



**Annual
Report
2022-23**

AT A GLANCE

761

Babies born at our Warrnambool Base & Camperdown Hospitals.

25,605

Inpatients across our Warrnambool and Camperdown campuses.

27,738

People treated at our Warrnambool Emergency Department and Camperdown Urgent Care Centre.

10,349

Patients seen by our Specialist Outpatients Clinic.

144,141

Primary and Community Services occasions of service provided to clients.

14,600

South West Dental Service attendances by clients.

35,894

Community and Mental Health contact hours provided to consumers.

7,518

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

174,470

Total individual requisition lines processed by our Regional Supply and Logistics Service.

83,000

Total environmental services' hours spent cleaning our facilities.

211,326

Total inpatient meals prepared by our food services.

1,362

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

2,023

Staff employed across our campuses.

17,374

Volunteer hours across our 236 registered volunteers.

1.5

Million pieces of plastic removed from landfill due to switching to compostable clinical consumables and cups.



ABOUT US

This report provides performance, quality and financial information covering the 2022-23 financial year. It has been prepared in accordance with the Health Services Act 1988, Financial Management Act 1994, Standing Directions of the Minister for Finance (Section 4 Financial Management Reporting) and Financial Reporting Directions (specifically FRD22).

We hope you find this report informative and encourage you to also read our 2022-23 Quality Account on our website at www.southwesthealthcare.com.au

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OUR VISION

Leaders in healthcare, partners in wellbeing.

OUR MISSION

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

OUR COMMUNITY

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

OUR VALUES



Our Culture of Care

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



Our Culture of Respect

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



Our Culture of Integrity

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



Our Culture of Excellence

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



Our Culture of leadership

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

OUR SERVICES

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

OUR QUALITY PROGRAMS

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

OUR CONTRIBUTION TO THE COMMUNITY

We are the region's largest employer: 2,023 people work for South West Healthcare. Our local economy benefits to the tune of approximately \$140M per annum.

ACKNOWLEDGEMENT OF COUNTRY

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

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HIGHLIGHTS

- › 375 NEW STAFF MEMBERS JOINED THE TEAM ACROSS ALL CAMPUSES (INCLUDING ROTATIONAL DOCTORS)
- › GAINED SUCCESSFUL ACCREDITATION TO THE ROYAL AUSTRALASIAN COLLEGE OF SURGEONS, THE ROYAL AUSTRALASIAN COLLEGE OF PHYSICIANS FOR GENERAL MEDICINE, THE ROYAL AUSTRALASIAN COLLEGE OF PHYSICIANS FOR ADVANCED TRAINING IN PAEDIATRICS AND AUSTRALIAN ORTHOPAEDIC ASSOCIATION
- › GAINED RECOGNITION AS A STANDALONE TRAINING SITE FOR ANAESTHETIC TRAINEES
- › EXPANDED SPECIALIST OUTPATIENT CLINICS TO SEE 10,349 PATIENTS INCLUDING CLINICS FOR HEART FAILURE, DIABETES MANAGEMENT, ENDOCRINOLOGY, GENERAL MEDICINE, ONCOLOGY, RHEUMATOLOGY, RENAL FAILURE AND MOVEMENT DISORDER. THESE CLINICS HELP PATIENTS TO MANAGE CHRONIC ILLNESS WITH REDUCED CLINICAL INTERVENTION.
- › UPGRADED CAMPERDOWN OPERATING THEATRES
- › PERCENTAGE OF ED TRIAGE CATEGORY 1 PATIENTS SEEN IMMEDIATELY IN 2022-23 WAS 100%
- › CATEGORY 1 ELECTIVE SURGERY PATIENTS ADMITTED WITHIN 30 DAYS 100%
- › ROUTINE PATIENTS WHO ATTENDED A FIRST SPECIALIST OUTPATIENT APPOINTMENT IN THE WAITING PERIOD 98.9% (STATE TARGET 90.0%)
- › APPOINTED A SHARED DIRECTOR OF MEDICAL SERVICES WITH CLINICAL OVERSIGHT ACROSS OTHER REGIONAL SERVICES/PROGRAMS AND MEDICAL CREDENTIALING FOR THE REGION
- › CREATED A SHARED MODEL OF MATERNITY CARE WITH PORTLAND DISTRICT HEALTH WHEN THEIR BIRTHING SERVICES WERE TEMPORARILY UNAVAILABLE. THIS INCLUDED PROVIDING FAMILIES WITH ACCOMMODATION AT ROTARY HOUSE (RUN BY SOUTH WEST HEALTHCARE) BEFORE AND AFTER BIRTH
- › OPERATED WITH A FINANCIAL SURPLUS OF \$234,000 AND INVESTED IN NEW INFRASTRUCTURE AND MEDICAL EQUIPMENT
- › SOUTH WEST HEALTHCARE WAS APPOINTED A REGIONAL SATELLITE HUB FOR THE NEW VICTORIAN PUBLIC IVF SERVICE
- › ENGAGED MORE THAN 326 MANAGERS AND STAFF MEMBERS IN LEADERSHIP AND RESILIENCE TRAINING ACROSS THE ORGANISATION
- › EXPANDED THE HOSPITAL ADMISSION RISK PROGRAM BEYOND SOUTH WEST HEALTHCARE TO INCLUDE TERANG AND MORTLAKE HEALTH SERVICE, TIMBOON AND DISTRICT HEALTH SERVICE AND MOYNE HEALTH SERVICES
- › CREATED THE SETTLEMENT ENGAGEMENT AND TRANSITION INITIATIVE (SETS) IN FEBRUARY 2023, WHICH HAS SUPPORTED 15 HUMANITARIAN ENTRANTS AND THEIR FAMILIES TO IMPROVE HEALTH AND WELLBEING
- › FIRST IN THE STATE TO REACH 99% STAFF FLU VACCINATION STATUS IN VICTORIA, AND 100% AT THE MERINDAH LODGE AGED CARE FACILITY
- › VOLUNTEER DOROTHY DAVIS WAS RECOGNISED ON THE VICTORIAN HEALTHCARE AWARDS HONOUR ROLL FOR 57 YEARS SERVICE TO THE ORGANISATION
- › ACHIEVED 100% COMPLIANCE FOR MONTHLY OHS INSPECTIONS OF 72 DEPARTMENTS
- › INTRODUCTION OF 17 ZERO EMISSION VEHICLES INTO THE SOUTH WEST HEALTHCARE FLEET
- › 23% REDUCTION IN GREENHOUSE GAS EMISSIONS OVER THE LAST 7 YEARS INCLUDING A 3% REDUCTION IN EMISSIONS IN 2022-23
- › FUEL USAGE REDUCED ACROSS OUR FLEET BY 6.5% WITH UNLEADED FUEL CONSUMPTION DECREASING BY 14%
- › \$418,157 RAISED IN FUNDRAISING INITIATIVES WITH THE COMMUNITY
- › 15 SCHOLARSHIPS AWARDED TO SOUTH WEST HEALTHCARE STAFF FROM DIPLOMA TO MASTERS LEVEL, TO EXTEND THEIR QUALIFICATIONS AND CAPABILITIES
- › A SECONDMENT OF KEY SOUTH WEST HEALTHCARE PERSONNEL TO LYNDOKH LIVING TO ASSIST DURING A TIME OF CHANGE-MANAGEMENT, ASSISTING NURSING STAFF TO IMPROVE QUALITY AND PATIENT SAFETY AND ENSURING THE SUSTAINABILITY OF PUBLIC AGED-CARE BEDS.

YEAR IN REVIEW

We are proud to present this year's Annual Report which highlights our ongoing commitment to deliver great care and expanded services closer to home, for the people in our region.

We have embraced a return to a normal operating environment that is more proactive, including addressing health issues that were deferred during COVID-19.

As we emerge from the COVID-19 response phase we are aware of the enormous task ahead of us in terms of responding to the Mental Health Royal Commission, increasing home-based care services, recruiting staff to meet an increase in service demand and reducing elective surgery wait times. We are confident that we have begun to make significant inroads towards each of these initiatives and we are proud of the sheer scale of transformative work and investment that is occurring across our health service, which will pave the way for high-quality healthcare for generations to come.

It was pleasing to report a small surplus this financial year and in accordance with the Financial Management Act 1994, we are pleased to present the report of operations for South West Healthcare for the year ending 30 June 2023.

REDEVELOPMENT WORKS - FULL STEAM AHEAD!

It has been another big year for capital projects at South West Healthcare. The redevelopment works are progressing well in all projects across Camperdown, Hamilton and Warrnambool and our focus remains to deliver on time and on budget newer facilities that enhance the care we provide.

The first phase of the Warrnambool Base Hospital redevelopment, the Regional Logistics Distribution Centre (RLDC) which will house a new laundry and supply facility has progressed quickly; leaping off the blueprint page and commencing construction in 2023. Hansen Yuncken was appointed as the RLDC's main contractor in August 2022 and works commenced at the beginning of 2023. It is anticipated that the new Cooper Street, Warrnambool site will be fully functional in early 2024 with modern technology for state-of-the-art distribution, storage and linen systems.

The \$384.2M Warrnambool Base Hospital redevelopment, which will see the completion of a new clinical tower and emergency department has progressed to detailed design including a works strategy to ensure all impacted services operate during the construction phase of the hospital.

In addition to our success with our Warrnambool projects, the new-build Hamilton Community Mental

Health and Wellbeing project has seen final designs approved allowing for progression to construction with expected completion in 2024. This is located near St Mary's Church; opposite Bree Park close to Hamilton hospital. This facility will provide five new consultation suites, adult and paediatric waiting rooms, plus an observation space and secure outdoor areas including a sensory garden.

The Camperdown Aged Care development, which will deliver a new 36-bed facility in Camperdown, has continued to advance and is due to be completed and commissioned by South West Healthcare in the early months of 2025. Community engagement for all projects remains ongoing to ensure the input of our valued communities into projects across the region.

As a result of an urgent need to ensure the Emergency Department can meet current demand, South West Healthcare made the decision to expand the existing Emergency Department as an interim measure until the Warrnambool Base Hospital Redevelopment comes on stream in 2027. The Emergency Department expansion project will deliver additional waiting room space, more efficient treatment zones, consultation spaces and staff areas with expected completion in early 2024 to avoid works occurring in the busy Christmas and January period.

PATIENT EXPERIENCE - FOCUSING ON PATIENTS AND CARE CLOSER TO HOME

In 2022-23 South West Healthcare developed the Consumer Engagement Strategy and Framework 'Great Healthcare Experiences' that re-affirms our commitment to engaging well with consumers and the community. Implementation of the strategy will take place over upcoming years and will be a large and transformative piece of work.

Our Consumer and Community Advisory Committee met regularly throughout the year providing us with valuable consumer perspectives on our approach to care, our communications and our operations, which allowed us to make necessary improvements where needed.

Our communities rated the patient experience across all services highly, consistently outperforming the state average and exceeding targets throughout the year. 96.1% patients reported positive experiences of their hospital stay against an overall Victorian score of 90.8%. Furthermore, patients reported positive experiences when being discharged from hospital, being involved in making decisions about their care and feeling safe when using our mental health service.

We have also developed a health literacy working group, and a draft plan to improve the health literacy of our community so that they can feel empowered to lead their own healthcare assisting them to ultimately live longer, healthier, happier lives, and prevent chronic illness.

Over the past year, we adopted learnings from the COVID-19 remote patient monitoring team into a new Hospital in the Home program. This along with our Hospital Admission Risk Program and GEM@Home geriatric care program allows us to care for vulnerable people in the comfort of their home, reducing the need for inpatient stays. This has included more video conference consultations.

In late 2022 it was announced that South West Healthcare would be a satellite site for the Victorian Government's new public IVF service, offering South West parents-to-be the opportunity to start a family without the prohibitive costs involved in private IVF, and with support from a local nursing team. Access to this service will allow South West Healthcare to offer care, counselling and follow-up appointments to parents who are undertaking IVF procedures through The Royal Women's in Melbourne.

We have also expanded our specialist outpatient services, seeing more than 10,000 patients for the treatment of heart failure, diabetes management, endocrinology, general medicine, oncology, rheumatology and renal failure, to name just a few. The clinics provide free, public, specialist care to people of our region to complement the services that already exist, and in some instances provide new clinics to our region. We are hoping this decreases the need for people to travel to Melbourne.

South West Healthcare expanded its general medicine clinics with three new sub-specialties including a new Geriatrician led Pain Clinic, increased nurse practitioner and nursing supported clinics, and additional women's health clinics together with a dedicated hyperemesis clinic for women who are experiencing morning sickness – a highly valued program.

Merindah Lodge Aged Care in Camperdown received an unannounced visit from the Aged Care Quality and Safety Commission (ACQSC) in March this year. This visit highlighted South West Healthcare's high level of care and dedication by achieving all standards.

ACCREDITATION SUCCESS ENHANCING MEDICAL TRAINING IN REGIONAL VICTORIA

Perhaps one of the most exciting developments this year has been successfully receiving accreditation to some of Australia's most prestigious medical institutions. College accreditation signals a health service organisation's commitment and suitability to offer training in programs that form the pathway for progression to Specialist Fellowship for medical staff. Accreditation permits South West Healthcare to employ Registrars who are advancing to be a Specialist and enhancing the training provided but also the care to patients. Registrar positions improve service offerings and the experience encourages specialists to return to regional Victoria once Fellowship is attained.

These achievements are in direct response to the vision and leadership provided by the senior Medical Specialists and Medical Services team. This is a great result for South West Healthcare and the South West.

In 2022 South West Healthcare achieved reaccreditation with the Royal Australasian College of Surgeons, the

Royal Australasian College of Physicians for General Medicine, the Royal Australasian College of Physicians for Advanced Training in Paediatrics and Australian Orthopaedic Association.

South West Healthcare recently received new accreditation for positions for Advanced Training in General Medicine, in addition to Basic Training Positions, and for Basic Training in Paediatrics in addition to Advanced Training.

Excitingly, South West Healthcare received accreditation as a standalone training site for anaesthetic trainees. This exceeded the initial expectation and results in South West Healthcare being able to recruit and supervise international medical graduates who are close to achieving Fellowship of the Australian and New Zealand College of Anaesthetists, as well as seconding two junior registrars from Monash Health who commenced in February 2023. This is a major service development and achievement for South West Healthcare and we'd also like to thank Monash Health for their assistance.

IMPROVING ACCESS TO EMERGENCY CARE

Improving timely access to emergency care was a priority for our teams in 2022-23. Transferring patients from an ambulance to our Emergency Department and then focusing people on receiving prompt care in line with state targets, has been a key operational focus. The appointment of a Clinical Director to oversee departmental changes as well as daily huddles for nursing and medical staff to better manage ward capacity and beds, has made significant improvements to patient care. Implementing Emergency Department waiting dashboards online for patients and community members to track their wait time, establishing a relationship with the Victorian Virtual Emergency Department to give patients more options to access timely care for non-urgent injury and illness, and commencing planning for an interim redevelopment of our ED space to increase flow and efficiency were all part of the improvements. At the end of the 2022-23 financial year, we are beginning to see encouraging signs of improvement including:

- Improved consumer satisfaction, measured through complaints, compliments, surveys and direct feedback.
- 27% improvement in National Emergency Access Target (NEAT) indicators from 45% to 57% over the financial year.
- Average hours spent in the Emergency Department down to 4.4 in May 2023 from 5.9 in September 2022.

We'd like to acknowledge the commitment of our teams to achieve these improvements whilst we recognise there is further work to do.

INVESTING IN OUR PEOPLE

In 2022-23 we have placed a renewed focus on training and upskilling our workforce so that we can continue to offer best care, support career development and provide a rewarding employment experience. Our Education and People and Culture teams developed a leadership capability framework to support an empowered and high-performing workforce. To build capacity we have implemented a number of training initiatives for staff including:

- The LEAD leadership training sessions for 196 managers, which focuses on giving them tools to develop efficient and high-performing teams as well as hands-on and tangible skills.
- Resilience training for more than 130 managers and senior managers staff, to assist with the transition to a COVID-19 'business as usual' operating environment and to assist them to overcome the challenges imposed by COVID.
- Introduction of the International Women's Day South West Healthcare Scholarship program which sponsored three female staff members to attend a Healthcare Leadership Course at Monash University.
- Launched the South West Healthcare Scholarship program on 1 August 2022, sponsoring 13 staff members to pursue further training from Certificate III to Masters.
- A continued commitment to the annual \$10,000 travel scholarship to a staff member who wishes to pursue training or conferences interstate or overseas, inspiring them to bring this knowledge back to share.
- Commenced a series of administration conference days dedicated to fostering learning, education and support for 100+ administrative staff.

We were delighted to develop and host the inaugural South West Healthcare Research Day on 25 May 2023 focused on the theme of 'Working Towards a Better Healthcare Experience'. The event garnered significant attendance and featured impressive presentations and posters, showcasing the advancements and investments within our research portfolio. Currently South West Healthcare leads or participates as a site in 26 research projects and 19 clinical trials, including recently commencing our first ever tele trials in the community. The Research department has begun engagement on a South West Healthcare Research Strategy and is currently working towards the National Clinical Trials Governance Framework accreditation.

Our staff participated in the National Health Care Job Fair in Melbourne in March 2023, where they engaged with numerous potential employees. Their goal was to showcase both our region and South West Healthcare, aiming to draw international talent to reside and work here. Building on this, we also attended an international jobs fair in Manchester, UK as part of a Victorian delegation promoting the Victorian Health system and South West Healthcare. This presented a significant opportunity for South West Healthcare to expand its reach and offering.

Staff health and wellbeing continues to be important and front of mind in our organisation, as we recognise the effort and the sacrifices our staff make to care for our community. Our staff took time out to enjoy Pilates, yoga and meditation classes across all South West Healthcare locations, meals for night-shift workers, funded school holiday care for working parents, massages for staff, access to discount rewards programs, coffees and upgrades to tearoom facilities. This year we have a newly appointed Project Manager to investigate and implement childcare options for staff, this has been another exciting initiative that will shape our future recruitment and retention offering.

South West Healthcare was recognised in 2022 by the Victorian Hospital Acquired Infection Surveillance System (VICNISS) as having the highest vaccination rate of 99.8% for the 2022 Healthcare Worker Influenza Vaccination Program including 100% at Merindah Lodge. This is an excellent recognition of how our staff are ensuring our community remains protected when they come in contact with us.

REGIONAL PARTNERSHIPS - COLLABORATING WITH OUR COLLEAGUES

In late 2022, we were pleased to offer some short-term assistance to Lyndoch Living who are a valued partner in the health service system. In assisting the Lyndoch Living management and staff we supported residents to enjoy their homes and receive good care.

This year South West Healthcare extended its Hospital Admission Risk Program (HARP) to include collaboration with Terang and Mortlake Health Service, Timboon and District Healthcare Service and Moyne Health Services. HARP started initially as a program at South West Healthcare to assist people with care coordination and outpatient appointments so that they could manage chronic illness at home or in the community. It is great to extend this reach in partnership with other health services so that they may also run the same program and leverage our systems, processes and experience. As a result, the catchment area for people able to access this program has grown significantly.

South West Healthcare has developed the Regional Education Strategy and is leading this initiative for the Barwon South West region. This includes a publication of a regional education calendar and online content relevant to the Barwon South West region.

IT UPGRADES - CUTTING EDGE TECHNOLOGY FOR BEST CARE

In 2022-23 we embarked upon a multi-year project to plan and implement an end-to-end electronic health record through TrakCare Edition. The project is estimated to take three years at a cost of \$23.5 million. The TrakCare Edition project will see the Australian edition of the TrakCare Electronic Health Record implemented across 11 healthcare agencies in South

West Victoria through the South West Alliance of Rural Health. South West Healthcare as the largest agency will play a significant leadership role in delivering the project which commenced an initiation phase on 3 October 2022.

This financial year we have invested heavily in health equipment and technology including: a new podiatry chair, infusion pumps, four new birthing beds, new foetal monitoring system, three new incubators with phototherapy lights, a new monitoring system for six pods in our special care nursery, 30 new alternating pressure mattresses, a new transport ventilator for the ED, new theatre operating tabs and a complete upgrade of our Camperdown Theatres.

We were also fortunate to receive funding to improve our underperforming television system for both Camperdown and Warrnambool hospitals. This will deliver 209 bedside terminals which will enable free-to-air TV as well as Foxtel channels, games, surveys, questionnaires, incoming phone calls and the ability to order meals from the bedside. Enhancing patient comfort and experience remains the focus.

MENTAL HEALTH RESPONSE TO ROYAL COMMISSION

The Royal Commission into Victoria's Mental Health System has significantly re-shaped our provision in the delivery of mental health and wellbeing services, resulting in expanded service hours and service provision, collaborative shared care, and integrated mental health models for people receiving alcohol and drug treatment. Collaborating with people with lived and living experience has been a priority for South West Healthcare in the development of best models of care. South West Healthcare continue to embed these initiatives into a transformed service, that provides improved access to mental health and wellbeing services in the region.

CONNECTION TO COMMUNITY

As members within our own community, our staff have welcomed opportunities throughout the year to connect with our community and strengthen relationships to ensure our services are relevant, accessible and respectful. Attendance at the many fundraising, educational and social events, has allowed our staff to stay connected and involved with the community they serve.

Importantly, we are exceptionally grateful to the huge donations we receive from our communities. We can only provide the 'additional' equipment we often need through this generosity. In 2022-23 we received \$417,157 in donations and as a direct result purchased seven treatment chairs and two ambulatory infusion pumps for our Day Stay Unit transfusion treatment room, 10 lift chairs, 10 community hospital beds and 10 air mattresses for our Community Palliative Care unit, and a bladder scanner to be used in our ED to name a few.

Through a number of programs and initiatives aimed at partnering with our regional Indigenous communities, we continue to co-design healthcare services to meet their needs. The Mental Health and Wellbeing and Allied Health teams are to be congratulated for proactively working with local Aboriginal communities to plan and execute 'Walking on Country' days for staff.

We have also been proactive in finding ways to be a more inclusive and welcoming service, and continue to work towards safe spaces and services for LGBTQIA+ patients, consumers and staff.

LOOKING FORWARD TO 2024

In the coming year we will be focused on recruitment and retention of high performing staff, particularly in the mental health space as our service streams go from three to four with the introduction of a new Child and Infant Mental Health service, and we open our new Hamilton campus.

The large building works program will progress quickly as we look forward to new facilities into the future.

We also look forward to continuing to work with our regional healthcare partners to increase care pathways and options, and make the best use of shared resources to provide the best care to those in our region closer to home.

We would like to thank the community for their on-going support throughout the year, whether it be through donations, written or verbal support, helpful feedback and participation in consumer workshops or through volunteering. Caring for our community is at the heart of everything we do, we wouldn't be here without you.

We would also like to thank our staff and volunteers for an exceptional year. Despite the challenges we have managed to achieve a great deal to be proud of in 2022-23, and we have set ourselves up for an exciting few years ahead.



**BERNADETTE
NORTHEAST**

Chair
Board of Directors



CRAIG FRASER

Chief Executive
Officer

COVID-19 REPORT

After a number of busy years responding to COVID-19 and guiding our community through the pandemic, South West Healthcare's public role with respect to COVID-19 management was significantly scaled back during the 2022-23 financial year.

However, South West Healthcare continues to lead the COVID-19 response in partnership with our regional health partners, including the provision of a respiratory protective program Fit Testing service which saw more than 2,000 staff fit-tested across South West Healthcare and South West Victoria, to limit COVID-19 transmission in healthcare and vulnerable settings.

