TIMBOON
AND DISTRICT
HEALTHCARE
SERVICE

Annual Report

2021/2022

Working Together for a Healthy Community

TIMBOON AND DISTRICT HEALTHCARE SERVICE

Acknowledgement of Traditional Owners

We acknowledge the Traditional Owners of country throughout Australia and recognise their continuing connection to land, waters and culture. We recognise that Timboon and District Healthcare Service provides care on the lands of the Eastern Maar People and we wish to acknowledge them as Traditional Owners. 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 2021/2022.

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.

CONTACT US

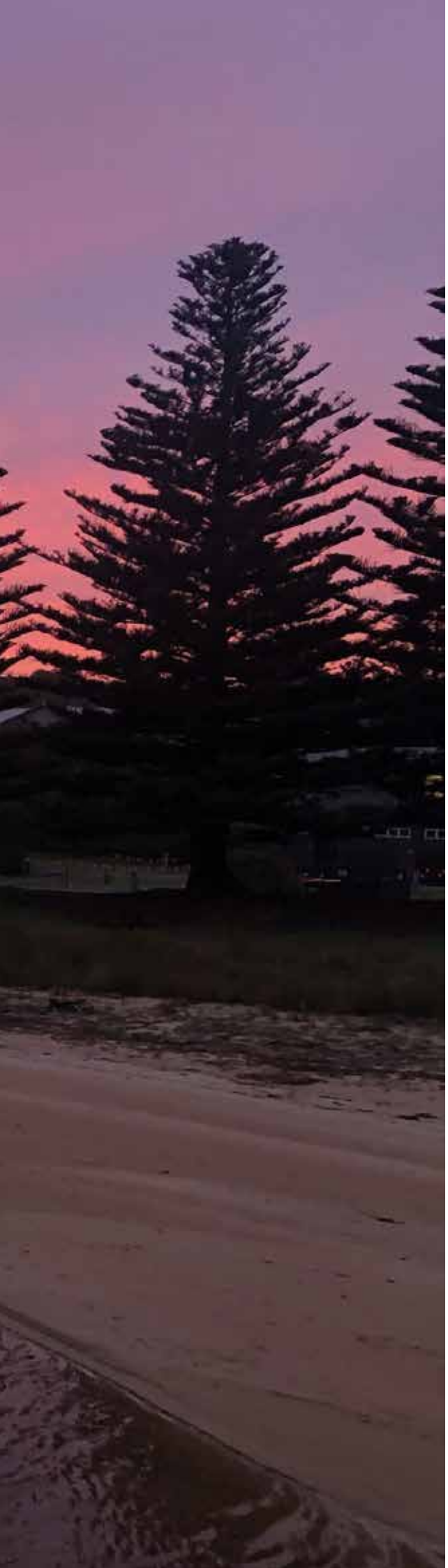
(03) 55586000

timboon@swarh.vic.gov.au

www.timboonhealthcare.com.au

www.facebook.com/tdhs.mps/

Front page: Tanya Vogels in the TDHS Exercise Gym during a session with the Exercise Physiologist.
This page: Sunrise over Campbell's Creek – Port Campbell. Image by Amanda Nash.



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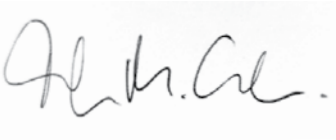
Report of Operations

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 2022.



Mr Frank Carlus
Chair, Board of Directors
Timboon and District Healthcare Service
1 September 2022

Timboon and District Healthcare Service Board members 2021/2022.
(L-R): Anne Skordis, Ashley Nesseler, Toinette Hutchins, Alison Byrne, Frank Carlus, Chris Stewart, Anthony DeJong, Claire Murphy and Bryce Morden.

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**

INTEGRITY	COMPASSION	ACCOUNTABILITY	RESPECT	EXCELLENCE
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

Timboon and District Healthcare Service (TDHS) is a Multi-Purpose Service (MPS) providing a range of health services to Timboon and surrounding areas. TDHS is established under an agreement between the Commonwealth and Victorian Governments and incorporated under the Health Services Act 1988. The healthcare service is governed by a Board of Directors who have been appointed by the Governor-in-Council upon the recommendation of the Victorian Minister for Health. The TDHS Board of Directors meets on the third Monday of the month, for a minimum of 10 meetings per year, and is currently chaired by Frank Carlus. In meeting its obligations, the Board of Directors has developed a committee structure with a specific terms of reference for each sub-committee. The sub committees of this structure are:

- Clinical Governance, Quality and Credentialing Committee - meets quarterly (minimum of 4 meetings annually)
- Audit Committee - meets quarterly (minimum of 4 meetings annually)
- Nomination and remuneration Committee (Appraises and reviews the performance of the CEO in line with contracted KPI's)
- Community Advisory Committee (2nd Wednesday, bimonthly)

Being an MPS, TDHS has a tripartite agreement between the Commonwealth, State Government and our own agency to deliver services. The State and Commonwealth funds are pooled so that we are able to respond flexibly and responsively to the challenges facing our communities in an isolated rural area. We are extremely proud of the services we provide; these are based on evidence gathered from community consultations, local demographics and population health data.

For the past 65 years the health service has been an integral part of the rural community, providing for residents of Timboon and the surrounding areas. Specifically designed to meet the needs of small and isolated rural communities, our services foster connectedness and promote engagement. Our service optimises the MPS model of care by delivering health services that encompass the identified health needs of the community.

TDHS provides acute medical, residential and community aged care and a comprehensive suite of community health services. Acute and residential aged care services are provided within 14 flexible beds and a 6 bed day-stay bed complex with an operating theatre suite and urgent care centre. Community Health Services are provided both in-house and externally through community outreach programs. Our programs are designed to improve mental and physical health and encourage ongoing, positive change. The Acute and Aged Care beds have been accredited to the NSQHS Standards as a MPS. In cases where TDHS cannot support consumers clinically the major referral services are South West Healthcare - Warrnambool (Public) and Colac Area Health (Public).

Our **Catchment Area**

The 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 region.

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 an 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 Governance

RELEVANT MINISTERS

VICTORIAN GOVERNMENT

27 June 2022 to 30 June 2022
The Hon Mary-Anne Thomas MP
Minister for Health
Minister for Ambulance Services

1 July 2021 to 27 June 2022
The Hon Martin Foley MP
Former Minister for Health
Former Minister for Ambulance Services

27 June 2022 to 30 June 2022
The Hon Gabrielle Williams MP
Minister for Mental Health

1 July 2021 to 27 June 2022
The Hon James Merlino MP
Former Minister for Mental Health

27 June 2022 to 30 June 2022
The Hon Colin Brooks MP
Minister for Disability, Ageing and Carers

6 December 2021 to 27 June 2022
The Hon Anthony Carbines MP
Former Minister for Disability, Ageing and Carers

11 October 2021 to 6 December 2021
The Hon James Merlino MP
Former Minister for Disability, Ageing and Carers

1 July 2021 to 11 October 2021
The Hon Luke Donnellan MP
Former Minister for Disability, Ageing and Carers

COMMONWEALTH GOVERNMENT

1 June 2022 to 30 June 2022
Hon Mark Butler MP – Minister for Health and Aged Care
Hon Anika Wells MP – Minister for Aged Care

1 July 2021 to 31 May 2022
Hon Greg Hunt MP - Minister for Health and Aged Care
Hon Richard Colbeck - Minister for Senior Australians and Aged Care Services
Hon Dr David Gillespie MP - Minister for Regional Health

Our **Services**

TDHS proudly provide a broad range of health services to meet the needs of our community. We provide this diverse range of services through a combination of direct care services, sub-contracted services and local and regional partnerships.

ACUTE INPATIENT

Our experienced and highly skilled professional team provide high-quality acute care services across our 14 flexible inpatient beds. With a flexible bed arrangement we can support people with acute illness, chronic disease, rehabilitative and palliative care needs.

AGED AND RESIDENTIAL CARE

We deliver residential aged care services at our facility in Timboon. Our aged care facility comprises of 4 permanent beds where members of the community, unable to remain in their homes due to health or mobility issues, can receive 24-hour professional care.

REGIONAL ASSESSMENT SERVICE (RAS)

Our experienced assessment officer reviews individuals for their care needs and supports them with care planning and management, as required.

COMMUNITY AND ALLIED HEALTH

We offer a broad range of community and allied health services to meet the needs of our community. We work with a broad range of partners to deliver diverse services, including:

- Antenatal and Postnatal
- Audiology
- Community Health Nurse
- Community Transport
- Continence Nurse
- Dental (public and private)
- Diabetes Education
- Dietetics
- District Nursing

COVID SUPPORT SERVICES

TDHS offers COVID testing and vaccination services to support our community during these changing and challenging times.

HOME SUPPORT PROGRAM

Our dedicated home support care team work across a range of services to enable people to remain independent and safe in their homes for as long as possible. These services are funded through a variety of programs and support younger people with a disability, those over 65 and Aboriginal and Torres Strait Islander people who are over 50. Our home support services include:

- Community Transport
- District Nursing
- Domestic Assistance
- Home Maintenance

NATIONAL DISABILITY INSURANCE SCHEME (NDIS)

We offer specific care services to those with a disability who are registered with the NDIS. Our NDIS services ensure individualised support for people with disability, their families and carers.

PALLIATIVE CARE

Our palliative care services support those living with and dying from a terminal condition, this can be at home or within the health service. Our compassionate and skilled staff ensure a team approach to palliative care that supports the individual, their carers, family and friends. TDHS has well-developed networks to assist with ensuring a quality end of life experience, closer to home.

PATHOLOGY

We partner with regional pathology services to collect and test specimens twice daily, Monday through Friday, and once daily, on Saturday. We foster relationships with leading experts and practitioners to ensure efficient, high-quality pathology services.

PROCEDURAL

TDHS offers day procedural services including gastroscopy and endoscopy. We have a 6 bed day-stay ward with visiting proceduralists and local anaesthetists who provide services.

RADIOLOGY

TDHS offers X-ray services delivered by our part time radiographer, to help diagnose and treat injuries.

RESPITE

We support families and carers to continue to provide care for their loved ones through the provision of respite care. Respite care is short term support to provide carers and families with a break from direct care provision of those with debilitating illness including physical, intellectual and sensory needs. Respite can be accessed either in home or at the health service.

TELEHEALTH

We utilise Telehealth services to enhance our existing service provision. This ensures our community can access specialised care, close to home, using innovative service models.

TIMBOON CLINIC

We have a dedicated team of doctors, practice nurses and friendly administrative staff who support our community to address their immediate, chronic and preventative health needs.

TRANSITION CARE PROGRAM (TCP)

TDHS partners with our sub-regional health services to provide community and bed-based services, for up to a period of 12 weeks. This assists people to recuperate after a serious illness or change in condition and aims to prevent hospitalisation and support people to remain at home for as long as possible.

URGENT CARE CENTRE

Our Urgent Care Centre ensures 24-hour assessment and care services for local medical emergencies and urgent care needs. Urgent care is delivered by a nurse led model supported by on-call medical staff.

Board Chair and CEO Report

It has been the second financial year marked by the Covid-19 Pandemic and we at TDHS have continued to be challenged by its many impacts on our community, our staff, our services and the broader health service system. It is with resilience and adaptability that we have continued to not only deliver but also develop the services we offer to our community.

We are extraordinarily proud of our staff and volunteers, who work tirelessly to ensure the continued delivery of safe, effective and high-quality care for the individuals and communities we serve. They exemplify our ICARE values of Integrity, Compassion, Accountability, Respect and Excellence. We wish to thank all our staff and volunteers for their dedication and commitment to the continued achievements of fantastic health outcomes.

This year TDHS successfully passed National Safety and Quality Health Service (NSQHS) Standards accreditation with no recommendations, a significant milestone in the life of every health service. This accreditation achievement clarifies that our systems and processes meet approved standards and provide assurance to our community, staff and stakeholders regarding our services.

During the past 12 months we have maintained a strong financial position through continued good stewardship. This puts TDHS in a strong position to implement future strategic goals and support care directions. We are pleased to have finalised key capital works, including bathroom and kitchen renovations, over the past year. These upgrades support the continued delivery of high quality, safe, effective and patient centered care.

