



ANNUAL REPORT 2021-22

AT A GLANCE

757

Babies born at our Warrnambool Base & Camperdown Hospitals

24,595

Inpatients cared for at our Warrnambool Base & Camperdown Hospitals

27,232

People treated at our Warrnambool Emergency Department & Camperdown Urgent Care Centre

118,999

Primary & Community Services occasions of service provided to clients

12,754

South West Dental Service attendances by clients

36,716

Community Mental Health contact hours provided to consumers

7,287

Surgeries completed in our Warrnambool Base & Camperdown Hospitals & in the theatres of other local health services partnering with us

39,040

PCR tests conducted by our screening team

66,986

COVID-19 vaccination doses administered

171,067

Total individual requisition lines processed by our regional Supply & Logistics Service

98,649

Total Environmental Services' hours spent cleaning our facilities

212,548

Total inpatient meals prepared by our Food Services

1,404

Tonnes of dirty linen processed by our South West Regional Linen Service

2,013

Staff employed across our campuses

293

Registered volunteers across our campuses



ABOUT US

This report provides performance, quality and financial information covering the 2021-22 financial year. It has been prepared in accordance with the Health Services Act 1988, Financial Management Act 1994, Standing Directions of the Minister for Finance (Section 4 Financial Management Reporting) and Financial Reporting Directions (specifically FRD22).

We hope you find this report informative and encourage you to also read our 2021-22 Quality Account on our website at www.southwesthealthcare.com.au

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OUR VISION

Leaders in healthcare, partners in wellbeing.

OUR MISSION

To improve the health and wellbeing of South West Victorians by partnering with them to provide high quality healthcare through a future focused health service and an engaged, motivated and empowered workforce.

OUR COMMUNITY

110,000 people live in South West Victoria, a vibrant region consisting of the five Local Government Areas of Warrnambool City and the Shires of Corangamite, Glenelg, Moyne and Southern Grampians. Our major city (and headquarters), Warrnambool, is one of the fastest-growing regional cities in Victoria. Major primary industries include health, education, retail, tourism, dairy, food production, manufacturing, meat processing, professional services, and renewable energy.

OUR VALUES



Our Culture of Care

We put the person at the centre of everything we do. We are compassionate and responsive to the needs of consumers of our service, their families, our staff and volunteers.



Our Culture of Respect

We behave in a manner that demonstrates trust, inclusion and mutual understanding. We respect diversity and communicate openly with consideration of others.



Our Culture of Integrity

We are transparent and ethical in all that we do. We are accountable for our decisions and actions. We embrace honest feedback and act on it.



Our Culture of Excellence

We ensure every interaction is of the highest standard, every time. We do not compromise on quality.



Our Culture of leadership

We lead by example and empower everyone. We are strategic, responsive and resilient.

OUR SERVICES

We provide more than 150 medical, nursing, mental health, allied health and community health services.

OUR QUALITY PROGRAMS

We are committed to continuous quality improvement and strive for best practice.

OUR CONTRIBUTION TO THE COMMUNITY

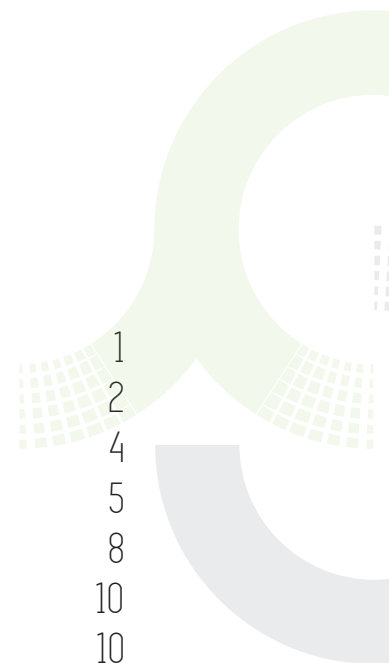
We are the region's largest employer: 2,013 people work for South West Healthcare. Our local economy benefits to the tune of approximately \$140M per annum.

ACKNOWLEDGEMENT OF COUNTRY

South West Healthcare acknowledges the traditional custodians of the land on which our campuses are located: the Djguard Wurrung people (Camperdown), the Wadawurrong people (Lismore), the Gunditjmarra people (Hamilton, Macarthur and Portland) and the Peek Whurrong people (Warrnambool). We pay respect to all Elders past, present and emerging.

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HIGHLIGHTS

- › SECURED A \$39 MILLION COMMITMENT FOR A NEW 36-BED AGED CARE FACILITY LOCATED IN CAMPERDOWN
- › SPENT \$3,130,365 ON NEW EQUIPMENT FOR THE HOSPITAL INCLUDING \$2.1 MILLION SPECIFICALLY ON NEW MEDICAL EQUIPMENT
- › PROVIDED THE SOUTH WEST COMMUNITY WITH 66,986 COVID VACCINATIONS
- › COVID TEAM OVERSAW ONE OF THE MOST SUCCESSFUL COVID VACCINATION PROGRAMS IN VICTORIA, WITH OUR REGION AMONGST THE FIRST TO REACH 95 PER CENT DOUBLE-DOSE VACCINATION COVERAGE
- › HOSTED A NUMBER OF COVID VACCINATION OUTREACH CLINICS IN REMOTE COMMUNITIES ACROSS OUR REGION
- › ESTABLISHED AND MAINTAINED AN ALL ABILITIES VACCINATION SERVICE FOR PEOPLE WITH A DISABILITY
- › DELIVERED MORE THAN 3,000 RAPID ANTIGEN TESTS TO PEOPLE WITH A DISABILITY IN OUR REGION
- › PREVENTED 328,000 PIECES OF PLASTIC FROM ENTERING LANDFILL BY WORKING WITH PRODUCT SUPPLIERS TO CO-DEVELOP COMPOSTABLE CONSUMABLES AND PACKAGING
- › SECURED 16 NEW EMISSIONS-FREE VEHICLES FOR OUR FLEET, WHICH WILL CUT OUR OVERALL ORGANISATIONAL EMISSIONS BY 10 PER CENT
- › RAISED \$287,948 FOR LIFE-SAVING EQUIPMENT
- › OUR CLINICAL TRIALS UNIT WAS CHOSEN TO SHARE IN \$18.6 MILLION MEDICAL FUTURE FUND
- › ESTABLISHED AN INDIGENOUS BIRTHING SUITE, COMPLETE WITH ARTWORK BY LOCAL ARTISTS CONTINUING OUR COMMITMENT TO CULTURAL SAFETY FOR INDIGENOUS PEOPLE
- › REDUCED ELECTIVE SURGERY BACKLOG BY CONTINUING SHARED SERVICE RELATIONSHIP WITH ST JOHN OF GOD HOSPITAL AND OTHER REGIONAL PARTNERS
- › EMPLOYED A SECOND MCGRATH BREAST CARE NURSE FOR BREAST CANCER PATIENTS
- › ESTABLISHED THE INFANT FEEDING SUPPORT MIDWIFE OUTPATIENT CLINIC
- › EMPLOYED A HEART FAILURE NURSE
- › ESTABLISHED A RENAL NURSE OUTPATIENT CLINIC
- › ESTABLISHED AN EMOTIONAL HEALTH CLINIC FOR OBSTETRICS AND GYNAECOLOGY PATIENTS AND NEW MUMS
- › RECEIVED FUNDING FOR STAFF WELLBEING PROJECTS AND INITIATIVES ACROSS ALL CAMPUSES
- › DONATED OVER 1,000 MEALS TO FOODSHARE FROM OUR FOOD SERVICES TEAM

YEAR IN REVIEW

It is a pleasure to present to our communities, staff, volunteers and partners this year's annual report. Our health service has continued to change and adapt to the ongoing coronavirus pandemic and has worked hard to provide leadership and education in this space while continuing our core business.

Vaccination rates within our community have remained high, which has allowed us to move further towards 'business as usual', and begin to adapt to a COVID-normal future. As a part of this, we are constantly reviewing our COVID-19 processes and recruiting to provide the flexibility our workforce needs to fill gaps when illness strikes.

Financially, South West Healthcare is in a strong position which has allowed for record capital investment in 2021-22. More than \$3 million was spent on new equipment, which allows us to offer better care to our community in a safer, more streamlined workplace for our staff. It is pleasing to report a break-even financial position despite many ongoing challenges.

We have also worked hard to expand our services and continue to attract new staff to our organisation and our community. This helps us to offer more in-depth care, closer to home for people living in South West Victoria.

OUR INVESTMENT IN INFRASTRUCTURE

South West Healthcare's phase of rapid development continues with facility upgrades currently taking place across four of our six campuses. These projects account for well in excess of \$400 million in redevelopment expenditure.

The announcement of funding for a new aged care facility at our Camperdown campus in this year's state budget was extremely exciting. This new build will be a game-changer for aged care in Camperdown, and allows South West Healthcare to set the standard for aged care and assisted living in the region for decades to come. The new 36-bed facility will replace ageing accommodation by delivering a bigger, better and safer home for residents.

The Warrnambool Base Hospital Redevelopment continues to progress; planning has continued in earnest with over 100 staff and consultants refining detailed designs to ensure a final result that will meet our future needs. In order to make the most of the space available on-site, South West Healthcare's Regional Logistics and Distribution Centre (RLDC) will be moved off-site to a larger, purpose-built facility and will ensure long-term linen and stores provision to health and aged care providers across the south-west region. Schematic designs for the RLDC have been finalised and construction is due to commence later in 2022.

In July 2021 the Victorian Government committed \$2.33 million to construct a new community mental health facility in Hamilton. Plans for this contemporary purpose-built facility are nearing completion with construction due to begin in early 2023. Our Warrnambool Mental Health Inpatient Unit is also undergoing a \$10.9 million refurbishment, which will allow for an additional five beds, and is tracking well.

OUR RESPONSE TO COVID-19

South West Healthcare led and managed testing and vaccination clinics throughout 2021 until May 2022. These were located at the Warrnambool and Camperdown campuses, as well as a number of outreach programs and pop-up clinics to ensure that the community had equitable access to vaccines.

We also established our own All Abilities Vaccination clinic, providing access to those with a disability and to those who are socially or economically disadvantaged and unable to travel to our mass vaccination site. Furthermore, we established mass testing sites when required in Warrnambool and Camperdown.

A coordinated effort from healthcare partners across the region saw all five local government areas (Glenelg, Southern Grampians, Moyne, Warrnambool City and Corangamite) reach >95 per cent double dose faster than most other LGAs in the state. A statistic we are all very proud of.

During 2021-22 we became a nominated hospital to deliver ongoing care to confirmed COVID-19 cases. In total we cared for 165 COVID-19 positive inpatients. This allowed COVID-positive people to be cared for closer to home or whilst being treated for another condition. A fantastic result that highlighted the care and dedication of our teams that enabled us to care safely for people.

Demand for vaccines at our sites began to wane in May 2022 and we transitioned the vaccination and testing clinics to partner agencies, so that we could restore our staff back to core business.

It was a huge COVID-19 year, but one we believe has been very successful.

OUR DEDICATION TO PATIENT CARE AND EXPERIENCE

In the latter half of 2021-22, South West Healthcare significantly expanded our outpatient services and clinics. A number of new services were established including the infant feeding support midwife outpatient clinic, a heart failure nurse practitioner clinic, renal nurse outpatient clinic, public oncologist clinic and an emotional health clinic for obstetric patients.

South West Healthcare also developed innovative and comprehensive models of in-home and out-of-hospital care. It was pleasing to implement the very successful GEM@Home program through the leadership of Dr Nick Brennan, a geriatrician working in our community team. This enabled patients to remain at home with their needs being met via visiting teams instead of making the journey into hospital. We look forward to expanding this program further in the coming 12 months.

Throughout the year South West Healthcare partnered with St John of God, Terang and Mortlake Health Service, Timboon and District Health Service and Portland District Health to conduct an elective surgery blitz in the region. This enabled us to perform more operations for people whose surgery had been delayed or deferred due to the COVID-19 pandemic. Additional surgery has been well received and we hope to continue to address the elective surgery waitlist, however this remains dependent on COVID-19 demands and the availability of staff.

We have also been happy to help our neighbours in return, and between February and June assisted Portland women and their families with accessing maternity services when those services were temporarily unavailable locally.

South West Healthcare's Emergency Department (Emergency) continues to perform well despite the staffing challenges that have been brought on by the COVID-19 pandemic, and further punctuated by ageing facilities that are set to be upgraded in the re-development.

During the upcoming year we will be trialling systems to provide the community with real-time service information regarding Emergency wait times and demand, whilst also commencing building works to alleviate some of the immediate challenges for our teams in the transition to a new Emergency Department.

The Warrnambool Base Hospital continues to be among the best in the state for transferring patients from an ambulance to Emergency within 40 minutes of arrival (state target 90%, South West Healthcare 98%). South West Healthcare has also met and delivered all Year One objectives, and has either met or is scheduled to meet all Year Two objectives, as directed by the Royal Commission into Aged Care Quality and Safety recommendations.

We have significantly progressed implementing the recommendations of the Royal Commission into Victoria's Mental Health Services, despite on-going

delays due to the coronavirus pandemic. This included appointing an Associate Director Transformation and a Consumer Peer Lead to oversee the adoption of the commission's recommendations and to embed lived experience in the leadership, design and delivery of the reforms by designing a new transformation structure with lived experience at its core.

LIVING OUR VALUES, PROTECTING OUR ENVIRONMENT

A more sustainable future is a priority for South West Healthcare and in 2021-22, thanks to a dedicated leader and team of staff, we have managed to implement significant changes to some of our operations to lighten our carbon and waste footprint.

In 2021 South West Healthcare's supply department began work co-designing a number of compostable clinical consumable products which will replace single-use items. South West Healthcare has helped trial and develop biodegradable and compostable kidney dishes, injection trays, straws, denture cups and sterile anaesthetic packs, with fully compostable packaging. Each product can be placed into a FOGO bin and processed at an industrial compost facility. By replacing some of the most used hospital medical supplies with biodegradable and compostable products in just one year, South West Healthcare has prevented 328,000 pieces of plastic ending up in landfill.

South West Healthcare was also lucky enough to receive funding to subsidise a new fleet of emissions-free vehicles for our district nursing, mental health, community palliative care and Hospital In The Home teams to use. The 16 Hyundai Konas were supplied as a part of a state government overhaul of fleet vehicles, and will replace existing petrol vehicles. The zero-emission vehicles have much lower maintenance and running costs than petrol or diesel equivalents – freeing up funds for other crucial health services, and will reduce our fleet emissions.

Our food services team also partnered with Food Share to donate 1,000 frozen meals to the local charity in 2021-22, cutting down on food waste and supporting a number of people within our community who needed food assistance.

STAFF HEALTH AND WELLBEING

The results from the 2021 People Matter survey demonstrated our workforce are proud to tell others that they work for South West Healthcare and understand how their role contributes to the organisation's purpose and role. We've been working hard over the last 12 months to action a number of initiatives and in 2022 will develop our own in-house survey to further explore themes important to us which we hope will lead to further tangible improvements.

South West Healthcare received funding in 2021-22 through the Be Well Be Safe Workforce Project to implement a number of measures that will further contribute to and enhance staff wellbeing and retention across our workforce.

These measures include free fitness and wellness classes, free meals for nightshift staff, leadership and resilience training, and a number of staff resources in tea rooms and break-out areas.

The new People Hub intranet went live in October 2021, giving staff access to organisational information and resources both on and off-site, and has become a place to share and read news that is both informational and social. This tool is constantly developing to allow greater communication and connectivity between all teams.

We have also been humbled to receive a series of donations from local service groups that recognise our dedicated staff throughout the year. Local businesses have donated meals, coffees and hampers to our staff, which has been incredibly heart-warming after such a busy few years. A new program called the South West Stars implemented in June also allows staff members to nominate colleagues who excel in the workplace and support their teams to go into a monthly draw to win a prize, which will continue into 2022.

STRIVING FOR CONTINUAL IMPROVEMENT

South West Healthcare has continued to work towards better outcomes for our patients and to take on board and action feedback that will transform our service for the better. This has led the way for the Disability Action Plan which is being implemented by a dedicated working group.

In addition, a Gender Equality Action Plan has also been designed to support diversity and encourage inclusivity through workforce training and development and was submitted in June 2022 with actions well underway.

CONNECTING WITH OUR COMMUNITY

Following significant periods of lockdowns, it has been pleasing to begin to open up our service again to the community and participate in community events and fundraisers.

South West Healthcare once again had two teams competing in the Murray to Moyne cycling race in 2021-22. The event saw a number of team members recognised for their service to the event and to cycling in the region. Other successful social events included the Austin 7 rally/fundraiser in April which saw 130 Austin 7 cars and their owners from all over Australia spend a week in Warrnambool as well as a number of successful film fundraisers.

The Camperdown Hospital Auxiliary held their first art show in two years in May with over 150 people attending and raising much-needed funds for the Camperdown Hospital and Merindah Lodge.

Reconciliation week was marked this year with an interactive display at our Warrnambool, Camperdown, Portland and Hamilton campuses, as well as a staff cultural awareness session, open to all to attend. NAIDOC week was also celebrated virtually due to lockdowns in July 2021.

In April our mental health teams joined the Let's Talk on The Green event at Warrnambool's Civic Green, representing the Way Back Support services, Mental

Health teams and also had representation from our Aboriginal Liaison Officers.

Our volunteers this year were able to come together for the first time in two years to celebrate National Volunteers Week with a series of morning teas to thank them for their incredible work. It was great to see everyone together in one room, and to be able to resume volunteer activities and palliative care training in earnest throughout 2022.

LOOKING FORWARD

In the coming year we hope to build on all that we have learned so far from the pandemic in order to find innovative ways to treat people, and to maximise our service delivery in a changing landscape.

Recruitment will remain a focus across all departments, as well as staff retention and wellbeing.

Redevelopment projects will continue in earnest to ensure that our growing workforce will have state-of-the-art facilities in which to operate and provide best care, in the earliest possible timeframe.

We again take this opportunity to thank the community for their support and understanding over the last 12 months, as we know that many aspects of the healthcare system have changed and become increasingly busy due to the pandemic. We'd also like to praise and acknowledge our committed and hard-working staff for their tireless efforts for the last two and a half years.

Our staff have again shown their ongoing dedication to provide high-quality care to our community and resilience to ensure our services continue to meet increasing, and more complex demands. Across all our teams, regardless of their role, their commitment and endless desire to assist their colleagues and provide services to our community has not been taken for granted. We will work relentlessly to recruit and retain staff to ease the pressure on our workforce and reduce the amount of overtime and unplanned work that has occurred in the last two years.

We sincerely thank you all, you are doing a magnificent job.



CRAIG FRASER
Chief Executive
Officer



BILL BROWN
Chair
Board of Directors

WORKING TOWARDS COVID NORMAL

COVID-19 has now been impacting lives across the world for more than two years, and although we are learning to live with COVID-19, the effects of the pandemic continue to be felt across our health service, and indeed across the health industry globally.

Our Warrnambool Base Hospital has cared for 165 COVID-positive inpatients and 1,314 COVID-positive outpatients based in their homes in the last financial year. It must be noted though, that most COVID-positive admissions throughout the 2021-22 year presented to hospital for reasons other than COVID-19, but needed to be isolated and treated accordingly.

Vaccination

On 30 August 2021 COVID-19 vaccinations were made available to those aged 16-39 which significantly boosted demand on our vaccination clinic and expanded our vaccination program, during the second half of the year.

Following the appointment of a Disability Liaison Officer an All Abilities Vaccination Clinic was also established at the Warrnambool Base Hospital Community Health Building.

Between 1 July 2021 and 1 May 2022 a total of 66,986 COVID-19 vaccinations were administered by South West Healthcare staff at our vaccinations clinics or pop-ups sites.

The All Abilities Clinic administered 641 vaccinations including 97 5-11 year old paediatric doses.

Staff COVID-19 vaccinations went smoothly meeting all compliance levels, and continue as staff receive their fourth doses into the latter half of 2022.

Remote patient monitoring team

In the later part of 2021 the South West region saw its first significant outbreak of the COVID-19 virus. A remote patient monitoring team was established to ensure that COVID-positive cases needing additional support and monitoring at home had a contact and regular check-ins with a clinical team, before presenting to hospital. This proved a vital service for many elderly and disabled members of our community who lived alone, or were unable to be assisted by carers during their 7-day isolation.

Omicron wave

In early 2022 a rise in Omicron cases across the country meant that our health service, vaccination centre and testing facility all needed to change and adapt quickly to face the resulting wave of infections.

As part of South West Healthcare's COVID-19 response plan a dedicated COVID-19 ward was established at the Warrnambool Base Hospital. This remained in place until the number of COVID-19 inpatients decreased to only a few people. Since this time patients with COVID-19 have been admitted to all wards with COVID-19 precautions put in place to protect them and others on their ward.

On 5 January, 2022 a mass testing facility was set up at Deakin University to allow for larger amounts of traffic and staff to be processed. That site saw more than 6,350 people present for testing over three weeks, before being stood down. The demand was immense with initial waiting times in the first 48 hours of operation between four and five hours. This quickly changed in subsequent days to 1-2 hours, and finally down to 20 mins or less. This was predominantly due to the release of Rapid Antigen Tests (RATs) more broadly in the community which has been a game-changer in terms of testing. It is remarkable to think this was only six months ago.

Our teams were able to respond to the January Omicron wave in an agile way, and despite the pressures placed on our staffing levels, South West Healthcare were able to continue with most services uninterrupted. The exception to this was unfortunately elective surgery.

Testing

39,040 people were tested by South West Healthcare staff during the 2021-22 year, and we were also the local supplier of government subsidised RATs. RATs were first made available to eligible members of the community from the testing site at Deakin, and then at Camperdown Hospital and the South West Healthcare testing site at 184 Merri Street Warrnambool until 1 May 2022.

Following the closure of the testing and vaccination clinics in May, South West Healthcare established a partnership with Australian Clinical Labs, and placed a staff member on-site at their COVID-19 screening clinic to distribute free RATs to eligible members of the community.

Elective Surgery

From September 2021 to January 2022 South West Healthcare were operating on Category 1, urgent Category 2 and emergency patients only. All categories of elective surgery were due to resume in early 2022, however the state-wide Code Brown and necessary reduction in elective surgery meant that could not occur as planned. South West Healthcare partnered with St John of God Hospital (SJOG) to provide additional elective lists to ensure that as many patients as possible were still able to access the care they needed.

This arrangement is still in place and has been expanded to also include neighbouring rural hospitals, and we thank our partners for their assistance in what has been a truly collegiate and innovative partnership to tackle the elective surgery waitlist.

South West Healthcare's partnership with SJOG was extended even further on 24 January when we transferred nine sub-acute patients to SJOG for a period of four weeks. This allowed us to focus on an anticipated influx of COVID-positive patients. All patients who were transferred were still attended by their South West Healthcare medical team, and cared for by SJOG nursing staff. Following their care at SJOG they were either discharged to home or home-care, or transferred back to South West Healthcare.

Tourism

South West Healthcare assisted the local tourism sector with the creation of posters to assist holiday-makers find local information on testing, vaccinations and medical assistance, which was distributed through the local council and shared online. This enhanced the local response and reminded holiday-makers to assist in making our communities safe.

Respiratory Protection Program

1,451 staff members and 185 community staff were fit-tested for appropriately sized respirators and masks in 2021-22, some for the second or third time. Fit-testing is an annual requirement for all staff. This amazing result helps us ensure the safety of our staff but also prevents transmission across the organisation. In summary, our team have once again responded to the demands of COVID-19 by providing leadership and support to our community during another year of change and uncertainty. We look forward to a more stable and consistent year ahead with COVID-19 becoming part of our normal operations.

PROFILE

South West Healthcare has been caring for the health and wellbeing of South West Victorians for more than one-and-a-half centuries. This year, our Warrnambool Base Hospital turned 167 years old and our Camperdown Hospital turned 113.

Consisting of two public hospitals, a mental health services division, an aged care facility and five community health centres, in 2021-22 we provided more than 150 medical, nursing, mental health, allied health and community health services to the 110,000 people who live in Warrnambool, Moyne, Corangamite, Southern Grampians and Glenelg.

CAMPUSES

Our hospitals are located at:

- › Warrnambool
- › Camperdown

Our mental health services offices are located at:

- › Warrnambool
- › Camperdown
- › Hamilton
- › Portland

Our community health centres are located at:

- › Warrnambool
- › Camperdown x 2 (including an adult day centre)
- › Lismore
- › Macarthur

Our dental services are located at:

- › Warrnambool
- › Camperdown
- › Hamilton
- › Portland

Our aged care facility is located at:

- › Camperdown

Addresses and contact details for each of these facilities are provided on the back cover of this report.