COVID-19 operating environment

During 2022-23 South West Healthcare continued to operate in a COVID-19 safe operating environment with PPE for staff and visitors in place. Staff in patient-facing areas were required to wear N95 masks and protective eyewear during COVID-19 waves, and were occasionally downgraded to surgical masks when deemed safe to do so. PPE guidance changed and fluctuated during this time so as to best respond to the current situation, while keeping in mind the burden and time constraints of wearing full PPE for our staff.

COVID-19 special leave remained in place for all staff who were in isolation. A total of 812 staff members (or 40.1% of total staff) required COVID-19 special leave at least once, with 905 instances of leave taken in total. The service experienced the most significant staff impacts during week 12 of the 2022-23 FY, where 35.84 FTE staff were either on COVID-19 special leave or sick leave. This is an extraordinary number of staff to be impacted in a one-week period, and does not encapsulate staff that also were on leave with caring responsibilities for young children or family impacted by COVID-19.

Visiting hours and numbers remained restricted until December 2022, and we invested a great deal of time and effort into communicating to the public the need to keep their masks on while in patient rooms and not to eat or drink while visiting. As a consequence of the winter flu season and high numbers of COVID-19 transmission in the community during this time, tables from our public café were not re-instated.

Visitor screening mandates for the hospital (i.e. checking vaccination status) were removed on 12 October 2022, however screening officers remained in place at South West Healthcare until December 2022, to assist patients with wayfinding for appointments and mask-wearing etc.

Vaccination and testing

In May 2022 South West Healthcare ceased its testing and vaccination services (with the exception of the South West Medical Centre which continues to offer vaccinations as a GP clinic). Following this we partnered with Epic Health and the Department of Health to provide free RAT tests to the community via the newly established respiratory clinic at 133 Fairy Street Warrnambool (the old Callaghan's site).

Remote patient monitoring

The Remote Patient Monitoring (RPM) team who previously provided individual care to vulnerable people with COVID-19 needing additional support, ceased operations on 2 October, 2022. This program was an excellent pilot for South West Healthcare to provide intensive remote care to those in need. The learnings gained from this experience were invaluable when setting up our Hospital in the Home, GEM@ Home and Hospital Admission Risk Program, which can now all deliver high-quality care virtually in our patients' homes.

COVID-19 inpatient care

Pandemic infrastructure has been maintained at our Warrnambool Base Hospital campus with access to 50 COVID-19 compliant beds across a mix of our Intensive Care Unit, general medical beds and mental health units. South West Healthcare also has two COVID-19 compliant beds at Camperdown Hospital and one bed at Merindah Lodge Aged Care Home.

South West Healthcare has cared for 329 admitted COVID-19 positive patients/consumers across our campuses. No COVID-19 patient required a ventilator while at South West Healthcare. A majority of these patients were admitted due to other health concerns, and not primarily because of their COVID-19 diagnosis (for example mothers giving birth, while in a COVID-19 isolation period).

Pandemic planning

Pandemic plans are updated regularly to ensure they remain relevant and specific to South West Healthcare, and to reflect changes set by the Department of Health. Updates have been made to the management of COVID-19 patients, personal protective equipment, COVID-19 testing, cleaning and waste management throughout the 2022-23 FY year.

PROFILE

As a testament to our commitment to enhance the quality of life for people in South West Victoria, South West Healthcare has been delivering a comprehensive range of healthcare services for more than one-and-a-half centuries.

We continue to advocate for and successfully deliver excellent care closer to home and nurture expansion to our diverse service profile year on year. The Warrnambool Base Hospital proudly turned 168 years old this year, and our Camperdown Hospital achieved 114 years of providing care to those in our communities.

South West Healthcare consists of two public hospitals, a mental health services division, an aged care facility and five community health centres, in 2022-23 we provided more than 150 medical, nursing, mental health, allied health and community health services to the 110,000 people who live in Warrnambool, Moyne, Corangamite, Southern Grampians and Glenelg.

CAMPUSES

Our hospitals are located at:

- › Warrnambool
- › Camperdown

Our mental health services offices are located at:

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

Our community health centres are located at:

- › Warrnambool
- › Camperdown
- › Lismore
- › Macarthur

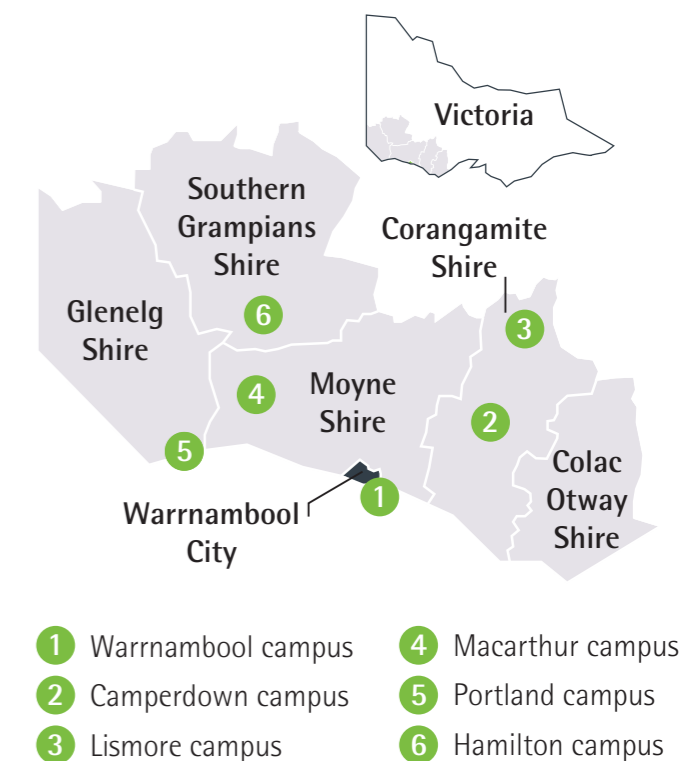
Our dental services are located at:

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

Our aged care facility is located at:

- › Camperdown

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



STATEMENT OF STRATEGIC DIRECTION 2020-24

OUR VISION

Leaders in healthcare, partners in wellbeing

OUR MISSION

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

GREAT HEALTHCARE EXPERIENCES

We partner with consumers to achieve service excellence

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

EMPOWERING OUR PEOPLE

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

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

INTEGRATED, HIGH QUALITY CARE

We continually improve service delivery to achieve high quality outcomes

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

INFRASTRUCTURE THAT SUPPORTS BEST CARE

Future demand is planned and delivered through strategic investment

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

PARTNERING FOR SUCCESS

We are a highly valued partner and leader

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

STATEMENT OF PRIORITIES

STRATEGIC PRIORITIES	HEALTH SERVICE OUTCOMES
KEEP PEOPLE HEALTHY AND SAFE IN THE COMMUNITY	
<p>Maintain COVID-19 readiness</p> <p>Maintain robust COVID-19 readiness and response, working with the department, Health Service Partnership and Local Public Health Unit (LPHU) to ensure effective responses to changes in demand and community pandemic orders. This includes, but is not limited to, participating in the COVID-19 Streaming Model, the Health Service Winter Response framework and continued support of the COVID-19 vaccine immunisation program and community testing.</p>	<p>Complete.</p> <p>South West Healthcare continues to lead the COVID-19 response supporting our regional health partners.</p> <p>Pandemic infrastructure has been maintained at our Warrnambool Base Hospital campus with access to 50 COVID-19 compliant beds across a mix of our Intensive Care Unit, general and mental health units. South West Healthcare also has two COVID-19 compliant beds at Camperdown Hospital and one bed at Merindah Lodge Aged Care Home.</p> <p>South West Healthcare have cared for 329 admitted COVID-19 positive patients and consumers across our campuses.</p> <p>Pandemic plans are updated regularly to reflect changes set by the Department of Health. Updates have been made to the management of COVID-19 patients, personal protective equipment, COVID-19 testing, cleaning and waste management.</p> <p>South West Healthcare support our regional health partners and education facilities with the provision of a respiratory protective program Fit-Testing service with over 2,000 people fit-tested across South West Healthcare and south west Victoria.</p>
CARE CLOSER TO HOME	
<p>Delivering more care in the home or virtually</p> <p>Increase the provision of home-based or virtual care, where appropriate and preferred, by the patient, including via the Better at Home program.</p>	<p>Complete.</p> <p>We have further developed our capacity to deliver care to the community in the comfort of their own home through implementation of a number of initiatives including;</p> <ul style="list-style-type: none"> Further embedment of the Geriatric Evaluation and Management (GEM@Home) Program. This program provides comprehensive medical, nursing and allied health support to patients who may otherwise require a hospital admission and was commenced in the 2022-23 financial year. During 2022-23 this has been embedded as part of our normal service delivery, with 123 patients receiving care. Increased geographic reach of the Hospital Admission Risk Program (HARP) through co-location of clinicians at Terang and Mortlake Health Service, Timboon and District Healthcare and Moyne Health Services. This has enabled patients to receive HARP care within their home beyond the previous 30km boundary, with 86 additional clients receiving this service during 2022-23. Adaptation of the Remote Patient Monitoring program which assisted COVID-19 patients with complex health condition to monitor their symptoms from home, into a permanent virtual system to assist patients with chronic health disease. This program enables patients to measure blood pressure, weight and oxygen levels in their own home, and report them via a virtual platform which clinicians are then able to see and use to help educate patients in key self-management principles. This will continue to be expanded during 2023-24.
KEEP IMPROVING CARE	
<p>Improve quality and safety of care</p> <p>Work with Safer Care Victoria (SCV) in areas of clinical improvement to ensure the Victorian health system is safe and delivers best care, including working together on hospital acquired complications, low-value care and targeting preventable harm to ensure that limited resources are optimised without compromising clinical care and outcomes.</p>	<p>In Progress.</p> <p>South West Healthcare continue to participate in the SCV Innovation and Improvement Advisor Program which aims to increase local capability to drive continuous improvement and innovation within healthcare.</p> <p>On 30 November 2022, South West Healthcare fully implemented the new Statutory Duty of Candour legislation. In keeping with the principles of the SCV's Just Culture, this change promotes a culture of reporting clinical incidents and ensuring a transparent investigation with consumer involvement. South West Healthcare continues to be an active participant in the SCV Quality Leader forums, as all health providers learn from these new processes.</p> <p>Partnering with consumers and understanding the consumer experience is key to service development and improvement. In response to the 2021-22 Mental Health Your Experience of Service (YES) Survey results South West Healthcare's Manager Consumer Experience, with the Mental Health team, established an action plan to address consumer concerns.</p> <p>This year 87.3% of consumers utilising South West Healthcare Mental Health Service described their overall experience as positive. This is an increase from previous year's results of 64.1%, and better than the Victorian average of 62.7%.</p> <p>These initiatives will continue to develop and be embedded into everyday practice at South West Healthcare.</p>

STRATEGIC PRIORITIES	HEALTH SERVICE OUTCOMES
IMPROVE EMERGENCY DEPARTMENT ACCESS	
<p>Improve access to emergency services by implementing strategies to reduce bed access blockage to facilitate improved whole of system flow, reduce emergency department four-hour wait times, and improve ambulance to health service handover times.</p>	<p>In Progress.</p> <p>The past 12 months have been a period of significant pressure on both the Emergency Department (ED) and inpatient beds. South West Healthcare has implemented significant system and workforce redesign and this has resulted in some improvement in patient flow in the second half of the financial year.</p> <p>Some of the key workforce/system redesign initiatives include development of and recruitment to the position of Manager of Operations for the Emergency Department to focus on patient flow and improvement in National Emergency Access Targets (NEAT).</p> <p>Access Coordinator role expanded to cover weekend afternoons and weekend morning shifts. The additional shifts assisted to manage inpatient and ED access and system flow.</p> <p>Victorian Virtual Emergency Department (VVED) implemented at Warrnambool and Camperdown which provides a virtual alternative to Emergency Department or urgent care. VVED provides high quality, safe and timely options for patients with non-life threatening conditions.</p> <p>South West Healthcare did experience increased performance challenges in the first six months of 2022-23, however, as a result of the above initiatives performance did improve in the second half of the financial year. This improvement is demonstrated by the percentage of patients treated within 4 hours improving from 44.7% in the first quarter to 54.1% in the last quarter. South West Healthcare is committed to continuing to respond to community service demands and to ensure this improved trend continues.</p> <p>Planning for expansion of our current Emergency Department space continues. The ED expansion will provide additional treatment spaces allowing for a fast-track model of care, dedicated infectious and non-infectious waiting room, improved access and flow and wayfinding, a new triage and reception space and a more comfortable spacious waiting area inclusive of toilets, vending machines and dedicated paediatric area. The ED expansion will result in improved facilities for our community and improved timely access to care.</p>
PLAN UPDATE TO NUTRITION AND FOOD QUALITY STANDARDS	
<p>Develop a plan to implement nutrition and quality of food standards in 2022-23, implemented by December of 2023.</p>	<p>Complete.</p> <p>South West Healthcare remain committed to the provision of high quality and nutritional food and reviewed structures and processes in 2022-23 to ensure those high standards can be maintained.</p> <p>As a result of that review the Nutrition and Dietetics department have recruited a Food Services Dietitian who liaises with the Food Services Manager and Executive Chef with the initial focus on:</p> <ul style="list-style-type: none"> Reviewing current recipes and menu cycles Format a Paediatrics menu on demand Review current texture modified foods range and cycles Change and increase protein components on menu in line with Standards across all diet codes Enter all recipes in THE menu monitoring system. <p>Nutrition working group is in place and they will continue to guide the implementation process of changes with food standards in line with the new requirements.</p>

STRATEGIC PRIORITIES	HEALTH SERVICE OUTCOMES
CLIMATE CHANGE COMMITMENTS	
Contribute to enhancing health system reliance by improving the environmental sustainability, including identifying and implementing projects and/or processes that will contribute to committed emissions reduction targets through reducing or avoiding carbon emissions and/or implementing initiatives that will help the health system to adapt to the impacts of climate change.	<p>In Progress.</p> <p>South West Healthcare is committed to reducing carbon emissions and is pleased to confirm overall emissions continued to decrease year-on-year, with South West Healthcare achieving 3% reduction in 2022-23 compared to the previous year.</p> <p>Fleet initiatives have been implemented including the rolling introduction of hybrid fleet vehicles (current total 56) and 17 zero emissions battery electric vehicles, leading to 14% reduction in unleaded fuel usage, despite the return to increased face-to-face community based service provision post COVID-19 restrictions.</p> <p>Light-emitting diode (LED) lighting upgrades have been completed at all remaining community health and community mental health centres, Centre Against Sexual Assault (CASA) and Villiers Buildings at Warrnambool Base Hospital.</p> <p>South West Healthcare implemented the replacement of commonly used single-use clinical plastic consumables with 100% compostable products, including injection trays, kidney dishes and anaesthetic packs. The process included collaboration with manufacturers to develop compostable products suitable for clinical use; and with local council, waste contractors and organics processors for inclusion of these compostable products into organics recycling, Food Organics and Garden Organics (FOGO) collection streams.</p> <p>South West Healthcare has diverted over 1.5 million pieces of plastic from landfill in the past 12 months. This number increases to 3.7 million as changes are being adopted by other health services in South West Victoria through our regional supply and logistics service.</p> <p>South West Healthcare is involved in a research project with Deakin University and the National Centre for Farmer Health seeking to understand the health impacts of high heat days. The project will evaluate the number and types of presentations to Emergency Departments and Urgent Care Centres across South West Victoria on these days compared to non-heat days over the summer period. This research will help health services to prepare for the types and volumes of care required during heat events, and inform public health messaging.</p> <p>South West Healthcare is part of Warrnambool City Council's Climate and Health Community of Practice to improve outcomes for Warrnambool's community and provides input into the municipal health and wellbeing plan "Healthy Warrnambool 2021-25 Plan".</p> <p>South West Healthcare was involved in a Climate and Health Forum in Warrnambool in May 2023 with 90 attendees from health, education, emergency services, water authorities, early years services, research and community groups.</p> <p>Environmental sustainability is a multi-year initiative.</p>
IMPROVE ABORIGINAL HEALTH AND WELLBEING	
Improve Aboriginal cultural safety	<p>In Progress.</p> <p>The Aboriginal and Torres Strait Islander advisory group recommenced meetings in December 2022 and have contributed to the development of an Aboriginal Employment Strategy and a Cultural Safety Plan.</p> <p>The aims of these plans are to:</p> <ul style="list-style-type: none"> • Increase Aboriginal employment throughout the organisation through targeted strategies • Improve the experience for Aboriginal people receiving care within the organisation, with an initial focus on the Emergency Department • Identify particular areas of health concern for Aboriginal Communities and work in partnership with Aboriginal Community Control Health Organisation's (ACCHO's) to address. <p>The health service continues to recognise important dates on the Aboriginal calendar with a key highlight being celebration of NAIDOC week. The 2022 event was held at Tower Hill Wildlife Reserve, Koroit.</p>
Implement strategies and processes to actively increase Aboriginal employment.	<p>In Progress.</p> <p>The Aboriginal Employment Strategy was developed in consultation with community with key initiatives to be implemented during the 2023-24 financial year and a goal for at least two percent (2%) of our workforce to be of Aboriginal and/or Torres Strait Islander background by 2025.</p> <p>To achieve this, it is our commitment to contribute to education and training for Aboriginal people, develop recruitment processes that are culturally focused and equip all our staff to appropriately support Aboriginal employees within the workforce.</p>

STRATEGIC PRIORITIES	HEALTH SERVICE OUTCOMES
MOVING FROM COMPETITION TO COLLABORATION	
Strengthen cross-service collaboration, including through active participation in health service partnerships (HSP).	<p>Complete.</p> <p>South West Healthcare operates a regional supply, procurement and linen service in collaboration with public health services in the South West. A capital project to support this Regional Logistics Distribution Centre (RLDC) collaboration commenced in 2021 and is scheduled for completion in early 2024. The new RLDC will include a robotic warehouse system and fully equipped linen service to support South West Victoria.</p> <p>A regional steering group is in place to support and oversee the services provided from the RLDC which include warehousing, linen, distribution and procurement and ensure the collaboration continues to provide tangible benefits for the region.</p> <p>The RLDC steering group consists of representatives from Colac Area Health, Portland District Health, Western District Health Service, Casterton Memorial Hospital, Great Ocean Road Health, Heywood Rural Health, Moyne Health Services, South West Healthcare, Terang and Mortlake Health Service and Timboon and District Healthcare Service.</p>
PLANNED SURGERY RECOVERY AND REFORM PROGRAM	
Maintain commitment to deliver goals and objectives of the Planned Surgery Recovery and Reform Program, including initiatives as outlined, agreed and funded through the HSP work plan. Health services are expected to work closely with HSP members and the department throughout the implementation of this strategy, and to collaboratively develop and implement future reform initiatives to improve the long term sustainability of safe and high quality planned surgical services to Victorians.	<p>In Progress.</p> <p>South West Healthcare has successfully delivered on several of the goals and objectives of the Planned Surgery Recovery and Reform initiative.</p> <p>Patient optimisation programs have been implemented which have improved the patient experience and preparation for surgery. South West Healthcare has specifically targeted long wait patients, resulting in a decreased number of patients waiting extended time for surgery.</p> <p>Introduction of new day stay models of care have seen patients spend less time in hospital and have enabled care to be delivered either at home or closer to home.</p> <p>In collaboration with other regional health services we have standardised key measures for theatre efficiencies and optimised patients pathways resulting in being ready for surgery and surgery completed sooner.</p> <p>South West Healthcare received funding under the initiative for the purchase of essential theatre equipment to support service delivery. These included new Ophthalmology microscope, Endoscopy scope, and Operating Tables.</p> <p>The program has also supported the upskilling of South West Healthcare's workforce including three additional nurses completing post graduate study in Perioperative Nursing and the upskilling of 18 surgical nurses.</p> <p>This will be an ongoing focus for the 2023-24 financial year.</p>
SUPPORT MENTAL HEALTH AND WELLBEING	
Support the implementation of recommendations arising from the Royal Commission into Victoria's Mental Health system, by improving compliance with legislative principles supporting self-determination and self-directed care.	<p>In Progress.</p> <p>South West Healthcare Mental Health Services have met a number of the eight priorities during 2022-23.</p> <p>To provide a foundation for the priorities, a new Mental Health Referral Service Team function has been introduced, including centralised triage and a single point of access phone number.</p> <p>A model to embed Lived and Living Experience in the leadership, design and delivery of area mental health and wellbeing services was developed and implemented, including the introduction and recruitment of a new team leader role.</p> <p>Planning for the establishment of two area mental and wellbeing service streams (aged 0-11 and 12-25) has been completed and is moving towards commencement phase.</p> <p>More core service provision has occurred outside of traditional business hours, with the 2022-23 target exceeded.</p> <p>Partnerships have been strengthened in 2022-23 with additional consultation and shared care arrangements in place with partner agencies as well as additional consultation hours provided.</p> <p>The embedding of a co-production committee with consumer and carer membership has had an active role in 2022-23 in shaping and directing the planning and embedding of Royal Commission reforms.</p> <p>The Royal Commission rollout is a 10 year initiative.</p> <p>Initiative will carry into 2023-24.</p>

STRATEGIC PRIORITIES	HEALTH SERVICE OUTCOMES
A STRONGER WORKFORCE	
Improve workforce wellbeing	Complete.
Participate in the Occupational Violence and Aggression (OVA) training that will be implemented across the sector in 2022-23.	Occupational Violence and Aggression (OVA) specific training has been developed and delivered to South West Healthcare staff to identify and de-escalate incidents of occupational violence and aggression and reduce risk of harm to staff and patients.
Support the implementation of the Strengthening Hospital Responses to Family Violence (SHRFV) initiative deliverables including health service alignment to MARAM, the Family Violence Multi-Agency Risk Assessment and Management framework.	<p>Complete.</p> <p>South West Healthcare continues to support implementation of the Strengthening Hospital Responses to Family Violence (SHRFV) project, both within our health service and to the health services within South West Victoria.</p> <p>A focus on ensuring our response and practice is aligned with the new MARAM legislation has provided a framework on how we risk assess and work with people who have experienced or are experiencing family violence and how we then work with other agencies to ensure victim safety.</p> <p>One of the key highlights of 2022-23 has been the work conducted within our maternity services to ensure appropriate screening and support for all women.</p>
Prioritise wellbeing of healthcare workers and implement local strategies to address key issues.	<p>Complete.</p> <p>Multiple tailored wellbeing initiatives delivered throughout the year to promote staff health and wellbeing.</p> <p>More than 130 managers and senior managers attended resilience training to provide strategies and tools to support staff to manage workplace pressures.</p> <p>New nursing leadership structure in place to enhance decision making at manager level and increase staff satisfaction with leadership engagement.</p> <p>New health and wellbeing report developed resulting in significant increase in compliance with incident investigation and closure.</p> <p>An action plan has been developed as part of the People Strategy with timeframes assigned to each action to be achieved over the next four years.</p> <p>Ongoing actions to be achieved through the South West Healthcare Workforce Committee.</p>

