Kilmore District Health

Annual Report 2022-23

Kilmore District Health

Acknowledgement of Traditional Owners

Kilmore District Health acknowledges the Taungurung people, the traditional owners and custodians of the land and water on which we live, work and play. We pay respect to Elders past, present and emerging.

We affirm our commitment to reconciliation, and we make it happen by strengthening partnerships and continuing our work with Aboriginal peoples.

Kilmore District Health acknowledges that to 'Close the Gap' we need to work together with Aboriginal and Torres Strait Islander people, communities, staff and stakeholders to ensure that we meet community needs.

Child Safe Place

We comply with standards, and work to ensure that the safety of children is promoted, that child abuse is prevented, and that any allegations of child abuse are properly responded to.

Commitment Statement Against Family Violence

Our vision is a future where our community is free from family violence and where healthy, respectful relationships prevail.

All Welcome Here

Everybody matters. Kilmore District Health is committed to embracing diversity. We respect and welcome all people.

Our Annual Report

This report:

- Covers the period 1 July 2022 to 30 June 2023
- Is prepared for the Minister for Health, the Parliament of Victoria and the community we serve
- Is prepared in accordance with government and legislative requirements and FRD 30 guidelines
- Is prepared for presentation to the community at Kilmore District Health's Annual General Meeting in December 2023
- Acknowledges the support of our community
- Should be read in conjunction with our 2022-23 Quality Account Calendar.
- Is available on our website – https://www.kilmoredistricthealth.org.au
- Respects our environment, it is printed on Ecostar Silk 100 percent recycled stock and available electronically.

Caring Together

New aged care residents welcomed

55
in 2022-23

Patients admitted as Inpatients

4,545
in 2022-23

Babies born

162
in 2022-23

District nurse home visits

3,158
in 2022-23

Outpatient appointments

6,805
in 2022-23

Urgent Care Centre attendances

10,662
in 2022-23

Staff working at KDH

394
in 2022-23

Procedures performed

2,052
in 2022-23

Meals on wheels produced

10,490
in 2022-23

Our Strategy

Our purpose

Providing safe, quality, accessible care and a dynamic place to work and learn.

Our vision

Caring Together. Better health and wellbeing for our community.

We will work together to implement our Strategic Priorities

Quality Care

Consistently providing safe, compassionate care at the highest standard

People Who Care

Valuing, empowering and providing opportunities for our workforce

Partners in Care

Working collaboratively to deliver equitable and accessible care

Sustainable Care

Securing the future of effective and affordable local care

Living the values of

RESPECT | EXCELLENCE | ACCOUNTABILITY | COMPASSION | HONESTY

Achieving the outcomes of

The best care for our consumers

A talented, engaged and satisfied workforce

Partnerships that provide services to best meet care needs

The best use of our resources

Our Message to the Community

This year saw Kilmore District Health (KDH) start to move forward from the challenge of the COVID-19 pandemic.

Whilst we continued to respond to the pandemic, KDH like all health services were able to incorporate our response into our business as usual. We continued to support our patients, residents, staff and visitors with the care and protection required.

We continued to experience high demand on our services in 2022-23 with the health service caring for 2,782 inpatients, 6,805 outpatients and 10,662 patients through our Urgent Care Centre. In addition, we welcomed 162 babies at KDH.

We operated 24 inpatient beds supporting patients needing acute, medical, surgical, Geriatric Evaluation and Management and end of life care. Our occupancy has remained high with 83% of available bed days utilised, representing 7,288 days of care provided.

In 2022-23 our Aged Care Services welcomed 30 new permanent residents and provided 20 periods of respite for members of our community. Our District Nursing Service delivered 3,158 visits and our health service provided over 10,490 meals to the local community through the Meals on Wheels program.

Good governance has continued throughout the year with our Board of Directors. We welcomed two new Directors to the Board, Ms Katharine See and A/Prof Sajeev Koshy OAM. We would like to acknowledge A/Prof Koshy for his involvement with the Board and offer our condolences on his death in February 2023. We would like to extend our thanks to Ms Kathryn Harris who resigned from the Board in October 2022. Ms Harris joined the Board in July 2016 and was elected Chair in July 2019. Ms Harris' leadership, guidance and involvement across the organisation ensured the continued growth to provide for our expanding community and we thank her enormously for her contributions.

A/Prof Arish Naresh commenced as CEO in May 2022. He provided leadership in navigating the organisation through the ongoing pandemic and support of the COVID-19 processes for our staff, visitors and community. Unfortunately, due to ongoing health issues, A/Prof Naresh resigned from the role in January 2023. We thank Ms Jennifer Gilham for taking on the role of Interim Chief Executive Officer.

Connection with our community continues to be a high priority and this is supported through our Community Advisory Board Subcommittee (CAS). We thank the community members who make a valuable contribution to this committee. We especially thank the Co-Chairs of the CAS, Ms Gwenda Phillips and Ms Jitka Jilich for their leadership of this Committee. Ms Phillips has resigned her position as co-chair, however, remains on the committee and Ms Jitka Jilich has retired from KDH.

