ALEXANDRA
DISTRICT HEALTH

**152nd Annual Report**

# 2022 - 2023

**ALEXANDRA DISTRICT HEALTH**

# Acknowledgement of Traditional Owners

**Alexandra District Health would like to acknowledge the lands of the Taungurung people and I wish to acknowledge them as Traditional Owners.**

**Alexandra District Health would also like to pay our respects to their Elders, past and present, and Aboriginal Elders of other communities who we may meet each day.**

# 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*

# Disclosure Index

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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# 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 Jane Poxon

**Responsible Ministers**
5.4(a) The manner in which the Health Service was established and its relevant Minister(s);
We are a public health service established under the Health Services Act 1988 (Vic).

The responsible Minister is the Minister for Health:

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

Minister for Ambulance Services

- The Hon Mary-Anne Thomas From 1 July 2022 to 5 December 2022
- The Hon. Gabrielle Williams From 5 December 2022 to 30 June 2023

Minister for Mental Health

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

Minister for Disability, Ageing and Carers

- The Hon. Colin Brooks From 1 July 2022 to 5 December 2022
- The Hon. Lizzie Blandthorn From 5 December 2022 to 30 June 2023

**Accreditation Status**
Fully Accredited to 9th March 2025.

**Board of Directors**

| | |
|---|---|
| **Chair** | Mr Kim Flanagan *(1 July 2022 to 30 June 2023)* |
| **Deputy Chair** | Ms Cindy Neenan *(1 July 2022 to 30 June 2023)* |
| **Board Members** | Mr Alan Studley *(1 July 2022 to 30 June 2023)* |
| | Ms Michelle Fleming *(1 July 2022 to 30 June 2023)* |
| | Ms Melanie Telford *(1 July 2022 to 30 June 2023)* |
| | Mr Kerry Power *(1 July 2022 to 30 June 2023)* |
| | Ms Soulla Nicodimou *(1 July 2022 to 30 June 2023)* |
| | Ms Natalie Sheridan-Smith *(1 July 2022 to 30 June 2023)* |
| | Ms Lorna Gelbert *(1 July 2022 to 7 February 2023)* |
| | Ms Maree Fellows *(1 July 2022 to 2 May 2023)* |

**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)<br>Crowe (External Auditor)<br>VAGO (Victorian Auditor General's Office) |
| **Bankers** | Westpac (CBS), NAB (CBS) |
| **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 2023.

**Kim Flanagan, Board Chair**
Alexandra
**30th June 2023**

# About Us

Alexandra District Health employs a team of approximately 140 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 in service (medical and surgical) and primary health services in Alexandra.

**IN HOSPITAL SERVICES:**

Acute Ward
Dietetics
Occupational Therapy
Physiotherapy
Social Work
Speech Pathology
Surgery including;

- Gynaecology
- Ear, Nose and Throat
- Orthopaedic
- Endoscopy
- Urology
- Ophthalmology

Urgent Care Centre

**PRIMARY HEALTH SERVICES:**

Advanced Care Planning Clinic
Asthma Education
Cardiac Rehabilitation
Counselling Services
Heart Health Program
Diabetes Education
Dietetics
District Nursing service
Meals on Wheels
Occupational Therapy
Physiotherapy
Pulmonary Rehabilitation Program
Social Work

**VISITING SERVICES:**

Hearing Clinic
Echocardiography
Private Specialist Including;

- Gynaecologist
- Urologist
- Ear, Nose and Throat Surgeon
- Orthopaedic Surgeon
- Paediatrician
- Gastroenterologist
- Ophthalmologist
- Renal Specialist
- Cardiologist
- Podiatry
- X-Ray/Ultrasound

**Number Urgent Care Presentations - 4123**

**Number Hospital Service Admissions – 1,061**

**Number Surgical Procedures - 804**

**MEDICAL STAFF:**

**Director Medical Services**
Dr. Poranee Buttery MBBS (Hons), FANZCA, AFRACMA, MHA, MAICD

**General Practitioners**
Dr D Deelen MBBS, FRACGP, JCCA
Dr C Aitken MBBS, FRACGP, JCCA
Dr G Downing MBBS, FRACGP, Dip Child Health
DR K Douglas MBBS, FRACGP, Dip Child Health
Dr. Lachlan Fraser MBBS, FRACGP
Dr. Sunny Sharma MBBS, FRACGP, AFRACMA, Cert Emerg Med, Clin Dip Palliative Care

**Critical Care Physician**
Dr P Chan, MBBS (Hons), FCICM, BSc (Hons)

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

**Specialist 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

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

**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

# 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 152nd Report of Operations and Annual Report for the year ended 30th June 2023.

Alexandra District Health has delivered great outcomes for our patients, our staff and the community in a year of continued challenges in the health sector. The floods that were experienced in October had an impact on our staff, some not being able to get to work and others having to leave suddenly to get home. We thank our staff for their dedication and commitment while they ensure continued services to the community at large.

Our relationship with our regional/rural health sector colleagues remains extremely important. Sharing experiences, gaining knowledge and contributing to a broader network than just our local catchment area helps us in providing excellent and safe health services.

In December we appointed our new Chief Executive Officer (CEO) Jane Poxon. Jane is a highly respected Healthcare Professional, formerly the Chief Nursing Officer at the Royal Eye and Ear Hospital and the Chief Operating Officer at Northern Health. Jane is adept at engaging with key stakeholders, the community and has a deep understanding of our local health needs.

Before Jane's appointment ADH was in very safe hands with the Interim CEO Chris McDonnell. In the later part of 2022, our Director of Clinical Services, Andrew Brown, stepped up as Acting CEO to replace Chris and performed admirably. The Board would like to thank both Chris and Andrew for their contribution and professionalism during 2022.

**Our Board**
Alexandra District Health continues to have a sophisticated and diverse Board of Directors providing governance oversight and strategic direction for the Health Service. In December 2022 our long serving Board Member and former Chair, Lorna Gelbert, retired from the Board of Directors. During the latter half of 2022 James McCarthy did not stand for re-election and Maree Fellows resigned for personal reasons. We take this opportunity to thank Lorna for her tireless effort and wise counsel during her period as a valued Chair and Member of the Board. The Board would also like to thank James and Maree for their contributions and counsel during their period on the Board. During 2022-2023 we welcomed three new Board Directors, Natalie Sheridan-Smith, Melanie Telford and Soulla Nicodimou. Each new member brings a wealth of experience in their chosen fields and are already making a significant contribution to the Board of Directors.

**Staff Training and Development**
Our education program has continued to support and actively engage in growing our learning environment for the workforce. ADH has hosted ten external courses which include: advanced clinical assessment, wound care and dementia care.

We have a Graduate Nurse Program that provides a rural graduate nurse placement in collaboration with Eastern Health and also facilitate a number of student placements. The nurse graduates and students make a valuable addition to our team engaging in the clinical and non-clinical departments. The Paediatric Infant Perinatal Emergency Retrieval team (PIPER) from the Royal Children's Hospital attended ADH and facilitated Pediatric Advanced Life Support training day at The Cottage for twelve registered Nurses from ADH & other health services in the Hume Region.

Following the theatre redevelopment last year and with the assistance of the Hume Health Service Partnership ADH has been able to support the state-wide initiatives to increase planned surgery. ADH has undertaken 804 Procedures during 2022-23. During the year ADH also welcomed two new doctors to join our acute care team. The Acute health and urgent care centre continue to provide a vital service to the community, there were 4,123 urgent care presentations during 2022-23.

**Timely Management of Chest Pain Pilot**
Alexandra District Health commenced participating in a timely management of chest pain pilot project along with 9 other rural and regional health services throughout Victoria, the aim is to provide valuable information and feedback to Safer Care Victoria to assist in setting up a state-wide service. The Timely management of chest pain pilot seeks to support Urgent Care Centres to ensure that regional Victorians can consistently access timely electrocardiogram (ECG) interpretation and specialist input for the triaging and management of chest pain closer to home. This timely access to specialist advice aims to prevent delays in diagnosis, ensure timely escalation of care if required and reduce potentially avoidable patient transfers, and the best possible outcomes for the patients in care. The project will develop and pilot a streamlined model of care that supports Urgent Care Centre staff with triaging patients who present with chest pain or other symptoms suggestive of acute coronary syndrome.

**Staff Recognition**
On behalf of ADH, we would like to congratulate everyone who passed a significant milestone this year. In particular we would like to recognise the many contributions of Diane Goschnick who celebrated reaching 40 years of service, Diane has a long and proud history with the health service and continues to be an active member of our clinical team but also a proactive member of our Health and Safety Committee. Our District Nurse Robyn Sawyer celebrated 20 years of service, congratulations Robyn for your dedication to the provision of care to patients within their own homes. We congratulate Michelle Rogers, Thea McDonald, Lisa Francis, Kerry Nicolson, Claire Palmer and John Monagle who reached 15 years of service and Mark Adams, Melissa Rigg, Kim Murphy, Lisa Derham, Julie Lyon and Neil Johnston who each reached 10 years of service.

**Consumer Feedback**
We continue to focus on increasing our consumer participation which provides ongoing, formal channels of communication between the health service and the community.
Feedback is very important to us in identifying opportunities to improve and we launched Care Opinion in partnership with Yea and District Memorial Hospital to promote Care Opinion as a consumer feedback platform within the Murrindindi Shire area. We are looking to increase our consumer engagement; consumer involvement will assist ADH in improving the quality of care provided to the community.

**Primary Health**
Reece Bowerman, Physiotherapist, has recently been successful in obtaining a grant from Murrindindi Shire's Community Projects and Events Program to fund further Aquatic Physiotherapy programs. With this grant, the Physiotherapy team at ADH will provide a number of short, four-week programs to teach clients with injury or chronic disease specific exercises to safely do at the pool. At the conclusion of the final session, clients will be provided with their personalised program they can use at Alexandra Indoor Heated Pool in their own time.

The Murrindindi Shire RESTART program is a community led drug rehabilitation intervention service, designed to reduce drug use and the effects of drug use and addiction on individuals, their families and friends that has been delivered by Mansfield District Health (MDH) over the last 5 years. Mansfield District Health has obtained funding via Better at Home Program, which supports non-admitted prevention programs, to set up a localised Murrindindi Shire program with Alexandra District Health and Yea District Memorial Hospital using MDH's skilled clinicians.

**The Future**

Looking to the future we aim to work in collaboration with our health care partners. Collaboration is key to addressing a range of challenges that ADH faces as a small rural health service and we will seek opportunities to deliver improved patient outcomes.

This year Alexandra District Health sees the final year of its current clinical services plan (Clinical Services Plan 2018-2023). As the approach is considered for the next plan, it will align with the Hume Health Service Partnership strategic clinical services plan and meet the priorities of the Victorian Department of Health, making sure that ADH is keeping people healthy and safe in the community. We have a planning Project Team who are examining the best use of current available buildings and land, a strong focus on existing services and leveraging the Hume Health Services Partnership (HHSP), to examine opportunities to share services across the region. For the future planning process, it will be critical to ensure the voice of staff, consumers, our community, our service partners and our contractors involved.

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 engagement 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 2022-2023 Annual Report and learning more about our accomplishments over the past financial year

**Kim Flanagan**
**Board Chair**

**Jane Poxon**
**Chief Executive Officer**

# Executive Team

**Chief Executive Officer**
**Jane Poxon (December 2022 - Current)**

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.

**Acting Chief Executive Officer (July 2022 - November 2022)**
**Andrew Brown**
Andrew Brown commenced as Acting CEO at Alexandra District Health in July 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 Medical Services**
**Dr Poranee Buttery**
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.

