300
Total depreciation and amortisation		**1,381**	**1,300**
Total non-operating expenses		**1,381**	**1,300**
Total expenses from transactions		**11,801**	**9,768**

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 and
- WorkCover premium.

Supplies and consumables

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

Other operating expenses

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

- fuel, light and power
- repairs and maintenance
- other administrative expenses and
- 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.

Note 3.2: Other economic flows included in net result

	Total 2022 $'000	Total 2021 $'000
Impairment of property plant and equipment (including intangible assets)	-	(7)
Net gain/(loss) on disposal of property plant and equipment	-	5
Total net gain/(loss) on non-financial assets	**-**	**(2)**
Allowance for impairment losses of contractual receivables	(2)	(2)
Total net gain/(loss) on financial instruments	**(2)**	**(2)**
Net gain/(loss) arising from revaluation of long service liability	54	70
Total other gains/(losses) from other economic flows	**54**	**70**
Total gains/(losses) from other economic flows	**52**	**66**

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

a. Net gain/(loss) on non-financial assets

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

- revaluation gains/(losses) of investment properties and
- 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.

b. 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 Financial instruments) and
- disposals of financial assets and de-recognition of financial liabilities.

3.3: Employee benefits and related on-costs

	Total 2022 $'000	Total 2021 $'000
Current employee benefits and related on-costs		
Accrued days off		
Unconditional and expected to be settled wholly within 12 months [i]	12	12
	12	**12**
Annual leave		
Unconditional and expected to be settled wholly within 12 months [i]	427	567
Unconditional and expected to be settled wholly after 12 months [ii]	82	-
	509	**567**
Long service leave		
Unconditional and expected to be settled wholly within 12 months [i]	118	140
Unconditional and expected to be settled wholly after 12 months [ii]	667	718
	785	**858**
Provisions related to employee benefit on-costs		
Unconditional and expected to be settled within 12 months [i]	64	15
Unconditional and expected to be settled after 12 months [ii]	96	77
	160	**92**
Total current employee benefits and related on-costs	**1,466**	**1,529**
Non-current employee benefits and related on-costs		
Conditional long service leave [i]	100	128
Provisions related to employee benefit on-costs [ii]	13	14
Total non-current employee benefits and related on-costs	**113**	**142**
Total employee benefits and related on-costs	**1,579**	**1,671**

[i] The amounts disclosed are nominal amounts.

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

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

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

	Total 2022 $'000	Total 2021 $'000
Current employee benefits and related on-costs		
Unconditional accrued days off	12	12
Unconditional annual leave entitlements	569	567
Unconditional long service leave entitlements	885	950
Total current employee benefits and related on-costs	**1,466**	**1,529**
Non-current employee benefits and related on-costs		
Conditional long service leave entitlements	113	142
Total non-current employee benefits and related on-costs	**113**	**142**
Total employee benefits and related on-costs	**1,579**	**1,671**
Attributable to:		
Employee benefits	1,406	1,565
Provision for related on-costs	173	106
Total employee benefits and related on-costs	**1,579**	**1,671**

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

	Total 2022 $'000	Total 2021 $'000
Carrying amount at start of year	106	98
Additional provisions recognised	89	(13)
Amounts incurred during the year	(75)	(48)
Net gain/(loss) arising from revaluation of long service liability	53	69
Carrying amount at end of year	**173**	**106**

How we recognise employee benefits

Employee benefit recognition

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

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

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 the settlement, liabilities for annual leave and accrued days off are measured at:

- nominal value – if Alexandra District Health expects to wholly settle within12 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 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 within12 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 disclosed as a non-current liability. Any gain or loss following revaluation of the present value of non-current LSL liability is recognised as a transaction, except to the extent that a gain or loss arises due to changes in estimations e.g. bond rate movements, inflation rate movements and changes in probability factors which are then recognised as other economic flows.

Provision for on-costs related to employee expense

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

Note 3.4: Superannuation

	Paid Contribution for the Year		Contribution Outstanding at Year End	
	Total 2022 $'000	Total 2021 $'000	Total 2022 $'000	Total 2021 $'000
Defined benefit plans:[i]				
Aware Super	8	8	-	-
Defined contribution plans:				
Aware Super	397	343	-	-
Hesta	128	62	-	-
Other	105	84	-	-
Total	**638**	**497**	**-**	**-**

(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 Alexandra District Health contributes to both the 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 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 entity has no legal or constructive obligation to pay future benefits relating to its employees; its only obligation is to pay superannuation contributions as they fall due.

The Department of Treasury & Finance discloses the State's defined benefits liabilities in its disclosure for administered items. However, superannuation contributions paid or payable for the reporting period are included as part of employee benefits in the comprehensive operating statement of Alexandra District Health.