In line with our Strategic Plan 2021-25, we continue to explore partnerships that provide services to best meet care needs for our community. This year, along with Northern Health, we expressed our intention to explore an already close partnership even further, including voluntary amalgamation to provide better connected healthcare, enhance specialist services and develop careers. Our growing and ageing population means our health services face increasing challenges and complex needs. Change will only happen if the Boards are in unanimous agreement, if community benefit is assured and if the State Government accepts the Boards' recommendations. A decision will be made in mid-late 2023 as we work to ensure the continued care of our community.

We celebrated many key events throughout the year including, but not limited to NAIDOC Week, R U OK Day, Remembrance Day, ANZAC Day and 16 Days

of Activism against Gender Based Violence. We also celebrated our staff across the organisation with employee recognition days.

Kilmore District Health is most grateful for the generosity of its supporters. Financial support from our loyal donors helps the Health Service to continue its work in providing high quality services for our local community. We are sincerely grateful to our Hospital Auxiliary and Opportunity Shop Committee members, plus individual donors for their continued support.

A number of independent external experts sit on our governance committees and we would like to sincerely thank these people for their willingness to share their expertise and time.

This year saw Kilmore District Health confer two new Life Governor Awards at the Annual General Meeting held in February 2023. The Award of Life Governor is the highest honour Kilmore District Health can bestow upon a person or persons who have made an outstanding and exemplary contribution to the organisation and who reflect the ethos and values of the organisation.

Dr Medhat Ilias was awarded Life Governor for his significant contribution to Maternity Services. Dr Ilias is an Obstetrician who has worked at KDH for more than 15 years. He ensures the midwifery team feel supported and guided and his advocacy for patient centred care is outstanding.

Mr David (deceased) and Mrs Wilma Keath were awarded Life Governor for their philanthropic contributions to KDH. These funds have supported the organisation with a significant portion supporting the expansion and refurbishment of Caladenia Nursing Home.

We congratulate our new Life Governors and thank all of our Life Governors for their support of our organisation.

We acknowledge and commend the dedication of our staff and VMO's for their resilience and dedication they show to ensure a high level of care is always provided to our patients and residents. We also thank our Executive and Senior Leaders for the leadership shown and their ongoing commitment to our health service.

We recommend our Annual Report to you and we are proud to share the wonderful achievements of our team during the 2022-23 year.

Despite the costs incurred in continuing to respond to the COVID-19 pandemic, we are pleased to report a positive year end result with a surplus of $4,000 achieved.

In accordance with the Financial Management Act 1994, we are pleased to present the Report of Operations for Kilmore District Health for the year ending 30 June 2023.

Gillian Leach
Chair
Board of Directors

Jennifer Gilham
Interim Chief
Executive Officer

Our Organisation

Kilmore District Health provides a comprehensive range of acute and aged care services to our rapidly increasing catchment population.

Kilmore District Health is located in Victoria in the Mitchell Shire and services a population over 40,000 that extends to Broadford and Pyalong in the north, Wallan and Craigieburn in the south, Lancefield and Romsey to the west; and Whittlesea to the east.

Kilmore District Health has provided health care services to our local community since it was founded in 1854. The hospital was incorporated under the provisions of the Hospitals & Charities Act on 17 November 1864 and is accountable to the people of Victoria. We are a public health service established under the Health Services Act 1988 (Vic). The responsible Minister is the Minister for Health:

Minister for Health:
The Hon Mary-Anne Thomas MP
From 1 July 2022 to 30 June 2023

The agency operates from one site encompassing four facilities – the main hospital (housing multi-day beds, a perioperative suite and the Urgent Care Centre), Caladenia Nursing Home and Dianella Village Aged Care Hostel and the Outpatient Services Facility. Services are provided in home and community settings, including antenatal clinics operated from Seymour Health and Nexus Primary Health in Wallan.

Our Services

Kilmore District Health provides a comprehensive range of acute and aged care services to our rapidly increasing catchment population. Inpatient and outpatient services are offered to the community of Kilmore and district.

Hospital Based Services

Our hospital services range from acute services in the areas of maternity, medical and surgical services, through to subacute care encompassing Geriatric Evaluation and Management, Transition Care and Palliative Care. The number and range of Visiting Specialists consulting from our Outpatient Facility continues to expand and we have seen an increase in the uptake of Telehealth.

As the only provider of maternity services located in the Mitchell Shire, the hospital supports over 300 women and families assessed as having a normal risk pregnancy to receive maternity (antenatal, birthing and postnatal) care close to home.

Our 24-hour Urgent Care Centre is attended by highly skilled and experienced nursing staff. Staff collaborate with local General Practitioners and Visiting Medical Officers, in providing first line care to all urgent attendances, and with Ambulance Victoria and receiving hospitals to stabilise and coordinate transfer to a higher level of care, where necessary.

Aged Care Services

Caladenia Nursing Home and Dianella Village Hostel provide a home-like atmosphere with the security of assistance when required. Each facility has the capacity to support 30 care recipients. Respite care is also available.