The resumption of 100% ownership and management responsibility of the Timboon Clinic was completed, and the work to enhance its capacity and integrate its role and operations into that of the health service continues.

We are grateful for the extraordinary support from our community for our Annual Appeal which has resulted in our most successful appeal in decades, raising over $115,000 towards the purchase of a bus. The bus has been ordered and is expected to arrive by the end of the 2022. We cannot wait to get our Social Support Group participants out and about and give our community members the opportunity to see their generous contributions at work.

This year we completed the development of a Strategic Service Plan. The finalised plan provides a strong foundation and supporting rationale for our immediate and future service priorities and supports the development our next Strategic Plan (2023-2027), a process which has now commenced and will continue into the 2022-23 financial year. It presents a great opportunity for us to set strong directions for an enhanced and expanded service offering to our community, while maintaining strong sustainability and relevance.

Maintaining and enhancing the extent and quality of our engagement with you, our community, continues to be a key objective for us. We are fortunate to have strong community representation on our Board committees and an active Community Advisory Committee. In addition, a strong and active group of volunteers provide us not just with increased capability, but a strong connection to our community. We wish to extend our thanks to all our volunteers for their continued and ongoing dedication to, and support of, the health service. We couldn't do it without them.

This year the capability of the Board has been enhanced through the appointment and commencement of new Director Janelle Jakowenko. We also farewelled Bryce Morden and we thank him for his five years of service.

Board Chair and CEO Report

We are grateful for the support we have received from the State and Commonwealth governments, the Department of Health and our many service partners. In these difficult times the value of strong partnerships cannot be underestimated.

Finally, as we look back on the 2021-22 year, we are extraordinarily grateful to and humbled by the contributions from our community. We are buoyed by your ongoing dedication to the health service and look forward to our continued engagement, as we work together for a healthy community.

Frank Carlus
Chair - Board of Directors

Rebecca Van Wollingen
Chief Executive Officer

Pictured: Rebecca Van Wollingen, CEO and Frank Carlus, Board Chair, in the grounds of TDHS.

Significant Changes **in key initiatives and expectations for the future**

The TDHS Strategic Plan 2018-2023 is due to be fully delivered within the next 12 months. It is with this in mind that we have commenced the TDHS 2023-2027 Strategic Plan. The new plan will outline the key goals and objectives for the next 5 years and will support the continued delivery and development of sustainable and relevant health services to our communities.

TDHS will consult with you, our community, in mid-2022 to hear your voices and ensure they are fully embedded in the future development of the health service. The consultation will provide opportunity for feedback and discussion, will clarify expectations and confirm a shared vision for the future direction of the health service.

It is planned that the TDHS 2023-2027 Strategic Plan will be finalised and ready for implementation in mid-2023.

Dairy cows at the end of the rainbow.
Image by Sophia Healey

Year in Review

STRATEGIC PLAN: KEY ACHIEVEMENTS AND CHALLENGES

THE BELOW TABLE OUTLINES OUR CURRENT PROGRESS AGAINST THE TDHS STRATEGIC PLAN 2018-2023.

STRATEGIC OBJECTIVES	ACTIONS	DELIVERABLES	OUTCOMES
Provide integrated health and wellbeing services	Adhere to government policy directions	• Review Document Control Framework for understanding of use and value add to the organization	Completed. Full review and redevelopment of all policy and procedure, with alignment to current best practice and legislative requirements.
		• Implement guidelines and directions for COVID-19 response as per directions, legislation and guidelines	Commenced & Continuing
		• A Strategic Service Plan is developed in conjunction with external consultant to direct future service delivery	Completed
		• Support and work within the Health Service Partnership (HSP) to deliver streamlined and integrated care services across the region	Commenced & Continuing
	Increase focus on prevention, early identification and management of chronic conditions	• Dignity therapy program, providing relief from psychological and existential distress in patient at the end of life	Commenced, currently on hold due to COVID-19
		• Maintain community health promotion programs – LifeMap	Continuing
		• Maintain Parkinsons specific exercise program Parkinson's Disease Neuro	Continuing
		• Ensure access to rehabilitative and clinical exercise services via new Exercise Physiologist services to support physiotherapy	Completed & Continuing

	Build and strengthen strategic partnerships	• 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	Continuing Continuing
	Improve access and use of the health service system for consumers	• 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 the local community to purchase a bus • Improve the timeliness & appropriateness of information flow between TDHS and other service providers • Upgrade physio gym equipment with 2020 Annual Appeal donations	Completed Completed Completed Completed & Continuing Completed
	Invest in the use of innovative digital technologies	• 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)	Completed Continuing Continuing Completed Completed & Continuing Completed & Continuing Completed Commenced

	Build capacity and capability within our teams to respond to consumer directed care reforms	• Undergo NSQHS Standards Accreditation (January 2022)	Completed, full accreditation achieved with no recommendations
Contribute to the development of a Connected Community	Develop and implement a community communications and engagement strategy	• 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	Completed & Continuing Completed & Continuing
	Enhance community health literacy	• Review and update consumer focused brochures for improved promotion of health and wellbeing services • Develop a whole of organisation health literacy plan	Completed Commenced
	Promote community health and wellbeing across the lifespan with a focus on prevention	• 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	Completed & Continuing Completed & Continuing Completed & Continuing Completed & Continuing Completed & Continuing
	Expand health promotion activities with a specific focus on health behaviours and risk factors	• Increase media presence in alignment with designed formal media plan	Completed & Continuing

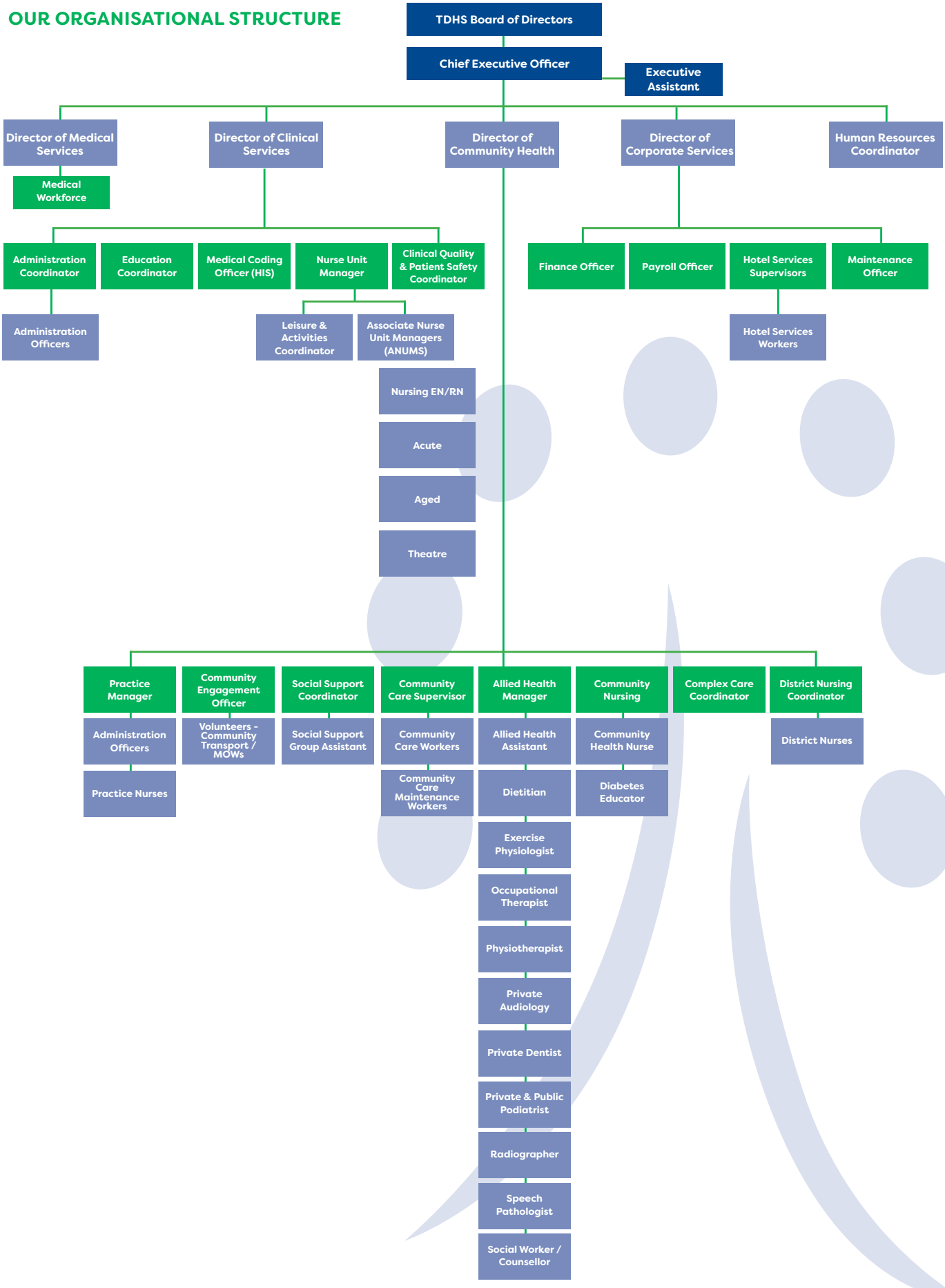
	Further diversify and extend partnerships with community groups and non-health organisations to facilitate community engagement, aligned effort and better health outcomes	• Strengthen community partnerships including philanthropic opportunities and events to share TDHS service information	Completed & Continuing
	Actively seek community feedback	• Establish Feedback Review and Evaluation (FRE) Committee and upgrade feedback stations for better accessibility • Continue partnership with community via Consumer Advisory Committee • Action gap analysis of Community Advisory Committee actions against best practice and create action plan for implementation • Implement consumer participation on organisational committees	Completed & Continuing Continuing Completed & Continuing Completed & continuing including introduction of Community Member on the Clinical Governance, Quality and Credentialing Committee
Maintain and enhance our skilled and engaged workforce	Develop and implement a people and culture strategy	• An informative and engaging staff portal is developed to support staff wellness and education • 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	Completed & Continuing Completed Commenced & Continuing Completed & Continuing Completed

	Invest in workforce training and development	• 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 Health Service 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	Completed & Continuing Completed & Continuing Commenced Completed
Strengthen Organisational Leadership	Continue to ensure best practice clinical governance	• Commence planning and development of the 2023-2027 Strategic Plan • 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	Commenced Completed & Continuing Commenced Completed
	Enhance focus on quality and safety through continuous quality improvement	• 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 • Comprehensive review of TDHS Risk Register	Completed Commenced Completed & Continuing
	Provide continued sound financial and sustainable organisational stewardship	• Consolidate Integrity Governance Framework review and actions • Implement Preventative Maintenance schedule in line with existing service offerings • Develop five year capital plan • TDHS is consolidating all properties and conducting a review of future service needs identified in the strategic service plan	Completed & Continuing Completed & Continuing Commenced Continuing

	Seek additional funding sources to augment service offering	• Complete review of state health, federal health and other bodies re potential Grant & Funding opportunities • Apply for available grants and funding opportunities as appropriate	Commenced & Continuing Completed & Continuing
	Advocate for and promote the value and benefits of the MPS model	• Actively participate and lead MPS Collective in partnership with Victorian Healthcare Association	Continuing
	Explore shared governance and support arrangements, within our region, to maximise service flexibility, quality and efficiency.	• Investigate governance resources for Allied Health • Actively participate in regional governance forums • Implement Regional Director Of Medical Service contract and service provision arrangements	Completed Completed & Continuing Completed

Organisational **Structure**

OUR ORGANISATIONAL STRUCTURE



Our **Board of Directors**

BOARD OF DIRECTORS

TDHS's Board of Directors is responsible for the governance of TDHS, including:

- 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
Frank Carlus
First appointed: 01 July 2019
Current term of appointment:
01 July 2021 - 30 June 2024