The name, details and amounts of the expense 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 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 Right-of-use assets
4.4 Revaluation surplus
4.5 Intangible assets
4.6 Depreciation and amortisation
4.7 Inventories
4.8 Impairment of assets

Telling the COVID-19 story

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

Key judgements and estimates

This section contains the following key judgements and estimates:

Key judgements and estimates	Description
Estimating useful life of property, plant and equipment	Alexandra District Health assigns an estimated useful life to each item of property, plant and equipment. This is used to calculate depreciation of the asset. Alexandra District Health reviews the useful life and depreciation rates of all assets at the end of each financial year and, where necessary, records a change in accounting estimate.
Estimating useful life of right-of-use assets	The useful life of each right-of-use asset is typically the respective lease term, except where the health service is reasonably certain to exercise a purchase option contained within the lease (if any), in which case the useful life reverts to the estimated useful life of the underlying asset. Alexandra District Health applies significant judgement to determine whether or not it is reasonably certain to exercise such purchase options.
Estimating restoration costs at the end of a lease	Where a lease agreement requires Alexandra District Health to restore a right-of-use asset to its original condition at the end of a lease, the health service estimates the present value of such restoration costs. This cost is included in the measurement of the right-of-use asset, which is depreciated over the relevant lease term.
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.

Key judgements and estimates	Description
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. Alexandra District Health 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

	Total	
	2022 $'000	2021 $'000
Current		
Current financial assets at amortised cost		
Term deposits > 3 months	17	767
Total current financial assets	**17**	**767**
Total investments and other financial assets	**17**	**767**
Represented by:		
Health service investments	17	767
Total investments and other financial assets	**17**	**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 Alexandra District 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 & equipment

Note 4.2 (a) Gross carrying amount and accumulated depreciation

	Total 2022 $'000	Total 2021 $'000
Land at fair value - Freehold	450	291
Total land at fair value	**450**	**291**
Buildings at fair value	25,560	25,920
Less accumulated depreciation	-	(2,205)
Total buildings at fair value	**25,560**	**23,715**
Total land and buildings	**26,010**	**24,006**
Plant and equipment at fair value	1,225	1,206
Less accumulated depreciation	(942)	(947)
Total plant and equipment at fair value	**283**	**259**
Motor vehicles at fair value	148	148
Less accumulated depreciation	(148)	(148)
Total motor vehicles at fair value	**-**	**-**
Medical equipment at fair value	2,586	1,678
Less accumulated depreciation	(1,595)	(1,472)
Total medical equipment at fair value	**991**	**206**
Computer equipment at fair value	281	296
Less accumulated depreciation	(192)	(195)
Total computer equipment at fair value	**89**	**101**
Furniture and fittings at fair value	260	253
Less accumulated depreciation	(222)	(214)
Total furniture and fittings at fair value	**38**	**39**
Total plant, equipment, furniture, fittings and vehicles at fair value	**1,401**	**605**
Total property, plant and equipment	**27,411**	**24,611**

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

	Note	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 2020		**254**	**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	4.6	-	(1,101)	-	(32)	(4)	(99)	(30)
Balance at 30 June 2021	4.2(a)	**291**	**23,715**	**-**	**259**	**-**	**206**	**101**
Additions		-	582	-	70	-	908	24
Disposals		-	-	-	(24)	-	-	-
Revaluation increments/(decrements)		159	2,364	-	-	-	-	-
Net Transfers between classes		-	-	-	14	-	-	-
Depreciation	4.6	-	(1,101)	-	(36)	-	(123)	(36)
Balance at 30 June 2022	4.2(a)	**450**	**25,560**	**-**	**283**	**-**	**991**	**89**

	Note	Furniture & Fittings $'000	Total $'000
Balance at 1 July 2020		**33**	**25,712**
Additions		10	137
Disposals		-	(2)
Revaluation increments/(decrements)		-	37
Net transfers between classes		3	-
Depreciation	4.6	(7)	(1,273)
Balance at 30 June 2021	4.2(a)	**39**	**24,611**
Additions		6	1,590
Disposals		-	(24)
Revaluation increments/(decrements)		-	2,523
Net Transfers between classes		-	14
Depreciation	4.6	(7)	(1,303)
Balance at 30 June 2022	4.2(a)	**38**	**27,411**

Land and Buildings Carried at Valuation

The Valuer-General Victoria undertook to revalue Alexandra District Health's land to determine its 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 2022 for land, with the effective date for building being 30 June 2019. Buildings were subsequently indexed in 2022.