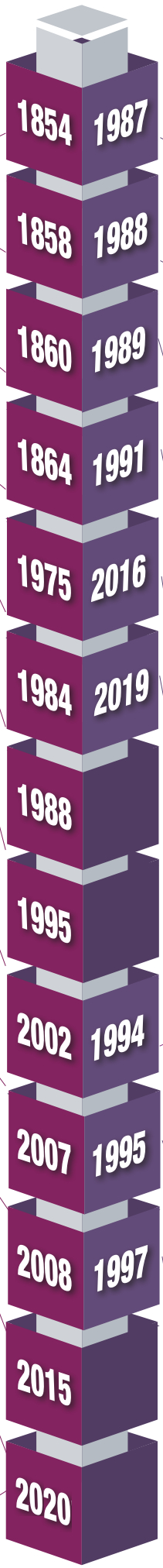
Home Based Services

The District Nursing Service is funded through the Commonwealth Home Support Program (CHSP). This service helps older people stay independent and, in their homes, and communities for longer. We also receive state-based funding to provide support to younger people with disabilities living at home and produce delivered meals through the Victorian Home and Community Care program.

COVID-19 Response

KDH continued our response to the COVID-19 pandemic in 2022/23. We supported 'Jabba the Bus' to come onsite to provide COVID-19 vaccinations to staff and the community and continued to provide COVID-19 positive support to the community through the COVID-19 Positive Pathways Program and community RAT and N95 mask distribution. The KDH team stood down our COVID positive pathways team in December 2023 like many other health services. KDH remains active in monitoring COVID-19 infections in our staff, residents, patients and the community and moving COVID-19 management into our business as usual activity.

Our History



The Kilmore & District Hospital

1854
Hospital name was established

1858
The community raised funds of 1269 pounds and the Government granted 500 pounds for the building of a hospital

1860
Hospital opened and 86 patients treated in the first year

The original hospital is the second oldest of Victoria's District Hospitals and the most intact

1864
The Kilmore Hospital was incorporated under the provisions of the Hospitals & Charities Act on 17 November 1864

1975
The Hospital 20-bed ward was completed

1984
On the 29 July 1984 the extensions including the services wing and clinical support facilities were officially opened

1988
On the 23 November 1988, The Kilmore Hospital changed its name to The Kilmore & District Hospital to reflect the growing area that it served

1995
A major redevelopment project costing $2.2 million was completed on the 26 June 1995

Works included the renovations of existing operating theatre, general administration, the provision of new birthing suites, wards, a new accident and emergency area and 10 additional acute patient beds, increasing the total number of beds to 30 beds

2002
In 2002 an extension was built at the rear of the hospital to accommodate a dedicated reception for our Diagnostic Imaging service, capacity for the new CT scanner and ultrasound service

2007
Theatre Suite was renovated to ensure compliance with infection control standard and efficiency of patient service

2008
Hospital reception area was upgraded

2015
$20 million capital redevelopment was completed, including a dedicated outpatient facility, a second surgical suite, a day stay recovery area and an additional 30 acute inpatient beds

The project allowed for conversion of the existing consulting rooms into student accommodation and additional car parking

2020
The Kilmore & District Hospital changed name to Kilmore District Health

Caladenia Nursing Home

1987
On the 8 January 1987, The Kilmore Nursing Home Society was registered as a benevolent society under the provisions of the Hospital and Charities Act 1958

1988
Approval in principle to build Caladenia was received on the 25 May 1988 when we had funds in-hand of just $12,770

Three year fund raising campaign commenced with $1,502,730 in cash donations received over this time; $768,000 was received from the Commonwealth Government

1989
The Kilmore & District Nursing Home Society Inc. was incorporated under the Associations incorporation Act 1981 on 31 October 1989

1991
The construction of our 30 bed Nursing Home was completed during the 1990-91 financial year.

Our first resident moved in on the 17 June 1991 and Caladenia Nursing Home was officially opened on the 11 August 1991

2016
The Sensory Garden was opened on the 11 August 2016. This initiative was supported by a $10,000 grant from the Maggie Beer Foundation

2019
Significant Refurbishment (Stages 1 & 2) completed in February 2019

Dianella Village Hostel

1994
The Commonwealth Department of Human Services and Health granted approval in principle for a 30 bed Aged Care Hostel on 20 December 1994

1995
A major fundraising appeal was launched in 1995 with magnificent community support. Total donations of $707,000 were received. Together with the Commonwealth Government contribution of $847,000, Department of Veterans Affairs contribution of $160,000 and the Hospital contribution and borrowings, the total project funding and cost was $2.1m

1997
The construction of our 30 bed Hostel was completed during 1997

Our first resident moved in on the 18 August 1997

Dianella Village Hostel was officially opened on the 21 August 1997

Our Governance

The Board of Directors is appointed by the Governor in Council on the recommendation of the Victorian Minister for Health and is governed by the principles contained within the Health Services Act 1988 (as amended).

The Board provides governance of Kilmore District Health and is responsible for its financial performance, strategic directions, the quality of its health care services and strengthening community involvement through greater partnerships.

Kilmore District Health by-laws enable the Board to delegate certain responsibilities. The by-laws are supported by the delegations of executive and operational responsibility, enabling designated executives and staff to perform their duties through the exercise of specified authority.

The Board meets monthly during the year with eleven General Committee Meetings and one special meeting focussing on strategic directions and planning. The Board Charter specifies a minimum of ten meetings to be held during the twelve-month period and Board Directors are required to attend a minimum of eight meetings each year. Twelve meetings were held during the year and all Board Directors met the attendance requirement.