- | | |
|----------------------|--------------------|
| 1 Warrnambool campus | 4 Macarthur campus |
| 2 Camperdown campus | 5 Portland campus |
| 3 Lismore campus | 6 Hamilton campus |

STATEMENT OF STRATEGIC DIRECTION 2020-24

OUR VISION

Leaders in healthcare, partners in wellbeing

OUR MISSION

To improve the health and wellbeing of South West Victorians by partnering with them, their communities and other providers to deliver high quality healthcare with a future-focus through our engaged, empowered and motivated workforce

GREAT HEALTHCARE EXPERIENCES

We partner with consumers to achieve service excellence

Strategic Priorities Strategies

Continuous quality improvement by partnering with consumers	<ul style="list-style-type: none">› Train and empower our people to work with consumers for their best care› Continuously improve our consumer engagement framework› Empower and support consumers to engage effectively in relevant committees, leading to organisational improvements
Improved health and consumer empowerment through knowledge	<ul style="list-style-type: none">› Implement a sustainable health literacy program› Use regular surveys and targeted reviews to identify opportunities for consumer empowerment› Promote use of My Health Record
Consumer focused service systems	<ul style="list-style-type: none">› Redesign our service systems to incorporate a focus on the consumer experience and equity of access according to need› Establish more specialist outpatient services with no out-of-pocket expenses for consumers

EMPOWERING OUR PEOPLE

We develop talent and leadership across all levels of our workforce, resulting in empowered and motivated individuals and teams, creating a great workplace and a supportive and safe work environment

Strategic Priorities Strategies

A values-driven culture	<ul style="list-style-type: none">› Promote and reinforce our values and expected behaviours› Develop an environment where people achieve their full potential
A diverse and inclusive workforce	<ul style="list-style-type: none">› Support diversity and encourage inclusivity through workforce training and development› Increase recruitment and retention of Aboriginal people
A culture of excellence and accountability	<ul style="list-style-type: none">› Create a motivated workplace where our workforce are engaged, healthy and high performing› Establish a cohesive research and learning strategy that develops all individuals and teams across South West Healthcare› Drive positive workplace change through implementation of Our People Strategy

INTEGRATED, HIGH QUALITY CARE

We continually improve service delivery to achieve high quality outcomes

Strategic Priorities	Strategies
A 'one team' approach	<ul style="list-style-type: none"> › Develop team-oriented models of care that support seamless transitions across our campuses and community settings › Improve management and clinical systems to optimise throughput, length of stay and occupancy in Warrnambool and Camperdown Hospitals › Develop sustainable models for our multi-site service system configuration
Care provided close to home	<ul style="list-style-type: none"> › Develop innovative and comprehensive models of in-home and out of hospital care › Enhance our specialist service provision in South West Victoria › Renew our clinical services plan to represent future needs
High quality, safe care	<ul style="list-style-type: none"> › Continuously review and improve the design of our systems and the way we deliver to enhance care and the consumer experience › Implement best practice and sector reforms

INFRASTRUCTURE THAT SUPPORTS BEST CARE

Future demand is planned and delivered through strategic investment

Strategic Priorities	Strategies
Warrnambool Base Hospital redevelopment	<ul style="list-style-type: none"> › Substantially progress the stage two redevelopment of the Warrnambool Base Hospital in partnership with the Victorian Government › Progress to realisation of the full Warrnambool Masterplan
Camperdown precinct redevelopment	<ul style="list-style-type: none"> › Progress the Camperdown precinct business case to finalisation and progress aged care as stage one › Progress to realisation of the full Camperdown Masterplan
Contemporary integrated information technology systems	<ul style="list-style-type: none"> › Develop and implement an information technology plan to support ongoing leadership, appropriate investment and high quality performance across South West Healthcare › Work towards and plan for an end-to-end electronic health record › Develop data systems to support efficient and effective decisions and inform our clinical practice in real time

PARTNERING FOR SUCCESS

We are a highly valued partner and leader

Strategic Priorities	Strategies
Improved access to services across the South West	<ul style="list-style-type: none"> › Support our partners in the South West region through collaborations to deliver reliable, safe and appropriate specialist services › Develop effective pathways for people to receive ongoing care closer to home through seamless transfers in and out of South West Healthcare
Healthier South West communities	<ul style="list-style-type: none"> › Collaborate and contribute to public health initiatives and wellbeing plans › Enhance population health through implementing evidence-based strategies › Improve equity and access through targeted plans and strategies
Build and strengthen strategic partnerships	<ul style="list-style-type: none"> › Enhance partnerships with education and training providers › Continually improve healthcare experiences through dedicated partnerships with local health and community providers › Work in partnership with the State Government and Department of Health and Human Services to achieve South West Healthcare's future potential

STATEMENT OF PRIORITIES

STRATEGIC PRIORITIES	HEALTH SERVICE OUTCOMES
<p>Maintain robust COVID-19 readiness and response, working with the department to ensure rapid response to outbreaks, if and when they occur, which includes providing testing for the community and staff, where necessary and if required. This includes preparing to participate in, and assist with, the implementation of COVID-19 vaccine immunisation program rollout, ensuring the local community's confidence in the program.</p>	<p>South West Healthcare has consistently demonstrated community leadership and readiness and responsiveness across all COVID-19 related services.</p> <ul style="list-style-type: none"> • South West Healthcare established a mass vaccination clinic in central Warrnambool and a vaccination clinic in Camperdown to ensure community access to changing vaccination demands and opportunities. The South West community responded and this was demonstrated by consistently leading most state-wide vaccination indicators. In addition to the vaccination hub, a flexible and adaptable model of vaccination was also implemented that included the establishment of an All Abilities Vaccination Clinic, community visits to at-risk groups and support provided to other regional services to ensure vaccinations were as widely accessible to all groups as possible. Over the last 12 months our teams provided a total of 66,986 vaccinations to our community. • A testing site continued to operate seven days a week for a significant part of the financial year adjacent to the vaccination clinic site. In addition, mass testing facilities were established at a number of sites throughout the year to respond to specific outbreaks. Over the last 12 months our teams have completed 39,040 tests with up to 897 people being tested on one day. • In addition to the vaccination and testing program, our Warrnambool Base Hospital has cared for 165 COVID-19 positive inpatients, 1,317 COVID-19 positive outpatients based in their homes and many presentations through the Emergency Department. The model of care for these patients has continually adapted to meet the changing clinical requirements. Initially COVID-19 specific ward areas were established via a restructure of ward areas within the Warrnambool Base Hospital, and a partnership with St John of God Hospital was established for rehabilitation patients. This assisted us to create safe COVID-19 specific areas and ultimately specific rooms on a number of wards were adapted and modified to ensure safe admission of COVID-19 patients. • All staff, but particularly the medical and nursing staff, have been incredibly adaptable and innovative to enable this changing model of care to be implemented successfully.
<p>Drive improvements in access to emergency services by reducing emergency department four-hour wait times, improving ambulance to health service handover times, and implementing strategies to reduce bed-blockage to enable improved whole of hospital system flow.</p>	<p>The demands on both the Emergency Department and inpatient bed-based areas has been significant and a number of strategies have been implemented in an effort to maximise patient access and improve whole of system flow.</p> <p>The Emergency Department has developed and implemented a new operational plan in response to the increased risks associated with COVID-19 presentations and management. This includes:</p> <ul style="list-style-type: none"> • Single point triage, improvement of triage times and time to ambulance triage and off-loading. • Co-located triage and reception coupled with improved patient flow and way finding. • Fast-track unit allows for patients meeting fast-track criteria to be managed outside of Emergency Department. • Isolation waiting room risk-reduction strategies to reduce transmission of infectious diseases were implemented, including isolation wait room accessible from ambulance airlock. • Fast Track wait room to improve streaming process. • Paediatric waiting room to improve streaming process. • Adult wait room to improve streaming process. • Additional treatment spaces in close proximity to fast track plaster room, procedure room to allow for streaming. • Security Officer within waiting room space to improve patient and staff safety. • Additional consulting rooms and improved flow in outpatient consulting space. <p>In relation to hospital system flow, the pandemic has presented challenges and there has been significant inpatient bed pressure, however South West Healthcare has appreciated the support of neighbouring health services and other partners in assisting where possible. Specific initiatives include:</p> <ul style="list-style-type: none"> • Development of a bed forecasting system to assist with and improve predicting hospital capacity for up to 48 hours, to identify and escalate bed blocks and improve accuracy of expected discharge dates for the following 24-48 hours. • Implementation of daily reporting of long-stay patients and a weekly collaborative meeting. • Improved reporting of emergency department and hospital length of stay and discharge data. • Implementation and adherence to 'Fit-to-Sit' criteria by Ambulance Victoria improving offload times in the Emergency Department. • Implementation of ambulance arrival board to improve communication and plan for handover.

STRATEGIC PRIORITIES	HEALTH SERVICE OUTCOMES
<p>Actively collaborate on the development and delivery of priorities within the Health Service Partnership, contribute to inclusive and consensus-based decision making, support optimum utilisation of services, facilities and resources within the Partnership, and be collectively accountable for delivering against Partnership accountabilities as set out in the <i>Health Service Partnership Policy and Guidelines</i></p>	<ul style="list-style-type: none"> • Extension of Hospital Admission Risk Program (HARP) into partnering health services to expand geographical reach of HARP program. • Through COVID-19 Remote Patient Monitoring team, implementation of additional virtual care has occurred which can be transitioned into other programs, with appropriate frameworks to be developed. • Timboon District Health, Moyne Health Services and Terang and Mortlake Health Service now receiving daily Warrnambool occupancy status to assist in transitions back to these services. • Framework in place to expand reach of HARP – opportunity to be realised in 2022-23.
<p>Engage with the community to address the needs of patients, especially vulnerable Victorians whose care has been delayed due to the pandemic and provide the necessary 'catch-up' care to support them to get back on track.</p> <ul style="list-style-type: none"> • Implement the Better at Home initiative to enhance in-home and virtual models of patient care when it is safe, appropriate and consistent with patient preference. • Improve elective surgery performance and ensure that patients who have waited longer than clinically recommended for treatment have their needs addressed as a priority. 	<p>Better at Home</p> <ul style="list-style-type: none"> • Geriatric Evaluation and Management at Home (GEM at Home) services commenced in December 2021. Provided care to 54 patients with 12-month Better at Home NWAU service activity target met in a seven month period. • Additional Hospital Admission Risk Program (HARP) activity commenced in June 2022 with establishment of HARP roles hosted by Terang and Mortlake Health Service, Timboon and District Healthcare, and Moyne Health Services. This extends the geographic reach of the current HARP service, increasing equity of access regardless of post-code. • Hospital in the Home (HITH) additional activity targets met with further work planned for 2022-23 to further increase access and scope through implementation of a dedicated medical model. <p>Elective Surgery</p> <p>Whilst COVID-19 did impact heavily on elective surgery access during 2021-22 it is pleasing to confirm 2,905 elective surgery patients were treated and the medical, nursing and all staff involved in the surgical stream are acknowledged as it has been a really challenging year.</p> <ul style="list-style-type: none"> • Whilst a majority of the procedures were completed at the Warrnambool Base Hospital, elective surgery has increased at our Camperdown Hospital campus and we have been supported again by St John of God Hospital, Portland District Health, Terang and Mortlake Health Service, and Timboon and District Healthcare Service. • As part of the elective surgery program, South West Healthcare treated 436 patients through the Elective Surgery Blitz initiative.
<p>Address critical mental health demand pressures and support the implementation of mental health system reforms to embed integrated mental health and suicide prevention pathways for people with, or at risk of, mental illness or suicide through a whole-of-system approach as an active participant in your Health Service Partnership and through your Partnership's engagement with Regional Mental Health and Wellbeing Boards.</p>	<ul style="list-style-type: none"> • Workforce planning has continued throughout 2021-22 in order to meet ongoing critical mental health demand. Our Mental Health Nurse Graduate and Transition to Mental Health Nursing Programs have continued to support early career development and in 2022 we commenced our Occupational Therapy and Social Work graduate program, supported by Occupational Therapy and Social Work graduate educators. For the first time, Community Mental Health Engagement Workers were employed and integrated into the Mental Health Services workforce. • Mental Health Services continue to make good progress with completing the transition planning for the eight priority areas plus data transformation. • Mental Health Services are also on track in respect to the required analysis and workshops for key reform areas of transition. • The mental health reforms are a 10+ year initiative. • In 2021-2022 the Primary Health Networks (PHN) engaged South West Healthcare's Mental Health Services for the provision of Services and Treatment for Enduring and Persistent Mental Illness (STEPMI) and the PHN recommissioned Mental Health Services to provide Psychological Therapy Services (PTS). • Planning commenced for the introduction of a Headspace tertiary surge team, in partnership with Headspace, to be commenced in 2022-23.

STRATEGIC PRIORITIES	HEALTH SERVICE OUTCOMES
<p>Embed the Aboriginal and Torres Strait Islander Cultural Safety Framework and build a continuous quality improvement approach to improving cultural safety, underpinned by Aboriginal self-determination, to ensure delivery of culturally safe care to aboriginal patients and families, and to provide culturally safe workplaces for Aboriginal employees.</p>	<p>Aboriginal Cultural Safety Grant plan and reporting in place. This grant, introduced in 2020-21, provides South West Healthcare with funding to strengthen our cultural safety response and provides the opportunity to work with community on defined actions across the domains of Chief Executive Officer and executive leadership.</p> <ul style="list-style-type: none"> • Aboriginal health staffing and engagement, • identifying the health needs of the Aboriginal and/or Torres Strait Islander population and creating plans to address them, • cultural safety training, • identification of Aboriginal and/or Torres Strait Islander patients and accountability, • monitoring and reporting. <p>The work achieved in 2021-22 below has contributed to delivery against the grant guidelines.</p> <ul style="list-style-type: none"> • Continued employment of Aboriginal Liaison Officers who work with individual patients to ensure cultural needs are met, enabling them to access the healthcare they require. Of particular significance during 2021-22 has been the support provided to community during COVID-19 outbreaks. • Reporting of key performance indicators to Clinical Governance Committee and Board Quality and Safety Committee embedded. Key performance indicators being reported are percentage of Aboriginal and/or Torres Strait Islander patients leaving against medical advice, percentage leaving Emergency Department without treatment, occasions of service and Identification of Aboriginal and Torres Strait Islander patients. • Culturally significant dates recognised with delivery of events restricted by the pandemic. • Staff compliance with completion of Cultural Safety Training module continues. • Maternity and Birthing project completed in consultation with community, enabling a culturally appropriate birthing experience. • Development of an Aboriginal Employment strategy carried over into 2022-23.

PERFORMANCE PRIORITIES

HIGH QUALITY AND SAFE CARE	2021/22 ACTUALS	
INFECTION PREVENTION AND CONTROL		
Compliance with the Hand Hygiene Australia program	88.2%	
Percentage of healthcare workers immunised for influenza	95%	
PATIENT EXPERIENCE		
Victorian Healthcare Experience Survey – Overall rating of care	91.4%	
Your Experience of Service Survey – Mental health consumers' overall rating of care	64.1%	
Your Experience of Service Survey – Mental health consumers' reporting they felt safe using this service	89%	
*Given COVID-19 resulted in delays to surgery, visitor restriction, and increased demand for services, patient experience has been impacted		
HEALTHCARE ASSOCIATED INFECTIONS (HAI'S)		
Rate of patients with surgical site infections	Not met	
Rate of patients with ICU central-line associated bloodstream infection (CLABSI)	0.0	
UNPLANNED RE-ADMISSIONS		
Unplanned re-admissions for hip replacement	6.0%	
MENTAL HEALTH		
Percentage of closed community cases re-referred within six months relating to an adult	17%	
Percentage of closed community cases re-referred within six months relating to an aged person	20%	
Percentage of closed community cases re-referred within six months relating to child and adolescents	13%	
Rate of seclusion events relating to an adult acute mental health admission	12	
Rate of seclusion events relating to an aged acute mental health admission	0	
Percentage of child and adolescent acute mental health inpatients with post-discharge follow-up within seven days	100%	
Percentage of adult acute mental health inpatients admissions who have a post-discharge follow-up within seven days	96%	
Percentage of aged acute mental health inpatients who have a post-discharge follow-up within seven days	95%	
Percentage of adult acute mental health inpatients who are readmitted within 28 day of discharge	13%	
Percentage of aged acute mental health inpatients who are readmitted within 28 day of discharge	0%	
MATERNITY AND NEWBORN		
Rate of singleton term infants without birth anomalies with APGAR score <7 to 5 minutes		
	Warrnambool	1.2%
	Camperdown	2.9%
Rate of severe foetal growth restriction (FGR) in singleton pregnancy undelivered by 40 weeks		0%
Urgent maternity patients referred for obstetric care within 30 days		100%
CONTINUING CARE		
Functional independence gain from episode of rehabilitation admission to discharge, relative to length of stay		0.847
STRONG GOVERNANCE, LEADERSHIP AND CULTURE		
ORGANISATIONAL CULTURE		
PEOPLE MATTER SURVEY		
Percentage of staff with an overall positive response to safety and culture questions		69%

TIMELY ACCESS TO CARE		2021/22 ACTUALS
EMERGENCY CARE		
Percentage of patients transferred from ambulance to Emergency Department within 40 minutes		98%
Percentage of Triage Category 1 emergency patients seen immediately		100%
Percentage of Triage Category 1 to 5 emergency patients seen within clinically recommended time		61%
Percentage of emergency patients with a length of stay in the Emergency Department less than four hours		52%
Number of patients with a length of stay in the Emergency Department greater than 24 hours		10
MENTAL HEALTH		
Percentage of crisis (category C) mental health triage episodes with a face-to-face contact received within 8 hours		83%
Percentage of mental health-related emergency department presentations with a length of stay of less than 4 hours		50%
ELECTIVE SURGERY		
Percentage of urgency Category 1 elective surgery patients admitted within 30 days		99%
Percentage of urgency Category 1, 2 and 3 elective surgery patients admitted within clinically recommended time		82.4%
Percentage of patients on the waiting list who have waited longer than clinically recommended time for their respective triage category		8.6%
Number of patients on the elective surgery waiting list (as at 30 June 2022)		1,034
Number of hospital initiated postponements per 100 scheduled elective surgery admissions		11.7
Number of patients admitted from the elective surgery waiting list		2,913
SPECIALIST CLINICS		
Percentage of urgent patients referred by a GP or external specialist who attended a first appointment within 30 days		94.3%
Percentage of routine patients referred by a GP or external specialist who attended a first appointment within 365 days		98.2%
EXECUTIVE FINANCIAL MANAGEMENT		2021/22 ACTUALS
FINANCE		
Operating Result (\$M)		\$0.01M
Cash Management	Trade creditors	33 days
	Patient fee debtors	60 days
ASSET MANAGEMENT		
Adjusted current asset ratio		1.03
Actual days of available cash		25.1
Accuracy of forecasting the Net result from transactions (NRFT)		Not Achieved

ACTIVITY REPORTING

Funding Type		2021-22 Activity achievement
Consolidated Activity Funding	Acute, admitted, sub-acute admitted, emergency services, non-admitted NWAU	22,733
Acute Admitted	National Bowel Cancer Screening Program NWAU	25
	Acute admitted DVA	121
	Acute admitted TAC	99
Acute Non-Admitted	Home Enteral Nutrition NWAU	31
	Specialist Clinics	2,128
Sub-Acute Non-Acute Admitted	Sub-Acute WIES - DVA	43.29
	Transition Care – Bed Days	2,401
	Transition Care – Home Days	2,878
Sub-Acute Non-Admitted	Health Independence Program	17,125
Aged Care	Residential Aged Care	7,517
	Commonwealth Home with Support Program	32,852
Mental Health & Drug Services	Mental Health Ambulatory	37,237
	Mental Health Inpatient – Secure Unit	1,553
	Mental Health Inpatient – Available bed days	4,831
	Mental Health Service System Capacity	1
	Mental Health Sub Acute	3,110
	Drug Services	74
Primary Health	Community Health/Primary Care Programs	11,846
	Community Health Other	83,441
Community Health Contacts by Campus	Warrnambool Community Health (inc HIP)	62,836
	Camperdown Community Health/David Newman Centre	14,188
	Macarthur Community Health	2,667
	Lismore Community Health	3,750
	Regional Dental Service	12,754
	South West Medical Centre (GP Clinic)	22,804

STATUTORY REQUIREMENTS

MANNER OF ESTABLISHMENT

South West Healthcare is an incorporated body under, and regulated by, the *Health Services Act 1988*.

RESPONSIBLE MINISTERS 2021-22

The Responsible Ministers for South West Healthcare:

Minister for Health:

The Hon. Martin Foley MP

1 July 2021 to 27 June 2022

Minister for Health

Minister for Ambulance Services

Minister for Equality

The Hon. Mary-Anne Thomas MP

27 June 2022 to 30 June 2022

Minister for Health

Minister for Ambulance Services

Minister for Mental Health

The Hon. James Merlino MP

1 July 2021 to 27 June 2022

Minister for Mental Health

The Hon. Gabrielle Williams MP

27 June 2022 to 30 June 2022

Minister for Mental Health

Minister for Treaty and First Peoples

Minister for Disability, Ageing and Carers

The Hon. Luke Donnellan MP

1 July 2021 to 11 October 2021

Minister for Disability, Ageing and Carers

Minister for Child Protection

The Hon. James Merlino MP

11 October 2021 to 6 December 2021

Minister for Disability, Ageing and Carers

The Hon. Anthony Carbines MP

6 December 2021 to 27 June 2022

Minister for Disability, Ageing and Carers

Minister for Child Protection and Family Service

The Hon. Colin Brooks MP

27 June 2022 to 30 June 2022

Minister for Disability, Ageing and Carers

Minister for Child Protection and Family Services

FREEDOM OF INFORMATION REQUESTS

Requests for documents in the possession of South West Healthcare are directed to the Freedom of Information Manager and all requests are processed in accordance with the *Freedom of Information Act 1982*. A fee is levied for this service, based on the time involved in retrieving and copying the requested documents.

The Hospitals Part II publication, which details publication requirements of the *Freedom of Information Act*, is available on the South West Healthcare Website.

A total of 309 requests under the *Freedom of Information Act* were processed during the 2021-22 financial year.

All of these were from the general public and the majority of requests were acceded to.

South West Healthcare's nominated officers under the *Freedom of Information Act*:

Principal Officer

Mr Bill Brown, Chair – Board of Directors

Medical Principal Officer

Dr Kate McConnon, Executive Director Medical Services

Freedom of Information Officer

Ms Robyn White

SAFE PATIENT CARE ACT 2015

South West Healthcare has no matters to report in relation to its obligations under section 40 of the *Safe Patient Care Act 2015*.

CARERS RECOGNITION ACT 2012

The *Carers Recognition Act 2012* recognises, promotes and values the role of people in care relationships. South West Healthcare understands the different needs of persons in care relationships and that care relationships bring benefits to the patients, their carers and to the community. South West Healthcare takes all practicable measures to ensure that its employees, agents and carers have awareness and understanding of the care relationships principles and this is reflected in our commitment to a model of patient and family centred care and to involving carers in the development and delivery of our services.

LOCAL JOBS ACT DISCLOSURE

In August 2018, the Victorian Parliament reformed the *Victorian Industry Participation Policy Act 2003* in the *Local Jobs First Act 2003* and the FRD was revised to FRD 25D (April 2019).

South West Healthcare had three contracts in 2021-2022 to which the *Local Jobs First Act 2003* applied totalling \$2.03M. All three contracts commenced with effect during 2021-2022. Contracts included two for Architectural Design and Project Management services with each of those requiring only a short form Local Industry Development Plan (LIDP). Local content commitments was 100 per cent for each of those contracts. The third contract was for the Supply of Uniforms for which a standard LIDP was required. Local content commitments for management, administrative and logistics services was 100 per cent with local content commitments for garments being less than 20 per cent. The total number of SME's engaged as either the principle contractor or as part of the supply chain for these contracts is 15. The total Standard VIC Created Hours is 11,320. The total Standard VIC Retained Hours is 3,270. The total Standard ANZ Created Hours is 100. South West Healthcare complies with the *Local Jobs First Act 2003*.

SUMMARY OF FINANCIAL RESULTS FOR THE YEAR

As detailed in the below tables, we are pleased to confirm the total operating revenue increased from \$227.6M to \$253M for the 2021-22 financial year.