Note 4.2 Property, plant & equipment (continued)

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

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

Subsequent measurement

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

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

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

Revaluation

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

Where an independent valuation has not been undertaken at balance date, Alexandra District Health performs 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 land was performed by the VGV on 30 June 2022. 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 2022 indicated an overall:

- increase in fair value of land of 54.64% ($0.16m) and an
- increase in fair value of buildings of 10.44% ($2.36m).

As the cumulative movement was greater than 40% for land since the last independent revaluation (30 June 2019), an interim independent revaluation was required as at 30 June 2022.

As the cumulative movement was greater than 10% for buildings since the last revaluation, a managerial revaluation adjustment was required as at 30 June 2022 and an adjustment was recorded ($2.36m).

Note 4.2 Property, plant & equipment (continued)

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

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

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

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

Note 4.3 Right-of-use assets

Note 4.3 (a) Gross carrying amount and accumulated depreciation

	Total 2022 $'000	Total 2021 $'000
Right-of-use concessionary land at fair value	870	870
Less accumulated depreciation	(65)	-
Total right of use land at fair value	**805**	**870**
Total right of use concessionary land and buildings	**805**	**870**
Right of use equipment and vehicles at fair value	46	66
Less accumulated depreciation	(22)	(13)
Total right of use equipment and vehicles at fair value	**24**	**53**
Total right of use equipment and vehicles at fair value	**24**	**53**
Total right of use assets	**829**	**923**

Note 4.3 (b) Reconciliation of the carrying amount by class of asset

	Note	Right-of-use - Concessionary Land $'000	Right-of-use - Equipment & MV $'000	Total $'000
Balance at 1 July 2020		**870**	**35**	**905**
Additions		-	34	34
Depreciation	4.6		(16)	(16)
Balance at 30 June 2021	4.3(a)	**870**	**53**	**923**
Additions		-	-	-
Disposals		-	(5)	(5)
Net Transfers between classes		-	(14)	(14)
Depreciation	4.6	(65)	(10)	(75)
Balance at 30 June 2022	4.3(a)	**805**	**24**	**829**

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

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 amount of the 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.

Some of Alexandra District Health's medical equipment lease agreements contain purchase options which the health service is not reasonably certain to exercise at the completion of the lease.

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

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

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

Note 4.4 Revaluation surplus

	Note	Total 2022 $'000	Total 2021 $'000
Balance at the beginning of the reporting period		13,544	13,507
Revaluation increment			
- Land	4.2(b)	159	37
- Buildings	4.2(b)	2,364	-
Balance at the end of the Reporting Period*		**16,067**	**13,544**
*** Represented by:**			
- Land		844	685
- Buildings		15,223	12,859
		16,067	**13,544**

Note 4.5: Intangible assets

Note 4.5 (a) Gross carrying amount and accumulated amortisation

	Note	Total 2022 $'000	Total 2021 $'000
Software		43	40
Less accumulated amortisation		(40)	(38)
Total software		**3**	**2**
Total intangible assets	4.5(b)	**3**	**2**

Note 4.5 (b) Reconciliation of the carrying amount by class of asset

	Note	Software $'000	Total $'000
Balance at 1 July 2020		**12**	**12**
Additions		8	8
Impairment of Intangible Assets		(7)	(7)
Depreciation	4.6	(11)	(11)
Balance at 30 June 2021	4.5(a)	**2**	**2**
Additions		4	4
Depreciation	4.6	(3)	(3)
Balance at 30 June 2022	4.5(a)	**3**	**3**

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.

Note 4.6: Depreciation and amortisation

	Note	Total 2022 $'000	Total 2021 $'000
Depreciation			
Property, plant and equipment			
Buildings		1,101	1,101
Plant and equipment		36	32
Motor vehicles		-	4
Medical equipment		123	99
Computer equipment		36	30
Furniture and fittings		7	7
Total depreciation - property, plant and equipment		**1,303**	**1,273**
Right-of-use assets			
Right-of-use equipment and motor vehicles		10	16
Right-of-use Land		65	-
Total depreciation - right-of-use assets		**75**	**16**
Total depreciation		**1,378**	**1,289**
Amortisation			
Software		3	11
Total amortisation		**3**	**11**
Total depreciation and amortisation	3.1	**1,381**	**1,300**

How we recognise depreciation

All 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 Alexandra District Health 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 range of expected useful lives of non-current assets on which the depreciation and amortisation charges are based:

	2022	2021
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 fittings	4 to 25 years	4 to 25 years
Motor vehicles	3 to 5 years	3 to 5 years
Leasehold improvements	2 to 5 years	2 to 5 years
Intangible assets	3 to 4 years	3 to 4 years

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

Note 4.7: Inventories

	Total 2022 $'000	Total 2021 $'000
Pharmacy supplies at cost	14	14
Total inventories	**14**	**14**

How we recognise inventories

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

Note 4.8: Impairment of assets

How we recognise impairment

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

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

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

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

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

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

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

Alexandra District Health did not record any impairment losses for the year ended 30 June 2022.