All meetings of Board and Board Sub-Committees during 2022-23 have been conducted virtually.

	Date = First Appointment	Attendance
Board Chair	**Mrs Gillian Leach** 1 July 2019	12
Board Deputy Chair	**Ms Jo-Anne Mazzeo** 1 July 2020	11
Directors	**Ms Kathryn Harris** 1 July 2016 (Resigned October 2022)	4
	Prof. John Lindsay Falvey 1 July 2021	12
	Mrs Wendy Kelly 1 July 2017	12
	A/Prof Sajeev Koshy 1 July 2022 (Passed away February 2022)	5
	Mr Barnaby Ling 1 July 2021	11
	Ms Katharine See 1 July 2022	12
	Ms Barbara Schade 1 July 2020	11
	Mr Graham Thomson 1 July 2019	12

Audit and Finance Committee

The Audit and Finance Committee membership comprises three Board Directors, in accordance with the independence requirements of the Standing Directions of the Minister of Finance under the Financial Management Act 1994. The Chair of the Committee is nominated by the Audit and Finance Committee on an annual basis.

The Audit and Finance Committee membership included the following Board Directors: Mrs Gillian Leach, Mr Barnaby Ling and Mr Lindsay Falvey.

The Audit and Finance Committee meets bi-monthly and assists the Board in monitoring compliance with laws, regulations, standards and internal controls. Key responsibilities for the Audit and Finance Committee include developing and overseeing the hospital's internal audit plan and review of the draft Annual Accounts. All the committee members are independent of management.

Clinical Governance Committee

The Clinical Governance Committee membership comprises four Board Directors. The membership included the following Board Directors: Mr Graham Thomson (Chair), Ms Jo-Anne Mazzeo, Ms Katharine See and Ms Wendy Kelly.

The Clinical Governance Committee aims to ensure that the community receives high quality and safe care close to home and that Kilmore District Health (KDH) is committed to the constant improvement of all clinical and care services. The committee meets bi-monthly to review and analyse information detailing the clinical care activities undertaken at Kilmore District Health.

Community Advisory Committee

The Community Advisory Committee membership comprises three Board Directors and up to ten consumer members who represent a diverse community perspective. The Committee has two Co-Chairs, Ms Gwenda Phillips, consumer member and Ms Jitka Jilich, Community Engagement Officer, KDH. We are grateful to both Co-Chairs, Ms Gwenda Phillips who has resigned from her position and Ms Jitka Jilich who has retired from Kilmore District Health.

The Community Advisory Committee membership included the following Board Directors: Mrs Wendy Kelly, Mr Graham Thomson and Ms Barbara Schade.

The Community Advisory Committee meets bi-monthly and advises the Board on consumer and community participation in the development and delivery of services.

Governance and Remuneration Board Committee

The Governance and Remuneration Committee membership included the following Board Directors: Ms Gillian Leach (Chair), Ms Jo-Anne Mazzeo and Mr Barnaby Ling.

The Governance and Remuneration Committee meets three times per year and is responsible for advising and making recommendations to the Board of Directors in relation to matters involving organisational governance and administration, performance of the Chief Executive Officer, Executive staff remuneration; and recruitment and terms and conditions of employment.

Our Leadership

Chief Executive Officer

Ms Jennifer Gilham
BNurs RIPERN GradCertHlthMgt
25 January 2023 – 30 June 2023

A/Prof Arish Naresh
J.P, MHSc(Dist), PG HSM, PG HSc, Dent Therapy(Hons), Adv Cert IT,PhD, FHSM CHE, CSM,MInsD, MNZM, MAICD,AICGG
Until 25 January 2023

The Chief Executive Officer is accountable to the Board for the efficient and effective management of Kilmore District Health. Primary responsibilities include executive leadership, development and management of operational policy and strategic priorities agreed with the Board and in accordance with the funding, planning and regulatory framework of the Victorian Government Department of Health and Human Services.

Deputy Chief Executive Officer

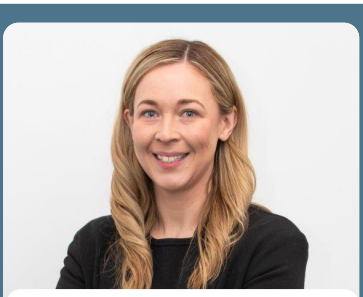
Ms Jennifer Gilham
BNurs RIPERN GradCertHlthMgt
8 July 2022 – 25 January 2023

The Deputy Chief Executive Officer provides support to the CEO in implementing the strategic direction of the organisation. The position is also responsible for the operational management of the organisation and implementing decisions, resolutions and directions of the CEO, advancing the objectives of the organisation, ensuring compliance with legislation and promoting the organisation in the communities it serves.

Director Finance and Support Services, Chief Financial and Procurement Officer

Mr Colin Clark
BEc (Acc)

The Director Finance and Support Services is the Chief Financial and Procurement Officer and is responsible for providing financial management leadership and oversight of the organisational financial position. The position is also responsible for leading and managing the development of effective and efficient financial and corporate support services, including health support services, contracts and procurement, financial services and information technology services.