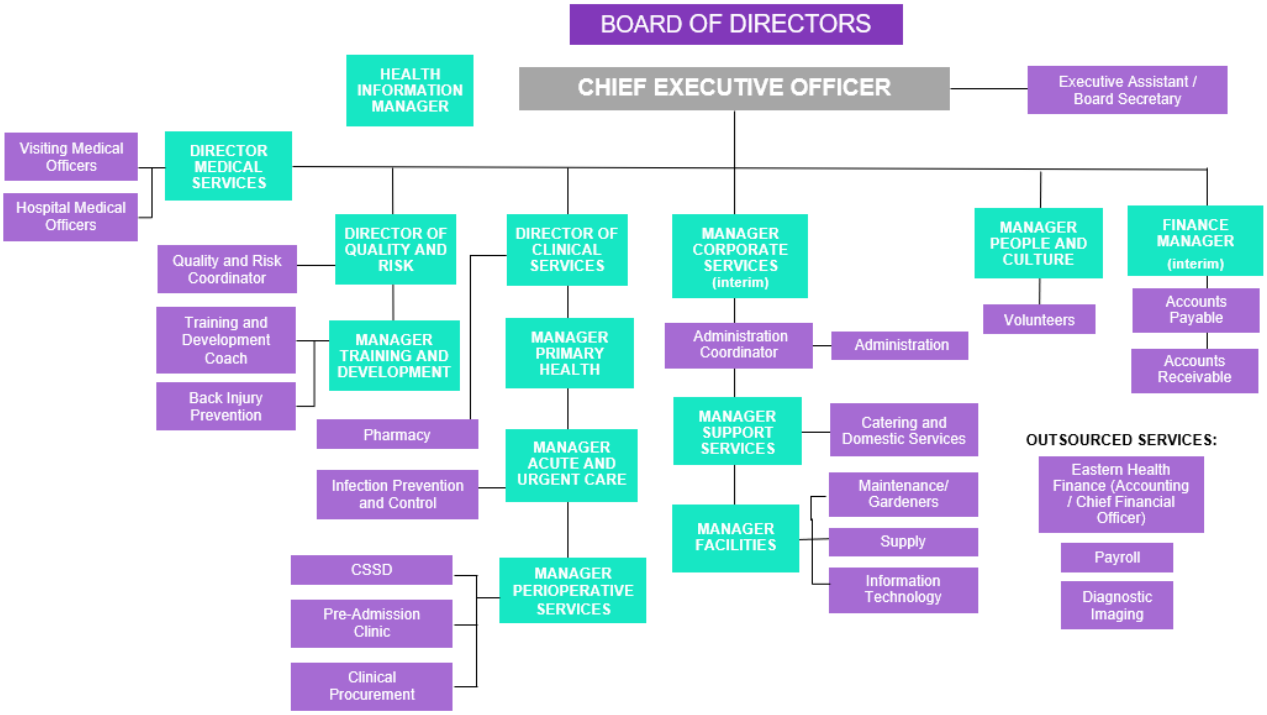
**Director of Clinical Services**
**Andrew Brown**
The role of the Director Clinical Services is to provide strategic direction to Alexandra District Health clinical services and primary health streams and perform as a member of the Executive management team.

**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.

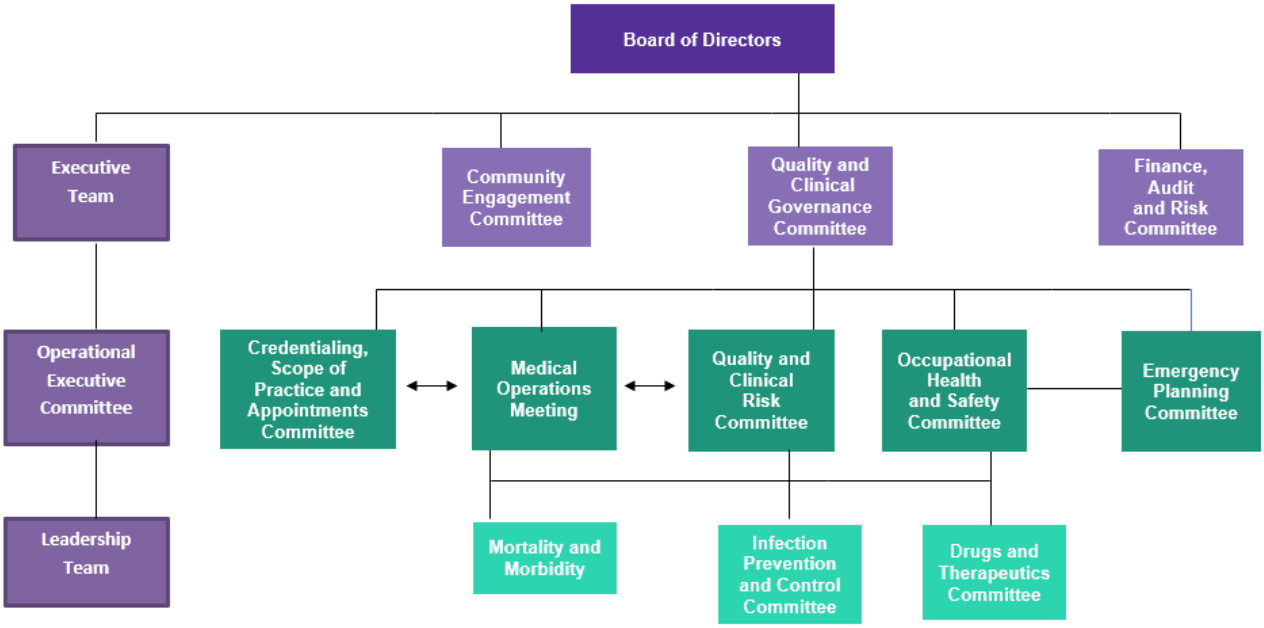
**Chief Finance Officer**
**Alan Drews**
The Chief Finance Officer oversees the financial management practices and controls of Alexandra District Health including the provision of sound financial reporting and advice to the Board, Chief Executive Officer and Executive/ Leadership team to support well informed decision making.

**Manager People and Culture**
**Juliana McCashney**
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



# Administrative Structure

**Board of Directors**

| | |
|---|---|
| Directors | Mr Kim Flanagan - Chair, Board of Directors<br>Ms Cindy Neenan<br>Mr Alan Studley<br>Ms Michelle Fleming<br>Ms Melanie Telford<br>Ms Natalie Sheridan-Smith<br>Ms Soulla Nicodimou<br>Mr Kerry Power<br>Ms Lorna Gelbert<br>Ms Maree Fellows |
| Finance, Audit and Risk Committee | Mr Alan Studley - Chair |
| Quality and Clinical Governance Committee | Ms Michelle Fleming - Chair |
| Community Engagement Committee | Ms Melanie Telford - Chair |

**Executive**

| | |
|---|---|
| Chief Executive Officer | Ms Jane Poxon (commenced 5 Dec 2022) |
| Director Clinical Services | Mr Andrew Brown |
| Director Medical Services | Ms Poranee Buttery |
| Director Quality and Risk | Ms Claire Palmer |
| Chief Finance Officer | Mr Alan Drews (outsourced - Eastern Health) |
| Manager People and Culture | Ms Juliana McCashney |
| Executive Assistant | Ms Jennifer Creed |

# 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 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 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 and a member/Graduate of the Australian Institute of Company Directors. Michelle is also a Board Director and Finance and Audit Committee member of a regional Women's Health Service.
Michelle is passionate about delivering the best quality care to patients and helping them remain well within their 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.

**Ms Melanie Telford**
Melanie is a finance professional with extensive experience in financial management, business partnering and process improvement. She has a Bachelor of Commerce / Arts and a Graduate Diploma in Applied Finance and Investment. She currently is a Director of her own consulting business and is a non-executive Director at the Tweddle Foundation. Melanie has previously worked in various roles at ANZ, GE and Ford Credit.
Melanie is passionate about public health and improving outcomes for people with chronic conditions. Melanie also has property in Alexandra and intends to relocate to the area in the long term.

**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 Loddon 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 Soulla Nicodimou**
Soulla is an interim executive who has worked across a range of industries including resources, education, utilities and research for large multi-nationals, national and social enterprise start-ups in Australia, Asia, Africa and Europe.

Soulla has held Chief Finance Officer, Chief Operating Officer and Program Manager roles and has extensive experience in finance, information technology and digital transformation. She is currently Director of Business & Finance for a Non-government Organisation (NGO) whose focus is on equality and justice. Soulla is also Company Secretary for Mary Ward International Australia, who work with women and children to reduce poverty and reach their potential.

Soulla has previously held volunteer positions at Bicycles 4 Humanity, Brunswick Cycling Club and was a founding member of the Safeguarding Committee for global research enterprise. Soulla is a Fellow of CPA Australia and a member / graduate of the Australian Institute of Company Directors.

**Ms Natalie Sheridan-Smith**
Natalie is a barrister with over 20 years experience appearing in Courts in Melbourne and all around Victoria. She also has previous legal experience interstate in NSW, QLD and the Northern Territory. Natalie specialises in criminal law, children and family law, family violence and regulatory compliance. She is currently the President of the Children's Court Bar Association and has had long standing involvement until recently as the Secretary for Howells' List Committee (now Chapman's List). She has also recently been appointed to the Mental Health Tribunal.

In about 2018 Natalie became very interested in making a contribution to her local community in Heathcote by becoming a board director of the local hospital and aged care facility - Heathcote Health. That lead her to undertake a further qualification with the Australian Institute of Company Directors (GAICD) and seeking other board opportunities in public health and community banking. Natalie is currently Chair of the Community Banks located in Heathcote and Nagambie.

Natalie joined Alexandra District Health as a board director in August 2022 and is very much enjoying the drive to beautiful Alexandra for board meetings and community events. Natalie has been involved in the Sub-committees to recruit new board directors and the new CEO and is currently a member of the Finance, Audit and Risk Committee, Quality and Clinical Governance Committee and the Community Engagement Committee. Natalie's expertise lies in corporate governance, legal and compliance.

# 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 2023**

## Data Integrity Declaration

I, Jane Poxon, 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.

Jane Poxon
Chief Executive Officer
Alexandra District Health
**30th June 2023**

## Conflict of Interest Declaration

I, Jane Poxon, 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.

Jane Poxon
Chief Executive Officer
Alexandra District Health
**30th June 2023**

## Integrity, Fraud and Corruption Declaration

I, Jane Poxon, 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.

Jane Poxon
Chief Executive Officer
Alexandra District Health
**30th June 2023**

## Compliance with Health Share Victoria (HSV) Purchasing Policies

I, Jane Poxon, certify that Alexandra District Health has put in place appropriate internal controls and processes to ensure that it has materially complied with all requirements set out in the HSV Purchasing Policies including mandatory HSV collective agreements as required by the Health Services Act 1988 (Vic) and has critically reviewed these controls and processes during the year.

Jane Poxon
Chief Executive Officer
Alexandra District Health
**30th June 2023**

# 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 | |
|---|---|---|---|---|
| | 2022 | 2023 | 2022 | 2023 |
| Nursing | 27.61 | 28.69 | 27.42 | 27.86 |
| Administration and Clerical | 15.92 | 14.23 | 14.56 | 13.28 |
| Medical Support | 0.58 | 1.05 | 0.67 | 0.55 |
| Hotel and Allied Services | 9.16 | 9.29 | 9.00 | 9.04 |
| Sessional Clinicians | 2.23 | 2.32 | 1.71 | 2.39 |
| Ancillary Staff (Allied Health) | 7.92 | 7.90 | 7.48 | 8.07 |
| **Total** | **63.42** | **63.48** | **60.84** | **61.19** |

# 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 2022/2023 there were 45 Freedom of Information requests. 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 2022/2023.

**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 2022/2023. 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 2022/2023. 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 2022/2023 and may be viewed on the Health Service website:

- Alexandra District Health 152nd 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.

**Gender Equality Act 2020**

In line with the Gender Equality Act of 2020, Alexandra District Health (ADH) is currently working through 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 People Matter Survey. The plan aligns with the ADH Access, Diversity and Inclusion Policy.