Vice Chair
Alison Byrne
First appointed: 01 July 2020
Current term of appointment:
01 July 2021 - 30 June 2024
Consumer Advisory Committee Board Representative and Co-Chair

Vice Chair
Chris Stewart
First appointed: 01 July 2017
Current term of appointment:
01 July 2020 - 30 June 2023

Board Members
Anne Skordis
First appointed: 01 July 2017
Current term of appointment:
01 July 2019 – 30 June 2022

Anthony DeJong
First appointed: 01 July 2019
Current term of appointment:
01 July 2021 – 30 June 2024
Chair Audit Committee:
01 July 2021 – 30 June 2022

Ashley Nesseler
First appointed: 01 July 2019
Current term of appointment:
01 July 2019 – 30 June 2022

Claire Murphy
First appointed: 01 July 2017
Current term of appointment:
01 July 2020 – 30 June 2023

Janelle Jakowenko
First appointed: 08 March 2022
Current term of appointment:
08 March 2022– 30 June 2024

Toinette Hutchins
First appointed: 01 July 2018
Current term of appointment:
01 July 2021 – 30 June 2024
Chair Clinical Governance, Quality and Credentialing Committee: 01 July 2021 – 30 June 2022

RESIGNATIONS:
Bryce Morden
First appointed: 01 July 2016
Mr Morden resigned on 22 October 2021

Board Director – Janelle Jakowenko joined the Board in March 2022

Our **Committee Structure**

THE BOARD OF DIRECTORS HAS ESTABLISHED A COMMITTEE STRUCTURE WITH TERMS OF REFERENCES TO ASSIST IN MEETING ITS OBLIGATIONS. TDHS CONTINUES TO KEEP THE COMMUNITY INVOLVED IN ITS GOVERNANCE, WITH TWO OF THE FOUR BOARD SUB-COMMITTEES INCLUDING AT LEAST ONE CONSUMER REPRESENTATIVE AS A MEMBER.

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 two community representatives.	• Anthony DeJong (Chair) All Board Members are members of this committee. Consumer Representatives: • Josh McKenzie • Matt Hoffman
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: • Medical Consultative Committee • Community Health Committee	• Toinette Hutchins (Chair) All Board Members are members of this committee • Heather Bullen (Consumer Representative until 13 December 2021)
Nomination and Remuneration Committee	Appraises and reviews the Chief Executive Officer's performance regularly in line with contracted key performance indicators.	• Frank Carlus (Chair) • Anne Skordis • Bryce Morden (until 22 October) • Anthony DeJong • Ashley Nesseler
Consumer Advisory Committee (CAC)	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 until December 2021) • Bronwyn Rantall (Chair from January 2022) • Alison Byrne (Board Representative and Co-Chair) • Scott Munro • Simone Renyard • Bobbie French • Ellen Podbury • Emily Morden (until December 2021) • Kira Gordon (from January 2022)

Our **Executive Team**

TDHS's executive team reports to the Board of Directors via the Chief Executive Officer (CEO). The executive team bring a diverse range of skills to support the CEO in the delivery and evaluation of safe, effective and person-centered care. The executive team meet on a weekly basis, with formal monthly leadership meetings held to ensure effective management and achievement of TDHS's outlined strategic goals and vision.

CHIEF EXECUTIVE OFFICER

Rebecca Van Wollingen

Qualifications: BN (RN), MPH, MBA, AFACHSM

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

DIRECTOR OF CLINICAL SERVICES

Michelle Selten - Interim DCS (from September 2020 to September 2021)

Qualifications: DipAppSci (RN)

Anna Reilly (from October 2021)

Qualifications: BN (RN), GDipMidwifery, GDipNursPrac(CritCare), MNurs(ClinEd), AdDipMgt

The Director of Clinical Services (DCS) is responsible for leading the Nursing, Quality, Education and Reception teams to ensure a culture of patient centered care that is individualised, safe and responsive.

DIRECTOR OF CORPORATE SERVICES

Ashley Roberts

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

Qualifications: BAppSci

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

Our **Workforce**

Working together

for a healthy community

122 Employees

67.21% Direct Contact Clinicians

8.2% *Male*

91.8% *Female*

89% Casual/ Part Time

62 Volunteers

23 New staff members

7.24 years Average Length of Service

48.4 years Average Age

HOSPITALS LABOUR CATEGORY	JUNE CURRENT MONTH FTE		AVERAGE MONTHLY FTE	
	2022	2021	2022	2021
Nursing	25.3	23.1	24.4	22.4
Administration and Clerical	18.6	17.0	18.3	13.0
Medical Support	1.6	1.6	1.6	1.6
Hotel and Allied Services	19.2	17.6	18.5	17.7
Ancillary Staff (Allied Health)	1.8	1.5	1.7	1.3

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, contactors and other persons visiting the premises.

Ongoing staff education has seen growth in the awareness of the importance of reporting incidents including near misses. The ongoing support of the Incident Review and Evaluation Committee and Occupational Health and Safety has assisted with improving access to reporting processes and in holding Managers and Executive responsible for ensuring investigative reviews and corrective actions are undertaken.

During 2021-22 TDHS maintained three designated work groups (DWG) across the organisation, being Clinical, Community and Non-Clinical, 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 our Occupational Health & Safety policy and procedures. Ongoing training is offered to HSR's as recognised by WorkSafe Victoria to further assist them with their functions.

OCCUPATIONAL HEALTH & SAFETY	2021-22	2020-21	2019-20
Number of reported hazards/incidents for the year per 100 FTE	347	299	478
Number of 'lost time' standard claims for the year per 100 FTE	2	0	0
Average cost per claim for the year	$1,411.18	$235.40	$0

OCCUPATIONAL VIOLENCE STATISTICS	2021-22	2020-21
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	7	3
Number of occupational violence incidents reported per 100 FTE	11.25	5.4
Percentage of occupational violence incidents resulting in a staff injury, illness or condition	0	0

DEFINITIONS OF OCCUPATIONAL VIOLENCE

- **Accepted Workcover claims** – accepted Workcover claims that were lodged in 2021-2022.
- **Incident** – an event or circumstance that could have resulted in, or did result in, harm to an employee. Incidents of all severity rating must be included. Code Grey reporting is not included, however, if an incident occurs during the course of a planned or unplanned Code Grey, the incident must be included.
- **Injury, illness or condition** – this includes all reported harm as a result of the incident, regardless of whether the employee required time off work or submitted a claim.
- **Lost time** – is defined as greater than one day.
- **Occupational violence** – any incident where an employee is abused, threatened or assaulted in circumstances arising out of, or in the course of their employment.

HEART OF TDHS SERVICE AND VOLUNTEER AWARDS

TDHS held its fourth annual Heart of TDHS ICARE Awards on the 2nd of March 2022. Our awards night is held annually, in early March, to commemorate the first patients received by the health service on the 5th March in 1956. For the second year, due to COVID-19 restrictions, the event was held via Zoom.

The annual Heart of TDHS ICARE Awards are an opportunity to celebrate our staff and volunteers and recognise major service achievements, such as Long Service Awards and Life Governorship. The event also celebrates a volunteer and a staff member, as recognised by their peers, for going above and beyond the TDHS ICARE values of Integrity, Compassion, Accountability, Respect and Excellence. These awards are the Outstanding Service Volunteer Award and the ICARE Dr Peter Fox Award.

SERVICE AWARDS

Recipients of Long Service Awards for the 2021/2022 financial year will be celebrated at next year's award ceremony and include:

• Janet Goodall	10 years
• Naomi Lewis	10 years
• Jenna Hanel	10 years
• Sue Matthews	10 years
• Tania McKenzie	10 years
• Toni-Anne McLennan	10 years
• Daryl Spencer	10 years
• Fiona Hanel	15 years
• Julia Gale	20 years
• Tricia Klemm	25 years
• Heather Power	25 years
• Julie Harkin	30 years
• Corry Kerr	45 years

LIFE GOVERNORS

The TDHS Life Governor Award recognises people who have freely provided significant contribution or meritorious service to TDHS. During this financial year no additional Life Governors were recognised. TDHS would like to thank all our Life Governors, past and present, for their amazing efforts and selflessness in contributing to TDHS and our community.

OUTSTANDING SERVICE VOLUNTEER AWARD

This award recognises the most outstanding services of a volunteer, as nominated by their peers.

TDHS is grateful for all our dedicated volunteers and this Volunteer Award is for the most Outstanding Service as a Volunteer. The award is nominated based on recognition of an exceptional display of our ICARE values – Integrity, Compassion, Accountability, Respect and Excellence.

Community Transport and Social Support Group volunteer, Linda Pender, was the recipient of the 2022 Volunteer Award. Linda was nominated by her peers, because of her positive, bright, and cheerful attitude, showing how much she enjoys helping others. One person wrote: "Linda is always positive and understanding of peoples' needs and feelings and is always willing to help."

Linda said volunteering is something she loves doing. "I like helping others and love listening to the clients' stories as I drive them to their appointments or help them out at Social Support Group. We share jokes and a laugh and so we brighten each other's day, and you know they really appreciate what you're doing for them."

"I'm very surprised and honoured to receive this award and would like to thank the people who voted for me, and I also want to thank TDHS for giving me this volunteer opportunity. I hope one day someone will do the same thing for me when I need it."

2022 Volunteer Award winner Linda Pender (right) with Community Engagement Officer and Volunteer Coordinator Sabine McKenzie.

ICARE PETER FOX STAFF AWARD

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

Our ICARE values are:

- Integrity
- Compassion
- Accountability
- Respect
- Excellence

Dr Peter Fox at work in his surgery, at the Community Health Centre, 1979.

We have named this award after Dr Peter Fox, who in his career, consistently went above and beyond for our community and our healthcare service. Prior to Timboon Hospital being established he travelled around 24,000 miles per year over uncomfortable country roads any time of the year and worked long hours. In a 1991 newspaper article, he recalled one astoundingly busy day when he saw a total of 98 patients: "At that time there was a flu epidemic. I drove about 200 miles that day and returned home and finished off with an appendix (operation) at midnight. I remember it as the sort of day I wouldn't have liked to repeat." Dr Fox serviced our community for over 50 years and his work defines the history of our healthcare service as without him it probably would not have been built.

The ICARE Peter Fox Staff Award recipient for 2022 was Graduate Registered Nurse Sandith Kep.

Sandith said he felt honoured to receive the award. "I am grateful for working at TDHS. Nursing gives me the opportunity to meet people from different walks of life and to care for people when they are most vulnerable." He thanked the TDHS team for welcoming him and supporting him in his graduation year.

Peers who nominated Sandith wrote: "Sandith is a gentleman of complete integrity. He shows compassion through kind words and actions and his very gentle approach. Sandith treats consumers and their family and carers with dignity, and he offers personalised care and choice.

TDHS congratulates our award recipients and recognises the hard work, dedication, commitment and enthusiasm, but above all, the resilience of all our staff and volunteers that make up our wonderful healthcare service.

TDHS's 2021 ICARE Dr Peter Fox Staff Award winner Corry Kerr (left) and Dr Peter Fox's son John Fox (right) with 2022 winner Sandith Kep at the surprise presentation on 2 March 2022.

Our **Generous Community**

OUR VOLUNTEERS

"Unselfish and noble actions are the most radiant pages in the biography of souls."
-David Thomas

TDHS recognises, celebrates and thanks all of its volunteers for their dedicated hard work, time commitments, energy and support. Their contributions to our service are invaluable and we could not operate fully without them. We continue to be humbled by the generosity and willingness of our volunteers to dedicate and commit themselves to TDHS and our community.

The spirit of volunteering continues strengthen our community. TDHS is grateful for the generosity and commitment of all our volunteers and we look forward to continuing to work together for a healthy community.