Director Clinical and Aged Care Services, Chief Nursing and Midwifery Officer

Ms Rebecca van de Paverd
BN, MHlthAdmin
25 January 2023 – 30 June 2023

Ms Jennifer Gilham
BNurs RIPERN GradCertHlthMgt
Until 25 January 2023

The Director Clinical and Aged Care Services is responsible for inpatient and non-admitted clinical services, aged care services, after-hours' coordination, clinical support, allied health. The role encompasses clinical leadership, clinical governance and strategic and operational service planning. As Chief Nursing and Midwifery Officer, the role also has professional responsibility and leadership for all nursing and midwifery staff, the clinical competence framework and nurse education.

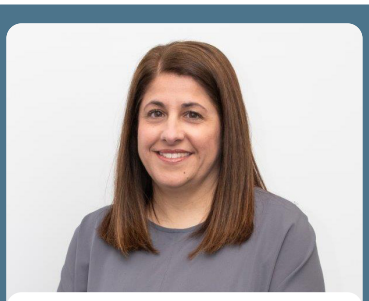
Director Medical Services, Chief Medical Officer

Dr Juliette Gentle
MBBS FRACS(Orth)
1 May 2023 – 30 June 2023

Dr Campbell Miller
MbCHb, MBA, FRACMA
1 June 2022 – 15 September 2022 and 21 February to 30 June 2023

Dr Sandeep Bhagat
FRACMA, FAChPM, FRACGP, RACP, M.B.B.S
10 August 2022 – 16 February 2023

The Director Medical Services is responsible for professional leadership of the medical workforce. This role is accountable for the maintenance of professional standards of medical staff ensuring best practice guidelines and patient centred care philosophies are followed. Clinical governance, risk management, service development and continuity of care form the cornerstone of this role.



Director Development and Improvement

Ms Terri Fiorenza
BHIM GradCertHlthInfo
14 March 2023 – 30 June 2023

Ms Kirrily Gilchrist
BHIM
until 29 January 2023

The Director Development and Improvement is accountable for the effective leadership and management of quality improvement, risk management and performance monitoring frameworks. This position is responsible for ensuring an effective, coordinated, organisation-wide approach to the provision of quality improvement, incident and risk management, patient safety, health information and knowledge management; and performance monitoring and planning.

Director People and Culture

Ms Michelle Forrester
BBus GradCertEmpRel MBA MAHRI
31 October 2022 – 30 June 2023

Ms Kate Bishop
BBus (HRM & Acc)
until 31 October 2022

The Director People and Culture provides both strategic and operational expertise to the CEO, Leadership Team and employees on all people related matters including performance and talent management, organisational design and development, engagement, reward and recognition, HR Systems and reporting and change management. The position will work towards ensuring there are the right tools in place to promote a positive, high performing workplace culture and ensuring the ongoing development and support of team members, leaders and emerging leader.