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

The measurement of other assets and liabilities were not materially impacted by the COVID-19 Coronavirus pandemic.

Key judgements and estimates

This section contains the following key judgements and estimates:

Key judgements and estimates	Description
Estimating the provision for expected credit losses	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 2022 $'000	Total 2021 $'000
Current receivables and contract assets			
Contractual			
Inter hospital debtors		4	4
Trade receivables		19	45
Patient fees		22	28
Allowance for impairment losses	5.1(a)	(3)	(3)
Contract assets - state government	5.1(b)	37	-
Accrued revenue		3	9
Total contractual receivables		**82**	**83**
Statutory			
GST receivable		65	29
Total statutory receivables		**65**	**29**
Total current receivables and contract assets		**147**	**112**
Non-current receivables and contract assets			
Contractual			
Long service leave - Department of Health		239	206
Total contractual receivables		**239**	**206**
Total non-current receivables and contract assets		**239**	**206**
Total receivables and contract assets		**386**	**318**
(i) Financial assets classified as receivables and contract assets (Note 7.1(a))			
Total receivables and contract assets		386	318
GST receivable		(65)	(29)
Provision for impairment		3	3
Total financial assets	7.1(a)	**324**	**292**

As at 30 June 2022, Alexandra District Health has contract assets of $37,000 which is net of an allowance for expected credit losses of $nil. This is included in the contractual receivable balances presented above.

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

	Total 2022 $'000	Total 2021 $'000
Balance at the beginning of the year	3	2
Increase in allowance	2	1
Amounts written off during the year	(2)	-
Balance at the end of the year	**3**	**3**

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 cost'. 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 are subsequently measured at amortised cost using the effective interest method, less any impairment.

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

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

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

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 considers 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 5.1(b): Contract assets

	Total 2022 $'000	Total 2021 $'000
Balance at the beginning of the year	-	-
Add: Additional costs incurred that are recoverable from the customer	821	-
Less: Transfer to trade receivable or cash at bank	(784)	-
Total contract assets	**37**	**-**
*** Represented by:**		
- Current assets	37	-
	37	**-**

How we recognise contract assets

Contract assets relate to the Alexandra District Health's right to consideration in exchange for goods transferred to customers for works completed, but not yet billed at the reporting date. The contract assets are transferred to receivables when the rights become unconditional, at this time an invoice is issued. Contract assets are expected to be recovered early in the 2022/23 financial year.

Note 5.2: Payables and contract liabilities

	Note	Total 2022 $'000	Total 2021 $'000
Current payables and contract liabilities			
Contractual			
Trade creditors		93	25
Accrued salaries and wages		432	174
Accrued expenses		699	366
Contract liabilities	5.2(a)	408	111
Inter hospital creditors		2	16
Amounts payable to governments and agencies		-	557
Total contractual payables		**1,634**	**1,249**
Total payables and contract liabilities		**1,634**	**1,249**
(i) Financial liabilities classified as payables and contract liabilities (Note 7.1(a))			
Total payables and contract liabilities		1,634	1,249
Contract liabilities		(408)	(111)
Total financial liabilties	7.1(a)	**1,226**	**1,138**

How we recognise payables and contract liabilities

Payables consist of:

- **contractual payables,** which mostly includes payables in relation to goods and services, 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; and

- **statutory payables,** which includes Goods and Services Tax (GST) and PAYG tax payable, are recognised and measured similarly to contractual payables but are not classified as financial instruments. They are not classified as financial instruments nor 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 2022 $'000	Total 2021 $'000
Opening balance of contract liabilities	111	277
Grant consideration for sufficiently specific performance obligations received during the year	627	(36)
Revenue recognised for the completion of a performance obligation	(330)	(130)
Total contract liabilities	**408**	**111**
*** Represented by:**		
- Current contract liabilities	408	111
	408	**111**

How we recognise contract liabilities

Contract liabilities include consideration received in advance from customers in respect of the provision of acute and sub-acute health services. The balance of contract liabilities was significantly higher than the previous reporting period due to Department of Health requiring more unutilised grants received in 2021-22 to be used in 2022-23.

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 the 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.

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. Alexandra District Health 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. Alexandra District Health 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 Alexandra District Health 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 2022 $'000	Total 2021 $'000
Current borrowings			
Lease liability [(i)]	6.1(a)	29	11
Total current borrowings		**29**	**11**
Non-current borrowings			
Lease liability [(i)]	6.1(a)	18	48
Total non-current borrowings		**18**	**48**
Total borrowings	7.1(a)	**47**	**59**

(i) Secured by the assets leased.