OUR LIFE GOVERNORS

TDHS Board of Directors bestows the Life Governor Award on those who have made a valuable, commendable and significant contribution to TDHS. We would like to extend our continued thanks and recognition of our Life Governors. Our current Life Governors include:

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

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	85%	86%
Percentage of Healthcare Workers Immunised for Influenza	92%	100%
Victorian Health Experience Survey – patient experience	95%	Full Compliance*
Victorian Health Experience Survey – discharge care	75%	Full Compliance*

* Results suppressed due to less than 30 responses

GOVERNANCE AND LEADERSHIP

KEY PERFORMANCE INDICATOR	TARGET	RESULT
People Matter Survey – percentage of staff with a positive response to safety culture questions	62%	74%

FINANCIAL SUSTAINABILITY

KEY PERFORMANCE INDICATOR	TARGET	RESULT
Operating Result ($m)	0.000m	0.10m
Trade Creditors	60 Days	27 Days
Patient Fee Debtors	60 Days	39 Days
Adjusted Current Asset Ratio	0.7	2.66
Number of Days Available Cash	14 Days	166 Days

FUNDED FLEXIBLE AGED CARE PLACES

CAMPUS	NUMBER
Flexible High Care	14

UTILISATION OF FLEXIBLE AGED CARE PLACES

CAMPUS	NUMBER	OCCUPANCY LEVEL %
Flexible High Care	4	23%
Respite	2	183%**
Total	6	

** Higher number of respite recorded as consumers were transitioning into flexible high care beds during the reporting period.

ACUTE CARE

SERVICE	TYPE OF ACTIVITY	ACTUAL 2021-22	ACTUAL 2020-21
Medical Inpatients	Bed days	1,351	1,002
Urgent Care	Presentations	1,298	1,692
Radiology	Number of clients	241^	214^

^Significantly impacted by Covid-19

PRIMARY HEALTH CARE

SERVICE	TYPE OF ACTIVITY	ACTUAL 2021-22	ACTUAL 2020-21
Community Health Nursing	Hours of Service	30*	298
Community Midwife	Hours of Service	0#	84
Continence Services	Hours of Service	39	25
Diabetes Education	Hours of Service	87	44
Dietetics	Hours of Service	102	80
District Nursing Service	Hours of Service	1,428	1,884
Exercise Classes	Occasions of Service	1,144	1,218^
Exercise Physiology	Hours of Service	625	0
Occupational Therapy	Hours of Service	66	111
Physiotherapy	Hours of Service	183	214
Podiatry	Hours of Service	63	94
Social Work	Hours of Service	89	134
Speech Pathology	Hours of Service	0~	40

* Services integrated into the Timboon Clinic under Practice Nursing. Community Health Nursing to be removed in the 2022-23 Annual Report.
#Community Midwife was serviced via the acute wards. Numbers not represented in this report.
~ Position unfilled for 2021-22
^Significantly impacted by Covid-19

COMMUNITY CARE

SERVICE	TYPE OF ACTIVITY	ACTUAL 2021-22	ACTUAL 2020-21
Delivered Meals	Number of Meals	9,181	10,569
Domestic Assistance	Hours of Service	5,430	5,917
Personal Care	Hours of Service	2,511	3,063
In-home Respite	Hours of Service	344	768
Property Maintenance	Hours of Service	983	1,135
Social Support Group	Hours of Service	1,687^	1,169^
Community Transport	Hours of Service	653	470^
District Nursing	Hours of Service	1,428	1,884

^Significantly impacted by COVID-19

Our **Donors**

This year we look back with gratitude for our community and local businesses for their response to our call for financial support. This year TDHS received unprecedented donations, in response to our 2021 Annual Appeal which aimed to raise funds for a bus.

Out of respect for the privacy of our donors, individual contributions are not stated in this annual report. We extend a very sincere and warm thank you to all the individuals, local groups and businesses for their continued support and belief in TDHS.

DONATIONS	21/22 FY	ANNUAL APPEAL TO DATE
2021 Annual Appeal (Bus)	$ 32,678.07	$ 73,857.22
2022 Annual Appeal (Training Equipment)	$ 17,506.98	
Donations and Bequests	$ 7,280.00	
Total donations in 21/22:	**$ 57,465.05**	

For noting: Annual Appeal begins in May and continues through to November. The appeal amounts are total for calendar year at date of publication.

Thank You - The wheels of the bus are soon to go round and round thanks to generous community support

Financial **Information**

5 YEAR FINANCIAL SUMMARY	$000	$000	$000	$000	$000
	2022	**2021**	**2020**	**2019**	**2018**
OPERATING RESULT	97	471	471	353	341
Total Revenue	9,423	8,908	8,058	7,761	7,403
Total Expenses	10,200	9,440	8,494	7,778	7,557
Net Result from Transactions	**(777)**	**(532)**	**(436)**	**(17)**	**(154)**
Total other economic flows	(227)	122	34	58	59
Net Result	**(1,004)**	**(410)**	**(402)**	**41**	**(85)**
Total Assets	23,683	17,863	17,886	18,234	17,943
Total Liabilities	3,061	2,463	2,076	2,005	1,796
Net Assets/Total Equity	**20,622**	**15,400**	**15,810**	**16,229**	**16,147**

RECONCILIATION OF NET RESULT	$000
	2022
Net operating result	**97**
Capital purpose income	95
COVID 19 State Supply Arrangements	
- Assets received free of charge or for nil consideration under the State Supply	122
State supply items consumed up to 30 June 2020	(122)
Depreciation and amortisation	(969)
Net result from transactions	**(777)**

Current Financial Year in Review

Financial Analysis of Operating Revenues and Expenses

TDHS ended the 2021-22 financial year with an operating result of $97,000 in surplus compared to a result of $471,000 in the previous year. The surplus reduced due to increased employee costs including increased leave expenditure as Victoria came out of lockdown, along with increased sick leave arising from the ongoing impacts of the Covid-19 pandemic and increased overtime backfill costs. A partial offset arises as balance sheet liabilities for accrued leave reduce.

Significant Changes in Financial Position during the Year

The adjusted current asset ratio at 30 June 2022 has declined slightly to 2.66 (2020-21 3.45), reflecting slight increases in creditors held, provisions and the recognition of deposit liabilities. The ratio indicates the health service is in a strong financial position, with adequate cash reserves to meet liabilities as they fall due, and remains significantly above the Small Regional Health Service average of 1.18.

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 2021-22, the health service aimed to achieve a small deficit budget from operations of $15,000. The service actually achieved a surplus of $97,000 due to higher than anticipated funding from Government and joint venture revenue from associates (SWARH).

CONSULTANCIES

Details of consultancies (under $10,000)

In 2021-22, there were two consultancies where the total fees payable to the consultants were less than $10,000. The total expenditure incurred during 2021-22 in relation to these consultancies is $5,644.00 (excl. GST).

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

In 2021-22, there were three consultancies where the total fees payable to the consultants were $10,000 or greater. Details as follows:

CONSULTANCIES CONTINUED

CONSULTANT	PURPOSE OF CONSULTANCY	START DATE	END DATE	TOTAL APPROVED PROJECT FEE (EXCLUDING GST)	EXPENDITURE 2021 - 22 (EXCLUDING GST	FUTURE EXPENDITURE (EXCLUDING GST
Porter Novelli Australia Pty Ltd	Strategic Planning	April 2022	May 2022	$10,700	$10,700	$0
Aspex Consulting Pty Ltd	Communications Strategic Service Planning	June 2021	June 2022	$62,074	$46,555	$0
PivotSpace Pty Ltd	Strategic Planning	February 2022	May 2022	$36,300	$36,300	$0

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

The total ICT expenditure incurred during 2021-22 is $0.44 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)
0.395	0.045	0.003	0.042

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 TDHS. 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 2021-22 TDHS received 10 freedom of information requests 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 2021/22 financial year there were no disclosures received by TDHS and no notification of disclosure was made to the Ombudsman or other external agency.

NATIONAL COMPETITION POLICY VICTORIA

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

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 centered 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	2021-22	2020-21	2019-20
Total greenhouse gas emissions (tonnes CO2e)			
Scope 1	36	36	34
Scope 2	299	277	276
Emissions per unit of floor space (kgCO2e/m2)	98.88	92.18	91.54
Total energy consumed (GJ)			
Electricity	1184	1,016	974
Liquefied Petroleum Gas	591	591	566
Energy per unit of floor space (GJ/m2)	0.52	0.47	0.45
Total energy generated (GJ)			
Solar Power	219	195	239
Total water consumption (kL)			
Potable Water	1,425	1,262	1,505
Water per unit of floor space (kL/m2)	0.42	0.37	0.44
Waste (kg)			
Total waste generated	8,678	8,437	8,166
Total waste to landfill generated	4,187	4,087	4,058
Recycling rate %	54.38	53.59	52.16

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, 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.

LOCAL JOBS FIRST ACT 2003 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:

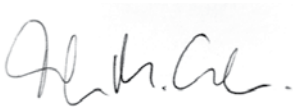
- promote, encourage and facilitate the achievement of gender equality and improvement in the status of women
- support the identification and elimination of systemic causes of gender inequality in policy, programs and delivery of services in workplaces and communities
- recognise that gender inequality 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 comply with the Act and submitted a Gender Equality Action Plan (GEAP) in June 2022. Strategies and measures of the GEAP were informed by a workplace gender audit that analysed 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. TDHS will conduct 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 TDHS 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, to support equitable outcomes.

Attestations & Declarations

FINANCIAL MANAGEMENT COMPLIANCE ATTESTATION

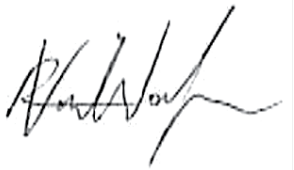
I, Frank Carlus, on behalf of the Responsible Body, certify that Timboon and District Healthcare Service has no Material Compliance Deficiency with respect to the applicable Standing Directions under the Financial Management Act 1994 and Instructions.



Frank Carlus
Board Chair
Timboon and District Healthcare Service
Date: 17 August 2022

DATA INTEGRITY DECLARATION

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

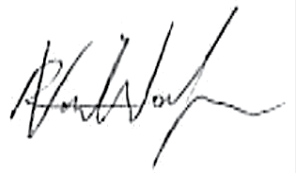


Rebecca Van Wollingen
Chief Executive Officer
Timboon and District Healthcare Service
Date: 17 August 2022

Declarations

CONFLICT OF INTEREST DECLARATION

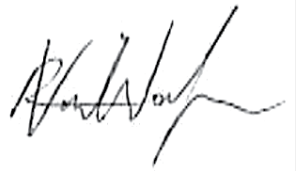
I, Rebecca Van Wollingen, certify that Timboon and District Healthcare Service has put in place appropriate internal controls and processes to ensure that it has complied with the requirements of hospital circular 07/2017 Compliance reporting in health portfolio entities (Revised) and has implemented a 'Conflict of Interest' policy consistent with the minimum accountablilities required by the VPSC. Declaration of private interest forms have been completed by all executive staff within Timboon and 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 exectutive Board meeting.



Rebecca Van Wollingen
Chief Executive Officer
Timboon and District Healthcare Service
Date: 17 August 2022

INTEGRITY, FRAUD AND CORRUPTION DECLARATION

I, Rebecca Van Wollingen, certify that Timboon and 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 and District Healthcare Service during the year.



Rebecca Van Wollingen
Chief Executive Officer
Timboon and District Healthcare Service
Date: 17 August 2022

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 22	Manner of establishment and the relevant Ministers	4, 7
FRD 22	Purpose, functions, powers and duties	3-4
FRD 22	Nature and range of services provided	8-9
FRD 22	Activities, programs and achievements for the reporting period	13-18
FRD 22	Significant changes in key initiatives and expectations for the future	10-11
MANAGEMENT AND STRUCTURE		
FRD 22	Organisational structure	19
FRD 22	Workforce data, employment and conduct principles	3, 23-27
FRD 22	Occupational Health & Safety	24-25
FINANCIAL INFORMATION		
FRD 22	Summary of the financial results for the year	32
FRD 22	Significant changes in financial position during the year	33
FRD 22	Operational and budgetary objectives and performance against objectives	29-30
FRD 22	Subsequent events	N/A
FRD 22	Details of consultancies under $10,000	33
FRD 22	Details of consultancies over $10,000	33-34
FRD 22	Disclosure of ICT expenditure	34
LEGISLATION		
FRD 22	Application and operation of Freedom of Information Act 1982	35
FRD 22	Compliance with building and maintenance provision of Building Act 1993	35
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Financial Statements

Financial Statements
Financial Year ended 30 June 2022

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

The attached financial statements for 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 2022 and the financial position of Timboon & District Healthcare Service at 30 June 2022.

