



TIMBOON
AND DISTRICT
HEALTHCARE
SERVICE

ANNUAL REPORT 2020/2021

WORKING TOGETHER FOR A
HEALTHY COMMUNITY





Our Acknowledgement of Country

We acknowledge the Traditional Owners of country throughout Australia and recognise their continuing connection to land, waters, and culture. We pay our respects to their Elders past, present and emerging.


This annual report fulfils Timboon and District Healthcare Service's reporting requirements to the community and to the Minister for Health. It summarises Timboon and District Healthcare Service's results, performance, outlook, and financial position for 2020/2021.

It outlines our performance against key objectives identified in our Strategic Plan and against the Victorian Government's objectives for the community and frontline services.

Our annual reports are available on our website and a hard copy of this issue can be obtained by contacting us on the contact details below.

Timboon and District Healthcare Service is committed to providing accessible services. If you have any difficulty in understanding this annual report, you can contact us to arrange appropriate assistance. We state that photos in this publication were taken either prior to COVID-19 or with COVID-19 restrictions in place.

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Front cover: Working together for a healthy community during COVID



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*"Fresh Air & Mask Free" - Sally Condie
(1st prize winner 2021 Photo Competition)*

Report of Operations

RESPONSIBLE BODIES DECLARATION

In accordance with the Financial Management Act 1994, I am pleased to present the Report of Operations for Timboon and District Healthcare Service for the year ending 30th June 2021.



Mr Frank Carlus
Chair, Board of Directors
Timboon and District Healthcare Service
24 August 2021



Timboon and District Healthcare Service Board members 2020/2021. Top (l-r): Toinette Hutchins, Claire Murphy, Maryanne Puli Vogels, Chris Stewart and Anthony DeJong.
Bottom (l-r): Frank Carlus, Anne Skordis, Alison Byrne, Stephanie Hargreaves, Bryce Morden and Ashley Nesseler.

What defines us

Our VISION

“Working together for a healthy community”

Our PURPOSE

KEEPING PEOPLE AT THE HEART OF OUR ACTIONS THROUGH:

- Partnering for outcomes
- Engaging the community
- Innovative service delivery
- Maximising quality and safety
- Embracing change
- Promoting health and wellbeing across the lifespan

Our VALUES



We foster an open and positive work environment through honest and ethical behaviours



We are understanding of peoples differing needs, opinions and feelings, and treat everyone with empathy



We take responsibility for our actions, attitudes and decisions and the impact it has on others within our workplace



We promote an inclusive and diverse culture by valuing the differing views, qualities, needs and feelings of each other



We invest in continuous development opportunities, so we can continue to deliver exceptional services to our community

Overview

OUR ESTABLISHMENT

The district surrounding Timboon nestles among trees and rich dairying countryside near the western Victorian coast. Many years ago, the area did not have its own doctor, let alone any purpose-built medical facilities. The establishment of the Timboon and District Hospital in 1955, tells a story of how people in and around a small rural township worked tirelessly to ensure their community would have access to health care of the very best kind. Over the years, the services and facilities have been improved, challenges have been overcome, the name has been changed and, throughout it all, Timboon and District Healthcare Service (TDHS) has continued to deliver first-class health care as well as peace of mind that medical facilities are close at hand and adapted and grown to meet the changing needs of our community. We are a Multi-Purpose Service (MPS) which allows us to provide a broad mix of services via a flexible service model. This ensures that TDHS can best meet the health needs of community members throughout their lives. TDHS facilities incorporate 4 residential aged care beds, 10 acute care beds, an Urgent Care Centre, radiology, theatre suite and community services that provide:

- Medical services including specialist clinics, visiting medical officers, rehabilitation/enablement, minor surgical procedures, and urgent care;
- Residential aged care services;
- Community Health services including district nursing, home care, home maintenance, continence services, diabetes education, women's health services, antenatal and postnatal care, and health promotion;
- Dental services;
- Allied Health services including physiotherapy, exercise physiology, dietetics, speech pathology, podiatry, occupational therapy, guided exercise, audiology, and radiology;
- Acute Inpatient Care;

In April 2021 TDHS fully acquired the Timboon Clinic which is located opposite the healthcare service and we contract General Practitioners as Visiting Medical Officers.

Our Catchment Area

The Timboon District Healthcare Service (TDHS) catchment stretches from Cobden in the north to the Great Ocean Road coastline, encompassing the towns of Timboon, Cobden, Nullawarre, Peterborough, Port Campbell, Princetown, Simpson, and the tourism sites of the Twelve Apostles. It is home to approximately 7,700 residents engaged in a wide range of employment, including primary industries, particularly the dairy industry and tourism. In addition, some 5 million tourists visit the Twelve Apostles and Port Campbell each year.

History of TDHS

1944

Timboon Progress Association convened first meeting to discuss establishment of a local hospital

1951

Timboon Township engaged Dr PDG Fox, which was vital to the beginnings of Timboon and District Hospital (TDH)

1955

Construction started in January on land donated by Charles Lindquist.

1955

Official opening of TDH by Dr JH Lindell, Chairman of the Hospitals and Charities Commission

1956

TDH open and receiving patients
Construction of TDH staff home



1962

South Western District Ambulance Service became operational at TDH driven by volunteers

1971

Completion of building alterations at TDH

1978

Official opening of Community Health Centre at TDH

1991

Official opening of extensions, treatment room and front entrance at TDH by Mr Arthur Rogers, Regional Director of the Health Department

1998

TDH became Timboon and District Healthcare Service (TDHS) to reflect its new status as a Multi-Purpose Service (MPS)

2002

Official opening of new wing at TDHS by Mr Bruce Mildenhall MP, Parliamentary Secretary to the Premier

2005

Completion of the Timboon Clinic Building

2010

Opening of new Ambulance Station

2013

Official opening of Community Health Building by The Hon David Davis M.P.



2021

Full acquisition of Timboon Clinic



By the community, for the community

Our Services

Timboon and District Healthcare Service (TDHS) continues to actively engage in local and regional partnerships and service delivery that builds a stronger health system driven by the needs of our community.

URGENT CARE AND AFTER HOURS MEDICAL TREATMENT

A nurse assessment (triage) led model supported by on-call medical staff delivers Urgent Care and After Hours (i.e. week nights and weekends) treatment to the community for medical emergencies.

ACUTE

Our multipurpose service is equipped to provide high-quality acute care services to all who live in or visit our catchment area spanning across the Corangamite and Moyne Shires. Our experienced and professional team is highly skilled and as a small rural health service with 14 flexible beds and a day-stay bed complex, we can provide that extra bit of personal care during your stay at TDHS.

AGED AND RESIDENTIAL

Permanent aged care or respite care is offered at our multipurpose service in Timboon. Our aged care facility comprises of 4 aged care beds, where members of the community unable to remain in their homes due to health or mobility issues can receive 24-hour professional care.

RESPITE

Respite care is provided to families and carers with extra demands of caring for someone who has a disability, which may be intellectual, physical, or sensory. Respite care is also provided for the terminally ill and for carers of family members with dementia.

Respite can be accessed either 'in home' or in an appropriate facility – 'facility based'. The Assessment Officer at TDHS will assist you with booking 'facility based' respite.

PALLIATIVE CARE

Our staff have knowledge, skills, and expertise in the care of patients, their families, and carers, who are living with and dying from a terminal condition. Quality care at the end of life is realised when strong networks exist between specialist palliative care providers, primary generalist, primary specialist and support care providers and the community – working together to meet the needs of all people. TDHS has well-developed networks to assist the patient, their carers and family with ensuring quality of life at the end of life by being closer to home and their family.

SURGICAL

TDHS offers endoscopy day procedure. We have a surgeon attending from Warrnambool assisted by a local GP anaesthetist.

PATHOLOGY

TDHS works with a Warrnambool pathology service, that collects and tests specimens twice daily Monday through Friday, and once daily on Saturday. We foster relationships with leading experts and practitioners to offer efficient, high-quality service and an exceptional level of care.

Our Services

RADIOLOGY

TDHS has a radiologist onsite one day per week.

POST ACUTE CARE PROGRAM (PAC)

This program provides community-based services to assist people to recuperate after leaving hospital and aims to prevent hospital readmission. These services are of a short-term nature and include services like community nursing, personal care, and home care.

TRANSITION CARE PROGRAM (TCP)

In conjunction with South West Healthcare, TDHS provides TCP services. This program provides community-based services for up to a period of 12 weeks to assist people to recuperate after leaving hospital aiming to prevent hospital readmission, but requires a comprehensive assessment with the Aged Care Assessment Service (ACAS) to be eligible.

NATIONAL DISABILITY INSURANCE SCHEME (NDIS)

TDHS registered as a NDIS provider in 2020. The NDIS is a new way of providing individualised support for people with disability, their families and carers. The NDIS will provide all Australians with a permanent and significant disability, aged under 65, with the reasonable and necessary supports they need to live an ordinary life. Eligible people, known as participants, are given a plan of supports which is developed and tailored to their individual needs. A plan could include informal supports that a person receives through family, friends, mainstream, or other community services. If required, the NDIS will also fund reasonable and necessary supports that help participants achieve their goals.

Not all people with disability will become NDIS participants. Only those who meet the access criteria will become a participant and receive an individualised plan. However, the NDIS can provide people with disability, their families and carers support through information, linkages, and capacity building by connecting people to the mainstream community.

COMMUNITY AND ALLIED HEALTH

Increasing community health and general wellbeing is Timboon and District Healthcare Service's primary focus. Ensuring the entire community, from the unborn to the ageing, is in prime health allows greater community participation and fosters happiness.

We work with dietitians, dentists, audiologists and a host of other healthcare professionals to provide services ranging from speech pathology to physiotherapy and podiatry.

- Physiotherapy
- Exercise Classes
- Dietetics
- Speech Pathology
- Community Health Nurse
- Diabetes Education
- Podiatry
- Community Transport
- Continence Nurse
- District Nursing
- Occupational Therapy
- Audiology
- Immunisation Clinic
- Women's Health
- Antenatal and Postnatal support
- Dental (provided by private dental service Barlow Dental)
- Maternal Health (provided by Corangamite Shire onsite)
- Friendlies (meeting for vision impaired)

Our Services

HOME SUPPORT PROGRAM

At TDHS we aim for our residents to live independently and safely at home for as long as possible. As our population gets older, for some, like the ageing and people living with disabilities, an extra level of care is required. We are proud to offer dedicated Commonwealth Home Support Program (CHSP) services throughout the Timboon and district area. The Home and Community Care Program for younger people (HACC-PYP) service is targeted at people aged under 65 and Aboriginal people aged under 50 who need assistance with daily activities, including personal care, dressing, preparing meals, house cleaning, property maintenance, community access and using public transport. Clients may require this assistance due to physical and/or psychosocial functional impairment related to disability (for which they are not eligible for the NDIS), chronic illness and short-term health needs.

Services include:

- Domestic Assistance
- Personal Care
- In-home Respite Care
- Home Maintenance
- Meals on Wheels
- Community Transport
- Social Support Groups
- District Nursing

TELEHEALTH

TDHS is committed to providing the best care to its patients as close to home as possible and using innovative service delivery. Telehealth is the use of technology (usually video) to provide healthcare over a distance and has proven an essential tool in the second half of this reporting year while dealing with a pandemic and the need to social distance. Using telehealth, you can have an appointment with your clinician by audio or video. As TDHS works together with the Timboon Medical Clinic using an on-call roster for afterhours urgent care, there may be times when a doctor is not available. In this instance TDHS provides the opportunity to use Emergency Telehealth to connect with a doctor from Adult Retrieval Victoria (ARV), in a medical emergency, for doctor's advice and treatment locally. This can avoid unnecessary transfers.

HEALTH PROMOTION AND EDUCATION

Health promotion involves working with people before they show the signs of disease, optimising their opportunities to make healthy choices and thereby preventing disease. TDHS runs multiple community awareness programs and health events (e.g., Women's Health, Men's Health, Resilience Project) to improve overall well-being in the community. TDHS is proud of its strong relationship with the Timboon P-12 School. Our ongoing collaboration enhances opportunities for our younger community members to have access to a range of health-related resources and learning experiences (i.e., Secret Girls business, Secret Boys business) as well as participate in activities and special events, (i.e., Walking to School, Healthy Breakfast), that promote optimum health and wellness for our future generation. During 2020/2021, due to COVID-19, some of these events and collaborations couldn't be held in person, but where possible were held via Webex or Zoom. Social media and printed publications were a major platform for health promotion and awareness during this time period.

COMMUNITY ENGAGEMENT

Our Community Engagement Officer was appointed as part of the 2018 – 2023 Strategic Plan purpose (see page 3) to assist with the development of community communications and engagement strategy. This has increased media presence, including information during awareness months and events and COVID-19 education. This position also organises our Quarterly newsletter with engaging local community stories, the Annual photo competition, the Annual Heart of TDHS Staff and Volunteer Awards, the Annual General Meeting (this financial year virtual) and community events (on hold due to COVID-19). The Community Engagement Officer also works together with our wonderful team of more than 60 dedicated volunteers providing stability, education and support and also ensures that all required checks (i.e. police, working with children) are completed as per regulatory requirements.

Board Chair and CEO Report

The past year has been one of many challenges that have 'stretched' us all in so many different ways. At Timboon and District Healthcare Service (TDHS) we have continued our commitment to the delivery of safe, high quality, efficient and effective care. As we move forward in a world with COVID, we are consolidating our strengths, resilience and ability to adapt to change.

In the face of all these challenges we strive to live out our ICARE (Integrity, Compassion, Accountability, Respect and Excellence) values every day as we continue to focus on nurturing and growing and adapting the services we can offer our community.

We are grateful to all TDHS staff, volunteers and community members for their continued commitment to 'working together for a healthy community'. We live in extremely challenging times and we know that without you, your dedication and commitment, we wouldn't be thriving as we are.

INTEGRITY - We foster an open and positive work environment through honest and ethical behaviours.

In this rapidly changing COVID environment, we have worked really hard to keep you well informed. Across a variety of platforms, including Facebook and Social Media, TDHS Quarterly Magazine, our Website, Community Board notices and video-blogs (vlogs), we have endeavoured to share service provision information, changes and supportive updates.

Our TDHS Quarterly Magazine continues to highlight the positive health responses and outcomes achieved by some of our community members. The powerful stories reflect optimism, strength, courage and hope in the face of challenges and adversity and we are grateful to those community members who shared their journey with us.

COMPASSION - We are understanding of people's differing needs, opinions and feelings, and treat everyone with empathy.

The challenges of the past year provided us with the opportunity to demonstrate our resilience and care. Staff morale was lifted via the implementation of staff fun days and a new staff wellbeing and wellness resource page was added to the TDHS Intranet. This page contains tools, advice and resources needed to pursue positive health and wellness journeys and support our staff at work.

This year saw us celebrating our third annual TDHS ICARE Awards as a virtual event. The impacts of COVID could not prevent TDHS from shining a light on our wonderful staff and volunteers, proving yet again our resilience and adaptability during challenging times. The ICARE Peter Fox Staff Award for 2021 was awarded to Corry Kerr for her outstanding commitment and 'above and beyond' service provision to District Nursing Clients. The ICARE Volunteer Award went to John Fox for his consistent, reliable and dedicated service to TDHS and our community.



"Reconnecting with Nature" - Kate Hutchins (3rd prize winner 2021 Photo Competition)

Board Chair and CEO Report

ACCOUNTABILITY – We take responsibility for our actions, attitudes and decisions and the impact it has on others within our workplace.

The resumption of full ownership of the Timboon Clinic was a highlight of the year and demonstrates our continued commitment to integrated, patient centred care. We welcomed the Timboon Clinic staff into the TDHS team and are looking forward to continuing and growing this essential community service.

In adjusting to the impacts of COVID, TDHS continued with a rigorous attestation and sign in process for anyone entering the health service and for our clients in the community. All measures were taken to ensure that the healthcare service was adhering to Department of Health (DoH) directions regarding COVID safe practices. Additionally, TDHS support staff and resident vaccination clinics to get our staff vaccination rate above 80%. TDHS is also working with the Timboon Clinic and South West Healthcare to support community vaccination.

‘Online’ has become a way of life for all of us, with TDHS expanding telehealth and support services via electronic means. We supported patients, with TDHS iPads, to stay connected with loved ones via video conference and apps. Patients could also meet with specialists online via telehealth appointments. Internally, staff meetings and training were all delivered through differing online platforms.

RESPECT – We promote an inclusive and diverse culture by valuing the differing views, qualities, needs and feelings of each other.