PERFORMANCE PRIORITIES

HIGH QUALITY AND SAFE CARE	2022/23 ACTUALS
INFECTION PREVENTION AND CONTROL	
Compliance with the Hand Hygiene Australia program	91.4%
Percentage of healthcare workers immunised for influenza	100%
CONTINUING CARE	
Functional independence gain from episode of rehabilitation admission to discharge, relative to length of stay	0.654
PATIENT EXPERIENCE	
Percentage of patients who reported positive experiences of their hospital stay	96.1%
Percentage of mental health consumers who reported positive experience of care with a service	87.3%
Percentage of mental health consumers reporting they felt safe using this service	94.4%
Percentage of mental health families/carers reporting a positive experience of the service	42.3%
Percentage of mental health families/carers reporting they felt their opinions as a carer were respected	71.8%
HEALTHCARE ASSOCIATED INFECTIONS (HAI'S)	
Rate of patients with surgical site infections	met
Rate of patients with ICU central-line associated bloodstream infection (CLABSI)	0.0
UNPLANNED RE-ADMISSIONS	
Unplanned re-admissions for hip replacement	8.2
MENTAL HEALTH	
Percentage of closed community cases re-referred within six months relating to an adult	22%
Percentage of closed community cases re-referred within six months relating to an aged person	9%
Percentage of closed community cases re-referred within six months relating to child and adolescents	17%
Rate of seclusion events relating to an adult acute mental health admission	6
Rate of seclusion events relating to an aged acute mental health admission	0
Percentage of child and adolescent acute mental health inpatients with post-discharge follow-up within seven days	91%
Percentage of adult acute mental health inpatients admissions who have a post-discharge follow-up within seven days	95%
Percentage of aged acute mental health inpatients who have a post-discharge follow-up within seven days	100%
Percentage of adult acute mental health inpatients who are readmitted within 28 days of discharge	8%
Percentage of aged acute mental health inpatients who are readmitted within 28 days of discharge	4%
MATERNITY AND NEWBORN	
Rate of singleton term infants without birth anomalies with APGAR score < 7 to 5 minutes	
	Warrnambool 1.3%
	Camperdown 10.5%
Rate of severe foetal growth restriction (FGR) in singleton pregnancy undelivered by 40 weeks	
	Warrnambool 0.0%
	Camperdown 100%
Urgent maternity patients referred for obstetric care within 30 days	100%

STRONG GOVERNANCE, LEADERSHIP AND CULTURE 2022/23 ACTUALS

ORGANISATIONAL CULTURE

People Matter Survey - Percentage of staff with an overall positive response to safety and culture questions	60%
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TIMELY ACCESS TO CARE 2022/23 ACTUALS

ELECTIVE SURGERY

Percentage of urgent Category 1 elective surgery patients admitted within 30 days	100%
Percentage of urgent Category 1, 2 and 3 elective surgery patients admitted within clinically recommended time	85.5%
Number of patients on the elective surgery waiting list (as at 30 June 2023)	1,047
Number of patients admitted from the elective surgery waiting list	2,746
Percentage of patients on the waiting list who have waited longer than clinically recommended time for their respective triage category	5.8%
Number of hospital initiated postponements per 100 scheduled elective surgery admissions	9.9

EMERGENCY CARE

Percentage of patients transferred from ambulance to Emergency Department within 40 minutes	90%
Percentage of Triage Category 1 emergency patients seen immediately	100%
Percentage of Triage Category 1 to 5 emergency patients seen within clinically recommended time	57%
Percentage of emergency patients with a length of stay in the Emergency Department less than four hours	48%
Number of patients with a length of stay in the Emergency Department greater than 24 hours	14

MENTAL HEALTH

Percentage of crisis (category C) mental health triage episodes with a face-to-face contact received within 8 hours	80%
Percentage of mental health-related emergency department presentations with a length of stay of less than 4 hours	42%

SPECIALIST CLINICS

Percentage of urgent patients referred by a GP or external specialist who attended a first appointment within 30 days	98.4%
Percentage of routine patients referred by a GP or external specialist who attended a first appointment within 365 days	99.5%

EXECUTIVE FINANCIAL MANAGEMENT 2022/23 ACTUALS

Operating Result (\$M)	\$0.23M	
Cash Management	Trade creditors	28 days
	Patient fee debtors	49 days

ASSET MANAGEMENT

Adjusted current asset ratio	0.89
Actual days of available cash	39.5
Accuracy of forecasting the Net result from transactions (NRFT) for the current financial year	Not achieved

ACTIVITY REPORTING

Funding Type		2022-23 Activity achievement
Consolidated Activity	Acute, admitted, subacute admitted, emergency services, non-admitted NWAU	24,689
Acute Admitted	National Bowel Cancer Screening Program NWAU	50
	Acute admitted Department of Veterans' Affairs (DVA)	124
	Acute admitted Transport Accident Commission (TAC)	95
Acute Non-Admitted	Home Enteral Nutrition NWAU	29.61
	Specialist Clinics	2,486
Sub-Acute/Non-Acute Admitted	Sub-Acute - DVA	18.41
	Transition Care – Bed Days	2,663
	Transition Care – Home Days	3,044
Sub-Acute Non-Admitted	Health Independence Program	20,091
Aged Care	Residential Aged Care	7,380
	Commonwealth Home with Support Program	34,018
Mental Health & Drug Services	Mental Health Ambulatory	35,894
	Mental Health Inpatient – Available bed days	5,475
	Mental Health Service System Capacity	1
	Mental Health Sub Acute	5,475
	Drug Services	76
Primary Health	Community Health/Primary Care Programs	16,577
Community Health Contacts by Campus	Warrnambool Community Health (inc HIP)	62,314
	Camperdown Community Health/David Newman Centre	11,330
	Macarthur Community Health	2,642
	Lismore Community Health	3,230
	Regional Dental Service	14,600
	South West Medical Centre (GP Clinic)	15,415

NWAU is the national weighted activity unit

STATUTORY REQUIREMENTS

MANNER OF ESTABLISHMENT

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

RESPONSIBLE MINISTERS 2022-23

The Responsible Ministers for South West Healthcare:

Minister for Health:

The Hon. Mary-Anne Thomas

1 July 2022 to 30 June 2023

Minister for Mental Health

The Hon. Gabrielle Williams

1 July 2022 to 30 June 2023

Minister for Disability, Ageing and Carers

The Hon. Colin Brooks

1 July 2022 to 5 December 2022

The Hon. Lizzie Blandthom

5 December to 30 June 2023

FREEDOM OF INFORMATION REQUESTS

Requests for documents in the possession of South West Healthcare are directed to the Freedom of Information Manager and all requests are processed in accordance with the *Freedom of Information Act 1982*. A fee is levied for this service, based on the time involved in retrieving and copying the requested documents. The Hospitals Part II publication, which details publication requirements of the *Freedom of Information Act*, is available on the South West Healthcare website at www.southwesthealthcare.com.au.

A total of 364 requests under the *Freedom of Information Act* were processed during the 2022-23 financial year.

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

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

Principal Officer

Bernadette Northeast, Chair – Board of Directors

Medical Principal Officer

Dr Kate McConnon, Executive Director Medical Services

Freedom of Information Officer

Ms Robyn White

GENDER EQUALITY ACT 2020

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

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

In accordance with the Act, South West Healthcare have developed their Gender Equality Action Plan (GEAP), commencing with the collation and analysis of workforce baseline data, analysis of the relevant staff survey results and consultation with various key stakeholders. South West Healthcare continues to report our achievements and progress on the action items contained in the South West Healthcare GEAP, to the Gender Equality Commission in accordance with the reporting obligations.

The South West Healthcare GEAP includes strategies, actions and measures to build, develop and sustain positive organisational growth towards gender equality.

Implementing and embedding actions to achieve the initiatives of the GEAP continue to be our focus, including the review and update of relevant organisational policies currently underway, which aims to further promote gender equality in our workplace. The South West Healthcare Diversity and Inclusion Committee is proactively led by staff representatives from across the organisation, providing valuable guidance and recommendations to support the objectives of the Gender Equality Act 2020 and ensure South West Healthcare is actively removing barriers to gender inequity in our workplace and, more broadly, in the community we deliver services to.

CARERS RECOGNITION ACT 2012

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

SAFE PATIENT CARE ACT 2015

South West Healthcare has one matter to report in relation to its obligations under section 40 of the *Safe Patient Care Act 2015*.

In July 2022, South West Healthcare entered into a Local Agreement under section 36(2) of the Safe Patient Care (Nurse to Patient and Midwife to Patient Ratios) Act 2015 to vary nurse to patient ratios and/or midwife to patient ratios in Medical, Acute, Short Stay, Rehabilitation and Paediatrics wards at South West Healthcare. This was in response to the reclassification of Warrnambool Base Hospital to a level 2 hospital.

COMPETITIVE NEUTRALITY

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

CAR PARKING FEES

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

BUILDING ACT 1993

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

PUBLIC INTEREST DISCLOSURE ACT 2012

South West Healthcare has in place appropriate procedures for disclosures in accordance with the *Public Interest Disclosure Act 2012*. No disclosures were made under the Act in 2022-23.

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

Mr Craig Fraser

Chief Executive Officer

South West Healthcare, Warrnambool, Victoria 3280

The Ombudsman

Level 3, 459 Collins Street, Melbourne, Victoria 3000

Phone 1800 806 314

LOCAL JOBS ACT DISCLOSURE

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

South West Healthcare had three contracts assessed during the financial year 2022-23 which have ongoing reporting commitments under the Local Jobs First Act 2003. The aggregated value of these contracts is approximately \$3.9M. All three contracts commenced with effect during 2022-23. A contract for document scanning services (patient records) and a contract for quantity surveyor services each required only a short form Local Industry Development Plan (LIDP). Local content commitments is equal to or greater than 97% for both of those contracts. The third contract was for the supply and maintenance of a Patient Entertainment and Engagement System for which a standard LIDP was required. The local content commitment for this contract was 83.5%. The total number of SME's engaged as either the principle contractor or as part of the supply chain for this contract is 17.

Across all three contracts, the total Standard VIC Created Hours is 703. The total standard VIC Retained Hours is 720. The total Standard ANZ Created Hours is 8. The total Standard ANZ Retained Hours was also 8.

South West Healthcare complies with the *Local Jobs First Act 2003*.

ADDITIONAL INFORMATION AVAILABLE UPON REQUEST

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

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

SUSTAINABLE PROCUREMENT

South West Healthcare promotes sustainable practices that go beyond compliance requirements to both minimise adverse environmental impact and deliver positive environmental outcomes.

Our procurement activities are environmentally responsible and include the following highlights for 2022-23

- Compliance with the Single-Use Plastic Ban in February 2023, with catering items including disposable plates, bowls, cutlery and straws replaced with paper or bamboo alternatives.
- Introduction of single use compostable clinical consumable items including anaesthetic packs and trays, injection trays, kidney dishes, denture pots and pill cups, leading to the avoidance of over 300,000 plastic products by South West Healthcare in 2022-23.
- Introduction of 17 Zero Emissions fleet cars along with the rolling introduction of hybrid cars into the South West Healthcare fleet, with 50% of our fleet cars now hybrid or electric.

Along with sustainable procurement practices, South West Healthcare also endeavours to promote social procurement practices where possible. Social procurement is when organisations use their buying power to generate social value above and beyond the value of the goods, services, or construction being procured. Under Victoria's Social Procurement Framework, South West Healthcare is required to report on the following objectives

- Opportunities for Victorian Aboriginal People
- Opportunities for Victorians with disability
- Opportunities for disadvantaged Victorians

South West Healthcare engaged with 21 social benefit suppliers for a total spend of \$2,912,067 in the financial year 2022-23. This reflects an approximate 250% increase in expenditure when compared to financial year 2021-2022 spend of \$1,171,245 across 22 social benefit suppliers.

SUMMARY OF FINANCIAL RESULTS FOR THE YEAR

This report is presented in accordance with the Financial Management Act 1994, for the year ending 30 June 2023.

Financially, South West Healthcare is in a strong position recording an operating surplus of \$234k. There has been a continued focus on capital expenditure with more than \$2,572,291 spent on new and upgraded equipment and infrastructure.

As detailed in the below tables, we are pleased to confirm the total operating revenue increased from \$253M to \$294M for the 2022-23 financial year. This reflects an increase of \$41M or 18%. The service profile continues to be impacted by the COVID-19 pandemic and it's pleasing to report that South West Healthcare has both responded to the community needs associated with the pandemic and maintained our financial strength. An operating surplus of \$234k (0.08% of operating revenue) was achieved and this result ensures the financially sustainable position we've built over many years is maintained. As detailed through this report, we remain innovative and focused on responding to the rapidly changing health needs of the community we serve.

	2023	2022	2021	2020	2019
	\$000	\$000	\$000	\$000	\$000
Operating Result*	234	9	3,534	3,913	502
Total revenue	294,215	253,020	227,692	212,574	198,987
Total expenses	277,768	(252,411)	(234,600)	(220,850)	(209,584)
Net results from transactions	16,447	609	(6,908)	(8,276)	(10,597)
Total other economic flows	37	1,709	1,679	(362)	(993)
Net result	16,484	2,318	(5,229)	(8,638)	(11,590)
Total assets	351,035	304,610	279,628	271,715	276,928
Total liabilities	83,452	84,204	65,046	54,113	50,691
Net assets/Total equity	267,583	220,406	214,582	217,602	226,237

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

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

	2022-23
	\$000
Net operating result *	234
Capital purpose income	30,558
Expenditure for capital purpose	(901)
Depreciation and amortisation	(13,394)
Finance costs (other)	(49)
Net result from transactions	16,447

DETAILS OF 2022-23 CONSULTANCIES

In 2022-23 there was one consultancy where the total fees payable to the consultants were less than \$10,000. The total expenditure incurred during the 2022-23 financial year in relation to this consultancy was \$7,185 (exclusive of GST).

In 2022-23 there were three consultancies where the total fees payable to the consultants were \$10,000 or greater. The total expenditure incurred during 2022-23 in relation to these consultancies is \$957,132 (exclusive of GST). Details of these consultancies can be viewed below.

Consultant	Purpose of consultancy	Start date	End date	Total approved project fee (excluding GST)	Expenditure 2022-23 (excluding GST)	Future expenditure (excluding GST)
ZED Consulting and Associates Pty Ltd	Patient Engagement Strategy	28/04/2022	17/01/2023	\$120,100	\$110,100	\$0
Price Waterhouse Coopers	Professional Services	6/04/2023	30/06/2023	\$770,000	\$770,000	\$0
Hurn McEwen Human Resource Consultants	Resilient Leader Program	26/10/2022	9/05/2023	\$47,025	\$47,024	\$0

INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) DISCLOSURE

The total ICT expenditure incurred during 2022-23 is \$4.367M (excluding GST) with the details shown below.

BUSINESS AS USUAL (BAU) ICT EXPENDITURE		
Total Operational expenditure and Capital expenditure (excluding GST)	Operational expenditure (excluding GST)	Capital expenditure (excluding GST)
\$4.367 million	\$3.941 million	\$0.426 million

COMMERCIAL APPOINTMENTS

External Auditors

Crowe Australasia

Internal Auditors

Moore Australia

Bankers

Australia & New Zealand Banking Group Ltd
Westpac Banking Corporation
Commonwealth Bank of Australia

ATTESTATIONS

DATA INTEGRITY DECLARATION

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



Craig Fraser
Chief Executive Officer
South West Healthcare
24 August 2023

CONFLICT OF INTEREST DECLARATION

I, Craig Fraser, certify that South West Healthcare has put in place appropriate internal controls and processes to ensure that it has complied with the requirements of hospital circular 07/2017 Compliance reporting in health portfolio entities (Revised) and has implemented a 'Conflict of Interest' policy consistent with the minimum accountabilities required by the VPSC. Declaration of private interest forms have been completed by all executive staff within South West Healthcare and members of the board, and all declared conflicts have been addressed and are being managed. Conflict of interest is a standard agenda item for declaration and documenting at each executive board meeting.



Craig Fraser
Chief Executive Officer
South West Healthcare
24 August 2023

INTEGRITY, FRAUD AND CORRUPTION DECLARATION

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



Craig Fraser
Chief Executive Officer
South West Healthcare
24 August 2023

COMPLIANCE WITH HEALTHSHARE VICTORIA (HSV) PURCHASING POLICIES

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



Craig Fraser
Chief Executive Officer
South West Healthcare
24 August 2023

FINANCIAL MANAGEMENT COMPLIANCE ATTESTATION STATEMENT

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



Bernadette Northeast
Board Chair
South West Healthcare
24 August 2023

INPATIENTS AND PATIENTS

We continue to service a growing community through our hospital inpatient settings, Emergency Department, community care, mental health and allied health programs, with an increased focus on care delivered in our patient's homes. In 2022-23 we have embraced a number of new models of care to provide the community with more flexible care options closer to home to ensure that healthcare is accessible to all. These include: partnering with the VVED for virtual Emergency care, and creating a number of outpatient services such as GEM@Home, Hospital in the Home and the Hospital Admission Risk Program. Changes were made to our Alcohol and other Drug inpatient beds ensuring access to care 24 hours a day, 7 days a week in 2022-23, and we continue to look at ways to improve our patients' length of stay and reduce Emergency Department wait times.

27,738 EMERGENCY AND URGENT CARE PATIENTS

Presentations to the Warrnambool Emergency Department and the Camperdown Urgent Care Centre have been markedly different over the past year. In Warrnambool the increase in ED presentations in 2022-23 was modest, given the city benefitted from the opening of a Respiratory Centre and a Priority Primary Care Centre which provided the community with alternative care pathways for urgent but non-life threatening injuries and illness.

The Camperdown Urgent Care Centre however saw an extraordinary 31% increase in patients which demonstrates the importance of this regional facility to the communities between Colac-Otway Health and The Warrnambool Base Hospital. It also shows confidence in our Camperdown Hospital and team to be able to assist with urgent care.

South West Healthcare recorded a 1.8% percent increase in combined Emergency Department and Urgent Care Centre attendances for 2022-23. During this 12-month period we treated 27,738 Emergency and Urgent Care

patients compared to 27,232 in 2021-22.

Emergency Department presentations in Warrnambool have reduced slightly in 2022-23, treating 25,052 people, a 0.5% percent decrease on the 25,184 people treated the year prior. However what is not reflected in the data is the fact that we are seeing a more complex cohort of patients presenting who ultimately require more in-depth treatment.

Our Camperdown Urgent Care Centre treated 2,686 people, compared to 2,048 people the year prior – a significant increase.

The majority of our Warrnambool Emergency Department and Camperdown Urgent Care Centre patients came from the local government area where we're based.

- › 59.14% of our Warrnambool Base Hospital Emergency Department patients were Warrnambool City Council residents.
- › 87.86% of our Camperdown Hospital Urgent Care Centre patients were Corangamite Shire residents.

SOUTH WEST HEALTHCARE EMERGENCY/ URGENT CARE PATIENTS' PLACE OF RESIDENCE

EMERGENCY	WARRNAMBOOL		CAMPERDOWN	
	Number	%	Number	%
Warrnambool	14,816	59.14%	38	1.41%
Moyne	4,886	19.50%	109	4.06%
Corangamite	2,558	10.21%	2,360	87.86%
Glenelg	551	2.20%	3	0.11%
Southern Grampians	291	1.16%	7	0.26%
Colac Otway	70	0.28%	32	1.19%
Rest of Victoria	1,300	5.19%	100	3.72%
SA	120	0.48%	4	0.15%
NSW	90	0.36%	8	0.30%
QLD	88	0.35%	10	0.37%
WA	33	0.13%	8	0.30%
ACT	11	0.04%	0	0.00%
NT	5	0.02%	0	0.00%
TAS	13	0.05%	2	0.07%
Overseas	112	0.45%	4	0.15%
No Fixed Address	95	0.38%	1	0.04%
Unknown	13	0.05%	0	0.00%
TOTALS	25,052	100%	2,686	100%

HOSPITAL INPATIENTS

In 2022-23 South West Healthcare placed significant emphasis on establishing in-home care to assist community members to be treated at home with reduced risk of infection, or to prevent further escalation and extended hospitalisation. This focus became the Hospital Admission Risk Program (HARP) which was expanded to Terang and Mortlake Health Service, Timboon and District Health and Moyne Health Services, as well as the GEM@Home program which provided care for elderly patients and the Hospital in the Home (HITH) program. These initiatives have therefore impacted the type of inpatient at South West Healthcare, length of stay and a number of other factors for the 2022-23 year. We believe these are great additions to complement hospital-based services.

More work will continue in this space in 2023-24 to ensure that we are able to offer patients flexible care options closer to home and so that we can ensure accessibility to our inpatient beds for the most sick and vulnerable.

South West Healthcare recorded a 4.1% increase in hospital inpatients for 2022-23, compared to 2021-22.

During this 12-month period we cared for 25,605 inpatients compared to 24,595 inpatients in 2021-22.

Specifically, our Warrnambool Base Hospital cared for 24,037 inpatients. This is a 4.7% increase on the 22,954 patients cared for in 2021-22.

Our Camperdown Hospital cared for 1,568 inpatients. This is a 4.4% decrease on the 1,641 patients cared for in 2021-22.

WHERE OUR PATIENTS LIVE

The majority of our inpatients came from the local government area in which the hospital they were admitted is located:

54.22% of our Warrnambool Base Hospital inpatients were Warrnambool City residents.

61.61% of our Camperdown Hospital inpatients were Corangamite Shire residents.

A further breakdown of where inpatients reside is provided in the following table.

SOUTH WEST HEALTHCARE INPATIENTS PLACE OF RESIDENCE

INPATIENTS	WARRNAMBOOL		CAMPERDOWN	
	Number	%	Number	%
Warrnambool	13,032	54.22%	336	21.43%
Moyne	4,453	18.53%	181	11.54%
Corangamite	3,338	13.89%	966	61.61%
Glenelg	1,539	6.40%	10	0.64%
Southern Grampians	802	3.34%	7	0.45%
Colac Otway	81	0.34%	27	1.72%
Rest of Victoria	563	2.34%	34	2.17%
SA	111	0.46%	2	0.13%
NSW	22	0.09%	1	0.06%
QLD	22	0.09%	1	0.06%
WA	17	0.07%	0	0.00%
ACT	3	0.01%	0	0.00%
NT	1	0.00%	1	0.06%
TAS	1	0.00%	0	0.00%
Overseas	38	0.16%	0	0.00%
No Fixed Address	13	0.05%	2	0.13%
Unknown	1	0.00%	0	0.00%
TOTALS	24,037	100%	1,568	100%

THE AGE OF OUR 24,595 INPATIENTS

People aged in the 71-75 year old age bracket accessed South West Healthcare's services more than any other group (2,860), closely followed by those in the 66-70 age bracket (2367) across both Warrnambool and Camperdown Hospitals. This trend shows that older people have accessed the service more frequently in the 2022-23 FY, than the year prior where those in the 56-60 year old age bracket were the most frequent visitors.

Please refer to the table below.