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

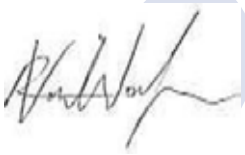
We authorise the attached financial statements for issue on 1 September 2022.

Board member

Mr Frank Carlus
Chair

Timboon
1 September 2022

Accountable Officer



Ms Rebecca Van Wollingen
Chief Executive Officer

Timboon
1 September 2022

Chief Finance & Accounting Officer

Mr Ashley Roberts
Chief Finance and Accounting Officer

Timboon
1 September 2022

Independent Auditor's Report

Victorian Auditor-General's Office

To the Board of Timboon and District Healthcare Service

Opinion	I have audited the financial report of Timboon and District Healthcare Service (the health service) which comprises the: • Balance Sheet as at 30 June 2022 • Comprehensive Operating Statement for the year then ended • Statement of Changes in Equity for the year then ended • Cash Flow Statement for the year then ended • Notes to the Financial Statements, including significant accounting policies • Board member's, accountable officer's, and chief finance & accounting officer's declaration. In my opinion the financial report presents fairly, in all material respects, the financial position of the health service as at 30 June 2022 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 7 of the *Financial Management Act 1994* and applicable Australian Accounting Standards.
Basis for Opinion	I have conducted my audit in accordance with the *Audit Act 1994* which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report. My independence is established by the *Constitution Act 1975.* My staff and I are independent of the health service in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.
Board's responsibilities for the financial report	The Board of the health service is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the *Financial Management Act 1994*, and for such internal control as the Board determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error. In preparing the financial report, the Board is responsible for assessing the health service's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.

Level 31 / 35 Collins Street, Melbourne Vic 3000
T 03 8601 7000 enquiries@audit.vic.gov.au www.audit.vic.gov.au

Auditor's responsibilities for the audit of the financial report

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

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

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

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

MELBOURNE
16 September 2022

Dominika Ryan
as delegate for the Auditor-General of Victoria

Timboon & District Healthcare Service
Comprehensive Operating Statement
For the Financial Year Ended 30 June 2022

	Note	Total 2022 $'000	Total 2021 $'000
Revenue and income from transactions			
Operating activities	2.1	9,409	8,892
Non-operating activities	2.1	14	16
Total revenue and income from transactions		**9,423**	**8,908**
Expenses from transactions			
Employee expenses	3.1	(7,077)	(6,398)
Supplies and consumables	3.1	(514)	(441)
Finance costs	3.1	(1)	(1)
Depreciation and amortisation	3.1	(969)	(974)
Other administrative expenses	3.1	(1,062)	(1,061)
Other operating expenses	3.1	(574)	(563)
Total Expenses from transactions		**(10,200)**	**(9,440)**
Net result from transactions - net operating balance		**(777)**	**(532)**
Other economic flows included in net result			
Net gain/(loss) on sale of non-financial assets	3.2	(269)	-
Net gain/(loss) on financial instruments	3.2	(2)	(13)
Share of other economic flows from joint arrangements	3.2	-	68
Other gain/(loss) from other economic flows	3.2	44	67
Total other economic flows included in net result		**(227)**	**122**
Net result for the year		**(1,004)**	**(410)**
Other comprehensive income			
Items that will not be reclassified to net result			
Changes in property, plant and equipment revaluation surplus	4.1(b)	6,226	-
Total other comprehensive income		**6,226**	**-**
Comprehensive result for the year		**5,222**	**(410)**

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

Timboon & District Healthcare Service
Balance Sheet
As at 30 June 2022

	Note	Total 2022 $'000	Total 2021 $'000
Current assets			
Cash and cash equivalents	6.2	4,845	4,616
Receivables and contract assets	5.1	329	372
Prepaid expenses		100	153
Total current assets		**5,274**	**5,141**
Non-current assets			
Receivables and contract assets	5.1	823	588
Property, plant and equipment	4.1 (a)	17,327	11,875
Intangible assets	4.3	259	259
Total non-current assets		**18,409**	**12,722**
Total assets		**23,683**	**17,863**
Current liabilities			
Payables and contract liabilities	5.2	953	739
Borrowings	6.1	21	41
Employee benefits	3.3	1,662	1,532
Other liabilities	5.3	220	-
Total current liabilities		**2,856**	**2,312**
Non-current liabilities			
Borrowings	6.1	27	35
Employee benefits	3.3	178	116
Total non-current liabilities		**205**	**151**
Total liabilities		**3,061**	**2,463**
Net assets		**20,622**	**15,400**
Equity			
Property, plant and equipment revaluation surplus	4.2	12,950	6,724
Contributed capital	SCE	4,610	4,610
Accumulated surplus	SCE	3,062	4,066
Total equity		**20,622**	**15,400**

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 2022

Total	Note	Property, Plant and Equipment Revaluation Surplus $'000	Contributed Capital $'000	Accumulated Surplus $'000	Total $'000
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**
Net result for the year		-	-	(1,004)	(1,004)
Other comprehensive income for the year		6,226	-	-	6,226
Balance at 30 June 2022		**12,950**	**4,610**	**3,062**	**20,622**

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 2022

	Note	Total 2022 $'000	Total 2021 $'000
Cash Flows from operating activities			
Operating grants from government		7,120	7,119
Capital grants from government - State		37	106
Capital grants from government - Commonwealth		26	-
Patient fees received		684	750
Private practice fees received		596	162
Interest and investment income received		14	16
Commercial Income Received		159	146
Other receipts		363	184
Total receipts		**8,999**	**8,483**
Employee expenses paid		(6,816)	(6,149)
Payments for supplies and consumables		(168)	(323)
Payments for medical indemnity insurance		(79)	(59)
Payments for repairs and maintenance		(303)	(205)
Finance Costs		(1)	(1)
GST (paid)/received to/from Australian Taxation Office		5	15
Other payments		(1,204)	(1,392)
Total payments		**(8,566)**	**(8,114)**
Net cash flows from/(used in) operating activities	8.1	**433**	**369**
Cash Flows from investing activities			
Purchase of property, plant and equipment		(467)	(206)
Capital donations and bequests received		57	63
Other capital receipts		11	129
Cash Received in acquisition of Medical Practice		-	243
Purchase of Medical Practice		-	(327)
Proceeds from disposal of property, plant and equipment		3	-
Net cash flows from/(used in) investing activities		**(396)**	**(98)**
Cash flows from financing activities			
Repayment of borrowings		(28)	(4)
Receipt of accommodation deposits		220	-
Net cash flows from /(used in) financing activities		**192**	**(4)**
Net increase/(decrease) in cash and cash equivalents held		**229**	**267**
Cash and cash equivalents at beginning of year		4,616	4,349
Cash and cash equivalents at end of year	6.2	**4,845**	**4,616**

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

Timboon & District Healthcare Service
Notes to the Financial Statements
For the Financial Year Ended 30 June 2022

Note 1: Basis of preparation

Structure

Timboon & District Healthcare Service
Notes to the Financial Statements
For the Financial Year Ended 30 June 2022

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 2022. 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.

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.

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 2022

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

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

In response to the ongoing COVID-19 pandemic, Timboon & District Healthcare Service has:

- introduced restrictions on non-essential visitors
- utilised telehealth services
- deferred elective surgery and reduced activity
- performed COVID-19 testing
- established and operated vaccine clinics
- changed infection control practices
- implemented work from home arrangements where appropriate.

Where financial impacts of the pandemic are material to Timboon & District Healthcare Service, they are disclosed in the explanatory notes. For Timboon & District Healthcare Service, this includes:

- 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 2022

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

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

Note 1.4 Joint arrangements

Interests in joint 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.

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

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

Timboon & District Healthcare Service
Notes to the Financial Statements
For the Financial Year Ended 30 June 2022

Note 1.7 Goods and Services Tax (GST)

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

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

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

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

Note 1.8 Reporting Entity

The financial statements include all the controlled activities of 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

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	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. 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. If this criteria is not met, funding is recognised immediately in the net result from operations.
Determining timing of revenue recognition	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.
Determining time of capital grant income recognition	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.

Note 2.1 Revenue and income from transactions

		Total 2022 $'000	Total 2021 $'000
Operating activities			
Revenue from contracts with customers			
Government grants (State) - Operating		84	232
Patient and resident fees		713	737
Private practice fees		596	64
Commercial activities [1]		159	101
Total revenue from contracts with customers	Note 2.1 (a)	**1,552**	**1,134**
Other sources of income			
Government grants (State) - Operating		5,454	5,221
Government grants (Commonwealth) - Operating		1,852	1,851
Government grants (State) – Capital		37	106
Government Grants (Commonwealth) - Capital		26	-
Other capital purpose income		11	129
Capital donations	Note 2.2	57	63
Assets received free of charge or for nominal consideration		122	65
Other revenue from operating activities (including non-capital donations)		298	323
		7,857	**7,758**
Total revenue and income from operating activities		**9,409**	**8,892**
Non-operating activities			
Income from other sources			
Capital interest		13	16
Other interest		1	-
Total other sources of income		**14**	**16**
Total income from non-operating activities		**14**	**16**
Total revenue and income from transactions		**9,423**	**8,908**

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

Note 2.1(a): Timing of revenue from contracts with customers

	Total 2022 $'000	Total 2021 $'000
Timboon & District Healthcare Service disaggregates revenue by the timing of revenue recognition.		
Goods and services transferred to customers:		
At a point in time	1,393	1,033
Over time	159	101
Total revenue from contracts with customers	**1,552**	**1,134**

How we recognise revenue and income from transactions

Government operating grants

To recognise revenue, Timboon & District Healthcare Service assesses each grant to determine 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, the health service:

- recognises the asset received in accordance with the recognition requirements of other applicable Accounting Standards (for example, AASB 9, AASB 16, AASB 116 and AASB 138)
- recognises related amounts (being contributions by owners, lease liabilities, financial instruments, provisions, revenue or contract liabilities from a contract with a customer), and
  - recognises income immediately in profit or loss as the difference between the initial carrying amount of the asset and the related amount in accordance with AASB 1058 *Income for not-for-profit entities* .

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

Note 2.1 Revenue and income from transactions

This policy applies to each of Timboon & District Healthcare Service's revenue streams, with information detailed below relating to Timboon & District Healthcare Service's signficant revenue streams:

Government grant	Performance obligation
Activity Based Funding (ABF) paid as Weighted Inlier Equivalent Separation (WIES) casemix	The performance obligations for ABF are the number and mix of patients admitted to hospital (defined as 'casemix') in accordance with the levels of activity agreed to, with the Department of Health in the annual Statement of Priorities. Revenue is recognised at a point in time, which is when a patient is discharged. WIES activity is a cost weight that is adjusted for time spent in hospital, and represents a relative measure of resource use for each episode of care in a diagnosis related group (DRG). WIES was superseded by NWAU from 1 July 2021, for acute, sub-acute and state-wide (which includes specified grants, state-wide services and teaching and training. Services not transitioning at this time include mental health and small rural services.

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.

How we recognise revenue and income from non-operating activities

Interest Income

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

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

	Total 2022 $'000	Total 2021 $'000
Personal protective equipment	122	65
Total fair value of assets and services received free of charge or for nominal consideration	**122**	**65**

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

Timboon & District Healthcare Service receives volunteer services from members of the community in the following areas:

- [insert brief description of volunteer services]

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

Timboon & District Healthcare Service greatly values the services contributed by volunteers but it does not depend on volunteers to deliver its services.