Actions include:

- The promotion of diversity and inclusion and Gender Equality
- Increase awareness of Gender Equality and related topics
- Create a trust culture to increase disclosure of intersectional data
- Reduce data gaps including system collection limitations for intersectional data
- Promote the ADH commitment to Gender Equality
- Education and implementation of Gender Impact Assessments
- Enhance flexible working arrangements to reduce barriers for employees with caring responsibilities.

ADH will report on actions against its Action Plan in February 2024.

**Details of consultancies (under $10,000)**

In 2022-23, there were two consultancies where the total fees payable to the consultants were less than $10,000. The total expenditure incurred during 2022-23 in relation to these consultancies is $1,673 (excl. GST).

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

In 2022-23, there were four consultancies where the total fees payable to the consultant were $10,000 or greater. The total expenditure incurred during 2022-23 in relation to these consultancies was $92,462 (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 (excl. GST) | Expenditure 2022-23 (excl. GST) | Future expenditure (excl. GST) |
|---|---|---|---|---|---|---|
| Arthur J Gallagher & Co (Aus.) Ltd | Workplace Risk Consulting Services (Workplace Health and Safety) | Dec 2022 | Jun 2023 | $15,001 | $15,001 | $0 |
| Regional Partnerships HR | HR Consulting and mentoring services | Jul 2022 | Jun 2023 | $11,495 | $11,495 | $0 |
| WSP Australia Pty Ltd | Building Assessment | May 2023 | Jun 2023 | $34,800 | $34,800 | $0 |
| Chris McDonnell | Strategic planning and facilitation | Dec 2022 | Aug 2023 | $35,126 | $31,166 | $3,960 |

## Information and Communication Technology (ICT) Expenditure

The total ICT expenditure incurred during 2022-23 is $0.49 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)** |
| $0.44 million | **$0.05 million** | $0.00 million | $0.05 million |

## Financial Performance – 5 Year Summary

| | **2023** | **2022** | **2021** | **2020** | **2019** |
|---|---|---|---|---|---|
| | **$'000** | **$'000** | **$'000** | **$'000** | **$'000** |
| **OPERATING RESULT** | **93** | **43** | **328** | **38** | **85** |
| Total revenue | 12,568 | 12,300 | 9,143 | 9,601 | 8,652 |
| Total expenses | (13,396) | (12,025) | (9,968) | (9,927) | (9,502) |
| **Net result from transactions** | **(829)** | **275** | **(825)** | **(326)** | **(850)** |
| Total other economic flows | (3) | 52 | 65 | 8 | (63) |
| **Net result** | **(832)** | **327** | **(760)** | **(318)** | **(913)** |
| Total assets | 33,099 | 34,208 | 31,103 | 31,305 | 31,447 |
| Total liabilities | (3,152) | (3,429) | (3,174) | (2,653) | (2,476) |
| **Net assets/Total equity** | **29,947** | **30,779** | **27,929** | **28,652** | **28,971** |

## Financial Performance – Net Result from Transactions Reconciliation

| | **2023** |
|---|---|
| | $'000 |
| Net operating result | 93 |
| Capital purpose income | 438 |
| Specific income | 219 |
| COVID-19 State Supply Arrangements | 35 |
| State supply items consumed up to 30 June 2023 | (35) |
| Expenditure for capital purpose | 34 |
| Depreciation and amortisation | (1,613) |
| **Net result from transactions** | **(829)** |

## 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 2022/23 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 | 2022-23 | 2021-22 | 2020-21 |
|---|---|---|---|
| The number of reported hazards/incidents | 37 | 42 | 20 |
| The number of reported hazards/incidents per 100 FTE | 60.47 | 69.03 | 36.11 |
| The number of 'lost time' standard WorkCover claims | 3 | 3 | 4 |
| The average cost per WorkCover claim | **$26,847** | **$43,981** | **$33,400** |

## Occupational Violence Statistics

| Occupational violence statistics | 2022-23 |
|---|---|
| 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 | 13.07 |
| 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 2022-23.
*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

During 2022/23 our solar production has continued to perform well and this has assisted us to reduce the electricity we purchased throughout the year. In 2022/23 we produced 97.7 megawatt hours (MWH) of electricity utilising our solar power system resulting in a carbon offset of 69.76 tonnes or the equivalent of 1,346 trees. The solar power produced was marginally lower than the previous year's 111 MWH produced.

The impact of COVID-19 has now lessened for clinical waste production and this has resulted in 441 kg of clinical waste which is a reduction from the 711 kilograms produced last year.
Our overall general waste contributing to landfill has decreased from 9,980 kgs last year to 9,750 kgs this year.

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 is now undertaken in zones as the existing fittings fail.

A project for the replacement of shower heads with energy efficient alternatives was undertaken and has been completed across the site.

Sustainability initiatives continue to be promoted including the use of online meeting platforms which reduce vehicle travel and minimise paper waste, all general waste bins have been removed across the site from non-clinical areas and single use plastic items are no longer in use (with the exception of when there is a clinical requirement). We are committed to reducing our carbon footprint and continue with our commitment to monitor our environmental performance and reduce all waste streams where possible.

| **Electricity Use** | **2022-23** |
|---|---|
| ***EL1. Total electricity consumption segmented by source (MWh)*** | **650** |
| Purchased electricity (MWh) | 552 |
| Self- generated (MWh) | 98 |
| ***EL2. On-site electricity generated segmented by usage and source (MWh)*** | **98** |
| *Consumption behind-the-meter (Solar PV)* | 98 |

Notes

a) *The data set is complete for 2022-2023 financial year, no estimates have been used*
b) *EL1 data has been obtained from the Environmental Data Management System (EDMS)*
c) *EL2 consumption behind the meter data has been collated from Enphase, metering service provider*

| **Stationary Fuel Use** | **2022-23** |
|---|---|
| ***F1. Total Fuels used in buildings and machinery (MJ)*** | **585,164** |
| Buildings | 574,472 |
| Machinery (Diesel) | 10,422 |
| ***F2. Greenhouse gas emissions from stationary fuel consumption segmented by fuel type (Tonnes CO2-e)*** | **35.6** |
| LPG | 34.8 |
| Diesel | 0.7 |

Notes

a) *The data set is complete for 2022-2023 financial year, no estimates have been used*
b) *F1 & F2 data has been obtained from the Environmental Data Management System (EDMS) & fuel provider accounts*

| Transportation | 2022-23 |
|---|---|
| ***T1. Total energy used in transportation within the Entity segmented by fuel type and vehicle category (MWh)*** | **127,856** |
| Petrol | 127,856 |
| ***T2. Number and proportion of vehicles in the organisational boundary segmented by vehicle category and engine/ fuel type (Number and %)*** | **8** |
| ***Road Vehicles / Passenger Vehicles*** | ***8*** |
| **Internal Combustion Engines** (Petrol) | 4 |
| **Hybrid** (Range-extended electric vehicle | 4 |

Notes

*a) The data set is complete for 2022-2023 financial year, no estimates have been used*

*b) T1 data has been collated from fleet fuel provider accounts*

| Water | 2022-23 |
|---|---|
| ***W1. Total water consumption by an Entity (kilolitres)*** | **4,344** |
| Potable water consumption (from town water supply) | 4,344 |
| ***W2. Units of metered water consumed normalised by floor area (m2)*** | **1** |

Notes

*a) The data set is complete for 2022-2023 financial year, no estimates have been used*

***b)*** *W1 data has been obtained from the Environmental Data Management System (EDMS)*

| Waste & Recycling | |
|---|---|
| *Waste* | **2022-23** |
| ***WR1 Total units of waste disposed of by waste stream and disposal method (kg and %) - Landfill*** | **9,750** |
| ***WR3. Total units of waste disposed of normalised by floor area (m2) (kg)*** | **3.658** |
| ***WR4. Recycling Rate (%)*** | **27.24%** |
| ***WR5. Greenhouse gas emissions associated with waste disposal (Tonnes CO2-e)*** | **13.066** |
| Landfill | 12.675 |
| Other | .391 |

Notes

*a) The data set is complete for 2022-2023 financial year, no estimates have been used*

***b)*** *W1 data has been collated from recycling and waste service provider accounts*

| Greenhouse Gas Emissions | 2022-23 |
|---|---|
| ***G1. Total Scope 1 (direct) greenhouse gas emissions (CO2, CH4, N2O, other) (Tonnes CO2-e)*** | **194** |
| *Total Carbon Dioxide (CO2)* | **44** |
| *Total Methane (CH4)* | **3** |
| *Total Nitrous Oxide (N2O)* | **0** |
| ***Total Other*** | 147 |
| *F2. Greenhouse gas emissions from stationary fuel consumption segmented by fuel type* | 36 |
| *T3. Greenhouse gas emissions from vehicle fleet segmented by fuel type and vehicle category* | 9 |
| *Fugitive emissions from wastewater treatment* | 3 |
| *Use of medical gases* | 147 |
| ***G2. Total Scope 2 (indirect electricity) greenhouse gas emissions (tonnes CO2-e)*** | 429 |
| ***G3. Total Scope 3 (Other indirect) greenhouse gas emissions associated with commercial air travel and waste disposal (tonnes CO2-e) – Waste Disposal*** | 13 |

Notes

*a) The data set is complete for 2022-2023 financial year, no estimates have been used*

***b)*** *W1 data has been collated from recycling and waste service provider accounts*

| Sustainable Procurement<br>***Social Procurement Activity*** | 2022-23 |
|---|---|
| *Total Number of Suppliers* | **248** |
| *Total Spend with all Suppliers* | **3,133,898** |
| *Social Benefit Suppliers* | **1** |
| ***Total Spent with Social Benefit Suppliers*** | 387 |
| Number of Aboriginal Businesses Engaged | 1 |
| *Total Expenditure with Victorian Aboriginal Businesses (excl GST)* | 387 |

Notes

*a) ADH monitor for opportunities to directly or indirectly procure from social enterprises, Australian Disability Enterprises or Aboriginal businesses.*

*b) ADH procurement activities align with Health Share Victoria purchasing guidelines*

# Statement of Priorities

## Strategic Priorities Part A

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

Alexandra District Health's role in COVID-19 streaming and the Health Service Winter Response is detailed in the Hume Health Service Partnership COVID-19 Streaming Escalation Plan

COVID-19 testing is performed for all planned surgery patients and for Urgent Care and inpatients as clinically indicated.

During July and August 2022, ADH were providing COVID-19 RAT and PCR testing for the community.

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

Alexandra District Health (ADH) is part of a successful partnership with Yea District Memorial Hospital and Mansfield District Hospital in gaining expansion funds through the Better at Home Program to extend a drug and alcohol program, RESTART, which has been running in Mansfield over several years. A Steering Committee comprised of community stakeholders has been established and meets regularly. Service provision to Murrindindi Shire residents commenced late June 2023.

The primary health team have been equipped with updated technology with data and access to Client Management Software which has assisted the team by being able to deliver Dietitian, Diabetes Educator and Physiotherapy clinics regularly at our Marysville site and also deliver care virtually.

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

Alexandra District Health (ADH) participates in multi-service care planning with other local health care providers for clients with complex needs, to ensure coordination of efforts and a safe, appropriate, agreed plan of care for.

Regular meetings are held with local Ambulance Victoria team to review transfers to metropolitan hospitals for appropriateness, with outcome of efficient use of resources and safe care for patients.

Alexandra District Health commenced participating in a Timely management of chest pain pilot project along with 9 other rural and regional health services throughout Victoria, the aim is to provide valuable information and feedback to Safer Care Victoria to assist in setting up a state-wide service. The Timely management of chest pain pilot seeks to support Urgent Care Centres to ensure that regional Victorians can consistently access timely electrocardiogram (ECG) interpretation and specialist input for the triaging and management of chest pain closer to home. This timely access to specialist advice aims to prevent delays in diagnosis, ensure timely

escalation of care if required and reduce potentially avoidable patient transfers, and the best possible outcomes for the patients in care. The project will develop and pilot a streamlined model of care that supports Urgent Care Centre staff with triaging patients who present with chest pain or other symptoms suggestive of acute coronary syndrome.