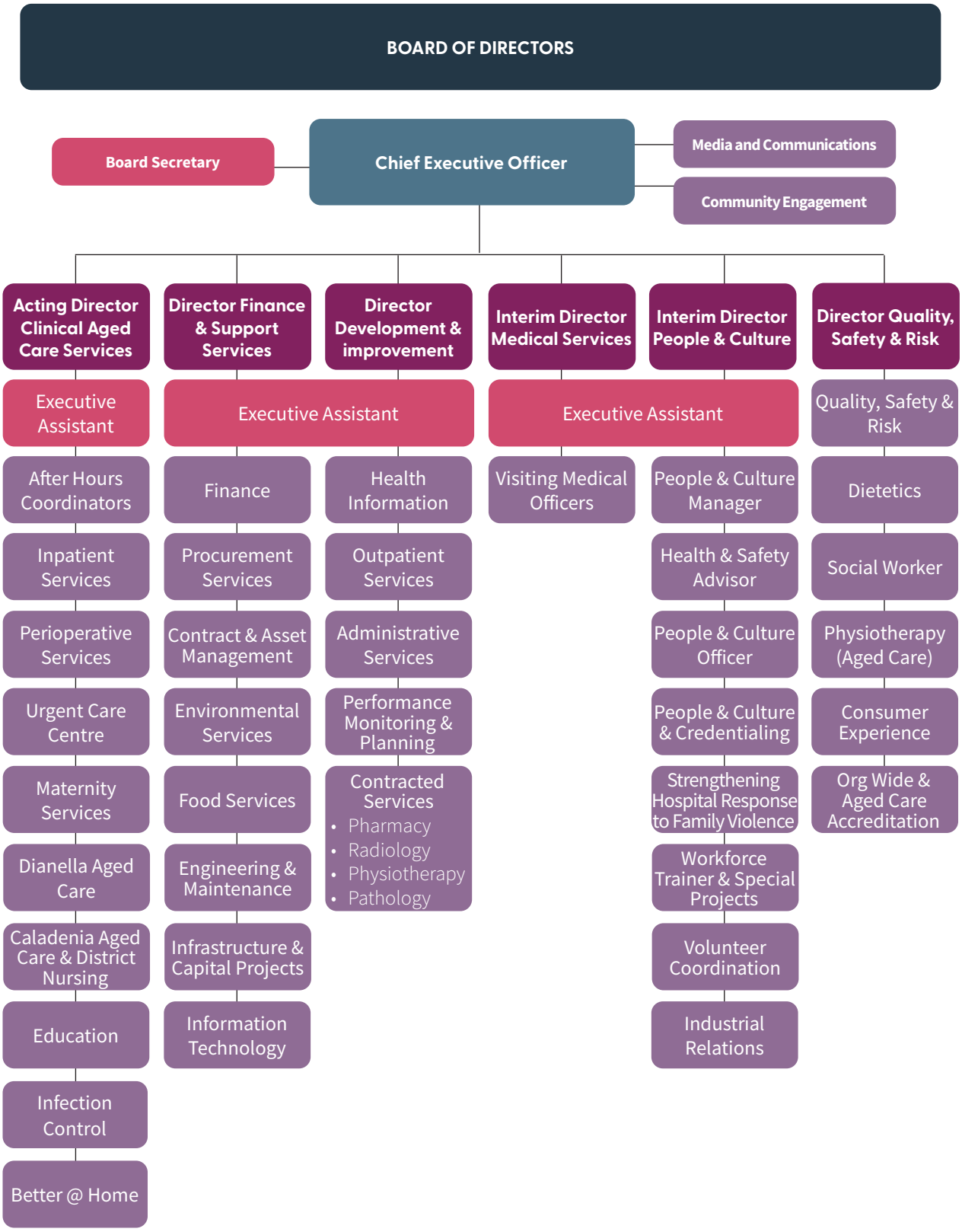
Director Quality, Safety and Risk

Ms Kathryn Creed
BNurs GradCertNeoNurs
22 May 2023 – 30 June 2023

Vickie Callaghan
B. Nursing, B. App. Science, Critical Care Cert.
20 February 2023 – 30 April 2023

The Director Quality, Risk & Safety is accountable for the effective leadership and management of KDH's quality improvement, risk management and performance monitoring frameworks. This position is also responsible for the professional oversight and organisational management of the Education Team and Infection Prevention and Control Unit. This role will ensure the organisation has an effective, coordinated, organisation-wide approach to the provision of quality improvement, incident and risk management and patient safety.

Organisational Structure



Our Supporters

Kilmore District Health is most appreciative of the continued support of our donors, Hospital Auxiliary, Opportunity Shop Committee and volunteers.

Donors - funds and/or goods

Kilmore District Health Opportunity Shop Committee
Kilmore District Health Auxiliary
Conundrum Holdings
Humpty Dumpty Foundation
Rhiannon and Tom Morris
S. Owen
W Carter
J. Tabernaberri
Anonymous

The financial donations and funding we receive enable us to improve our services to patients through the purchase of new equipment. In 2022-23 we received over $39,343 from our donors.

Hospital Auxiliary

We take this opportunity to thank our Hospital Auxiliary members who continue to raise vital funds both within the hospital and the wider community. In 2022-23 the Auxiliary provided the hospital with funds raised in excess of $15,000. The funds raised by the Hospital Auxiliary have supported the purchase of essential equipment in Theatre, Aged Care and Maternity.

Opportunity Shop Committee

A group of very dedicated volunteers run the Kilmore Opportunity (Opp) Shop Thursday, Friday and Saturday mornings and the profits raised directly benefit Kilmore District Health. The work of these volunteers is invaluable. In 2022-23 the Opportunity Shop Committee provided the hospital with funds raised in excess of $26,900. These funds supported the purchase of essential equipment across the organisation.

Volunteers

Our Health Service is fortunate to have a very dedicated group of volunteers who assist in a range of roles and offer that extra bit of help to reassure patients in need. Our volunteer activity has been directly affected by the pandemic restrictions and we are actively engaging with new volunteers. During 2022-23 we saw a small number of volunteers return to assist our residents, patients, visitors and staff across the organisation.

We sincerely thank all our volunteers for their commitment to our organisation.

We also appreciate the contributions made by consumers who kindly provide their time to sit on our Community Advisory Board Subcommittee, act as patient ambassadors and are members of our consumer register. Our consumers make up a very special workforce who represent the voices of our patients.

All volunteers are required to maintain a satisfactory Criminal Record Check and Working with Children Check as part of our Child Safe Policy requirement.

Life Governors

An award of Life Governor may be conferred upon a person to recognise a significant contribution through voluntary, philanthropic and/or professional service to Kilmore District Health.

Service worthy of note may include: excellence/length of service as a volunteer; significant philanthropy; outstanding achievement and supporting service excellence; an exceptional contribution in years of service or effort; or contributing significantly above and beyond expectations of their role.

The purpose of the award is to recognise and honour people whose service and personal contributions, given willingly and freely, has resulted in a significant benefit to Kilmore District Health.

The award comprises a framed Certificate of Appointment, presented at the Annual General Meeting, each year.

Kilmore District Health's current Life Governors appointed up to and including 30 June 2023 are:

- Mr Peter Appleton
- Mrs Pat Arnott
- Mr Wally Arnott
- Ms Nancy Bidstrup
- Mrs Kaye Chapman
- Dr Peter Condos
- Dr Walter Cosolo
- Dr Barry Dawson
- Ms Elizabeth Dillon-Hensby
- Mr John Dixon
- Mrs Astrid Djulinac
- Dr John Griffiths
- Mrs Shirley Jean Hillier
- Dr Denis Holland
- Dr Medhat Ilias
- Dr Suresh Jain
- Mr and Mrs David and Wilma Keath
- Mrs M Merritt
- Ms Julia McGill
- Dr Das Panch
- Mrs Shirley Robinson
- Mr Allan Ryan
- Dr Frank Ryan
- Mr Allan L Smith
- Mr Ian Bentleigh Still
- Mr Alan J. Stute
- Mrs Barbara Sutton
- Mrs Marie Walters
- Mr Michael Wilson

Kilmore District Health conferred two new Live Governor Awards at the Annual General Meeting held in February 2023.