TDHS successfully conducted the 2020 Annual General Meeting via live stream, a first for TDHS. Our virtual AGM was very well received and allowed people to catch up on the event at a later time, if they weren’t able to watch live. Guest speaker Dr Ruth Vine, Australian Government Deputy Chief Medical Officer for Mental Health, provided an interesting perspective on the impact that COVID has had on mental health across the region and state. Fiona Brew, Chief Executive Officer Colac Area Health (CAH), talked about the benefits of regional support and alliances, focusing on and highlighting the support TDHS provided CAH during their Colac COVID outbreak.

TDHS continues to benefit from the work of our amazing and committed Consumer Participation Committee (CPC). The CPC has swiftly adapted to COVID requirements and continued to meet through 2021, contributing greatly to TDHS with constructive feedback and advice. The whole CPC undertook health literacy and Consumer Engagement training this year.



Board Chair Maryanne Puli Vogels interviewed Dr Ruth Vine (right), Deputy Chief Medical Officer for Mental Health Department of Health during our inaugural virtual Annual General Meeting

EXCELLENCE – We invest in continuous development opportunities, so we can continue to deliver exceptional services to our community.

The Board of Directors held its annual Strategic Planning day in February to review strategic progress of the organisation and identify key priorities for the year ahead. The Board of Directors are now looking to the future and planning the formulation of a new Strategic Plan for commencement in 2023. To support this TDHS commenced a Service Planning project to clarify current services, projected future community needs and ongoing alignment of the two. TDHS engaged an experienced consultant to support this process.

Board Chair and CEO Report

We reviewed and redesigned our staff mandatory training program this year, ensuring that the majority of training could be delivered online and that training is relevant and contemporary.

TDHS had a renewed focus on philanthropy and fundraising this year, with support of Board Director Alison Byrne. The 2021 Annual Appeal brought a professional new look to coincide with one of our most ambitious appeals to date – the purchase of a TDHS owned bus. Thank you to all those community members, businesses and corporations who are rapidly bringing this dream to reality.

This year our four term Board Chair Maryanne Puli Vogels retired from the Board. Maryanne has served TDHS with distinction during her tenure. She brought invaluable skill, leadership and a great deal of energy and passion for the organisation and its purpose. We thank Maryanne for all her contributions and celebrate her achievements. Maryanne hands the Board Chair baton to Frank Carlus.

Looking back on the 2020/21 year, we are immensely grateful and proud of the resilience and conduct of our staff and volunteers as they have continued to navigate ‘business as usual’ in a COVID-19 world. We thank our volunteers for their ongoing support, and the wider community for entrusting us to deliver efficient, effective and high quality care.

We look forward to continuing to work together for a healthy community.



A handwritten signature in black ink, appearing to read 'Frank Carlus'.

Frank Carlus
Board Chair



A handwritten signature in black ink, appearing to read 'Rebecca Van Wollingen'.

Rebecca Van Wollingen
Chief Executive Officer

Year in Review

STRATEGIC PLAN: KEY ACHIEVEMENTS AND CHALLENGES

TIMBOON AND DISTRICT HEALTHCARE SERVICE (TDHS) IS WORKING TOWARDS ACHIEVING ALL ITS GOALS OUTLINED IN THE 2018-2023 STRATEGIC PLAN. THE “DIRECTIONS” COLUMN IN THE BELOW SCHEDULE ARE THE PILLARS IN THIS STRATEGIC PLAN.

DIRECTIONS	ACTIONS	DELIVERABLES	OUTCOMES
Provide integrated health and wellbeing services	Adhere to government policy directions	<ul style="list-style-type: none"> Review Document Control Framework for understanding of use and value add to the organisation Implement guidelines and directions for COVID-19 response as per directions, legislation and guidelines Service Plan developed in conjunction with external consultant 	<p>Completed</p> <p>Commenced & Ongoing</p> <p>Commenced</p>
	Increase focus on prevention, early identification and management of chronic conditions	<ul style="list-style-type: none"> Dignity therapy program, providing relief from psychological and existential distress in patient at the end of life. Maintain community health promotion programs – LifeMap. Maintain Parkinsons specific exercise program Parkinson’s Disease Neuro Ensure access to rehabilitative and clinical exercise services via new Exercise Physiologist services to support physiotherapy 	<p>Commenced</p> <p>Continuing</p> <p>Continuing</p> <p>Completed</p>
	Build and strengthen strategic partnerships	<ul style="list-style-type: none"> Support regional response to COVID via accommodation support for Colac COVID outbreak. Establish and maintain positive relationships with regional partners Collaborate regularly with other regional and state-wide Healthcare Services to strengthen existing relationships and maximise knowledge and expertise 	<p>Completed</p> <p>Continuing</p> <p>Continuing</p>

Year in Review

DIRECTIONS	ACTIONS	DELIVERABLES	OUTCOMES
	Improve access and use of the health service system for consumers	<ul style="list-style-type: none"> Full acquisition of Timboon Medical Clinic for integrated care services Renovate patient rooms and ensuites to align with significant facility refurbishment initiative. Utilise significant donated funds from local business to purchase state of the art, all access, walk in bath. Improve the timeliness & appropriateness of information flow between TDHS and other service providers. Identify and implement additional navigation tools for community support Upgrade physio gym equipment with 2020 Annual Appeal donations New reclining chairs in patient rooms purchased with 2020 Annual Appeal donations 	<p>Completed</p> <p>Commenced, on hold secondary to COVID-19 restrictions</p> <p>Completed</p> <p>Ongoing, including implementation of telehealth and additional communication via social media and internet</p> <p>Ongoing</p> <p>Completed</p> <p>Completed</p>
	Invest in the use of innovative digital technologies	<ul style="list-style-type: none"> Additional I-Pads available to improve efficiencies in the District Nursing and Community Care areas, enabling staff to complete patient notes in real time, improving accuracy of patient records. Review Electronic Health Record systems and plan for transfer to a complete Electronic Health Record Continue implementation and uptake of all aspects of telehealth opportunities for community health programs Engage a Live Streaming company to deliver inaugural virtual Annual General Meeting including videoed interviews of guest speakers Convert to online meetings via Zoom, including Board of Directors meetings and Annual Heart of TDHS Awards night Instigate online Group Exercise Classes via Zoom (e.g. Tai Chi) Redesign of Staff Intranet to improve staff interaction and ease of use. Review Local Area Network (LAN) infrastructure and commence upgrade (Edge Network Refresh Project) 	<p>Commenced</p> <p>Ongoing</p> <p>Ongoing</p> <p>Completed</p> <p>Ongoing</p> <p>Commenced</p> <p>Commenced</p> <p>Commenced</p>

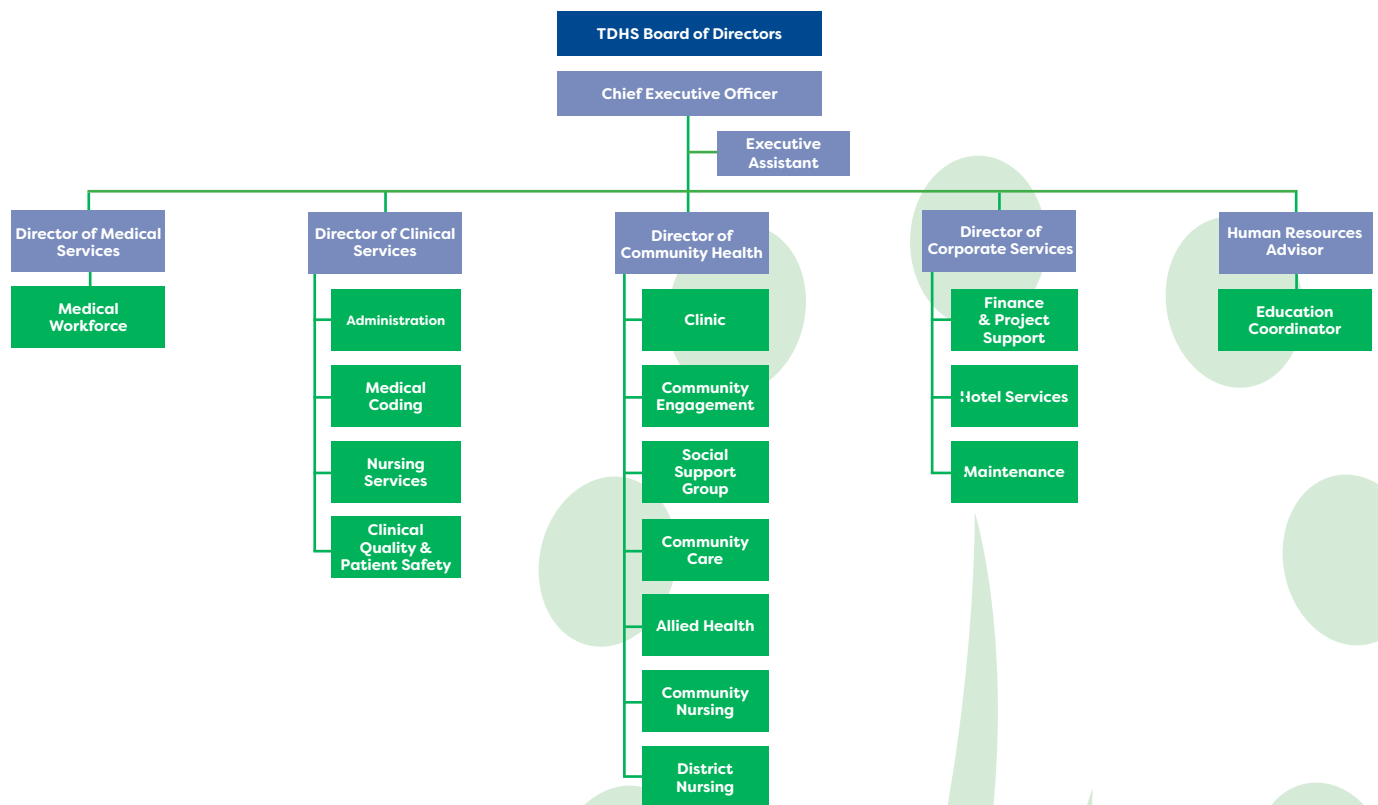
DIRECTIONS	ACTIONS	DELIVERABLES	OUTCOMES
	Build capacity and capability within our teams to respond to consumer directed care reforms	<ul style="list-style-type: none"> Complete review of opportunities from National Disability Insurance Scheme (NDIS) Undergo NDIS accreditation Review National Standards Version 2 and develop implementation plan Prepare for NSQHS Standards Accreditation (January 2022) 	<p>Completed</p> <p>Commenced and ongoing Ongoing</p> <p>Commenced</p>
Contribute to the development of a Connected Community	Develop and implement a community communications and engagement strategy	<ul style="list-style-type: none"> Continue to evolve Community Engagement Officer role to assist with development of community communications and engagement strategy Continue to support and promote the work of the TDHS volunteer and auxiliary workforce 	<p>Completed and continuing</p> <p>Completed and continuing</p>
	Enhance community health literacy	<ul style="list-style-type: none"> Review and update consumer focused brochures for improved promotion of health and wellbeing services Develop a whole of organisation health literacy plan 	<p>Commenced</p> <p>Commenced</p>
	Promote community health and wellbeing across the lifespan with a focus on prevention	<ul style="list-style-type: none"> Community health promotion content is incorporated into communication strategy Improve Quarterly Newsletter concept to include relatable community stories and features regarding health issues and outcomes Effectively use social media (and local newspaper) to communicate health awareness events with relatable community stories Use social media to assist Department of Health in relaying COVID-19 messages, including vaccination availability and information. Hold COVID-19 vaccination clinics (at healthcare service and local clinic) including some Saturday clinics to increase accessibility 	<p>Completed and continuing</p> <p>Commenced and continuing</p> <p>Commenced and continuing</p> <p>Commenced and continuing</p> <p>Commenced and continuing</p>
	Expand health promotion activities with a specific focus on health behaviours and risk factors	<ul style="list-style-type: none"> Increase media presence in alignment with designed formal media plan Provide COVID-19 education and promote positive mental health via initiatives such as CEO video logs and kindness messages Engage with wider community via Photo Competition 	<p>Commenced and continuing</p> <p>Commenced and continuing</p> <p>Continuing</p>

DIRECTIONS	ACTIONS	DELIVERABLES	OUTCOMES
	Further diversify and extend partnerships with community groups and non-health organisations to facilitate community engagement, aligned effort and better health outcomes	<ul style="list-style-type: none"> Engage community groups and non-health organisations to assist with funding of health promotion events. 	Completed and continuing including receipt of donation from local business to support purchase of new bath
	Actively seek community feedback	<ul style="list-style-type: none"> Continue partnership with community via Consumer Participation Committee Implement consumer participation on organisational committees 	<p>Continuing</p> <p>Completed and continuing including introduction of Community Member on the Clinical Governance, Quality and Credentialing Committee</p>
Maintain and enhance our skilled and engaged workforce	Develop and implement a people and culture strategy	<ul style="list-style-type: none"> An informative and engaging staff portal is developed to support staff wellness and education Recognise 2020 Year of the Nurse & Midwife to acknowledge diversity of nursing staff via monthly features Recognise 2021 Year of the Health and Care Worker to acknowledge patient centred care as a team effort Implement program of work to communicate and reinforce TDHS Values (ICARE) Develop and implement TDHS values recognition program Hold the Heart of TDHS Staff and Volunteer Awards Night via Zoom 	<p>Commenced and continuing</p> <p>Completed</p> <p>Commenced and continuing</p> <p>Completed and continuing</p> <p>Commenced and Continuing Completed</p>
	Invest in workforce training and development	<ul style="list-style-type: none"> Conduct annual mandatory training sessions for all staff and volunteers in line with the Clinical Governance National Standard Cooperate with university partners and local secondary schools in planning student placements and programs Work with regional partnerships to further explore recruitment and on boarding systems Improve accessibility of education opportunities by creating a training and education page on our Staff Intranet 	<p>Commenced</p> <p>Deakin UCC Project Student placements Commenced and continuing Continuing</p> <p>Commenced and Continuing</p>

DIRECTIONS	ACTIONS	DELIVERABLES	OUTCOMES
Strengthen Organisational Leadership	Continue to ensure best practice clinical governance	<ul style="list-style-type: none"> Engage in Safer Care Victoria Leadership Gateway Program Implement and maintain Accreditation action plans Implement Clinical Audit schedule and embed as part of operating cycle Further develop TDHS Clinical Dashboard to track and measure clinical outcomes as part of Board and Executive Operating Cycle 	<p>Completed</p> <p>Commenced and ongoing</p> <p>Commenced</p> <p>Commenced</p>
	Enhance focus on quality and safety through continuous quality improvement	<ul style="list-style-type: none"> Complete review of TDHS alignment with required standards (OH&S, Building standards, Infrastructure compliance) Implement Operational Audit schedule and embed as part of operating cycle Embed TDHS Risk Register 	<p>Commenced</p> <p>Commenced</p> <p>Completed and ongoing</p>
	Provide continued sound financial and sustainable organisational stewardship	<ul style="list-style-type: none"> Consolidate Integrity Governance Framework review and actions Implement Preventative Maintenance schedule in line with existing service offerings Develop a Service Master Plan for TDHS incorporating all properties based on future Service Plan Develop five year capital plan 	<p>Completed and ongoing</p> <p>Commenced and ongoing</p> <p>Commenced</p> <p>Continuing</p>
	Seek additional funding sources to augment service offering	<ul style="list-style-type: none"> Complete review of state health, federal health and other bodies re potential Grant & Funding opportunities Apply for available grants and funding opportunities as appropriate 	<p>Commenced and continuing</p> <p>Commenced and ongoing</p>
	Advocate for and promote the value and benefits of the Multi-Purpose Service (MPS) model	<ul style="list-style-type: none"> Actively participate and lead Multi-Purpose Service Collective in partnership with Victorian Healthcare Association 	<p>Continuing</p>
	Explore shared governance and support arrangements, within our region, to maximise service flexibility, quality and efficiency.	<ul style="list-style-type: none"> Investigate governance resources for Allied Health Actively participate in regional governance forums 	<p>Commenced</p> <p>Commenced</p>

Management and Structure

OUR ORGANISATIONAL STRUCTURE



Our Governance

RELEVANT MINISTERS

COMMONWEALTH GOVERNMENT

01 July 2020 to 22 December 2020

Hon Greg Hunt MP - Minister for Health

Hon Richard Colbeck - Minister for Aged Care and Senior Australians

23 December 2020 to 30 June 2021

Hon Greg Hunt MP - Minister for Health and Aged Care

Hon Richard Colbeck - Minister for Senior Australians and Aged Care Services

Hon Mark Coulton MP - Minister for Regional Health, Regional Communications and Local Government

VICTORIAN GOVERNMENT

1 July 2020 to 26 September 2020

Jenny Mikakos MP - Minister for Health; Minister for Ambulance Services

26 September 2020 to 30 June 2021

The Hon Martin Foley MP - Minister for Health; Minister for Ambulance Services

1 July 2020 to 29 September 2020

The Hon Martin Foley MP - Minister for Mental Health

29 September 2020 to 30 June 2021

The Hon James Merlino MP - Minister for Mental Health

1 July 2020 to 30 June 2021

The Hon Martin Foley MP - Minister for Equality

The Hon Luke Donnellan MP - Minister for Disability, Ageing and Carers

Our Board of Directors

BOARD OF DIRECTORS

Timboon and District Healthcare Service's Board of Directors is responsible for the governance of Timboon and District Healthcare Service. This includes:

- Clinical Governance
- Audit Requirements
- Strategic Planning and Directions
- Service Planning and Development
- Overseeing Finance and Service Performance
- Risk Management
- Responding and adapting to challenges such as population growth and changing demographics; and
- Ensuring compliance with regulatory and legislative requirements.