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

A plan has been developed for the implementation of the nutrition and quality of food standards. The first milestone was met (October 2022): Provision of healthy drinks

On track to meet the second milestone in September 2023: Menu item data to be entered into Health Checker and reporting to Department of Health.

The annual food safety audit was completed in August 2022, achieving 100% compliance.

**Contribute to enhancing health system resilience by improving the environmental sustainability.**

**Identify and implement projects and/or processes that will contribute to committed emissions reduction targets through reducing or avoiding carbon emissions and/or implementing initiatives that will help the health system to adapt to the impacts of climate change.**

80% of Alexandra District Health service lighting has now been converted to LED.

All existing shower heads have been replaced with water saving shower heads.

Environmental sustainability is a leadership agenda item and innovative ideas and waste minimisation strategies are encouraged in management and within teams.
All waste bins were recently removed from non-clinical areas, this has increased recycling and reduced waste going to landfill.

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

An Asset Utilisation internal audit review and an Asset Maintenance review were both completed in May and June 2023 with the final reports from these reviews due to be delivered in August 2023.

The recommendations from both reviews will be used to further improve and strengthen Alexandra District Health's existing Asset Management Plan. The next update of ADH's Asset Management Plan is due to be submitted to the Victorian Health Building Authority in December 2023.

**Strengthen commitments to Aboriginal Victorians by addressing the gap in health outcomes by delivering culturally safe and responsive health care.**

**Establish meaningful partnerships with Aboriginal Community- Controlled health Organisations.**

**Implement strategies and processes to actively increase Aboriginal Employment.**

**Improve patient identification of Aboriginal people presenting for health care, and to address variances in health care and provide equitable access to culturally safe care pathways and environments.**

**Develop discharge plans for every Aboriginal patient.**

Alexandra District Health (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.

Our cultural awareness on line training package is mandatory for all staff.

During NAIDOC week, the staff in Primary Care and the Executive Team were able to enjoy a presentation from the Physiotherapy Locum, who shared stories and photos from their time working within health care, in 'The Lands', i.e. the APY Lands, Pitjantjatjarra country, the north west corner of South Australia.

A new electronic discharge summary template has been developed, this has ensured that there is a standardised approach for communicating patient discharge plans.

**Strengthen cross-service collaboration, including through active participation in health service partnerships (HSP)**

**Work together with other HSP members on strategic system priorities where there are opportunities to achieve better and more consistent outcomes through collaboration, including the pandemic response, elective surgery recovery and reform, implementation of the Better at Home program and mental health reform.**

**Develop HSP Strategic Service Plans - codesigned by health services and the department – that guide a system approach to future service delivery and consider equity, quality and safety, and value.**

Alexandra District Health (ADH) is a member of the Hume Health Service Partnership (HHSP) and participates in the HHSP planned surgery reform program. ADH undertook additional surgical procedures to assist the program.

ADH are partnering with Eastern Health for purchased services in finance and graduate nurse rural placement program.

A number of ADH clinicians and executive staff have been actively participating in the Hume Health Service Partnership strategic service planning with the Department of Health.

**Participate in the Occupational Violence and Aggression (OVA) training that will be implemented across the sector in 2022-23.**

Alexandra District Health (ADH) has provided OVA face to face de-escalation training to front line staff. This is enhanced with an OVA on line learning module, this module is mandatory for all staff. Staff have also participated in the Department of Health's OVA webinar.

Mock code grey training, (to reinforce OVA de-escalation techniques taught in face to face training) has occurred in primary health and the acute clinical areas. Following each mock exercise an evaluation is undertaken of the code grey emergency procedure.

An annual security walkaround was completed, with recommendations actioned.

**Support the implementation of the Strengthening Hospital Response to Family Violence (SHRFV) initiative deliverables including health service alignment to MARAM, the Family Violence Multi-Agency Risk Assessment and Management framework.**

Alexandra District Health SHRFV policies and procedures have been reviewed and updated in line with MARAM responsibilities and framework.

Staff complete an on line learning Family Violence Training, which includes the MARAM framework.

**Prioritise wellbeing of health care workers and implement local strategies to address key issues.**

A reward and recognition framework has been developed incorporating the introduction of a values based staff award (ADH Cares Award).

A mental health self-care education session was attended by ADH staff. This session is part of the annual training and development calendar.

An assessment of flexible working arrangements has been undertaken in all clinical and non-clinical areas, with a focus on; supporting staff and family/caring commitments, enabling staff to complete training and job-sharing options.

Heath nutrition has been promoted in staff forums, with health food options such as fresh fruit provided to staff, which has been very well received.

## Performance priorities
## High quality and safe care

| Key performance indicator | Target | 2022–23 Result |
|---|---|---|
| **Infection prevention and control** | | |
| Compliance with Hand Hygiene Australia Program | 85% | 90% |
| Percentage of healthcare workers immunised for influenza | 92% | 100% |
| | | |
| 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% | 100% |

## Strong governance, leadership and culture

| Key performance measure | Target | 2022-23 Result |
|---|---|---|
| **Organisational culture** | | |
| People matter survey – Percentage of staff with an overall positive response to safety culture survey questions | 62% | 80% |

## Performance priorities
## Effective financial management

| Key performance indicator | Target | 2022-23 result |
|---|---|---|
| Operating result ($m) | $0.00m | $0.09m |
| Average number of days to paying trade creditors | 60 days | 53 days |
| Average number of days to receiving patient fee debtors | 60 days | 35 days |

| Key performance indicator | Target | 2022-23 result |
|---|---|---|
| Adjusted current asset ratio | 0.7 or 3% improvement from health service base target | 2.21 |
| 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 | 93 days |
| Measures the accuracy of forecasting the Net result from transactions (NRFT) for the current financial year ending 30 June. | Variance ≤ $0.25m | $2.3m |

## Funding and activity

| Funding Type | 2022-23 Activity achievement | Units |
|---|---|---|
| **Small Rural** | | |
| **Small Rural Acute** | 690.03 | NWAU |
| **Small Rural Primary Health & HACC** | 7,826 | Service hours |

# Alexandra District Health

# Financial Report

# 2022-2023

# 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 2023 and the financial position of Alexandra District Health at 30 June 2023.

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

We authorise the attached financial statements for issue on this day 27th September 2023.

| **Board Member** | **Accountable Officer** | **Chief Finance & Accounting Officer** |
|---|---|---|
| **Mrs Cindy Neenan** | **Ms Jane Poxon** | **Mr Alan Drews** |
| Deputy Chair | Chief Executive Officer | Chief Finance Officer |
| Alexandra | Alexandra | Alexandra |
| 27th September 2023 | 27th September 2023 | 27th September 2023 |

## Auditor-General's Report

Please insert a copy of the VAGO's **original** audit report.
A reproduction of the audit report is not acceptable.

VAGO's report comprises 4 pages.

# Second page for VAGO report

# Third page for VAGO report

# Four page for VAGO report

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

| | Note | Total 2023 $'000 | Total 2022 $'000 |
|---|---|---|---|
| **Revenue and income from transactions** | | | |
| Operating activities | 2.1 | 12,191 | 12,060 |
| Non-operating activities | 2.1 | 123 | 15 |
| Share of revenue from joint operations | 8.9 | 254 | 225 |
| **Total revenue and income from transactions** | | **12,568** | **12,300** |
| | | | |
| **Expenses from transactions** | | | |
| Employee expenses | 3.1 | (9,168) | (8,223) |
| Supplies and consumables | 3.1 | (954) | (879) |
| Finance costs | 3.1 | (2) | (2) |
| Depreciation and amortisation | 4.6 | (1,613) | (1,381) |
| Other administrative expenses | 3.1 | (812) | (775) |
| Other operating expenses | 3.1 | (586) | (541) |
| Share of expenditure from joint operations | 8.9 | (261) | (224) |
| **Total expenses from transactions** | | **(13,396)** | **(12,025)** |
| | | | |
| **Net result from transactions - net operating balance** | | **(829)** | **275** |
| | | | |
| **Other economic flows included in net result** | | | |
| Net gain/(loss) on sale of non-financial assets | 3.2 | 13 | - |
| Net gain/(loss) on financial instruments | 3.2 | (9) | (2) |
| Other gain/(loss) from other economic flows | 3.2 | (7) | 54 |
| Share of other economic flows from joint arrangements | 8.9 | - | - |
| **Total other economic flows included in net result** | | **(3)** | **52** |
| | | | |
| **Net result for the year** | | **(832)** | **327** |
| | | | |
| **Other economic flows - other comprehensive income** | | | |
| **Items that will not be reclassified to net result** | | | |
| Changes in property, plant and equipment revaluation surplus | 4.4 | - | 2,523 |
| **Total other comprehensive income** | | **-** | **2,523** |
| | | | |
| **Comprehensive result for the year** | | **(832)** | **2,850** |

This Statement should be read in conjunction with the accompanying notes

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

| | Note | Total 2023 $'000 | Total 2022 $'000 |
|---|---|---|---|
| **Current assets** | | | |
| Cash and cash equivalents | 6.2 | 3,953 | 5,074 |
| Receivables | 5.1 | 150 | 110 |
| Contract assets | 5.2 | 250 | 37 |
| Inventories | 4.7 | 14 | 14 |
| Investments and other financial assets | 4.1 | - | 17 |
| Prepaid expenses | | 204 | 151 |
| Share of assets in joint operations | 8.9 | 502 | 317 |
| **Total current assets** | | **5,073** | **5,720** |
| | | | |
| **Non-current assets** | | | |
| Receivables | 5.1 | 427 | 239 |
| Property, plant and equipment | 4.2(a) | 25,959 | 27,411 |
| Right of use assets | 4.3(a) | 1,621 | 829 |
| Intangible assets | 4.5(a) | 2 | 3 |
| Share of assets in joint operations | 8.9 | 17 | 6 |
| **Total non-current assets** | | **28,026** | **28,488** |
| | | | |
| **Total assets** | | **33,099** | **34,208** |
| | | | |
| **Current liabilities** | | | |
| Payables | 5.3 | 757 | 1,226 |
| Contract liabilities | 5.4 | 5 | 408 |
| Borrowings | 6.1 | 47 | 29 |
| Employee benefits | 3.3 | 1,764 | 1,466 |
| Share of liabilities in joint operations | 8.9 | 300 | 166 |
| **Total current liabilities** | | **2,873** | **3,295** |
| | | | |
| **Non-current liabilities** | | | |
| Borrowings | 6.1 | 55 | 18 |
| Employee benefits | 3.3 | 215 | 113 |
| Share of liabilities in joint operations | 8.9 | 9 | 3 |
| **Total non-current liabilities** | | **279** | **134** |
| | | | |
| **Total liabilities** | | **3,152** | **3,429** |
| | | | |
| **Net assets** | | **29,947** | **30,779** |
| | | | |
| **Equity** | | | |
| Property, plant and equipment revaluation surplus | 4.4 | 16,067 | 16,067 |
| Restricted specific purpose reserve | SCE | 24 | 24 |
| Contributed capital | SCE | 3,592 | 3,592 |
| Accumulated surplus/(deficit) | SCE | 10,264 | 11,096 |
| **Total equity** | | **29,947** | **30,779** |

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 2023

| Consolidated | Property, Plant and Equipment Revaluation Surplus $'000 | Restricted Specific Purpose Reserve $'000 | Contributed Capital $'000 | Accumulated Surplus/(Deficit) $'000 | Total $'000 |
|---|---|---|---|---|---|
| **Balance at 1 July 2021** | **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 |
| **Balance at 30 June 2022** | **16,067** | **24** | **3,592** | **11,096** | **30,779** |
| Net result for the year | - | - | - | (832) | (832) |
| **Balance at 30 June 2023** | **16,067** | **24** | **3,592** | **10,264** | **29,947** |