How we recognise borrowings

Borrowings refer to interest bearing liabilities raised from lease liabilities.

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

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 2022 $'000	Total 2021 $'000
Total undiscounted lease liabilities	49	65
Less unexpired finance expenses	(2)	(6)
Net lease liabilities	**47**	**59**

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

	Total 2022 $'000	Total 2021 $'000
Not longer than one year	30	11
Longer than one year but not longer than five years	19	54
Minimum future lease liability	**49**	**65**
Less unexpired finance expenses	(2)	(6)
Present value of lease liability	**47**	**59**
*** Represented by:**		
- Current liabilities	29	11
- Non-current liabilities	18	48
	47	**59**

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 5 years

All leases are recognised on the balance sheet, and there are no low value leases (less than $10,000 AUD) and short term leases of less than 12 months other than those disclosed below.

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 Health's incremental borrowing rate. Our lease liability has been discounted at a rate of 3.25%.

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).

During the current financial year, no lease terms were revised.

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 to 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.

Leases with significantly below market terms and conditions

Alexandra District Health holds lease arrangements which contain significantly below-market terms and conditions, which are principally to enable the health service to further its objectives. These are commonly referred to concessionary lease arrangements.

The nature and terms of such lease arrangements, including Alexandra District Health's dependency on such lease arrangements is described below:

Description of leased asset	Our dependence on lease	Nature and terms of lease
Lease of land at 12-26 Cooper Street.	The leased land is the site of Alexandra District Health hospital. Alexandra District Health's dependence on this lease is considered high. The land is necessary for the operation of the hospital.	Lease payments of $104 are required per annum. The lease commenced in 2016 and has a lease term of 40 years. There are no extension options. The leased land can only be used for the "operation of a public hospital".
Lease of buildings at 31 Falls Road, Marysville.	The leased buildings are used by Alexandra District Health to provide clinical services. Alexandra District Health's dependence on this lease is considered medium. The clinical services could be undertaken at another location.	Lease payments of $104 are required per annum. The lease commenced in 2011 and has a lease term of 21 years. There is no lease extension option

Note 6.2: Cash and cash equivalents

	Note	Total 2022 $'000	Total 2021 $'000
Cash at bank (excluding monies held in trust)		327	262
Cash at bank - CBS (excluding monies held in trust)		4,747	3,749
Total cash held for operations		**5,074**	**4,011**
Total cash and cash equivalents	7.1(a)	**5,074**	**4,011**

How we recognise cash and cash equivalents

Cash and cash equivalents recognised on the balance sheet comprise cash on hand and in banks and deposits at call, 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 overdraft, which are included as liabilities on the balance sheet. The cash statement includes monies held in trust.

Note 6.3: Commitments for expenditure

	Total 2022 $'000	Total 2021 $'000
Capital expenditure commitments		
Less than one year	320	-
Total capital expenditure commitments	**320**	**-**
Total commitments for expenditure (inclusive of GST)	**320**	**-**
Less GST recoverable from Australian Tax Office	(29)	-
Total commitments for expenditure (exclusive of GST)	**291**	**-**

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

How we disclose our commitments

Our commitments relate to capital and operating expenditure.

Expenditure commitments

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

Note 6.4: Non-cash financing and investing activities

	Total 2022 $'000	Total 2021 $'000
Assumption of liabilities		
Acquisition of plant and equipment by means of Leases	-	34
Total non-cash financing and investing activities	**-**	**34**

Note 7: Risks, contingencies & valuation uncertainties

Introduction

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 Alexandra District Health is related mainly to fair value determination.

Structure

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

Key judgements and estimates

This section contains the following key judgements and estimates:

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

Note 7.1: Financial instruments

Financial instruments arise out of contractual agreements that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Due to the nature of 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

30 June 2022	Note	Financial Assets at Amortised Cost $'000	Financial Liabilities at Amortised Cost $'000	Total $'000
Contractual Financial Assets				
Cash and Cash Equivalents	6.2	5,074	-	5,074
Receivables and contract assets	5.1	324	-	324
Investments and other financial assets	4.1	17	-	17
Total Financial Assets [i]		**5,415**	**-**	**5,415**
Financial Liabilities				
Payables	5.2	-	1,226	1,226
Borrowings	6.1	-	47	47
Total Financial Liabilities [i]		**-**	**1,273**	**1,273**

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	4,011	-	4,011
Receivables and contract assets	5.1	292	-	292
Investments and other financial assets	4.1	767	-	767
Total Financial Assets [i]		**5,070**	**-**	**5,070**
Financial Liabilities				
Payables	5.2	-	1,138	1,138
Borrowings	6.1	-	59	59
Total Financial Liabilities [i]		**-**	**1,197**	**1,197**

[i] The carrying amounts exclude statutory receivables (i.e. GST receivable and DH receivable) and statutory payables (i.e. PAYG, 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.