Chair

Maryanne Puli Vogels

First appointed: 01.07.2017

Current term of appointment: 1.07.2020 – 30.06.2023

Vice Chair

Chris Stewart

First appointed: 01.07.2017

Current term of appointment: 1.07.2020 – 30.06.2023

Board representative Consumer Participation Committee
1.07.2020 – 30.06.2021

Vice Chair

Claire Murphy

First appointed: 01.07.2017

Current term of appointment: 1.07.2020 – 30.06.2023

Board Members

Anne Skordis

First appointed: 01.07.2017

Current term of appointment: 1.07.2019 – 30.06.2022

Anthony DeJong

First appointed: 01.07.2019

Current term of appointment: 1.07.2019 – 30.06.2021

Chair Audit Committee 1.07.2020 – 30.06.2021

Ashley Nesseler

First appointed: 01.07.2019

Current term of appointment: 1.07.2019 – 30.06.2022

Bryce Morden

First appointed: 01.07.2016

Current term of appointment: 1.07.2019 – 30.06.2022

Frank Carlus:

First appointed: 01.07.2019

Current term of appointment: 01.07.2019 – 30.06.2021

Toinette Hutchins

First appointed: 01.07.2018

Current term of appointment: 1.07.2018 – 30.06.2021

Chair Clinical Governance, Quality and Credentialing
Committee 1.07.2020 – 30.06.2021

Alison Byrne

First appointed: 1.07.2020

Current term of appointment: 1.07.2020 – 30.06.2021

Stephanie Hargreaves

First appointed: 1.07.2020

Current term of appointment: 1.07.2020 – 30.06.2022

RESIGNATIONS:

Stephanie Hargreaves

First appointed: 1.07.2020

Ms Hargreaves resigned on 03.02.2021

Maryanne Puli Vogels

First appointed: 01.07.2017

Ms Puli Vogels resigned on 30.06.2021

Our Committee Structure

THE BOARD OF DIRECTORS HAS ESTABLISHED A COMMITTEE STRUCTURE WITH TERMS OF REFERENCES TO ASSIST IN MEETING ITS OBLIGATIONS. TIMBOON AND DISTRICT HEALTHCARE SERVICE IS PROUD OF THE FACT THAT 3 OF THE 4 BOARD SUB COMMITTEES INCLUDE AT LEAST ONE CONSUMER REPRESENTATIVE AS A MEMBER TO ASSIST IN PATIENT CENTRED CARE.

BOARD SUB COMMITTEE	PURPOSE	MEMBERSHIP
Audit Committee	Monitors and oversees the financial performance and reporting processes; compliance with the Financial Management Act; the internal and external audit programs; and oversees the risk management program. This committee meets at least four times a year and its membership includes one community representative.	Anthony DeJong (Chair) All Board Members are members of this committee. Matt Hoffman (Consumer Representative) Josh McKenzie (Consumer Representative)
Clinical Governance, Quality and Credentialing Committee (CGQCC)	Monitors compliance to external and internal audit processes. The CGQCC meet on a bi-monthly basis; its membership includes one community representative. For effective and comprehensive monitoring of clinical governance, quality and credentialing at TDHS, the Board of Directors receives regular reports from the following committees: <ul style="list-style-type: none"> • Patient Safety and Quality Committee • Medical Consultative Committee • Community Health Committee 	Toinette Hutchins (Chair) All Board Members are members of this committee Heather Bullen (Consumer Representative)
Nomination and Remuneration Committee	Appraises and reviews the Chief Executive Officer's performance regularly in line with contracted key performance indicators.	Maryanne Puli Vogels (Chair) Chris Stewart (Vice Chair) Claire Murphy (Vice Chair)
Consumer Participation Committee (CPC)	Provides strategic advice from a consumer, carer and community perspective to ensure TDHS hear directly from, and works in partnership with, the communities it serves.	Heather Bullen (Chair) Bronwyn Rantall Scott Munro Simone Renyard Bobbie French Ellen Podbury (from 01.10.2020) Emily Morden (from 01.12.2020) Chris Stewart (Board Representative) Gabby Theologous (until 01.10.2020) Zoe Neal (until 25.03.2021)

Our Executive Team

Timboon and District Healthcare Service's (TDHS) Executive team reports to and supports the Chief Executive Officer in evaluation of operational accountability and the delivery of healthcare services. The Executive team meet monthly to ensure effective management and achievement of TDHS's performance and service targets in safety and quality, risk management, governance, human resources, finance and performance, and professional activity.

CHIEF EXECUTIVE OFFICER

Rebecca Van Wollingen

Qualifications: BN (RN), MPH, AFACHSM

The Chief Executive Officer is directly responsible to the Board of Directors for the overall management and financial accountability of the organisation.

DIRECTOR OF CLINICAL SERVICES

Rebecca Van Wollingen - Acting DCS (from July 2020 to September 2020)

Qualifications: BN (RN), MPH, AFACHSM

Michelle Selten - Interim DCS (from September 2020)

Qualifications: DipAppSci (RN)

The Director of Clinical Services (DCS) is responsible for leading the Nursing, Community Health and Home Care services team to ensure a culture of patient centred care that is individualised, safe and responsive. The DCS is also responsible for the implementation and monitoring of the Clinical Governance Framework.

DIRECTOR OF CORPORATE SERVICES (FORMERLY CHIEF OPERATING OFFICER)

Chris McGrath (from February 2020 to April 2021)

Qualifications: CPA, B.Com

Ashley Roberts (from April 2021)

Qualifications: CPA, B.Com, AssocDip Acct, AAICD

The Director of Corporate Services is responsible for managing Finance, Administration, Hotel Services, Maintenance, Occupational Health & Safety, Risk Management, Compliance, Payroll and Information Technology departments.

DIRECTOR OF COMMUNITY HEALTH

Tanya Wines (from August 2020) - newly created Director's position

Qualifications: BAppSci

The Director of Community Health is a new role to TDHS and is responsible for managing Allied Health, Community Care, District Nursing, Community Engagement and the Timboon Medical Clinic.

Our Workforce

117
Employees

90.6%
Female

91%
Casual/
Part Time

7.4
years
Average
Length of
Service

*Working
together*
**for a
healthy
community**

64
Volunteers

47.5
years
Average Age

29
New staff
members

Our Workforce

HOSPITALS LABOUR CATEGORY	JUNE CURRENT MONTH FTE		AVERAGE MONTHLY FTE	
	2020	2021	2020	2021
Nursing	21.2	23.1	21.8	22.4
Administration and Clerical	10.1	17.0	9.6	13.0
Medical Support	0.8	1.6	0.8	1.6
Hotel and Allied Services	16.7	17.6	16.9	17.7
Ancillary Staff (Allied Health)	2.4	1.5	1.7	1.3

PEOPLE AND CULTURE

Timboon and District Healthcare Service (TDHS) is committed to the principles of merit and equity in the workplace in respect to employment, promotion, and opportunity as it aligns to the Employment Principles and Standards within the Victorian Public Sector. Over the last 12 months TDHS have continued to employ a diverse workforce attracting key talent that supports the healthcare service vision and strategic objectives. The Community Health arm has continued to experience rapid growth, and introduction of new Allied Health roles has ensured we deliver a vast range of services to the community including the acquisition of Timboon Medical Clinic.

PROFESSIONAL DEVELOPMENT

The COVID-19 pandemic saw TDHS construct new ways to deliver professional development opportunities to staff. In January 2021 Mandatory Education transitioned to online e-learning which resulted in 85% completion in the first 6 months of roll out. In addition, TDHS developed a learning matrix that clearly defines competencies required to workers roles and organisational needs, duration of courses and occurrence of competencies. The learning matrix ensures the healthcare service remains vigilant of health and safety obligations whilst empowering staff to understand the role they play in the health and safety of themselves and others.

Our Staff Intranet was updated with a more engaging platform displaying information contributed by staff to staff. This includes an education section which is continuously updated with internal and external staff development opportunities.

A new training program was developed in 2020 to support the on boarding of new volunteers.

WORKPLACE HEALTH & SAFETY

TDHS is committed to fostering a positive safety and reporting culture where all risks and hazards in the workplace are minimised, eliminated, and controlled through the involvement and commitment of all employees, volunteers, contractors and other persons visiting the premises.

In comparison to the previous year TDHS has seen a significant increase in the number of reported incidents and hazards through the risk management software system Riskman. This directly correlates with staff development and training to understand what and how to log an incident/hazard and the establishment of the Incident Review and Evaluation (IRE) committee. The committee is designed to focus on organisational processes and procedures and make the appropriate improvements to minimise, eliminate

Our Workforce

and control incidents and hazards where they occur. This process also holds department managers and executive members accountable to the investigation, resolution and monitoring process that must occur for all incidents and hazards in the workplace. Since its commencement, the IRE committee have reviewed and closed over 97% of logged hazards and incidents reported in the 2020-2021 period.

Additional to this TDHS maintained three Designated Work Groups (DWG) across Clinical, Community and Non-Clinical sections, with each DWG having staff representation in the form of elected Health and Safety Representatives (HSR's). All HSR's sit on the TDHS Occupational Health and Safety Committee and their function is to flag potential organisational risks and hazards, hold the organisation to account to close reported incidents and hazards, be a conduit for staff safety issues and create opportunities for all staff to have input into the Occupational Health & Safety policies and procedures. Ongoing training is offered to HSR's as recognised by WorkSafe Australia to further assist them with their functions. TDHS regularly reviews Occupational Health & Safety policies and procedures and conducts safety audits to ensure a safe workplace and maintain best practice in the area.

OCCUPATIONAL HEALTH & SAFETY	2020-21	2019-20	2018-19
Number of reported hazards/incidents for the year per 100 FTE	299	478*	52
Number of 'lost time' standard workcover claims for the year per 100 FTE	0	0	0
Average cost per claim for standard workcover claims	\$0	\$235.40	\$0

*Increase is due to a broader scope of what is considered a hazard or incident and training implemented assisting staff to identify actual OH&S hazards & incidents

HEART OF TDHS SERVICE AND VOLUNTEER AWARDS

With the constant changing COVID-19 restrictions Timboon and District Healthcare Service (TDHS) had to improvise at the last minute and move to a virtual Heart of TDHS Service and Volunteers Awards night via Zoom. This Award's night is held annually on 5th March, but due to it falling on a Friday this year was moved to Wednesday 3rd March.

The 5th March was chosen as the day to hold the awards, because in 1956 it was the day that the hospital actually opened to receive patients. You can read more about our healthcare service's history in our history book that is available for free at the healthcare service.

On the night we highlight staff and volunteer achievements, including Service Awards, Life Governors (existing and new), Outstanding Service

Volunteer Award and the ICARE Peter Fox Award for the staff member that went above and beyond.



Guests at the official opening of the hospital, 8 December 1955

SERVICE AWARDS

Recipients of the Long Service Award for calendar year 2020/2021 will be celebrated in next year's ceremony and are:

- Simon Henriksen 10 years
- Stephen Hanel 10 years
- Vera Convey 15 Years
- Mary Duynhoven 20 years
- Lorraine Wilson 30 years

LIFE GOVERNORS

The Life Governor Award is awarded by the Board of Directors to those who have served at TDHS in a volunteer capacity and have gone above and beyond their normal duties in their roles to support TDHS and therefore our community. We are so appreciative of the time and commitment that everyone has made to serve us all.

In 2020 the Board of Directors awarded Josh McKenzie a Life Governorship of TDHS in recognition of his 16 years tenure and outstanding service on the Board.

We would thank all our Life Governors, past and present, for their amazing efforts and selflessness in contributing to TDHS.

OUTSTANDING SERVICE VOLUNTEER AWARD

This award is for the Most Outstanding Services as a Volunteer and during the year our staff and volunteers could complete written nominations displaying our ICARE values (Integrity, Compassion, Accountability, Respect and Excellence) and describing how nominees not only met but exceeded any of these values.

Community Transport and Meals on Wheels volunteer John Fox was the winner of this award. Nominations submitted included the following:

- “John will stick to the tasks and rules placed upon him like no other and has adjusted to the COVID-19 rules beautifully. He will even remind others of what the rules are. He hardly declines extra volunteer work, even on short notice. His time management is unquestionable and will never be late (more too early) for his volunteer tasks.”
- “John has shown sincere respect towards the difficulty that Timboon and District Healthcare Service has experienced with a reduction in volunteers (70+ volunteers had been inactive due to COVID-19). John is always obliging with extra time to provide service to clients with different needs; respecting and supporting them to receive the service they require.”



Life Governor Josh McKenzie (middle) with Board Chair Maryanne Puli Vogels (left) and Chief Executive Officer Rebecca Van Wollingen



Volunteer Award Recipient John Fox (middle) with Community Engagement Officer Sabine McKenzie (left) and Director of Community Health Tanya Wines.

ICARE PETER FOX STAFF AWARD

This award is to acknowledge the outstanding contributions made by one of our staff members who demonstrate our ICARE values to an exceptionally high level.

Our ICARE values:

- Integrity
- Compassion
- Accountability
- Respect
- Excellence

We have named this award after Dr Peter Fox, who in his career, consistently went above and beyond for our hospital. He is one of the most enduring figures in the story of our healthcare service. He served the community for over 50 years and his work is defining the history of the hospital as without him it probably wouldn't have been built.



Our ICARE Award is named after Dr Peter Fox, whose work is defining in the history of the hospital (Photo: Frank Millar)

We called for written nominations from our staff and volunteers by completing a nomination form displaying our ICARE values and describing how nominees not only met but exceeded any of these values. The award recipient this year was Corry Kerr, who was nominated by staff who stated:

- “Corry often goes above and beyond to ensure clients are happy, comfortable and safe. She is always known to be doing ‘that bit more.’”
- “Corry has full respect for her colleagues; she is inclusive to all, welcomes new people and is always willing to help the District Nursing Team new and old.”

TDHS congratulates all award recipients and is grateful to all TDHS staff and volunteers for their hard work, especially during the challenging times in 2020/2021, and genuinely acknowledges and appreciates every single member in our workforce.



2021 ICARE Peter Fox Staff Award recipient Corry Kerr (middle) with Dr Fox's son John (right) and last year's recipient Fiona Hanel (left).

Our Generous Community

OUR VOLUNTEERS

"The heart of a volunteer is not measured in size, but by the depth of the commitment to make a difference in the lives of others."

DeAnn Hollis

Timboon and District Healthcare Service (TDHS) could not operate as we do without you. In a day and age when there are increasingly more rules and requirements to volunteering, we are overwhelmed by the generosity and willingness of our volunteers to dedicate and commit themselves to TDHS and our clients. They make our community stronger, especially during times of need, crisis and isolation. We truly are "Working together for a healthy community."

We sincerely thank each individual volunteer (past and present) and their families for their tireless work. Our Community Engagement Officer will continue to assist in further connecting TDHS to our volunteers and our community and we continue to work on improving communication both within the organisation and with the community. We look forward to continuing to work together with all our volunteers for a healthy community.

OUR LIFE GOVERNORS

The Life Governor Award is awarded by the Board of Directors to those who have served at TDHS in a volunteer capacity and have gone above and beyond their normal duties in their roles to support TDHS and therefore our community. We thank all our Life Governors, past and present, and their families for their amazing efforts and selflessness in contributing to TDHS.