This Statement should be read in conjunction with the accompanying notes

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

| | Note | Total 2023 $'000 | Total 2022 $'000 |
|---|---|---|---|
| **Cash Flows from operating activities** | | | |
| Operating grants from State Government | | 9,835 | 9,248 |
| Operating grants from Commonwealth Government | | 175 | 173 |
| Capital grants from State Government | | 456 | 1,523 |
| Patient fees received | | 266 | 150 |
| Private practice fees received | | 18 | 15 |
| Donations and bequests received | | 9 | 23 |
| GST received from ATO | | 289 | - |
| Interest and investment income received | | 123 | 15 |
| Other receipts | | 281 | 590 |
| **Total receipts** | | **11,452** | **11,737** |
| | | | |
| Payments to employees | | (8,143) | (7,396) |
| Non-labour salary costs | | (857) | (557) |
| Payments for share of rural health alliance | | (134) | (124) |
| Payments for supplies and consumables | | (567) | (49) |
| Payments for repairs and maintenance | | (344) | (256) |
| Finance costs | | (2) | (2) |
| GST paid to ATO | | (259) | (37) |
| Other payments | | (1,466) | (1,482) |
| **Total payments** | | **(11,772)** | **(9,903)** |
| | | | |
| **Net cash flows from/(used in) operating activities** | 8.1 | **(320)** | **1,834** |
| | | | |
| **Cash Flows from investing activities** | | | |
| Purchase of non-financial assets | | (801) | (1,532) |
| Proceeds from sale of financial assets | | - | 750 |
| Capital donations and bequests received | | 21 | 23 |
| **Net cash flows from/(used in) investing activities** | | **(780)** | **(759)** |
| | | | |
| **Cash flows from financing activities** | | | |
| Repayment of borrowings | | (21) | (12) |
| **Net cash flows from/(used in) financing activities** | | **(21)** | **(12)** |
| | | | |
| **Net increase/(decrease) in cash and cash equivalents held** | | **(1,121)** | **1,063** |
| Cash and cash equivalents at beginning of year | | 5,074 | 4,011 |
| **Cash and cash equivalents at end of year** | 6.2 | **3,953** | **5,074** |

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 2023**

# 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 2023. 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 27th September 2023.

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

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

Where 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 relate to the following disclosures:

- Note 2.1: Revenue and income from transactions
- Note 3.3: Employee benefits and related on-costs
- Note 4.2: Property, plant and equipment
- Note 4.3: Right-of-use assets
- Note 4.5: Intangible assets
- Note 4.6: Depreciation and amortisation
- Note 5.1: Receivables
- Note 5.2: Contract assets
- Note 5.3: Payables
- Note 5.4: Contract liabilities
- Note 6.1(a): Lease liabilities
- Note 7.4: Fair value determination

**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 beginning on or after 1 January 2023. | Adoption of this standard is not expected to have a material impact. |
| AASB 2020-1: *Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current* | Reporting periods beginning on or after 1 January 2023. | Adoption of this standard is not expected to have a material impact. |
| AASB 2022-5: *Amendments to Australian Accounting Standards – Lease Liability in a Sale and Leaseback* | Reporting periods beginning on or after 1 January 2024. | Adoption of this standard is not expected to have a material impact. |
| AASB 2022-6: *Amendments to Australian Accounting Standards – Non-Current Liabilities with Covenants* | Reporting periods beginning on or after 1 January 2023. | Adoption of this standard is not expected to have a material impact. |
| AASB 2022-8: *Amendments to Australian Accounting Standards – Insurance Contracts: Consequential Amendments* | Reporting periods beginning on or after January 2023. | Adoption of this standard is not expected to have a material impact. |
| AASB 2022-9: *Amendments to Australian Accounting Standards – Insurance Contracts in the Public Sector* | Reporting periods beginning on or after 1 January 2026. | Adoption of this standard is not expected to have a material impact. |
| AASB 2022-10: *Amendments to Australian Accounting standards – Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities* | Reporting periods beginning on or after 1 January 2024. | Adoption of this standard is not expected to have a material impact. |

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

**Note 1.7 Goods and Services Tax (GST)**

Income, expenses, assets and liabilities are recognised net of the amount of GST, except where the GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.
Receivables and payables in the Balance Sheet are stated inclusive of the amount of GST. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the Balance Sheet.

Cash flows are included in the Cash Flow Statement on a gross basis, except for the GST components of cash flows arising from investing 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

## COVID-19

Revenue and income, recognised to fund the delivery of our services attributable to the COVID-19 Coronavirus pandemic, decreased during the financial year. This was due to the scaling down of the COVID-19 public health response during the year ended 30 June 2023.

Funding provided included:

- COVID-19 and state repurposing grants
- Sustainability funding

This resulted in approximately $0.07m being recognised as income for the year ended 30 June 2023 (2022: $0.85m).

## 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.<br>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.<br>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. |

| | |
|---|---|
| Assets and services received free of charge or for nominal consideration | Alexandra District Health applies significant judgement to determine the fair value of assets and services provided free of charge ("FOC") or for nominal value. Assets received free of charge from the State's inventory is valued at the cost to the supplier of these FOC assets. |

## Note 2.1: Revenue and income from transactions

| | Note | Total 2023 $'000 | Total 2022 $'000 |
|---|---|---|---|
| **Operating activities** | | | |
| **Revenue from contracts with customers** | | | |
| Government grants (State) - Operating | | 84 | 277 |
| Patient and resident fees | | 285 | 210 |
| Private practice fees | | 18 | 15 |
| Commercial activities [1] | | 122 | 130 |
| **Total revenue from contracts with customers** | 2.1(a) | **509** | **632** |
| | | | |
| **Other sources of income** | | | |
| Government grants (State) - Operating | | 10,668 | 9,265 |
| Government grants (Commonwealth) - Operating | | 175 | 173 |
| Government grants (State) - Capital | | 472 | 1,554 |
| Capital donations | | 21 | 23 |
| Assets received free of charge or for nominal consideration | 2.2 | 180 | 219 |
| Other income from operating activities | | 166 | 194 |
| **Total other sources of income** | | **11,682** | **11,427** |
| | | | |
| **Total revenue and income from operating activities** | | **12,191** | **12,060** |
| | | | |
| **Non-operating activities** | | | |
| **Income from other sources** | | | |
| Other interest | | 123 | 15 |
| **Total other sources of income** | | **123** | **15** |
| | | | |
| **Total income from non-operating activities** | | **123** | **15** |
| | | | |
| **Total revenue and income from transactions** | | **12,314** | **12,075** |

[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 2023 $'000 | Total 2022 $'000 |
|---|---|---|
| Alexandra District Health disaggregates revenue by the timing of revenue recognition. | | |
| **Goods and services transferred to customers:** | | |
| At a point in time | 206 | 407 |
| Over time | 303 | 225 |
| **Total revenue from contracts with customers** | **509** | **632** |

## 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 a point in time or over time as and 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 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.<br>NWAU is a measure of health service activity expressed as a common unit against which the national efficient price (NEP) is paid.<br>The performance obligations for NWAU are the number and mix of admissions, emergency department presentations and outpatient episodes, and is weighted for clinical complexity.<br>Revenue is recognised at a 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.

## Private practice fees

The performance obligations related to private practice fees are the provision of specified medical and clinical services by senior medical staff who have signed a Right to Private Practice Agreement with the health service. These performance obligations have been selected as they align with the terms and conditions of providing the services. Revenue is recognised, in accordance with the Right to Private Practice Agreement, when the medical and clinical services have been provided, the patient discharged and an invoice raised. Private practice fees include recoupments from the private practice for the use of hospital facilities.

## 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.

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

## Interest Income

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

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

| | Total 2023 $'000 | Total 2022 $'000 |
|---|---|---|
| Plant and equipment | 146 | 9 |
| Personal protective equipment and other consumables | 34 | 210 |
| **Total fair value of assets and services received free of charge or for nominal consideration** | **180** | **219** |

## 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 of resources

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

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

### Volunteer 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.

## 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 Department of Health. |

# 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 in the balance sheet
3.4 Superannuation

## Telling the COVID-19 story

Expenses, incurred to deliver of our services attributable to the COVID-19 Coronavirus pandemic, decreased during the financial year. This was due to the scaling down of the COVID-19 public health response during the year ended 30 June 2023.

# Key judgements and estimates

This section contains the following key judgements and estimates:

| Key judgements and estimates | Description |
|---|---|
| Classifying employee benefit liabilities | Alexandra District Health applies significant judgement when classifying its employee benefit liabilities.<br>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.<br>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.<br>The health service applies judgement to determine when it expects its employee entitlements to be paid.<br>With reference to historical data, if the health service does not expect entitlements to be paid within 12 months, the entitlement is measured at its present value, being the expected future payments to employees.<br>Expected future payments incorporate:<br>▪ an inflation rate of 4.350%, reflecting the future wage and salary levels<br>▪ durations of service and employee departures, which are used to determine the estimated value of long service leave that will be taken in the future, for employees who have not yet reached the vesting period. The estimated rates are between 32.23% and 89.30%<br>▪ discounting at the rate of 4.063%, as determined with reference to market yields on government bonds at the end of the reporting period.<br>All other entitlements are measured at their nominal value. |

## Note 3.1: Expenses from transactions

| | Note | Total 2023 $'000 | Total 2022 $'000 |
|---|---|---|---|
| Salaries and wages | | 7,495 | 6,964 |
| On-costs | | 721 | 644 |
| Agency expenses | | 258 | 127 |
| Fee for service medical officer expenses | | 599 | 430 |
| Workcover premium | | 95 | 58 |
| **Total employee expenses** | | **9,168** | **8,223** |
| | | | |
| Drug supplies | | 62 | 51 |
| Medical and surgical supplies (including Prostheses) | | 578 | 573 |
| Diagnostic and radiology supplies | | 103 | 69 |
| Other supplies and consumables | | 211 | 186 |
| **Total supplies and consumables** | | **954** | **879** |
| | | | |
| Finance costs | | 2 | 2 |
| **Total finance costs** | | **2** | **2** |
| | | | |
| Other administrative expenses | | 812 | 775 |
| **Total other administrative expenses** | | **812** | **775** |
| | | | |
| Fuel, light, power and water | | 165 | 147 |
| Repairs and maintenance | | 180 | 145 |
| Maintenance contracts | | 206 | 147 |
| Medical indemnity insurance | | 78 | 78 |
| Expenses related to leases of low value assets | | - | 13 |
| Expenditure for capital purpose [1] | | (43) | 11 |
| **Total other operating expenses** | | **586** | **541** |
| | | | |
| **Total operating expenses** | | **11,522** | **10,420** |
| | | | |
| Depreciation and amortisation | 4.6 | 1,613 | 1,381 |
| **Total depreciation and amortisation** | | **1,613** | **1,381** |
| | | | |
| **Total non-operating expenses** | | **1,613** | **1,381** |
| | | | |
| **Total expenses from transactions** | | **13,136** | **11,801** |

[1.] Negative expenditure relates to HRHA year end asset revaluation movements.

## 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, and assets and services provided free of charge or for nominal consideration.