Dr Medhat Ilias

For significant contributions to Maternity Services at KDH. Dr Ilias is an Obstetrician who has worked at KDH for more than 15 years. He ensures the midwifery team feel supported and guided and his advocacy for patient centric care is outstanding.

Mr David (deceased) and Mrs Wilma Keath

For significant philanthropy to KDH. David and Wilma Keath have donated significant funds to KDH over a number of years. These contributions have been used to improve all areas of the organisation, however a large amount has been dedicated to the expansion and refurbishment of Caladenia Nursing Home.

Dr Sarwat Shenouda Midwife Award

The Dr Sarwat Shenouda Midwife Award was developed in memory of Dr Shenouda who was the cornerstone of the Hospitals' obstetric service for over 20 years. Dr Shenouda became a Life Governor of The Kilmore & District Hospital in 2017 and was highly regarded by his peers and the community he served so generously. Sadly, Dr Shenouda passed away in 2019.

This award recognises outstanding contributions by a midwife to our maternity services, as nominated by their peers.

Lauren McMahon is the recipient of this year's award.

Lauren is a significant leader in midwifery at KDH and was the driving force behind the introduction of the Maternal Assisted Caesarean method at KDH, which offers some birthing mothers the unique opportunity to welcome their new baby by lifting them from the womb and onto their chest with mum's own hands.

Our People

Kilmore District Health recruits high quality staff with the right skills to deliver the key objectives of the position, business units and organisation.

Workforce by Labour Category

Labour Category	June Current Month FTE 2022	June Current Month FTE 2023	Average Monthly FTE 2022	Average Monthly FTE 2023
Nursing	120.25	120.54	122.88	118.22
Administration and Clerical	42.55	32.91	43.56	34.90
Medical Support	3.23	4.40	4.31	4.28
Hotel and Allied	40.69	42.81	41.62	40.88
Hospital Medical Officers	0.48	0.49	1.24	0.44
Sessional Medical Specialists	0.34	1.36	0.36	0.91
Ancillary Staff (Allied Health)	2.85	1.69	2.96	2.26
Total	**210.39**	**204.24**	**216.93**	**201.91**

Kilmore District Health is committed to the application of the employment and conduct principles and all employees have been correctly classified in workforce data collections.

Recruiting Staff

Kilmore District Health had a very productive year in continuing to grow and develop our team. At the end of the 2022-23 financial year we had 376 employees with 97 new staff joining us over the year. The new staff members included both permanent and casual employees.

Our Visiting Medical Officer (VMO) Group currently has a total of 96 credentialed VMOs. The VMO craft groups included Surgical, Obstetrics and Gynaecology, Urology, Geriatric Medicine, Sleep Therapy, Cardiology, Orthopaedics, Dental Surgery, Ears Nose and Throat and General Practice specialities. In addition to the services provided by our VMOs, we have a reciprocal arrangement with both Northern Health and Austin Health VMOs to undertake Theatre lists from these organisations. The increase in VMOs and services has had a positive impact on the services and care being provided to the community.

Pre-employment Safety Screening

The organisation has a detailed and thorough credentialing and pre-employment verification to ensure we sustain safety and quality of health care provision. Applicable clinical staff are required to hold and maintain current registration with the relevant National Board in conjunction with the Australian Health Practitioner Regulation Agency (AHPRA) or equivalent. Registration verification has been streamlined through direct access to the AHPRA website. This enables Kilmore District Health to ensure that all clinical staff hold the necessary registration and notifies the organisation if any clinician has additional notifications or restrictions to their practice.

All staff are required to maintain a satisfactory Criminal Record Check and Working with Children Check as part of our Child Safe Policy requirement. This is part of our commitment to provide a Child Safe environment for all who enter and engage with Kilmore District Health. New staff are required to complete an Aged Care Banning Orders Register declaration form.

Payroll

At the end of the 2022-23 financial year we had 376 employees with 97 new staff joining us over the year. The new staff members included both permanent and casual employees.

Employee Assistance Program

The Employee Assistance Program is a confidential external counselling service available to staff. The service helps in addressing personal concerns or work-related issues that have an impact on wellbeing and quality of life. There were 16 counselling sessions accessed by staff during 2022. In addition to this, we had a Counsellor from Access EAP come onsite to conduct a debrief sessions with our staff which involved group and individual debriefing sessions.

Developing Our Workforce

Kilmore District Health's education program develops the capacity, performance and capability of our staff. Education programs are specific for nursing, medical, allied health and administrative staff.

The mandatory training framework outlines training requirements by role. The online learning system profiles individual training schedules of mandatory and professionally recommended education courses for staff to ensure they maintain the knowledge and skills to perform their role safely.