Mr M. Broomhall
Mrs M. Bull
Ms. J. Burkhalter
Mrs. J. Duro
Mrs. E. Finch
Mrs. E. Finnigan
Mr. N. Finnigan
Miss B. Fraser
Mrs. H. Herrin
Dr. D. Jackson
Mrs. N. Joiner
Mrs. Y. Lawson
Mrs C. Marr
Mr J. McKenzie
Mrs M. McKenzie
Mr. R. McVilly

Mrs. H. Morris
Mrs. B. Newey
Mrs. B. O'Brien
Mrs. E. Padbury
Mr J. Renyard
Mrs. K. Robbins
Mr. K. Serong
Mrs. M. Serong
Mrs. M. Symons
Mr R. Smith
Mrs. D. Taylor
Mrs. J. Toller-Bond
Mr. D. Trigg
Mr. J.A. Vogels AM
Mr T. Walsh

VALE

In tribute, TDHS extends our sincere condolences to the families and friends of the following Life Governors who very sadly passed away during the course of the reporting period:

Ms P Couch

27 March 1927 – 20 November 2020

Mr A Felmingham

20 January 1929 – 14 August 2020

Our Donors

Every year as we prepare our Annual Report, we look back with deep gratitude at the vision and generosity of our donors, without whom our work would not be possible. We value all our donors and we are very proud to recognise the diverse group of supporters who share our commitment and vision to work together for a healthy community.

We are especially grateful this year, as many donors maintained or increased their support, enabling us to thrive despite the challenges of 2020 and 2021. We are very proud to recognize this broad group of supporters.

To respect the privacy of our donors, contributions are not stated in this annual report individually, but the generosity of our local communities is greatly appreciated and we extend a very sincere and warm thank you for the continued support from individuals, local groups and organisations

DONATIONS	20/21 FY	APPEAL TOTAL TO DATE
2020 Annual Appeal (Gym Equipment)	\$ 15,509.73	\$ 23,474.73
2021 Annual Appeal (Bus)	\$ 41,179.15	\$48,627.22
Donations and Bequests	\$ 6,470.42	
Total donations in 20/21:	\$ 63,159.30	

**Annual Appeal begins in May and continues through to November, appeal amounts are total for calendar year at date of publication*



After a forced break in 2020, Timboon Cruisers were able to dip their wheels in the Murray again in 2021 for their annual Murray to Moyne fundraiser for TDHS (photo: Todd Baxter)

Our Performance Priorities

QUALITY AND SAFETY

KEY PERFORMANCE INDICATOR	TARGET	RESULT
Health Service Accreditation	Full Compliance	Full Compliance
Compliance with Cleaning Standards	Full Compliance	Full Compliance
Compliance with the Hand Hygiene Australia Program	80%	86%
Percentage of Healthcare Workers Immunised for Influenza	75%	89%
Victorian Health Experience Survey – patient experience	95%	No surveys conducted in 2020-2021
Victorian Health Experience Survey – discharge care	75%	No surveys conducted in 2020-2021

GOVERNANCE AND LEADERSHIP

KEY PERFORMANCE INDICATOR	TARGET	RESULT
People Matter Survey – percentage of staff with a positive response to safety culture questions	80%	N/A#

Delayed due to Covid-19 Response

FINANCIAL SUSTAINABILITY

KEY PERFORMANCE INDICATOR	TARGET	RESULT
Operating Result (\$m)	0.000	0.470
Trade Creditors	60 Days	23 Days
Patient Fee Debtors	60 Days	40 Days
Adjusted Current Asset Ratio	0.7	3.17
Number of Days Available Cash	14 Days	203 Days

FUNDED FLEXIBLE AGED CARE PLACES

CAMPUS	NUMBER
Flexible High Care	14

Our Performance Priorities

UTILISATION OF FLEXIBLE AGED CARE PLACES

CAMPUS	NUMBER	OCCUPANCY LEVEL %
Flexible High Care	4	59%
Respite **	2	144%
Total	6	

**Beds can be used flexibly based on community need and demand for service

ACUTE CARE

SERVICE	TYPE OF ACTIVITY	ACTUAL 2020-21	ACTUAL 2019-20
Medical Inpatients	Bed days	1,002	1,791
Urgent Care	Presentations	1,692	1,166
Radiology	Number of clients	214^	345

PRIMARY HEALTH CARE

SERVICE	TYPE OF ACTIVITY	ACTUAL 2020-21	ACTUAL 2019-20
Community Health Nursing	Hours of Service	298	330
Community Midwife	Hours of Service	84	197
Continence Services	Hours of Service	25	31
Diabetes Education	Hours of Service	44	61
Dietetics	Hours of Service	80	92
District Nursing Service	Hours of Service	1,884	2,130
Exercise Classes	Occasions of Service	1,218^	2,060^
Occupational Therapy	Hours of Service	111	202
Physiotherapy	Hours of Service	214	258
Podiatry	Hours of Service	94	107
Social Work	Hours of Service	134	0
Speech Pathology	Hours of Service	40	212

Our Performance Priorities

COMMUNITY CARE

SERVICE	TYPE OF ACTIVITY	ACTUAL 2020-21	ACTUAL 2019-20
Delivered Meals	Number of Meals	10,569	9,110
Domestic Assistance	Hours of Service	5,917	5,967
Personal Care	Hours of Service	3,063	2,129
In-home Respite	Hours of Service	768	527
Property Maintenance	Hours of Service	1,135	1,222
Social Support Group	Hours of Service	1,169^	6,266^
Community Transport	Hours of Service	470^	524^
District Nursing	Hours of Service	1,884	2,130

^Significantly impacted by Covid-19

Our Services



Patients Treated by Our Urgent Care
1,692



Hours of Services Delivered in Clients Homes
12,767

How Did We Care For You This Year?



Meals Prepared by Our Kitchen
14,444



Hours of Primary Health Care Services Delivered
1,124

Financial Information

5 YEAR FINANCIAL SUMMARY	\$000	\$000	\$000	\$000	\$000
	2021	2020	2019	2018	2017
OPERATING RESULT	471	471	353	341	220
Total Revenue	8,908	8,058	7,761	7,403	7,473
Total Expenses	9,440	8,494	7,778	7,557	7,803
Net Result from Transactions	(532)	(436)	(17)	(154)	(330)
Total other economic flows	122	34	58	59	72
Net Result	(410)	(402)	41	(85)	(258)
Total Assets	17,863	17,886	18,234	17,943	17,607
Total Liabilities	2,463	2,076	2,005	1,796	2,557
Net Assets/Total Equity	15,400	15,810	16,229	16,147	15,050

RECONCILIATION OF NET RESULT	\$000
	2021
Net operating result	471
Capital purpose income	177
COVID 19 State Supply Arrangements	
- Assets received free of charge or for nil consideration under the State Supply	65
State supply items consumed up to 30 June 2021	(65)
Expenditure for capital purpose	(206)
Depreciation and amortisation	(974)
Net result from transactions	(532)

Financial Information

Current Financial Year in Review

Financial Analysis of Operating Revenues and Expenses

Timboon and District Healthcare Service ended the 2020-21 financial year with an operating result of \$471,000 in surplus compared to the same result of \$471,000 in the previous year. The surplus was aided by significant non-recurrent revenue from patients being eligible for long stay Department of Veteran Affairs subsidies. There was also additional amounts received from the Transitional Care Program and income from associates and joint ventures (SWARH).

Significant Changes in Financial Position during the Year

In April 2021 Timboon and District Healthcare Service finalised the purchase of the Timboon Medical Clinic. The clinic's accounts are now fully integrated into Timboon and District Healthcare's financials.

The adjusted current asset ratio at 30 June 2021 has declined slightly to 3.45 (2019-20 3.78), reflecting slight increases in creditors held and provisions. The ratio indicates the health service is in a strong financial position, with adequate cash reserves to meet liabilities as they fall due.

Performance against Operational and Budgetary Objectives

Each year the health service establishes an operational budget which is matched to the strategic objectives of the organisation. In 2020-21 the health service aimed to achieve a deficit budget from operations of \$130,000. The service actually achieved a surplus of \$471,000 due to increased income.

CONSULTANCIES

Details of consultancies (under \$10,000)

In 2020-21, there were two consultancies where the total fees payable to the consultants were less than \$10,000. The total expenditure incurred during 2020-21 in relation to these consultancies is \$6,262.00 (excl. GST).

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

In 2020-21, there were three consultancies where the total fees payable to the consultants were \$10,000 or greater. Details below:

Financial Information

CONSULTANCIES CONTINUED

CONSULTANT	PURPOSE OF CONSULTANCY	START DATE	END DATE	TOTAL APPROVED PROJECT FEE (EXCLUDING GST)	EXPENDITURE 2020 - 21 (EXCLUDING GST)	FUTURE EXPENDITURE (EXCLUDING GST)
Sinclair Wilson	Valuation of Medical Clinic	September 2020	February 2021	\$10,000	\$10,000	\$0
Aspex Consulting Pty Ltd	Strategic Service Planning	June 2021	June 2022	\$62,074	\$15,518	\$46,556
Architech Network and Communication Solutions Pty Ltd	Wireless Network Survey and Planning	December 2020	May 2021	\$13,469	\$13,469	\$0

INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) EXPENDITURE (\$ MILLIONS)

The total ICT expenditure incurred during 2020-21 is \$0.412 million with the details shown below.

BUSINESS AS USUAL (BAU) ICT EXPENDITURE	NON BUSINESS AS USUAL (NON BAU) ICT EXPENDITURE		
TOTAL (EXCLUDING GST)	(TOTAL=OPERATIONAL EXPENDITURE AND CAPITAL EXPENDITURE) (EXCLUDING GST)	OPERATIONAL EXPENDITURE (EXCLUDING GST)	CAPITAL EXPENDITURE (EXCLUDING GST)
0.384	0.028	0.022	0.006

Statutory Disclosures

FREEDOM OF INFORMATION ACT 1982

The *Freedom of Information (FOI) Act 1982* allows the public a right of access to documents held by Timboon & District Healthcare Service. Individuals or agencies who act on their behalf, such as solicitors or insurance companies, are entitled to access personal medical record information. TDHS is committed to protecting consumer privacy and all care is taken to ensure this. All FOI applications are directed to the Director of Clinical Services and are processed in accordance with the provisions of the *Freedom of Information (FOI) Act 1982* within the legislated timeframes.

During 2020-21 TDHS received and processed 8 applications from members of the public.

All FOI applications must be made in writing and addressed to:

ATT: Director of Clinical Services

Timboon and District Healthcare Service

21 Hospital Road

Timboon VIC 3268

All applications will be charged an application fee. Successful applicants will also incur additional access charges which vary depending on materials supplied. A schedule of these additional fees can be found on the Office of the Victorian Information Commissioner website (ovic.vic.gov.au).

BUILDING ACT 1993

Timboon & District Healthcare Service complies with the *Building Act 1993* and Standards for Publicly Owned Buildings November 1994 in all redevelopment and maintenance issues.

During the reporting period, planned/preventative maintenance was carried out, including routine inspections and rectification to ensure the healthcare service's buildings were maintained to a safe and functional condition in compliance with the requirements of the Act, Building Code of Australia and various Australian Standards, as evidenced in the annual certificate of compliance of Essential Safety Measures (ESM). The buildings ESM is also subject to external auditing.

Fire Safety procedures were reviewed and updated to ensure compliance is maintained.

We currently use a number of external specialists to assist with our compliance with the Department of Health Fire Risk Management Guidelines.

PUBLIC INTEREST DISCLOSURE ACT 2012

Timboon & District Healthcare Service is committed to the principles of the Public Interest Disclosure Act 2012 and has in place appropriate procedures for disclosures in accordance with the Act. During the 2020/21 financial year there were no disclosures received by TDHS and no notification of disclosure was made to the Ombudsman or other external agency.

COMPETITIVE NEUTRALITY POLICY VICTORIA

Timboon & District Healthcare Service complies with the National Competition Policy and requirements of the Competitive Neutrality Policy Victoria.

Statutory Disclosures

CARERS RECOGNITION ACT 2012

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

ENVIRONMENTAL PERFORMANCE

Timboon & District Healthcare Service (TDHS) is genuinely committed to maintaining and improving the health and wellbeing of the people and communities we serve. To that end, we recognise the need to use our resources wisely and effectively without compromising our standards of care. We also acknowledge our responsibility to provide a leadership role for environmental sustainability. It is an expectation that all members of the TDHS team play their part to minimize unnecessary energy waste and actively participate in recycling initiatives.

Initiatives to improve our environmental performance include:

- Installation of a 70 kilowatt solar system using 234 panels.
- Internal lights have been replaced with energy efficient LED lights

A comparison of the Health Services' environmental performance over a three year period is as follows

ENVIRONMENTAL PERFORMANCE	2020-21	2019-20	2018-19
Total greenhouse gas emissions (tonnes CO₂e)			
Scope 1	36	34	30
Scope 2	277	276	362
Emissions per unit of floor space (kgCO ₂ e/m ²)	92.18	91.54	115.72
Total energy consumed (GJ)			
Electricity	1,016	974	1,219
Liquefied Petroleum Gas	591	566	497
Energy per unit of floor space (GJ/m ²)	0.47	0.45	0.51
Total energy generated (GJ)			
Solar Power	745	239	4
Total water consumption (kL)			
Potable Water	1,262	1,505	1,776
Water per unit of floor space (kL/m ²)	0.37	0.44	0.52
Waste (kg)			
Total waste generated	8,437	8,166	8,943
Total waste to landfill generated	4,087	4,058	4,047
Recycling rate %	53.59	52.16	56.58

Statutory Disclosures

ADDITIONAL INFORMATION AVAILABLE ON REQUEST

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

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

Statutory Disclosures

LOCAL JOBS FIRST ACT 2003

Local Jobs First Act disclosures

No contracts commenced in the financial year to which the Local Jobs First - VIPP Plan was required.

GENDER EQUALITY ACT

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

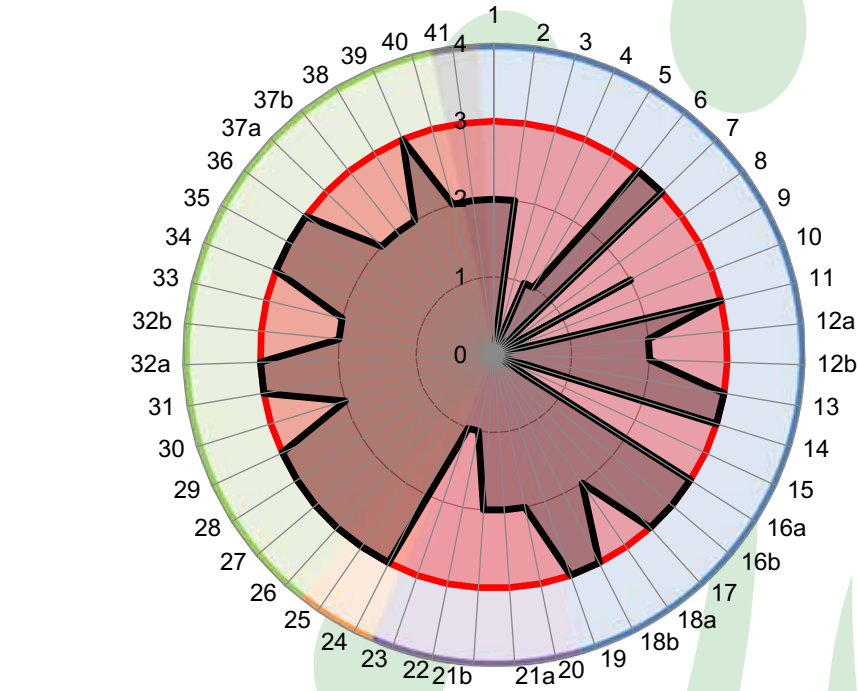
TDHS are committed to the implementation of the Act, and aim to develop, submit and publish a Gender Equality Action Plan (GEAP) by December 2021. To inform the strategies and measures of the GEAP we will conduct a workplace gender audit that analyses workforce data from payroll and Human Resources, employee experience data from the Victorian public sector’s annual employee opinion survey and intersectionality data where available. We will conduct a gender impact assessment of policies, programs and services that are new or up for review and have a direct and significant impact on the public. As part of this assessment we will review programs such as grants and public events, services such as public infrastructure development and community development and policies such as equal access and community engagement policies.