This reflects an increase of \$25M or 11 percent. The service profile continues to be impacted by the COVID-19 pandemic and it's pleasing to report that South West

Healthcare has both responded to the community needs associated with the pandemic and maintained our financial strength. An operating surplus of \$9K (0.004 percent of operating revenue) was achieved and this result ensures the financially sustainable position we've built over many years is maintained. As detailed through this report, we remain innovative and focused on responding to the rapidly changing health needs of the community we serve.

	2022	2021	2020	2019	2018
	\$000	\$000	\$000	\$000	\$000
Operating Result*	9	3,534	3,913	502	472
Total revenue	253,020	227,692	212,574	198,987	185,206
Total expenses	(252,411)	(234,600)	(220,850)	(209,584)	(196,266)
Net results from transactions	609	(6,908)	(8,276)	(10,597)	(11,060)
Total other economic flows	1,709	1,679	(362)	(993)	(7)
Net result	2,318	(5,229)	(8,638)	(11,590)	11,067
Total assets	304,610	279,628	271,715	276,928	222,830
Total liabilities	84,204	65,046	54,113	50,691	44,191
Net assets/Total equity	220,406	214,582	217,602	226,237	178,639

* The operating result is the result for which the health service is monitored in its Statement of Priorities

RECONCILIATION BETWEEN THE NET RESULT FROM TRANSACTIONS REPORTED IN THE MODEL TO THE OPERATING RESULT AS AGREED IN THE STATEMENT OF PRIORITIES

	2021-22
	\$000
Net operating result *	9
Capital purpose income	14,617
Expenditure for capital purpose	(602)
Depreciation and amortisation	(13,381)
Finance costs (other)	(34)
Net result from transactions	609

DETAILS OF 2021-22 CONSULTANCIES

In 2021-22 there was one consultancy where the total fees payable to the consultants were less than \$10,000. The total expenditure incurred during the 2021-22 financial year in relation to this consultancy is \$1,120 (exclusive of GST).

In 2021-22 there were six consultancies where the total fees payable to the consultants were \$10,000 or greater. The total expenditure incurred during 2021-22 in relation to these consultancies is \$361,030.43 (exclusive of GST).

DETAILS OF INDIVIDUAL CONSULTANCIES (VALUED AT \$10,000 OR GREATER)	PURPOSE OF CONSULTANCY	EXPENDITURE (VALUED AT \$10,000 OR GREATER)
ASPEX Consultancy Pty Ltd	Camperdown Financial Review	\$87,956.75
ASPEX Consultancy Pty Ltd	Clinical Services Plan	\$115,783.50
PricewaterhouseCoopers Consulting (Australia) Pty Limited	Strategic Position Paper	\$36,928.18
Society of Hospital Pharmacists of Australia	Pharmacy Services Review	\$98,180.00
Victorian Aboriginal Community Controlled Health Organisation Inc	Cultural Safety Audit	\$12,182.00
ZED Consulting and Associates Pty Ltd	Patient & Consumer Engagement Strategy Development	\$10,000.00

INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) DISCLOSURE

The total ICT expenditure incurred during 2021-22 is \$5.686M (excluding GST) with the details shown below.

BUSINESS AS USUAL (BAU) ICT EXPENDITURE		
Total Operational expenditure and Capital expenditure (excluding GST)	Operational expenditure (excluding GST)	Capital expenditure (excluding GST)
\$5.686 million	\$5.334 million	\$0.352 million

CAR PARKING FEES

South West Healthcare complies with the Department of Health hospital circular on car parking fees. Details of car parking fees and concession benefits can be viewed at www.southwesthealthcare.com.au

BUILDING ACT 1993

South West Healthcare complies with the building and maintenance provisions of the *Building Act 1993*.

COMMERCIAL APPOINTMENTS

External Auditors

Crowe Australasia

Internal Auditors

Moore Australia

Bankers

Australia & New Zealand Banking Group Ltd
Westpac Banking Corporation

COMPETITIVE NEUTRALITY

South West Healthcare has implemented and continues to comply with the National Competition Policy and the requirements of the Victorian Government Competitive Neutrality (CN) Policy.

PUBLIC INTEREST DISCLOSURE ACT 2012

South West Healthcare has in place appropriate procedures for disclosures in accordance with the *Public Interest Disclosure Act 2012*. No disclosures were made under the Act in 2021-22.

Since the introduction of the Act there have been no disclosures received and no notification of disclosures to the Ombudsman or any other external agency. Disclosures will be received by:

Mr Craig Fraser

Chief Executive Officer
South West Healthcare, Warrnambool, Victoria 3280

The Ombudsman

Level 3, 459 Collins Street, Melbourne, Victoria 3000
Phone 1800 806 314

GENDER EQUALITY ACT 2020

The Gender Equality Act 2020 (the 'Act') commenced in March 2021 and is the first of its kind in Australia. The Act was developed in response to the 2016 Royal Commission into Family Violence which showed that Victoria needs to address gender inequality in order to reduce family violence and all forms of violence against women. The objectives of the Act are to:

- › Promote, encourage and facilitate the achievement of gender equality and improvement in the status of women
- › Support the identification and elimination of systemic causes of gender inequality in policy, programs and delivery of services in workplaces and communities
- › Recognise that gender inequality may be compounded by other forms of disadvantage or discrimination that a person may experience on the basis of Aboriginality, age, disability, ethnicity, gender identity, race, religion, sexual orientation and other attributes
- › Redress disadvantage, address stigma, stereotyping, prejudice and violence, and accommodate persons of different genders by way of structural change
- › Enhance economic and social participation by persons of different genders
- › Further promote the right to equality set out in the Charter of Human Rights and Responsibilities and the Convention on the Elimination of All Forms of Discrimination against Women.

In accordance with the Act, South West Healthcare have developed their Gender Equality Action Plan (GEAP), commencing with the collation and analysis of workforce baseline data, analysis of the People Matter Survey results and consultation with various key stakeholders. The GEAP has been endorsed by the South West Healthcare Executive and recently submitted to the Gender Equality Commission.

The South West Healthcare GEAP includes strategies, actions and measures to build, develop and sustain positive organisational growth towards gender equality. South West Healthcare is also working towards a workforce inclusion initiative as part of the workforce inclusion policy through the objectives outlined in the GEAP. As the GEAP has only recently been submitted to the Commission, progress towards targets and outcomes have not yet been realised, however South West Healthcare looks forward to monitoring and evaluating the progress of the GEAP to illustrate and understand trends over time, which impacts gender equality in our workplace and the communities we serve.

ADDITIONAL INFORMATION AVAILABLE UPON REQUEST

Details in respect of the items listed below have been retained by South West Healthcare and are available to the relevant Ministers, Members of Parliament and the public on request (subject to Freedom of Information requirements, if applicable):

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

ATTESTATIONS

DATA INTEGRITY DECLARATION

I, Craig Fraser, certify that South West Healthcare has put in place appropriate internal controls and processes to ensure that reported data accurately reflects actual performance. South West Healthcare has critically reviewed these controls and processes during the year.



Craig Fraser
Chief Executive Officer
South West Healthcare
25 August 2022

INTEGRITY, FRAUD AND CORRUPTION DECLARATION

I, Craig Fraser, certify that South West Healthcare has put in place appropriate internal controls and processes to ensure that integrity, fraud and corruption risks have been reviewed and addressed at South West Healthcare during the year.



Craig Fraser
Chief Executive Officer
South West Healthcare
25 August 2022

CONFLICT OF INTEREST DECLARATION

I, Craig Fraser, certify that South West Healthcare 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 South West Healthcare 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.



Craig Fraser
Chief Executive Officer
South West Healthcare
25 August 2022

ATTESTATION ON FINANCIAL MANAGEMENT COMPLIANCE

I, Bernadette Northeast, on behalf of the Board of Directors, certify that South West Healthcare has no Material Compliance Deficiency with respect to the applicable Standing Directions under the *Financial Management Act 1994* and Instructions.



Bernadette Northeast
Board Chair
South West Healthcare
25 August 2022

INPATIENTS AND PATIENTS

Despite the resumption of most sports and social gatherings in late 2021, South West Healthcare recorded 108 less emergency and urgent care admissions than the prior year. This represents a 0.4% decrease. Effectively the number of presentations remained similar to the prior year, but the additional complexities associated with COVID-19 made it a really challenging year for the Emergency Department.

27,232 EMERGENCY & URGENT CARE PATIENTS

We recorded a 0.4 percent decrease in emergency department and urgent care centre attendances for 2021-22. During this 12-month period we treated 27,232 emergency and urgent care patients compared to 2020-21's 27,340.

- › Our Warrnambool Emergency Department treated 25,184 people. This is a 0.3 percent increase on the 25,103 treated in 2020-21.
- › Our Camperdown Urgent Care Centre treated 2,048 people. This is an 8.5 percent decrease on the 2,237 people treated in 2020-21.

The majority of our Warrnambool Emergency Department and Camperdown Urgent Care Centre patients came from the local government area in which the facility is located:

- › 59.47 percent of our Warrnambool Base Hospital Emergency Department patients were Warrnambool City residents.
- › 86.77 percent of our Camperdown Hospital Urgent Care Centre patients were Corangamite Shire residents.

SOUTH WEST HEALTHCARE EMERGENCY/URGENT CARE PATIENTS' RESIDENCES BY SOUTH WEST HEALTHCARE HOSPITAL 2021-22

PATIENTS' RESIDENCES	WARRNAMBOOL BASE HOSPITAL		CAMPERDOWN HOSPITAL	
	Number	%	Number	%
Warrnambool	14,978	59.47%	31	1.51%
Moyne	5,113	20.30%	85	4.15%
Corangamite	2,575	10.22%	1,777	86.77%
Glenelg	530	2.10%	7	0.34%
Southern Grampians	252	1.00%	4	0.20%
Colac Otway	67	0.27%	30	1.46%
Rest of Victoria	1,313	5.21%	90	4.39%
SA	57	0.23%	7	0.34%
NSW	77	0.31%	8	0.39%
QLD	76	0.30%	6	0.29%
WA	15	0.06%	0	0.00%
ACT	7	0.03%	0	0.00%
NT	7	0.03%	1	0.05%
TAS	5	0.02%	1	0.05%
Overseas (8888)	25	0.10%	1	0.05%
No Fixed Address (1000)	79	0.31%	0	0.00%
Unknown (9988)	8	0.03%	0	0.00%
TOTALS	25,184	100%	2,048	100%

24,595 HOSPITAL INPATIENTS

South West Healthcare recorded a 3 percent decrease in hospital inpatients for 2021-22, compared to 2020-21. During this 12 month period we cared for 24,595 inpatients compared to 25,363 inpatients in 2021-22:

- › Our Warrnambool Base Hospital cared for 22,954 inpatients. This is a 1.9 percent decrease on the 25,363 patients cared for in 2020-21.
- › Our Camperdown Hospital cared for 1,641 inpatients. This is a 16 percent decrease on the 1,955 patients cared for in 2020-21.

WHERE OUR PATIENTS LIVE

The majority of our inpatients came from the Local Government Area in which the hospital they were admitted is located:

- › 55.51 percent of our Warrnambool Base Hospital inpatients were Warrnambool City residents.
- › 56.43 percent of our Camperdown Hospital inpatients were Corangamite Shire residents.

SOUTH WEST HEALTHCARE INPATIENTS' RESIDENCES BY SOUTH WEST HEALTHCARE HOSPITAL 2021-22

INPATIENTS' RESIDENCES	WARRNAMBOOL BASE HOSPITAL		CAMPERDOWN HOSPITAL	
	Number	%	Number	%
Warrnambool	12742	55.51%	472	28.76%
Moyne	4356	18.98%	180	10.97%
Corangamite	3069	13.37%	926	56.43%
Glenelg	1378	6.00%	12	0.73%
Southern Grampians	702	3.06%	11	0.67%
Colac Otway	63	0.27%	20	1.22%
Rest of Victoria	514	2.24%	18	1.10%
SA	57	0.25%	2	0.12%
NSW	13	0.06%	0	0.00%
QLD	22	0.10%	0	0.00%
WA	5	0.02%	0	0.00%
ACT	3	0.01%	0	0.00%
NT	2	0.01%	0	0.00%
TAS	3	0.01%	0	0.00%
Overseas (8888)	11	0.05%	0	0.00%
No Fixed Address (1000)	13	0.06%	0	0.00%
Unknown (9988)	1	0.00%	0	0.00%
TOTALS	22,954	100%	1,641	100%

THE AGE OF OUR 24,595 INPATIENTS

People aged in the 56-60 year old age bracket accessed South West Healthcare's services more than any other group (2,382), closely followed by those in the 71-75 year old age bracket (2,377), across both Warrnambool and Camperdown hospitals.

- › In Warrnambool the 56-60 year old age bracket accounted for 2,247 people or 9.79 percent of the total population that accessed our services. This age group also saw a 15 percent increase in inpatient admissions from 2020-21.
- › The 11-15 year old age group in Warrnambool saw a 10 percent jump in the number of paediatric inpatients admitted when compared to 2020-21.
- › The 31-35 year old age group in Warrnambool saw a 16 percent increase in the number of inpatients admitted compared to 2020-21.
- › The 36-40 year old age group in Warrnambool saw a 12 percent increase in the number of inpatients admitted compared to 2020-21.
- › The 81-85 year old age group in Warrnambool saw a 14 percent increase in the number of inpatients admitted from 2021-22, compared to 2020-21.
- › In Camperdown the 66-70 year old age group accessed the most services, accounting for 155 people or 9.45 percent of the total population.
- › The 51-55 year old age group in Camperdown saw a 30 percent decrease in the number of inpatients admitted compared to 2020-21.
- › The 56-60 year old age group in Camperdown saw a 20 percent increase in the number of inpatients admitted compared to 2020-21.
- › It's worth noting that children in the 0-5 year inpatient figures at both Warrnambool and Camperdown include midwifery unit births, while the Camperdown Hospital figures do not include Merindah Lodge residential aged-care residents.

SOUTH WEST HEALTHCARE INPATIENTS AGE BY SOUTH WEST HEALTHCARE HOSPITAL 2021-22

AGE OF INPATIENTS	WARRNAMBOOL BASE HOSPITAL		CAMPERDOWN HOSPITAL	
	Number	%	Number	%
0-5	1430	6.23%	44	2.68%
6-10	249	1.08%	2	0.12%
11-15	325	1.42%	15	0.91%
16-20	588	2.56%	55	3.35%
21-25	749	3.26%	63	3.84%
26-30	949	4.13%	78	4.75%
31-35	1159	5.05%	82	5.00%
36-40	942	4.10%	74	4.51%
41-45	1051	4.58%	66	4.02%
46-50	953	4.15%	92	5.61%
51-55	1270	5.53%	122	7.43%
56-60	2247	9.79%	135	8.23%
61-65	1942	8.46%	132	8.04%
66-70	2096	9.13%	155	9.45%
71-75	2224	9.69%	153	9.32%
76-80	1896	8.26%	139	8.47%
81-85	1715	7.47%	107	6.52%
86-90	784	3.42%	90	5.48%
91+	385	1.68%	37	2.25%
TOTAL	22,954	100%	1,641	100%

SERVICES & PROGRAMS

	WARRAMBOOL BASE HOSPITAL	CAMPERDOWN HOSPITAL	WARRAMBOOL COMMUNITY HEALTH	CAMPERDOWN COMMUNITY HEALTH	LISMORE COMMUNITY HEALTH	MACARTHUR COMMUNITY HEALTH	DAVID NEWMAN ADULT DAY CENTRE, CAMPERDOWN	MERINDAH LODGE, CAMPERDOWN	WARRAMBOOL MENTAL HEALTH SERVICES	CAMPERDOWN MENTAL HEALTH SERVICES	HAMILTON MENTAL HEALTH SERVICES	PORTLAND MENTAL HEALTH SERVICES	HAMILTON DENTAL CLINIC	PORTLAND DENTAL CLINIC
Aboriginal Health Liaison	•	•	•	•	•	•	•	•	•	•	•	•	•	•
Access & Information	•	•	•	•	•	•								
Accommodation (Rotary House)	•													
Acute Care	•	•												
Advance Care Planning	•	•	•	•	•	•		•						
Aged Care (residential)								•						
Anaesthetics														
- Specialist	•	•												
- General Practitioner		•												
Brain Activities, Stimulation & Engagement (BASE)	•													
Breast Cancer Support	•	•		•	•									
- Breast Prosthesis			•											
Cancer Support	•	•		•	•									
Cardiac														
- Exercise Stress Testing	•		•											
- Monitoring (Echocardiograms)	•	•												
- Rehabilitation	•		•											
Coordination (Hospital Admission Risk Program)	•	•	•	•	•									
Centre Against Sexual Assault (SW CASA)	•		•	•										
Childcare		•												
Cognitive Dementia & Memory			•											
Community Health Nursing					•	•								
Continence/Urology	•		•	•										
Coronary Care	•													
COVID Vaccination Clinics	•	•												
Day Surgery	•	•												
Delta Therapy Dogs	•													
Dentistry	•		•	•									•	•
Dermatology (private consultations)	•													
Diabetes Education & Resources	•	•	•	•	•	•		•						
Discharge, Support & Liaison	•	•	•											
District Nursing	•	•	•		•	•								
Drug & Alcohol Withdrawal & Support	•													
Ear, Nose & Throat Surgery	•	•												
Emergency	•													
Emergency Relief				•										
Endoscopy	•	•												
Equipment Hire														
- South West Healthcare Supplies	•	•		•	•									
Falls & Balance Clinic			•											
Fracture Clinic	•													
Fresh Deliver Meals	•													
GP Clinic														
- South West Medical Centre			•											
Gastroenterology	•													
General Medicine	•	•												
General Surgery	•	•												
Geriatric Medicine	•							•						
- Geriatric Evaluation & Management	•													
- GEM at Home	•		•											
Gynaecology														
- Specialist	•	•												
- General Practitioner		•												
Haemodialysis	•													
Haemofiltration	•													
Hand Therapy	•		•											
Health Education	•	•	•	•	•	•	•							
Health Promotion			•	•	•	•								
Health Self-Management			•	•	•	•								
Healthier Me				•										
Healthy Mothers Healthy Babies Program			•											
Hearing														
- Australian Hearing Program								•						
- Hearing Aids				•	•									
- Victorian Infant Hearing Screening	•			•										
Home Care (Paediatrics)	•													
Hospital In The Home	•	•	•											
Intensive Care/Critical Care	•													
Internet Kiosk														
Legal Aid				•										
Library	•													
Meals on Wheels		•			•	•								
Medical Imaging	•	•												
Memory Enhancement								•						
Mental Health														
- Acute Inpatient	•													
- Adult	•								•	•	•	•	•	•
- Aged Persons	•								•	•	•	•	•	•
- Child & Adolescent includes CASEA	•								•	•	•	•	•	•
- Consultation Liaison Services	•								•	•	•	•	•	•
- Consumer & Carer Participation	•								•	•	•	•	•	•
- Expanded Discharge Support Initiative									•					

	WARRNAMBOOL BASE HOSPITAL	CAMPERDOWN HOSPITAL	WARRNAMBOOL COMMUNITY HEALTH	CAMPERDOWN COMMUNITY HEALTH	LISMORE COMMUNITY HEALTH	MACARTHUR COMMUNITY HEALTH	DAVID NEWMAN ADULT DAY CENTRE, CAMPERDOWN	MERINDAH LODGE, CAMPERDOWN	WARRNAMBOOL MENTAL HEALTH SERVICES	CAMPERDOWN MENTAL HEALTH SERVICES	HAMILTON MENTAL HEALTH SERVICES	PORTLAND MENTAL HEALTH SERVICES	HAMILTON DENTAL CLINIC	PORTLAND DENTAL CLINIC
- Families where a Parent has a Mental Illness									•	•	•	•	•	•
- Farmer Community Support Program									•	•				
- Mental Health & Police Response									•					
- Perinatal Emotional Health Program	•	•							•	•	•	•		
- Ngootyoong - Prevention and Recovery Centre (PARC) care									•					
- Primary Mental Health Services				•	•				•	•	•	•	•	•
- Psychological Therapy Services				•					•	•	•	•	•	•
Way Back Suicide Prevention Program	•								•	•	•	•	•	•
Services and Treatment for Enduring and Persistent Mental Illness (STEPMI)	•								•	•	•	•	•	•
Midwifery														
- Inpatient	•	•												
- Continuity Midwife Program	•													
- Domiciliary	•	•												
- Shared Care Maternity Service		•												
Music Therapy	•							•						
Needle Exchange			•	•	•									
Neonatal Special Care	•													
Nephrology Services	•													
Nutrition & Dietetics	•	•	•	•	•	•		•						
Obstetrics														
- Specialist	•	•												
- General Practitioner		•												
Occupational Therapy	•	•	•	•	•			•						
Oncology	•													
Oncology Clinical Trials	•													
Operating Theatre & Recovery	•	•												
Ophthalmology	•							•						
Orthopaedics	•	•												
Ostomy Association Clinic			•											
Paediatric Feeding Clinic			•											
Paediatrics/Adolescent Care	•	•	•											
Palliative Care														
- Inpatient	•	•						•						
- Community Based	•	•	•		•	•								
PAP Screen Clinic					•									
Pathology	•	•				•	•							
Pharmacy	•	•												
Physiotherapy	•	•	•	•	•			•						
- Post Arthroplasty Review	•													
Plastic & Reconstructive Surgery	•													
Podiatry	•		•	•	•	•		•						
Pre Admission Clinic	•	•												
Prostate Cancer Specialist Nurse	•													
Prosthetics Clinic	•													
Pulmonary Rehabilitation			•											
Refugee Health Rehabilitation			•											
- Inpatient	•													
- Community Based			•	•	•									
- Intensive Home Based			•											
Residential in Reach			•	•										
Respiratory Health	•		•											
Respite Care								•						
Sexual Assault After Hours Crisis Care	•													
Smoking Cessation	•	•	•	•	•									
Social Work & Counselling	•	•	•	•		•		•						
Social Support Groups					•	•	•		•		•	•	•	•
South West Healthcare Supplies (retail shop)	•													
Speech Pathology	•	•	•	•				•						
Specialist Outpatient Clinic	•													
Stomal Therapy	•		•											
Strength Training								•						
Stroke Liaison	•													
Telehealth	•	•	•	•	•	•	•	•	•	•	•	•	•	•
Telemetry	•	•												
Transesophageal Echocardiography	•													
Transition Care Program	•		•	•										
Transport					•	•	•							
Treatment Room					•	•								
Urgent Care Centre		•												
Urology	•	•												
Women's Health	•				•									
- Women's Health Clinic	•			•	•									
- Ante Natal Clinic	•	•												
- Gynaecology Clinic	•													
- Young Women's Pregnancy & Parenting	•													
Wound Management	•	•	•					•						
Volunteer Program	•	•	•		•	•	•	•						

HEALTH, SAFETY & WELLBEING

2021-22 saw a continued focus on ensuring South West Healthcare has an effective system for managing health, safety and wellbeing across the organisation.

Our South West Healthcare Health, Safety and Wellbeing team is primarily responsible for the ongoing development and maintenance of:

- Return-to-work programs
- Incident/accident prevention
- Injury management
- Rehabilitation
- Employee Assistance Programs
- Security
- Emergency management
- Business continuity
- Occupational health and safety (OHS) risk management including provision of policies, safe work procedures and information and staff training to meet compliance with the O&HS Act (2004) and other relevant regulations, standards and codes of practice.

SIGNIFICANT OUTCOMES FOR 2021-22

- › Vaccinated 98% of its workforce against influenza, achieving the Victorian state target
- › Implemented additional controls to improve the prevention and management of occupational violence and aggression (OVA), including additional duress alarms, security cameras and tailored OVA training packages
- › Achieved 100 per cent compliance for monthly OHS inspections of 72 departments
- › Continued to provide ongoing support to staff through our Employee Assistance Program, including critical incident stress management support
- › Installed many sit/stand workstations to improve ergonomics in the office environment
- › Active management and delivery of a centralised, consistent approach in relation to COVID-19-related health, safety and wellbeing matters.
- › Continued to implement a risk-based immunisation program for managing occupational risk for vaccine-preventable diseases in accordance with National Safety and Quality Health Service (NSQHS) standard requirements and Australian Immunisation handbook.