SOUTH WEST HEALTHCARE INPATIENTS AGE BY SOUTH WEST HEALTHCARE HOSPITAL 2022-23

INPATIENTS BY AGE	WARRNAMBOOL		CAMPERDOWN	
	Number	%	Number	%
0-5	1,515	6.30%	34	2.17%
6-10	275	1.14%	0	0.00%
11-15	294	1.22%	6	0.38%
16-20	475	1.98%	39	2.49%
21-25	821	3.42%	50	3.19%
26-30	1,012	4.21%	67	4.27%
31-35	1,345	5.60%	67	4.27%
36-40	1,043	4.34%	58	3.70%
41-45	1,132	4.71%	46	2.93%
46-50	1,008	4.19%	76	4.85%
51-55	1,508	6.27%	130	8.29%
56-60	1,923	8.00%	129	8.23%
61-65	2,103	8.75%	133	8.48%
66-70	2,202	9.16%	165	10.52%
71-75	2,681	11.15%	179	11.42%
76-80	1,866	7.76%	126	8.04%
81-85	1,681	6.99%	146	9.31%
86-90	780	3.24%	74	4.72%
91+	373	1.55%	43	2.74%
TOTAL	24,037	100.00%	1,568	100.00%

HEALTH, SAFETY & WELLBEING

2022-23 saw a continued focus on ensuring South West Healthcare has an embedded and robust system for managing and promoting staff health, safety and wellbeing across the organisation.

The Health, Safety and Wellbeing Framework incorporates incident/accident prevention, injury management, WorkCover claims management, employee assistance programs, rehabilitation, promotion of safe work practices, and OHS risk management including the provision of policies, safe work procedures and staff training to meet compliance with the OH&S Act (2004). It also ensures compliance with other relevant regulations, standards and codes of practice. The team at South West Healthcare are also responsible for emergency management, security services and business continuity, for all South West Healthcare sites.

SIGNIFICANT OUTCOMES FOR 2022-23

- › South West Healthcare initiated multiple wellbeing activities for all staff
- › Injury management training conducted for all managers
- › South West Healthcare achieved a 99.82% influenza vaccination rate among our workforce, and 100% at Merindah Lodge – and were the first in the state to achieve the Victorian target
- › Resilience training delivered to more than 130 managers, to provide strategies and tools to support staff to manage workplace pressures imposed by COVID
- › South West Healthcare continued to implement a risk-based immunisation program for managing occupational risk for vaccine-preventable diseases in accordance with National Safety and Quality Health Service (NSQHS) standard requirements and Australian Immunisation handbook
- › South West Healthcare implemented many additional controls to improve the prevention and management of occupational violence and aggression (OVA), including additional duress alarms, security cameras and tailored OVA staff training packages
- › Achieved 100% compliance for monthly OHS inspections of 72 departments
- › South West Healthcare continued to provide ongoing support to staff through our Employee Assistance Program, including critical incident stress management support
- › Provided OHS/ Security advice to the redevelopment team so they may effectively manage the extensive amount of works planned/ underway.

WORKFORCE DATA

STAFF NUMBERS (FULL TIME EQUIVALENT/FTE) 2022-23

LABOUR CATEGORY	CURRENT MONTH FTE JUNE 2022	CURRENT MONTH FTE JUNE 2023	AVERAGE MONTHLY FTE 2022	AVERAGE MONTHLY FTE 2023
Nursing	557.87	570.25	558.32	560.49
Admin. and Clerical	214.62	218.51	210.09	216.62
Medical Support	61.99	71.19	64.42	71.42
Hotel and Allied Services	175.65	155.15	166.61	153.69
Medical Officers	102.54	116.03	94.14	100.98
Sessional Clinicians	10.78	12.75	11.55	12.00
Ancillary Staff (Allied Health)	139.40	149.30	136.46	147.81
TOTAL	1,262.85	1,293.18	1,241.59	1,263.01

STAFF GENDER/EMPLOYMENT STATUS 2021-23

	JUNE 2023	JUNE 2022	JUNE 2021
FEMALE			
Full Time	365	345	311
Part Time	1015	989	951
Casual	255	259	196
(Sub Total)	1635	1593	1458
MALE			
Full Time	213	210	187
Part Time	108	119	109
Casual	67	91	65
(Sub Total)	388	420	361
TOTAL	2,023	2,013	1,819

OCCUPATIONAL HEALTH & SAFETY DATA

OCCUPATIONAL HEALTH AND SAFETY STATISTICS 2020-21 TO 2022-23

OCCUPATIONAL HEALTH AND SAFETY STATISTICS	2022-23	2021-22	2020-21
Number of reported hazards/incidents for the year per 100 FTE	32.69	30.77	48.21
Number of 'lost time' standard Workcover claims for the year for 100 FTE	0.79	0.72	2.37
Average cost per Workcover claim for the year	\$89,703.36	\$73,785.68	\$85,206.16

OCCUPATIONAL VIOLENCE STATISTICS 2022-23

1. Workcover accepted claims with an occupational violence cause per 100 FTE	0.08
2. Number of accepted Workcover claims with lost time injury with an occupational violence cause per 1,000,000 hours worked	0.48
3. Number of occupational violence incidents reported	216
4. Number of occupational violence incidents reported per 100 FTE	17.10
5. Percentage of occupational violence incidents resulting in a staff injury, illness or condition	9.26%

DEFINITIONS OF OCCUPATIONAL VIOLENCE

- › Occupational violence - any incident where an employee is abused, threatened or assaulted in circumstances arising out of, or in the course of their employment.
- › Incident - an event or circumstance that could have resulted in, or did result in, harm to an employee. Incidents of all severity rating must be included. Code Grey reporting is not included, however, if an incident occurs during the course of a planned or unplanned Code Grey, the incident must be included.
- › Accepted Workcover claims - accepted Workcover claims that were lodged in 2022-23.
- › Lost time - is defined as greater than one day.
- › Injury, illness or condition – this includes all reported harm as a result of the incident, regardless of whether the employee required time off work or submitted a claim.

ENVIRONMENTAL SUSTAINABILITY

Environmental Sustainability Work at South West Healthcare is guided by our 2020–24 Environmental Management Plan (EMP). The following is a detailed summary of environmental performance as it relates to energy and water usage, waste production and the generation of Greenhouse Gas Emissions (GHG) by South West Healthcare for 2022-23.

The report has been prepared in accordance with the Department of Health's Public Environmental Reporting Guidelines 2023. The Guidelines have been revised to reflect expanded mandatory public environmental reporting requirements under Financial Reporting Direction 24: Reporting of environmental data by government entities (FRD24). South West Healthcare is classified as a Tier 3a entity under FRD24, with increased disclosure requirements reported for the first time in 2022-23 financial year and noted as indicators (in the format letter/number i.e. [T1]) throughout the tables. These increased parameters more accurately reflect the actual emissions generated by the operations and activities of South West Healthcare.

South West Healthcare is the largest sub-regional health service in Victoria, providing acute, mental health, rehabilitation and aged care together with an extensive range of primary and community health services across the south west catchment in Victoria. The organisation includes two public hospitals, Warrnambool Base Hospital and Camperdown Hospital and Aged Care Facility, South West Regional Cancer Centre, and the Prevention and Recovery Centre Ngootyoong. Public clinical mental health services for community members of all ages operate out of offices in Warrnambool, Camperdown, Portland and Hamilton, with the Hamilton site leased and outside of operational control. Community Health Centres at Warrnambool, Camperdown, Lismore and Macarthur, and an adult day centre in Camperdown provide services and programs to support locals in their community, enabling them to maintain their health and prevent illness and chronic disease. To support these patient services, South West Healthcare has commercial kitchens at two sites, two cafes at Warrnambool, a commercial laundry and supply department supporting South West Healthcare and 11 other public health services across the Barwon South West region, maintenance departments, tenancies (including the South West Healthcare Vaccination Centre which was operational for part of this reporting period) and a range of smaller dwellings (i.e. Rotary house and medical student accommodation).

Utility data is included for all South West Healthcare owned or leased sites, and fuel data for all fleet operated by South West Healthcare. Waste production totals relate to South West Healthcare Warrnambool and Camperdown Hospitals, with the exception of clinical waste and internally managed specialist recycling streams which cover all sites requiring these services. Data provided in this report is normalised using indicators relevant to the healthcare sector, with the normalised figures providing the most accurate evaluation of environmental performance in the context of changes to service provision. The current reporting period data is compiled using known totals and estimates generated by the Department of Health for data not available prior to publication dates. Any estimate will be updated in the following year's Annual Report to include actual usage figures and are indicated by *italicised* text.

GREENHOUSE GAS EMISSIONS

Improving the environmental performance of the organisation, with a particular focus on decreasing emissions continues to be a primary focus of sustainability activity at South West Healthcare in 2022-23. Consistent with national and international reporting standards, greenhouse gas emissions are broken down into emissions scopes and summarised in Table 1.

Scope 1 emissions are direct emissions from sources owned or controlled by South West Healthcare, and include natural gas, diesel and transport fuel emissions. Scope 1 emissions increased by 5.4% from 2021-22 to 2022-23, the increase has been driven by the increased operation of the Regional Linen Supply Service, and infrastructure changes at Camperdown Hospital. Scope 2 emissions are indirect emissions from South West Healthcare grid electricity use. South West Healthcare's Scope 2 greenhouse gas emissions decreased by 6 per cent from 2021-22 to 2022-23. These decreases reflect efficiencies achieved through ongoing infrastructure programs and also reflect the greening of the electricity grid. Scope 3 emissions are indirect emissions from sources South West Healthcare does not control but influences.

Overall Scope 1 and 2 emissions at South West Healthcare have continued to decrease year on year since first being reported in 2015-16, with a 23% reduction over the last seven years, including a 2% reduction in emissions in 2022-23 from the previous year. Through this activity, South West Healthcare aims to actively contribute to Victorian Government targets of net zero emissions by 2045. Scope 3 emissions are reported for the first time in 2022-23, and are backdated for the previous three years. This reporting year marks a transition into a new period of sustainability planning and evaluation for South West Healthcare, characterised by increased reporting requirements and significant redevelopment and expansion activity underway, leading toward increased overall service size and scope, but also new and more efficient infrastructure and the demolition of many older buildings.

GREENHOUSE GAS EMISSIONS (CONTINUED)

TABLE 1. GREENHOUSE GAS EMISSIONS	2022-23	2021-22	2020-21
Total Scope 1 greenhouse gas emissions (Tonnes CO ₂ -e) [G1]	2,707	2,565	2,332
- Carbon dioxide	2,698	2,558	2,325
- Methane	4	4	4
- Nitrous Oxide	4	3	3
Total Scope 2 greenhouse gas emissions (Tonnes CO ₂ e) [G2]	4,581	4,878	5,352
Total Scope 3 greenhouse gas emissions from waste disposal, indirect emissions from stationary and transport energy and paper emissions(Tonnes CO ₂ -e) [G3] i)	1,428	1,310	1,382

Notes i) Commercial air travel distances were recorded for the first time in 2022-23 and Scope 3 emissions from air travel will be determined in subsequent years.

ELECTRICITY PRODUCTION AND CONSUMPTION

Electricity production and consumption remained consistent with the previous reporting period with a slight consumption reduction attributed to the completion of LED upgrade programs at South West Healthcare community health and mental health centres. Efficiencies were offset in 2022-23 by increased electricity demand associated with the charging requirements of 17 battery electric (zero emissions fleet) cars introduced to the South West Healthcare fleet. South West Healthcare adopted a 20% residential /25% business green power arrangement for our small to medium sites, offsetting 1% of total purchased electricity consumption.

TABLE 2. ELECTRICITY PRODUCTION AND CONSUMPTION	2022-23	2021-22	2020-21
Total electricity consumption (MWh) [EL1]	7,090	7,115	7,205
- Purchased Electricity	6,671	6,683	6,863
- Self-generated (MWh)	422	435	341
On-site electricity generated (MWh) [EL2]	445	450	362
- Solar PV	445	450	362
- Consumption behind-the-meter	422	450	341
- Exports	24	16	21
- Other non-renewable (Diesel backup generator)	0	0	0
On-site installed generation capacity (MW) [EL3]	2.83	2.83	2.78
- Solar PV	0.427	0.427	0.375
- Diesel backup generator	2.4	2.4	2.4
Total electricity offsets (MWh) [EL4]	1,325	1,337	1,299
- Green power(ii)	71	95	0
- RPP (Renewable power percentage in the grid)	1,254	1,242	1,299

Notes: (ii)Green Power estimates for 2021-22 and 2022-23 were derived from 6 month estimates of electricity use at all SME sites for 2022. The drop in the 2022-23 reporting period represented the cessation of tenancy at the Vaccination Centre and review and transfer of PARC to the state energy contract.

STATIONARY FUEL USAGE

Natural gas usage increased in 2022-23 by 6.4% as highlighted in Table 3, and this was likely to be attributed to continued increases in processing volumes and service days of our Regional Linen Service and a resumption of activities limited during COVID-19. Infrastructure changes have recently been completed at Camperdown Hospital, leading to increased demands for natural gas.

TABLE 3. STATIONARY FUEL USAGE	2022-23	2021-22	2020-21
Total Fuels used in buildings and machinery (GJ) [F1]	44,202	44,103	36,941
- Buildings (iii)	44,163	41,530	36,702
- Natural gas	44,163	41,530	36,702
- LPG	0	0	142
- Machinery (iv)	0	0	0
- Diesel	39	97	97
Greenhouse gas emissions from stationary fuel use (Tonnes CO ₂ -e) [F2]	2,275	2,139	1,899

Notes (iii) Natural gas usage associated with the Regional Linen service is entirely reflected in South West Healthcare figures. With the move to the Regional Logistics Distribution Centre in 2024, metering of gas usage will be able to be accurately apportioned to regional member health services. (iv) South West Healthcare operates backup generators at its Hospital sites.

TRANSPORTATION

South West Healthcare fleet comprised of 112 vehicles essential to South West Healthcare provision of services. The highlight of the current reporting period was the introduction of 17 battery electric extended range fleet vehicles to the South West Healthcare fleet. Overall fuel usage dropped by 6.5% with unleaded fuel consumption decreasing by 14%, reflecting the increasing proportion of hybrid cars and all electric vehicles. Diesel consumption increased by 3% with the majority of fuel used by the three regional Linen/Supply Trucks. Table 4 provides detail on fleet composition for 2022-23 only as previous fleet composition figures have not been recorded, however, since 2018, South West Healthcare have switched petrol to hybrid cars in a rolling capacity as existing fleet car leases expire. Table 5 highlights changes in fleet energy usage and emissions. Distance travelled by commercial air travel is reported for the first time in 2022-23.

TABLE 4. FLEET COMPOSITION	2022-23	%
Number and proportion of vehicles [T2]	112	100
Road Vehicles	112	100
Passenger vehicles	107	96
- Internal combustion engines	34	30
- Petrol	30	-
- Diesel/ Biodiesel	4	-
Hybrid / Electric	56	50
- Plug-in Hybrid Electric Vehicle (PHEV)	0	-
- Range-extended electric vehicle	17	15
Goods Vehicles	5	4.5
- Internal combustion engines	5	-
- Petrol	0	-
- Diesel/ Biodiesel	5	-
Hybrid / Electric	0	0
- Plug-in Hybrid Electric Vehicle (PHEV)	0	-
- Range-extended electric vehicle	0	-

TRANSPORTATION (CONTINUED)

TABLE 5. FLEET ENERGY USAGE	2022-23	2021-22	2020-21
Total energy used in transportation (GJ) [T1]	5,781	6,149	6,278
- Road and goods vehicles (v)	5,781	6,149	6,278
- Petrol	2,819	3,268	3,576
- Diesel	2,962	2,881	2,702
- Electricity (MWh)	37	0	0
Greenhouse gas emissions from vehicle fleet (Tonnes CO ₂ e) [T3]	432.1	425.8	432.1
Road and goods vehicles	432.1	425.8	432.1
Total distance travelled by commercial air travel (Passenger km) [T4]	512,806	0	0

Notes: (v) Aggregated totals are provided for road and goods vehicles, with planning in place to apportion usage in subsequent years.

TOTAL ENERGY USE

Total energy used by South West Healthcare has increased by 3 per cent from 2021-22 to 2022-23 driven by increases in the use of stationary and transport fuels. While South West Healthcare overall energy use has increased, a reduction in Occupied Bed Days during 2022-23 has largely driven the 2% increase in the normalised energy use.

TABLE 6. TOTAL ENERGY USE	2022-23	2021-22	2020-21
Total energy usage from fuels (stationary and transportation) (GJ) [E1]	49,928	47,679	42,980
Total energy used from electricity (GJ) [E2]	25,527	25,613	25,938
Total energy used segmented into renewable and non-renewable sources (MJ) [E3]	75,455	73,292	68,918
Renewable (add this to EDMS figure) (vi)	6033	6035	5906
Non-renewable	69,778	67,281	63,154
Units of energy used normalised by OBD (GJ/OBD) [E4] (vii)	1.06	1.04	0.96

Notes: (vi) Renewable electricity consumption only reflects Green Power usage from small to medium electricity accounts.
(vii) OBD refers to inpatient bed days as reported through the Victorian Admitted Episodes Dataset (VAED) and the number of residential aged care beds for the reporting period reported to the Department of Health's Aged Care branch. For 2022-23, South West Healthcare OBD was 72,766.

SUSTAINABLE BUILDINGS AND INFRASTRUCTURE

Extensive planning was completed for the Regional Logistics Distribution Centre and Camperdown Hospitals Merindah Lodge, ahead of construction commencing in 2023-24, while initial sustainability planning for Warrnambool Base Hospital Redevelopment is underway. Sustainability initiatives planned for Merindah Lodge and the Regional Logistics and Distribution Centre (RLDC) include solar PV arrays, increased insulation beyond National Construction Code, improved access to natural daylight and natural ventilation opportunities through Reed Switches and the targeted use of recycled and natural materials in construction. In addition, a highlight in 2022-23 for South West Healthcare was the installation of charging infrastructure for 17 battery electric fleet vehicles with grant funding for infrastructure and subsidised lease costs provided through the Zero Emissions Vehicle program managed by Department of Treasury and Finance (DTF). [B1]

South West Healthcare will develop a Sustainable Building Policy that requires that new leases preference buildings with higher energy efficiency ratings and those covered by a Green Lease Schedule, consistent with commitments in the Whole of Victorian Government emissions reduction pledge 2021-25. [B2] No newly completed/occupied entity-owned office buildings and substantial tenancy fit outs were undertaken in 2022-23. [B2, 3 & 4]

Warrnambool Base Hospital and Camperdown Hospital have received environmental performance ratings through the NABERS for Public Hospitals with the most current ratings for 2021-22 provided in Table 7. The 2022-23 NABERS ratings will be available in late 2023 and will be reported in the 2023-24 annual report: [B5]

TABLE 7. NABERS RATINGS	Building Type	Rating Scheme	Rating
Warrnambool Hospital	Hospital	NABERS – Energy	3
Warrnambool Hospital	Hospital	NABERS – Water	3
Camperdown Hospital	Hospital	NABERS – Energy	5
Camperdown Hospital	Hospital	NABERS - Water	4.5

WATER CONSUMPTION

Water use decreased by 4 per cent from 2021-22 to 2022-23 as shown in Table 8, with likely factors including greater environmental awareness and increased seasonal rainfall in Spring and Summer enabling the re-use/ rainwater tank at Warrnambool Hospital to supply toilet flushing requirements in a consistent manner, an estimated 17% of water requirements. South West Healthcare plans to install water-efficient infrastructure, rainwater capture and grey water re-use systems at the new laundry in the RLDC with substantial reductions anticipated for total water consumption within two years.

TABLE 8. WATER CONSUMPTION	2022-23	2021-22	2020-21
Total water consumption by an Entity (kilolitres) [W1]	72,425	75,316	77,424
Potable water consumption	60,425	63,316	65,424
Metered reused water consumption(viii)	12,000	12,000	12,000
Units of metered water consumed normalised by OBD [W2]	0.99	0.95	0.95

Notes: (viii) The rainwater/re-use tank at Warrnambool is not metered and will be decommissioned during redevelopment activity in 2023-24, however is considered important to estimate given the contribution to total water use. This is expected to increase for several years during construction until a new water tank is commissioned toward 2026-27.

WASTE AND RECYCLING

Waste management and recycling are key priorities for South West Healthcare. Highlights for 2022-23 include the repurposing of 23 hospital beds from Merindah Lodge following a Government infrastructure upgrade opportunity to Rotary Donations in Kind, the resumption of sterilisation wrap recycling and a focus on decreasing single use plastic consumable items through replacement with compostable alternatives. Considerable work has also gone into reviewing opportunities to expand recycling streams at South West Healthcare with the release of the HSV Waste Contract in April 2023. From this review, South West Healthcare has instituted a new process for alkaline battery recycling, confidential paper recycling and started investigating possibilities to recycle textile waste. Where data is not available through the EDMS, South West Healthcare collects waste data from invoices and utilises the Victorian Public health services waste reporting tool: version 2.01 to provide standardised estimates of waste according to bin types and typical bin weights for waste stream. Table 9 highlights waste and recycling rates for 2022-23, including a reduction in waste to landfill, associated with reduced PPE requirements reflected in 29% reduction in clinical waste generation. This saw a corresponding 38% decrease in cardboard recycling associated with reduced packaging.

TABLE 9. WASTE AND RECYCLING	2022-23	%	2021-22	%	2020-21	%
Total units of waste disposed (kg and %) [WR1]	402,131	100.0	456,736	100.0	483,718	100.0
- Landfill (disposal)	319,975	79	363,281	73	377,232	78
- Recycling/recovery (disposal)	82,156	21	93,455	27	106,468	22
- Batteries	520	0.6	510	0.5	532	0.5
- Cardboard	51,939	63	83,744	89	78,420	73
- Comingled	3,714	4.5	8,763	9.4	13,704	12.8
- E waste	1,478	1.8	1,607	1.7	1,389	1.3
- FOGO (including garden organics)	6,689	8.1	819	0.8	-	-
- PVC (IV Bags, oxygen masks and tubing)	96	1.1	192	0.2	258	0.2
- Paper (confidential and other)	16,772	20.4	11,062	11.8	11,885	11.2
- Recovery / repurposing (ix)	-	-	-	-	-	-
- Sterilisation wrap	936	1.4	-	-	-	-
- Toner and print cartridge	-	-	113	0.12	221	0.2
Total units of waste disposed of normalised by OBD (kg/OBD) [WR3]	5.0		5.7		5.91	
Recycling Rate (%) [WR4]		21		27		22
Greenhouse gas emissions associated with waste disposal (Tonnes CO2-e) [WR5]	457		470		423	

Notes: (ix) specialist recycling waste streams are collected by charities that do not have the capacity to provide data. The organisation will investigate viable opportunities to collect this data.