Statutory Disclosures

ASSET MANAGEMENT ACCOUNTABILITY FRAMEWORK (AMAF) MATURITY ASSESSMENT

The following sections summarise Timboon & District Healthcare Service’s assessment of maturity against the requirements of the Asset Management Accountability Framework (AMAF). The AMAF is a non-prescriptive, devolved accountability model of asset management that requires compliance with 41 mandatory requirements. These requirements can be found on the Department of Treasury and Finance Victoria website (<https://www.dtf.vic.gov.au/infrastructure-investment/asset-management-accountability-framework>).

The Timboon & District Healthcare Service target maturity rating is ‘competence’, meaning systems and processes are fully in place, consistently applied and systematically meeting the AMAF requirement, including a continuous improvement process to expand system performance above AMAF minimum requirements.



Results:

Target



Overall



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

Statutory Disclosures

LEADERSHIP AND ACCOUNTABILITY (REQUIREMENTS 1-19)

Timboon & District Healthcare Service has met or exceeded its target maturity level in ten of twenty-one requirements within this category, with two of the requirements being deemed not applicable (these both refer to outsourcing of asset management activities which Timboon & District Healthcare Service does not engage in).

Timboon & District Healthcare Service did not fully comply with the remaining nine requirements in the areas of documenting allocated asset management responsibility. There is no material non-compliance reported in this category. A plan for improvement is in place to improve the Timboon & District Healthcare Service's maturity rating in these areas.

PLANNING (REQUIREMENTS 20-23)

Timboon & District Healthcare Service has not fully met or exceeded its target maturity level in this category, due to a lack of formal documentation. This is not considered a material non-compliance as informally documented processes exist. A plan to formally document and record these processes is in place and is targeted to be completed by 31 December 2021.

ACQUISITION (REQUIREMENTS 24 AND 25)

Timboon & District Healthcare Service has met or exceeded its target maturity level in this category.

OPERATION (REQUIREMENTS 26-40)

Timboon & District Healthcare Service has met or exceeded its target maturity level in ten of the seventeen requirements within this category. The Timboon & District Healthcare Service did not comply or only partially complied with one requirement in each of the areas of monitoring and preventative action, maintenance of assets and asset valuation areas, again due to the lack of formal documentation around processes. There were four requirements within the information management area action, again this was due to a lack of formal documentation. The Timboon & District Healthcare Service is developing a plan for improvement to refine and document processes to proactively identify potential asset performance failures and identify options for preventive action.

DISPOSAL (REQUIREMENT 41)

Timboon & District Healthcare Service has not met its target maturity level in this category due once again to a lack of documentation around the asset disposal process.

Attestations

Conflict of Interest Attestation

I, Rebecca Van Wollingen, certify that Timboon & District Healthcare Service 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 Timboon & District Healthcare Service 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.



Rebecca Van Wollingen
Chief Executive Officer
Timboon and District Healthcare Service
Date: 24 August 2021

Integrity, Fraud and Corruption Attestation

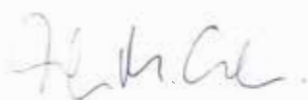
I, Rebecca Van Wollingen, certify that Timboon & District Healthcare Service has put in place appropriate internal controls and processes to ensure that integrity, fraud and corruption risks have been reviewed and addressed at Timboon & District Healthcare Service during the year.



Rebecca Van Wollingen
Chief Executive Officer
Timboon and District Healthcare Service
Date: 24 August 2021

Financial Management Compliance Attestation

I, Frank Carlus, on behalf of the Responsible Body, certify that Timboon and District Healthcare Service has no Material Compliance Deficiency with respect to the applicable Standing Directions under the Financial Management Act 1994 and Instructions.



Frank Carlus
Board Chair
Timboon and District Healthcare Service
Date: 24 August 2021

Data Integrity Attestation

I, Rebecca Van Wollingen, certify that Timboon & District Healthcare Service has put in place appropriate internal controls and processes to ensure that reported data accurately reflects actual performance. Timboon & District Healthcare Service has critically reviewed these controls and processes during the year.



Rebecca Van Wollingen
Chief Executive Officer
Timboon and District Healthcare Service
Date: 24 August 2021

Other Reporting Requirements

OCCUPATIONAL VIOLENCE

OCCUPATIONAL VIOLENCE STATISTICS	2020-21	2019-20
WorkCover accepted claims with an occupational violence cause per 100 FTE	0	0
Number of accepted WorkCover claims with lost time injury with an occupational violence cause per 1,000,000 hours worked	0	0
Number of occupational violence incidents reported	3	5
Number of occupational violence incidents reported per 100 FTE	5.4	10
Percentage of occupational violence incidents resulting in a staff injury, illness or condition	0	0

SAFE PATIENT CARE ACT 2015

The healthcare service has no matters to report in relation to its obligations under section 40 of the *Safe Patient Care Act 2015*.

Disclosure Index

THE ANNUAL REPORT OF TIMBOON & DISTRICT HEALTHCARE SERVICE IS PREPARED IN ACCORDANCE WITH ALL RELEVANT VICTORIAN LEGISLATION. THIS INDEX HAS BEEN PREPARED TO FACILITATE IDENTIFICATION OF THE DEPARTMENT'S COMPLIANCE WITH STATUTORY DISCLOSURE REQUIREMENTS.

LEGISLATION	REQUIREMENT	PAGE REFERENCE
CHARTER AND PURPOSE		
FRD 22I	Manner of establishment and the relevant Ministers	4, 18
FRD 22I	Purpose, functions, powers and duties	3-4
FRD 22I	Nature and range of services provided	6-8
FRD 22I	Activities, programs and achievements for the reporting period	12-16
FRD 22I	Significant changes in key initiatives and expectations for the future	9-11
MANAGEMENT AND STRUCTURE		
FRD 22I	Organisational structure	17
FRD 22I	Workforce data, employment and conduct principles	3, 22-26
FRD 22I	Occupational Health & Safety	23-24
FINANCIAL INFORMATION		
FRD 22I	Summary of the financial results for the year	32
FRD 22I	Significant changes in financial position during the year	33
FRD 22I	Operational and budgetary objectives and performance against Objectives	29-31
FRD 22I	Subsequent events	NA
FRD 22I	Details of consultancies under \$10,000	33
FRD 22I	Details of consultancies over \$10,000	33
FRD 22I	Disclosure of ICT expenditure	34
LEGISLATION		
FRD 22I	Application and operation of <i>Freedom of Information Act 1982</i>	35
FRD 22I	Compliance with building and maintenance provision of <i>Building Act 1993</i>	35
FRD 22I	Application and operation of <i>Public Interest Disclosure Act (Updated 2020 - 2021)</i>	35
FRD 22I	Statement on National Competition Policy	35
FRD 22I	Application and operation of <i>Carers Recognition Act 2012</i>	36
FRD 22I	Summary of the entity's environmental performance	36
FRD 22I	Additional information available on request	37
OTHER RELEVANT REPORTING DIRECTIVES		
FRD 25D	Local Jobs First Act disclosures	38
SD 5.1.4	Financial Management Compliance attestation	41
SD 5.2.3	Declaration in report of operations	2
ATTESTATIONS		
Attestation on Data Integrity		41
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OTHER REPORTING REQUIREMENTS		
• Reporting of outcomes of Statement of Priorities 2020 - 2021		12-16, 29-31
• Occupational Violence reporting		42
• Gender Equality Act		38
• Asset Management Accountability Framework		39
• Reporting obligations under the Safe Patient Care Act 2015		42
• Reporting of compliance regarding Car Parking Fees		NA

Financial **Statements**

Financial Statements

Financial Year ended 30 June 2021

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

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

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

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

We authorise the attached financial statements for issue on 24 August 2021.

Board Member



Mr Frank Carlus
Chair

Timboon
24 August 2021

Accountable Officer



Ms Rebecca Van Wollingen
Chief Executive Officer

Timboon
24 August 2021

Chief Finance & Accounting Officer



Mr Ashley Roberts
Chief Finance and Accounting Officer

Timboon
24 August 2021

Independent Auditor's Report

To the Board of Timboon and District Healthcare Service

Opinion	<p>I have audited the financial report of Timboon and District Healthcare Service (the health service) which comprises the:</p> <ul style="list-style-type: none"> • Balance Sheet as at 30 June 2021 • Comprehensive Operating Statement for the year then ended • Statement of Changes in Equity for the year then ended • Cash Flow Statement for the year then ended • Notes to the Financial Statements, including significant accounting policies • Board member's, accountable officer's and chief finance & accounting officer's declaration. <p>In my opinion the financial report presents fairly, in all material respects, the financial position of the health service as at 30 June 2021 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 7 of the <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.



Dominika Ryan

as delegate for the Auditor-General of Victoria

MELBOURNE
6 September 2021

Timboon & District Healthcare Service
Comprehensive Operating Statement
For the Financial Year Ended 30 June 2021

		Total 2021 \$'000	Total 2020 \$'000
Note			
Revenue and income from transactions			
Operating activities	2.1	8,892	8,007
Non-operating activities	2.1	16	51
Total revenue and income from transactions		8,908	8,058
Expenses from transactions			
Employee expenses	3.1	(6,398)	(5,802)
Supplies and consumables	3.1	(441)	(407)
Finance costs	3.1	(1)	(2)
Depreciation and amortisation	3.1	(974)	(978)
Other administrative expenses	3.1	(1,061)	(969)
Other operating expenses	3.1	(563)	(327)
Total Expenses from transactions		(9,440)	(8,494)
Net result from transactions - net operating balance		(532)	(436)
Other economic flows included in net result			
Net gain/(loss) on financial instruments	3.4	(13)	(3)
Share of other economic flows from joint arrangements	3.4	68	73
Other gain/(loss) from other economic flows	3.4	67	(36)
Total other economic flows included in net result		122	34
Net result for the year		(410)	(402)
Comprehensive result for the year		(410)	(402)

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

Timboon & District Healthcare Service
Balance Sheet
As at 30 June 2021

		Total 2021 \$'000	Total 2020 \$'000
Current assets			
Cash and cash equivalents	6.2	4,616	4,349
Receivables and contract assets	5.1	372	326
Inventories		-	1
Prepaid expenses		153	124
Total current assets		5,141	4,800
Non-current assets			
Receivables and contract assets	5.1	588	372
Investments using the equity method	8.8	-	71
Property, plant and equipment	4.1 (a)	11,875	12,643
Intangible assets	4.2	259	-
Total non-current assets		12,722	13,086
Total assets		17,863	17,886
Current liabilities			
Payables and contract liabilities	5.2	739	623
Borrowings	6.1	41	37
Employee benefits	3.2	1,532	1,180
Total current liabilities		2,312	1,840
Non-current liabilities			
Borrowings	6.1	35	43
Employee benefits	3.2	116	193
Total non-current liabilities		151	236
Total liabilities		2,463	2,076
Net assets		15,400	15,810
Equity			
Property, plant and equipment revaluation surplus	4.1(f)	6,724	6,724
Contributed capital	SCE	4,610	4,610
Accumulated surplus/(deficit)	SCE	4,066	4,476
Total equity		15,400	15,810

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

Timboon & District Healthcare Service
Statement of Changes in Equity
For the Financial Year Ended 30 June 2021

	Property, Plant and Equipment		Accumulated Surplus/(Deficits)		Total
Note	Revaluation Surplus \$'000	Contributed Capital \$'000	Surplus/(Deficits) \$'000		\$'000
Total					
Balance at 30 June 2019	6,724	4,610	4,894		16,228
Effect of adoption of AASB 15, 16 and 1058	-	-	(16)		(16)
Restated Balance at 1 July 2019	6,724	4,610	4,878		16,212
Net result for the year	-	-	(402)		(402)
Balance at 30 June 2020	6,724	4,610	4,476		15,810
Net result for the year	-	-	(410)		(410)
Balance at 30 June 2021	6,724	4,610	4,066		15,400

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

Timboon & District Healthcare Service
Cash Flow Statement
For the Financial Year Ended 30 June 2021

		Total 2021 \$'000	Total 2020 \$'000
Note			
Cash Flows from operating activities			
		7,119	6,601
Operating grants from government		106	29
Capital grants from government - State		750	691
Patient fees received		162	-
Private practice fees received		-	19
GST received from Australian Taxation Office		16	83
Interest and investment income received		146	81
Commercial Income Received		184	448
Other receipts		8,483	7,952
Total receipts			
		(6,149)	(5,736)
Employee expenses paid		(323)	(474)
Payments for supplies and consumables		(59)	(50)
Payments for medical indemnity insurance		(205)	(175)
Payments for repairs and maintenance		(1)	(2)
Finance Costs		15	-
GST paid to Australian Taxation Office		(1,392)	(1,077)
Other payments		(8,114)	(7,514)
Total payments			
Net cash flows from/(used in) operating activities	8.1	369	438
Cash Flows from investing activities			
		(206)	(165)
Purchase of property, plant and equipment		63	53
Capital donations and bequests received		129	-
Other capital receipts		-	60
Distributions from Joint Venture Associates		243	-
Cash Received in acquisition of Medical Practice		(327)	-
Purchase of Medical Practice		-	1,000
Proceeds from disposal of investments		(98)	948
Net cash flows from/(used in) investing activities			
Cash flows from financing activities			
		(4)	(39)
Repayment of borrowings		(4)	(39)
Net cash flows from /(used in) financing activities			
Net increase/(decrease) in cash and cash equivalents held		267	1,347
Cash and cash equivalents at beginning of year		4,349	3,002
Cash and cash equivalents at end of year	6.2	4,616	4,349

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

Notes to the Financial Statements

Timboon & District Healthcare Service
Notes to the Financial Statements
For the Financial Year Ended 30 June 2021

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*

Timboon & District Healthcare Service

Notes to the Financial Statements

For the Financial Year Ended 30 June 2021

Note 1: Basis of preparation

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

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

Note 1.1: Basis of preparation of the financial statements

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

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

Timboon & District Healthcare Service 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.

Timboon & District Healthcare Service operates on a fund accounting basis and maintains three funds: Operating, Specific Purpose and Capital Funds. Timboon & District Healthcare Service's Capital and Specific Purpose Funds include:

- Donation and Fundraising Funds
- Commercial activities.

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

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

The financial statements are in Australian dollars.

Timboon & District Healthcare Service

Notes to the Financial Statements

For the Financial Year Ended 30 June 2021

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

The annual financial statements were authorised for issue by the Board of Timboon & District Healthcare Service on [insert date].

Note 1.2 Impact of COVID-19 pandemic

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

Timboon & District Healthcare Service introduced a range of measures in both the prior and current year, including:

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

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

The financial impacts of the pandemic are disclosed at:

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

Timboon & District Healthcare Service

Notes to the Financial Statements

For the Financial Year Ended 30 June 2021

Note 1.3 Abbreviations and terminology used in the financial statements

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

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

Note 1.4 Joint arrangements

Interests in joint arrangements are accounted for by recognising in Timboon & District Healthcare Service's financial statements, its share of assets and liabilities and any revenue and expenses of such joint arrangements.

Timboon & District Healthcare Service has the following joint arrangements:

- South West Alliance of Rural Health - Joint Operation

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

Note 1.5 Key accounting estimates and judgements

Management make estimates and judgements when preparing the financial statements.

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

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

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

Timboon & District Healthcare Service

Notes to the Financial Statements

For the Financial Year Ended 30 June 2021

Note 1.6 Accounting standards issued but not yet effective

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

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

There are no other accounting standards and interpretations issued by the AASB that are not yet mandatorily applicable to Timboon & District Healthcare Service 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.