WORKFORCE DATA

STAFF NUMBERS (FULL TIME EQUIVALENT/FTE) 2020-21 TO 2021-22

LABOUR TYPE	CURRENT MONTH FTE JUNE 2021	CURRENT MONTH FTE JUNE 2022	AVERAGE MONTHLY FTE 2021	AVERAGE MONTHLY FTE 2022
Nursing	550.98	557.87	529.33	558.32
Admin. and Clerical	208.17	214.62	194.85	210.09
Medical Support	65.36	61.99	67.65	64.42
Hotel and Allied Services	159.63	175.65	158.38	166.61
Medical Officers	90.26	102.54	85.65	94.14
Sessional Clinicians	10.67	10.78	9.24	11.55
Ancillary Staff (Allied Health)	136.10	139.40	137.17	136.46
TOTAL	1221.17	1262.85	1182.27	1241.59

STAFF GENDER/EMPLOYMENT STATUS 2019-22

	JUNE 2022	JUNE 2021	JUNE 2020	JUNE 2019
FEMALE				
Full Time	345	311	321	305
Part Time	989	951	870	829
Casual	259	196	97	117
(Sub Total)	1593	1458	1288	1251
MALE				
Full Time	210	187	181	187
Part Time	119	109	90	93
Casual	91	65	18	19
(Sub Total)	420	361	289	299
TOTAL	2013	1819	1577	1550

OCCUPATIONAL HEALTH & SAFETY DATA

OCCUPATIONAL HEALTH AND SAFETY STATISTICS 2019-20 TO 2021-22

OCCUPATIONAL HEALTH AND SAFETY STATISTICS	2021-22	2020-21	2019-20
Number of reported hazards/incidents for the year per 100 FTE	30.77	48.21	39.68
Number of 'lost time' standard Workcover claims for the year for 100 FTE	0.72	2.37	1.30
Average cost per Workcover claim for the year	\$68,857	\$31,389	\$23,765

OCCUPATIONAL VIOLENCE STATISTICS 2021-22

1. Workcover accepted claims with an occupational violence cause per 100 FTE	0
2. Number of accepted Workcover claims with lost time injury with an occupational violence cause per 1,000,000 hours worked	0
3. Number of occupational violence incidents reported	216
4. Number of occupational violence incidents reported per 100 FTE	17.40
5. Percentage of occupational violence incidents resulting in a staff injury, illness or condition	12.04%

DEFINITIONS OF OCCUPATIONAL VIOLENCE

- › 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, however, if an incident occurs during the course of a planned or unplanned Code Grey, the incident must be included.
- › Accepted Workcover claims - accepted Workcover claims that were lodged in 2021-22.
- › Lost time - is defined as greater than one day.
- › Injury, illness or condition – this includes all reported harm as a result of the incident, regardless of whether the employee required time off work or submitted a claim.

ENVIRONMENTAL SUSTAINABILITY

Environmental Sustainability Work at South West Healthcare is guided by our 2020-24 Environmental Management Plan (EMP). Improving the environmental performance of the organisation with a particular focus on decreasing emissions continues to be a primary focus of sustainability activity at South West Healthcare in 2021-22.

The following is a detailed summary of environmental performance as it relates to energy and water usage, waste production and the generation of Greenhouse Gas Emissions (GHG) for 2021-22, prepared in accordance with the Department of Health's Public Environmental Reporting Guidelines 2017. Data provided in this report is normalised using indicators relevant to the healthcare sector, with the normalised figures providing the most accurate evaluation of environmental performance in the context of changes to service provision. The current reporting period data is compiled using estimates generated by the Department of Health for data not available prior to publication dates. These will be updated in the following year's Annual Report to include actual usage figures and are indicated by *italicised* text.

PUBLIC ENVIRONMENT REPORT - SOUTH WEST HEALTHCARE ORGANISATION HIERARCHY 2021/22

GREENHOUSE GAS EMISSIONS			
	2019/20	2020/21	2021/22
Total greenhouse gas emissions (tonnes CO2e)			
Scope 1	2,473	2,332	2,566
Scope 2	7,154	6,726	6,082
Total	9,627	9,058	8,647
Normalised greenhouse gas emissions			
	2019/20	2020/21	2021/22
Emissions per unit of floor space (kgCO2e/m2)	164.96	154.16	146.03
Emissions per unit of Separations (kgCO2e/Separations)	394.47	357.06	349.36
Emissions per unit of bed-day (LOS+Aged Care OBD) (kgCO2e/OBD)	128.60	123.26	119.14
STATIONARY ENERGY			
	2019/20	2020/21	2021/22
Total stationary energy purchased by energy type (GJ)			
Electricity	25,250	24,709	24,059
Liquefied Petroleum Gas	193	142	N/A
Natural Gas	38,046	36,702	41,530
Total	63,488	61,552	65,586
Normalised stationary energy consumption			
	2019/20	2020/21	2021/22
Energy per unit of floor space (GJ/m2)	1.09	1.05	1.09
Energy per unit of Separations (GJ/Separations)	2.60	2.43	2.61
Energy per unit of bed-day (LOS+Aged Care OBD) (GJ/OBD)	0.85	0.84	0.89
EMBEDDED GENERATION			
	2019/20	2020/21	2021/22
Total embedded stationary energy generated by energy type (GJ)			
Solar Power	1,031	1,304	1,622
Total	1,031	1,304	1,622

GREENHOUSE GAS EMISSIONS			
Normalised embedded generation	2019/20	2020/21	2021/22
Embedded generation per unit of floor space (GJ/m2)	0.02	0.02	0.03
Embedded generation per unit of Separations (GJ/Separations)	0.04	0.05	0.07
Embedded generation per unit of bed-day (LOS+Aged Care OBD) (GJ/OBD)	0.014	0.018	0.022
WATER			
Total water consumption by type (kL)	2019/20	2020/21	2021/22
Potable Water	67,187	65,424	63,316
Reclaimed Water	12,000	12,000	12,000
Total	79,217	77,424	75,316
Normalised water consumption (Potable + Class A)	2019/20	2020/21	2021/22
Water per unit of floor space (kL/m2)	1.34	1.31	1.28
Water per unit of Separations (kL/Separations)	3.26	3.02	3.06
Water per unit of bed-day (LOS+Aged Care OBD) (kL/OBD)	1.06	1.05	1.04
Water re-use and recycling	2019/20	2020/21	2021/22
Re-use or recycling rate % (Class A + Reclaimed / Potable + Class A + Reclaimed)	15.1%	15.4%	16.0%
WASTE AND RECYCLING			
Waste	2019/20	2020/21	2021/22
Total waste generated (kg clinical waste+kg general waste+kg recycling waste)	505,932	426,946	439,734
Total waste to landfill generated (kg clinical waste+kg general waste)	356,939	326,932	350,186
Total waste to landfill per patient treated (kg clinical waste+kg general waste)/PPT	2.77	2.41	2.87
Recycling rate % (kg recycling / (kg general waste+kg recycling))	35%	30%	27%
TRANSPORT			
Corporate Transport	2019/20	2020/21	2021/22
Tonnes CO2-e Corporate transport	501.20	432.06	425.85
Normalisers (for information only)	2019/20	2020/21	2021/22
Area M2	58,362	58,757	58,859
Aged Care OBD	9154	7,988	7,590
ED Departures	29,658	36,537	25,184
FTE	1,178	1,246	1,305
LOS	65,711	65,504	64,556
OBD	74,865	73,492	72,146
PPT	128,929	135,398	121,933
Separations	24,406	25,369	24,603

South West Healthcare achieved an overall reduction in emissions of 4.5 percent in 2021-22. Natural gas usage increased by 10 percent and this was likely to be attributed to increased processing volumes and service days for our regional linen service within the current reporting period *. In contrast, reductions of 4 percent in electricity usage and 1.6 percent in fleet usage were achieved, and LPG was removed from South West Healthcare sites in 2021-22. Efficiencies in fleet and electricity are reflective of the following projects completed in the current reporting period:

- Solar arrays across South West Healthcare sites at Lismore Community Health and Macarthur Community Health, Portland Community Mental Health Services and Warrnambool's Ngootyoong Prevention and Recovery Centre (PARC) became operational this financial year, increasing our total capacity of solar PV arrays to 427kwp. Solar generation for 2021-22 was 451 MWh (representing approximately 6.7 percent of behind the meter electricity production for SWH)
- Stage 3 of LED upgrades were completed in the final stages of this reporting period, after significant delays related to COVID-19 restrictions
- Upgrading of air conditioning systems in our pathology and radiology departments, to more efficient systems with variable speed drives (VSD's)
- The implementation of Green Power at all South West Healthcare minor sites (25 percent business sites / 20 percent residential sites) equating to 95MWh sourced from 100 percent renewable energy over 2021-22.

Other energy efficiency projects recently completed in 2021-22 and projected to have an impact on emissions reductions across South West Healthcare include:

- The introduction of hybrid cars into our SWH fleet and preparation work for the introduction of 16 zero emissions vehicles into the SWH Fleet
- Design workshops attended by Sustainability Committee Members, which will help shape SWH Redevelopment projects including the Regional Logistics and Distribution Centre, Camperdown's Aged Care Facility, and the Warrnambool Base Hospital. This kind of forward-focused planning, ensures that sustainability can be integrated from the outset, leading to better performing, more comfortable and lower emission buildings
- Planning undertaken to finish LED upgrades at Camperdown Hospital and our Community Health and Community Mental Health Facilities.

Alongside improving the environmental performance of hospitals, the Environmental Management Plan includes strategic focus areas for developing staff capacity and leadership in environmental sustainability and commencing work in climate change adaptation planning. This builds on work already underway with highlights in 2021-22 including:

- Food Services and Supply working collaboratively to transition all food services cups to compostable cups (250,000 cups used annually), phasing out all existing paper or polystyrene alternatives
- Introduction of compostable clinical consumable items such as anaesthetic trays and kidney dishes etc. This work was developed into a case study and shared through various health bulletins and the ANMF Environmental Sustainability Conference
- Waste Working Group of key Warrnambool and Camperdown waste and resource procurement staff meeting regularly to guide waste and recycling activity across all campuses
- Participation in the Climate Change Adaptation Priority area for the development of the Warrnambool City Council Municipal Health and Wellbeing Plan 2021-2025.

* Importantly, this increased energy usage is not directly correlated with South West Healthcare normalised indicators of health service delivery as linen is processed from all health services across the region, leading to elevated normalised stationary energy consumption figures for South West Healthcare.

BOARD OF DIRECTORS

Our Board consists of nine directors responsible for overseeing our governance and ensuring all services comply with the requirements of the *Health Services Act 1988* and South West Healthcare's objectives.

CHAIR - BILL BROWN

Director, Advisor & Lawyer – Orange Advisory Pty Ltd

Bachelor Laws, Bachelor Economics, GIA (Cert)

Appointed: July 2017

Sub committees: Corangamite Health Collaborative; Financial Performance, Audit & Financial Risk, Governance & Remuneration (chair)

Attendance: 11/11 (100%) board meetings

DEPUTY CHAIR - DR BERNADETTE NORTHEAST

Senior Manager, Land Health & Strategic Partnerships – Glenelg Hopkins Catchment Management Authority

Bachelor Science (Hons), Doctor Philosophy, Graduate AICD CDC

Appointed: July 2015

Sub committees: Governance & Remuneration; Human Research Ethics (chair); Quality & Clinical Risk; Financial Performance, Audit & Financial Risk

Attendance: 11/11 (100%) board meetings

DEPUTY VICE CHAIR - ALEX GILLAN

Independent Non Exec: Director – Breakthru Ltd, Royal Rehab Ltd, Gospel Resources Ltd

Bachelor Business (IT), Graduate AICD CDC

Appointed: July 2019

Sub committees: Financial Performance, Audit & Financial Risk; Quality & Clinical Risk; Governance & Remuneration

Attendance: 11/11 (100%) board meetings

DIRECTOR - NARELLE ALLEN

Manager, Brand & Strategic Marketing – South West TAFE

Graduate Certificate Marketing

Appointed: July 2015

Sub committee: Consumer & Community Advisory

Attendance: 10/11 (91%) board meetings

DIRECTOR – RONDA HELD

**Board Director – The Bandari Project; Director - Energy and Water Ombudsman, Victoria
Master of Policy and Administration, Bachelor Economics, Bachelor Social Administration**

Appointed: July 2020

Sub committee: Consumer and Community Advisory (Chair); Quality and Clinical Risk

Attendance: 11/11 (100%) board meetings

DIRECTOR – BRANDON HOWARD

Executive General Manager Community & Pathways – genU

**Master of Business Administration; CPA Australia; Bachelor of Commerce Degree
(Professional Accounting, Taxation & Commercial Law)**

Appointed: July 2021

Sub committees: Financial Performance, Audit & Financial Risk; Consumer and Community Advisory

Attendance: 11/11 (100%) board meetings

DIRECTOR – ALLISON PATCHETT

Managing Director – The Leadership Place

**Master of Science, Bachelor of Science (Hons), Registered Nurse, Post Graduate Certificate
Organisational Coaching, Lead Auditor ISO 9001 (2015)**

Appointed: July 2019

Sub committees: Quality & Clinical Risk (chair); Financial Performance, Audit & Financial Risk

Attendance: 11/11 (100%) board meetings

DIRECTOR – DR GEOFFREY TOOGOOD

Cardiologist – Peninsula Health, Alfred Health

**MBBS FRACP FCSANZ FHRS AFRACMA Graduate Certificate Health Service Management ACCAM
AFCAsM**

Appointed: July 2017

Sub committee: Quality & Clinical Risk; Governance and Remuneration

Attendance: 11/11 (100%) board meetings

DIRECTOR – JENNY WATERHOUSE

Business Manager – Women's Health & Wellbeing, Barwon South West Inc

Bachelor Commerce (Accounting & Economics), Chartered Accountant (CA)

Appointed: July 2016

Sub committees: Financial Performance, Audit and Financial Risk (Chair); Governance and Remuneration

Attendance: 10/11 (91%) board meetings

ORGANISATIONAL STRUCTURE

BOARD OF DIRECTORS

CHIEF EXECUTIVE OFFICER

CHIEF OPERATING OFFICER

EXECUTIVE DIRECTOR

- › Organisational Performance
- › Finance
- › Audit & Risk
- › Projects & Innovation Improvement
- › Quality, Safety & Patient Experience
- › Infection Control
- › Regional Supply and Linen
- › Environmental Services
- › Catering & Hotel Services
- › Retail Services

MENTAL HEALTH SERVICES

EXECUTIVE DIRECTOR

- › Adult Mental Health
 - Camperdown
 - Hamilton
 - Portland
 - Warrnambool
- › Aged Persons Mental Health
- › Child & Adolescent Mental Health
- › Inpatient Services
- › Ngootyoong Prevention and Recovery Care (PARC)

PRIMARY AND COMMUNITY SERVICES

EXECUTIVE DIRECTOR

- › General Practice
- › Aboriginal Health
- › District Nursing & HITH
- › Allied Health
- › Intake and Access
- › Regional Dental Services
- › Community Health
 - Camperdown
 - Lismore
 - Macarthur
 - Warrnambool
- › Chronic Illness Programs
- › Centre Against Sexual Assault

MEDICAL SERVICES

EXECUTIVE DIRECTOR

- › Medical & Clinical Governance
- › Medical Workforce Unit
- › Medical Education
- › Senior Medical Staff
- › Pathology and Radiology
- › Pharmacy
- › Health Information Services
- › Regional DMS

REDEVELOPMENT & INFRASTRUCTURE

EXECUTIVE DIRECTOR

- › Camperdown Campus
- › Merindah Aged Care
- › Infrastructure
- › Capital Development
- › IT Services
- › Biomedical Engineering
- › Partnerships and Donations

NURSING AND MIDWIFERY

EXECUTIVE DIRECTOR

- › Nursing & Midwifery Workforce
- › Maternity Services
- › Theatres and CSSD
- › Inpatient Wards
- › Coordinators
- › Bed Management Teams
- › Cancer Services
- › Palliative Care
- › Volunteers

PEOPLE AND CULTURE

EXECUTIVE DIRECTOR

- › Employee Relations
- › Human Resources
- › Industrial Relations
- › Workforce Education Training & Research
- › Health, Safety & Wellbeing
- › Remuneration
- › Media and Communications

EXECUTIVE DIRECTORS

CRAIG FRASER

BProsOrth, Dip Applied Science, GAICD, AFCHSE

Chief Executive Officer

Craig has more than 30 years' experience as a senior manager and executive in the Victorian public health sector, having worked in metropolitan teaching hospitals prior to moving into regional health. He led the development of our Primary & Community Services Division 12 years prior to commencing as CEO in 2017. He's committed to continually improving services to enhance patient and client safety and access whilst providing a great overall consumer experience, and to enhancing the health of individuals and their communities.

ANDREW TRIGG

BComm (Accounting/Finance), ASA, GAICD

Chief Operating Officer

Andrew has worked in the Victorian public health sector for over 35 years, joining us in 2005. He has held positions at executive management level for more than two decades in roles combining chief finance officer duties with executive responsibility for corporate/support services. He has extensive experience, understanding and commitment to the rural and regional health sector.

JAMIE BRENNAN

BHealth Science (Physiotherapy), Cert Healthcare Innovation & Entrepreneurship, AFACHSM

Executive Director Redevelopment and Infrastructure

Jamie has more than 15 years' experience in leading clinical and support service departments and divisions at Victorian rural and regional health services. Here at South West Healthcare he has responsibility for leading all the capital redevelopment projects across SWH, as well as providing Executive support for the Biomedical Engineering Services Building and Infrastructure department, ICT and our Camperdown Hospital and Merindah Lodge aged care facility. With clinical qualifications and experience, he has extensive understanding of the public health care sector, he's committed to delivering outstanding healthcare and patient experiences in regional settings.

DR KATE MCCONNON

MBBS FRACGP MHSM AFRACMA

Chief Medical Officer / Executive Director Medical Services

Kate joined our executive team in May 2021. She has 15 years of experience in senior medical management roles in metropolitan, rural and regional health service settings in Victoria and Queensland. Kate has a keen interest in integrated care, developing partnerships, clinical governance and systems improvement and is responsible for our medical, health information and pharmacy services.

GAYNOR STEVENSON

RN, BMedSci (Nur Hon1st) Dip Project Mgmt, ADip Nur, MHM

Executive Director Nursing and Midwifery

Gaynor has more than 15 years' experience in Australian healthcare, having worked in the public healthcare system in the ACT, NSW and QLD, held national roles with the Commonwealth (Digital Health), and held a senior governance role at the largest health service in Australasia (Metro North Health). She believes our people are our greatest asset and is passionate about workplace culture and its impact on patient safety and experience.

RICHARD CAMPION

BA (Hons), MA (Social Work)

Executive Director Mental Health Services

Richard joined our executive team in November 2020 with over 13 years' experience in the health and human services sector across the United Kingdom and Australia, spending several years most recently working in executive positions within health services in the Northern Territory. He has a mental health clinical background and is committed to supporting the provision of high quality, consumer focused mental health services.

KERRY ANDERSON

BPod (Hons)

Executive Director Primary & Community Services

Kerryn was appointed to our executive team in 2017 after working at South West Healthcare since 2000. With a strong clinical background, she has more recently worked in various project and management roles. She has a comprehensive understanding of the Primary and Community Services Division and is committed to continued development and provision of high quality services for our South West community.

ELIZABETH HOLLEY

RN(Critical Care), BEd, MPublic Administration

Interim Executive Director People and Culture (June-August 2021)

Elizabeth has extensive experience in human resources, change and culture across ASX listed, health, Not For Profit and government sectors. She's held a range of Executive Director People and Culture roles in her career, including the National Stroke Foundation, Fire Rescue Victoria, and the Victorian Department of Primary Industries. She has also served as a Victorian Government Board member and more recently on a Ministerial Steering Committee. Elizabeth is committed to developing people and high performing organisations.

ERICA TRAIKOS

BA Behavioural Science (Psychology), Grad Diploma Business (HRM & IR), AICD, HBDI, DiSC, Prosci, Agile Management Certificate, Green Belt, Prince 2

Executive Director People and Culture (August – December 2021)

Erica is a human resources professional with experience over the last 10 years as a People and Culture Executive. She's held a range of Executive roles in her career, including CPA Australia, GMBHA, Guild Group. Erica has experience in managing internal communications, change management and developing new approaches to increasing capability, teamwork and resilience.

SHERON COOK

MBA - Enterprise, Ad Dip Bus, Dip HR & Bus, Cert IV TAA, Professional Member AHRI

Interim Executive Director People and Culture (December 2021 – June 2022)

Sheron Cook commenced as Interim Executive Director People and Culture at South West Healthcare in December 2021. Sheron has significant experience in HR roles at senior and executive management in both the public and private health sector. Sheron has previously held the position of Director of Support Services at Lyndoch Living and was more recently the Senior HR Advisor and Operations Manager at Sinclair Wilson Accountants and Business Services. Sheron has previously been employed at South West Healthcare as the GP Practice Manager and was seconded into the Acting Human Resources Director role when the People and Culture Directorate was first established in 2019.

PRINCIPAL COMMITTEES

The Board of Directors is supported by four Principal Committees.

QUALITY & CLINICAL RISK COMMITTEE

This committee provides leadership and advice to the Board of Directors in the assessment and evaluation of safety and quality of all health services provided by the organisation. It is the major vehicle for clinical governance ensuring South West Healthcare provides safe, effective and person-centred care.

This committee met 11 times in 2021-22.

FINANCIAL PERFORMANCE, AUDIT & RISK COMMITTEE

This committee oversees the development and monitoring of performance of the organisation's strategic financial annual and business plans and risk management systems. It ensures South West Healthcare meets its Statement of Priorities targets.

This committee met 11 times in 2021-22.

CONSUMER & COMMUNITY ADVISORY COMMITTEE

The community members of this committee advocate for the best interest of patients, consumers and their families, and provide advice and guidance to South West Healthcare in carrying out our community engagement responsibilities, service design, and activities. This committee met four times during 2021-22.

GOVERNANCE & REMUNERATION COMMITTEE

This committee is responsible for overseeing the development of the annual performance goals of the Chief Executive Officer and for reviewing progress against these goals. It also monitors the organisation's Board and Executive succession planning processes.

This committee met three times in 2021-22.

DONORS

Our auxiliaries and Murray to Moyne Cycle Relay teams very much led the charge as fundraising activities recommenced in the latter half of 2021-22, following more than two years of strict pandemic-related lockdowns. The Warrnambool Auxiliary raised \$9,131 for six infant cot tops, a foetal heart detector and a set of phototherapy lights for our Midwifery Unit, and the first-ever transilluminator for our Paediatrics Unit. Camperdown & District Hospital Auxiliary donated \$20,836 for the purchase of six bedside drawers, 15 recliner chairs, patients' cabinets and a linear transducer. The Scrubbers & The Gasman Murray2Moyne team raised \$8,663 for a new ECG machine for the Warrnambool operating theatre and our Warrnambool College team raised \$3,100 to (more than) pay for our Emergency Department's first-ever transilluminator.

Of the total \$287,948 donated during 2021-22, \$9,307 came via the lasting legacies of people who had intentionally decided to make a difference upon their passing. Bequests were received from the late Jeanette Buck, John Gordon, Robert McConnell and Anne Skepper. Additionally, families and friends gifted \$22,200 in memory of Susan DeAraugo, David Deane, Helen Goss, James (Jim) Gray, Catherine Hare, Val McCorkell, Joyce Neal, Katrina Pemberton and Robert (Bruce) Warton.

Stand-out moments for the year included an impressively short-lived public appeal for a \$43,800 rapid infuser for the Warrnambool theatre. It took just 39 days to hit our fundraising target. Whilst the arrival of a \$38,950 donation for the outright purchasing of a first-ever argon plasma diathermy unit for our Camperdown theatre will be a game changer for the treatments we can now provide there. Used to help rule-out cancer, this piece of medical equipment is usually only owned by much larger hospitals, and we owe thanks to a single donor.

Other medical equipment purchased in 2021-22 via generous donations included:

› Cardiac output monitor	73,949
Warrnambool Operating Theatres	
› Infant resuscitaire	40,943
Warrnambool Midwifery Unit	
› Chlorine sensor	2,950
Dialysis unit	
› Patient mover	8,999
Merindah Lodge	
› Glidescope	16,070
Critical Care Unit	
› Panda warmer	34,565
Camperdown Midwifery Unit	
› Oxygen concentrators x 10	15,000
Community Palliative Care	
› Spot monitor	3,800
South West Healthcare Chemotherapy	

We are beyond grateful to every donor who continues to help us invest in critical medical equipment, service initiatives and medical research for the benefit of our patients, consumers, clients, residents and communities.

STAFF SERVICE AWARDS

Thank you to all of our dedicated staff who have given (in some cases) decades of their lives to our healthcare service and to assisting our community.

It is incredibly important to acknowledge and celebrate all staff members listed below, and each year we are humbled by the number of people who have chosen to spend their career with our organisation and share their knowledge and wisdom with their colleagues.

This year SWH farewelled it's longest serving employee, Carole Manifold after 60 years.