BOARD OF DIRECTORS

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

CHAIR - DR BERNADETTE NORTHEAST

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

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

Appointed: July 2015

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

Attendance: 8/8 (100%) board meetings

DEPUTY CHAIR - ALEX GILLAN

Independent Non Executive: Director – Royal Rehab Ltd, Gospel Resources Ltd

Bachelor Business (IT), Graduate AICD CDC

Appointed: July 2019

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

Attendance: 7/8 (88%) board meetings

DEPUTY VICE CHAIR - DR GEOFFREY TOOGOOD

Cardiologist – Peninsula Health, Alfred Health

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

Appointed: July 2017

Sub committees: Quality & Clinical Risk; Governance and Remuneration

Attendance: 8/8 (100%) board meetings

DIRECTOR - NARELLE ALLEN

Manager, Brand & Strategic Marketing – South West TAFE

Graduate Certificate Marketing

Appointed: July 2015

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

Attendance: 7/8 (88%)

DIRECTOR - BILL BROWN

Director, Advisor & Lawyer – Orange Advisory Pty Ltd

Bachelor Laws, Bachelor Economics, GIA (Cert)

Appointed: July 2017

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

Attendance: 8/8 (100%) board meetings

DIRECTOR - RONDA HELD

Board Director – The Bandari Project

Master Policy & Administration, Bachelor Economics, Bachelor Social Administration

Appointed: July 2020

Sub committees: Consumer & Community Advisory (chair); Quality & Clinical Risk

Attendance: 8/8 (100%) board meetings

DIRECTOR - BRANDON HOWARD

Chief Executive Officer – Anglicare NSW South, NSW West & ACT

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

Appointed: July 2021

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

Attendance: 7/8 (88%) board meetings

DIRECTOR - ALLISON PATCHETT

Director – The Leadership Place Pty Ltd

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

Appointed: July 2019

Sub committee: Quality & Clinical Risk (chair)

Attendance: 6/8 (75%) board meetings

DIRECTOR - JENNY WATERHOUSE

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

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

Appointed: July 2016

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

Attendance: 7/8 (88%) board meetings

ORGANISATIONAL STRUCTURE

BOARD OF DIRECTORS

CHIEF EXECUTIVE OFFICER

CHIEF OPERATING OFFICER

EXECUTIVE DIRECTOR

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

MENTAL HEALTH AND WELLBEING SERVICES

EXECUTIVE DIRECTOR

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

PRIMARY AND COMMUNITY SERVICES

EXECUTIVE DIRECTOR

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

MEDICAL SERVICES

EXECUTIVE DIRECTOR

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

REDEVELOPMENT AND INFRASTRUCTURE

EXECUTIVE DIRECTOR

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

NURSING AND MIDWIFERY

EXECUTIVE DIRECTOR

- › Nursing and Midwifery Workforce
- › Women's and Maternity Services
- › Theatres and CSSD
- › Inpatient Wards
- › Coordinators
- › Bed Management Teams
- › Cancer Services
- › Palliative Care
- › Volunteers
- › Specialist Clinics

PEOPLE AND CULTURE

EXECUTIVE DIRECTOR

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

EXECUTIVE DIRECTORS

CRAIG FRASER

BProsOrth, Dip Applied Science, GAICD, AFCHSE

Chief Executive Officer

Craig has more than 30 years' experience as an executive and senior manager in the Victorian public health sector, having worked in metropolitan teaching hospitals prior to moving into rural and regional health. He has occupied roles spanning acute health, aged care and primary and community services since embarking on a career as an allied health clinician. He is committed to continually improving the health of rural Victorians and reducing the health disparities that exist. He is dedicated to enhancing care, access, client and patient safety, and the patients' overall experience by delivering care closer to home.

ANDREW TRIGG

BComm (Accounting/Finance), ASA, GAICD

Chief Operating Officer

Andrew has worked in the Victorian public health sector for more than 35 years, holding positions at executive management level for more than two decades in roles combining Chief Finance Officer duties with executive responsibility for corporate/support services and organisational operations and performance. He has extensive experience, understanding and commitment to the rural and regional health sector.

RICHARD CAMPION

BA (Hons), MA (Social Work), GAICD

Executive Director Mental Health and Wellbeing Services

Richard has more than 14 years' experience in the health services sector across the UK and Australia, spending several years most recently working in executive positions within health services in the Northern Territory. He has a mental health clinical background and is committed to supporting the provision of high quality, consumer focused mental health services.

KERRY ANDERSON

BPod (Hons)

Executive Director Primary and Community Services

Kerryn has worked in the healthcare sector for more than 20 years. With a strong clinical background, she has more recently worked in various project and management roles and has a comprehensive understanding of the Primary and Community Services Division and is committed to continued development and provision of high quality services for our South West community.

DR KATE MCCONNON

MBBS FRACGP MHSM AFRACMA

Chief Medical Officer / Executive Director Medical Services

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

JAMIE BRENNAN

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

Executive Director Redevelopment and Infrastructure

Jamie has more than 15 years' experience in leading clinical and support service departments and divisions at Victorian rural and regional health services. He has responsibility for leading all the capital redevelopment projects across South West Healthcare, and for the operation of non-clinical support services, our Camperdown Hospital and Residential Aged Care Services. With extensive understanding of the public health care sector, he's committed to delivering outstanding healthcare and patient experiences in rural settings.

GAYNOR STEVENSON

RN, BMedSci, Dip Project Mgmt, ADip Nur, MHM

Executive Director Nursing and Midwifery Services (to 30 April 2023)

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

PETER LOGAN

RN, RM BNursing, Masters Public Health

Acting Executive Director Nursing and Midwifery Services, 3 April to 30 June 2023

Peter has 40 years of regional healthcare experience of which 20 years has been spent in nursing leadership roles. Peter assists the Nursing Directorate in monitoring organisational performance, building and maintaining the nursing workforce and implementing structures designed to improve clinical governance systems with a particular emphasis on improving the patient experience and providing clinical care.

SHERON COOK

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

Executive Director People and Culture

Sheron is a highly experienced HR professional who has worked in executive and senior management roles across the public and private health sector. Sheron is committed to building robust systems that enable people to achieve their full potential.

PRINCIPAL COMMITTEES

The Board of Directors is supported by four Principal Committees.

QUALITY & CLINICAL RISK COMMITTEE

This committee ensures robust and accountable systems are in place to monitor and continually improve the quality, safety and effectiveness of health services provided by South West Healthcare. This committee met six times in 2022-23.

FINANCIAL PERFORMANCE, AUDIT & RISK COMMITTEE

This committee oversees the development and monitoring of performance of South West Healthcare's strategic financial and annual business plans and financial risk management systems. This committee met six times in 2022-23.

CONSUMER & COMMUNITY ADVISORY COMMITTEE

The community members of this committee advocate for the best interest of patients, consumers and their families, and provide advice and guidance to South West Healthcare in carrying out our community engagement responsibilities, ensuring that community and consumer views are embedded in the planning and delivery of services across South West Healthcare. This committee met four times during 2022-23.

GOVERNANCE & REMUNERATION COMMITTEE

This committee provides leadership and advice to the Board of Directors on corporate governance, board composition and succession planning, executive appointments, remuneration and performance evaluation. This committee met three times in 2022-23.

DONORS

A key piece of the vital medical equipment our donors enabled us to purchase this year was a much-needed \$70,000 nerve integrity monitor for our Warrnambool theatres. This sophisticated technology helps surgeons locate and track hard-to-find nerves to reduce the risks of facial palsy and voice loss during head and neck surgery to remove tumours and growths. This was the focus of our 2022 Christmas Appeal which commenced with a \$30,000 donation from the Peter's Project Foundation and closed with a \$5,000 donation from our South West Healthcare Warrnambool Auxiliary.

There are many donors to thank for helping us raise this considerable amount of money, including Ceebeks Business Solutions for GOOD, Northeast Stockdale & Leggo Warrnambool, The Tyre Factory, Carter Group National PL, Warrnambool Lawn Tennis Bowling Club, Midfield Group, JB Cameron PL, Allansford CWA, Terry Hoy & Star Printing's 2023 Good Morning Warrnambool calendar collaboration, Warrnambool and District Motor Cycle Owners Group, and the John Gordon Bequest. We also want to thank the local businesses who sponsored our first-ever online Christmas raffle and our local media for their generous coverage of all our fundraising needs.

Of the total \$418,157 donated during 2022-23, \$110,183 came via the lasting legacies of people wanting to make a difference upon their passing, and family and friends who made gifts in memory of loved ones. Bequests were received from the late Ian Brown, John Gordon, Alexander Murdoch and Ron Rauert whilst memorial gifts were made as enduring tributes to the late Graham Hall, Rita Madsen, Valmai (Joyce) Marney, Janice O'Flynn, Lydia Sinclair and Gaynor Stevenson.

Our auxiliaries again excelled. Additional to the already-mentioned \$5,000 gift to our Christmas Appeal, our Warrnambool Auxiliary donated \$11,800 for nursing education simulation software, a standing machine for our medical unit and a food cart for patients' morning and afternoon teas. Our Woolsthorpe Auxiliary donated \$7,000 for a rehabilitation unit ECG machine and an emergency department set of chair scales.

The Camperdown Hospital Trolley Auxiliary donated \$2,000 for an urgent care centre telehealth laptop and an upcoming aged care appeal. This appeal also received a \$3,491 gift from our South West Healthcare Workplace Giving Program. Meantime, our two Murray-Moyne Cycle Relay Teams did themselves proud. Scrubbers and The Gasman donated a \$5,000 pair of paediatric laryngoscopes to equip the \$1,950 paediatric resuscitation cart donated by Warrnambool College. Another \$3,890 raised by Warrnambool College will be put towards a paediatric-specific need in 2023-24.

Other donor-funded medical equipment purchased in 2022-23 included:

- › 7 treatment chairs, weigh scales, 2 spot monitors, 2 ambulatory infusion pumps.
Day Stay Unit transfusion treatment room \$62,837
- › 10 lift chairs, 2 ambulatory infusion pumps, 10 community hospital beds, 10 air mattresses, portable suction cup
Community Palliative Care \$102,987
- › Optiflow thrive, difficult intubation equipment
Camperdown Theatre \$12,572
- › Bladder scanner, chair scales, smilescope, paediatric interactive touchscreen, waiting room seating
Warrnambool Emergency Department \$46,298
- › Podiatry treatment chair, ambulatory infusion pump
Macarthur Community Health \$25,975
- › Physiotherapy portable platform steps, continence examination plinth
Warrnambool Community Health \$15,230
- › 4 isolettes
Maternity Unit \$65,984
- › 2 hoists, 2 weigh chairs, stand transfer machine, patients' washing machine, ECG machine
Rehabilitation Unit \$59,779
- › 4 spot monitors, 6 ambulatory infusion pumps, hovermat, weigh chair, stand transfer machine
Medical Unit \$52,501

We are beyond grateful to all of our donors who continue to help us invest in medical equipment, health service initiatives and clinical research for the benefit of our patients, consumers, clients, residents and communities.

STAFF SERVICE AWARDS

Thank you to all of our dedicated staff for your time and commitment to our health service and our community.

We are honoured to have had so many staff members work with us for more than 10, 15, 25, or even 45 years. We will continue to offer our staff opportunities for personal and professional growth so that their career is rewarding, the quality of our services continually improves and our staff are recognised and valued for their contribution to our ongoing success. Congratulations to all listed below who celebrated career milestones in 2022-23.

45 YEARS

- Kathleen Chapman
- Julie Wood

40 YEARS

- Diane Justin
- Suzanne Marsh
- Susan Rabach
- Susan Larkins
- Robyn Noske

35 YEARS

- Elizabeth Bramich
- Sandra Hall
- Veronica Shaw
- Bronwyn Cocking
- Terry Hoy

30 YEARS

- Elizabeth Atwell
- Kerrie Sobey
- Loretta Wilson
- Sally Rix
- Katherine Stewart

25 YEARS

- Jodi Bateman
- Carol Crawley
- Sue-Ann Hodgens
- Louise Rea-Smith
- Michelle Beasley
- Michelle Edwards
- Angela Kemp
- Angela Shiells
- Alan Bidmade
- Michael Edwards
- Andrea Kennedy
- Fiona Wood
- Margaret Clissold
- Ellen Fleming
- Christine Pritchard
- Delia Crabbe
- Kate Fogarty
- Clare Rea

20 YEARS

- Jennifer Blain
- Melissa Duffin
- Daphne Hughes
- Maureen Noonan
- Florida Bridgman
- Dianne Francis
- Linda Jervies
- Chelsea Purcell
- Joanne Brown
- John Ginley
- Anne Lindsay
- Jane Russell
- Robyn Cooper
- Patrick Groot
- Michelle Lugton
- Angela Shlansky
- Sam Curwen-Walker
- Kerri Henriksen
- Ben Manuell
- Kerry Trewartha
- Nadine Dawe
- David Hill
- Jody McGovern
- Paul White
- Terri Dodoro
- Kelvin Hovey
- Max Newell

15 YEARS

- Bronwyn Beazley
- Rachael Johnstone
- Tina O'Connor
- Lisa Thomson
- Denise Collie
- Karen Kelly
- Nikki Payne
- Danika Tieppo
- Nicole Couch
- Erin Klose
- Cherie Phillips
- Alicia Wiese
- Jade Drake
- Shaun Knell
- Barry Pike
- Lisa Worden
- Vicky Ezard
- Rachael Lee
- Jan Marie Rendell
- Jessica Van Den Bergh
- Melanie Falkiner
- Jenny Lee-Grey
- Trevor Roberts
- Karl Roberts
- Diane Glennen
- Mary McLaren
- Anthony Schneider
- Gavan Hart
- Sarah Monod De Froideville
- Rebecca Sheen
- Christine Hena
- Anne Nelson
- Susan Tassie
- Sherill Hinkley

10 YEARS

- Rachael Agnew
- Jade Fazakerley
- Margaret How-Ely
- Tanya Noonan
- Kim Anderson
- Kate Finnigan
- Kellie Jansen
- Merryn Payne
- Kate Arden
- Sandra Fitzgerald
- Leigh Johnson
- Leanne Rodgers
- Nicole Ballis
- Fiona Flett
- Deepa Josy
- Warwick Rouse
- Stephanie Bouman
- Melanie Fry
- Peta Kawade
- Joanne Rundell
- Kaila Bristol
- Jessica Green
- Caroline Kerr
- Jacqueline Ryan
- Pene Buckley
- Emma Greenwood
- Georgia King
- Jacqueline Skene
- Lucia Camera
- Narelle Grummett
- Katie McFadden
- Annette Smart
- Colleen Campbell
- Hayley Grundy
- Kylie McVilly
- Margaret Smart
- Linda Claridge
- Kerrie Hermans
- Samantha Morley
- James Smith
- Debra Deutscher
- Cassandra Holland
- Sarah Neill
- Jason Waterfall
- Julia Dwyer
- Louise Hope
- Benjamin Nevill

LIFE GOVERNORS

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

Currently we have 261 life governors, as listed below. During 2022-23 there were no additional life governors added.

LIFE GOVERNORS

- Mrs Margaret Agnew
- Mrs Jan Aitken
- Mrs Mary Alexander
- Mr Lyall Allen
- Mr AL Anderson
- Mrs GI Anderson
- Mrs JF Anderson
- Mr Ian Armstrong
- Mrs Joan Askew
- FH Baker
- Mr R Baker
- Mrs VG Balmer
- Mr NI Bamford
- Mr Rob Baker
- Mrs Heather Barker
- WT Barr
- Mrs Beverley Bell
- Mrs JA Bell
- Mrs Shirley Bell
- Miss Helen Bishop
- Mr NC Boyd
- Mr CG Boyle
- Mr N Bradley
- Mr David Bradshaw
- Mr GN Brown
- Dr Tony Brown
- Mrs Irene Bruce
- Mr CW Burgin
- Mrs L Burleigh
- Mrs Lorna Burnham
- Mrs Jean Byron
- Mr Steve Callaghan
- Mr Lester Campbell
- Mr Stan Carroll
- Mrs EC Chaffey
- ML Charles
- Mrs FA J Chislett
- Mrs Helen Chislett
- Mr David Chittick
- Mrs Diane Clanchy
- Mr John Clark
- Mr Alistair Cole
- Mrs SE Cole
- LJ Collins
- Mrs Joy Conlin
- Mrs Frances Coupe
- Mrs M Cox
- Mrs Marjorie Crothers
- Mr Ian Currell
- Mrs Veronica Cuzens
- Mr Jack Daffy
- Mr A Dalton
- Mrs Peg Davies
- Mrs Dorothy Davis
- Mr Simon DeGaris
- Mrs Gloria Dickson
- Miss Judy Donnelly
- Mr GW Dowling
- Mrs L Dowling
- Mr Tony Dupleix
- Mrs Veronica Earls
- Mrs A Elliot
- G Elliot
- Mr PV Emery
- Mr W Ferguson
- Mr J Finch
- Mr ER Ford
- Mrs CE Fraser
- BD French
- R Gellie
- Mrs FM George
- Mr MW George
- Mrs Claire Gibbons
- Mrs Ann Glennon
- Mrs Shirley Goldstraw
- Mrs Helen Gollop
- Mrs Joan Goodacre
- Mrs E Goodwin
- Mr Damian Goss
- Mrs P Grace
- Mrs Lorraine Graham
- Mrs Gwen Grayson
- Mrs Sheila Habel
- Mr RE Harris
- Mr AJ Hartley
- Mrs Joy Hartley
- Mrs A Havard
- Mrs Monica Hayes
- Mr P Heath
- Mrs Mavis Heazlewood
- Mr Oscar Henry
- Mr AJ Hill
- Mrs Barbara Hill
- Mrs DM Hill
- Mr GL Hill
- Mr J Hill
- Miss L Hill
- Mrs P Hill
- Mr W Hocking
- Mrs Lorraine Hoey
- Mrs Ann Holmes
- HJ Holmes
- Mr John Holmes
- Mr WJ Holton
- Mrs A Hooton
- GN Hornsby
- JS Hosking
- Mrs E Howell
- Mr Mervyn Hoy
- Mr Ray Hoy
- Mrs Sharon Huf
- Mrs Mary Hutchings
- Mr R Hyde
- Mrs Elwyn Jasper
- Mr Murray Jasper
- Mr David Jellie
- Mr Barry Johnson
- Mrs Margot Johnson
- Mr Rex Johnson
- Mrs Edna Keillor
- Mr AE Kelly
- Mrs Helen Laidlaw
- Mrs Val Lang
- Mr GA Larsen
- Mrs Vivienne Lay
- Mrs B Layther
- Mrs Margot Lee
- Mr S Lee
- Senator Austin Lewis
- Mr PE Lillie
- Mrs Hilary Lodge

- Mr Chris Logan
- Mr RW Lucas
- Mrs Wendy Ludeman
- Mrs AG Lumsden
- Mrs Elizabeth Luxton
- Dr Eldon Lyon
- Mr ID Macdonald
- Mrs ID Macdonald
- Mrs AF MacInnes
- S Mack
- MC Mack
- Mrs Isobel Macpherson
- Mr John Maher
- Mrs L Maher
- Mr NS Marshall
- Mrs Norma Marwood
- Mrs Jess Mathison
- Mrs D McConnell
- Mrs Bev McCosh
- Mrs L McCosh
- Mrs Norma McCosh
- Mrs Janice McCrabb
- Mr Peter McGregor
- Mrs Glenda McIvleen
- Mr Ernie McKenna
- Mrs Mary McKenna
- Mrs Judy McKenzie
- Mrs Olive McKenzie
- Mr Trevor McKenzie
- Mrs Heather McCosker
- Mrs H McLare
- Mrs Shirley McLean
- Mr C McLeod
- Mr Don McRae
- Mrs Wendy McWhinney
- Ms Felicity Melican
- Dr John Menzies OAM
- JE Meyer
- Mr Andrew Miller
- Mr J Miller
- Mrs J Mills
- Mr Ivan Mirtschin
- Miss Mabel Mitchell
- Mrs Coral Moore
- Mr F Moore
- Mrs Nancy Moore
- Mr Robert Moore
- Mr James Moran
- Mr J Morris Jnr
- Mr W Morris
- Mrs Sharon Muldoon
- Mrs I Mulligan
- AE Murdock
- Mrs G Mutten
- Nestle (Fonterra) Sports & Social Club
- Mrs Sheryl Nicolson
- Mr AW Noel
- Mrs HW Norman
- Mrs Alison Northeast
- Mr JB Norton
- Mrs Helen Nunn
- Mrs Barbara O'Brien
- Mrs Judy O'Keefe
- Miss K O'Leary
- Mr L O'Rourke
- Mr W Owens
- Mrs Dianne Papworth
- Mr Ken Parker
- Mrs TJ Parker
- Mrs GR Parsons
- Mr DR Patterson
- Mrs ME Paterson
- Mrs Phyllis Peart
- Dr Ian Pettigrew
- Mr Bill Phillpot OAM
- Ms Barbara Piesse
- Mrs G Pike
- Mrs Gloria Rafferty
- Mrs Margaret Richardson
- Mr DM Ritchie
- Mr Ric Robertson
- Mrs Judy Ross
- Mr NJ Rowley
- Mr Peter Roysland
- Mr JC Rule
- Mr Leo Ryan
- Mrs Sue Sambell
- Mr John Samon
- Mr RG Sampson
- Mrs Eileen Savery
- Mr A E Scott
- Mr L Sedgley
- Mr TT Shaw
- Mrs A B Smart
- Mr M Smill
- Mrs Ann Smith
- Michelle Smith
- Mrs Lynette Stammberger
- Mrs Margaret Stephens
- Ms G Stevens
- Mr GC Sullivan
- Mrs B Surkitt
- Mrs Mona Swinton
- Mr DN Symons
- Ms Carolyn Taylor
- Mrs D Taylor
- Mr F Taylor
- Mr HC Taylor
- Miss Kate Taylor
- Mrs Robbie Taylor
- Miss Yvonne Teale
- Mrs A Thorpe
- Mrs AJ Trotter
- Mr SW Waldron
- Mr JB Walker
- Mrs H Wallace
- Mrs Judith Wallace
- Mrs RJ Wallace
- Mrs D Wedge
- RV Wellman
- Mr AC Whiffen
- Mr G Whiteside
- Mr J Wilkinson
- Mrs June Williams
- Mrs Marion Williams
- Mrs Zelda Williams
- Mr John Wilson
- Mrs NT Wines
- Mr WJ Wines
- Mr Russell Worland

VOLUNTEERS

South West Healthcare has 236 registered volunteers, 183 whom have been active throughout the past year. During COVID-19 we sadly said goodbye to a large number of our regular volunteers as the strain of PPE and being in the community proved difficult for those who were particularly elderly. A number of volunteer roles in clinical areas were also temporarily deferred in order to limit the risk of COVID-19 transmission to patients and the vulnerable.

However in 2022-23 we gradually began integrating volunteers back into the clinical areas of the hospital, and it has been lovely to see their smiling faces return to brighten our patient's days.

Volunteer Dorothy Davis was recognised on the Victorian Volunteer Honour Roll in 2022-23 for her 57 years' service to the Camperdown Hospital, providing meals on wheels support and driving services for patients in the community – a terrific achievement and very much deserved.

In the spirit of unity, our volunteers approach challenges with determination, energy and enthusiasm. Over the past year volunteers have contributed 17,374 hours to our organisation. This is a remarkable achievement and a sign of their resilience. Areas currently being supported by our volunteers include: Community and Allied Health, Mental Health Services, Palliative Care and important behind-the-scenes duties in and around our Warrnambool, Lismore, Camperdown and Macarthur campuses.

In 2023-24 we would like to once again grow our volunteer numbers, and would welcome people of all ages and all walks of life to consider being involved as part of this incredibly rewarding experience.

THE ROLES OUR VOLUNTEERS PLAY

Camperdown Hospital: 10 registered volunteers in the areas of Auxiliary and gardening. Auxiliary members assist with the lolly trolley which brings treats, magazines and other items to patients for them to purchase to make their stay more comfortable, as well as with fundraising efforts and the annual Art Show.

David Newman Adult Day Centre: 11 registered volunteers provide a range of activities and social support for community members at the David Newman Centre in Camperdown. Programs include music, armchair dancing, bus driving to and from events, assisting with kitchen duties and craft. DNC offer support and friendship via the centre's A Well For Life Group, Out and About Group, men's social support group and social support group.

Lismore Community Health: 6 registered volunteers who work hard to support program activities for our rural and isolated clients by assisting with the Lismore social support group, support with meal preparations and group activities, helping with music and singing activities and bus driving.