Non-cash contributions from the Department of Health

The Department of Health makes some payments on behalf of 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 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 Other economic flows
3.3 Employee benefits in the balance sheet
3.4 Superannuation

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

Note 3.1 Expenses from transactions

	Note	Total 2022 $'000	Total 2021 $'000
Salaries and wages		6,232	5,560
On-costs		550	470
Agency expenses		68	102
Fee for service medical officer expenses		178	213
Workcover premium		49	53
Total employee expenses		**7,077**	**6,398**
Drug supplies		32	22
Medical and surgical supplies (including Prostheses)		237	168
Diagnostic and radiology supplies		29	32
Other supplies and consumables		216	219
Total supplies and consumables		**514**	**441**
Finance costs		1	1
Total finance costs		**1**	**1**
Other administrative expenses		1,062	1,061
Total other administrative expenses		**1,062**	**1,061**
Fuel, light, power and water		117	95
Repairs and maintenance		245	155
Maintenance contracts		58	50
Medical indemnity insurance		79	59
Expenditure for capital purposes		75	204
Total other operating expenses		**574**	**563**
Total operating expense		**9,228**	**8,464**
Depreciation and amortisation	4.4	969	974
Total depreciation and amortisation		**969**	**974**
Bad and doubtful debt expense		3	2
Total other non-operating expenses		**3**	**2**
Total non-operating expense		**972**	**976**
Total expenses from transactions		**10,200**	**9,440**

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:

- 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 Other economic flows included in net result

	Total 2022 $'000	Total 2021 $'000
Impairment of property plant and equipment (including intangible assets)	(266)	-
Net gain/(loss) on disposal of property plant and equipment	(3)	-
Total net gain/(loss) on non-financial assets	**(269)**	**-**
Allowance for impairment losses of contractual receivables	(2)	(13)
Total net gain/(loss) on financial instruments	**(2)**	**(13)**
Share of net profits/(losses) of joint entities, excluding dividends	-	68
Total share of other economic flows from joint arrangements	**-**	**68**
Net gain/(loss) arising from revaluation of long service liability	44	67
Total other gains/(losses) from other economic flows	**44**	**67**
Total gains/(losses) from other economic flows	**(227)**	**122**

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;

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, recognised at the date of disposal.

Net gain/(loss) on financial instruments

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

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

Note 3.3 Employee benefits in the balance sheet

	Total 2022 $'000	Total 2021 $'000
Current employee benefits and related on-costs		
Accrued days off		
Unconditional and expected to be settled wholly within 12 months [i]	11	14
	11	**14**
Annual leave		
Unconditional and expected to be settled wholly within 12 months [i]	508	503
	508	**503**
Long service leave		
Unconditional and expected to be settled wholly within 12 months [i]	170	161
Unconditional and expected to be settled wholly after 12 months [ii]	785	694
	955	**855**
Provisions related to employee benefit on-costs		
Unconditional and expected to be settled within 12 months [i]	88	56
Unconditional and expected to be settled after 12 months [ii]	100	104
	188	**160**
Total current employee benefits and related on-costs	**1,662**	**1,532**
Non-current provisions and related on-costs		
Conditional long service leave [ii]	158	102
Provisions related to employee benefit on-costs [ii]	20	14
Total non-current employee benefits and related on-costs	**178**	**116**
Total employee benefits and related on-costs	**1,840**	**1,648**

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

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

	Total 2022 $'000	Total 2021 $'000
Current employee benefits and related on-costs		
Unconditional accrued days off	11	14
Unconditional annual leave entitlements	584	539
Unconditional long service leave entitlements	1,067	979
Total current employee benefits and related on-costs	**1,662**	**1,532**
Conditional long service leave entitlements	178	116
Total non-current employee benefits and related on-costs	**178**	**116**
Total employee benefits and related on-costs	**1,840**	**1,648**
Attributable to:		
Employee benefits	1,632	1,474
Provision for related on-costs	208	174
Total employee benefits and related on-costs	**1,840**	**1,648**

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

	Total 2022 $'000	Total 2021 $'000
Carrying amount at start of year	174	139
Additional provisions recognised	134	115
Net gain/(loss) arising from revaluation of long service liability	(5)	(7)
Amounts incurred during the year	(95)	(73)
Carrying amount at end of year	**208**	**174**

How we recognise employee benefits

Employee benefit recognition

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

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

Annual leave and accrued days off

Liabilities for annual leave and accrued days off are recognised in the provision for employee benefits as 'current liabilities' because 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.

Provision for on-costs related to employee benefits

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

Note 3.4 Superannuation

	Paid Contribution for the Year		Contribution Outstanding at Year End	
	Total 2022 $'000	Total 2021 $'000	Total 2022 $'000	Total 2021 $'000
Defined contribution plans:				
Aware Super	349	308	51	75
Hesta	44	44	8	-
Hostplus	28	28	5	-
Australian Super	25	17	7	-
Other	104	73	20	-
Total	**550**	**470**	**91**	**75**

[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 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

Telling the COVID-19 story

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

Key judgements and estimates

This section contains the following key judgements and estimates:

Key judgements and estimates	Description
Estimating useful life of property, plant and equipment	Timboon & District Healthcare Service assigns an estimated useful life to each item of property, plant and equipment. This is used to calculate depreciation of the asset. The health service reviews the useful life and depreciation rates of all assets at the end of each financial year and where necessary, records a change in accounting estimate.
Estimating useful life of right-of-use assets	The useful life of each right-of-use asset is typically the respective lease term, except where the health service is reasonably certain to exercise a purchase option contained within the lease (if any), in which case the useful life reverts to the estimated useful life of the underlying asset. Timboon & District Healthcare Service applies significant judgement to determine whether or not it is reasonably certain to exercise such purchase options.

Key judgements and estimates (continued)

Key judgements and estimates	Description
Estimating 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	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. The health service considers a range of information when performing its assessment, including considering: ▪ If an asset's value has declined more than expected based on normal use ▪ If a significant change in technological, market, economic or legal environment which adversely impacts the way the health service uses an asset ▪ If an asset is obsolete or damaged ▪ If the asset has become idle or if there are plans to discontinue or dispose of the asset before the end of its useful life ▪ If the performance of the asset is or will be worse than initially expected. Where an impairment trigger exists, the health services applies significant judgement and estimate to determine the recoverable amount of the asset.

Note 4.1 Property, plant and equipment

Note 4.1 (a) Gross carrying amount and accumulated depreciation

	Total 2022 $'000	Total 2021 $'000
Land at fair value - Freehold	2,778	1,522
Total land at fair value	**2,778**	**1,522**
Buildings at fair value	13,073	10,115
Less accumulated depreciation	-	(1,259)
Total buildings at fair value	**13,073**	**8,856**
Property improvements at fair value	434	390
Less accumulated depreciation	-	(78)
Total property improvements at fair value	**434**	**312**
Works in progress at fair value	**-**	**165**
Total land and buildings	**16,285**	**10,855**
Plant and equipment at fair value	1,099	1,052
Less accumulated depreciation	(708)	(641)
Total plant and equipment at fair value	**391**	**411**
Motor vehicles at fair value	378	378
Less accumulated depreciation	(333)	(287)
Total motor vehicles at fair value	**45**	**91**
Medical equipment at fair value	1,419	1,335
Less accumulated depreciation	(1,119)	(1,024)
Total medical equipment at fair value	**300**	**311**
Computer equipment at fair value	169	204
Less accumulated depreciation	(68)	(68)
Total computer equipment at fair value	**101**	**136**
Furniture and fittings at fair value	345	325
Less accumulated depreciation	(271)	(254)
Total furniture and fittings at fair value	**74**	**71**
Other assets under construction at cost	**131**	**-**
Total plant, equipment, furniture, fittings and vehicles at fair value	**1,042**	**1,020**
Total property, plant and equipment	**17,327**	**11,875**

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 2020		**1,522**	**351**	**9,486**	**128**	**472**	**145**	**368**	**113**
Additions		-	-	-	62	35	-	38	71
Disposals		-	-	-	(25)	-	-	-	-
Depreciation	4.4	-	(39)	(630)	-	(96)	(54)	(95)	(48)
Balance at 30 June 2021	4.1 (a)	**1,522**	**312**	**8,856**	**165**	**411**	**91**	**311**	**136**
Additions		-	-	139	-	89	-	93	(4)
Disposals		-	-	-	-	(7)	-	-	-
Impairment of assets		-	(25)	(241)	-	-	-	-	-
Revaluation increments/(decrements)		1,256	186	4,784	-	-	-	-	-
Net Transfers between classes		-	-	165	(165)	-	-	-	-
Depreciation	4.4	-	(39)	(630)	-	(102)	(46)	(104)	(31)
Balance at 30 June 2022	4.1 (a)	**2,778**	434	**13,073**	**-**	**391**	**45**	**300**	**101**

	Note	Furniture & Fittings $'000	Plant works in progress $'000	Total $'000
Balance at 1 July 2020		**58**	**-**	**12,643**
Additions		25	-	231
Disposals		-	-	(25)
Revaluation increments/(decrements)		-	-	-
Depreciation	4.4	(12)	-	(974)
Balance at 30 June 2021	4.1 (a)	**71**	**-**	**11,875**
Additions		20	131	468
Disposals		-	-	(7)
Impairment of assets		-	-	(266)
Revaluation increments/(decrements)		-	-	6,226
Net Transfers between classes		-	-	-
Depreciation	4.4	(17)	-	(969)
Balance at 30 June 2022	4.1 (a)	**74**	**131**	**17,327**

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

Land and Buildings Carried at Valuation

The Valuer-General Victoria undertook to re-value all of Timboon & District Healthcare Services 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 2022.

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 are subsequently measured at fair value less accumulated depreciation and impairment losses where applicable.

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

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

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 (VGV) indices.

An adjustment is recognised if the assessment concludes that the fair value of land and buildings has changed by 10% or more since the last revaluation (whether that be the most recent independent valuation or managerial valuation). Any estimated change in fair value of less than 10% is deemed immaterial to the financial statements and no adjustment is recorded. Where the assessment indicates there has been an exceptionally material movement in the fair value of land and buildings since the last independent valuation, being equal to or in excess of 40%, 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 Land and Buildings was performed on 30 June 2022. The valuation, which complies with Australian Valuation Standards, was determined by reference to the amount for which assets could be exchanged between knowledgeable willing parties in an arm's length transaction. The managerial assessment performed at 30 June 2022 indicated an overall:

- increase in fair value of land of 82% ($1.256M)
- increase in fair value of buildings of 46% ($4.971M)

As the cumulative movement was greater than 40% for land and buildings since the last independent revaluation an interim independent valuation was required as at 30 June 2022 and an adjustment was recorded.

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

Note 4.2 Revaluation Surplus

	Note	Total 2022 $'000	Total 2021 $'000
Balance at the beginning of the reporting period		6,724	6,724
Revaluation increment			
- Land	4.1 (b)	1,256	-
- Land Improvements	4.1 (b)	186	
- Buildings	4.1 (b)	4,784	-
Balance at the end of the Reporting Period*		**12,950**	**6,724**
*** Represented by:**			
- Land		1,834	578
- Land Improvements		186	-
- Buildings		10,930	6,146
		12,950	**6,724**

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

	Total 2022 $'000	Total 2021 $'000
Medical Practice Goodwill	259	259
Total intangible assets	**259**	**259**

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

	Note	Goodwill $'000	Total $'000
Balance at 30 June 2021	4.2 (a)	**259**	**259**
Additions		-	-
Balance at 30 June 2022	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 4.4 Depreciation

	Total 2022 $'000	Total 2021 $'000
Depreciation		
Buildings	630	630
Land Improvements	39	39
Plant and equipment	102	96
Motor vehicles	46	54
Medical equipment	104	95
Computer equipment	31	48
Furniture and fittings	17	12
Total depreciation	**969**	**974**

How we recognise depreciation

All infrastructure assets, buildings, plant and equipment and other non-financial physical assets (excluding land) 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 charges are based.