60 YEARS

Carole Manifold

45 YEARS

Helen Finnigan

Lynn Gardiner

Jim Smith

40 YEARS

William (Bill) Hogan

Janene Facey

Sue Wines

Mary Barr

35 YEARS

Michelle Atkinson

Catherine Dow

Douglas Krepp

Susan Baudinette

Joyanne Farrow

Suzanne Patten

Lorna Beks

Melinda Grant

Leanne Solly

30 YEARS

Michaela Cust

Jillian Hassett

Jane Kingston

Andrew Squires

Debra Dunstan

Jennifer Hirth

Barry Rawlings

Susan Edwards

Lauren King

Adele Smith

25 YEARS

DaJulie Betts

Debbie Gerdtz

Amanda Quinlivan

Michelle Trigg

Melissa Coffey

Cynthia Gibbins

Roslyn Rantall

Judy Wilde

Garry Dalton

Kerrie Jewell

Christine Saunders

Tanya Wright

Jennifer Finnerty

Leanne Oconnor

Rebecca Sell

Dianne Zanker

Jamie Fogarty

Jennifer Place

Christopher Toone

20 YEARS

Angela Absalom	Joanne Delaney	Katherine Kingsley	Marie Peddle
Kerryn Anderson	Kate Dobson	Rachel Leishman	Katherine Schlicht
Sheridan Barling	Heather Foley	Beth McGinley	Katherin Sloan
Jacinda Bell	Barbara Glare	Michelle Meade	Kerrie Thompson
Aliesha Brunt	Fiona Gordon	Prue Nadaraj	Rebecca Thompson
Sally Bull	Jane Haberfield	Claire Noonan	Maureen Wallace
Sue Cooper	Karen Harrison	Timothy O'Brien	Naomi Waterfall
Linda Crothers	Renee Jervies	Jeannette Ogrady	

15 YEARS

Sarah Atkins	Laura Conn	Melissa Kelly	Kylie Palmer
Susan Bagg	Janine Dureau Finn	James King	Kelly Patten
Joy Bailey	Peter Edge	Kasey Marris	Maureen Reicha
Sally Barua	Melissa Elliott	Fay Martin	Lisa Spence
Yve Bayley	Cathreena Gervis	Rhonda McCarthy	Kasey Walsh
Marli Bell	Myles Hawkins	Jenny McNeil	Rachel Ward
Pauline Brooks	Marcelle Hennig	Rosemary Morgan	Gianna Youl
Gregory Byrne	Grant Holmes	Samantha Moulden	Wolf (Christian) Fiedler
Lynne Carter	Margaret Humphrys	Catherine O'keeffe	
Susan Cole	Shantelle Johnson	Karen Owen	

10 YEARS

Maria Rosa Chadderton	Rebecca Hallinan	Sarah McKenzie	Felicity Ryan
Felicity Clancey	Nancy Heath	Sarah McLean	Jacqueline Ryan
Carolyn Cooper	Christine Hena	Ian McLeod	Kate Ryan
Melissa Couch	Nicole Hope	Sarah Monod De Froideville	Eddie Shanahan
Helen Curwen-Walker	Janine Kavanagh	Sarah Morgan	Robyn Steel
Narelle Dalton	Peta Kawade	Sonya Nagorcka	Alasdair Sutherland
Colleen Eccles	Hayley Keane	Michelle Newton	Cheryl Taylor
Sally Edwards	Patricia Kelly	Michelle Oliver	Aaron Tuck
Angela Faber	Dianne Laing Smith	Morgan Oneill	Anna Van Der Aa
Olivia Farley	Katrina Lamb	Lisa Pickford	Mary Vaughan
Irene Gardiner	Joanne Lillie	Robyn Piersma	Bettina Wallace
Christine Gerum	Kate MacDonald	Tracy Pike	Catherine Walsh
Julia Gibbons	Alison Madden	Amanda Preece	Shirley White
Deidre Grayson	Sarah McAllen	Leanne Rodgers	Mia Wolff

LIFE GOVERNORS

Life governorship is the most prestigious recognition South West Healthcare can bestow on an individual in acknowledgement of outstanding contribution to our health service over a prolonged period of time.

- › At our 2021 Annual General Meeting this honor was awarded to Judy Donnelly for her 41 years of volunteering with our South West Healthcare Camperdown Lolly Trolley Auxiliary. This extraordinary length of service includes six years as vice president, 16 years as secretary and seven years as treasurer. Throughout this time Judy has provided continual lolly trolley service to our Merindah Lodge residents and our Camperdown Hospital patients. She has also done the same for the residents of the town's community-owned Sunnyside House.
- › Another two impressive volunteers received Certificates of Appreciation. Camperdown's Marion Boyd was recognised for 30 years' service with our South West Healthcare Lolly Trolley Auxiliary whilst Neville Hogan was recognised for the nine years he's been helping maintain our Supply Department's large fleet of vehicles.

LIFE GOVERNORS

- Mrs Margaret Agnew 2012
- Mrs Jan Aitken 1994
- Mrs Mary Alexander 2015
- Mr Lyall Allen
- Mr AL Anderson 1968
- Mrs GI Anderson
- Mrs JF Anderson 1973
- Mr Ian Armstrong 2007
- Mrs Joan Askew 1987
- FH Baker
- Mr R Baker
- Mrs VG Balmer 1969
- Mr NI Bamford
- Mr Rob Baker
- Mrs Heather Barker 1992
- WT Barr
- Mrs Beverley Bell 1997
- Mrs JA Bell
- Mrs Shirley Bell 1989
- Miss Helen Bishop 1980
- Mr NC Boyd
- Mr CG Boyle 1964
- Mr N Bradley
- Mr David Bradshaw
- Mr GN Brown 2004
- Dr Tony Brown 2005
- Mrs Irene Bruce
- Mr CW Burgin
- Mrs L Burleigh
- Mrs Lorna Burnham
- Mrs Jean Byron 1993
- Mr Steve Callaghan 2019
- Mr Lester Campbell 2018
- Mr Stan Carroll
- Mrs EC Chaffey
- ML Charles
- Mrs FA J Chislett 1970
- Mrs Helen Chislett 1971
- Mr David Chittick 1988
- Mrs Diane Clanchy 1994
- Mr John Clark 2003
- Mr Alistair Cole 1971
- Mrs SE Cole
- LJ Collins
- Mrs Joy Conlin 1992
- Mrs Frances Coupe 1986
- Mrs M Cox
- Mrs Marjorie Crothers 2004
- Mr Ian Currell 2019
- Mrs Veronica Cuzens 2012
- Mr Jack Daffy 1977
- Mr A Dalton
- Mrs Peg Davies 2019
- Mrs Dorothy Davis 2020
- Mr Simon DeGaris
- Mrs Gloria Dickson 1984
- Miss Judy Donnelly 2021*
- Mr GW Dowling
- Mrs L Dowling
- Mr Tony Dupleix 2004
- Mrs Veronica Earls 1995
- Mrs A Elliot
- G Elliot
- Mr PV Emery 1945
- Mr W Ferguson
- Mr J Finch
- Mr ER Ford
- Mrs CE Fraser 1989
- BD French
- R Gellie
- Mrs FM George
- Mr MW George
- Mrs Claire Gibbons 2015
- Mrs Ann Glennon 2012
- Mrs Shirley Goldstraw 1998
- Mrs Helen Gollop 2009
- Mrs Joan Goodacre 2000
- Mrs E Goodwin 1998
- Mr Damian Goss 2017
- Mrs P Grace 1977
- Mrs Lorraine Graham 2017
- Mrs Gwen Grayson 2014
- Mrs Sheila Habel 1999
- Mr RE Harris
- Mr AJ Hartley
- Mrs Joy Hartley 1998
- Mrs A Havard
- Mrs Monica Hayes 1988
- Mr P Heath
- Mrs Mavis Heazlewood 1996
- Mr Oscar Henry 1973
- Mr AJ Hill
- Mrs Barbara Hill 2011
- Mrs DM Hill
- Mr GL Hill
- Mr J Hill
- Miss L Hill

- Mrs P Hill 1977
- Mr W Hocking
- Mrs Lorraine Hoey 2010
- Mrs Ann Holmes 1988
- HJ Holmes
- Mr John Holmes 1990
- Mr WJ Holton
- Mrs A Hooton
- GN Hornsby
- JS Hosking
- Mrs E Howell
- Mr Mervyn Hoy 2016
- Mr Ray Hoy 2014
- Mrs Sharon Huf 2001
- Mrs Mary Hutchings 1995
- Mr R Hyde
- Mrs Elwyn Jasper 2015
- Mr Murray Jasper 2015
- Mr David Jellie 2007
- Mr Barry Johnson 2002
- Mrs Margot Johnson 1992
- Mr Rex Johnson 1993
- Mrs Edna Keillor 2008
- Mr AE Kelly
- Mrs Helen Laidlaw 1991
- Mrs Val Lang
- Mr GA Larsen
- Mrs Vivienne Lay 2019
- Mrs B Layther 1981
- Mrs Margot Lee 2009
- Mr S Lee
- Senator Austin Lewis 1968
- Mr PE Lillie
- Mrs Hilary Lodge 1991
- Mr Chris Logan 2017
- Mr RW Lucas
- Mrs Wendy Ludeman 1995
- Mrs AG Lumsden 1965
- Mrs Elizabeth Luxton
- Dr Eldon Lyon
- Mr ID Macdonald
- Mrs ID Macdonald
- Mrs AF MacInnes
- S Mack
- MC Mack
- Mrs Isobel Macpherson 2007
- Mr John Maher 2018
- Mrs L Maher
- Mr NS Marshall
- Mrs Norma Marwood 1976
- Mrs Jess Mathison 1966
- Mrs D McConnell 1977
- Mrs Bev McCosh
- Mrs L McCosh 1975
- Mrs Norma McCosh
- Mrs Janice McCrabb
- Mr Peter McGregor 1993
- Mrs Glenda McIlveen 2009
- Mr Ernie McKenna 1953
- Mrs Mary McKenna
- Mrs Judy McKenzie 2001
- Mrs Olive McKenzie 2015
- Mr Trevor McKenzie 1989
- Mrs Heather McCosker 2017
- Mrs H McLaren 1969
- Mrs Shirley McLean 1999
- Mr C McLeod
- Mr Don McRae 2003
- Mrs Wendy McWhinney 1990
- Ms Felicity Melican 2013
- Dr John Menzies OAM 2013
- JE Meyer
- Mr Andrew Miller
- Mr J Miller
- Mrs J Mills
- Mr Ivan Mirtschin
- Miss Mabel Mitchell 1989
- Mrs Coral Moore 1985
- Mr F Moore
- Mrs Nancy Moore
- Mr Robert Moore 1991
- Mr James Moran 1992
- Mr J Morris Jnr
- Mr W Morris
- Mrs Sharon Muldoon 2017
- Mrs I Mulligan
- AE Murdock
- Mrs G Mutton
- Nestle (Fonterra) Sports & Social Club
- Mrs Sheryl Nicolson 2002
- Mr AW Noel
- Mrs HW Norman
- Mrs Alison Northeast 1989
- Mr JB Norton 1979
- Mrs Helen Nunn 2002
- Mrs Barbara O'Brien 1996
- Mrs Judy O'Keefe 1999
- Miss K O'Leary
- Mr L O'Rourke
- Mr W Owens
- Mrs Dianne Papworth 2016
- Mr Ken Parker 1983
- Mrs TJ Parker
- Mrs GR Parsons 1974
- Mr DR Patterson
- Mrs ME Paterson
- Mrs Phyllis Peart 1991
- Dr Ian Pettigrew 2002
- Mr Bill Phillpot OAM 1999
- Ms Barbara Piesse 1996
- Mrs G Pike, 1979
- Mrs Gloria Rafferty 1993
- Mrs Margaret Richardson 1994
- Mr DM Ritchie 1982
- Mr Ric Robertson
- Mrs Judy Ross 1978
- Mr NJ Rowley
- Mr Peter Roysland 2001
- Mr JC Rule 1966
- Mr Leo Ryan 2001
- Mrs Sue Sambell 2000
- Mr John Samon 1997
- Mr RG Sampson
- Mrs Eileen Savery 1988
- Mr A E Scott 1962
- Mr L Sedgley 1952
- Mr TT Shaw
- Mrs A B Smart
- Mr M Smill
- Mrs Ann Smith 2000
- Michelle Smith
- Mrs Lynette Stammberger 2017
- Mrs Margaret Stephens 2020
- Ms G Stevens
- Mr GC Sullivan
- Mrs B Surkitt
- Mrs Mona Swinton 2014
- Mr DN Symons
- Ms Carolyn Taylor 2014
- Mrs D Taylor 1967
- Mr F Taylor
- Mr HC Taylor
- Miss Kate Taylor 1991
- Mrs Robbie Taylor 1987
- Miss Yvonne Teale 1985
- Mrs A Thorpe 1968
- Mrs AJ Trotter
- Mr SW Waldron
- Mr JB Walker 1974
- Mrs H Wallace 1974
- Mrs Judith Wallace
- Mrs RJ Wallace 1979
- Mrs D Wedge
- RV Wellman
- Mr AC Whiffen 1982
- Mr G Whiteside
- Mr J Wilkinson
- Mrs June Williams 2000
- Mrs Marion Williams 2010
- Mrs Zelda Williams 2000
- Mr John Wilson 1992
- Mrs NT Wines 1972
- Mr WJ Wines 1988
- Mr Russell Worland 2019

Our condolences are extended to the family and friends of South West Healthcare Life Governor (1999) Mr John McGrath AM who passed away on July 4 2021.

VOLUNTEERS

Our resilient team of volunteers have supported us through another year of disruption caused by the coronavirus pandemic. South West Healthcare have 293 registered volunteers, 142 of whom have been active throughout the past year, (an increase of 86 volunteers from the previous year). 151 volunteers remain inactive and are temporarily deferred from their duties due to COVID-19 restrictions. Areas being supported by our volunteers include: Community & Allied Health, Mental Health Services, Palliative Care and 'behind-the-scenes' duties' in and around the hospital.

WHERE OUR VOLUNTEERS SUPPORT US

SOUTH WEST HEALTHCARE CAMPUS/SITE	2021-22
Camperdown Hospital	52
David Newman Adult Day Centre	10
Lismore Community Health	6
Macarthur Community Health	15
Merindah Lodge	11
Warrnambool Base Hospital	184
Warrnambool Community Health	13
Warrnambool Mental Health Services	2
Total	293

THE ROLES OUR VOLUNTEERS PLAY

Camperdown Hospital: 44 registered volunteers support our Meals on Wheels service, seven volunteer with the Camperdown Hospital Trolley, there are a number of Auxillary volunteers and one gardener.

David Newman Adult Day Centre: 10 registered volunteers provide a range of activities for 55 members of the centre, including providing music programs, armchair dancing, bus driving to and from events, assisting with kitchen duties and craft activities. Our volunteers offer support and friendship via the centre's 'A Well For Life Group', 'Out and About Group', Men's Social Support Group and the general Social Support Group.

Lismore Community Health: Six registered volunteers support program activities for our rural and isolated clients by assisting our Social Support Group with meal preparation, group activities, music and singing activities and bus driving.

Macarthur Community Health: 15 registered volunteers perform many activities including bus driving, transporting clients to medical appointments, Social Support Group assistance, gardening, Telecare and the 'Broadband for Seniors' program.

Merindah Lodge: 54 registered volunteers and seven Friends and Relatives of Merindah (FROM) members assist with a variety of activities including craft, music, outdoor gardening, social outings and bus driving.

Warrnambool Base Hospital: Of our 184 registered volunteers, 88 support onsite programs in our emergency department and medical, rehabilitation, acute, haemodialysis and paediatrics units. The remaining 96 palliative-specific registered volunteers support nine inpatient and community-based palliative care programs to provide support to patients and clients, and their carers and families, across our catchment area.

Warrnambool Community Health: 13 registered volunteers assist our diabetes, cardiac rehabilitation and continence teams, perform administration tasks, and ensure the smooth running of our Ostomy Association.

Warrnambool Mental Health Services: Two registered volunteers support our acute inpatient unit by helping run the weekly BBQ for our consumers/ carers in the community, and our consumers who are inpatients.

THE EDUCATION AND TRAINING OF OUR VOLUNTEERS

During 2021-22 South West Healthcare recruited and trained 8 Palliative Care Volunteers.

RECOGNISING OUR VOLUNTEERS

National Volunteers Week and National Palliative Care Week was celebrated with an afternoon tea at Camperdown, morning tea in Warrnambool and a luncheon at Macarthur:

- › Dorothy Davis a volunteer in Camperdown, was nominated for the Minister of Health Honour Roll, following 57 years of service.
- › Neville Hogan was recognised following 10 years of service and awarded a Certificate of Appreciation from South West Healthcare's CEO.
- › South West Healthcare Service Awards were presented to 72 volunteers in 2021-22:
 - For 40 years' of service: Lois Dupleix, Tony dupleix, Margaret Nicol.
 - For 35 years' of service: Ian Currell.
 - For 30 years' of service: Hazel Rutter.
 - For 25 years' of service: Lynette Brodie, Peg Davies, Nannette Sharrock, Jennifer Tippett.
 - For 20 years' of service: Malcolm Arnold, Ruth Gstrein, Rob Leadbeatter.
 - For 15 years' of service: Ron Absalom, Louise Ebbelaar, Jan Pearse, Peter Place, Sue Place, Geoff Sharrock.
 - For 10 years' of service: Heather Love, Carole Manifold, Bob (Joseph) Wason, Jenny Hillman, Neville Hogan, Belinda Lenehan, Ros McBain.
 - For 5 years' of service: Christine Leggett, Marjorie Anderson, Margaret Coates, Helen Holcombe, Clare Kempton, Nola Knights, John Larkins, Sam Martina, Christine Mathew, Patrick McKenzie, Kim Morris, Sheryle O'Loughlin, Kylie Piening, Isabel Riordon, Margaret Smith, Jennifer Ackerley, Paula Atkins, William (Bill) Borden, Donna Daly, Judi Fitzgerald, Sue Franklin, Kerri Gavin, David Gordon, Heather Hampson, Thomas Healey, Robyn Hyde, Helen James, Kim Jamieson, Barbara Kelly, Elizabeth Kenna, Joanne McInnes, Selina (Joy) McMillen, Judith Oakes, Anne O'Brien, Maureen O'Connor, Susanne Oldfield, Carol Robinson, Jane (Felicity) Ryan, Elaine Schultz, Valerie Sheahan, Jodie Spencer, Joanne Steff, Barbara Taylor, John Truscott, Sandra Turner, Suzanne Wilson, Karen Wright.

DISCLOSURE INDEX

The Annual Report of South West Healthcare is prepared in accordance with all relevant Victorian legislation. This index has been prepared to facilitate identification of compliance with statutory disclosure requirements.

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FRD 22	Application and operation of <i>Public Interest Disclosure Act 2012</i>	21
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FINANCIAL STATEMENTS 2021-22

**South West Healthcare
Financial Statements
Financial year ended 30 June 2022
BOARD MEMBER'S, ACCOUNTABLE OFFICER'S AND
CHIEF FINANCE & ACCOUNTING OFFICER'S DECLARATION**

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

We further state that, in our opinion, the information set out in the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement and accompanying notes, presents fairly the financial transactions during the year ended 30 June 2022 and the financial position of South West Healthcare at 30 June 2022.

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

We authorise the attached financial statements for issue on this day.



.....

Bernadette Northeast
Board Chair

Warrnambool

25 August 2022



.....

Craig Fraser
Chief Executive Officer

Warrnambool

25 August 2022



.....

Andrew Trigg
Chief Finance & Accounting Officer

Warrnambool

25 August 2022



Victorian Auditor-General's Office

Independent Auditor's Report

To the Board of South West Healthcare

Opinion	<p>I have audited the financial report of South West Healthcare (the health service) which comprises the:</p> <ul style="list-style-type: none"> • Balance Sheet as at 30 June 2022 • Comprehensive Operating Statement for the year then ended • Statement of Changes in Equity for the year then ended • Cashflow Statement for the year then ended • Notes to the Financial Statements, including significant accounting policies • Board Member's, accountable officer's and chief finance & accounting officer's declaration. <p>In my opinion the financial report presents fairly, in all material respects, the financial position of the health service as at 30 June 2022 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 7 of the <i>Financial Management Act 1994</i> and applicable Australian Accounting Standards.</p>
Basis for Opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the health service in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
Board's responsibilities for the financial report	<p>The Board of the health service is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the <i>Financial Management Act 1994</i>, and for such internal control as the Board determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.</p> <p>In preparing the financial report, the Board is responsible for assessing the health service's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.</p>

Auditor's responsibilities for the audit of the financial report

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

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

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

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



MELBOURNE
21 September 2022

Dominika Ryan
as delegate for the Auditor-General of Victoria

COMPREHENSIVE OPERATING STATEMENT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

	Note	2022 \$ '000	2021 \$ '000
Revenue and Income			
Operating Activities	2.1	252,871	227,555
Non-operating Activities	2.1	149	137
Total Income from Transactions		253,020	227,692
Expenses from Transactions			
Employee Expenses	3.1	177,148	159,651
Supplies and Consumables	3.1	31,938	31,320
Finance Costs	3.1	34	18
Depreciation and Amortisation	3.1	13,382	15,462
Other Operating Expenses	3.1	29,909	28,149
Total Expenses from Transactions		252,411	234,600
Net Result from Transactions - Net Operating Balance		609	(6,908)
Other Economic Flows Included in Net Result			
Net gain/(loss) on sale of non-financial assets	3.4	222	186
Net gain/(loss) on financial instruments at fair value	3.4	2	15
Other gain/(loss) from Other Economic Flows	3.4	1,485	1,478
Total Other Economic Flows Included in Net Result		1,709	1,679
Net Result for the year		2,318	(5,229)
Other Comprehensive Income			
Items that will not be classified to Net Result			
Changes in Property, Plant & Equipment Revaluation Surplus	4.3	3,506	2,209
Total Other Comprehensive Income		3,506	2,209
Comprehensive Result for the Year		5,824	(3,020)

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

BALANCE SHEET AS AT 30 JUNE 2022

		2022 \$ '000	2021 \$ '000
Current Assets			
Cash and Cash Equivalents	6.2	54,701	39,264
Receivables and contract assets	5.1	4,707	4,370
Inventories		1,472	1,736
Prepayments and Other assets		624	698
Total Current Assets		61,504	46,068
Non-Current Assets			
Receivables and contract assets	5.1	11,155	7,889
Property, Plant and Equipment	4.1b, 4.2a	231,951	225,671
Total Non-Current Assets		243,106	233,560
TOTAL ASSETS		304,610	279,628
Current Liabilities			
Payables and contract liabilities	5.2	38,178	24,807
Borrowings	6.1	722	424
Provisions	3.2	36,222	32,034
Other Current liabilities	5.3	3,754	3,172
Total Current Liabilities		78,876	60,437
Non-Current Liabilities			
Payables and contract liabilities	5.2	27	-
Borrowings	6.1	1,820	1,119
Provisions	3.2	3,481	3,490
Total Non-Current Liabilities		5,328	4,609
TOTAL LIABILITIES		84,204	65,046
NET ASSETS		220,406	214,582
EQUITY			
Property, Plant and Equipment Revaluation Surplus	4.3	121,616	118,110
Restricted Specific Purpose Reserve	SCE	22	22
Contributed Capital	SCE	77,339	77,339
Accumulated Surpluses	SCE	21,429	19,111
TOTAL EQUITY		220,406	214,582

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

CASHFLOW STATEMENT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

	Note	2022 \$ '000	2021 \$ '000
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating grants from government		221,074	207,564
Capital grants from State government		12,180	2,535
Patient and resident fees received		3,152	4,439
Patient and resident fees received		1,209	1,514
GST received from Australian Taxation Office		5,349	5,011
Interest received		149	137
Other receipts		16,454	16,651
Total Receipts		259,567	237,851
Employee Expenses Paid		(164,931)	(147,437)
Non Salary Labour Costs		(10,168)	(11,731)
Payments for Supplies and Consumables		(34,954)	(35,820)
Finance Costs		(34)	(18)
Cash outflow for leases		(243)	(91)
Other Payments		(24,953)	(25,282)
Total Payments		(235,283)	(220,379)
NET CASH FLOW FROM / (USED IN) OPERATING ACTIVITIES	8.1	24,284	17,472
NET CASH FLOWS FROM INVESTING ACTIVITIES			
Capital donations received		464	1,342
Purchase of non-financial assets		(10,118)	(7,430)
Proceeds from disposal of non-financial assets		316	734
NET CASH FLOW FROM /(USED IN) INVESTING ACTIVITIES		(9,338)	(5,354)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of Borrowings		(92)	(92)
Repayment of Accommodation Deposits		(572)	(95)
Receipt of Accommodation Deposits and Monies in Trust		1,155	593
NET CASH FLOW FROM /(USED IN) FINANCING ACTIVITIES		491	406
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS HELD		15,437	12,524
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR		39,264	26,740
CASH AND CASH EQUIVALENTS AT END OF OF FINANCIAL YEAR	6.2	54,701	39,264

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

STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

	Property, Plant and Equipment Revaluation Surplus	Restricted Specific Purpose Surplus Reserve	Contributed Capital	Accumulated Surpluses/ (Deficits)	Total
Note	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
Balance at 1 July 2020	115,901	22	77,339	24,340	217,602
Net result for the year	-	-	-	(5,229)	(5,229)
Other comprehensive income for the year	2,209	-	-	-	2,209
Balance at 30 June 2021	118,110	22	77,339	19,111	214,582
Net result for the year	-	-	-	2,318	2,318
Other comprehensive income for the year	3,506	-	-	-	3,506
Balance at 30 June 2022	121,616	22	77,339	21,429	220,406

NOTE 1: BASIS OF PREPARATION

Structure

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

NOTE 1 : BASIS OF PREPARATION

These financial statements represent the audited general purpose financial statements for South West Healthcare (ABN 41 189 754 233) for the year ended 30 June 2022. The report provides users with information about South West Healthcare's stewardship of resources entrusted to it.