Macarthur Community Health: 16 registered volunteers who perform many activities including bus driving, transporting clients to medical appointments, social support group assistance, gardening, telecare and Broadband for Seniors, a tremendous effort for this small community.

Merindah Lodge: 13 registered volunteers, inclusive of 7 FROM (Friends and Relatives of Merindah) members who assist with a variety of activities including craft, music, outdoor gardening, social outings and bus driving.

Warrnambool Base Hospital: 165 registered volunteers, 76 support onsite programs in our emergency department, medical, rehabilitation, acute, haemodialysis and paediatrics units. The remaining 89 palliative-specific registered volunteers support nine in-patient and community-based palliative care programs which care for patients, clients, their carer and families, across our catchment area.

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

Warrnambool Mental Health Services: 2 registered volunteers who provide support to our acute inpatient unit by helping run the weekly BBQ for our consumers/ carers in the community and our consumers who are inpatients.

WHERE OUR VOLUNTEERS SUPPORT US

SOUTH WEST HEALTHCARE CAMPUS/SITE	2022/2023
Camperdown Hospital	10
David Newman Adult Day Centre	11
Lismore Community Health	6
Macarthur Community Health	16
Merindah Lodge	13
Warrnambool Base Hospital	165
Warrnambool Community Health	13
Warrnambool Mental Health Services	2
Total	236

THE EDUCATION AND TRAINING OF OUR VOLUNTEERS

2023 has enabled us to recommence education and training of our volunteer group, with 5 new palliative care recruits and life story training for 6 Palliative Care Volunteers. Life stories have become hugely popular over the past year, viewed as a powerful therapeutic reminiscence of life.

RECOGNISING OUR VOLUNTEERS

We gathered once again to celebrate National Volunteers Week and National Palliative Care Week with a morning tea at Warrnambool and Camperdown for all of our volunteers.

South West Healthcare Service Awards were presented to 25 volunteers in 2022-23:

- › For 57 years' of service: Dorothy Davis
- › For 43 years' of service: Judith Donnelly
- › For 40 years' of service: Joan Goodacre
- › For 30 years' of service: Joy Talbot, Margaret Willsher
- › For 25 years' of service: Barbara Boyd, Julie Hoare
- › For 15 years' of service: Patricia Holley, Lois Maraldo
- › For 10 years' of service: Robyn Rosolin, Sarah Turner
- › For 5 years' service: Leeanne Bartlett, Nives Cutri, Janet Drake, Lynette Grant, Madeleine Johnstone, Glenda Kenny, Pamela Matthews, Declan McDermott, Geraldine Melican, Barry Moran, Kaye Townsend, Fiona Hall, Ruth Sweatman & Ernie Pimblett.

DISCLOSURE INDEX

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

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FRD 22	Details of consultancies over \$10,000	26
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FINANCIAL STATEMENTS 2022-23

South West Healthcare

Financial Statements Financial Year ended 30 June 2023

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

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

We further state that, in our opinion, the information set out in the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement and accompanying notes, presents fairly the financial transactions during the year ended 30 June 2023 and the financial position of South West Healthcare at 30 June 2023.

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

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

Board member



Bernadette Northeast
Chair

Warrnambool

13 September 2023

Accountable Officer



Craig Fraser
Chief Executive Officer

Warrnambool

13 September 2023

Chief Finance & Accounting Officer



Andrew Trigg
Chief Finance and Accounting Officer

Warrnambool

13 September 2023

Independent Auditor's Report



To the Board of South West Healthcare

Opinion I have audited the financial report of South West Healthcare (the health service) which comprises the:

- balance sheet as at 30 June 2023
- 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 2023 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.



Dominika Ryan

as delegate for the Auditor-General of Victoria

MELBOURNE
10 October 2023

COMPREHENSIVE OPERATING STATEMENT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

	Note	2023 \$ '000	2022 \$ '000
Revenue and Income from transactions			
Operating Activities	2.1	292,246	252,871
Non-operating Activities	2.1	1,969	149
Total revenue and income from transactions		294,215	253,020
Expenses from Transactions			
Employee expenses	3.1	(195,959)	(177,148)
Supplies and consumables	3.1	(35,171)	(31,938)
Finance costs	3.1	(49)	(34)
Depreciation and amortisation	4.6	(13,394)	(13,382)
Other administrative expenses	3.1	(23,217)	(20,431)
Other operating expenses	3.1	(9,978)	(9,478)
Total Expenses from transactions		(277,768)	(252,411)
Net Result from Transactions - Net Operating Balance		16,447	609
Other Economic Flows Included in Net Result			
Net gain/(loss) on sale of non-financial assets	3.4	433	222
Net gain/(loss) on financial instruments	3.4	(19)	2
Other gain/(loss) from Other Economic Flows	3.4	(376)	1,485
Total Other Economic Flows Included in Net Result		37	1,709
Net Result for the year		16,484	2,318
Other economic flows - other comprehensive income			
Items that will not be reclassified to net result			
Changes in Property, Plant & Equipment Revaluation Surplus	4.3	30,693	3,506
Total Other Comprehensive Income		30,693	3,506
Comprehensive Result for the Year		47,177	5,824

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

BALANCE SHEET AS AT 30 JUNE 2023

	Note	2023 \$'000	2022 \$'000
Current Assets			
Cash and Cash Equivalents	6.2	47,409	54,701
Receivables and contract assets	5.1	6,379	4,707
Inventories		1,734	1,472
Prepaid expenses		641	624
		<u>56,162</u>	<u>61,504</u>
Total Current Assets			
Non-Current Assets			
Receivables and contract assets	5.1	14,775	11,155
Property, Plant and Equipment	4.1(a)	270,678	222,819
Right of use assets	4.2(a)	9,420	9,132
		<u>294,873</u>	<u>243,106</u>
Total Non-Current Assets			
TOTAL ASSETS		<u>351,035</u>	<u>304,610</u>
Current Liabilities			
Payables and contract liabilities	5.2	29,954	38,178
Borrowings	6.1	1,273	722
Employee benefits	3.2	40,840	36,222
Other liabilities	5.3	4,047	3,754
		<u>76,113</u>	<u>78,876</u>
Total Current Liabilities			
Non-Current Liabilities			
Payables and contract liabilities	5.2	15	27
Borrowings	6.1	2,023	1,820
Employee benefits	3.2	5,300	3,481
		<u>7,339</u>	<u>5,328</u>
Total Non-Current Liabilities			
TOTAL LIABILITIES		<u>83,452</u>	<u>84,204</u>
NET ASSETS		<u>267,583</u>	<u>220,406</u>
EQUITY			
Revaluation surplus	4.3	152,309	121,616
Restricted specific purpose reserve	SCE	22	22
Contributed capital	SCE	77,339	77,339
Accumulated surplus/(deficit)	SCE	37,913	21,429
		<u>267,583</u>	<u>220,406</u>
TOTAL EQUITY		<u>267,583</u>	<u>220,406</u>

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

STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

	Property, Plant and Equipment Revaluation Surplus \$ '000	Restricted Specific Purpose Reserve \$ '000	Contributed Capital \$ '000	Accumulated Surpluses/ (Deficits) \$ '000	Total \$ '000
Balance at 1 July 2021	118,110	22	77,339	19,111	214,582
Net result for the year	-	-	-	2,318	2,318
Other comprehensive income for the year	3,506	-	-	-	3,506
Balance at 30 June 2022	121,616	22	77,339	21,429	220,406
Net result for the year	-	-	-	16,484	16,484
Other comprehensive income for the year	30,693	-	-	-	30,693
Balance at 30 June 2023	152,309	22	77,339	37,913	267,583

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

CASHFLOW STATEMENT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

	Note	2023 \$ '000	2022 \$ '000
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating grants from government		211,674	221,074
Capital grants from State government		10,714	12,180
Patient and resident fees received		3,570	4,361
GST received from Australian Taxation Office		5,601	5,349
Interest received		1,969	149
Other receipts		18,385	16,454
Total Receipts		251,913	259,567
Employee Expenses Paid		(173,500)	(164,931)
Non Salary Labour Costs		(12,436)	(10,168)
Payments for Supplies and Consumables		(38,667)	(34,954)
Finance Costs		(49)	(34)
Lease Payments		(398)	(243)
Other Payments		(28,224)	(24,953)
Total Payments		(253,274)	(235,283)
NET CASH FLOW FROM / (USED IN) OPERATING ACTIVITIES	8.1	(1,361)	24,284
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of non-financial assets		760	316
Purchase of non-financial assets		(8,513)	(10,118)
Capital donations and bequests received		406	464
NET CASH FLOW FROM / (USED IN) INVESTING ACTIVITIES		(7,347)	(9,338)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of Borrowings		1,152	(92)
Repayment of Accommodation Deposits		(606)	(572)
Receipt of Accommodation Deposits and Monies in Trust		870	1,155
NET CASH FLOW FROM / (USED IN) FINANCING ACTIVITIES		1,416	491
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS HELD		(7,292)	15,437
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		54,701	39,264
CASH AND CASH EQUIVALENTS AT END OF OF YEAR	6.2	47,409	54,701

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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1: BASIS OF PREPARATION

Structure

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

These financial statements represent the audited general purpose financial statements for South West Healthcare (ABN 41 189 754 233) for the year ended 30 June 2023. The report provides users with information about South West Healthcare's stewardship of resources entrusted to it.

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

NOTE 1.1: BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

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

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

South West Healthcare is a not-for-profit entity and therefore applies the additional AUS paragraphs applicable to a "not-for-profit" health service under the Australian Accounting Standards. Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Apart from the changes in accounting policies, standards and interpretations as noted below, material accounting policies adopted in the preparation of these financial statements are the same as those adopted in the previous period.

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

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

The financial statements are prepared on a going concern basis (refer note 8.8 Economic Dependency). The financial statements are in Australian dollars.

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

The annual financial statements were authorised for issue by the Board of South West Healthcare and its controlled entities on 13 September 2023.

NOTE 1.2: IMPACT OF COVID-19 PANADEMIC

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

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

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

NOTE 1.3 ABBREVIATIONS AND TERMINOLOGY USED IN THE FINANCIAL STATEMENTS

The following table sets out the common abbreviations used throughout the financial statement

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

NOTE 1.4: JOINT ARRANGEMENTS

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

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

Details of the joint arrangements are set out in Note 8.7

NOTE 1.5: KEY ACCOUNTING ESTIMATES AND JUDGEMENTS

Management make estimates and judgements when preparing the financial statements.

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

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

The accounting policies and significant management judgements and estimates used, and any changes thereto,

are identified at the beginning of each section where applicable and relate to the following disclosures:

- Note 2.1: Revenue and income from transactions
- Note 3.2: Employee benefits and related on-costs
- Note 4.1: Property, plant and equipment
- Note 4.2: Right-of-use assets
- Note 4.4: Depreciation and amortisation
- Note 4.5: Impairment of assets
- Note 5.1: Receivables and contract assets
- Note 5.3: Payables and contract liabilities
- Note 6.1(a): Lease liabilities
- Note 7.4: Fair value determination

NOTE 1.6: ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE

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

Standard	Adoption Date	Impact
AASB 17: Insurance Contracts	Reporting periods beginning on or after 1 January 2023.	Adoption of this standard is not expected to have a material impact.
AASB 2020-1: Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current	Reporting periods beginning on or after 1 January 2023.	Adoption of this standard is not expected to have a material impact.
AASB 2022-5: Amendments to Australian Accounting Standards – Lease Liability in a Sale and Leaseback	Reporting periods beginning on or after 1 January 2024.	Adoption of this standard is not expected to have a material impact.
AASB 2022-6: Amendments to Australian Accounting Standards – Non-Current Liabilities with Covenants	Reporting periods beginning on or after 1 January 2023.	Adoption of this standard is not expected to have a material impact.
AASB 2022-8: Amendments to Australian Accounting Standards – Insurance Contracts: Consequential Amendments	Reporting periods beginning on or after 1 January 2023.	Adoption of this standard is not expected to have a material impact.
AASB 2022-9: Amendments to Australian Accounting Standards – Insurance Contracts in the Public Sector	Reporting periods beginning on or after 1 January 2026.	Adoption of this standard is not expected to have a material impact.
AASB 2022-10: Amendments to Australian Accounting standards – Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities	Reporting periods beginning on or after 1 January 2024.	Adoption of this standard is not expected to have a material impact.

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

NOTE 1.7: GOODS AND SERVICES TAX (GST)

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

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

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

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

NOTE 1.8 REPORTING ENTITY

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

South West Healthcare's principal address is:

Ryot Street

Warrnambool, Victoria 3280

A description of the nature of South West Healthcare operations and its principal activities is included in the report of operations, which does not form part of these financial statements.

NOTE 2: FUNDING DELIVERY OF OUR SERVICES

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

Structure

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

Telling the COVID-19 story

Revenue recognised to fund the delivery of our services during the financial year was not materially impacted by the COVID-19 Coronavirus pandemic and scaling down the COVID-19 public health response during the year ended 30 June 2023.

NOTE 2: FUNDING DELIVERY OF OUR SERVICES (CONTINUED)**Key judgements and estimates**

This section contains the following key judgements and estimates:

Key judgements and estimates	Description
Identifying performance obligations	South West Healthcare applies significant judgment when reviewing the terms and conditions of funding agreements and contracts to determine whether they contain sufficiently specific and enforceable performance obligations. If this criteria is met, the contract/funding agreement is treated as a contract with a customer, requiring South West Healthcare to recognise revenue as or when the health service transfers promised goods or services to customers. If this criteria is not met, funding is recognised immediately in the net result from operations.
Determining timing of revenue recognition	South West Healthcare applies significant judgement to determine when a performance obligation has been satisfied and the transaction price that is to be allocated to each performance obligation. A performance obligation is either satisfied at a point in time or over time.
Determining timing of capital grant income recognition	South West Healthcare applies significant judgement to determine when its obligation to construct an asset is satisfied. Costs incurred is used to measure the health service's progress as this is deemed to be the most accurate reflection of the stage of completion.
Assets and services received free of charge or for nominal consideration	South West Healthcare applies significant judgement to determine the fair value of assets and services provided free of charge or for nominal value. For receipts from Government revenue is recorded as advised by the Department of Health.

NOTE 2.1 REVENUE AND INCOME FROM TRANSACTIONS

	2023 \$ '000	2022 \$ '000
Operating activities		
Revenue from contracts with customers		
Government grants (State) - Operating	156,074	111,011
Government grants (Commonwealth) - Operating	19,836	17,186
Patient and Resident Fees	3,756	3,361
Private practice fees	1,311	1,290
Total Revenue from contracts with customers	180,977	132,848
Other sources of income		
Government grants (State) - Operating	56,886	82,927
Government grants (State) - Capital	10,010	9,010
Other capital purpose income	704	595
Indirect contributions by Department of Health	23,341	8,394
Assets received free of charge or for nominal consideration	1,537	1,916
Other income from operating activities	18,791	17,181
Total other sources of income	111,269	120,023
Total revenue and income from operating activities	292,246	252,871
Non-operating activities		
Income from other services		
Interest	1,969	149
Total other sources of income	1,969	149

Total income from non-operating activities

1,969 149

Total revenue and income from transactions

294,215 253,020

NOTE 2.1 REVENUE AND INCOME FROM TRANSACTIONS (CONTINUED)

How we recognise revenue and income from transactions

Government Operating Grants

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

When both these conditions are satisfied, the health service:

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

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

Where the contract is not enforceable and/or does not have sufficiently specific performance obligations, the health service:

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

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

This policy applies to each of South West Healthcare's revenue streams, with information detailed below relating to South West Healthcare's significant revenue streams:

Government Grant	Performance Obligation
Activity Based Funding (ABF) paid as National Weighted Activity Unit (NWAU)	NWAU funding commenced 1 July 2021 and supersedes WIES for acute, sub-acute and state-wide services (which includes specified grants, state-wide services and teaching and training). Services not transitioning at this time include mental health and small rural services. NWAU is a measure of health service activity expressed as a common unit against which the national efficient price (NEP) is paid. The performance obligations for NWAU are the number and mix of admissions, emergency department presentations and outpatient episodes, and is weighted for clinical complexity. Revenue is recognised at point in time, which is when a patient is discharged.
Other one-off grants if funding conditions contain enforceable and sufficiently specific performance obligations	For other grants with performance obligations South West Healthcare exercises judgement over whether the performance obligations have been met, on a grant by grant basis.

NOTE 2.1 REVENUE AND INCOME FROM TRANSACTIONS (CONTINUED)

Capital Grants

Where South West Healthcare receives a capital grant, it recognises a liability for the excess of the initial carrying amount of the financial asset received over any related amounts (being contributions by owners, lease liabilities, financial instruments, provisions, revenue or contract liabilities arising from a contract with a customer) recognised under other Australian Accounting Standards.

Income is recognised progressively as the asset is constructed which aligns with South West Healthcare's obligation to construct the asset. The progressive percentage of costs incurred is used to recognise income, as this most accurately reflects the stage of completion.

Patient and Resident Fees

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

Private Practice Fees

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

Commercial activities

Revenue from commercial activities includes items such as car park income, provision of meals to external users, medical supplies shop, cafés and recoveries for salaries and wages. Commercial activity revenue is recognised at a point in time, upon provision of the goods or service to the customer.

How we recognise revenue and income from non-operating activities

Interest income

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

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

	2023 \$ '000	2022 \$ '000
Cash donations and gifts	406	464
Assets received free of charge under State supply arrangements	1,537	1,794
Total fair value of assets and services received free of charge or for nominal consideration	1,944	2,258

How we recognise the fair value of assets and services received free of charge or for nominal consideration

Donations and bequests

Donations and bequests are generally recognised as income upon receipt (which is when South West Healthcare usually obtained control of the asset) as they do not contain sufficiently specific and enforceable performance obligations. Where sufficiently specific and enforceable performance obligations exist, revenue is recorded as and when the performance obligation is satisfied.

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

Personal Protective equipment

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

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

Contributions of resources

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

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

Voluntary Services

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

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

Non-cash contributions from the Department of Health

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

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

NOTE 3: THE COST OF DELIVERING OUR SERVICES

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

Structure

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

Telling the COVID-19 story

Expenses incurred to deliver services during the financial year were not materially impacted by the COVID-19 Coronavirus pandemic and scaling down of the COVID-19 public health response during the year ended 30 June 2023.

Key judgements and estimates

This section contains the following key judgements and estimates:

Key judgements and estimates	Description
Classifying employee benefit liabilities	South West Healthcare applies significant judgment when classifying its employee benefit liabilities. Employee benefit liabilities are classified as a current liability if South West Healthcare does not have an unconditional right to defer payment beyond 12 months. Annual leave, accrued days off and long service leave entitlements (for staff who have exceeded the minimum vesting period) fall into this category. Employee benefit liabilities are classified as a non-current liability if South West Healthcare has a conditional right to defer payment beyond 12 months. Long service leave entitlements (for staff who have not yet exceeded the minimum vesting period) fall into this category.
Measuring employee benefit liabilities	South West Healthcare applies significant judgment when measuring its employee benefit liabilities. The health service applies judgement to determine when it expects its employee entitlements to be paid. With reference to historical data, if the health service does not expect entitlements to be paid within 12 months, the entitlement is measured at its present value, being the expected future payments to employees. Expected future payments incorporate: <ul style="list-style-type: none"> • an inflation rate of 4.350%, reflecting the future wage and salary levels • durations of service and employee departures, which are used to determine the estimated value of long service leave that will be taken in the future, for employees who have not yet reached the vesting period. The estimated rates are between 23.91% and 86.67% • discounting at the rate of 3.635%, as determined with 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	2023 \$ '000	2022 \$ '000
Salaries and Wages		146,422	137,333
On-costs		21,516	19,466
Agency Expenses		14,128	9,097
Fee for Service Medical Officer Expenses		12,436	10,168
Workcover Premium		1,458	1,084
Total Employee Expenses		195,959	177,148
Drug Supplies		15,935	13,713
Medical & Surgical Supplies (including Prosthesis)		10,759	10,055
Diagnostic and Radiology Supplies		6,480	6,547
Other Supplies and Consumables		1,997	1,623
Total Supplies and Consumables		35,171	31,938
Finance Costs		49	34
Total Finance Costs		49	34
Other Administrative Expenses		23,217	20,431
Total other administrative expenses		23,217	20,431
Fuel, Light, Power and Water		2,197	2,124
Repairs and Maintenance		2,827	2,704
Maintenance Contracts		1,410	1,514
Medical Indemnity Insurance		2,644	2,533
Expenditure for Capital Purposes		901	603
Total Other Operating Expenses		9,978	9,478
Total operating expenses		264,375	239,029
Depreciation and Amortisation	4.6	13,394	13,382
Total depreciation and amortisation		13,394	13,382
Total Other Non-Operating Expenses		13,394	13,382
Total Expenses from Transactions		277,768	252,411

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.

NOTE 3.1: EXPENSES FROM TRANSACTIONS (CONTINUED)**Supplies and consumables**

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

Finance costs

Finance costs include:

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

Other operating expenses

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

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

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

Non-operating expenses

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

NOTE 3.2 EMPLOYEE BENEFITS AND RELATED ON-COSTS**Current employee benefits and related on-costs**

Accrued days off
Unconditional and expected to be settled wholly within 12 months i

Annual leave

Unconditional and expected to be settled wholly within 12 months i
Unconditional and expected to be settled wholly after 12 months ii

Long service leave

Unconditional and expected to be settled wholly within 12 months i
Unconditional and expected to be settled wholly after 12 months ii

Provisions related to employee benefit on-costs

Unconditional and expected to be settled within 12 months i
Unconditional and expected to be settled after 12 months ii

Total current employee benefits and related on-costs**Non-current employee benefits and related on-costs**

Conditional long service leave
Provisions related to employee benefit on-costs

Total non-current employee benefits and related on-costs**Total employee benefits and related on-costs**

Notes:

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

NOTE 3.2(A) EMPLOYEE BENEFITS AND RELATED ON-COSTS**Current Employee Benefits and Related On-Costs**

Unconditional accrued days off
Unconditional annual leave entitlements
Unconditional long service leave entitlements
Total current employee benefits and related on-costs

Non-Current Employee Benefits and related on-costs

Conditional Long Service Leave Entitlements
Total non-current employee benefits and related on-costs

Total employee benefits and related on-costs**Attributable to:**

Employee benefits
Provision for related on-costs
Total employee benefits and related on-costs

	2023	2022
	\$ '000	\$ '000
	531	430
	531	430

	13,566	12,294
	599	647
	14,164	12,941

	2,504	3,008
	18,702	15,676
	21,206	18,684

	2,467	1,738
	2,472	2,429
	4,938	4,167

	40,840	36,222
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	4,696	3,081
	604	400
	5,300	3,481

	46,140	39,703
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	2023	2022
	\$ '000	\$ '000
	531	486
	16,460	14,623
	23,848	21,113
	40,840	36,222

	5,300	3,481
	5,300	3,481

	46,140	39,703
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	40,597	35,136
	5,543	4,567
	46,140	39,703

NOTE 3.2(B) PROVISION FOR RELATED ON-COSTS MOVEMENT SCHEDULE**Carrying amount at start of year**

Additional provisions recognised
Amounts incurred during the year

Carrying amount at end of year

	2023	2022
	\$'000	\$'000
	39,703	35,524
	20,159	17,997
	(13,722)	(13,818)
	46,140	39,703

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

Provisions

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

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

Annual Leave and Accrued Days Off

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

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

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

Long Service Leave (LSL)

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

Unconditional LSL is disclosed in the notes to the financial statements as a current liability, even where the health service does not expect to settle the liability within 12 months because it will not have the unconditional right to defer the settlement of the entitlement should an employee take leave within 12 months. An unconditional right arises after a qualifying period.