	2022	2021
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 4.5: Impairment of assets

How we recognise impairment

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

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

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

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

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

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

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

Timboon & District Healthcare Service recognized the following impairment losses for the year ended 30 June 2022:

	2022 $('000)	**2021 $('000)**
Buildings (Note 3.2, 4.1)	266	-
Doubtful Debts (Note 3.1)	3	2

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	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. 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.
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

	Notes	Total 2022 $'000	Total 2021 $'000
Current receivables and contract assets			
Contractual			
Trade receivables		92	50
Patient fees		103	74
Allowance for impairment losses - Patient Fees		(15)	(13)
Accrued revenue		99	46
Amounts receivable from governments and agencies		23	183
Total contractual receivables		**302**	**340**
Statutory			
GST receivable		27	32
Total statutory receivables		**27**	**32**
Total current receivables and contract assets		**329**	**372**
Non-current receivables and contract assets			
Contractual			
Long service leave - Department of Health		823	588
Total contractual receivables		**823**	**588**
Total non-current receivables and contract assets		**823**	**588**
Total receivables and contract assets		**1,152**	**960**
(i) Financial assets classified as receivables and contract assets (Note 7.1(a))			
Total receivables and contract assets		1,152	960
Provision for impairment		15	13
GST receivable		(27)	(32)
Total financial assets	7.1(a)	**1,140**	**941**

Note 5.1 Receivables and contract assets (continued)

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

	Total 2022 $'000	Total 2021 $'000
Balance at the beginning of the year	15	2
Increase in allowance	2	13
Balance at the end of the year	**17**	**15**

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

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

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

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

	Note	Total 2022 $'000	Total 2021 $'000
Current payables and contract liabilities			
Contractual			
Trade creditors		57	26
Accrued salaries and wages		300	275
Accrued expenses		413	315
Contract liabilities	5.2(a)	-	35
Inter hospital creditors		60	33
Amounts payable to governments and agencies		123	55
Total contractual payables		**953**	**739**
Total current payables and contract liabilities		**953**	**739**
Total payables and contract liabilities		**953**	**739**
(i) Financial liabilities classified as payables and contract liabilities (Note 7.1(a))			
Total payables and contract liabilities		953	739
Contract liabilities		-	(35)
Total financial liabilties	7.1(a)	**953**	**704**

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** comprises 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

	Total 2022 $'000	Total 2021 $'000
Opening balance of contract liabilities	35	78
Grant consideration for sufficiently specific performance obligations received during the year	-	35
Revenue recognised for the completion of a performance obligation	(35)	(78)
Total contract liabilities	**-**	**35**
*** Represented by:**		
- Current contract liabilities	-	35
	-	**35**

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 5.3 Other liabilities

	Notes	Total 2022 $'000	Total 2021 $'000
Current monies held it trust			
Refundable accommodation deposits		220	-
Total current monies held in trust		**220**	**-**
Total other liabilities		**220**	**-**
*** Represented by:**			
- Cash assets	6.2	220	-
		220	**-**

How we recognise other liabilities

Refundable Accommodation Deposit (RAD)/Accommodation Bond liabilities

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

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

Note 6: How we finance our operations

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

Note 6.1 Borrowings

	Note	Total 2022 $'000	Total 2021 $'000
Current borrowings			
Lease liability [i]	6.1 (a)	21	20
Advances from government (ii)		-	21
Total current borrowings		**21**	**41**
Non-current borrowings			
Lease liability [i]	6.1 (a)	27	35
Total non-current borrowings		**27**	**35**
Total borrowings		**48**	**76**

[i] Secured by the assets leased.
[ii] These are secured loans which bear no interest.

How we recognise borrowings

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

Initial recognition

All borrowings are initially recognised at fair value of the consideration received, less directly attributable transaction costs. The measurement basis subsequent to initial recognition depends on whether Timboon & District Healthcare Service has categorised its liability as 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 2022 $'000	Total 2021 $'000
Total undiscounted lease liabilities	50	60
Less unexpired finance expenses	(2)	(5)
Net lease liabilities	**48**	**55**

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

	Total 2022 $'000	Total 2021 $'000
Not longer than one year	21	21
Longer than one year but not longer than five years	29	39
Longer than five years	-	-
Minimum future lease liability	**50**	**60**
Less unexpired finance expenses	(2)	(5)
Present value of lease liability	**48**	**55**
*** Represented by:**		
- Current liabilities	21	20
- Non-current liabilities	27	35
	48	**55**

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

	Note	Total 2022 $'000	Total 2021 $'000
Cash at bank (excluding monies held in trust)		1,184	868
Cash at bank - CBS (excluding monies held in trust)		3,441	3,748
Total cash held for operations		**4,625**	**4,616**
Cash at bank - CBS (monies held in trust)		220	-
Total cash held as monies in trust		**220**	**-**
Total cash and cash equivalents	7.1 (a)	**4,845**	**4,616**

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 2022 $'000	Total 2021 $'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
7.4 Fair value determination

Key judgements and estimates

This section contains the following key judgements and estimates:

Key judgements and estimates	Description
Measuring fair value of non-financial assets	Fair value is measured with reference to highest and best use, that is, the use of the asset by a market participant that is physically possible, legally permissible, financially feasible, and which results in the highest value, or to sell it to another market participant that would use the same asset in its highest and best use. In determining the highest and best use, Timboon & District Healthcare Service has assumed the current use is its highest and best use. Accordingly, characteristics of the health service's assets are considered, including condition, location and any restrictions on the use and disposal of such assets.

Key judgements and estimates (continued)

Key judgements and estimates	Description
Measuring fair value of non-financial assets	Timboon & District Healthcare Service uses a range of valuation techniques to estimate fair value, which include the following: ▪ Market approach, which uses prices and other relevant information generated by market transactions involving identical or comparable assets and liabilities. The fair value of Timboon & District Healthcare Service's [specialised land, non-specialised land, non-specialised buildings, investment properties and cultural assets] are measured using this approach. ▪ Cost approach, which reflects the amount that would be required to replace the service capacity of the asset (referred to as current replacement cost). The fair value of Timboon & District Healthcare Service's [specialised buildings, furniture, fittings, plant, equipment and vehicles] are measured using this approach. ▪ Income approach, which converts future cash flows or income and expenses to a single undiscounted amount. Timboon & District Healthcare Service does not this use approach to measure fair value. The health service selects a valuation technique which is considered most appropriate, and for which there is sufficient data available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. Subsequently, the health service applies significant judgement to categorise and disclose such assets within a fair value hierarchy, which includes: ▪ Level 1, using quoted prices (unadjusted) in active markets for identical assets that the health service can access at measurement date. Timboon & District Healthcare Service does not categorise any fair values within this level. ▪ Level 2, inputs other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly. Timboon & District Healthcare Service categorises non-specialised land and right-of-use concessionary land in this level. ▪ Level 3, where inputs are unobservable. Timboon & District Healthcare Service categorises specialised land, non-specialised buildings, specialised buildings, plant, equipment, furniture, fittings, vehicles, right-of-use buildings and right-of-use plant, equipment, furniture and fittings in this level.

Note 7.1: Financial instruments

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

Total **30 June 2022**	**Note**	**Financial Assets at Amortised Cost** **$'000**	**Financial Liabilities at Amortised Cost** **$'000**	**Total** **$'000**
Contractual Financial Assets				
Cash and Cash Equivalents	6.2	4,625	-	4,625
Receivables and contract assets	5.1	1,140	-	1,140
Aged Care Accommodation Deposits	6.2	220	-	220
Total Financial Assets [i]		**5,985**	**-**	**5,985**
Financial Liabilities				
Payables	5.2	-	953	953
Borrowings	6.1	-	48	48
Aged Care Accommodation Deposits	5.3	-	220	220
Total Financial Liabilities [i]		**-**	**1,221**	**1,221**

Note 7.1 (a) Categorisation of financial instruments

Total 30 June 2021	Note	Financial Assets at Amortised Cost $'000	Financial Liabilities at Amortised Cost $'000	Total $'000
Contractual Financial Assets				
Cash and cash equivalents	6.2	4,616	-	4,616
Receivables and contract assets	5.1	941	-	941
Total Financial Assets [i]		**5,557**	**-**	**5,557**
Financial Liabilities				
Payables	5.2	-	704	704
Borrowings	6.1	-	76	76
Total Financial Liabilities [i]		**-**	**780**	**780**

[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
- monies held in trust

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 2021-21.

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:

30 June 2022		**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	5.1	226	24	11	33	0	**294**
Loss allowance		-	-	-	**(15)**	-	**(15)**

30 June 2021	**Note**	**Current**	**Less than 1 month**	**1–3 months**	**3 months –1 year**	**1–5 years**	**Total**
Expected loss rate		0.0%	0.0%	0.0%	45.0%	0.0%	
Gross carrying amount of contractual receivables	5.1	137	3	1	29	0	**170**
Loss allowance		-	-	-	**(13)**	-	**(13)**

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

Total 30 June 2022	Note	Carrying Amount $'000	Nominal Amount $'000	Maturity Dates: Less than 1 Month $'000	1-3 Months $'000	3 months - 1 Year $'000	1-5 Years $'000	Over 5 years $'000
Payables	5.2	953	953	953	-	-	-	-
Borrowings	6.1	48	48	4	11	29	4	-
Aged Care Deposit Bonds	5.3	220	220	-	-	-	220	
Total Financial Liabilities		**1,441**	**1,441**	**957**	**11**	**249**	**224**	**-**

Total 30 June 2021	Note	Carrying Amount $'000	Nominal Amount $'000	Maturity Dates: Less than 1 Month $'000	1-3 Months $'000	3 months - 1 Year $'000	1-5 Years $'000	Over 5 years $'000
Financial Liabilities at amortised cost								
Payables	5.2	704	704	704	-	-	-	-
Borrowings	6.1	76	76	4	11	29	32	-
Total Financial Liabilities		**780**	**780**	**708**	**11**	**29**	**32**	**-**

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

Note 7.2 (c) Market risk

Timboon & District Healthcare Serivce's exposures to market risk are primarily through interest rate 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 2.5% 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 7.4: Fair Value Determination

How we measure fair value

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

The following assets and liabilities are carried at fair value:

- Property, plant and equipment
- Right-of-use assets
- Lease liabilities

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

Valuation hierarchy

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

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

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. There have been no transfers between levels during the period.

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

Identifying unobservable inputs (level 3) fair value measurements

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

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

Note 7.4 (a) Fair value determination of investments and other financial assets

	Note	Total carrying amount 30 June 2022 $'000	Fair value measurement at end of reporting period using: Level 1 [i] $'000	Level 2 [i] $'000	Level 3 [i] $'000
Non-specialised land		2,175	-	2,175	-
Specialised land		603	-	-	603
Total land at fair value	4.1 (a)	**2,778**	**-**	**2,175**	**603**
Non-specialised buildings		624	-	624	-
Land improvements		434	-	-	434
Specialised buildings		12,44	-	-	12,449
Total buildings at fair value	4.1 (a)	**13,50**	**-**	**624**	**12,883**
Plant and equipment at fair value	4.1 (a)	391	-	-	391
Motor vehicles at fair value	4.1 (a)	45	-	45	-
Medical equipment at Fair Value	4.1 (a)	300	-	-	300
Computer equipment at fair value	4.1 (a)	101	-	-	101
Furniture and fittings at fair value	4.1 (a)	7	-	-	74
Total plant, equipment, furniture, fittings and vehicles at fair value		**91**	**-**	**45**	**866**
Total property, plant and equipment at fair value		**17,196**	**-**	**2,844**	**14,352**

	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		8,37	-	-	8,377
Total buildings at fair value	4.1 (a)	**9,16**	**-**	**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)	7	-	-	71
Total plant, equipment, furniture, fittings and vehicles at fair value		**1,02**	**-**	**91**	**929**
Total Property, Plant and Equipment		**11,710**	**-**	**1,646**	**10,064**

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

How we measure fair value of non-financial physical assets

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

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

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

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

Non-specialised land & non-specialised buildings

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

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

Specialised land and specialised buildings

Specialised land includes Crown Land which is measured at fair value with regard to the property's highest and best use after due consideration is made for any legal or physical restrictions imposed on the asset, public announcements or commitments made in relation to the intended use of the asset. Theoretical opportunities that may be available in relation to the assets are not taken into account until it is virtually certain that any restrictions will no longer apply. Therefore, unless otherwise disclosed, the current use of th ese 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 r eflect 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 financiall y 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 2022.