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

NOTE 1.1: BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

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

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

South West Healthcare 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.

South West Healthcare operates on a fund accounting basis and maintains three funds: Operating, Specific Purpose and Capital Funds.

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

The financial statements are prepared on a going concern basis (refer 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 South West Healthcare and its controlled entities on 25 August 2022.

NOTE 1.2: IMPACT OF COVID-19 PANADEMIC

In March 2020 a state of emergency was declared in Victoria due to the global coronavirus pandemic, known as COVID-19. On 2 August 2020 a state of disaster was added with both operating concurrently. The state of disaster in Victoria concluded on 28 October 2020 and the state of emergency concluded on 15 December 2021.

In response to the ongoing COVID-19 pandemic, South West Healthcare has:

- introduced restrictions on non-essential visitors
- utilised greater use of telehealth services
- implemented reduced visitor hours
- deferred elective surgery and reduced activity
- transferred inpatients to private health facilities
- performed COVID-19 testing
- established and operated vaccine clinics
- changed infection control practices
- implemented work from home arrangements where required and appropriate.

Where financial impacts of the pandemic are material to South West Healthcare, they are disclosed in the explanatory notes. For South West Healthcare 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

Reference	Title
AASB	Australian Accounting Standards Board
AASs	Australian Accounting Standards, which included interpretations
DH	Department of Health
DTF	Department of Treasury and Finance
FMA	Financial Management Act 1994
NWUA	National Weighted Activity Unit
SD	Standing Direction
SWARH	South West Alliance of Rural Health
VAGO	Victorian Auditor General's Office
WIES	Weighted Inlier Equivalent Separation
SWH	South West Healthcare

NOTE 1.4: JOINT ARRANGEMENTS

Interests in joint arrangements are accounted for by recognising in South West Healthcare's financial statements, its share of assets liabilities and any revenue and expenses of any joint arrangements.

South West Healthcare has the following joint arrangement: SWARH Health Alliance - Joint Venture Agreement

Details of the joint arrangements are set out in Note 8.7

NOTE 1.5: KEY ACCOUNTING ESTIMATES AND JUDGEMENTS

Management make estimates and judgements when preparing the financial statements.

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

NOTE 1.5: KEY ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

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

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

NOTE 1.6: ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE

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

Standard	Adoption Date	Impact
AASB 17: Insurance Contracts	Reporting periods on or after 1 January 2023	Adoption of this standard is not expected to have a material impact.
AASB 2020-1: Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current	Reporting periods on or after 1 January 2022.	Adoption of this standard is not expected to have a material impact.
AASB 2020-3: Amendments to Australian Accounting Standards – Annual Improvements 2018-2020 and Other Amendments	Reporting periods on or after 1 January 2022.	Adoption of this standard is not expected to have a material impact.
AASB 2021-2: Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definitions of Accounting Estimates.	Reporting periods on or after 1 January 2023.	Adoption of this standard is not expected to have a material impact.
AASB 2021-5: Amendments to Australian Accounting Standards – Deferred Tax related to Assets and Liabilities arising from a Single Transaction	Reporting periods on or after 1 January 2023.	Adoption of this standard is not expected to have a material impact.
AASB 2021-6: Amendments to Australian Accounting Standards – Disclosure of Accounting Policies: Tier 2 and Other Australian Accounting Standards	Reporting periods on or after 1 January 2023.	Adoption of this standard is not expected to have a material impact.
AASB 2021-7: Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections.	Reporting periods on or after 1 January 2023.	Adoption of this standard is not expected to have a material impact.

There are no other accounting standards and interpretations issued by the AASB that are not yet mandatorily applicable to South West Healthcare in future periods.

NOTE 1.7: GOODS AND SERVICES TAX (GST)

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

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

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

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

NOTE 1.8 REPORTING ENTITY

The financial statements include all the controlled activities of South West Healthcare.

Its principal address is:

Ryot Street

Warrnambool, Victoria 3280

A description of the nature of South West Healthcare 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

South West Healthcare's overall objective is to provide quality health services that support and enhance the wellbeing of all Victorians. South West Healthcare is predominantly funded by accrual based grant funding for the provision of outputs. South West Healthcare also receives income from the supply of services.

Structure

- | | |
|-----|--|
| 2.1 | Revenue and Income from Transactions |
| 2.2 | Fair value of assets and services received free of charge or for nominal consideration |

Telling the COVID-19 story

Activity Based Funding decreased as the level of activity agreed in the Statement of Priorities couldn't be delivered due to reductions in the number of patients being treated at various times throughout the financial year.

This was offset by funding provided by the Department of Health to compensate for reductions in revenue and to cover certain direct and indirect COVID-19 related costs.

Funding provided included:

- State repurpose grants to fund WIES/NWAW recall waiver
- Sustainability funding for Mental Health
- Additional elective surgery funding
- Mental health capacity funding

Revenue recognised to fund the delivery of our services during the financial year was not materially impacted by the COVID-19 coronavirus pandemic.

NOTE 2: FUNDING DELIVERY OF OUR SERVICES (CONTINUED)

Key judgements and estimates

This section contains the following key judgements and estimates:

Key judgements and estimates	Description
Identifying performance obligations	South West Healthcare applies significant judgment when reviewing the terms and conditions of funding agreements and contracts to determine whether they contain sufficiently specific and enforceable performance obligations. If this criteria is met, the contract/funding agreement is treated as a contract with a customer, requiring South West Healthcare to recognise revenue as or when the health service transfers promised goods or services to customers. If this criteria is not met, funding is recognised immediately in the net result from operations.
Determining timing of revenue recognition	South West Healthcare 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	South West Healthcare applies significant judgement to determine when its obligation to construct an asset is satisfied. Costs incurred is used to measure the health service's progress as this is deemed to be the most accurate reflection of the stage of completion.

NOTE 2.1 REVENUE AND INCOME FROM TRANSACTIONS

	2022 \$ '000	2021 \$ '000
Operating activities		
Revenue from contracts with customers		
Government grants (State) - Operating	111,011	98,638
Government grants (Commonwealth) - Operating	17,186	16,486
Patient and Resident Fees	3,361	4,116
Private practice fees	1,290	1,683
Total Revenue from contracts with customers	132,848	120,923
Other sources of income		
Government grants (State) - Operating	82,927	83,627
Government grants (State) - Capital	9,010	3,493
Other Capital Purpose Income	595	1,513
Indirect Contributions by Department of Health	8,394	1,232
Assets received free of charge or for nominal consideration	1,916	2,036
Other Revenue from Operating Activities (including non-capital donations)	17,181	14,731
Total other sources of income from operating activities	120,023	106,632
Total revenue and income from operating activities	252,871	227,555
Non-operating activities		
Income from other services		
Interest	149	137
Total other sources of income	149	137
Total income from non-operating activities	149	137
Total revenue and Income from transactions	253,020	227,692

¹ Commercial activities represent business activities which South West Healthcare enter into to support their operations.

NOTE 2.1 REVENUE AND INCOME FROM TRANSACTIONS (CONTINUED)

How we recognise revenue and income from transactions

Government Operating Grants

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

When both these conditions are satisfied, the health service:

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

If a contract liability is recognised, South West Healthcare recognises revenue in profit or loss as and when it satisfies its obligations under the contract, unless a contract modification is entered into between all parties. A contract modification may be obtained in writing, by oral agreement or implied by customary business practices

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 South West Healthcare goods or services. South West Healthcare 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 each of South West Healthcare's revenue streams, with information detailed below relating to South West Healthcare's significant revenue streams:

Government Grant	Performance Obligation
Activity Based Funding (ABF) paid as Weighted Inlier Equivalent Separation (WIES) casemix	The performance obligations for ABF are the number and mix of patients admitted to hospital (defined as 'casemix') in accordance with the levels of activity agreed to, with the Department of Health in the annual Statement of Priorities. Revenue is recognised at a point in time, which is when a patient is discharged, in accordance with the WIES activity when an episode of care for an admitted patient is completed. WIES activity is a cost weight that is adjusted for time spent in hospital, and represents a relative measure of resource use for each episode of care in a diagnosis related group. WIES was superseded by NWAU from 1 July 2021, for acute, sub-acute and state-wide (which includes specified grants, state-wide services and teaching and training). Services not transitioning at this time include mental health.
Activity Based Funding (ABF) paid as National Weighted Activity Unit (NWAU)	NWAU funding commenced 1 July 2021 and supersedes WIES for acute, sub-acute and state-wide services (which includes specified grants, state-wide services and teaching and training). Services not transitioning at this time include mental health and small rural services. NWAU is a measure of health service activity expressed as a common unit against which the national efficient price (NEP) is paid. The performance obligations for NWAU are the number and mix of admissions, emergency department presentations and outpatient episodes, and is weighted for clinical complexity. Revenue is recognised at point in time, which is when a patient is discharged.
Other one-off grants if funding conditions contain enforceable and sufficiently specific performance obligations	For other grants with performance obligations South West Healthcare exercises judgement over whether the performance obligations have been met, on a grant by grant basis.

NOTE 2.1 REVENUE AND INCOME FROM TRANSACTIONS (CONTINUED)

Capital Grants

Where South West Healthcare 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 South West Healthcare'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

Private practice fees include recoupments from various private practice organisations for the use of hospital facilities. Private practice fees are recognised over time as the performance obligation, the provision of facilities, is provided to customers.

Commercial activities

Revenue from commercial activities includes items such as car park income, provision of meals to external users, medical supplies shop, cafés and recoveries for salaries and wages. 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 revenue is recognised on a time proportionate basis that considers the effective yield of the financial asset, which allocates interest over the relevant period.

2.2 FAIR VALUE OF ASSETS AND SERVICES RECEIVED FREE OF CHARGE OR FOR NOMINAL CONSIDERATION

	2022	2021
	\$ '000	\$ '000
Cash donations and gifts	464	1,342
Assets received free of charge under State supply arrangements	1,794	2036
Total fair value of assets and services received free of charge or for nominal consideration	2,258	3,378

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 South West Healthcare 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.

2.2 FAIR VALUE OF ASSETS AND SERVICES RECEIVED FREE OF CHARGE OR FOR NOMINAL CONSIDERATION (CONTINUED)

Personal Protective equipment

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

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

Contributions

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

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

South West Healthcare recognises income immediately in the profit or loss as the difference between the initial fair value of the asset and the related amounts.

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

Voluntary Services

South West Healthcare recognises contributions by volunteers in its financial statements, if the fair value can be reliably measured and the services would have been purchased had they not been donated.

South West Healthcare greatly values the services contributed by volunteers but it does not depend on volunteers to deliver its services.

Non-cash contributions from the Department of Health

The Department of Health makes some payments on behalf of South West Healthcare as follows:

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

NOTE 3: THE COST OF DELIVERING OUR SERVICES

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

Structure

- 3.1 Expenses from Transactions
- 3.2 Employee benefits in the Balance Sheet
- 3.3 Superannuation
- 3.4 Other Economic Flows

Telling the COVID-19 story

Expenses incurred to deliver our services increased during the financial year which was partially attributable to the COVID-19 Coronavirus pandemic and its impact on our economy and the health of our community.

Additional costs were incurred to:

- establish facilities within South West Healthcare for the treatment of suspected and admitted COVID patients resulting in an increase in employee costs, additional equipment purchases,
- implement COVID safe practices throughout South West Healthcare including increased cleaning, increased security, consumption of personal protective equipment provided as resources free of charge,
- assist with COVID-19 case management, contact tracing and outbreak management contributing to an increase in employee costs,
- establish vaccination clinics to administer vaccines to staff and the community resulting in an increase in employee costs, additional equipment purchased and other costs.

Key judgements and estimates

This section contains the following key judgements and estimates:

Key judgements and estimates	Description
Classifying employee benefit liabilities	South West Healthcare applies significant judgment when classifying its employee benefit liabilities. Employee benefit liabilities are classified as a current liability if South West Healthcare does not have an unconditional right to defer payment beyond 12 months. Annual leave, accrued days off and long service leave entitlements (for staff who have exceeded the minimum vesting period) fall into this category. Employee benefit liabilities are classified as a non-current liability if South West Healthcare 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	South West Healthcare applies significant judgment when measuring its employee benefit liabilities. The health service applies judgement to determine when it expects its employee entitlements to be paid. With reference to historical data, if the health service does not expect entitlements to be paid within 12 months, the entitlement is measured at its present value, being the expected future payments to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures, and are discounted at rates determined by reference to market yields on government bonds at the end of the reporting period. All other entitlements are measured at their nominal value.

NOTE 3.1: EXPENSES FROM TRANSACTIONS

	2022 \$ '000	2021 \$ '000
Salaries and Wages	137,333	124,353
On-costs	19,466	15,036
Agency Expenses	9,097	7,405
Fee for Service Medical Officer Expenses	10,168	11,731
Workcover Premium	1,084	1,126
Total Employee Expenses	177,148	159,651
Drug Supplies	13,713	12,560
Medical & Surgical Supplies (including Prosthesis)	10,055	10,171
Diagnostic and Radiology Supplies	6,547	7,016
Other Supplies and Consumables	1,623	1,573
Total Supplies and Consumables	31,938	31,320
Finance Costs	34	18
Total Finance Costs	34	18
Other Administration Expenses	20,431	19,470
Total Other Administrative Expenses	20,431	19,470
Fuel, Light, Power and Water	2,124	2,155
Repairs and Maintenance	2,704	2,033
Maintenance Contracts	1,514	1,294
Medical Indemnity Insurance	2,533	2,564
Expenditure for Capital Purposes	603	633
Total Other Operating Expenses	9,478	8,679
Depreciation and Amortisation (refer note 4.4)	13,382	15,462
Total Other Non-Operating Expenses	13,382	15,462
Total Expenses from Transactions	252,411	234,600

How we recognise expenses from transactions

Expense recognition

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

Employee Expenses

Employee expenses include:

- Salaries and wages (including fringe benefits tax, leave entitlements, termination payments);
- On-costs;
- Agency expenses;
- Fee for service medical officer expenses;
- Work cover premium.

NOTE 3.1: EXPENSES FROM TRANSACTIONS (CONTINUED)

Supplies and consumables

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

Finance costs

Finance costs include:

- interest on bank overdrafts and short-term and long-term borrowings (Interest expense is recognised in the period in which it is incurred)
- amortisation of discounts or premiums relating to borrowings;
- amortisation of ancillary costs incurred in connection with the arrangement of borrowings; and
- finance charges in respect of finance leases which are recognised in accordance with AASB 16 Leases

Other operating expenses

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

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

The Department of Health also makes certain payments on behalf of South West Healthcare. These amounts have been brought to account as grants in determining the operating result for the year by recording them as revenue and also recording the related expense.

Non-operating expenses

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

NOTE 3.2: EMPLOYEE BENEFITS IN THE BALANCE SHEET

	2022	2021
	\$ '000	\$ '000
Current Provisions		
Employee Benefits (i)		
Annual Leave		
- unconditional and expected to be settled wholly within 12 months ⁽ⁱ⁾	12,294	10,849
- unconditional and expected to be settled wholly after 12 months ⁽ⁱⁱ⁾	647	571
Long Service Leave		
- unconditional and expected to be settled wholly within 12 months ⁽ⁱ⁾	3,008	2,190
- unconditional and expected to be settled wholly after 12 months ⁽ⁱⁱ⁾	15,676	14,527
Accrued Days Off		
- unconditional and expected to be settled wholly within 12 months ⁽ⁱ⁾	430	337
	32,055	28,474
Provisions related to Employee Benefit On-Costs		
- unconditional and expected to be settled wholly within 12 months ⁽ⁱ⁾	1,738	1,470
- unconditional and expected to be settled wholly after 12 months ⁽ⁱⁱ⁾	2,429	2,090
	4,167	3,560
Total current employee benefits	36,222	32,034
Non-current provisions		
Conditional Long Service Leave Entitlements	3,081	3,102
Provisions related to Employee Benefit On-Costs	400	388
Total non-current employee benefits	3,481	3,490
Total employee benefits	39,703	35,524

Notes:

(i) The amounts disclosed are nominal amounts

(ii) The amounts disclosed are discounted to present values

NOTE 3.2(A) EMPLOYEE BENEFITS AND RELATED ON-COSTS

	2022	2021
	\$ '000	\$ '000
Current Employee Benefits and Related On-Costs		
Unconditional LSL Entitlement	21,113	18,808
Annual Leave Entitlements	14,623	12,847
Accrued Days Off	486	379
	36,222	32,034
Non-Current Employee Benefits and related on-costs		
Conditional Long Service Leave Entitlements ⁽ⁱ⁾	3,481	3,490
Total Employee Benefits and Related On-costs	39,703	35,524
Carrying amount at start of year	35,524	33,562
Additional provisions recognised	17,997	14,453
Amounts incurred during the year	(13,818)	(12,491)
Balance at end of year	39,703	35,524

NOTE 3.2: EMPLOYEE BENEFITS IN THE BALANCE SHEET (CONTINUED)

How we recognise employee benefits

Employee benefit recognition

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

Provisions

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

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

Annual Leave and Accrued Days Off

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

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

- Nominal value – if the health service expects to wholly settle within 12 months; or
- Present value – if the health service does not expect to wholly settle within 12 months

Long Service Leave (LSL)

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

Unconditional LSL is disclosed in the notes to the financial statements as a current liability, even where the health service 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 South West Healthcare expects to wholly settle within 12 months; or
- Present value – if South West Healthcare does not expect to wholly settle within 12 months.

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

Termination benefits

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

On-Costs related to employee benefits

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

NOTE 3.3: SUPERANNUATION

Fund	Paid Contributions for the year		Outstanding Contributions at Year End		
	2022	2021	2022	2021	
	\$ '000	\$ '000	\$ '000	\$ '000	
Defined Benefit Plans ⁽ⁱ⁾ :	First State Super	227	276	24	27
	State Super Fund	91	101	6	12
Defined Contribution Plans:	First State Super	7,356	6,992	860	801
	HESTA	3,215	2,870	383	329
	Australian Super	301	194		
	Host Plus Accumulation	372	215		
	Other	1,541	1,165	307	173
Total	13,103	11,813	1,580	1,342	

(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 South West Healthcare are entitled to receive superannuation benefits and the Health Service contributes to both defined benefit and defined contribution plans.

Defined benefit superannuation plans

The defined benefit plan(s) 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 the Health Service to the superannuation plans in respect of the services of current Health Service staff during reporting period. Superannuation contributions are made to the plans based on the relevant rules of each plan and are based upon actuarial advice.

South West Healthcare does not recognise any defined benefit liability in respect of the plans because the hospital 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 and 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 the Health Service.

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

Defined contribution superannuation plans

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

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

NOTE 3.4: OTHER ECONOMIC FLOWS INCLUDED IN OPERATING RESULT

	2022 \$ '000	2021 \$ '000
<u>Net gain/(loss) on sale of non-financial assets</u>		
Net gain on disposal of property plant and equipment	222	186
Total net gain/(loss) on non-financial assets	222	186
<u>Net gain/(loss) on financial instruments at fair value</u>		
<u>Net gain/(loss) on financial instruments</u>		
Allowance for Impairment losses for contractual receivables	2	15
Total net gain/(loss) on financial instruments at fair value	2	15
<u>Other gains/(losses) from other economic flows</u>		
Net gain/(loss) arising from revaluation of long service liability	1,485	1,478
Total other gains/(losses) from other economic flows	1,485	1,478
Total other gains/(losses) from economic flows	1,709	1,679

How we recognise other economic flows

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

- the revaluation of the present value of the long service leave liability due to changes in the bond interest rates and
- reclassified amounts relating to equity instruments from the reserves to retained surplus/(deficit) due to a disposal or derecognition of the financial instrument. This does not include reclassification between equity accounts due to machinery of government changes or 'other transfers' of assets.

Net Gain /(loss) on non-financial assets

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

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

Net gain/(loss) on financial instruments

Net gain/ (loss) on financial instruments includes:

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

NOTE 4: KEY ASSETS TO SUPPORT SERVICE DELIVERY

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

Structure

- 4.1 Property, plant & equipment
- 4.2 Right-of-use assets
- 4.3 Revaluation Surplus
- 4.4 Depreciation and amortisation
- 4.5 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 and its impact on our economy and the health of our community.

Key judgements and estimates

This section contains the following key judgements and estimates:

Key judgements and estimates	Description
Measuring fair value of property, plant and equipment and investment properties	South West Healthcare obtains independent valuations for its non-current assets at least once every five years. If an independent valuation has not been undertaken at balance date, the health service estimates possible changes in fair value since the date of the last independent valuation with reference to Valuer-General of Victoria indices. Managerial adjustments are recorded if the assessment concludes a material change in fair value has occurred. Where exceptionally large movements are identified, an interim independent valuation is undertaken.
Estimating useful life and residual value of property, plant and equipment	South West Healthcare assigns an estimated useful life to each item of property, plant and equipment, whilst also estimating the residual value of the asset, if any, at the end of the useful life. This is used to calculate depreciation of the asset. The health service reviews the useful life, residual value and depreciation rates of all assets at the end of each financial year and where necessary, records a change in accounting estimate.
Estimating useful life of right-of-use assets	The useful life of each right-of-use asset is typically the respective lease term, except where the health service is reasonably certain to exercise a purchase option contained within the lease (if any), in which case the useful life reverts to the estimated useful life of the underlying asset. South West Healthcare applies significant judgement to determine whether or not it is reasonably certain to exercise such purchase options. Where a lease agreement requires South West Healthcare to restore a right-of-use asset to its original condition at the end of a lease, the health service estimates the present value of such restoration costs. This cost is included in the measurement of the right-of-use asset, which is depreciated over the relevant lease term.
Identifying indicators of impairment	At the end of each year, South West Healthcare assesses impairment by evaluating the conditions and events specific to the health service that may be indicative of impairment triggers. Where an indication exists, the health service tests the asset for impairment. The health service considers a range of information when performing its assessment, including considering: <ul style="list-style-type: none"> › If an asset's value has declined more than expected based on normal use › If a significant change in technological, market, economic or legal environment which adversely impacts the way the health service uses an asset › If an asset is obsolete or damaged › If the asset has become idle or if there are plans to discontinue or dispose of the asset before the end of its useful life › If the performance of the asset is or will be worse than initially expected. Where an impairment trigger exists, the health services applies significant judgement and estimate to determine the recoverable amount of the asset.