The components of this current LSL liability are measured at

- Nominal value – if South West Healthcare expects to wholly settle within 12 months; or
- Present value – if South West Healthcare does not expect to wholly settle within 12 months.

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

Termination benefits

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

Provision for on-costs related to employee benefits

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

NOTE 3.3: SUPERANNUATION

Fund	Paid Contributions for the year		Outstanding Contributions at Year End	
	2023	2022	2023	2022
	\$ '000	\$ '000	\$ '000	\$ '000
Defined Benefit Plans ⁽ⁱ⁾ :				
First State Super	176	227	13	24
State Superannuation Fund	77	91	5	6
Defined Contribution Plans:				
First State Super	7,691	7,356	616	860
HESTA	3,599	3,215	271	383
Australian Super	523	301	-	-
Host Plus Accumulation	498	372	-	-
Other	2,095	1,541	235	307
Total	14,659	13,103	1,140	1,580

(i) The basis for determining the level of contributions is determined by the various actuaries of the defined benefit superannuation plans.

How we recognise superannuation

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

Defined benefit superannuation plans

The defined benefit plan(s) provides benefits based on years of service and final average salary. The amount charged to the comprehensive operating statement in respect of defined benefit superannuation plans represents the contributions made by the Health Service to the superannuation plans in respect of the services of current Health Service staff during reporting period. Superannuation contributions are made to the plans based on the relevant rules of each plan and are based upon actuarial advice.

South West Healthcare does not recognise any defined benefit liability in respect of the plans because the hospital has no legal or constructive obligation to pay future benefits relating to its employees; its only obligation is to pay superannuation contributions as they fall due. The Department of Treasury and Finance discloses the State's defined benefits liabilities in its disclosure for administered items.

However superannuation contributions paid or payable for the reporting period are included as part of employee benefits in the comprehensive operating statement of the Health Service.

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

Defined contribution superannuation plans

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

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

NOTE 3.4 OTHER ECONOMIC FLOWS

	2023 \$ '000	2022 \$ '000
Net gain on disposal of property plant and equipment	433	222
Total net gain/(loss) on non-financial assets	433	222
Allowance for Impairment losses for contractual receivables	(19)	2
Total net gain/(loss) on financial instruments	(19)	2
Net gain/(loss) arising from revaluation of long service liability	(376)	1,485
Total other gains/(losses) from other economic flows	(376)	1,485
Total other gains/(losses) from economic flows	37	1,709

How we recognise other economic flows

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

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

NOTE 4: KEY ASSETS TO SUPPORT SERVICE DELIVERY

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

Structure

- Property, plant & equipment
- Right-of-use assets
- Revaluation Surplus
- Depreciation and amortisation
- Impairment of assets

Telling the COVID-19 story

Assets used to support the delivery of our services during the financial year were not materially impacted by the COVID-19 Coronavirus pandemic and its impact on our economy and the health of our community.

Key judgements and estimates

This section contains the following key judgements and estimates:

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

NOTE 4.1: PROPERTY, PLANT AND EQUIPMENT**NOTE 4.1(A) GROSS CARRYING AMOUNT AND ACCUMULATED DEPRECIATION**

	2023 \$ '000	2022 \$ '000
Land at fair value	21,690	21,690
Land at cost	608	608
Land improvements at fair value	1,233	1,233
Less accumulated depreciation	(148)	(111)
Total Land	23,383	23,420
Buildings under construction at cost	31,319	6,355
Buildings at fair value	195,912	209,318
Less accumulated depreciation	-	(34,245)
Buildings at cost	9,376	8,530
Less accumulated depreciation	(512)	(663)
Total Buildings	236,096	189,295
Total land and buildings	259,479	212,715
Plant and equipment at fair value	10,172	9,904
Less accumulated depreciation	(8,799)	(8,535)
Total Plant and Equipment at fair value	1,372	1,369
Motor vehicles at fair value	1,305	2,209
Less accumulated depreciation	(1,168)	(1,680)
Total motor vehicles at fair value	138	529
Medical equipment at fair value	20,004	19,075
Less accumulated depreciation	(12,876)	(13,305)
Total medical equipment at fair value	7,127	5,770
Computer equipment and communications at fair value	8,268	8,092
Less accumulated depreciation	(7,716)	(7,287)
Total computer equipment and communications at fair value	552	805
Furniture and fittings at fair value	4,421	4,230
Less accumulated depreciation	(3,840)	(3,735)
Total furniture and fittings at fair value	580	495
Information technology at fair value	1,516	1,162
Less accumulated depreciation	(729)	(546)
Total information technology at fair value	787	616
Works in progress at cost	642	520
Total plant, equipment, furniture, fittings and motor vehicles	11,199	10,104
Total property, plant and equipment	270,678	222,819

NOTE 4.1: PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

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

Note	Land \$ '000	Buildings \$ '000	Plant & equipment		Motor vehicles \$ '000	Medical Equipment \$ '000	Computer Equipment & Comms		Furniture & Fittings \$ '000	Information Technology	Total
			\$ '000	\$ '000			\$ '000	\$ '000			
Balance at 1 July 2021	16,936	190,331	1,426	948	5,116	968	597	-	216,322		
Additions	3,015	8,584	365	-	2,183	483	100	62	14,792		
Disposals	-	-	-	(87)	(6)	(1)	-	-	(94)		
Revaluation increments/ (decrements)	3,506	-	-	-	-	-	-	-	3,506		
Net transfers between classes	-	-	-	-	-	-	-	767	767		
Depreciation	(37)	(9,620)	(421)	(331)	(1,136)	(514)	(202)	(213)	(12,474)		
Balance at 30 June 2022	23,420	189,295	1,370	530	6,157	936	495	616	222,819		
Additions	-	25,871	270	2,183	2,798	138	191	375	29,643		
Disposals	-	(66)	-	(198)	(49)	-	-	-	(313)		
Revaluation Increments	-	30,693	-	-	-	-	-	-	30,693		
Net Transfers between classes	-	-	-	-	-	-	-	-	-		
Depreciation	(37)	(9,697)	(268)	(194)	(1,233)	(426)	(105)	(204)	(12,164)		
Balance at 30 June 2023	23,383	236,096	1,372	138	7,673	648	581	787	270,678		

NOTE 4.1: PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Land and buildings carried at valuation

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

As noted below a VGV revaluation of Land has been undertaken as at June 2023 as it was triggered by increases in land values reaching a material threshold.

How we recognise property, plant and equipment

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

Initial recognition

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

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

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

Subsequent measurement

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

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

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

Revaluation

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

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

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

An independent valuation of South West Healthcare's property, plant and equipment was performed by the VGV on May 2019. The valuation, which complies with Australian Valuation Standards, was determined by reference to the amount for which assets could be exchanged between knowledgeable willing parties in an arm's length transaction. The managerial assessment performed at 30 June 2023 indicated an increase in buildings of 18.05% and an increase in land of 1.94%. As the cumulative movement for buildings was greater than 10% since the last revaluation a managerial revaluation adjustment was required as at 30 June 2023. As the cumulative

movement for land was not greater than 10% since the last revaluation no change was required.

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

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

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

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

NOTE 4.2: RIGHT OF USE ASSETS

(A) GROSS CARRYING AMOUNT AND ACCUMULATED DEPRECIATION

	2023 \$ '000	2022 \$ '000
Right-of-use land and buildings	8,440	8,440
Less accumulated depreciation	(2,007)	(1,390)
Total right of use land and buildings	6,432	7,050
Right-of-use information technology	4,385	3,900
Less accumulated depreciation	(3,640)	(3,375)
Total right of use information technology	745	525
Right-of-use motor vehicles	2,853	1,766
Less accumulated depreciation	(610)	(209)
Total right of use motor vehicles	2,243	1,557
Total right of use assets	9,420	9,132

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

	Note	Right-of-	Right-of-use	Right-of-use	Total
		use - Land and buildings \$ '000	Information Technology \$ '000	Motor Vehicles \$ '000	
Balance at 1 July 2021		7,281	1,212	856	9,349
Additions		374	216	868	1,458
Disposals		-	-	-	-
Net Transfers between classes		-	(767)	-	(767)
Depreciation	4.6	(605)	(136)	(167)	(908)
Balance at 1 July 2022	4.3(a)	7,050	525	1,557	9,132
Additions		37	394	1,087	1,518
Net Transfers between classes		(1)	-	-	(1)
Depreciation	4.6	(654)	(174)	(401)	(1,229)
Balance at June 30 2023	4.3(a)	6,432	745	2,243	9,420

How we recognise right-of-use assets

Where South West Healthcare enters a contract, which provides the health service with the right to control the use of an identified asset for a period of time in exchange for payment, this contract is considered a lease.

Unless the lease is considered a short-term lease or a lease of a low-value asset (refer to Note 6.1 for further information), the contract gives rise to a right-of-use asset and corresponding lease liability. South West Healthcare presents its right-of-use assets as part of property, plant and equipment as if the asset was owned by the health service.

Right-of-use assets and their respective lease terms include:

Class of right-of-use asset	Lease Term
Leased land	4 to 10 years
Leased buildings	4 to 10 years
Leased plant, equipment, furniture fittings and vehicles	3 to 5 years

Initial recognition

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

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

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

Subsequent measurement

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

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

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

NOTE 4.3: REVALUATION SURPLUS

	Note	2023 \$'000	2022 \$'000
Balance at the beginning of the reporting period		121,616	118,110
Revaluation Increment			
- Land	4.1(b)	-	3,506
- Buildings	4.2(b)	30,693	-
Balance at the end of the reporting period*		152,309	121,616
*Represented by			
- Land		15,057	15,057
- Buildings		137,252	106,559
		152,309	121,616

NOTE 4.4: DEPRECIATION AND AMORTISATION

	2023	2022
	\$ '000	\$ '000
Depreciation		
Property, plant and equipment		
Buildings	9,734	9,656
Plant and equipment	268	421
Motor vehicles	194	331
Medical equipment	1,233	1,136
Computer equipment and communications	426	514
Furniture and fittings	105	202
Information technology	204	214
Total depreciation - property, plant and equipment	12,164	12,474
Right-of-use assets		
Right-of-use land and buildings	654	605
Right-of-use information technology	174	136
Right-of-use motor vehicles	401	167
Total depreciation - right-of-use assets	1,229	908
Total depreciation	13,394	13,382

How we recognise depreciation

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

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset, whichever is the shortest. Where a lease transfer's 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.

Class of non-current asset	2023	2022
Buildings		
- Structure Shell Building Fabric	6 to 52 years	6 to 52 years
- Site Engineering Services and Central Plant	4 to 47 years	4 to 47 years
Central Plant		
- Fit Out	1 to 47 years	1 to 47 years
- Trunk Reticulated Building Systems	2 to 47 years	2 to 47 years
Plant and Equipment	Up to 20 years	Up to 20 years
Medical Equipment	Up to 15 years	Up to 15 years
Computers and Communication	Up to 5 years	Up to 5 years
Furniture and Fittings	Up to 20 years	Up to 20 years
Motor Vehicles	Up to 10 years	Up to 10 years
Leasehold Improvements	Up to 10 years	Up to 10 years
Land Improvements	10 years	10 years

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

NOTE 4.5: IMPAIRMENT OF ASSETS**How we recognise impairment**

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

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

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

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

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

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

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

South West Healthcare did not record any impairment losses for the year ended 30 June 2023.

NOTE 5: OTHER ASSETS AND LIABILITIES

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

Structure

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

Telling the COVID-19 story

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

Key judgements and estimates

This section contains the following key judgements and estimates:

Key judgements and estimates	Description
Estimating the provision for expected credit losses	South West Healthcare uses a simplified approach to account for the expected credit loss provision. A provision matrix is used, which considers historical experience, external indicators and forward-looking information to determine expected credit loss rates.

Measuring deferred capital grant income	Where South West Healthcare has received funding to construct an identifiable non-financial asset, such funding is recognised as deferred capital grant income until the underlying asset is constructed. South West Healthcare applies significant judgement when measuring the deferred capital grant income balance, which references the estimated the stage of completion at the end of each financial year.
Measuring contract liabilities	South West Healthcare applies significant judgement to measure its progress towards satisfying a performance obligation as detailed in Note 2. Where a performance obligation is yet to be satisfied, the health service assigns funds to the outstanding obligation and records this as a contract liability until the promised good or service is transferred to the customer.

NOTE 5.1: RECEIVABLES AND CONTRACT ASSETS

	Notes	2023 \$ '000	2022 \$ '000
CURRENT RECEIVABLES AND CONTRACT ASSETS			
Contractual			
Trade debtors		3,435	2,663
Receivables - South West Alliance of Rural Health		928	847
Patient fees and resident debtors		505	499
Allowance for impairment losses	5.1(a)	(64)	(45)
Accrued revenue		201	70
Accrued Grants - Department of Health		741	215
Total contractual receivables		5,746	4,249
Statutory			
GST Receivable		633	458
Total statutory receivables		633	458
TOTAL CURRENT RECEIVABLES AND CONTRACT ASSETS		6,379	4,707

NON CURRENT RECEIVABLES AND CONTRACT ASSETS

Contractual			
Long Service Leave - Department of Health		14,775	11,155
TOTAL CONTRACTUAL RECEIVABLES		14,775	11,155
TOTAL NON-CURRENT RECEIVABLES AND CONTRACT ASSETS		14,775	11,155
TOTAL RECEIVABLES AND CONTRACT ASSETS		21,154	15,862

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

Total receivables and contract assets		21,154	15,863
GST Receivable		(633)	(458)
Total financial assets	7.1(a)	20,521	15,405

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

	Notes	2023 \$ '000	2022 \$ '000
Balance at beginning of the year		45	47
Increase/(decrease) in allowance		31	13
Amounts written off during the year		(12)	(15)
Balance at end of the year		64	45

How we recognise receivables

Receivables consist of:

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

Trade debtors are carried at nominal amounts due and are due for settlement within 30 days from the date of recognition. In assessing impairment of statutory (non-contractual) financial assets, which are not financial instruments, professional judgement is applied in assessing materiality using estimates, averages and other computational methods in accordance with AASB 136 Impairment of Assets.

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

Impairment losses of contractual receivables

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

NOTE 5.2: PAYABLES AND CONTRACT ASSETS

	Notes	2023 \$ '000	2022 \$ '000
CURRENT PAYABLES & CONTRACT LIABILITIES			
Contractual			
Trade creditors		1,604	1,100
Accrued salaries and wages		2,973	3,166
Accrued expenses		17,890	6,947
Payables - South West Alliance of Rural Health		1,337	1,456
Deferred grant income	5.2 (a)	3,445	3,197
Contract liabilities	5.2 (b)	619	20,334
Income in advance - South West Alliance of Rural Health	5.2 (b)	2,087	1,978
Total contractual payables		29,955	38,178
Total current payables and contract liabilities		29,955	38,178
Non-current payables and contract liabilities			
Income in Advance - South West Alliance of Rural Health	5.2 (b)	15	27
Total non-current payables and contract liabilities		15	27
Total payables and contract liabilities		29,970	38,205
(i) Financial liabilities classifies as payables and contract liabilities (Note 7.1(a))			
Total payables and contract liabilities		29,970	38,178
Deferred grant income		(3,445)	(3,197)
Contract liabilities		(2,721)	(22,339)
Total financial liabilities	7.1 (a)	23,804	12,642

How we recognise payables and contract liabilities

Payables consist of:

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

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

NOTE 5.2(A): DEFERRED CAPITAL GRANT INCOME

	2023	2022
	\$ '000	\$ '000
Opening balance of deferred grant income	3,197	-
Grant consideration for capital works received during the year	9,976	12,180
Deferred capital grant income recognised as income due to completion of capital works	(9,728)	(8,983)
Closing balance of deferred capital grant income	3,445	3,197

How we recognise deferred capital grant revenue

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

NOTE 5.2(B): CONTRACT LIABILITIES

	2023	2022
	\$'000	\$'000
Opening balance of contract liabilities	22,339	12,409
Grant consideration for sufficiently specific performance obligations received during the year	2,385	11,307
Revenue recognised for the completion of a performance obligation	(22,003)	(1,377)
Total contract liabilities	2,721	22,339
* Represented by:		
- Current contract liabilities	2,706	20,334
- Non-current contract liabilities	15	2,005
	2,721	22,339

How we recognise contract liabilities

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

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

Maturity analysis of payables

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

NOTE 5.3: OTHER LIABILITIES

	2023	2022
	\$'000	\$'000
CURRENT MONIES HELD IN TRUST		
Patient monies	65	49
Refundable accommodation deposits	3,512	3,248
Other monies	470	457
TOTAL CURRENT MONIES HELD IN TRUST	4,047	3,754
TOTAL OTHER LIABILITIES	4,047	3,754
* Represented by:	4,047	3,754
- Cash assets	4,047	3,754

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 South West Healthcare upon admission. These deposits are liabilities which fall due and payable when the resident leaves the home. As there is no unconditional right to defer payment for 12 months, these liabilities are recorded as current liabilities.

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

NOTE 6: HOW WE FINANCE OUR OPERATIONS

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

Structure

- 6.1 Borrowings
- 6.2 Cash and cash equivalents
- 6.3 Commitments for expenditure

Telling the COVID-19 story

Our finance and borrowing arrangements were not materially impacted by the COVID-19 Coronavirus pandemic

and scaling down of the COVID-19 public health response during the year ended 30 June 2023.

Key judgements and estimates

This section contains the following key judgements and estimates:

Key judgements and estimates	Description
Determining if a contract is or contains a lease	South West Healthcare applies significant judgement to determine if a contract is or contains a lease by considering if the health service: <ul style="list-style-type: none"> - has the right-to-use an identified asset - has the right to obtain substantially all economic benefits from the use of the leased asset and - can decide how and for what purpose the asset is used throughout the lease.
Determining if a lease meets the short-term or low value asset lease exemption	South West Healthcare applies significant judgement when determining if a lease meets the short-term or low value lease exemption criteria. The health service estimates the fair value of leased assets when new. Where the estimated fair value is less than \$10,000, the health service applies the low-value lease exemption. The health service also estimates the lease term with reference to remaining lease term and period that the lease remains enforceable. Where the enforceable lease period is less than 12 months the health service applies the short-term lease exemption.
Discount rate applied to future lease payments	South West Healthcare discounts its lease payments using the interest rate implicit in the lease. If this rate cannot be readily determined, which is generally the case for the health service's lease arrangements, South West Healthcare uses its incremental borrowing rate, which is the amount the health service would have to pay to borrow funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions. For leased land and buildings South West Healthcare estimates the incremental borrowing rate to be between 1.5% and 4.5%. For leased plant, equipment, furniture, fittings and vehicles, the implicit interest rate is between 1.5% and 4.5%.
Assessing the lease term	The lease term represents the non-cancellable period of a lease, combined with periods covered by an option to extend or terminate the lease if South West Healthcare is reasonably certain to exercise such options. South West Healthcare determines the likelihood of exercising such options on a lease-by-lease basis through consideration of various factors including: <ul style="list-style-type: none"> › If there are significant penalties to terminate (or not extend), the health service is typically reasonably certain to extend (or not terminate) the lease. › If any leasehold improvements are expected to have a significant remaining value, the health service is typically reasonably certain to extend (or not terminate) the lease. › The health service considers historical lease durations and the costs and business disruption to replace such leased assets.

NOTE 6.1: BORROWINGS

	Note	2023 \$ '000	2021 \$ '000
Current Borrowings			
Finance Lease Liability - South West Alliance of Rural Health ⁽ⁱⁱⁱ⁾	6.1(a)	261	238
Department of Health Loan ⁽ⁱ⁾		-	92
Lease liability ⁽ⁱⁱ⁾	6.1(a)	1,012	392
Total Current Borrowings		1,273	722
Non Current Borrowings			
Finance Lease Liability - South West Alliance of Rural Health ⁽ⁱⁱⁱ⁾	6.1(a)	497	305
Department of Health Loan ⁽ⁱ⁾		-	-
Lease liability ⁽ⁱⁱ⁾	6.1(a)	1,526	1,515
Total Non-Current Borrowings		2,023	1,820
Total Borrowings	7.1(a)	3,296	2,542

(i) These are unsecured loans which bear no interest

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

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

NOTE 6.1: BORROWINGS (CONTINUED)

How we recognise borrowings

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

Initial recognition

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

Subsequent measurement

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

Maturity analysis

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

Defaults and breaches

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

NOTE: 6.1(A) LEASE LIABILITIES

South West Healthcare's lease liabilities are summarised below:

	2023 \$'000	2022 \$'000
Total undiscounted lease liabilities	3,296	2,450
Less unexpired finance expenses	(53)	(59)
Net lease liabilities	3,243	2,391

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

	2023 \$'000	2022 \$'000
Not longer than one year	1,273	630
Longer than one year but not longer than five years	2,023	1,820
Minimum future lease liability	3,296	2,450
Less unexpired finance expenses	(53)	(59)
Present value of lease liability	3,243	2,391
	2023	2022
	\$'000	\$'000
* Represented by:		
- Current liabilities	1,273	630
- Non-current liabilities	1,970	1,761
TOTAL	3,243	2,391

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

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

To apply this definition, South West Healthcare ensures the contract meets the following criteria

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to South West Healthcare and for which the supplier does not have substantive substitution rights;
- South West Healthcare has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract and South West Healthcare has the right to direct the use of the identified asset throughout the period of use; and
- South West Healthcare has the right to take decisions in respect of 'how and for what purpose' the asset is used throughout the period of use.

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

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

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

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

Separation of lease and non-lease components

At inception or on reassessment of a contract that contains a lease component, the lessee is required to separate out and account separately for non-lease components within a lease contract and exclude these amounts when determining the lease liability and right-of-use asset amount.

Initial measurement

The lease liability is initially measured at the present value of the lease payments unpaid at the commencement date, discounted using the interest rate implicit in the lease if that rate is readily determinable or South West Healthcare incremental borrowing rate. Our lease liability has been discounted by between 1.5% and 4.5%

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.

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

NOTE 6.1: BORROWINGS (CONTINUED)**Subsequent measurement**

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

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

Leases with significantly below market terms and conditions

South West Healthcare holds lease arrangements which contain significantly below-market terms and conditions, which are principally to enable the health service to further its objectives. These are commonly referred to as a peppercorn or concessionary lease arrangement.