Timboon & District Healthcare Service

Notes to the Financial Statements

For the Financial Year Ended 30 June 2021

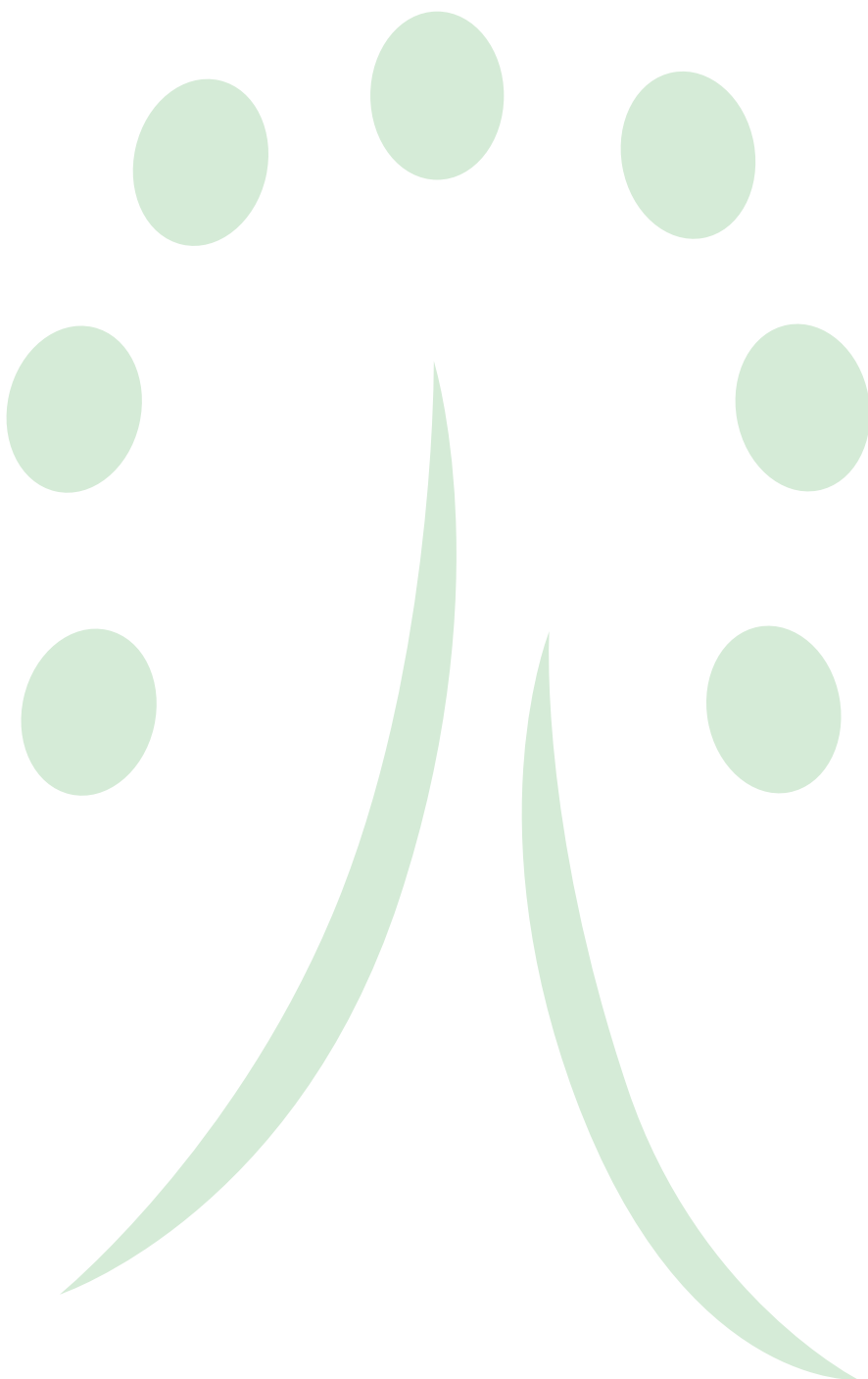
Note 1.8 Reporting Entity

The financial statements include all the controlled activities of Timboon & District Healthcare Service.

Its principal address is:

21 Hospital Road
Timboon, Victoria 3268

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



Note 2: Funding delivery of our services

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

Structure

2.1 Revenue and income from transactions

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

2.3 Other income

Telling the COVID-19 story

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

Funding provided included:

- COVID-19 operational funding
- Specified funding for Covid-19 Vaccination

Key judgements and estimates

This section contains the following key judgements and estimates:

Key judgements and estimates	Description
Identifying performance obligations	<p>Timboon & District Healthcare Service 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.</p> <p>If this criteria is met, the contract/funding agreement is treated as a contract with a customer, requiring Timboon & District Healthcare Service to recognise revenue as or when the health service transfers promised goods or services to customers.</p> <p>If this criteria is not met, funding is recognised immediately in the net result from operations.</p>
Determining timing of revenue recognition	<p>Timboon & District Healthcare Service 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.</p>
Determining time of capital grant income recognition	<p>Timboon & District Healthcare Service 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.</p>

Note 2.1 Revenue and income from transactions

	Total 2021 \$'000	Total 2020 \$'000
Operating activities		
Revenue from contracts with customers		
Government grants (State) - Operating	232	123
Patient and resident fees	737	697
Private practice fees	64	-
Commercial activities ¹	101	81
Total revenue from contracts with customers	1,134	901
Other sources of income		
Government grants (State) - Operating	5,221	4,831
Government grants (Commonwealth) - Operating	1,851	1,699
Government grants (State) - Capital	106	30
Other capital purpose income	129	-
Capital donations	63	-
Assets received free of charge or for nominal consideration	65	57
Other revenue from operating activities (including non-capital donations)	323	489
Total other sources of income	7,758	7,106
Total revenue and income from operating activities	8,892	8,007
Non-operating activities		
Income from other sources		
Capital interest	16	-
Other interest	-	51
Total other sources of income	16	51
Total income from non-operating activities	16	51
Total revenue and income from transactions	8,908	8,058

1. Commercial activities represent business activities which Timboon & District Healthcare Service enter into to support their operations.

Note 2.1 Revenue and income from transactions

How we recognise revenue and income from transactions

Government operating grants

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

When both these conditions are satisfied, the health service:

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

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

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

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

Government grant	Performance obligation
Activity Based Funding (ABF) paid as Weighted Inlier Equivalent Separation (WIES) casemix	<p>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.</p> <p>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.</p> <p>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.</p>

Capital grants

Where Timboon & District Healthcare Service 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 Timboon & District Healthcare Service's obligation to construct the asset. The progressive percentage of costs incurred is used to recognise income, as this most accurately reflects the stage of completion.

Patient and resident fees

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

Commercial activities

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

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

	Total 2021 \$'000	Total 2020 \$'000
Cash donations and gifts	-	53
Personal protective equipment	65	5
Total fair value of assets and services received free of charge or for nominal consideration	65	58

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 Timboon & District Healthcare Service usually obtained control of the asset) as they do not contain sufficiently specific and enforceable performance obligations. Where sufficiently specific and enforceable performance obligations exist, revenue is recorded as and when the performance obligation is satisfied.

Personal protective equipment

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

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

Contributions

Timboon & District Healthcare Service may receive assets for nil or nominal consideration to further its objectives. The assets are recognised at their fair value when Timboon & District Healthcare Service 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, Timboon & District Healthcare Service recognises related amounts being contributions by owners, lease liabilities, financial instruments, provisions and revenue or contract liabilities arising from a contract with a customer.

Timboon & District Healthcare Service 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 Timboon & District Healthcare Service as a capital contribution transfer.

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

Voluntary Services

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

Non-cash contributions from the Department of Health

The Department of Health makes some payments on behalf of Timboon & District Healthcare Service as follows:

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

Note 2.3 Other income

Interest

Total other income

Total 2021 \$'000	Total 2020 \$'000
16	51
16	51

How we recognise other income

Interest Income

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

Note 3: The cost of delivering our services

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

Structure

3.1 Expenses from transactions

3.2 Employee benefits in the balance sheet

3.3 Superannuation

3.4 Other economic flows

Telling the COVID-19 story

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

Additional costs were incurred to deliver the following additional services:

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

Key judgements and estimates

This section contains the following key judgements and estimates:

Key judgements and estimates	Description
Measuring and classifying employee benefit liabilities	<p>Timboon & District Healthcare Service applies significant judgment when measuring and classifying its employee benefit liabilities.</p> <p>Employee benefit liabilities are classified as a current liability if Timboon & District Healthcare Service 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.</p> <p>Employee benefit liabilities are classified as a non-current liability if Timboon & District Healthcare Service 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.</p> <p>The health service also applies judgement to determine when it expects its employee entitlements to be paid. With reference to historical data, if the health service does not expect entitlements to be paid within 12 months, the entitlement is measured at its present value. All other entitlements are measured at their nominal value.</p>

Note 3.1 Expenses from transactions

		Total 2021 \$'000	Total 2020 \$'000
Salaries and wages		5,560	4,874
On-costs		470	419
Agency expenses		102	189
Fee for service medical officer expenses		213	268
Workcover premium		53	52
Total employee expenses		6,398	5,802
Drug supplies		22	26
Medical and surgical supplies (including Prostheses)		168	107
Diagnostic and radiology supplies		32	40
Other supplies and consumables		219	234
Total supplies and consumables		441	407
Finance costs		1	2
Total finance costs		1	2
Other administrative expenses		1,061	969
Total other administrative expenses		1,061	969
Fuel, light, power and water		95	98
Repairs and maintenance		155	130
Maintenance contracts		50	44
Medical indemnity insurance		59	50
Expenditure for capital purposes		204	5
Total other operating expenses		563	327
Total operating expense		8,464	7,507
Depreciation and amortisation	4.3	974	978
Total depreciation and amortisation		974	978
Bad and doubtful debt expense		2	9
Total other non-operating expenses		2	9
Total non-operating expense		976	987
Total expenses from transactions		9,440	8,494

Note 3.1 Expenses from transactions

How we recognise expenses from transactions

Expense recognition

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

Employee expenses

Employee expenses include:

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

Supplies and consumables

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

Finance costs

Finance costs include:

- amortisation of discounts or premiums relating to borrowings
- finance charges in respect of leases which are recognised in accordance with AASB 16 *Leases*.

Other operating expenses

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

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

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

Non-operating expenses

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

Note 3.2 Employee benefits in the balance sheet

Current provisions

Accrued days off

Unconditional and expected to be settled wholly within 12 months ⁱ

Total 2021 \$'000	Total 2020 \$'000
14	13
14	13

Annual leave

Unconditional and expected to be settled wholly within 12 months ⁱ

503	374
503	374

Long service leave

Unconditional and expected to be settled wholly within 12 months ⁱ

Unconditional and expected to be settled wholly after 12 months ⁱⁱ

161	135
694	540
855	675

Provisions related to employee benefit on-costs

Unconditional and expected to be settled within 12 months ⁱ

Unconditional and expected to be settled after 12 months ⁱⁱ

56	50
104	68
160	118

Total current employee benefits

1,532	1,180
--------------	--------------

Non-current provisions

Conditional long service leave

Provisions related to employee benefit on-costs

Total non-current employee benefits

102	172
14	21
116	193

Total employee benefits

1,648	1,373
--------------	--------------

ⁱ The amounts disclosed are nominal amounts.

ⁱⁱ The amounts disclosed are discounted to present values.

Note 3.2 Employee benefits in the balance sheet

How we recognise employee benefits

Employee benefit recognition

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

Provisions

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

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

Annual leave and accrued days off

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

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

- Nominal value – if Timboon & District Healthcare Service expects to wholly settle within 12 months or
- Present value – if Timboon & District Healthcare Service does not expect to wholly settle within 12 months.

Long service leave

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

Unconditional LSL is disclosed in the notes to the financial statements as a current liability even where Timboon & District Healthcare 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 Timboon & District Healthcare Service expects to wholly settle within 12 months or
- Present value – if Timboon & District Healthcare Service does not expect to wholly settle within 12 months.

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

On-costs related to employee benefits

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

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

	Total 2021 \$'000	Total 2020 \$'000
Unconditional accrued days off	14	13
Unconditional annual leave entitlements	539	410
Unconditional long service leave entitlements	979	757
Total current employee benefits and related on-costs	1,532	1,180
Conditional long service leave entitlements	116	193
Total non-current employee benefits and related on-costs	116	193
Total employee benefits and related on-costs	1,648	1,373
Carrying amount at start of year	1,373	1,210
Additional provisions recognised	873	761
Unwinding of discount and effect of changes in the discount rate	67	(36)
Amounts incurred during the year	(665)	(562)
Carrying amount at end of year	1,648	1,373

Note 3.3 Superannuation

	Paid Contribution for the Year		Contribution Outstanding at Year End	
	Total	Total	Total	Total
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Defined contribution plans:				
Aware Super	308	372	75	46
Hesta	44	47	-	-
Hostplus	28			
Australian Super	17			
Other	73	-	-	-
Total	470	419	75	46

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 Timboon & District Healthcare Service are entitled to receive superannuation benefits and it contributes to both defined benefit and defined contribution plans.

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 Timboon & District Healthcare Service are disclosed above.

Note 3.4 Other economic flows included in net result

Allowance for impairment losses of contractual receivables

Other gains/(losses) from other economic flows

Total net gain/(loss) on financial instruments

Share of net profits/(losses) of joint entities, excluding dividends

Total share of other economic flows from joint arrangements

Net gain/(loss) arising from revaluation of long service liability

Total other gains/(losses) from other economic flows

Total gains/(losses) from other economic flows

Total 2021 \$'000	Total 2020 \$'000
(13)	(2)
-	(1)
(13)	(3)
68	73
68	73
67	(36)
67	(36)
122	34

How we recognise other economic flows

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

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

Net gain/(loss) on non-financial assets

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

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

Net gain/(loss) on financial instruments

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

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

Note 4: Key assets to support service delivery

Timboon & District Healthcare Service 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 Timboon & District Healthcare Service to be utilised for delivery of those outputs.

Structure

4.1 Property, plant & equipment

4.2 Intangible assets

4.3 Depreciation and amortisation

Telling the COVID-19 story

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

Key judgements and estimates

This section contains the following key judgements and estimates:

Key judgements and estimates	Description
Measuring fair value of property, plant and equipment and investment properties	<p>Timboon & District Healthcare Service obtains independent valuations for its non-current assets at least once every five years.</p> <p>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.</p> <p>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.</p>
Estimating useful life and residual value of property, plant and equipment	<p>Timboon & District Healthcare Service 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.</p> <p>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.</p>
Estimating useful life of right-of-use assets	<p>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.</p> <p>Timboon & District Healthcare Service applies significant judgement to determine whether or not it is reasonably certain to exercise such purchase options.</p>

Key judgements and estimates (continued)

Key judgements and estimates	Description
Estimating restoration costs at the end of a lease	Where a lease agreement requires Timboon & District Healthcare Service to restore a right-of-use asset to its original condition at the end of a lease, the health service estimates the present value of such restoration costs. This cost is included in the measurement of the right-of-use asset, which is depreciated over the relevant lease term.
Estimating the useful life of intangible assets	Timboon & District Healthcare Service assigns an estimated useful life to each intangible asset with a finite useful life, which is used to calculate amortisation of the asset.
Identifying indicators of impairment	<p>At the end of each year, Timboon & District Healthcare Service 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.</p> <p>The health service considers a range of information when performing its assessment, including considering:</p> <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. <p>Where an impairment trigger exists, the health services applies significant judgement and estimate to determine the recoverable amount of the asset.</p>

Note 4.1 (a) Gross carrying amount and accumulated depreciation

	Total 2021 \$'000	Total 2020 \$'000
Land at fair value - Freehold	1,522	1,522
Total land at fair value	1,522	1,522
Buildings at fair value	10,115	10,115
Less accumulated depreciation	(1,259)	(629)
Total buildings at fair value	8,856	9,486
Property improvements at fair value	390	390
Less accumulated depreciation	(78)	(39)
Total property improvements at fair value	312	351
Works in progress at fair value	165	128
Total land and buildings	10,855	11,487
Plant and equipment at fair value	1,052	1,042
Less accumulated depreciation	(641)	(569)
Total plant and equipment at fair value	411	473
Motor vehicles at fair value	378	378
Less accumulated depreciation	(287)	(234)
Total motor vehicles at fair value	91	144
Medical equipment at fair value	1,335	1,435
Less accumulated depreciation	(1,024)	(1,067)
Total medical equipment at fair value	311	368
Computer equipment at fair value	204	163
Less accumulated depreciation	(68)	(51)
Total computer equipment at fair value	136	112
Furniture and fittings at fair value	325	300
Less accumulated depreciation	(254)	(241)
Total furniture and fittings at fair value	71	59
Total plant, equipment, furniture, fittings and vehicles at fair value	1,020	1,156
Total property, plant and equipment	11,875	12,643

Note 4.1 (b) Reconciliations of the carrying amounts of each class of asset

	Note	Land \$'000	Land Improvements \$'000	Buildings \$'000	Building works in progress \$'000	Plant & equipment \$'000	Motor vehicles \$'000	Medical Equipment \$'000	Computer Equipment \$'000
Balance at 1 July 2019		1,522	-	10,492	92	506	198	432	145
Additions		-	-	13	36	64	-	27	15
Disposals		-	-	-	-	-	-	-	-
Net transfers between classes		-	390	(390)	-	-	-	-	-
Depreciation	4.3	-	(39)	(629)	-	(98)	(53)	(91)	(47)
Balance at 30 June 2020	4.1 (a)	1,522	351	9,486	128	472	145	368	113
Additions		-	-	-	62	35	-	38	71
Disposals		-	-	-	(25)	-	-	-	-
Revaluation increments/(decrements)		-	-	-	-	-	-	-	-
Net Transfers between classes		-	-	-	-	-	-	-	-
Depreciation	4.3	-	(39)	(630)	-	(96)	(54)	(95)	(48)
Balance at 30 June 2021	4.1 (a)	1,522	312	8,856	165	411	91	311	136

	Note	Furniture & Fittings \$'000	Total \$'000
Balance at 1 July 2019		69	13,456
Additions		10	165
Disposals		-	-
Revaluation increments/(decrements)		-	-
Depreciation	4.3	(21)	(978)
Balance at 30 June 2020	4.1 (a)	58	12,643
Additions		25	231
Disposals		-	(25)
Revaluation increments/(decrements)		-	-
Depreciation	4.3	(12)	(974)
Balance at 30 June 2021	4.1 (a)	71	11,875

Note 4.1 (b) Reconciliations of the carrying amounts of each class of asset

Land and Buildings and Leased Assets Carried at Valuation

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

How we recognise property, plant and equipment

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

Initial recognition

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

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

Subsequent measurement

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

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

Further information regarding fair value measurement is disclosed below.