## Note 3.2: Other economic flows included in net result

| | Total 2023 $'000 | Total 2022 $'000 |
|---|---|---|
| Net gain/(loss) on disposal of property plant and equipment | 13 | - |
| **Total net gain/(loss) on non-financial assets** | **13** | **-** |
| Allowance for impairment losses of contractual receivables | (9) | (2) |
| **Total net gain/(loss) on financial instruments** | **(9)** | **(2)** |
| Net gain/(loss) arising from revaluation of long service liability | (7) | 54 |
| **Total other gains/(losses) from other economic flows** | **(7)** | **54** |
| **Total gains/(losses) from other economic flows** | **(3)** | **52** |

## 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

## 3.3: Employee benefits and related on-costs

| | Total 2023 $'000 | Total 2022 $'000 |
|---|---|---|
| **Current employee benefits and related on-costs** | | |
| *Accrued days off* | | |
| Unconditional and expected to be settled wholly within 12 months [i] | 10 | 12 |
| | **10** | **12** |
| *Annual leave* | | |
| Unconditional and expected to be settled wholly within 12 months [i] | 532 | 427 |
| Unconditional and expected to be settled wholly after 12 months [ii] | 100 | 82 |
| | **632** | **509** |
| *Long service leave* | | |
| Unconditional and expected to be settled wholly within 12 months [i] | 184 | 118 |
| Unconditional and expected to be settled wholly after 12 months [ii] | 741 | 667 |
| | **925** | **785** |
| *Provisions related to employee benefit on-costs* | | |
| Unconditional and expected to be settled within 12 months i | 87 | 64 |
| Unconditional and expected to be settled after 12 months ii | 110 | 96 |
| | **197** | **160** |
| **Total current employee benefits and related on-costs** | **1,764** | **1,466** |
| **Non-current employee benefits and related on-costs** | | |
| Conditional long service leave | 190 | 100 |
| Provisions related to employee benefit on-costs | 25 | 13 |
| **Total non-current employee benefits and related on-costs** | **215** | **113** |
| **Total employee benefits and related on-costs** | **1,979** | **1,579** |

[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 2023 $'000 | Total 2022 $'000 |
|---|---|---|
| **Current employee benefits and related on-costs** | | |
| Unconditional accrued days off | 10 | 12 |
| Unconditional annual leave entitlements | 709 | 569 |
| Unconditional long service leave entitlements | 1,045 | 885 |
| **Total current employee benefits and related on-costs** | **1,764** | **1,466** |
| | | |
| **Non-current employee benefits and related on-costs** | | |
| Conditional long service leave entitlements | 215 | 113 |
| **Total non-current employee benefits and related on-costs** | **215** | **113** |
| | | |
| **Total employee benefits and related on-costs** | **1,979** | **1,579** |
| | | |
| **Attributable to:** | | |
| Employee benefits | 1,757 | 1,406 |
| Provision for related on-costs | 222 | 173 |
| **Total employee benefits and related on-costs** | **1,979** | **1,579** |

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

| | Total 2023 $'000 | Total 2022 $'000 |
|---|---|---|
| **Carrying amount at start of year** | 173 | 106 |
| Additional provisions recognised | 85 | 89 |
| Amounts incurred during the year | (37) | (75) |
| Net gain/(loss) arising from revaluation of long service liability | 1 | 53 |
| **Carrying amount at end of year** | **222** | **173** |

### 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 | |
|---|---|---|
| | Total 2023 $'000 | Total 2022 $'000 |
| **Defined benefit plans:**[i] | | |
| Aware Super | 9 | 8 |
| | | |
| **Defined contribution plans:** | | |
| Aware Super | 412 | 397 |
| Hesta | 148 | 128 |
| Other | 143 | 105 |
| **Total** | **712** | **638** |

(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

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

The name, details and amounts that have been expensed in relation to the major employee superannuation funds and contributions made by 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.<br>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.<br>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.<br>Alexandra District Health considers a range of information when performing its assessment, including considering:<br>▪ If an asset's value has declined more than expected based on normal use<br>▪ If a significant change in technological, market, economic or legal environment which adversely impacts the way the health service uses an asset<br>▪ If an asset is obsolete or damaged<br>▪ If the asset has become idle or if there are plans to discontinue or dispose of the asset before the end of its useful life<br>▪ If the performance of the asset is or will be worse than initially expected.<br>Where an impairment trigger exists, the health service applies significant judgement and estimate to determine the recoverable amount of the asset. |

## Note 4.1: Investments and other financial assets

| | Total | |
|---|---|---|
| | 2023 $'000 | 2022 $'000 |
| **Current** | | |
| **Financial assets at amortised cost** | | |
| Term deposits > 3 months | - | 17 |
| **Total current financial assets** | **-** | **17** |
| | | |
| **Represented by:** | | |
| Health service investments | - | 17 |
| **Total investments and other financial assets** | **-** | **17** |

## 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 2023 $'000 | Total 2022 $'000 |
|---|---|---|
| Land at fair value - Freehold | 450 | 450 |
| **Total land at fair value** | **450** | **450** |
| | | |
| Buildings at fair value | 24,802 | 25,560 |
| Less accumulated depreciation | (1,225) | - |
| **Total buildings at fair value** | **23,577** | **25,560** |
| | | |
| **Total land and buildings** | **24,027** | **26,010** |
| | | |
| Plant and equipment at fair value | 1,221 | 1,225 |
| Less accumulated depreciation | (963) | (942) |
| **Total plant and equipment at fair value** | **258** | **283** |
| | | |
| Motor vehicles at fair value | 93 | 148 |
| Less accumulated depreciation | (93) | (148) |
| **Total motor vehicles at fair value** | **-** | **-** |
| | | |
| Medical equipment at fair value | 3,316 | 2,586 |
| Less accumulated depreciation | (1,807) | (1,595) |
| **Total medical equipment at fair value** | **1,509** | **991** |
| | | |
| Computer equipment at fair value | 314 | 281 |
| Less accumulated depreciation | (231) | (192) |
| **Total computer equipment at fair value** | **83** | **89** |
| | | |
| Furniture and fittings at fair value | 214 | 260 |
| Less accumulated depreciation | (132) | (222) |
| **Total furniture and fittings at fair value** | **82** | **38** |
| | | |
| **Total plant, equipment, furniture, fittings and vehicles at fair value** | **1,932** | **1,401** |
| | | |
| **Total property, plant and equipment** | **25,959** | **27,411** |

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

| | Note | Land $'000 | Buildings $'000 | Plant & equipment $'000 | Medical Equipment $'000 | Computer Equipment $'000 |
|---|---|---|---|---|---|---|
| **Balance at 1 July 2021** | | **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** |
| Additions | | - | 3 | 41 | 749 | 33 |
| Disposals | | - | - | - | (2) | (1) |
| Revaluation increments/(decrements) | | - | - | - | - | - |
| Net transfer between classes [i] | | - | (761) | (24) | - | - |
| Depreciation | 4.6 | - | (1,225) | (42) | (229) | (38) |
| **Balance at 30 June 2023** | 4.2(a) | **450** | **23,577** | **258** | **1,509** | **83** |

| | Note | Furniture & Fittings $'000 | Total $'000 |
|---|---|---|---|
| **Balance at 1 July 2021** | | **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** |
| Additions | | 55 | 881 |
| Disposals | | - | (3) |
| Revaluation increments/(decrements) | | - | - |
| Net Transfers between classes | | - | (785) |
| Depreciation | 4.6 | (11) | (1,545) |
| **Balance at 30 June 2023** | 4.2(a) | **82** | **25,959** |

[i] Community services building has been transferred from Building to ROU Building in 2022-2023 financial year.

## 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.

The managerial assessment performed at 30 June 2023 indicated:

- No movement in fair value of land and
- An increase in fair value of buildings of 7% ($1.7m).

As the cumulative movement was less than 10% for land and building since the last independent revaluation (30 June 2022), a managerial revaluation adjustment was not required as at 30 June 2023,

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 2023 $'000 | Total 2022 $'000 |
|---|---|---|
| Right-of-use concessionary land at fair value | 870 | 870 |
| Less accumulated depreciation | (87) | (65) |
| **Total right of use land at fair value** | **783** | **805** |
| | | |
| Right-of-use buildings at fair value | 761 | - |
| Less accumulated depreciation | (24) | - |
| **Total right of use buildings at fair value** | **737** | **-** |
| | | |
| **Total right of use concessionary land and buildings** | **1,520** | **805** |
| | | |
| Right of use equipment and vehicles at fair value | 145 | 46 |
| Less accumulated depreciation | (44) | (22) |
| **Total right of use equipment and vehicles at fair value** | **101** | **24** |
| | | |
| **Total right of use equipment and vehicles at fair value** | **101** | **24** |
| | | |
| **Total right of use assets** | **1,621** | **829** |

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

| | Note | Right-of-use - Concessionary Land $'000 | Right-of-use - Buildings $'000 | Right-of-use - Equipment & MV $'000 | Total $'000 |
|---|---|---|---|---|---|
| **Balance at 1 July 2021** | | **870** | **-** | **53** | **923** |
| Additions | | - | - | - | - |
| Disposals | | - | - | (5) | (5) |
| Revaluation increments/(decrements) | | - | - | - | - |
| Net transfers between classes | | - | - | (14) | (14) |
| Depreciation | 4.6 | (65) | - | (10) | (75) |
| **Balance at 30 June 2022** | 4.3(a) | **805** | **-** | **24** | **829** |
| Additions | | - | - | 74 | 74 |
| Disposals | | - | - | - | - |
| Revaluation increments/(decrements) | | - | - | - | - |
| Net transfer between classes [i] | | - | 761 | 24 | 785 |
| Depreciation | 4.6 | (22) | (24) | (21) | (67) |
| **Balance at 30 June 2023** | 4.3(a) | **783** | **737** | **101** | **1,621** |

[i] Community services building has been transferred from Building to ROU Building in 2022-2023 financial year.

## 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 building | Renewable every 3 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 2023 $'000 | Total 2022 $'000 |
|---|---|---|---|
| Balance at the beginning of the reporting period | | 16,067 | 13,544 |
| **Revaluation increment** | | | |
| - Land | 4.2(b) | - | 159 |
| - Buildings | 4.2(b) | - | 2,364 |
| **Balance at the end of the Reporting Period*** | | **16,067** | **16,067** |
| *** Represented by:** | | | |
| - Land | | 1,036 | 844 |
| - Buildings | | 15,031 | 15,223 |
| | | **16,067** | **16,067** |

## Note 4.5: Intangible assets

### Note 4.5 (a) Gross carrying amount and accumulated amortisation

| | Total 2023 $'000 | Total 2022 $'000 |
|---|---|---|
| Software | 43 | 43 |
| Less accumulated amortisation | (41) | (40) |
| **Total software** | **2** | **3** |
| **Total intangible assets** | **2** | **3** |

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

| | Note | Software $'000 | Total $'000 |
|---|---|---|---|
| **Balance at 1 July 2021** | | **2** | **2** |
| Additions | | 4 | 4 |
| Amortisation | 4.6 | (3) | (3) |
| **Balance at 30 June 2022** | 4.5 | **3** | **3** |
| Amortisation | 4.6 | (1) | (1) |
| **Balance at 30 June 2023** | 4.5 | **2** | **2** |

### How we recognise intangible assets

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

### Initial recognition

Purchased intangible assets are initially recognised at cost.

Alexandra District Health has no internally generated intangible assets.

### Subsequent measurement

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

## Note 4.6: Depreciation and amortisation

| | Toal 2023 $'000 | Total 2022 $'000 |
|---|---|---|
| **Depreciation** | | |
| **Property, plant and equipment** | | |
| Buildings | 1,225 | 1,101 |
| Plant and equipment | 42 | 36 |
| Medical equipment | 229 | 123 |
| Computer equipment | 38 | 36 |
| Furniture and fittings | 11 | 7 |
| **Total depreciation - property, plant and equipment** | **1,545** | **1,303** |
| | | |
| **Right-of-use assets** | | |
| Right-of-use land | 22 | 65 |
| Right of-use buildings | 24 | - |
| Right-of-use equipment and motor vehicles | 21 | 10 |
| **Total depreciation - right-of-use assets** | **67** | **75** |
| | | |
| **Total depreciation** | **1,612** | **1,378** |
| | | |
| **Amortisation** | | |
| Software | 1 | 3 |
| **Total amortisation** | **1** | **3** |
| | | |
| **Total depreciation and amortisation** | **1,613** | **1,381** |

### 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:

| | 2023 | 2022 |
|---|---|---|
| Buildings | | |
| - Structure shell building fabric | 0 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 2023 $'000 | Total 2022 $'000 |
|---|---|---|
| Medical and surgical consumables at cost | | - |
| 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 2023.