NOTE 4.1: PROPERTY, PLANT AND EQUIPMENT

(A) GROSS CARRYING AMOUNT AND ACCUMULATED DEPRECIATION

	2022 \$ '000	2021 \$ '000
Land		
- Land at Fair Value	21,690	15,777
- Land at Cost	608	-
- Land Improvements at fair value	1,233	1,233
Less Accumulated Depreciation	(111)	(74)
Total Land	23,420	16,936
Buildings		
- Buildings Under Construction at Cost	6,355	1,225
- Buildings at Fair Value	209,318	209,318
Less Accumulated Depreciation	(34,245)	(24,880)
	175,073	184,438
- Buildings at Cost	8,530	5,077
Less Accumulated Depreciation	(663)	(409)
	7,867	4,668
Total Buildings	189,295	190,331
Plant and Equipment		
- Plant and Equipment at Fair Value	9,904	9,597
Less Accumulated Depreciation	(8,535)	(8,171)
Total Plant and Equipment	1,369	1,426
Medical Equipment		
- Medical Equipment at Fair Value	19,075	18,819
Less Accumulated Depreciation	(13,305)	(13,703)
Total Medical Equipment	5,770	5,116
Computers & Communications		
- Computers & Communications at fair value	8,092	8,309
Less Accumulated Depreciation	(7,287)	(7,341)
Total Computers & Communications	805	968
Furniture and Fittings		
-Furniture and Fittings at Fair Value	4,230	4,165
Less Accumulated Depreciation	(3,735)	(3,568)
Total Furniture and Fittings	495	597
Motor Vehicles		
- Motor Vehicles at Fair Value	2,209	2,598
Less Accumulated Depreciation	(1,680)	(1,650)
Total Motor Vehicles	529	948
Information Technology		
- Information Technology at Fair Value	1,162	-
Less Accumulated Depreciation	(546)	-
	616	-
Work in progress cost	520	-
TOTAL	222,819	216,322

NOTE 4.1: PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

NOTE 4.1(B) RECONCILIATIONS OF THE CARRYING AMOUNTS OF EACH CLASS OF ASSET

	Note	Land \$ '000	Buildings & Buildings under construction \$ '000	Plant & Equipment \$ '000	Medical Equipment \$ '000	Computer Communications \$ '000	Furniture and Fittings \$ '000	Motor Vehicle \$ '000	Information Technology	Total
Balance at 1 July 2020		14,703	205,809	1,624	4,657	1,688	146	1,518	-	230,145
Additions		1,755	2,822	249	1,567	402	93	-	-	6,888
Disposals		(154)	(219)	-	(7)	-	-	(160)	-	(540)
Net Transfers between classes		(1,540)	(6,277)	(12)	3	(631)	637	-	-	(7,820)
Revaluation Increments		2,209	-	-	-	-	-	-	-	2,209
Depreciation	4.4	(37)	(11,804)	(435)	(1,104)	(491)	(279)	(410)	-	(14,560)
Balance at 1 July 2021		16,936	190,331	1,426	5,116	968	597	948	-	216,322
Additions		3,015	8,584	365	2,183	483	100	-	62	14,792
Disposals		-	-	-	(6)	(1)	-	(87)	-	(94)
Net Transfers between classes		-	-	-	-	-	-	-	767	767
Revaluation Increments		3,506	-	-	-	-	-	-	-	3,506
Depreciation	4.4	(37)	(9,620)	(421)	(1,136)	(514)	(202)	(331)	(213)	(12,474)
Balance at 30 June 2022		23,420	189,295	1,370	6,157	936	495	530	616	222,819

NOTE 4.1: PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Land and buildings carried at valuation

A full revaluation of South West Healthcare's land and buildings was performed by the Valuer-General of Victoria (VGV) in May 2019 in accordance with the requirements of Financial Reporting Direction (FRD) 103H Non-Financial Physical Assets. The valuation, which conforms to Australian Valuation Standards, was determined by reference to the amounts for which assets could be exchanged between knowledgeable willing parties in an arm's length transaction. The effective date of the valuation for both land and buildings was 30 June 2019.

As noted below a VGV revaluation of Land has been undertaken as at July 2022 as it was triggered by increases in land values reaching a material threshold.

How we recognise property, plant and equipment

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

Initial recognition

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

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

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

Subsequent measurement

Items of property, plant and equipment (excluding right-of-use assets) are subsequently measured at fair value less accumulated depreciation and impairment losses where applicable. Fair value is determined with reference to the asset's highest and best use (considering legal or physical restrictions imposed on the asset, public announcements or commitments made in relation to the intended use of the asset).

Further information regarding fair value measurement is disclosed below.

Revaluation

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

Where an independent valuation has not been undertaken at balance date, South West Healthcare perform a managerial assessment to estimate possible changes in fair value of land and buildings since the date of the last independent valuation with reference to Valuer-General of Victoria (VGV) indices.

An adjustment is recognised if the assessment concludes that the fair value of land and buildings has changed by 10% or more since the last revaluation (whether that be the most recent independent valuation or managerial valuation). Any estimated change in fair value of less than 10% is deemed immaterial to the financial statements and no adjustment is recorded. Where the assessment indicates there has been an exceptionally material movement in the fair value of land and buildings since the last independent valuation, being equal to or in excess of 40%, South West Healthcare would obtain an interim independent valuation prior to the next scheduled independent valuation.

An independent valuation of South West Healthcare's property, plant and equipment was performed by the VGV on May 2019. The valuation, which complies with Australian Valuation Standards, was determined by reference to the amount for which assets could be exchanged between knowledgeable willing parties in an arm's length transaction. The managerial assessment performed at 30 June 2022 indicated an increase in buildings of 9% and an increase in land of 40%. As the cumulative movement for buildings was less than 10% since the last revaluation a managerial revaluation adjustment was not required as at 30 June 2022. As the cumulative movement for land was greater than 40% since the last revaluation an interim independent revaluation adjustment was required at 30 June 2022 and an adjustment was recorded.

NOTE 4.1: PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

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

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

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

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

NOTE 4.2: RIGHT OF USE ASSETS

(A) GROSS CARRYING AMOUNT AND ACCUMULATED DEPRECIATION

	2022 \$ '000	2021 \$ '000
Right-of-use properties	8,440	8,065
Less accumulated depreciation	(1,390)	(784)
Total right of use properties	7,050	7,281
Right of use information technology	3,900	4,638
Less accumulated depreciation	(3,375)	(3,426)
Total right of use information technology	525	1,212
Right of use motor vehicles	1,766	898
Less accumulated depreciation	(209)	(42)
Total right of use motor vehicles	1,557	856
Total right of use assets	9,132	9,349

NOTE 4.2 (B): RECONCILIATIONS OF THE CARRYING AMOUNTS OF EACH CLASS OF ASSET

	Right-of-use Properties	Right-of-use Information Technology	Right-of-use Motor Vehicles	Total
Note	\$ '000	\$ '000	\$ '000	\$ '000
Balance at 1 July 2020	316	835	-	1,151
Additions	-	655	898	1,553
Disposals	(273)	-	-	(273)
Net Transfers between classes	7,817	3	-	7,820
Depreciation	(579)	(281)	(42)	(902)
Balance at 1 July 2021	7,281	1,212	856	9,349
Additions	374	216	868	1,458
Disposals	-	-	-	-
Net Transfers between classes	-	(767)	-	(767)
Revaluation Increments	-	-	-	-
Depreciation	(605)	(136)	(167)	(908)
Balance at June 30 2022	7,050	525	1557	9,132

NOTE 4.2: RIGHT OF USE ASSETS (CONTINUED)

How we recognise right-of-use assets

Where South West Healthcare 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. South West Healthcare 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	4 to 10 years
Leased buildings	4 to 10 years
Leased plant, equipment, furniture fittings and vehicles	3 to 5 years

Presentation of right-of-use assets

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

Initial recognition

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

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

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

Subsequent measurement

Right-of-use assets are subsequently measured at fair value, with the exception of right-of-use asset 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).

NOTE 4.3: REVALUATION SURPLUS

	Note	2022 \$'000	2021 \$'000
Balance at the beginning of the reporting period		118,110	115,901
Revaluation Increment			
- Land	4.1(b)	3,506	2,209
Balance at the end of the reporting period*		121,616	118,110
*Represented by			
- Land		15,057	11,551
- Buildings		106,559	106,559
		121,616	118,110

NOTE 4.4: DEPRECIATION AND AMORTISATION

	2022 \$ '000	2021 \$ '000
Depreciation		
Buildings	9,656	11,841
Plant & Equipment	421	435
Medical Equipment	1,136	1,104
Computers & Communications	514	491
Furniture & Fittings	202	279
Motor Vehicles	331	410
Information Technology	214	-
Right of Use Assets	908	902
Total Depreciation	13,382	15,462

How we recognise depreciation

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

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

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

	2022	2021
Buildings		
- Structure Shell Building Fabric	6 to 52 years	6 to 52 years
- Site Engineering Services and Central Plant	4 to 47 years	4 to 47 years
Central Plant		
- Fit Out	1 to 47 years	1 to 47 years
- Trunk Reticulated Building Systems	2 to 47 years	2 to 47 years
Plant and Equipment	Up to 20 years	Up to 20 years
Medical Equipment	Up to 15 years	Up to 15 years
Computers and Communication	Up to 5 years	Up to 5 years
Furniture and Fittings	Up to 20 years	Up to 20 years
Motor Vehicles	Up to 10 years	Up to 10 years
Leasehold Improvements	Up to 10 years	Up to 10 years
Land Improvements	10 years	10 years

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

NOTE 4.5: IMPAIRMENT OF ASSETS

At the end of each reporting period, South West Healthcare 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 South West Healthcare which changes the way in which an asset is used or expected to be used.

NOTE 4.5: IMPAIRMENT OF ASSETS (CONTINUED)

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, South West Healthcare 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, South West Healthcare estimates the recoverable amount of the cash-generating unit to which the asset belongs.

South West Healthcare did not record any impairment losses for the year ended 30 June 2022.

NOTE 5: OTHER ASSETS AND LIABILITIES

This section sets out those assets and liabilities that arose from the health service's operations.

Structure

- 5.1 Receivables and contract assets
- 5.2 Payables and contract liabilities
- 5.3 Other liabilities

Telling the COVID-19 story

The measurement of other assets and liabilities were not materially impacted by the COVID-19 Coronavirus pandemic and its impact on our economy and the health of our community.

Key judgements and estimates

Key judgements and estimates	Description
Estimating the provision for expected credit losses	South West Healthcare 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 South West Healthcare 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. South West Healthcare 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	South West Healthcare applies significant judgement to measure its progress towards satisfying a performance obligation as detailed in Note 2. Where a performance obligation is yet to be satisfied, the health service assigns funds to the outstanding obligation and records this as a contract liability until the promised good or service is transferred to the customer.

NOTE 5.1: RECEIVABLES AND CONTRACT ASSETS

	2022 \$ '000	2021 \$ '000
CURRENT RECEIVABLES AND CONTRACT ASSETS		
Contractual		
Patient Fees and Resident Debtors	499	606
Trade Debtors	2,663	2,545
Receivables - South West Alliance of Rural Health	847	453
Accrued Revenue	70	35
Accrued Grants - Department of Health	215	263
Accrued Grants - Commonwealth Department of Health	-	88
Provision for impairment	(45)	(46)
Total contractual receivables	4,249	3,944
Statutory		
GST Receivable - Health Service	458	426
Total statutory receivables	458	426
TOTAL CURRENT RECEIVABLES AND CONTRACT ASSETS	4,707	4,370
NON CURRENT RECEIVABLES AND CONTRACT ASSETS		
Contractual		
Long Service Leave - Department of Health	11,155	7,889
TOTAL NON-CURRENT RECEIVABLES AND CONTRACT ASSETS	11,155	7,889
TOTAL RECEIVABLES AND CONTRACT ASSETS	15,862	12,259

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

Total receivables and contract assets		15,863	12,259
GST Receivable		(458)	(426)
Total financial assets	7.1(a)	15,405	11,833

NOTE 5.1 (A) MOVEMENT IN THE ALLOWANCE FOR IMPAIRMENT LOSSES OF CONTRACTUAL RECEIVABLES

Balance at beginning of the year	47	62
Increase in allowance	13	-
Decrease in allowance	-	(4)
Amounts written off during the year	(15)	(11)
Balance at end of the year	45	47

How we recognise receivables

Receivables consist of:

- **Contractual receivables**, which mostly includes debtors in relation to goods and services. These receivables are classified as financial instruments and categorised as 'financial assets at amortised costs'. They are initially recognised at fair value plus any directly attributable transaction costs. The Health Service holds the contractual receivables with the objective to collect the contractual cash flows and therefore subsequently measured at amortised cost using the effective interest method, less any impairment.
- **Statutory receivables**, which mostly includes amounts owing from the Victorian Government and Goods and Services Tax (GST) input tax credits that are recoverable. Statutory receivables do not arise from contracts and are recognised and measured similarly to contractual receivables (except for impairment), but are not classified as financial instruments for disclosure purposes. The Health Service applies AASB 9 for initial measurement of the statutory receivables and as a result statutory receivables are initially recognised at fair value plus any directly attributable transaction cost.

NOTE 5.1 (A) MOVEMENT IN THE ALLOWANCE FOR IMPAIRMENT LOSSES OF CONTRACTUAL RECEIVABLES (CONTINUED)

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.

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

Impairment losses of contractual receivables

Refer to Note 7.1(a) for South West Healthcare's contractual impairment losses.

NOTE 5.2: PAYABLES AND CONTRACT ASSETS

	Notes	2022 \$ '000	2021 \$ '000
CURRENT PAYABLES & CONTRACT LIABILITIES			
Contractual			
Trade Creditors (i)		1,100	2,361
Accrued Salaries & Wages		3,166	2,107
Accrued Expenses		6,947	6,496
Payables - South West Alliance of Rural Health		1,456	1,434
Deferred grant income	5.2 (a)	3,197	-
Contract liabilities- Income in Advance	5.2 (b)	20,334	12,098
Income in Advance - South West Alliance of Rural Health	5.2 (b)	1,978	311
TOTAL CURRENT PAYABLES & CONTRACT LIABILITIES		38,178	24,807
NON-CURRENT PAYABLES & CONTRACT LIABILITIES			
Income in Advance - South West Alliance of Rural Health	5.2 (b)	27	-
TOTAL NON-CURRENT PAYABLES & CONTRACT LIABILITIES		27	-
TOTAL PAYABLES AND CONTRACT LIABILITIES			
		38,205	24,807
(i) Financial liabilities classified as payables and contract liabilities (Note 7.1(a))			
Total payables and contract liabilities		38,178	24,807
Deferred grant income		(3,197)	-
Contract liabilities		(22,339)	(12,409)
Total financial liabilities	7.1 (a)	12,642	12,398

How we recognise payables and contract liabilities

Payables consist of:

- **Contractual payables**, which mostly includes payables in relation to goods and services. These payables are classified as financial instruments and measured at amortised cost. Accounts payable and salaries and wages payable represent liabilities for goods and services provided to the Health Service prior to the end of the financial year that are unpaid.
- **Statutory payables**, which mostly includes amount payable to the Victorian Government and Goods and Services Tax (GST) payable. Statutory payables are recognised and measured similarly to contractual payables, but are not classified as financial instruments and not included in the category of financial liabilities at amortised cost, because they do not arise from contracts.

The normal credit terms for accounts payable are usually nett 30 days.

NOTE 5.2(A): DEFERRED CAPITAL GRANT REVENUE

	2022	2021
	\$ '000	\$ '000
Opening balance of deferred grant income	-	609
Grant consideration for capital works received during the year	12,180	-
Deferred Grant Revenue recognised as revenue due to the completion of the capital works	(8,983)	(609)
Closing balance of deferred grant income	3,197	-

How we recognise deferred capital grant revenue

Grant consideration was received from Department of Health for the Warrnambool and Hamilton Community Mental Health Service Project. Capital Grant revenue is recognised progressively as the asset is constructed, since this is the time when South West Healthcare satisfies its obligations under the transfer by controlling the asset as and when it is constructed. The progressive percentage costs incurred is used to recognise income because this most closely reflects the progress to completion as costs are incurred as the works are done. As a result, South West Healthcare has deferred recognition of a portion of the grant consideration received as a liability for the outstanding obligations.

NOTE 5.2(B): CONTRACT LIABILITIES

	2022	2021
	\$ '000	\$ '000
Opening balance of contract liabilities	12,409	3,839
Grant Consideration received	11,307	12,409
Revenue recognised for the completion of a performance obligation	(1,377)	(3,839)
Total contract liabilities	22,339	12,409
* Represented by:		
- Current contract liabilities	20,334	12,409
- Non-current contract liabilities	2,005	-
	22,339	12,409

How we recognise contract liabilities

Contract liabilities include grant consideration received from the State Government in support of COVID 19, consideration received in advance from customers in respect of regional grants and share of SWARH income in advance. Income is recognised once the goods and services are delivered provided. The balance of contract liabilities was significantly higher than the previous reporting period due a reallocation of current year COVID Grants by the Department of Health.

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

Maturity analysis of payables

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

NOTE 5.3: OTHER LIABILITIES

	2022 \$ '000	2021 \$ '000
CURRENT		
Patient Monies Held in Trust	49	81
Accommodation Bonds (Refundable Entrance Fees)	3,248	2,738
Other monies held in trust	457	353
	<hr/>	<hr/>
TOTAL CURRENT	3,754	3,172
	<hr/> <hr/>	<hr/> <hr/>
Represented by the following assets:		
Cash Assets (refer to Note 6.2)	3,754	3,172
	<hr/>	<hr/>
TOTAL OTHER LIABILITIES	3,754	3,172
	<hr/> <hr/>	<hr/> <hr/>

How we recognise other liabilities

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

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

NOTE 6: HOW WE FINANCE OUR OPERATIONS

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

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

NOTE 6: HOW WE FINANCE OUR OPERATIONS (CONTINUED)

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	South West Healthcare applies significant judgement to determine if a contract is or contains a lease by considering if the health service: <ul style="list-style-type: none"> - has the right-to-use an identified asset - has the right to obtain substantially all economic benefits from the use of the leased asset and - can decide how and for what purpose the asset is used throughout the lease.
Determining if a lease meets the short-term or low value asset lease exemption	South West Healthcare applies significant judgement when determining if a lease meets the short-term or low value lease exemption criteria. The health service estimates the fair value of leased assets when new. Where the estimated fair value is less than \$10,000, the health service applies the low-value lease exemption. The health service also estimates the lease term with reference to remaining lease term and period that the lease remains enforceable. Where the enforceable lease period is less than 12 months the health service applies the short-term lease exemption.
Discount rate applied to future lease payments	South West Healthcare 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, South West Healthcare uses its incremental borrowing rate, which is the amount the health service would have to pay to borrow funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.
Assessing the lease term	The lease term represents the non-cancellable period of a lease, combined with periods covered by an option to extend or terminate the lease if South West Healthcare is reasonably certain to exercise such options. South West Healthcare determines the likelihood of exercising such options on a lease-by-lease basis through consideration of various factors including: <ul style="list-style-type: none"> › If there are significant penalties to terminate (or not extend), the health service is typically reasonably certain to extend (or not terminate) the lease. › If any leasehold improvements are expected to have a significant remaining value, the health service is typically reasonably certain to extend (or not terminate) the lease. › The health service considers historical lease durations and the costs and business disruption to replace such leased assets.

NOTE 6.1: BORROWINGS

	2022 \$ '000	2021 \$ '000
Current Borrowings		
Finance Lease Liability - South West Alliance of Rural Health ⁽ⁱⁱⁱ⁾	238	174
Department of Health Loan ⁽ⁱ⁾	92	92
Lease liability ⁽ⁱⁱ⁾	392	158
Total Current Borrowings	722	424
Non Current Borrowings		
Finance Lease Liability - South West Alliance of Rural Health ⁽ⁱⁱⁱ⁾	305	311
Department of Health Loan ⁽ⁱ⁾	-	92
Lease liability ⁽ⁱⁱ⁾	1,515	716
Total Non-Current Borrowings	1,820	1,119
Total Borrowings	2,542	1,543

(i) These are unsecured loans which bear no interest

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

(iii) Finance leases are held by South West Alliance of Rural Health and are secured by the rights to the leased assets being held by the lessor.

NOTE 6.1: BORROWINGS (CONTINUED)

How we recognise borrowings

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

Initial recognition

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

Subsequent measurement

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

Maturity analysis

Please refer to Note 7.1(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

South West Healthcare's lease liabilities are summarised below:

	2022	2021
	\$'000	\$'000
Total undiscounted lease liabilities	2,450	1,359
Less unexpired finance expenses	(59)	(42)
Net lease liabilities	2,391	1,317

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

	Minimum future lease payments	
	2022	2021
	\$'000	\$'000
Not later than one year	630	332
Later than 1 year and not later than 5 years	1,820	1,027
Minimum future lease liability	2,450	1,359
Less future finance charges	(59)	(42)
TOTAL	2,391	1,317
	Present value of minimum future lease payments	
	2022	2021
	\$'000	\$'000
	630	332
	1,761	985
TOTAL	2,391	1,317

* Represented by:

- Current liabilities
- Non-current liabilities

NOTE: 6.1(A) LEASE LIABILITIES (CONTINUED)**How we recognise lease liabilities**

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

To apply this definition, South West Healthcare 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 South West Healthcare and for which the supplier does not have substantive substitution rights;
- South West Healthcare 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 South West Healthcare has the right to direct the use of the identified asset throughout the period of use; and
- South West Healthcare has the right to take decisions in respect of 'how and for what purpose' the asset is used throughout the period of use.

South West Healthcare's lease arrangements consist of the following:

Type of asset Leased	Leased Term
Leased land	10 years
Leased buildings	10 years
Leased plant, equipment, furniture, fittings and vehicles	3 to 5 years

All leases are recognised on the balance sheet, with the exception of low value leases (less than \$10,000 AUD) and short term leases of less than 12 months. The following low value, short term and variable lease payments are recognised in profit or loss:

Type of payment	Description of payment	Type of leases captured
Low value lease payments	Leases where the underlying asset's fair value, when new, is no more than \$10,000	Equipment leases
Short-term lease payments	Leases with a term less than 12 months	Building lease

This policy is applied to contracts entered into, or changed, on or after 1 July 2019.

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 South West Healthcare incremental borrowing rate. Our lease liability has been discounted by 2.2%

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

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

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term and lease liability if the lease is reasonably certain to be extended (or not terminated).

NOTE 6.1: BORROWINGS (CONTINUED)

Subsequent measurement

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

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

Leases with significantly below market terms and conditions

South West Healthcare 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 as a peppercorn or concessionary lease arrangement.

The nature and terms of such lease arrangements, including South West Healthcare's dependency on such lease arrangements is described below:

Description of leased asset	Our dependence on lease	Nature and terms of lease
Properties - Accomodation and specialised program accomodation.	The leased properties is used for accomodation and mental health programs. South West Healthcare's dependence on this lease is considered low. Although properties leased are fully utilised and some are specialised they do not represent a material operating risk.	Lease payments of \$104 per property are required per annum. The lease commenced in 2014 and has a lease term of 10 years. Restrictions placed on the use of the asset include approval for any non maintenance changes.

NOTE 6.2: CASH AND CASH EQUIVALENTS

	2022 \$ '000	2021 \$ '000
Cash on hand (excluding monies held in trust)	7	7
Cash at bank (excluding monies held in trust)	50,928	36,074
Deposits at Call (excluding monies held in trust)	12	12
Total cash held for operations	<u>50,947</u>	<u>36,093</u>
Cash at Bank (monies held in trust)	3,754	3,171
Total cash held as monies in trust	<u>3,754</u>	<u>3,171</u>
Total cash and cash equivalents	<u>54,701</u>	<u>39,264</u>

How we recognise cash and cash equivalents

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

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

NOTE 6.3: COMMITMENTS FOR EXPENDITURE

	2022	2021
	\$ '000	\$ '000
Capital expenditure commitments payable		
Less than 1 year	12,474	354
Total Capital expenditure commitments	12,474	354
Other operating Commitments		
Share of SWARH Maintenance, Software Agreement & Network Obligations		
Less than 1 year	1,241	469
Longer than 1 year but not longer than 5 years	990	685
Total Non-cancellable Lease Commitments	2,231	1,154
Total Commitments (inclusive of GST)	14,705	1,508
Less GST recoverable from the Australian Tax Office	1,337	137
Total Commitments (exclusive of GST)	13,368	1,371

How we disclose our commitments

Our commitments relate to expenditure and short term and low value leases.