Note 4.1 (b) Reconciliations of the carrying amounts of each class of asset

Revaluation

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

Where an independent valuation has not been undertaken at balance date, Timboon & District Healthcare Service 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 (VG) 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%, Timboon & District Healthcare Service would obtain an interim independent valuation prior to the next scheduled independent valuation.

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

- increase in fair value of land of 10% (\$152,200)
- Buildings were deemed an immaterial movement by the Valuer General Victoria for health agencies in 2021.

As the cumulative movement was less than 10% for land and buildings since the last revaluation a managerial revaluation adjustment was not required as at 30 June 2021.

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

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

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

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

Impairment

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

Note 4.1 (c) Fair value measurement hierarchy for assets

	Note	Total carrying amount 30 June 2021 \$'000	Fair value measurement at end of reporting period using:		
			Level 1 ⁱ \$'000	Level 2 ⁱ \$'000	Level 3 ⁱ \$'000
Non-specialised land		1,076	-	1,076	-
Specialised land		446	-	-	446
Total land at fair value	4.1 (a)	1,522	-	1,076	446
Non-specialised buildings		479	-	479	-
Land improvements		312	-	-	312
Specialised buildings		8,377	-	-	8,377
Total buildings at fair value	4.1 (a)	9,168	-	479	8,689
Plant and equipment at fair value	4.1 (a)	411	-	-	411
Motor vehicles at fair value	4.1 (a)	91	-	91	-
Medical equipment at Fair Value	4.1 (a)	311	-	-	311
Computer equipment at fair value	4.1 (a)	136	-	-	136
Furniture and fittings at fair value	4.1 (a)	71	-	-	71
Total plant, equipment, furniture, fittings and vehicles at fair value		1,020	-	91	929
Total property, plant and equipment at fair value		11,710	-	1,646	10,064

		Total carrying amount 30 June 2020 \$'000	Fair value measurement at end of reporting period using:		
			Level 1 ⁱ \$'000	Level 2 ⁱ \$'000	Level 3 ⁱ \$'000
Non-specialised land		1,076	-	1,076	-
Specialised land		446	-	-	446
Total land at fair value	4.1 (a)	1,522	-	1,076	446
Non-specialised buildings		628	-	628	-
Land Improvements		351	-	-	351
Specialised buildings		8,858	-	-	8,858
Total buildings at fair value	4.1 (a)	9,837	-	628	9,209
Plant and equipment at fair value	4.1 (a)	473	-	-	473
Motor vehicles at fair value	4.1 (a)	144	-	144	-
Medical equipment at Fair Value	4.1 (a)	368	-	-	368
Computer equipment at fair value	4.1 (a)	112	-	-	112
Furniture and fittings at fair value	4.1 (a)	59	-	-	59
Total plant, equipment, furniture, fittings and vehicles at fair value		1,156	-	144	1,012
Total Property, Plant and Equipment		12,515	-	1,848	10,667

ⁱ Classified in accordance with the fair value hierarchy.

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

	Note	Land \$'000	Buildings & Improve. \$'000	Plant and equipment \$'000	Medical equipment \$'000	Computer equipment \$'000	Furniture & fittings \$'000
Total							
Balance at 1 July 2019	4.1 (b)	446	9,763	506	432	145	69
Additions/(Disposals)	4.1 (b)	-	13	64	27	15	10
- Depreciation and amortisation	4.3	-	(567)	(98)	(91)	(47)	(21)
Balance at 30 June 2020	4.1 (c)	446	9,209	472	368	113	58
Additions/(Disposals)	4.1 (b)	-	-	35	38	71	25
Net Transfers between classes	4.1 (b)	-	45	-	-	-	-
- Depreciation and Amortisation	4.3	-	(565)	(96)	(95)	(48)	(12)
Balance at 30 June 2021	4.1 (c)	446	8,689	411	311	136	71

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

Note 4.1 (e) Property, plant and equipment (fair value determination)

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

(i) A community service obligation (CSO) of 30% was applied to Timboon & District Healthcare Service's specialised land.

How we measure fair value

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

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

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

The Valuer-General Victoria (VGV) is Timboon & District Healthcare Service's independent valuation agency.

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

Note 4.1 (e) Property, plant and equipment (fair value determination)

Valuation hierarchy

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

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

Identifying unobservable inputs (level 3) fair value measurements

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

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

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

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

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

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

Non-specialised land and non-specialised buildings

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

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

Note 4.1 (e) Property, plant and equipment (fair value determination)

Specialised land and specialised buildings

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

During the reporting period, Timboon & District Healthcare Service 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 Timboon & District Healthcare Service, 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 Timboon & District Healthcare Service's specialised land and specialised buildings was performed by the Valuer-General Victoria. The effective date of the valuation is 30 June 2019.

Vehicles

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

Furniture, fittings, plant and equipment

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

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

Note 4.1 (f) Property, plant and equipment revaluation reserve

Note	Total 2021 \$'000	Total 2020 \$'000
Balance at the beginning of the reporting period	6,724	6,724
Balance at the end of the Reporting Period*	6,724	6,724
* Represented by:		
- Land	578	578
- Buildings	6,146	6,146
	6,724	6,724

Note 4.2 (a) Intangible assets - Gross carrying amount and accumulated amortisation

	Total 2021 \$'000	Total 2020 \$'000
Medical Practice Goodwill	259	-
Total intangible assets	259	-

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

	Note	Goodwill \$'000	Total \$'000
Balance at 30 June 2020	4.2 (a)	-	-
Additions		259	259
Balance at 30 June 2021	4.2 (a)	259	259

How we recognise intangible assets

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

Initial recognition

Purchased intangible assets are initially recognised at cost.

Subsequent measurement

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

Impairment

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

Note 4.3 Depreciation and amortisation

	Total 2021 \$'000	Total 2020 \$'000
Depreciation		
Buildings	630	629
Land Improvements	39	39
Plant and equipment	96	98
Motor vehicles	54	53
Medical equipment	95	91
Computer equipment	48	47
Furniture and fittings	12	21
Total depreciation	974	978

How we recognise depreciation

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

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

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

	2021	2020
Buildings		
- Structure shell building fabric	31 Years	31 Years
- Site engineering services and central plant	20 to 30 years	20 to 30 years
Central Plant		
- Fit Out	7 to 30 years	7 to 30 years
- Trunk reticulated building system	11 to 40 years	11 to 40 years
Plant and equipment	3 to 7 years	3 to 7 years
Medical equipment	7 to 10 years	7 to 10 years
Computers and communication	3 to 9 years	3 to 9 years
Furniture and fitting	10 to 13 years	10 to 13 years
Motor Vehicles	10 years	10 years
Land Improvements	2 to 10 years	2 to 10 years

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

Note 5: Other assets and liabilities

This section sets out those assets and liabilities that arose from Timboon & District Healthcare Service's operations.

Structure

5.1 Receivables and contract assets

5.2 Payables and contract liabilities

Telling the COVID-19 story

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

Key judgements and estimates

This section contains the following key judgements and estimates:

Key judgements and estimates	Description
Estimating the provision for expected credit losses	Timboon & District Healthcare Service 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	<p>Where Timboon & District Healthcare Service 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.</p> <p>Timboon & District Healthcare Service 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.</p>
Measuring contract liabilities	Timboon & District Healthcare Service 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

	Total 2021 \$'000	Total 2020 \$'000
Notes		
Current receivables and contract assets		
Contractual		
Inter hospital debtors	-	3
Trade debtors	50	99
Patient fees	74	87
Provision for impairment	(13)	(2)
Accrued revenue	46	-
Amounts receivable from governments and agencies	183	121
Total contractual receivables	340	308
Statutory		
GST receivable	32	18
Total statutory receivables	32	18
Total current receivables and contract assets	372	326
Non-current receivables and contract assets		
Contractual		
Long service leave - Department of Health	588	372
Total contractual receivables	588	372
Total non-current receivables and contract assets	588	372
Total receivables and contract assets	960	698
<i>(i) Financial assets classified as receivables and contract assets (Note 7.1(a))</i>		
Total receivables and contract assets	960	698
Provision for impairment	13	2
GST receivable	(32)	(18)
Total financial assets	941	682
7.1(a)		

Note 5.1 Receivables and contract assets (continued)

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

	Total 2021 \$'000	Total 2020 \$'000
Balance at the beginning of the year	2	-
Increase in allowance	13	2
Balance at the end of the year	15	2

How we recognise receivables

Receivables consist of:

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

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

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

Timboon & District Healthcare Service 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 Timboon & District Healthcare Service's contractual impairment losses.

Note 5.2 Payables and contract liabilities

	Total 2021 \$'000	Total 2020 \$'000
Note		
Current payables and contract liabilities		
Contractual		
Trade creditors	26	28
Accrued salaries and wages	275	232
Accrued expenses	315	235
Contract liabilities	35	78
Inter hospital creditors	33	30
Amounts payable to governments and agencies	55	20
Total contractual payables	739	623
Total current payables and contract liabilities	739	623
Total payables and contract liabilities	739	623
<i>(i) Financial liabilities classified as payables and contract liabilities (Note 7.1(a))</i>		
Total payables and contract liabilities	739	623
Contract liabilities	(35)	(78)
Department of Health	-	-
Total financial liabilities	704	545

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

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

Note 5.2 (a) Contract liabilities

Opening balance of contract liabilities

Adjustment for initial adoption of AASB 15

Payments received for performance obligations not yet fulfilled

Revenue recognised for the completion of a performance obligation

Total contract liabilities

* Represented by:

- Current contract liabilities

Total 2021 \$'000	Total 2020 \$'000
78	16
-	-
35	62
(78)	-
35	78
35	78
35	78

How we recognise contract liabilities

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

Maturity analysis of payables

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

Note 6: How we finance our operations

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

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 because the health service's response was funded by Government.

Key judgements and estimates

This section contains the following key judgements and estimates:

Key judgements and estimates	Description
Determining if a contract is or contains a lease	<p>Timboon & District Healthcare Service applies significant judgement to determine if a contract is or contains a lease by considering if the health service:</p> <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	<p>Timboon & District Healthcare Service applies significant judgement when determining if a lease meets the short-term or low value lease exemption criteria.</p> <p>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.</p> <p>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.</p>
Discount rate applied to future lease payments	<p>Timboon & District Healthcare Service 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, Timboon & District Healthcare Service 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.</p>
Assessing the lease term	<p>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 Timboon & District Healthcare Service is reasonably certain to exercise such options.</p> <p>Timboon & District Healthcare Service determines the likelihood of exercising such options on a lease-by-lease basis through consideration of various factors including:</p> <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

		Total 2021 \$'000	Total 2020 \$'000
Note			
Current borrowings			
Lease liability ⁽ⁱ⁾	6.1 (a)	20	16
Advances from government (ii)		21	21
Total current borrowings		41	37
Non-current borrowings			
Lease liability ⁽ⁱ⁾	6.1 (a)	35	21
Advances from government (ii)		-	22
Total non-current borrowings		35	43
Total borrowings		76	80

ⁱ Secured by the assets leased.

ⁱⁱ These are secured loans which bear no interest.

How we recognise borrowings

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

Initial recognition

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

Subsequent measurement

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

Maturity analysis

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

Defaults and breaches

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

Note 6.1 (a) Lease liabilities

Timboon & District Healthcare Service's lease liabilities are summarised below:

Total undiscounted lease liabilities

Less unexpired finance expenses

Net lease liabilities

Total 2021 \$'000	Total 2020 \$'000
60	40
(5)	(3)
55	37

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

Not longer than one year

Longer than one year but not longer than five years

Longer than five years

Minimum future lease liability

Less unexpired finance expenses

Present value of lease liability

Total 2021 \$'000	Total 2020 \$'000
21	17
39	23
-	-
60	40
(5)	(3)
55	37
20	16
35	21
55	37

*** Represented by:**

- Current liabilities

- Non-current liabilities

How we recognise lease liabilities

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

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

Timboon & District Healthcare Service's lease arrangements consist of the following:

Type of asset leased	Lease term
Leased plant, equipment, furniture, fittings and vehicles	2 to 3 years

Note 6.1 (a) Lease liabilities

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 Timboon & District Healthcare Services incremental borrowing rate. Our lease liability has been discounted by rates of between 3% to 5%.

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

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

Subsequent measurement

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

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

Note 6.2 Cash and Cash Equivalents

	Total 2021 \$'000	Total 2020 \$'000
Cash on hand (excluding monies held in trust)	-	143
Cash at bank (excluding monies held in trust)	868	222
Cash at bank - CBS (excluding monies held in trust)	3,748	3,984
Total cash held for operations	4,616	4,349
Total cash and cash equivalents	4,616	4,349
7.1 (a)		

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

	Total 2021 \$'000	Total 2020 \$'000
Capital expenditure commitments		
Less than one year	234	-
Longer than one year but not longer than five years	-	-
Five years or more	-	-
Total capital expenditure commitments	234	-
Total commitments for expenditure (exclusive of GST)	234	-
Less GST recoverable from Australian Tax Office	(21)	-
Total commitments for expenditure (exclusive of GST)	213	-

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

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.

Refer to Note 6.1 for further information.

Note 7: Risks, contingencies and valuation uncertainties

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

Structure

7.1 Financial instruments

7.2 Financial risk management objectives and policies

7.3 Contingent assets and contingent liabilities

Note 7.1: Financial instruments

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

Note 7.1 (a) Categorisation of financial instruments

	Note	Financial Assets at			Financial Liabilities		Total
		Amortised Cost	\$'000	at Amortised Cost	\$'000		
Total							
30 June 2021							
Contractual Financial Assets							
Cash and Cash Equivalents	6.2	4,616		-		4,616	
Receivables and contract assets	5.1	941		-		941	
Total Financial Assetsⁱ		5,557		-		5,557	
Financial Liabilities							
Payables	5.2	-		704		704	
Borrowings	6.1	-		76		76	
Total Financial Liabilitiesⁱ		-		780		780	

Note 7.1 (a) Categorisation of financial instruments

	Note	Financial Assets at			Financial Liabilities	
		Amortised Cost	\$'000	at Amortised Cost	\$'000	Total
Total						
30 June 2020						
Contractual Financial Assets						
Cash and cash equivalents	6.2	4,349		-		4,349
Receivables and contract assets	5.1	682		-		682
Total Financial Assetsⁱ		5,031		-		5,031
Financial Liabilities						
Payables	5.2	-		545		545
Borrowings	6.1	-		80		80
Total Financial Liabilitiesⁱ		-		625		625

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

How we categorise financial instruments

Categories of financial assets

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

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

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

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

Note 7.1 (a) Categorisation of financial instruments

Financial assets at amortised cost

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

- the assets are held by Timboon & District Healthcare Service 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.

Timboon & District Healthcare Service recognises the following assets in this category:

- cash and deposits
- receivables (excluding statutory receivables)

Note 7.1 (a) Categorisation of financial instruments

Categories of financial liabilities

Financial liabilities are recognised when Timboon & District Healthcare Service 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.

Timboon & District Healthcare Service recognises the following liabilities in this category:

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

Offsetting financial instruments

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

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

Note 7.1 (a) Categorisation of financial instruments

Derecognition of financial assets

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

- the rights to receive cash flows from the asset have expired or
- Timboon & District Healthcare Service 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
- Timboon & District Healthcare Service 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 Timboon & District Healthcare Service has neither transferred nor retained substantially all the risks and rewards or transferred control, the asset is recognised to the extent of Timboon & District Healthcare Service'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, Timboon & District Healthcare Service'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, Timboon & District Healthcare Service's financial risk management program seeks to manage the risks and the associated volatility of its financial performance.