## 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
5.2 Contract assets
5.3 Payables
5.4 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.<br>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

| | Note | Total 2023 $'000 | Total 2022 $'000 |
|---|---|---|---|
| **Current receivables** | | | |
| **Contractual** | | | |
| Inter hospital debtors | | - | 4 |
| Trade receivables | | 34 | 19 |
| Patient fees | | 33 | 22 |
| Allowance for impairment losses | 5.1(a) | (3) | (3) |
| Accrued revenue | | 19 | 3 |
| Amounts receivable from governments and agencies | | 30 | - |
| **Total contractual receivables** | | **113** | **45** |
| | | | |
| **Statutory** | | | |
| GST receivable | | 36 | 65 |
| **Total statutory receivables** | | **36** | **65** |
| | | | |
| **Total current receivables** | | **149** | **110** |
| | | | |
| **Non-current receivables** | | | |
| **Contractual** | | | |
| Long service leave - Department of Health | | 427 | 239 |
| **Total contractual receivables** | | **427** | **239** |
| | | | |
| **Total receivables** | | **576** | **349** |
| | | | |
| *(i) Financial assets classified as receivables (Note 7.1(a))* | | | |
| | | | |
| Total receivables | | 576 | 349 |
| GST receivable | | (36) | (65) |
| Provision for impairment | | 3 | 3 |
| Total financial assets classified as receivables | 7.1(a) | **543** | **287** |

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

| | Total 2023 $'000 | Total 2022 $'000 |
|---|---|---|
| **Balance at the beginning of the year** | 3 | 3 |
| Increase in allowance | 9 | 2 |
| Amounts written off during the year | (9) | (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*.

## Impairment losses of contractual receivables

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

## Note 5.2: Contract assets

| | Total 2023 $'000 | Total 2022 $'000 |
|---|---|---|
| **Balance at the beginning of the year** | 37 | - |
| Add: Additional costs incurred that are recoverable from the customer | 250 | 821 |
| Less: Transfer to trade receivable or cash at bank | (37) | (785) |
| **Total contract assets** | **250** | **37** |
| | | |
| *** Represented by:** | | |
| - Current assets | 250 | 37 |
| | **250** | **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 2023/24 financial year.

## Note 5.3: Payables

| | Note | Total 2023 $'000 | Total 2022 $'000 |
|---|---|---|---|
| **Current payables** | | | |
| **Contractual** | | | |
| Trade creditors | | 98 | 93 |
| Accrued salaries and wages | | 251 | 432 |
| Accrued expenses | | 407 | 699 |
| Inter hospital creditors | | 1 | 2 |
| **Total contractual payables** | | **757** | **1,226** |
| **Total current payables** | | **757** | **1,226** |
| **Total payables** | | **757** | **1,226** |
| *(i) Financial liabilities classified as payables (Note 7.1(a))* | | | |
| Total payables | | 757 | 1,226 |
| Total financial liabilties classified as payables | 7.1(a) | **757** | **1,226** |

### 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 5.4 Contract liabilities

| | Total 2023 $'000 | Total 2022 $'000 |
|---|---|---|
| **Opening balance of contract liabilities** | 408 | 111 |
| Grant consideration for sufficiently specific performance obligations received during the year | - | 627 |
| Revenue recognised for the completion of a performance obligation | (403) | (330) |
| **Total contract liabilities** | **5** | **408** |
| *** Represented by:** | | |
| - Current contract liabilities | 5 | 408 |
| | **5** | **408** |

## 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 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 maturity 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

### Telling the COVID-19 story

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

## 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:<br>▪ has the right-to-use an identified asset<br>▪ has the right to obtain substantially all economic benefits from the use of the leased asset and<br>▪ can decide how and for what purpose the asset is used throughout the lease. |
| Determining if a lease meets the short-term or low value asset lease exemption | Alexandra District Health applies significant judgement when determining if a lease meets the short-term or low value lease exemption criteria.<br>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.<br>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.<br>For leased land and buildings, Alexandra District Health estimates the incremental borrowing rate to be between 1.2% and 5.4%.<br>For leased equipment and vehicles, the implicit interest rate is between 2.1% and 6.3%. |
| 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.<br>Alexandra District Health determines the likelihood of exercising such options on a lease-by-lease basis through consideration of various factors including:<br>▪ If there are significant penalties to terminate (or not extend), the health service is typically reasonably certain to extend (or not terminate) the lease.<br>▪ If any leasehold improvements are expected to have a significant remaining value, the health service is typically reasonably certain to extend (or not terminate) the lease.<br>▪ The health service considers historical lease durations and the costs and business disruption to replace such leased assets. |

## Note 6.1: Borrowings

| | Note | Total 2023 $'000 | Total 2022 $'000 |
|---|---|---|---|
| **Current borrowings** | | | |
| Lease liability [(i)] | 6.1(a) | 47 | 29 |
| **Total current borrowings** | | **47** | **29** |
| | | | |
| **Non-current borrowings** | | | |
| Lease liability [(i)] | 6.1(a) | 55 | 18 |
| **Total non-current borrowings** | | **55** | **18** |
| | | | |
| **Total borrowings** | 7.1(a) | **102** | **47** |

(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 2023 $'000 | Total 2022 $'000 |
|---|---|---|
| Total undiscounted lease liabilities | 102 | 49 |
| Less unexpired finance expenses | - | (2) |
| **Net lease liabilities** | **102** | **47** |

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

| | Total 2023 $'000 | Total 2022 $'000 |
|---|---|---|
| Not longer than one year | 47 | 30 |
| Longer than one year but not longer than five years | 55 | 19 |
| **Minimum future lease liability** | **102** | **49** |
| Less unexpired finance expenses | - | (2) |
| **Present value of lease liability** | **102** | **47** |
| | | |
| *** Represented by:** | | |
| - Current liabilities | 47 | 29 |
| - Non-current liabilities | 55 | 18 |
| | **102** | **47** |

## 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 land | 40 years |
| Leased building | Renewable every 3 years |
| 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.

## 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 between 1.21% to 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.

The following types of lease arrangements, contain extension and termination options:

- building leases – options to extend can vary from no extensions, month-to-month extensions and up to two fixed-term extensions.
- equipment leases – options to extend can vary from no extension, month-to-month extensions. The equipment leases contain termination options, available to the lessor and lessee, for a range of events.

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.<br>Alexandra District Health's dependence on this lease is considered high.<br>The land is necessary for the operation of the hospital. | Lease payments of $104 are required per annum.<br>The lease commenced in 2008 and has a lease term of 40 years. There are no extension options.<br>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.<br>Alexandra District Health's dependence on this lease is considered medium.<br>The clinical services could be undertaken at another location. | Lease payments of $104 are required per annum.<br>The lease commenced in 2004 and renewable every 3 years.<br>There is no lease extension option |

## Note 6.2: Cash and cash equivalents

| | Note | Total 2023 $'000 | Total 2022 $'000 |
|---|---|---|---|
| Cash on hand (excluding monies held in trust) | | 1 | - |
| Cash at bank (excluding monies held in trust) | | 1,474 | 327 |
| Cash at bank - CBS (excluding monies held in trust) | | 2,478 | 4,747 |
| **Total cash held for operations** | | **3,953** | **5,074** |
| **Total cash and cash equivalents** | 7.1(a) | **3,953** | **5,074** |

### 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 2023 $'000 | Total 2022 $'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. There were no commitments for expenditure as at Jun 2023.

### 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 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.<br>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.<br>Alexandra District Health uses a range of valuation techniques to estimate fair value, which include the following:<br>▪ Market approach, which uses prices and other relevant information generated by market transactions involving identical or comparable assets and liabilities. The fair value of Alexandra District Health's specialised land is measured using this approach.<br>▪ Cost approach, which reflects the amount that would be required to replace the service capacity of the asset (referred to as current replacement cost). The fair value of Alexandra District Health's specialised buildings, furniture, fittings, plant, equipment and vehicles are measured using this approach.<br>▪ Income approach, which converts future cash flows or income and expenses to a single undiscounted amount. Alexandra District Health does not this use approach to measure fair value.<br>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.<br>Subsequently, Alexandra District Health applies significant judgement to categorise and disclose such assets within a fair value hierarchy, which includes:<br>▪ Level 1, using quoted prices (unadjusted) in active markets for identical assets that the health service can access at measurement date. Alexandra District Health does not categorise any fair values within this level.<br>▪ Level 2, inputs other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly. Alexandra District Health categorises non-specialised land and non-specialised buildings in this level.<br>▪ 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

| Consolidated<br>30 June 2023 | Note | Financial Assets at Amortised Cost<br>$'000 | Financial Liabilities at Amortised Cost<br>$'000 | Total<br>$'000 |
|---|---|---|---|---|
| **Contractual Financial Assets** | | | | |
| Cash and Cash Equivalents | 6.2 | 3,953 | - | 3,953 |
| Receivables | 5.1 | 544 | - | 544 |
| **Total Financial Assets** [i] | | **4,497** | **-** | **4,497** |
| | | | | |
| **Financial Liabilities** | | | | |
| Payables | 5.3 | - | 757 | 757 |
| Borrowings | 6.1 | - | 102 | 102 |
| **Total Financial Liabilities** [i] | | **-** | **859** | **859** |

| Consolidated<br>30 June 2022 | Note | Financial Assets at Amortised Cost<br>$'000 | Financial Liabilities at Amortised Cost<br>$'000 | Total<br>$'000 |
|---|---|---|---|---|
| **Contractual Financial Assets** | | | | |
| Cash and cash equivalents | 6.2 | 5,074 | - | 5,074 |
| Receivables and contract assets | 5.1 | 287 | - | 287 |
| Investments and other financial assets | 4.1 | 17 | - | 17 |
| **Total Financial Assets** [i] | | **5,378** | **-** | **5,378** |
| | | | | |
| **Financial Liabilities** | | | | |
| Payables | 5.3 | - | 1,226 | 1,226 |
| Borrowings | 6.1 | - | 47 | 47 |
| **Total Financial Liabilities** [i] | | **-** | **1,273** | **1,273** |

[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

## 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).

**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 2022-23.

**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 2023 | Note | Current | Less than 1 month | 1–3 months | 3 months –1 year | 1–5 years | Total |
|---|---|---|---|---|---|---|---|
| **Expected loss rate** | | 0.0% | 0.0% | 0.0% | 27.0% | 0.0% | |
| Gross carrying amount of contractual | 5.1 | 43 | 9 | 5 | 11 | 0 | **68** |
| **Loss allowance** | | - | - | - | **(3)** | - | **(3)** |

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

| Consolidated 30 June 2023 | Note | Carrying Amount $'000 | Nominal Amount $'000 | Maturity Dates: Less than 1 Month $'000 | 1-3 Months $'000 | 3 months - 1 Year $'000 | 1-5 Years $'000 | Over 5 years $'000 |
|---|---|---|---|---|---|---|---|---|
| **Financial Liabilities at amortised cost** | | | | | | | | |
| Payables | 5.3 | 757 | 757 | 757 | - | - | - | - |
| Borrowings | 6.1 | 102 | 102 | 0 | 1 | 46 | 55 | - |
| **Total Financial Liabilities** | | **859** | **859** | **757** | **1** | **46** | **55** | **-** |

| Consolidated 30 June 2022 | Note | Carrying Amount $'000 | Nominal Amount $'000 | Maturity Dates: Less than 1 Month $'000 | 1-3 Months $'000 | 3 months - 1 Year $'000 | 1-5 Years $'000 | Over 5 years $'000 |
|---|---|---|---|---|---|---|---|---|
| **Financial Liabilities at amortised cost** | | | | | | | | |
| Payables | 5.3 | 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** | **-** |

(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 1.5% up or down.