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 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.

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
- borrowings (including lease liabilities).

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 standard.

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 2021-22

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:

30 June 2022		Current	Less than 1 month	1–3 months	3 months –1 year	2–5 years	Total
Expected loss rate		0.0%	0.0%	100.0%	100.0%	0.0%	
Gross carrying amount of contractual receivables ($'000)	5.1	45	0	1	2	0	**48**
Loss allowance		-	-	**(1)**	**(2)**	-	**(3)**

30 June 2021	Note	Current	Less than 1 month	1–3 months	3 months –1 year	2–5 years	Total
Expected loss rate		0.0%	0.0%	0.0%	25.0%	0.0%	
Gross carrying amount of contractual receivables ($'000)	5.1	68	4	2	12	0	**86**
Loss allowance		-	-	-	**(3)**	-	**(3)**

Statutory receivables 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.

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

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 liquidation of investments and 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.

				Maturity Dates				
		Carrying Amount	Nominal Amount	Less than 1 Month	1-3 Months	3 months - 1 Year	2-5 Years	Over 5 years
30 June 2022	**Note**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Financial Liabilities at amortised cost								
Payables	5.2	1,226	1,226	1,226	-	-	-	-
Borrowings	6.1	47	49	2	5	23	19	-
Total Financial Liabilities		**1,273**	**1,275**	**1,228**	**5**	**23**	**19**	**-**

				Maturity Dates				
		Carrying Amount	Nominal Amount	Less than 1 Month	1-3 Months	3 months - 1 Year	2-5 Years	Over 5 years
30 June 2021	**Note**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Financial Liabilities at amortised cost								
Payables	5.2	1,138	1,138	1,138	-	-	-	-
Borrowings	6.1	59	65	1	3	8	53	-
Total Financial Liabilities		**1,197**	**1,203**	**1,139**	**3**	**8**	**53**	**-**

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

Note 7.2 (c) Market risk

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

Sensitivity disclosure analysis and assumptions

Alexandra District Health'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'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 2% up.

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 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 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 has minimal exposure to foreign currency risk.

Equity risk

Alexandra District Health has no exposure to equity price risk as it has no investments in listed and unlisted shares and managed investment schemes.

Note 7.3: Contingent assets & contingent liabilities

At the date of this report, Alexandra District Health has no quantifiable or non-quantifiable contingent assets or liabilities to report as at 30 June 2022 (2020-21: Nil).

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 7.4: Fair value determination

How we measure fair value

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

The following assets and liabilities are carried at fair value:

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

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

Valuation hierarchy

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

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

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.

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

Identifying unobservable inputs (level 3) fair value measurements

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

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

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

	Note	Carrying amount 30 June 2022 $'000	Fair value measurement at end of reporting period using: Level 1 $'000	Level 2 $'000	Level 3 $'000
Specialised land		450	-	-	450
Total land at fair value	4.2(a)	**450**	**-**	**-**	**450**
Specialised buildings		25,560	-	-	25,560
Total buildings at fair value	4.2(a)	**25,560**	**-**	**-**	**25,560**
Plant and equipment	4.2(a)	283	-	-	283
Medical equipment	4.2(a)	991	-	-	991
Computer equipment	4.2(a)	89	-	-	89
Furniture and fittings	4.2(a)	38	-	-	38
Total plant, equipment, furniture, fittings and vehicles at fair value		**1,401**	**-**	**-**	**1,401**
Right-of-use concessionary land	4.3(a)	805	-	-	805
Right-of-use equipment and vehicles	4.3(a)	24	-	-	24
Total right-of-use assets at fair value		**829**	**-**	**-**	**829**
Total non-financial physical assets at fair value		**28,240**	**-**	**-**	**28,240**

		Carrying amount 30 June 2021 $'000	Fair value measurement at end of reporting period using: Level 1 $'000	Level 2 $'000	Level 3 $'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	4.2(a)	259	-	-	259
Medical equipment	4.2(a)	206	-	-	206
Computer equipment	4.2(a)	101	-	-	101
Furniture and fittings	4.2(a)	39	-	-	39
Total plant, equipment, furniture, fittings and vehicles at fair value		**605**	**-**	**-**	**605**
Right-of-use concessionary land	4.3(a)	870	-	-	870
Right-of-use equipment and vehicles	4.3(a)	53	-	-	53
Total right-of-use assets at fair value		**923**	**-**	**-**	**923**
Total non-financial physical assets at fair value		**25,534**	**-**	**257**	**25,277**

How we measure fair value of non-financial physical assets

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

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

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

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

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 2022.