Vehicles

The 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 2022

7.4 (b): Reconciliation of level 3 fair value measurement

Total	Note	Land $'000	Buildings and Improvements $'000	Plant, equipment, vehicles, furniture & fittings $'000
Balance at 1 July 2020		**446**	**9,209**	**1,011**
Additions/(Disposals)		-	-	169
Net Transfers between classes		-	45	-
Gains/(Losses) recognised in net result				
- Depreciation and amortisation		-	(565)	(251)
Items recognised in other comprehensive income		-	-	-
- Revaluation		-	-	-
Balance at 30 June 2021	7.4 (a)	**446**	**8,689**	**929**
Additions/(Disposals)		-	139	191
Assets provided free of charge		-	-	-
Net Transfers between classes		-	165	-
Gains/(Losses) recognised in net result				
- Depreciation and Amortisation		-	(669)	(254)
- Impairment loss		-	(266)	-
Items recognised in other comprehensive income				
- Revaluation		157	4,825	-
Balance at 30 June 2022	7.4 (a)	**603**	**12,883**	**866**

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

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 Depreciated replacement cost approach	N/A - 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.

Note 8: Other disclosures

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

Structure

8.1 Reconciliation of net result for the year to net cash flow from operating activities
8.2 Responsible persons disclosure
8.3 Remuneration of executives
8.4 Related parties
8.5 Remuneration of auditors
8.6 Events occurring after the balance sheet date
8.7 Jointly controlled operations
8.8 Equity
8.9 Economic dependency

Telling the COVID-19 story

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

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

	Note	Total 2022 $'000	Total 2021 $'000
Net result for the year		(1,004)	(410)
Non-cash movements:			
(Gain)/Loss on sale or disposal of non-financial assets	3.4	3	-
Depreciation and amortisation of non-current assets	4.4	969	974
Impairment of non-current assets	3.4	266	-
Bad and doubtful debt expense	3.1	2	11
Less cash inflow/outflow from investing and financing activities		(68)	(192)
Movements in Assets and Liabilities:			
(Increase)/Decrease in receivables and contract assets		(194)	(169)
(Increase)/Decrease in other assets		53	(22)
Increase/(Decrease) in payables and contract liabilities		214	38
Increase/(Decrease) in employee benefits		192	139
Net cash inflow from operating activities		**433**	**369**

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 Mary-Anne Thomas MP:	
Minister for Health	27 Jun 2022 - 30 Jun 2022
Minister for Ambulance Services	27 Jun 2022 - 30 Jun 2022
The Honourable Martin Foley MP:	
Minister for Health	1 Jul 2021- 27 Jun 2022
Minister for Ambulance Services	1 Jul 2021 - 27 Jun 2022
Minister for the Coordination of Health and Human Services: COVID-19	26 Sep 2021 - 9 Nov 2021
The Honourable Gabrielle Williams MP:	
Minister for Mental Health	27 Jun 2022 - 30 Jun 2022
The Honourable James Merlino MP:	
Minister for Mental Health	1 Jul 2021 - 27 Jun 2022
Minister for Disability, Ageing and Carers	11 Oct 2021 - 6 Dec 2021
The Honourable Colin Brooks MP:	
Minister for Disability, Ageing and Carers	27 Jun 2022 - 30 Jun 2022
The Honourable Luke Donnellan MP:	
Minister for Disability, Ageing and Carers	1 Jul 2021 - 11 Oct 2021
Governing Boards	
F. Carlus	1 Jul 2021 - 30 Jun 2022
T. Hutchins	1 Jul 2021 - 30 Jun 2022
A. Dejong	1 Jul 2021 - 30 Jun 2022
A. Byrne	1 Jul 2021 - 30 Jun 2022
A. Nessler	1 Jul 2021 - 30 Jun 2022
C. Murphy	1 Jul 2021 - 30 Jun 2022
A. Skordis	1 Jul 2021 - 30 Jun 2022
C. Stewart	1 Jul 2021 - 30 Jun 2022
J. Jakowenko	8 Mar 2022 - 30 Jun 2022
B. Morden	1 Jul 2021 - 31 Oct 2021
Accountable Officers	
R. Van Wollingen (Chief Executive Officer)	1 Jul 2021 - 30 Jun 2022

Note 8.2 Responsible persons (continued)

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

Income Band	Total 2022 No	Total 2021 No
$0 - $9,999	10	11
$190,000 - $199,999	1	1
Total Numbers	**11**	**12**

	Total 2022 $'000	Total 2021 $'000
Total remuneration received or due and receivable by Responsible Persons from the reporting entity amounted to:	**$227**	**$232**

Amounts relating to the Governing Board Members and Accountable Officer of Timboon and District Healthcare Service's controlled entities are disclosed in their own financial statements. Amounts relating to Responsible Ministers are reported within the State's Annual Financial Report.

Note 8.3 Remuneration of executives

Remuneration of executive officers	Total Remuneration	
	2022 $'000	2021 $'000
Short-term benefits	376	415
Post-employment benefits	36	35
Other long-term benefits	12	12
Termination benefits	-	-
Total remuneration [i]	**424**	**462**
Total number of executives	4	4
Total annualised employee equivalent [ii]	3.0	3.0

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 2022.

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 Exectuive 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	A. Byrne	Board Member
Timboon & District Healthcare	A. Nessler	Board Member
Timboon & District Healthcare	C. Murphy	Board Member
Timboon & District Healthcare	A. Skordis	Board Member
Timboon & District Healthcare	C. Stewart	Board Member
Timboon & District Healthcare	J. Jakowenko	Board Member
Timboon & District Healthcare	B. Morden	Board Member
Timboon & District Healthcare	R. Van Wollingen	Chief Executive Officer
Timboon & District Healthcare	T. Wines	Director of Community Health
Timboon & District Healthcare	A. Reilly	Director of Clinical Services
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 are set by the *Parliamentary Salaries and Superannuation Act 1968,* and is reported within the State's Annual Financial Report.

	Total 2022 $'000	Total 2021 $'000
Compensation - KMPs		
Short-term Employee Benefits [i]	581	626
Post-employment Benefits	53	51
Other Long-term Benefits	17	17
Termination Benefits	-	-
Total [ii]	**651**	**694**

[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 $5.32 m (2021: $5.30 m) and indirect contributions of $0.255 m (2021: $0.24 m). Balances outstanding as at 30 June 2022 are $Nil (2021 $0.14 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 2022 (2021: 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 2022 (2021: none).

Note 8.5: Remuneration of Auditors

	Total 2022 $'000	Total 2021 $'000
Victorian Auditor-General's Office		
Audit of the financial statements	18	11
Total remuneration of auditors	**18**	**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 2022 %	Ownership Interest 2021 %
South West Alliance of Rural Health (SWARH)	Information Technology Services	1.34	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:

	2022 $'000	2021 $'000
Current assets		
Cash and cash equivalents	286	169
Receivables	76	51
Prepaid expenses	10	11
Total current assets	**372**	**231**
Non-current assets		
Receivables	11	8
Property, plant and equipment	101	136
Total non-current assets	**112**	**144**
Total assets	**484**	**375**
Current liabilities		
Payables	305	196
Lease Liability	21	19
Employee Provisions	36	29
Total current liabilities	**362**	**244**
Non-current liabilities		
Payables	2	-
Lease Liability	27	35
Employee Provisions	4	6
Total non-current liabilities	**33**	**41**
Total liabilities	**395**	**285**
Net assets	**89**	**90**
Equity		
Accumulated surplus	89	90
Total equity	**89**	**90**

Note 8.7 Joint arrangements

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

	2022 $'000	2021 $'000
Revenue		
Operating Activities	247	299
Non Operating Activities	19	-
Capital Purpose Income	2	39
Total revenue	**268**	**338**
Expenses		
Employee Benefits	123	129
Other Expenses from Continuing Operations	113	147
Finance Lease Charges	1	1
Depreciation	31	31
Total expenses	**268**	**308**
Revaluation of Long Service Leave	**1**	1
Net result	**(1)**	**31**

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

Note 8.8 Equity

Contributed capital

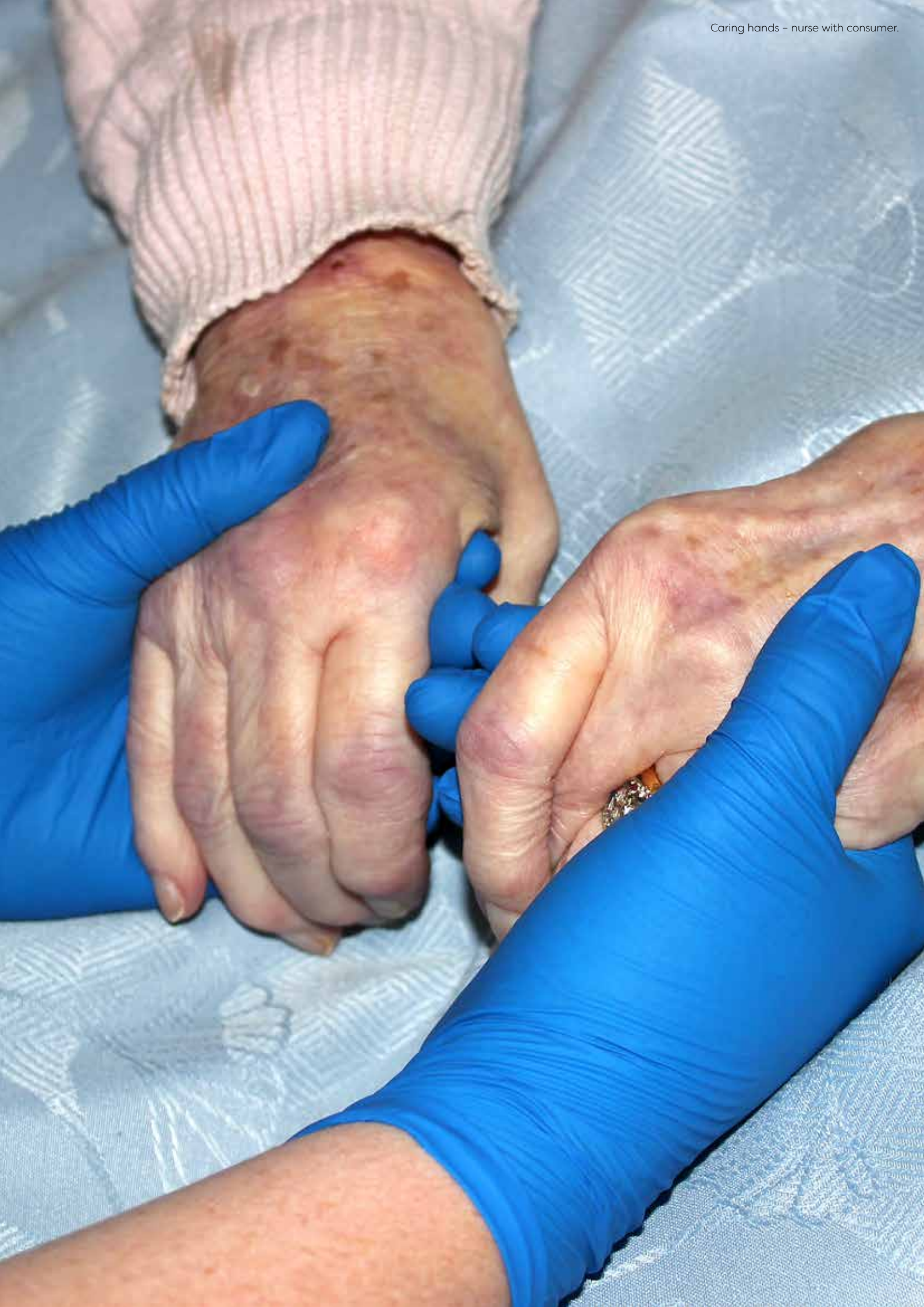
Contributions by owners (that is, contributed capital and its repayment) are treated as equity transactions and, therefore, do not form part of the income and expenses of the Timboon & District Healthcare Service.

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 8.9 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.



Caring hands – nurse with consumer.

Trestle bridge along the Timboon Rail Trail. Image by Rebecca Van Wollingen.

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