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

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

NOTE 6.2: CASH AND CASH EQUIVALENTS

	Note	2023 \$'000	2022 \$'000
Cash on hand (excluding monies held in trust)		7	7
Cash at bank (excluding monies held in trust)		43,333	50,928
Deposits at Call (excluding monies held in trust)		22	12
Total cash held for operations		43,362	50,947
Cash at Bank (monies held in trust)		4,047	3,754
Total cash held as monies in trust		4,047	3,754
Total cash and cash equivalents	7.1(a)	47,409	54,701

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

	2023 \$'000	2022 \$'000
Capital expenditure commitments		
Less than one year	14,873	12,474
Longer than one year but not longer than five years	107	-
Total capital expenditure commitments	14,980	12,474
Other operating expenditure commitments		
Less than one year	1,173	1,241
Longer than one year but not longer than five years	262	990
Total operating expenditure commitments	1,435	2,231
Total commitments for expenditure (inclusive of GST)	16,415	14,705
Less GST recoverable from Australian Tax Office	(1,492)	(1,337)
Total commitments for expenditure (exclusive of GST)	14,923	13,368

How we disclose our commitments

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

Expenditure commitments

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

NOTE 7: RISKS, CONTINGENCIES & VALUATION UNCERTAINTIES

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

Structure

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

KEY JUDGEMENTS AND ESTIMATES This section contains the following key judgements and estimates:

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

NOTE 7.1: FINANCIAL INSTRUMENTS

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

NOTE 7.1(A) CATEGORISATION OF FINANCIAL INSTRUMENTS

Note	Financial Assets at Amortised Cost \$ '000	Financial Liabilities at Amortised Cost \$ '000	Total \$ '000
30 June 2023			
Contractual Financial Assets			
Cash and cash equivalents	6.2 47,409	-	47,409
Receivables and contract assets	5.1 20,521	-	20,521
Total Financial Assets [Ⓐ]	67,930	-	67,930
Financial Liabilities			
Payables	5.2 -	23,804	23,804
Borrowings	6.1 -	758	758
Other Financial Liabilities - Refundable			
Accommodation Deposits	5.3 -	3,512	3,512
Other Financial Liabilities - Other	5.3 -	535	535
Total Financial Liabilities [Ⓐ]	-	28,609	28,609

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	54,701	-	54,701
Receivables and contract assets	5.1	15,405	-	15,405
Total Financial Assets (i)		70,106	-	70,106
Financial Liabilities				
Payables	5.2	-	12,642	12,642
Borrowings	6.1	-	635	635
Other Financial Liabilities - Refundable				
Accommodation Deposits	5.3	-	3,248	3,248
Other Financial Liabilities - Other	5.3	-	506	506
Total Financial Liabilities (i)		-	17,031	17,031

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

How we categorise financial instruments

Categories of financial assets

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

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

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

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

Financial assets at amortised cost

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

- the assets are held by South West Healthcare solely to collect the contractual cash flows and
- the assets' contractual terms give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specific dates.

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

South West Healthcare recognises the following assets in this category:

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

Categories of financial liabilities

Financial liabilities are recognised when South West Healthcare becomes a party to the contractual provisions to the instrument. Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified at fair value through profit or loss, in which case transaction costs are expensed to profit or loss immediately.

Financial liabilities at amortised cost

Financial liabilities are measured at amortised cost using the effective interest method, where they are not held at fair value through net result.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest expense in net result over the relevant period. The effective interest is the internal rate of return of the financial asset or liability. That is, it is the rate that exactly discounts the estimated future cash flows through the expected life of the instrument to the net carrying amount at initial recognition.

South West Healthcare recognises the following liabilities in this category:

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

Derecognition of financial assets

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

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

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

Derecognition of financial liabilities

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

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

Reclassification of financial instruments

A financial asset is required to be reclassified between fair value between amortised cost, fair value through net result and fair value through other comprehensive income when, and only when, South West healthcare's business model for managing its financial assets has changed such that its previous model would no longer apply.

A financial liability reclassification is not permitted.

NOTE 7.2: FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

As a whole, South West Healthcare financial risk management program seeks to manage the risks and the associated volatility of its financial performance.

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

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

South West Healthcare uses different methods to measure and manage the different risks to which it is exposed. Primary responsibility for the identification and management of financial risks rests with the Accountable Officer.

NOTE 7.2 (A) CREDIT RISK

Credit risk refers to the possibility that a borrower will default on its financial obligations as and when they fall due. South West Healthcare's exposure to credit risk arises from the potential default of a counter party on their contractual obligations resulting in financial loss to South West Healthcare. Credit risk is measured at fair value and is monitored on a regular basis.

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

In addition, South West Healthcare does not engage in hedging for its contractual financial assets and mainly obtains contractual financial assets that are on fixed interest, except for cash and deposits, which are mainly cash at bank. As with the policy for debtors, South West Healthcare's policy is to only deal with banks with high credit ratings.

Provision of impairment for contractual financial assets is recognised when there is objective evidence that South West Healthcare will not be able to collect a receivable. Objective evidence includes financial difficulties of the debtor, default payments, debtors that are more than 60 days overdue, and changes in debtor credit ratings.

Contract financial assets are written off against the carrying amount when there is no reasonable expectation of recovery. Bad debt written off by mutual consent is classified as a transaction expense. Bad debt written off following a unilateral decision is recognised as other economic flows in the net result.

Except as otherwise detailed in the following table, the carrying amount of contractual financial assets recorded in the financial statements, net of any allowances for losses, represents South West Healthcare's maximum exposure to credit risk without taking account of the value of any collateral obtained.

There has been no material change to South West Healthcare's credit risk profile in 2022-23.

Impairment of financial assets under AASB 9

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

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

Contractual receivables at amortised cost

South West Healthcare applies AASB 9's simplified approach for all contractual receivables to measure expected credit losses using a lifetime expected loss allowance based on the assumptions about risk of default and expected loss rates. South West Healthcare has grouped contractual receivables on shared credit risk characteristics and days past due and select the expected credit loss rate based on South West Healthcare's past history, existing market conditions, as well as forward looking estimates at the end of the financial year.

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

30 June 2023	Note	Current	Less than 1 month	1-3 months	3 months - 1 year	1-5 years	Total
Expected loss rate		0.0%	0.0%	5.0%	8.0%	37.0%	
Gross carrying amount of contractual receivables	5.1	5,011	262	157	210	106	5,746
Loss allowance		-	-	(8)	(17)	(39)	(64)

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%	5.0%	8.0%	40.0%	
Gross carrying amount of contractual receivables	5.1	3,633	235	168	153	60	4,249
Loss allowance		-	-	(8)	(12)	(24)	(45)

Statutory receivables and debt investments at amortised cost

The Health Service's non-contractual receivables arising from statutory requirements are not financial instruments. However, they are nevertheless recognised and measured in accordance with AASB 9 requirements as if those receivables are financial instruments.

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

NOTE 7.2 (B) LIQUIDITY RISK

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

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

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

South West Healthcare's exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment of risk. Cash for unexpected events is generally sourced from liquidation of investments and other financial assets.

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

NOTE 7.2(B) PAYABLES AND BORROWINGS MATURITY ANALYSIS

	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
30 June 2023							
Financial Liabilities at amortised cost							
Payables	5.2	29,970	29,970	29,970	-	-	-
Borrowings	6.1	758	758	-	266	492	-
Other Financial Liabilities - Refundable							
Accommodation Deposits	5.3	3,512	3,512	-	176	983	2,353
Other Financial Liabilities - Other	5.3	535	535	-	535	-	-
Total Financial Liabilities		34,775	34,776	29,970	977	1,475	2,353
30 June 2022							
Financial Liabilities at amortised cost							
Payables	5.2	38,178	38,178	38,178	-	-	-
Borrowings	6.1	635	635	20	63	169	383
Other Financial Liabilities - Refundable							
Accommodation Deposits	5.3	3,248	3,248	-	162	1,852	1,234
Other Financial Liabilities - Other	5.3	506	506	-	506	-	-
Total Financial Liabilities		42,567	42,567	38,198	731	2,021	1,617

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

NOTE 7.2 (C) MARKET RISK

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

Sensitivity disclosure analysis and assumptions

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

- a change in interest rates of 2% up or down

Interest rate risk

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

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. South West Healthcare has minimal exposure to cash flow interest rate risks through cash and deposits.

NOTE 7.3: CONTINGENT ASSETS AND CONTINGENT LIABILITIES

There are no known contingent assets or contingent liabilities for South West Healthcare at the date of this report. (Nil 2022)

How we measure and disclose contingent assets and contingent liabilities

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

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

Contingent assets

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

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

Contingent liabilities

Contingent liabilities are:

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

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

NOTE 7.4: FAIR VALUE DETERMINATION

How we measure fair value

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

The following assets and liabilities are carried at fair value:

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

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

Valuation hierarchy

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

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

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

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

Identifying unobservable inputs (level 3) fair value measurements

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

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

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

Note	Carrying amount 30 June 2023 \$'000	Fair value measurement at end of reporting period using:		
		Level 1 ⁱ \$'000	Level 2 ⁱ \$'000	Level 3 ⁱ \$'000
Non-specialised land	13,982	-	13,982	-
Specialised land	9,401	-	-	9,401
Total land at fair value	23,383	-	13,982	9,401
Non-specialised buildings	10,165	-	10,165	-
Specialised buildings	194,611	-	-	194,611
Total buildings at fair value	204,776	-	10,165	194,611
Plant and equipment	1,372	-	-	1,372
Motor vehicles	138	-	138	-
Medical equipment	7,127	-	-	7,127
Computer equipment	552	-	-	552
Furniture and fittings	580	-	-	580
Information technology	1,497	-	-	1,497
Total plant, equipment, furniture, fittings and vehicles at fair value	11,267	-	138	11,129
Right-of-use land and buildings	6,432	-	-	6,432
Right-of-use information technology	745	-	-	745
Right of use motor vehicles	2,243	-	2,243	-
Total right-of-use assets at fair value	9,420	-	2,243	7,177
Total non-financial physical assets at fair value	248,846	-	26,528	221,318

Note	Carrying amount 30 June 2022 \$'000	Fair value measurement at end of reporting period using:		
		Level 1 ⁱ \$'000	Level 2 ⁱ \$'000	Level 3 ⁱ \$'000
Non-specialised land	14,000	-	14,000	-

Specialised land		9,420	-	-	9,420
Total land at fair value	4.1(a)	23,420	-	14,000	9,420
Non-specialised buildings		9,271	-	9,271	-
Specialised buildings		173,670	-	-	173,670
Total buildings at fair value	4.1(a)	182,941	-	9,271	173,670
Plant and equipment	4.1(a)	1,369	-	-	1,369
Motor vehicles	4.1(a)	529	-	529	-
Medical equipment	4.1(a)	5,770	-	-	5,770
Computer equipment	4.1(a)	805	-	-	805
Furniture and fittings	4.1(a)	495	-	-	495
Information technology	4.1(a)	616	-	-	616
Total plant, equipment, furniture, fittings and vehicles at fair value		9,584	-	529	9,055
Right-of-use land and buildings	4.2(a)	7,050	-	-	7,050
Right-of-use information technology	4.2(a)	525	-	-	525
Right of use motor vehicles	4.2(a)	1,557	-	1,557	-
Total right-of-use assets at fair value		9,132	-	1,557	7,575
Total non-financial physical assets at fair value		225,077	-	25,357	199,720

i Classified in accordance with the fair value hierarchy.

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

How we measure fair value of non-financial physical assets

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

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

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

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

Non-specialised land, non-specialised buildings, investment properties and cultural assets

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

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

Specialised land and specialised buildings

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

During the reporting period, South West Healthcare held Crown Land. The nature of this asset means that there are certain limitations and restrictions imposed on its use and/or disposal that may impact their fair value.

The market approach is also used for specialised land although it is adjusted for the community service obligation (CSO) to reflect the specialised nature of the assets being valued. Specialised assets contain significant, unobservable adjustments; therefore, these assets are classified as Level 3 under the market based direct comparison approach.

The CSO adjustment is a reflection of the valuer's assessment of the impact of restrictions associated with an asset to the extent that is also equally applicable to market participants. This approach is in light of the highest and best use consideration required for fair value measurement and takes into account the use of the asset that is physically possible, legally permissible and financially feasible. As adjustments of CSO are considered as significant unobservable inputs, specialised land would be classified as Level 3 assets.

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

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

Vehicles

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

Furniture, fittings, plant and equipment

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

There were no changes in valuation techniques throughout the period to 30 June 2023.

Reconciliation of level 3 fair value measurement

	Note	Land \$'000	Buildings \$'000	Plant, equipment, furniture, fittings and vehicles \$'000	Right-of- use land & buildings \$'000	Right-of- use plant, equipment, furniture, fittings and vehicles \$'000
Consolidated						
Balance at 1 July 2021		8,308	180,606	8,107	7,281	1,212
Additions/(Disposals)		-	1,070	2,666	374	216
Net Transfers between classes		(344)	1,078	767	-	(767)
Gains/(Losses) recognised in net result						
- Depreciation and amortisation		(19)	(9,084)	(2,486)	(605)	(136)

Items recognised in other comprehensive income

- Revaluation		1,475	-	-	-	-
Balance at 30 June 2022	7.4(b)	9,420	173,670	9,054	7,050	525
Additions/(Disposals)		-	641	3,566	37	394
Net Transfers between classes		-	-	-	(1)	-
Gains/(Losses) recognised in net result						
- Depreciation and Amortisation		(19)	(9,026)	(2,201)	(654)	(174)
Items recognised in other comprehensive income						
- Revaluation		-	29,326	-	-	-
Balance at 30 June 2023	7.4(b)	9,401	194,611	10,419	6,432	745

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

Fair value determination of level 3 fair value measurement

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

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

NOTE 8: OTHER DISCLOSURES

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

Structure

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

Telling the COVID-19 story

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

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

		2023	2022
	Note	\$ '000	\$ '000
NET RESULT FOR THE YEAR		16,484	2,318
Non-cash movements			
(Gain)/Loss on sale or disposal of non-financial assets		(433)	(222)
Depreciation of non-current assets	4.4	13,394	13,382
Assets and services received free of charge		(21,291)	(5,012)
Loss allowance for receivables		19	(2)
Non Cash long service leave liability movement		(3,587)	-
Capital donations received		376	(464)
Movements in assets and liabilities			
(Increase)/Decrease in receivables and contract assets		(1,672)	(338)
(Increase)/Decrease in other assets		(3,637)	(509)
Increase/(Decrease) in payables and contract liabilities		(8,236)	(935)
Increase/(Decrease) in monies in provisions		6,437	2,167
Increase/(Decrease) in other liabilities		1,047	13,682
Increase/(Decrease) in inventory		(262)	217
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES		(1,361)	24,284

NOTE 8.2: RESPONSIBLE PERSON DISCLOSURES

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.

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

	Period
The Honourable Mary-Anne Thomas MP: Minister for Health	1 Jul 2022 - 30 Jun 2023
Minister for Health Infrastructure	5 Dec 2022 - 30 Jun 2023
Minister for Medical Research	5 Dec 2022 - 30 Jun 2023
Former Minister for Ambulance Services	1 Jul 2022 - 5 Dec 2022
The Honourable Gabrielle Williams MP: Minister for Mental Health	1 Jul 2022 - 30 Jun 2023
Minister for Ambulance Services	5 Dec 2022 - 30 Jun 2023
The Honourable Lizzy Blandthorn MP: Minister for Disability, Ageing and Carers	5 Dec 2022 - 30 Jun 2023
The Honourable Colin Brooks MP: Former Minister for Disability, Ageing and Carers	1 Jul 2022 - 5 Dec 2022

Governing Boards

Mrs N Allen	1 Jul 2022 - 30 Jun 2023
Dr G Toogood	1 Jul 2022 - 30 Jun 2023
Mr B Brown	1 Jul 2022 - 30 Jun 2023
Mrs J Waterhouse	1 Jul 2022 - 30 Jun 2023
Dr B Northeast	1 Jul 2022 - 30 Jun 2023
Ms A Patchett	1 Jul 2022 - 30 Jun 2023
Mr A Gillian	1 Jul 2022 - 30 Jun 2023
Ms R Held	1 Jul 2022 - 30 Jun 2023
Mr B Howard	1 Jul 2022 - 30 Jun 2023

Accountable Officers

Mr C. Fraser (Chief Executive Officer)	1 Jul 2022 - 30 Jun 2023
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Remuneration of Responsible Persons

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

Income Band	2023 No:	2022 No:
\$0 - \$9,999	-	1
\$10,000 - \$19,999	8	8
\$20,000 - \$29,999	1	1
\$370,000 - \$379,999	-	-
\$380,000 - \$389,999	1	1
Total Numbers	10	11
	2023 \$'000	2022 \$'000
Total remuneration received or due and receivable by Responsible Persons from the reporting entity amounted to:	524	523

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

NOTE 8.3: REMUNERATION OF EXECUTIVES

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

Remuneration of executive officers

(including Key Management Personnel disclosed in Note 8.4)

	Total Remuneration	
	2023 \$ '000	2022 \$ '000
Short-term employee benefits	1,561	1,678
Post-employment benefits	177	161
Other long-term benefits	59	24
Total Remuneration ⁽ⁱ⁾	1,797	1,863
Total Number of executives	8	9
Total annualised employee equivalent (AEE) ⁽ⁱⁱ⁾	7.05	6.98

Notes:

i The total number of executive officers includes persons who meet the definition of Key Management Personnel (KMP) of South West Healthcare 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.

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

Short-term employee benefits

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

Post-employment benefits

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

Other long-term benefits

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

Termination benefits

Termination of employment payments, such as severance packages.

NOTE 8.4: RELATED PARTIES

South West Healthcare is a wholly owned and controlled entity of the State of Victoria. Related parties of the health service include:

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

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

Key management personnel

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

Entity	Key Management Personnel	Position Title	Period
South West Healthcare	Mr B Brown	Board Member	01/07/22 - 30/06/23
South West Healthcare	Mrs N Allen	Board Member	01/07/22 - 30/06/23
South West Healthcare	Dr G Toogood	Board Member	01/07/22 - 30/06/23
South West Healthcare	Mrs J Waterhouse	Board Member	01/07/22 - 30/06/23
South West Healthcare	Dr B Northeast	Chair of the Board	01/07/22 - 30/06/23
South West Healthcare	Ms A Patchett	Board Member	01/07/22 - 30/06/23
South West Healthcare	Mr A Gillan	Board Member	01/07/22 - 30/06/23
South West Healthcare	Ms R Held	Board Member	01/07/22 - 30/06/23
South West Healthcare	Mr B Howard	Board Member	01/07/22 - 30/06/23
South West Healthcare	Mr C Fraser	Chief Executive Officer	01/07/22 - 30/06/23
South West Healthcare	Mr A Trigg	Chief Operating Officer	01/07/22 - 30/06/23
South West Healthcare	Ms G Stevenson	Executive Director Nursing & Midwifery	01/07/21 - 30/04/23
South West Healthcare	Mr J Brennan	Executive Director Service Development	01/07/22 - 30/06/23
South West Healthcare	Mr R Campion	Executive Director Mental Health Services	01/07/22 - 30/06/23
South West Healthcare	Ms K Anderson	Executive Director Primary and Community Services	01/07/22 - 30/06/23
South West Healthcare	Dr K McCannon	Executive Director Medical Services	01/07/22 - 30/06/23
South West Healthcare	Ms S Cook	Executive Director People and Culture	01/07/22 - 30/06/23
South West Healthcare	Mr P Logan	Interim Executive Director Nursing & Midwifery	03/04/23 - 30/06/23

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

	2023 \$ '000	2022 \$ '000
COMPENSATION - KMP's		
Short term employee benefits (i)	2,032	2,149
Post-employment benefits	218	201
Other long-term benefits	72	37
Total (ii)	2,322	2,387

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

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

Significant transactions with government-related entities

Transactions	2023 \$ '000	2022 \$ '000
Department of Health	201,072	208,516
Indirect contributions (DH)	23,341	8,394
Assets received free of charge	1,537	1,794
Repayment of funding - interest free loan	92	92
Total	226,042	218,796

Balances Outstanding

Funding Outstanding	2023 \$ '000	2022 \$ '000
Department of Health LSL debtor	14,755	11,155
Interest free loan balance	-	92
Grants repayable to DH	11,676	-
Total	14,755	11,247

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

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

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

Transactions with key management personnel and other related parties

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

Outside of normal citizen type transactions with the Department of Health and Human Services, all other related party transactions that involved KMPs and their close family members have been entered into on an arm's length basis. Transactions are disclosed when they are considered material to the users of the financial report in making and evaluation decisions about the allocation of scarce resources. There were no related party transactions with Cabinet Ministers required to be disclosed in 2023.

NOTE 8.5: REMUNERATION OF AUDITORS

	2023 \$ '000	2022 \$ '000
Victorian Auditor-General's Office		
Audit of financial statements	47	47
Total remuneration of auditors	<u>47</u>	<u>47</u>

NOTE 8.6: EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

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

NOTE 8.7: JOINT ARRANGEMENTS

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

Entity	Principal Activity	Ownership Interest	
		2023 %	2022 %
Southwest Alliance of Rural Health	Information Systems	15.57	15.16

	2023 \$ '000	2022 \$ '000
Current assets		
Cash and cash equivalents	2,735	3,226
Inventories	3	7
Receivables	928	847
Prepaid expenses	135	112
Total current assets	<u>3,801</u>	<u>4,192</u>
Non Current Assets		
Property, Plant and Equipment	1,532	1,140
DHS LSL Debtors	160	127
Total Non Current Assets	<u>1,692</u>	<u>1,267</u>
Total Assets	<u>5,493</u>	<u>5,459</u>

Current Liabilities		
Payables	1,337	1,456
Deferred Income	2,087	1,978
Provisions	419	405
Lease Liabilities	261	238
Total Current Liabilities	<u>4,104</u>	<u>4,077</u>

Non-current liabilities		
Lease liabilities	497	305
Employee benefits and related on-cost provisions	87	41
Deferred income	15	27
Total non-current liabilities	<u>599</u>	<u>373</u>
Total Liabilities	<u>4,703</u>	<u>4,450</u>
Net Assets	<u>790</u>	<u>1,009</u>

South West Healthcare interest in revenues and expenses resulting from jointly controlled operations and assets is detailed below:

Revenue and income from transactions		
Operating Activities	3,636	3,192
Non Operating Activities	279	27
Total revenue and income from transactions	<u>3,915</u>	<u>3,219</u>
Expenses from transactions		
Employee Expenses	(1,957)	(1,388)
Maintenance Contracts and IT Support	(1,123)	(1,003)
Other Expenses	(697)	(279)
Finance Costs	(9)	(9)
Depreciation and Amortisation	(378)	(350)
Total expenses from transactions	<u>(4,164)</u>	<u>(3,029)</u>
Net result from transactions	<u>(249)</u>	<u>190</u>
Other economic flows included in the net result		
Revaluation of long service leave	3	(12)
Total other economic flows included in the net result	3	(12)
Comprehensive result for the year	(246)	178

* Figures obtained from the unaudited SWARH financial statements

Contingent Liabilities and Capital Commitments

There are no known contingent assets or liabilities for South West Alliance of Rural Health as at the date of this report.

NOTE 8.8 ECONOMIC DEPENDENCY

South West Healthcare is dependent on the Department of Health and Human Services for the majority of its revenue used to operate the entity. At the date of this report, the Board of Directors believes the DH will continue to support South West Healthcare.

NOTE 8.9 EQUITY**Contributed capital**

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

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

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

Financial assets at fair value through comprehensive income revaluation reserve

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

Restricted specific purpose reserves

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



SWH HOSPITALS

Camperdown Hospital

Robinson Street
Camperdown 3260

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e frontdesk@swh.net.au

Warrnambool Base Hospital

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p 03 5563 1666

e info@swh.net.au

SWH MENTAL HEALTH SERVICES

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Camperdown 3260

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Hamilton

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Hamilton 3300

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Portland

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Portland 3305

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Warrnambool

Koroit Street
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South West 
Healthcare

www.southwesthealthcare.com.au



SWH AGED CARE FACILITY

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