Specialised land and specialised buildings

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

During the reporting period, 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 was performed by the Valuer-General Victoria. The effective date of the valuation is 30 June 2022.

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.

Change in Valuation Techniques

Per the June 2022 Valuer General's Revaluation Report, the total land at fair value is level 3 land and is described as specialised land, This represents a change in valuation techniques in 2022.

Reconciliation of Level 3 fair value measurement

	Note	Land $'000	Buildings $'000	Plant, equipment, furniture, fittings and vehicles $'000	Right-of-use plant, equipment, furniture, fittings $'000
Balance at 1 July 2020		**29**	**24,816**	**519**	35
Additions/(Disposals)		-	-	135	34
Net Transfers between classes		-	-	123	-
- Depreciation and amortisation		-	(1,101)	(172)	(16)
- Revaluation		5	-	-	-
Balance at 30 June 2021	7.4(a)	**34**	**23,715**	**605**	**53**
Additions/(Disposals)		-	582	984	(5)
Net Transfers between classes		257	-	14	(14)
- Depreciation and Amortisation		-	(1,101)	(202)	(10)
- Revaluation		159	2,364	-	-
Balance at 30 June 2022	7.4(a)	**450**	**25,560**	**1,401**	**24**

(Classified in accordance with the fair value hierarchy – refer Note 7.4)

Fair value determination of level 3 fair value measurement

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

[I] A Community Service Obligation (CSO) of 25% was applied to the health service's specialised land classified in accordance with the fair value hierarchy.

Note 8: Other disclosures

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

Structure

Telling 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 2022 $'000	Total 2021 $'000
Net result for the year		327	(760)
Non-cash movements:			
(Gain)/Loss on sale or disposal of non-financial assets		-	(5)
Depreciation of non-current assets	4.6	1,378	1,289
Amortisation of non-current assets	4.6	3	11
Impairment of non-current assets		-	7
Assets and services received free of charge		(219)	(87)
Loss allowance for receivables		2	2
Share of net results in associates		(1)	10
(Gain)/Loss on revaluation of long service leave liability		(54)	(70)
Capital donations received		(23)	-
Other non-cash movements			(43)
Movements in Assets and Liabilities:			
(Increase)/Decrease in receivables and contract assets		(68)	(53)
(Increase)/Decrease in inventories		-	1
(Increase)/Decrease in prepaid expenses		(41)	15
Increase/(Decrease) in payables and contract liabilities		385	387
Increase/(Decrease) in employee benefits		146	184
Net cash inflow from operating activities		**1,834**	**888**

Note 8.2: Responsible persons' disclosures

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

	Period
The Honourable Mary-Anne Thomas MP:	
Minister for Health	27 Jun 2022 - 30 Jun 2022
Minister for Ambulance Services	27 Jun 2022 - 30 Jun 2022
The Honourable Martin Foley MP:	
Former Minister for Health	1 Jul 2021 - 27 Jun 2022
Former Minister for Ambulance Services	1 Jul 2021 - 27 Jun 2022
Governing Boards	
Mr Kim Flanagan	1 Jul 2021 - 30 Jun 2022
Ms Lorna Gelbert	1 Jul 2021 - 30 Jun 2022
Mr Steven Hogan	1 Jul 2021 - 30 Jun 2022
Ms Michelle Fleming	1 Jul 2021 - 30 Jun 2022
Ms Cindy Neenan	1 Jul 2021 - 30 Jun 2022
Mr Alan Studley	1 Jul 2021 - 30 Jun 2022
Mr Kerry Power	1 Jul 2021 - 30 Jun 2022
Ms Maree Fellows	1 Jul 2021 - 30 Jun 2022
Mr James McCarthy	1 Jul 2021 - 31 May 2022
Accountable Officers	
Deborah Rogers (Chief Executive Officer)	1 Jul 2021 - 30 Jun 2022
Christopher McDonnell (Acting Chief Executive Officer)	4 Jan 2022 - 30 Jun 2022

Remuneration of responsible persons

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

Income Band	**2022 No**	**2021 No**
$0 - $9,999	9	8
$100,000 - $109,999	1	-
$150,000 - $159,999	1	-
$200,000 - $209,999	-	1
Total Numbers	**11**	**9**

	Total 2022 $'000	**Total 2021 $'000**
Total remuneration received or due and receivable by Responsible Persons from the reporting entity amounted to:	**291**	**236**

Amounts relating to Responsible Ministers are reported within the State's Annual Financial Report.

Note 8.3: Remuneration of executive officers

Executive officers' remuneration

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

Remuneration of executive officers (including Key Management Personnel disclosed in Note 8.4)	Total Remuneration 2022 $'000	2021 $'000
Short-term benefits	15	134
Post-employment benefits	1	13
Other long-term benefits	-	4
Total remuneration [i]	**16**	**151**
Total number of executives	1	1
Total annualised employee equivalent [ii]	0.1	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 hours per week over the reporting period.