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

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

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

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

In addition, Timboon & District Healthcare Service 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, Timboon & District Healthcare Service'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 Timboon & District Healthcare Service 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 Timboon & District Healthcare Service's maximum exposure to credit risk without taking account of the value of any collateral obtained.

There has been no material change to Timboon & District Healthcare Service's credit risk profile in 2020-21.

Note 7.2 (a) Credit risk

Impairment of financial assets under AASB 9

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

Equity instruments are not subject to impairment under AASB 9. Other financial assets mandatorily measured or designated at fair value through net result are not subject to impairment assessment under AASB 9.

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

Contractual receivables at amortised cost

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

On this basis, Timboon & District Healthcare Service determines the closing loss allowance at the end of the financial year as follows:

Note 7.2 (a) Contractual receivables at amortised cost

30 June 2021		Current	Less than 1 month	1-3 months	3 months -1 year	1-5 years	Total
Expected loss rate		0.0%	0.0%	0.0%	45.0%	0.0%	
Gross carrying amount of contractual receivables		137	3	1	29	0	170
Loss allowance		-	-	-	(13)	-	(13)
30 June 2020							
Expected loss rate		0.0%	0.0%	0.0%	15.5%	0.0%	
Gross carrying amount of contractual receivables		207	5	0	13	0	225
Loss allowance		-	-	-	(2)	-	(2)

Note 7.2 (a) Contractual receivables at amortised cost

Statutory receivables and debt investments at amortised cost

Timboon & District Healthcare 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.

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

Note 7.2 (b) Liquidity risk

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

Timboon & District Healthcare Service is exposed to liquidity risk mainly through the financial liabilities as disclosed in the face of the balance sheet and the amounts related to financial guarantees. The health service manages its liquidity risk by:

- close monitoring of its short-term and long-term borrowings by senior management, including monthly reviews on current and future borrowing levels and requirements
- maintaining an adequate level of uncommitted funds that can be drawn at short notice to meet its short-term obligations
- holding contractual financial assets that are readily tradeable in the financial markets and
- careful maturity planning of its financial obligations based on forecasts of future cash flows.

Timboon & District Healthcare Service's exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment of risk. Cash for unexpected events is generally sourced from other financial assets.

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

Note 7.2 (b) Payables and borrowings maturity analysis

	Carrying Amount	Nominal Amount	Maturity Dates				
			Less than 1 Month	1-3 Months	3 months - 1 Year	1-5 Years	Over 5 years
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Total							
30 June 2021							
Payables	704	704	704	-	-	-	-
Borrowings	76	76	4	11	29	32	-
Total Financial Liabilities	780	780	708	11	29	32	-

	Carrying Amount	Nominal Amount	Maturity Dates				
			Less than 1 Month	1-3 Months	3 months - 1 Year	1-5 Years	Over 5 years
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Total							
30 June 2020							
Financial Liabilities at amortised cost							
Payables	545	545	545	-	-	-	-
Borrowings	80	80	4	11	29	36	-
Total Financial Liabilities	625	625	549	11	29	36	-

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

Note 7.2 (c) Market risk

Timboon & District Healthcare Service'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

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

- a change in interest rates of 0.5% up or down

Interest rate risk

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

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

Note 7.3: Contingent assets and contingent liabilities

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

How we measure and disclose contingent assets and contingent liabilities

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

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

Contingent assets

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

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

Contingent liabilities

Contingent liabilities are:

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

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

Note 8: Other disclosures

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

Structure

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

8.2 Responsible persons disclosure

8.3 Remuneration of executives

8.4 Related parties

8.5 Remuneration of auditors

8.6 Events occurring after the balance sheet date

8.7 Jointly controlled operations

8.8 Investments using the equity method

8.9 Equity

8.10 Economic dependency

Telling the COVID-19 story

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

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

		Total 2021 \$'000	Total 2020 \$'000
	Note		
Net result for the year		(410)	(402)
Non-cash movements:			
Depreciation and amortisation of non-current assets	4.3	974	978
Bad and doubtful debt expense	3.1	11	2
Share of net results in associates	3.4	-	(73)
Discount (interest) / expense on loan		-	1
Less cash inflow/outflow from investing and financing activities		(192)	(53)
Movements in Assets and Liabilities:			
(Increase)/Decrease in receivables and contract assets		(169)	(114)
(Increase)/Decrease in other assets		(22)	3
Increase/(Decrease) in payables and contract liabilities		38	(68)
Increase/(Decrease) in employee benefits		139	164
Net cash inflow from operating activities		369	438

Note 8.2 Responsible persons

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

	Period
The Honourable Martin Foley:	
Minister for Mental Health	1 Jul 2020 - 29 Sep 2020
Minister for Health	26 Sep 2020 - 30 Jun 2021
Minister for Ambulance Services	26 Sep 2020 - 30 Jun 2021
Minister for the Coordination of Health and Human Services: COVID-19	26 Sep 2020 - 9 Nov 2020
The Honourable Jenny Mikakos:	
Minister for Health	1 Jul 2020 - 26 Sep 2020
Minister for Ambulance Services	1 Jul 2020 - 26 Sep 2020
Minister for the Coordination of Health and Human Services: COVID-19	1 Jul 2020 - 26 Sep 2020
The Honourable Luke Donnellan:	
Minister for Child Protection	1 Jul 2020 - 30 Jun 2021
Minister for Disability, Ageing and Carers	1 Jul 2020 - 30 Jun 2021
The Honourable James Merlino:	
Minister for Mental Health	29 Sep 2020 - 30 Jun 2021
Governing Boards	
F. Carlus	1 Jul 2020 - 30 Jun 2021
T. Hutchins	1 Jul 2020 - 30 Jun 2021
A. Dejong	1 Jul 2020 - 30 Jun 2021
S. Hargraves	1 Jul 2020 - 3 Feb 2021
A. Byrne	1 Jul 2020 - 30 Jun 2021
A. Nessler	1 Jul 2020 - 30 Jun 2021
C. Murphy	1 Jul 2020 - 30 Jun 2021
M. Puli Vogels	1 Jul 2020 - 30 Jun 2021
A. Skordis	1 Jul 2020 - 30 Jun 2021
C. Stewart	1 Jul 2020 - 30 Jun 2021
B. Morden	1 Jul 2020 - 30 Jun 2021
Accountable Officers	
R. Van Wollingen (Chief Executive Officer)	1 Jul 2020 - 30 Jun 2021

Note 8.2 Responsible persons (continued)

Remuneration of Responsible Persons

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

Income Band

\$0 - \$9,999

\$180,000 - \$189,999

\$190,000 - \$199,999

Total Numbers

Total remuneration received or due and receivable by Responsible Persons from the reporting entity amounted to:

Total 2021 No	Total 2020 No
11	10
-	1
1	-
12	11
Total 2021 \$'000	Total 2020 \$'000
\$232	\$217

Note 8.3 Remuneration of executives

Remuneration of executive officers

Short-term benefits
Post-employment benefits
Other long-term benefits
Termination benefits
Total remunerationⁱ

Total Remuneration	
2021	2020
\$'000	\$'000
415	111
35	12
12	4
-	20
462	147
4	2
3.0	1.0

Total number of executives

Total annualised employee equivalentⁱⁱ

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

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

Total remuneration payable to executives during the year included were higher due to executives positions being filled in 2021.

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

Short-term employee benefits

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

Post-employment benefits

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

Other long-term benefits

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

Termination benefits

Termination of employment payments, such as severance packages.

Note 8.4: Related Parties

Timboon & District Healthcare Service is a wholly owned and controlled entity of the State of Victoria. Related parties of the health service include:

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

KMPs are those people with the authority and responsibility for planning, directing and controlling the activities of Timboon & District Healthcare Service, directly or indirectly.

Key management personnel

The Board of Directors, Chief Executive Officer and the Executive Directors of Timboon & District Healthcare Services are deemed to be KMPs.

Entity	KMPs	Position Title
Timboon & District Healthcare	F. Carlus	Board Chair
Timboon & District Healthcare	T. Hutchins	Board Member
Timboon & District Healthcare	A. Dejong	Board Member
Timboon & District Healthcare	S. Hargraves	Board Member
Timboon & District Healthcare	A. Byrne	Board Member
Timboon & District Healthcare	A. Nessler	Board Member
Timboon & District Healthcare	C. Murphy	Board Member
Timboon & District Healthcare	M. Puli Vogels	Board Member
Timboon & District Healthcare	A. Skordis	Board Member
Timboon & District Healthcare	C. Stewart	Board Member
Timboon & District Healthcare	B. Morden	Board Member
Timboon & District Healthcare	R. Van Wollingen	Chief Executive Officer
Timboon & District Healthcare	C. McGrath	Finance and Project Support Manager
Timboon & District Healthcare	T. Wines	Director of Community Health
Timboon & District Healthcare	M. Selten	Director of Clinical Services
Timboon & District Healthcare	A. Roberts	Director of Corporate Services

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

	Total 2021 \$'000	Total 2020 \$'000
Compensation - KMPs		
Short-term Employee Benefits ⁱ	626	308
Post-employment Benefits	51	26
Other Long-term Benefits	17	9
Termination Benefits	-	20
Total ⁱⁱ	694	363

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.

Note 8.4: Related Parties

Significant transactions with government related entities

Timboon & District Healthcare Service received funding from the Department of Health of \$5.3 m (2020: \$4.89 m) and indirect contributions of \$0.24 m (2020: \$0.09 m). Balances outstanding as at 30 June 2021 are \$0.14 m (2020 \$0.07 m)

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

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

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

Transactions with KMPs and other related parties

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

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

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

Note 8.5: Remuneration of Auditors

Victorian Auditor-General's Office
Audit of the financial statements
Total remuneration of auditors

Total 2021 \$'000	Total 2020 \$'000
11	11
11	11

Note 8.6: Events occurring after the balance sheet date

There are no events occurring after the Balance Sheet date.

Note 8.7 Joint arrangements

Principal Activity	Ownership Interest	
	2021 %	2020 %
South West Alliance of Rural Health (SWARH) Information Technology Services	1.65	1.65

Timboon & District Healthcare Services interest in the above joint arrangements are detailed below. The amounts are included in the consolidated financial statements under their respective categories:

	2021 \$'000	2020 \$'000
Current assets		
Cash and cash equivalents	169	143
Receivables	51	106
Prepaid expenses	11	10
Total current assets	231	259
Non-current assets		
Receivables	8	9
Property, plant and equipment	136	95
Total non-current assets	144	104
Total assets	375	363
Current liabilities		
Payables	196	234
Lease Liability	19	16
Employee Provisions	29	28
Total current liabilities	244	278
Non-current liabilities		
Lease Liability	35	21
Employee Provisions	6	5
Total non-current liabilities	41	26
Total liabilities	285	304
Net assets	90	59
Equity		
Accumulated surplus	90	59
Total equity	90	59

Note 8.7 Joint arrangements

Timboon & District Healthcare Services interest in revenues and expenses resulting from joint arrangements are detailed below:

	2021 \$'000	2020 \$'000
Revenue		
Operating Activities	299	317
Capital Purpose Income	39	16
Total revenue	338	333
Expenses		
Employee Benefits	129	144
Other Expenses from Continuing Operations	147	155
Finance Lease Charges	1	2
Depreciation	31	30
Total expenses	308	331
Revaluation of Long Service Leave	1	(3)
Net result	31	(1)

Contingent liabilities and capital commitments

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

Note 8.8 Investments accounted for using the equity method

Name of Entity	Principal Activity	Country of Incorporation	Ownership Interest		Published Fair Value	
			2021	2020	2021	2020
			%	%	\$'000	\$'000
Associates						
<i>Timboon Medical Clinic</i>	Medical Services	Australia	0	50	-	71
Total					-	71

During the 2021 financial year, Timboon & District Healthcare Service negotiated the purchase of the remaining 50% share of the Timboon Medical Clinic held by the Joint Venture partner. The Medical Practice was independently valued and settlement was completed in on 26th April, 2021.

As a result of this purchase, the Medical Clinic now forms part of Timboon & District Healthcare Service's operations and will no longer be accounted for as a Joint investment.

Note 8.9: Equity

Contributed capital

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

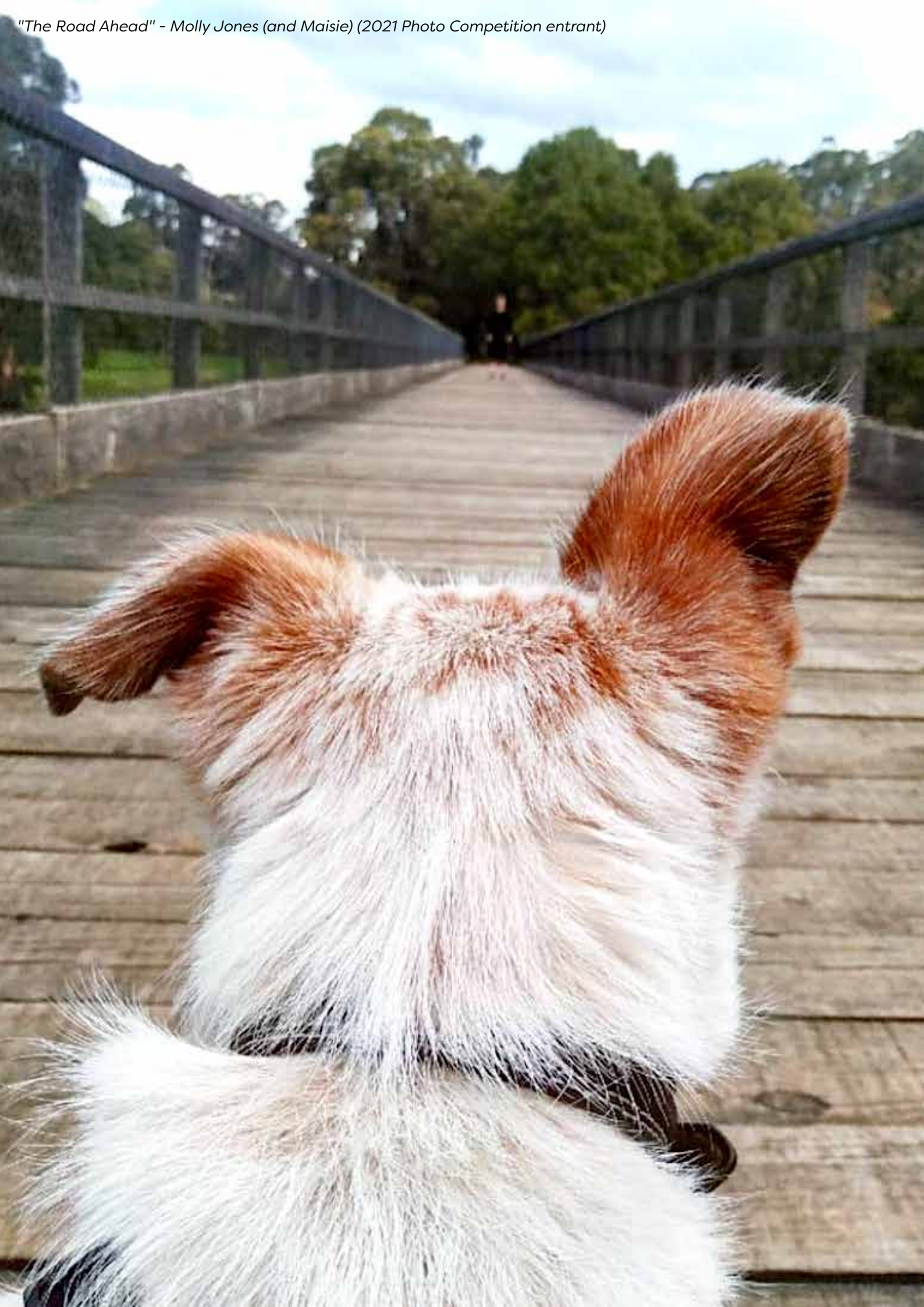
Transfers of net assets arising from administrative restructurings are treated as distributions to or contributions by owners. Transfers of net liabilities arising from administrative restructurings are treated as distributions to owners.

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

Note 8.10: Economic dependency

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

"The Road Ahead" - Molly Jones (and Maisie) (2021 Photo Competition entrant)





**TIMBOON
AND DISTRICT
HEALTHCARE
SERVICE**

"A Farmer's Day" - Natalie Morris (2021 Photo Competition entrant)

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