### Interest rate risk

Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate because of changes in market interest rates. Alexandra District Health 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 2023 (2021-22: 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 | Total carrying amount 30 June 2023 $'000 | Fair value measurement at end of reporting period using: Level 1[i] $'000 | Level 2[i] $'000 | Level 3[i] $'000 |
|---|---|---|---|---|---|
| Specialised land | | 450 | - | - | 450 |
| **Total land at fair value** | 4.2(a) | **450** | **-** | **-** | **450** |
| Specialised buildings | | 23,577 | - | - | 23,577 |
| **Total buildings at fair value** | 4.2(a) | **23,577** | **-** | **-** | **23,577** |
| Plant and equipment | 4.2(a) | 258 | - | - | 258 |
| Medical equipment | 4.2(a) | 1,509 | - | - | 1,509 |
| Computer equipment | 4.2(a) | 83 | - | - | 83 |
| Furniture and fittings | 4.2(a) | 82 | - | - | 82 |
| **Total plant, equipment, furniture, fittings and vehicles at fair value** | | **1,932** | **-** | **-** | **1,932** |
| Right-of-use concessionary land | 4.3(a) | 783 | - | - | 783 |
| Right-of-use buildings | 4.3(a) | 737 | - | - | 737 |
| Right-of-use equipment and vehicles | 4.3(a) | 101 | - | - | 101 |
| **Total right-of-use assets at fair value** | | **1,621** | **-** | **-** | **1,621** |
| **Total non-financial physical assets at fair value** | | **27,580** | **-** | **-** | **27,580** |

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

| | Note | Total carrying amount 30 June 2022 $'000 | Fair value measurement at end of reporting period using: Level 1[i] $'000 | Level 2[i] $'000 | Level 3[i] $'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** |

## 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 2023.

## 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.

There was no independent valuation of Alexandra District Health's specialised land and building by the Valuer-General Victoria.

**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**

The Alexandra Community Centre building has been reclassified from building to ROU building. This represents a change in valuation techniques in 2023.

### Reconciliation of Level 3 fair value measurement

| Consolidated | Note | Land $'000 | Buildings $'000 | Plant, equipment, furniture, fittings and vehicles $'000 | Right-of-use Land $'000 | Right-of-use buildings $'000 | Right-of-use equipment and vehicles $'000 |
|---|---|---|---|---|---|---|---|
| **Balance at 1 July 2021** | | **34** | **23,715** | **605** | **870** | **-** | 53 |
| Additions/(Disposals) | | - | 582 | 984 | - | - | (5) |
| Net Transfers between classes | | 257 | - | 14 | - | - | (14) |
| - Depreciation and amortisation | | - | (1,101) | (202) | (65) | - | (10) |
| - Revaluation | | 159 | 2,364 | - | - | - | - |
| **Balance at 30 June 2022** | 7.4(a) | **450** | **25,560** | **1,401** | **805** | **-** | **24** |
| Additions/(Disposals) | | - | 3 | 875 | - | - | 74 |
| Net Transfers between classes | | - | (761) | (24) | - | 761 | 24 |
| - Depreciation and Amortisation | | - | (1,225) | (320) | (22) | (24) | (21) |
| **Balance at 30 June 2023** | 7.4(a) | **450** | **23,577** | **1,932** | **783** | **737** | **101** |

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

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

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

[I] A Community Service Obligation (CSO) of 20% 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 2023 $'000 | Total 2022 $'000 |
|---|---|---|---|
| **Net result for the year** | | (832) | 327 |
| | | | |
| **Non-cash movements:** | | | |
| Depreciation of non-current assets | 4.6 | 1,612 | 1,378 |
| Amortisation of non-current assets | 4.6 | 1 | 3 |
| Assets and services received free of charge | | (180) | (219) |
| Loss allowance for receivables | | 9 | 2 |
| Share of net results in associates | | - | (1) |
| (Gain)/Loss on revaluation of long service leave liability | | 7 | (54) |
| Capital donations received | | - | (23) |
| Other non-cash movements | | 30 | - |
| | | | |
| **Movements in Assets and Liabilities:** | | | |
| (Increase)/Decrease in receivables and contract assets | | (441) | (68) |
| (Increase)/Decrease in prepaid expenses | | (53) | (41) |
| Increase/(Decrease) in payables and contract liabilities | | (872) | 385 |
| Increase/(Decrease) in employee benefits | | 400 | 146 |
| Increase/(Decrease) in other provisions | | (2) | - |
| | | | |
| **Net cash inflow from operating activities** | | **(320)** | **1,834** |

## Note 8.2: Responsible persons' disclosures

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

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

| | Period |
|---|---|
| The Honourable Mary-Anne Thomas MP: | |
| Minister for Health | 1 Jul 2022 - 30 Jun 2023 |
| Minister for Ambulance Services | 1 Jul 2022 - 5 Dec 2022 |
| The Honourable Gabrielle Williams MP: | |
| Former Minister for Health | 5 Dec 2022 - 30 Jun 2023 |
| Former Minister for Ambulance Services | 1 Jul 2022 - 30 Jun 2023 |
| **Governing Boards** | |
| Mr Kim Flanagan | 1 Jul 2022 - 30 Jun 2023 |
| Ms Cindy Neenan | 1 Jul 2022 - 30 Jun 2023 |
| Ms Michelle Fleming | 1 Jul 2022 - 30 Jun 2023 |
| Mr Alan Studley | 1 Jul 2022 - 30 Jun 2023 |
| Ms Melanie Telford | 1 Jul 2022 - 30 Jun 2023 |
| Ms Natalie Sheridan-Smith | 1 Jul 2022 - 30 Jun 2023 |
| Ms Soulla Nicodimou | 1 Jul 2022 - 30 Jun 2023 |
| Mr Kerry Power | 1 Jul 2022 - 30 Jun 2023 |
| Ms Lorna Gelbert | 1 Jul 2022 - 7 Feb 2023 |
| Ms Maree Fellows | 1 Jul 2022 - 2 May 2023 |
| **Accountable Officers** | |
| Jane Poxon (Chief Executive Officer) | 5 Dec 2022 - 30 Jun 2023 |
| Andrew Brown (Interim Chief Executive Officer) | 1 Jul 2022 - 4 Dec 2022 |

## Remuneration of responsible persons

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

| Income Band | Total 2023 No | Total 2022 No |
|---|---|---|
| $0 - $9,999 | 10 | 9 |
| $80,000 - $89,999 | 1 | - |
| $100,000 - $109,999 | - | 1 |
| $120,000 - $129,999 | 1 | - |
| $150,000 - $159,999 | - | 1 |
| **Total Numbers** | **12** | **11** |

| | Total 2023 $'000 | Total 2022 $'000 |
|---|---|---|
| **Total remuneration received or due and receivable by Responsible Persons from the reporting entity amounted to:** | **237** | **291** |

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 2023 $'000 | 2022 $'000 |
|---|---|---|
| Short-term benefits | 309 | 15 |
| Post-employment benefits | 31 | 1 |
| Other long-term benefits | 2 | - |
| **Total remuneration** [i] | **342** | **16** |
| | | |
| Total number of executives | 3 | 1 |
| Total annualised employee equivalent [ii] | 1.95 | 0.10 |

[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.

**Other factors**

The main factor impacting total remuneration was the inability to recruit a Chief Financial Officer for the whole of 2022-23.

## 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 |
| Alexandra District Health | Ms Cindy Neenan | Board Member |
| Alexandra District Health | Ms Michelle Fleming | Board Member |
| Alexandra District Health | Mr Alan Studley | Board Member |
| Alexandra District Health | Mr Kerry Power | Board Member |
| Alexandra District Health | Ms Melanie Telford | Board Member |
| Alexandra District Health | Ms Natalie Sheridan-Smith | Board Member |
| Alexandra District Health | Ms Soulla Nicodimou | Board Member |
| Alexandra District Health | Ms Lorna Gelbert | Board Member |
| Alexandra District Health | Ms Maree Fellows | Board Member |
| Alexandra District Health | Ms Jane Poxon | Chief Executive Officer (commenced 5 Dec 2022) |
| Alexandra District Health | Mr Andrew Brown | Interim Chief Executive Officer (1 Jul 2022 - 4 Dec 2022) |
| Alexandra District Health | Mr Andrew Brown | Director of Clinical Services |
| Alexandra District Health | Ms Claire Palmer | Director of Quality and Risk |
| Alexandra District Health | Ms Poranee Buttery | Director of Medical Services |

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 2023 $'000 | Total 2022 $'000 |
|---|---|---|
| **Compensation - KMPs** | | |
| Short-term Employee Benefits [i] | 522 | 269 |
| Post-employment Benefits | 52 | 33 |
| Other Long-term Benefits | 5 | 5 |
| Termination Benefits | - | - |
| **Total [ii]** | **579** | **307** |

[i] Total remuneration paid to KMPs employed as a contractor during the reporting period through accounts payable has been reported under short-term employee benefits.

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

**Significant transactions with government related entities**

Alexandra District Health received funding from the Department of Health of $10.3 million (2021/22 $11.1 million) and indirect contributions of $0.27million (2021/22 $0.22 million). The net balance owed to DH at 30 June 2023 is $0 million (2022: net balance owed to DH - $0.41 million).

At year end, the Long Service Leave funding receivable is $0.18 million (2022: $0.24 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 2023 (2022: 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 2023 (2022: none).

## Note 8.5: Remuneration of auditors

| | Total 2023 $'000 | Total 2022 $'000 |
|---|---|---|
| **Victorian Auditor-General's Office** | | |
| Audit of the financial statements | 19 | 20 |
| **Total remuneration of auditors** | **19** | **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 believe the Department of Health will continue to support Alexandra District Health.

## Note 8.9: Jointly Controlled Operations

| | Principal Activity | Ownership Interest 2023 % | Ownership Interest 2022 % |
|---|---|---|---|
| Hume Rural Health Alliance | Information Technology Services | 3.529 | 3.258 |

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".

| | 2023 $'000 | 2022 $'000 |
|---|---|---|
| **Current assets** | | |
| Cash and cash equivalents | 440 | 284 |
| Receivables | 50 | 27 |
| Prepaid expenses | 12 | 6 |
| **Total current assets** | **502** | **317** |
| | | |
| **Non-current assets** | | |
| Property, plant and equipment | 17 | 6 |
| **Total non-current assets** | **17** | **6** |
| | | |
| **Total assets** | **519** | **323** |
| | | |
| **Current liabilities** | | |
| Payables | 188 | 37 |
| Other current liabilities | 110 | 128 |
| Lease liabilities | 2 | 1 |
| **Total current liabilities** | **300** | **166** |
| | | |
| **Non-current liabilities** | | |
| Lease liabilities | 9 | 3 |
| **Total non-current liabilities** | **9** | **3** |
| | | |
| **Total liabilities** | **309** | **169** |
| | | |
| **Net assets** | **210** | **154** |
| | | |
| **Equity** | | |
| Accumulated surplus | 210 | 154 |
| **Total equity** | **210** | **154** |

## Note 8.9: Jointly Controlled Operations (continued)

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

| | 2023 $'000 | 2022 $'000 |
|---|---|---|
| **Revenue and income from transactions** | | |
| Operating activities | 242 | 224 |
| Non-operating activities | 12 | 1 |
| **Total revenue and income from transactions** | **254** | **225** |
| | | |
| **Expenses from transactions** | | |
| Operating expenses | (261) | (224) |
| **Total expenses from transactions** | **(261)** | **(224)** |
| | | |
| **Net result from transactions** | **(7)** | **1** |
| | | |
| **Comprehensive result for the year** | **(7)** | **1** |