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

Short-term employee benefits

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

Post-employment benefits

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

Other long-term benefits

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

Termination benefits

Termination of employment payments, such as severance packages.

Other factors

The main factor impacting total remuneration was the inability to recruit a Chief Financial Officer for the whole of 2021-22.

Note 8.4: Related parties

Alexandra District Health is a wholly owned and controlled entity of the State of Victoria. Related parties of Alexandra District Health 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 Executive Officer and the Executive Directors of Alexandra District Health are deemed to be KMPs. This includes the following:

Entity	KMPs	Position Title
Alexandra District Health	Mr Kim Flanagan	Board Chair (15 Dec 2021 - 30 Jun 2022)
Alexandra District Health	Ms Lorna Gelbert	Board Chair (1 Jul 2021 - 14 Dec 2021)
Alexandra District Health	Mr Kim Flanagan	Board Member (1 Jul 2021 - 14 Dec 2021)
Alexandra District Health	Ms Lorna Gelbert	Board Member (15 Dec 2021 - 30 Jun 2022)
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 Maree Fellows	Board Member
Alexandra District Health	Ms Deborah Rogers	Chief Executive Officer
Alexandra District Health	Mr Christopher McDonnell	Acting Chief Executive Officer (4 Jan 2022 - 30 Jun 2022)
Alexandra District Health	Mr Andrew Lowe	Director of Corporate Services (1 Jul 2021 - 18 Jul 2021)

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

	Total 2022 $'000	Total 2021 $'000
Compensation - KMPs		
Short-term Employee Benefits [i]	269	345
Post-employment Benefits	33	32
Other Long-term Benefits	5	10
Total [ii]	**307**	**387**

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

Significant transactions with government related entities

Alexandra District Health received funding from the Department of Health of $11.1 million (2020/21 $8.5 million) and indirect contributions of $0.22 million (2020/21 $0.09 million). The net balance owed to DH at 30 June 2022 is $0.41 million (2021: net balance owed to DH - $0.09 million).

At year end, the Long Service Leave funding receivable is $0.24 million (2021: $0.21 million).

Expenses incurred by 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 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 occurs on terms and conditions consistent with the *Public Administration Act 2004* and Codes of Conduct and Standards issued by the Victorian Public Sector Commission. Procurement processes occur 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 2022 (2021: none).

There were no related party transactions required to be disclosed for the Alexandra District Health Board of Directors, Chief Executive Officer and Executive Directors in 2022 (2021: none).

Note 8.5: Remuneration of auditors

	Total 2022 $'000	Total 2021 $'000
Victorian Auditor-General's Office		
Audit of the financial statements	20	20
Total remuneration of auditors	**20**	**20**

Note 8.6: Events occurring after the balance sheet date

There are no events occurring after the Balance Sheet date.

Note 8.7: 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 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 8.8: 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.

Note 8.9: Joint arrangements

	Principal Activity	Ownership Interest 2022 %	Ownership Interest 2021 %
Hume Rural Health Alliance	Information Technology Services	3.258	2.92

Alexandra District Health's interest in the above joint arrangements are detailed below. The amounts are identified in the consolidated financial statements as revenue, expenditure, assets or liabilities of the "joint operation".

	2022 $'000	2021 $'000
Current assets		
Cash and cash equivalents	284	309
Receivables	27	20
Prepaid expenses	6	7
Total current assets	**317**	**336**
Non-current assets		
Intangible assets	-	1
Property, plant and equipment	6	10
Total non-current assets	**6**	**11**
Total assets	**323**	**347**
Current liabilities		
Payables	37	189
Other current liabilities	128	-
Lease liabilities	1	1
Total current liabilities	**166**	**190**
Non-current liabilities		
Lease liabilities	3	5
Total non-current liabilities	**3**	**5**
Total liabilities	**169**	**195**
Net assets	**154**	**152**
Equity		
Accumulated surplus	154	152
Total equity	**154**	**152**

Note 8.9: Joint arrangements (continued)

	2022 $'000	2021 $'000
Revenue and income from transactions		
Operating activities	224	180
Non-operating activities	1	10
Total revenue and income from transactions	**225**	**190**
Expenses from transactions		
Operating expenses	(224)	(200)
Total expenses from transactions	**(224)**	**(200)**
Net result from transactions	**1**	**(10)**
Other economic flows included in the net result		
Revaluation of long service leave	-	(1)
Total other economic flows included in the net result	**-**	**(1)**
Comprehensive result for the year	**1**	**(11)**