Expenditure commitments

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

NOTE 7: RISKS, CONTINGENCIES & VALUATION UNCERTAINTIES

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

Structure

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

Key judgements and estimates	Description
Measuring fair value of non-financial assets	<p>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.</p> <p>In determining the highest and best use, South West Healthcare 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.</p> <p>South West Healthcare uses a range of valuation techniques to estimate fair value, which include the following:</p> <ul style="list-style-type: none"> - Market approach, which uses prices and other relevant information generated by market transactions involving identical or comparable assets and liabilities. The fair value of South West Healthcare's [specialised land, non-specialised land, non-specialised buildings, investment properties and cultural assets] are measured using this approach. - Cost approach, which reflects the amount that would be required to replace the service capacity of the asset (referred to as current replacement cost). The fair value of South West Healthcare's [specialised buildings, furniture, fittings, plant, equipment and vehicles] are measured using this approach. - Income approach, which converts future cash flows or income and expenses to a single undiscounted amount. South West Healthcare does not this use approach to measure fair value. - The health service selects a valuation technique which is considered most appropriate, and for which there is sufficient data available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. - Subsequently, the health service applies significant judgement to categorise and disclose such assets within a fair value hierarchy, which includes: <ul style="list-style-type: none"> - Level 1, using quoted prices (unadjusted) in active markets for identical assets that the health service can access at measurement date. South West Healthcare does not categorise any fair values within this level. - Level 2, inputs other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly. South West Healthcare categorises non-specialised land and right-of-use concessionary land in this level. - Level 3, where inputs are unobservable. South West Healthcare categorises specialised land, non-specialised buildings, specialised buildings, plant, equipment, furniture, fittings, vehicles, right-of-use buildings and right-of-use plant, equipment, furniture and fittings 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 South West Healthcare'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.

(A) CATEGORISATION OF FINANCIAL INSTRUMENTS

	Financial Assets at Amortised Cost \$ '000	Financial Liabilities at Amortised Cost \$ '000	Total \$ '000
2022			
Contractual Financial Assets			
Cash and cash equivalents	54,701	-	54,701
Receivables and contract assets	15,405	-	15,405
Total Financial Assets ⁽ⁱ⁾	70,106	-	70,106
Financial Liabilities			
Payables	-	12,642	12,398
Borrowings	-	635	635
Other Financial Liabilities			
- Accommodation Bonds	-	3,248	3,248
- Other	-	506	506
Total Financial Liabilities ⁽ⁱ⁾	-	17,031	16,787

	Contractual financial assets - loans and receivables \$ '000	Contractual financial liabilities at amortised cost \$ '000	Total \$ '000
2021			
Contractual Financial Assets			
Cash and cash equivalents	39,264	-	39,264
Receivables and contract assets	11,833	-	11,833
Total Financial Assets ⁽ⁱ⁾	51,097	-	51,097
Financial Liabilities			
Payables	-	12,398	12,398
Borrowings	-	669	669
Other Financial Liabilities			
- Accommodation Bonds	-	2,738	2,738
- Other	-	434	434
Total Financial Liabilities ⁽ⁱ⁾	-	16,239	16,239

(i) The carrying amount excludes statutory receivables (i.e. GST Receivable) and statutory payables (i.e. Revenue in advance).

NOTE 7.1: FINANCIAL INSTRUMENTS (CONTINUED)

How we categorise financial instruments

Categories of financial assets

Financial assets are recognised when South West Healthcare becomes party to the contractual provisions to the instrument. For financial assets, this is at the date South West Healthcare 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 South West Healthcare solely to collect the contractual cash flows and
- the assets' contractual terms give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specific dates.

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

South West Healthcare recognises the following assets in this category:

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

Categories of financial liabilities

Financial liabilities are recognised when South West Healthcare 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.

South West Healthcare recognises the following liabilities in this category:

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

NOTE 7.1: FINANCIAL INSTRUMENTS (CONTINUED)

Derecognition of financial assets

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

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

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

Derecognition of financial liabilities

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

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

Reclassification of financial instruments

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

South West Healthcare's main financial risks include credit risk, liquidity risk and interest rate risk. South West Healthcare manages these financial risks in accordance with its financial risk management policy.

South West Healthcare 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. South West Healthcare's exposure to credit risk arises from the potential default of a counter party on their contractual obligations resulting in financial loss to South West Healthcare. Credit risk is measured at fair value and is monitored on a regular basis.

Credit risk associated with South West Healthcare'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.

NOTE 7.2: FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

In addition, South West Healthcare 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, South West Healthcare'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 South West Healthcare 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 South West Healthcare's maximum exposure to credit risk without taking account of the value of any collateral obtained.

There has been no material change to South West Healthcare's credit risk profile in 2021-22.

Impairment of financial assets under AASB 9

South West Healthcare records the allowance for expected credit loss for the relevant financial instruments, in accordance with AASB 9 Financial Instruments 'Expected Credit Loss' approach. Subject to AASB 9 Financial Instruments, impairment assessment includes South West Healthcare's contractual receivables, statutory receivables and its investment in debt instruments.

Equity instruments are not subject to impairment under AASB 9 Financial Instruments. Other financial assets mandatorily measured or designated at fair value through net result are not subject to impairment assessment under AASB 9 Financial Instruments. While cash and cash equivalents are also subject to the impairment requirements of AASB 9 Financial Instruments, any identified impairment loss would be immaterial.

Contractual receivables at amortised cost

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

On this basis, South West Healthcare determines the closing loss allowance at the end of the financial year as follows:

	Less						
30-Jun-21	Current	than 1 month	1-3 months	3 months - 1 year	1-5 years	Total	
Expected loss rate	0%	0%	5%	8%	40%		
Gross carrying amount of contractual receivables	3,376	214	138	147	69	3,944	
Loss allowance	-	-	7	12	28	46	

	Less						
30-Jun-22	Current	than 1 month	1-3 months	3 months - 1 year	1-5 years	Total	
Expected loss rate	0%	0%	5%	8%	40%		
Gross carrying amount of contractual receivables	3,633	235	168	153	60	4,249	
Loss allowance	-	-	8	12	24	45	

Statutory receivables and debt investments at amortised cost

The Health Service'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.

NOTE 7.2: FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Both the statutory receivables and investments in debt instruments are considered to have low credit risk, taking into account the counterparty's credit rating, risk of default and capacity to meet contractual cash flow obligations in the near term. As the result, the loss allowance recognised for these financial assets during the period was limited to 12 months expected losses.

NOTE 7.2 (B) LIQUIDITY RISK

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

South West Healthcare 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
- 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.

South West Healthcare'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 South West Healthcare's financial liabilities. For interest rates applicable to each class of liability refer to individual notes to the financial statements.

Note	Total Carrying Amount	Nominal Amount	Maturity Dates			
			Less than 1 Month	1 - 3 Months	3 Months - 1 Year	1 - 5 Years
	\$	\$	\$	\$	\$	\$
2022						
Financial Liabilities						
<i>At amortised cost</i>						
Payables ⁽ⁱ⁾	5.2	38,178	38,178	-	-	-
Borrowings	6.1	635	20	63	169	383
Other Financial Liabilities						
- Accommodation Deposits	5.3	3,248	-	162	1,852	1,234
- Other	5.3	506	-	506	-	-
Total Financial Liabilities		42,567	38,198	731	2,021	1,617
2021						
Financial Liabilities						
<i>At amortised cost</i>						
Payables ⁽ⁱ⁾	5.2	24,807	24,807	-	-	-
Borrowings	6.1	669	22	66	178	403
Other Financial Liabilities						
- Accommodation Deposits	5.3	2,738	-	137	1,561	1,040
- Other	5.3	434	-	434	-	-
Total Financial Liabilities		28,648	24,829	637	1,739	1,443

(i) Maturity analysis of financial liabilities excludes the types of statutory financial liabilities (i.e. GST payable).

NOTE 7.2: FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

NOTE 7.2 (C) MARKET RISK

South West Healthcare'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

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

- a change in interest rates of 2% up 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. South West Healthcare 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. South West Healthcare has minimal exposure to cash flow interest rate risks through cash and deposits.

NOTE 7.3: CONTINGENT ASSETS AND CONTINGENT LIABILITIES

There are no known contingent assets or contingent liabilities for South West Healthcare at the date of this report. (Nil 2021)

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.

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

South West Healthcare 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 South West Healthcare'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(B): FAIR VALUE DETERMINATION OF NON-FINANCIAL PHYSICAL ASSETS

	Note	Carrying amount 30 June 2022 \$'000	Fair value measurement at end of reporting period using:		
			Level 1 ⁱ \$'000	Level 2 ⁱ \$'000	Level 3 ⁱ \$'000
Non-specialised land		14,000	-	14,000	-
Specialised land		9,420	-	-	9,420
Total land at fair value	4.1(a)	23,420	-	14,000	9,420
Non-specialised buildings		9,271	-	9,271	-
Specialised buildings		173,670	-	-	173,670
Total buildings at fair value	4.1(a)	182,941	-	9,271	173,670
Plant and equipment	4.1(a)	1,369	-	-	1,369
Motor vehicles	4.1(a)	529	-	529	-
Medical equipment	4.1(a)	5,770	-	-	5,770
Computer equipment	4.1(a)	805	-	-	805
Furniture and fittings	4.1(a)	495	-	-	495
Information technology	4.1(a)	616	-	-	616
Total plant, equipment, furniture, fittings and vehicles at fair value		9,584	-	529	9,055
Right-of-use properties	4.2(a)	7,050	-	-	7,050
Right-of-use information technology	4.2(a)	525	-	-	525
Right-of-use motor vehicles	4.2(a)	1,557	-	1,557	-
Total right-of-use assets at fair value		9,132	-	1,557	7,575
Total non-financial physical assets at fair value		225,077	-	25,357	199,720
		Carrying amount 30 June 2021 \$'000	Fair value measurement at end of reporting period using:		
	Note	\$'000	Level 1 ⁱ \$'000	Level 2 ⁱ \$'000	Level 3 ⁱ \$'000
Non-specialised land		8,628	-	8,628	-
Specialised land		8,308	-	-	8,308
Total land at fair value	4.1(a)	16,936	-	8,628	8,308
Non-specialised buildings		8,500	-	8,500	-
Specialised buildings		180,606	-	-	180,606
Total buildings at fair value	4.1(a)	189,106	-	8,500	180,606
Plant and equipment	4.1(a)	1,426	-	-	1,426
Motor vehicles	4.1(a)	948	-	948	-
Medical equipment	4.1(a)	5,116	-	-	5,116
Computer equipment	4.1(a)	968	-	-	968
Furniture and fittings	4.1(a)	597	-	-	597
Total plant, equipment, furniture, fittings and vehicles at fair value		9,055	-	948	8,107
Right-of-use properties	4.2(a)	7,281	-	-	7,281
Right-of-use information technology	4.2(a)	1,212	-	-	1,212
Right-of-use motor vehicles	4.2(a)	856	-	856	-
Total right-of-use assets at fair value		9,349	-	856	8,493
Total non-financial physical assets at fair value		224,446	-	18,932	205,514

ⁱ Classified in accordance with the fair value hierarchy.

NOTE 7.4(B): FAIR VALUE DETERMINATION OF NON-FINANCIAL PHYSICAL ASSETS (CONTINUED)

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, South West Healthcare 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, non-specialised buildings, investment properties and cultural assets

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

For non-specialised land and non-specialised buildings and investment properties, an independent valuation was performed by the Valuer-General Victoria to determine the fair value using the market approach. Valuation of the assets was determined by analysing comparable sales and allowing for share, size, topography, location and other relevant factors specific to the asset being valued. An appropriate rate per square metre has been applied to the subject asset. The effective date of the valuation is 30 June 2022.

Specialised land and specialised buildings

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

During the reporting period, South West Healthcare 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 South West Healthcare, the depreciated replacement cost method is used for the majority of specialised buildings, adjusting for the associated depreciation. As depreciation adjustments are considered as significant and unobservable inputs in nature, specialised buildings are classified as Level 3 for fair value measurements.

An independent valuation of South West Healthcare's specialised land and specialised buildings was performed by the Valuer-General Victoria. The effective date of the valuation is 30 June 2022.

NOTE 7.4(B): FAIR VALUE DETERMINATION OF NON-FINANCIAL PHYSICAL ASSETS (CONTINUED)

Vehicles

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

Furniture, fittings, plant and equipment

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

There were no changes in valuation techniques throughout the period to 30 June 2022.

Reconciliation of level 3 fair value measurement

	Note	Land \$'000	Buildings \$'000	Plant, equipment, furniture, fittings and vehicles \$'000	Right-of-use buildings \$'000	Right-of- use plant, equipment, furniture, fittings and vehicles \$'000
Consolidated						
Balance at 1 July 2020		14,703	203,899	8,115	316	835
Additions/(Disposals)		1,601	3,288	2,304	(273)	655
Net Transfers between classes		(10,168)	(14,777)	(3)	7,817	3
- Depreciation and amortisation		(37)	(11,804)	(2,309)	(579)	(281)
Items recognised in other comprehensive income						
- Revaluation		2,209	-	-	-	-
Balance at 30 June 2021	7.4(b)	8,308	180,606	8,107	7,281	1,212
Additions/(Disposals)		-	1,070	2,666	374	216
Net Transfers between classes		(344)	1,078	767	-	(767)
Gains/(Losses) recognised in net result		1,475	-	-	-	-
- Depreciation and Amortisation		(19)	(9,084)	(2,486)	(605)	(136)
Balance at 30 June 2022	7.4(b)	9,420	173,670	9,054	7,050	525

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

Fair value determination of level 3 fair value measurement

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

(i) A community service obligation (CSO) of 20% was applied to the South West Healthcare's specialised land.

NOTE 8: OTHER DISCLOSURES

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

Structure

- 8.1 Reconciliation of Net Result for the Year to Net Cash Flow from Operating Activities
- 8.2 Responsible persons disclosure
- 8.3 Remuneration of Executive Officers
- 8.4 Related Parties
- 8.5 Remuneration of auditors
- 8.6 Events occurring after the balance sheet date
- 8.7 Jointly Controlled Operations
- 8.8 Economic Dependency
- 8.9 Equity

Telling the COVID-19 story

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

NOTE 8.1: RECONCILIATION OF NET RESULT FOR THE YEAR TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2022 \$ '000	2021 \$ '000
NET RESULT FOR THE YEAR	2,318	(5,229)
Non-cash movements		
Non Cash Revenue - Assets received from Department of Health (DH)	(5,012)	(174)
Depreciation	13,382	15,462
Allowance for impairment losses of contractual receivables	(2)	(15)
Movements included in investing and financing activities		
Net (gain)/loss from disposal of non financial physical assets	(222)	(186)
Less cash inflow/outflow from investing and financing activities		
Less capital donations	(464)	(1,342)
Movements in assets and liabilities		
Change in Operating Assets & Liabilities		
(Increase)/Decrease in Receivables	(338)	118
(Increase)/Decrease in Other Assets	(509)	(958)
Increase/(Decrease) in Payables	(935)	924
Increase/(Decrease) in Provisions	2,167	559
Increase/(Decrease) in Other Liabilities	13,682	8,302
Increase/(Decrease) Change in Inventories	217	11
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	<u>24,284</u>	<u>17,472</u>

NOTE 8.2: RESPONSIBLE PERSON DISCLOSURES

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

	Period
The Honourable Martin Foley Minister for Health Minister for Ambulance Services	1 Jul 2021 - 27 Jun 2022 1 Jul 2021 - 27 Jun 2022
The Honourable Mary-Anne Thomas Minister for Health Minister for Ambulance Services	27 Jun 2022 - 30 Jun 2022 27 Jun 2022 - 30 Jun 2022
The Honourable James Merlino Minister for Mental Health	1 Jul 2021 - 27 Jun 2022
The Honourable Gabrielle Williams Minister for Mental Health	27 Jun 2022 - 30 Jun 2022
Governing Boards	
Mrs. N. Allen	1 Jul 2021 - 30 Jun 2022
Dr G.Toogood	1 Jul 2021 - 30 Jun 2022
Mr. B.Brown	1 Jul 2021 - 30 Jun 2022
Mrs. J.Waterhouse	1 Jul 2021 - 30 Jun 2022
Dr. B.Northeast	1 Jul 2021 - 30 Jun 2022
Ms. K. Gaston	1 Jul 2021 - 25 Jul 2021
Ms. A. Patchett	1 Jul 2021 - 30 Jun 2022
Mr A. Gillan	1 Jul 2021 - 30 Jun 2022
Ms. R. Held	1 Jul 2021 - 30 Jun 2022
Mr. B Howard	1 Jul 2021 - 30 Jun 2022
Accountable Officers	
Mr C.Fraser (Chief Executive Officer)	1 Jul 2021 - 30 Jun 2022

Remuneration of Responsible Persons

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

Income Band	2022	2021
	No:	No:
\$0 - \$9,999	1	1
\$10,000 - \$19,999	8	8
\$20,000 - \$29,999	1	1
\$370,000 - \$379,999	-	1
\$380,000 - \$389,999	1	-
Total Numbers	11	11
	2022	2021
	\$ '000	\$ '000
Total remuneration received or due and receivable by Responsible Persons from the reporting entity amounted to:	523	547

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

NOTE 8.3: REMUNERATION OF EXECUTIVES

Remuneration of executives

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

	Total Remuneration	
	2022 \$ '000	2021 \$ '000
Remuneration of executive officers		
Short-term employee benefits	1,678	1,604
Post-employment benefits	161	145
Other long-term benefits	24	35
Total Remuneration	1,863	1,784
Total Number of executives ⁽ⁱ⁾	10	11
Total annualised employee equivalent (AEE) ⁽ⁱⁱ⁾	7.98	7.75

Notes:

(i) The total number of executive officers includes persons who meet the definition of Key Management Personnel (KMP) of the entity under AASB 124 Related Party Disclosures and are also reported within the related parties note disclosure (Note 8.4)

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

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

Short-term employee benefits

Wages and salaries, annual leave or sick leave that are usually paid or payable on a regular basis.

Post-employment benefits

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

Other long-term benefits

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

Termination benefits

Termination of employment payments, such as severance packages.

NOTE 8.4: RELATED PARTIES

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

- all key management personnel and their close family members;
- all cabinet ministers and their close family members;
- Jointly Controlled Operation - A member of the Southwest Alliance of Rural Health; and
- all hospitals and public sector entities that are controlled and consolidated into the whole of state consolidated financial statements.

KMP's are those people with the authority and responsibility for planning, directing and controlling the activities of South West Healthcare, directly or indirectly.

NOTE 8.4: RELATED PARTIES (CONTINUED)

Key management personnel

The Board of Directors, Accountable Officer and the Executive Directors of South West Healthcare are deemed to be KMPs.

Entity	Key Management Personnel	Position Title	Period
South West Healthcare	Mr. B.Brown	Chair of the Board	01/07/21 - 30/06/22
South West Healthcare	Mrs. N. Allen	Board Member	01/07/21 - 30/06/22
South West Healthcare	Dr. G.Toogood	Board Member	01/07/21 - 30/06/22
South West Healthcare	Mrs. J.Waterhouse	Board Member	01/07/21 - 30/06/22
South West Healthcare	Dr. B.Northeast	Board Member	01/07/21 - 30/06/22
South West Healthcare	Ms. K. Gaston	Board Member	01/07/21 - 25/07/21
South West Healthcare	Ms. A. Patchett	Board Member	01/07/21 - 30/06/22
South West Healthcare	Mr. A. Gillan	Board Member	01/07/21 - 30/06/22
South West Healthcare	Ms. R. Held	Board Member	01/07/21 - 30/06/22
South West Healthcare	Mr. B Howard	Board Member	01/07/21 - 30/06/22
South West Healthcare	Mr C.Fraser	Chief Executive Officer	01/07/21 - 30/06/22
South West Healthcare	Mr. A.Trigg	Chief Operating Officer	01/07/21 - 30/06/22
South West Healthcare	Ms. G. Stevenson	Executive Director Nursing & Midwifery	01/07/21 - 30/06/22
South West Healthcare	Mr. J. Brennan	Executive Director Service Development	01/07/21 - 30/06/22
South West Healthcare	Mr. R. Campion	Executive Director Mental Health Services	01/07/21 - 30/06/22
South West Healthcare	Ms. K. Anderson	Executive Director Primary and Community Services	01/07/21 - 30/06/22
South West Healthcare	Dr. K. McConnon	Executive Director Medical Services	01/07/21 - 30/06/22
South West Healthcare	Ms. E. Holley	Executive Director People and Culture	01/07/21 - 27/08/21
South West Healthcare	Ms. E. Traicos	Executive Director People and Culture	09/08/21 - 03/12/21
South West Healthcare	Ms. S. Cook	Interim Executive Director People and Culture	20/12/21 - 30/06/22

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

COMPENSATION	2022 \$ '000	2021 \$ '000
Short term employee benefits	2,149	2,102
Post-employment benefits	201	184
Other long-term benefits	37	46
Total	2,387	2,332

(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

Transactions	2022 \$ '000	2021 \$ '000
Department of Health	208,516	188,628
Indirect Contributions (DH)	8,394	1,232
Assets received free of charge	1,794	2,036
Contributed Capital	-	-
Repayment of Funding - Interest free loan	92	92
Total	218,796	191,988

NOTE 8.4: RELATED PARTIES (CONTINUED)

Balances Outstanding

Funding Outstanding	2022	2021
	\$ '000	\$ '000
Department of Health LSL Debtor	11,155	7,889
Interest free loan balance	92	184

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

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

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

Transactions with key management personnel and other related parties

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

Outside of normal citizen type transactions with the Department of Health, all other related party transactions that involved KMPs and their close family members have been entered into on an arm's length basis.

Transactions are disclosed when they are considered material to the users of the financial report in making and evaluation decisions about the allocation of scarce resources.

There were no related party transactions with Cabinet Ministers required to be disclosed in 2022.

NOTE 8.5: REMUNERATION OF AUDITORS

Victorian Auditor-General's Office	2022	2021
	\$ '000	\$ '000
Audit of financial statements	47	47
	47	47

NOTE 8.6: EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

No matters or circumstances have arisen since the end of the financial year which significantly affected or may affect the operations of South West Healthcare, the results of the operations or the state of affairs of South West Healthcare in the future financial years.

NOTE 8.7: JOINT ARRANGEMENTS

Name of Entity	Principal Activity	Ownership Interest	
		2022	2021
		%	%
Southwest Alliance of Rural Health	Information Systems	15.16	14.73

South West Healthcare's interest in assets employed in the above jointly controlled operations and assets is detailed below. The amounts are included in the financial statements and consolidated financial statements under their respective categories:

NOTE 8.7: JOINT ARRANGEMENTS (CONTINUED)

	2022	2021
	\$ '000	\$ '000
Current Assets		
Cash and Cash Equivalents	3,226	1,506
Receivables	847	453
Inventories	7	3
Prepayments	112	97
Total Current Assets	4,192	2,059
Non Current Assets		
Property, Plant and Equipment	1,140	1,209
DHS LSL Debtors	127	72
Total Non Current Assets	1,267	1,281
Total Assets	5,459	3,340
Current Liabilities		
Payables	1,456	1,434
Deferred Income	1,978	311
Provisions	405	256
Lease Liabilities	238	141
Total Current Liabilities	4,077	2,142
Non Current Liabilities		
Employee Provisions	41	50
Lease Liabilities	305	311
Deferred Income	27	-
Total Non Current Liabilities	373	361
Total Liabilities	4,450	2,503
Net Assets	1,009	837
South West Healthcare interest in revenues and expenses resulting from jointly controlled operations and assets is detailed below:		
Revenues		
Operating Activities	3,192	2,669
Non Operating Activities	27	350
	3,219	3,019
Expenses		
Employee Expenses	1,388	1,140
Maintenance Contracts and IT Support	1,003	1,067
Other Expenses	279	249
Finance Costs	9	11
Depreciation and Amortisation	350	280
Total Operating Expenses	3,029	2,747
Other Economic Flows included in the result		
Revaluation of Long Service Leave	(12)	13
Net Result	178	285

* Figures obtained from the unaudited SWARH financial statements

Contingent Liabilities and Capital Commitments

There are no known contingent assets or liabilities for South West Alliance of Rural Health as at the date of this report. The financial results included for SWARH are unaudited at the date of signing the financial statements.

NOTE 8.8 ECONOMIC DEPENDENCY

South West Healthcare is dependent on the Department of Health for the majority of its revenue used to operate the entity. At the date of this report, the Board of Directors has no reason to believe the Department will not continue to support South West Healthcare.

NOTE 8.9 EQUITY

Contributed capital

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

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

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

Financial assets at fair value through comprehensive income revaluation reserve

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

Specific restricted purpose reserves

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



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Robinson Street
Camperdown 3260

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e frontdesk@swh.net.au

Warrnambool Base Hospital

Ryot Street
Warrnambool 3280

p 03 5563 1666

e info@swh.net.au

SWH MENTAL HEALTH SERVICES

Camperdown

64 Scott Street
Camperdown 3260

p 03 5593 6000

Hamilton

12 Foster Street
Hamilton 3300

p 03 5551 8418

Portland

63 Julia Street
Portland 3305

p 03 5522 1000

Warrnambool

Koroit Street
Warrnambool 3280

p 03 5561 9100

South West 
Healthcare

www.southwesthealthcare.com.au



SWH AGED CARE FACILITY

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p 03 5593 7366

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SWH COMMUNITY HEALTH CENTRES

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