Managers are required to conduct annual performance appraisals for their team members. This provides a formal framework to ensure performance discussions are held to review past achievements and set goals for the next twelve months.

Our in-service education program is robust and incorporates a range of topics. Planning may involve input from senior leaders, staff suggestion, VHIHMS, clinical case review recommendations, policy review and practice change. We work with the Hume Region Nurse & Midwife Educators Group and also link with metropolitan education teams to facilitate access to webinars and study days.

Workplace Training and Experience

In 2022-23 KDH provided placement opportunities for over 240 students. These students included undergraduate students (EN/RN/RM, Social Work, Health Information Management), Post Graduate students (perioperative/midwifery), Certificate and Structured Workplace Learning students (Individual Support/Allied Health/Nutrition and Dietetics), Work Experience students from local high schools and RN refresher program participants, assisting nurses back into the workforce.

We also support a Graduate Nurse Program that supports newly registered RN's and EN's enter the workforce. Our students can work across all clinical and non-clinical areas of Kilmore District Health. They work alongside staff and are also supported by regular catch ups with a member of the KDH Education team, plus encouraged to attend Inservice education and scenario training sessions as planned weekly as relevant to their role. Each student completes a placement evaluation and provides feedback that is reported at the organisation Safety and Quality meetings. Students also have placement appraisals completed that identify how they are working at achieving placement objectives and what we might need to implement to support their learning – it's about working together and communicating clearly!

Training for staff is offered online and face to face onsite in short sessions and full day programs, and KDH is part of the Hume Region Nurses and Midwife Education group that supports staff to attend subsidised sessions across the region. Sessions that have been facilitated in the last 12 months include: Basic and Advanced 12 lead ECG interpretation, ACT now – recognising and responding to deterioration, Dementia Essentials, Basic and Advanced Life Support, New Born Resuscitation, Suturing, Pharmacology, PROMPT maternity emergency management – just to name a few! We also do weekly simulation scenario training, practicing real life scenarios in a supported environment.

Work Health and Safety

Kilmore District Health is committed to providing a safe environment for employees, patients, visitors, volunteers and contractors. We operate in accordance with the *Occupational Health and Safety Act 2004, Occupational Health and Safety Regulations 2017, the Workplace Injury Rehabilitation and Compensation Act 2013* and other relevant legislation.

In 2022-23, staff were involved in health and safety decisions through meetings of the Work Health and Safety Committee and regular consultation with health and safety representatives.

Work Health and Safety incidents are investigated to identify and implement remedial action, and a new procedure for managers to investigate incidents with support from the Work Health & Safety Advisor was implemented in 2023. This is supported by training. Regular workplace inspections are carried out and we encourage staff involvement in the identification and control of Work Health and Safety hazards.

Workers Compensation

There were seven new WorkCover claims accepted in 2022/23. Of these, six claimants have returned to full duties. All four claimants from 2021/22 have been cleared for full duties.

The following table summarises the new workers' compensation claims lodged over the last three years. It shows a comparison of total new claims costs and the average cost per new claim.

Occupational Health and Safety Statistics	2022 /23	2021 /22	2020 /21
The number of reported hazards/incidents for the year per 100 FTE	52.9	73.7	89.3
The number of 'lost time' standard WorkCover claims for the year per 100 FTE	3.46	1.84	1.65
The average cost per Work Cover claim for the year ('000)	$7.4	$22	$5.5

Occupational Violence and Aggression

Occupational violence and aggression (OVA) is defined as any incident where an employee is abused, threatened or assaulted in circumstances arising out of, or in the course of their employment, regardless of intent.

The Work Health Safety Committee has oversight of OVA issues across the organisation, reviewing serious incidents and addressing specific occupational violence concerns and promoting staff safety.

Tailored online Occupational Violence training is mandatory for all staff on commencement, with all consumer facing staff required to complete the training annually. This training focuses on early identification, de-escalation, and response to OVA at KDH. An external provider conducted advanced Prevention of Occupational Violence training (tailored to KDH) to 32 KDH staff members in 2022 – 23, taking our list of trained responders to 43 staff in Inpatients/Urgent Care Centre and After-Hours Coordinators, with additional trained staff in Aged Care and Admin roles.

Kilmore District Health reports the following occupational violence statistics for 2022-23:

Occupational Violence Statistics	2022-23
WorkCover accepted claims with an occupational violence cause per 100 FTE	0
Number of accepted WorkCover claims with lost time injury with an occupational violence cause per 1,000,000 hours worked	0
Number of occupational violence incidents reported	51
Number of occupational violence incidents reported per 100 FTE	24.25
Percentage of occupational violence incidents resulting in a staff injury, illness or condition	23

Definitions:

For the purposes of the statistics the following definitions apply:

Occupational violence: Any incident where an employee is abused, threatened or assaulted in circumstances arising out of, or in the course of their employment, regardless of intent.

Incident: An event or circumstance that could have resulted in, or did result in, harm to an employee.

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 an incident, regardless of whether the employee required time off work or submitted a claim.

Employee recognition programs

In 2022-23 we continued our peer nominated awards program based on our REACH values of Respect, Excellence, Accountability, Compassion and Honesty. Staff nominate their peers who have gone above and beyond and exemplified one or more of our REACH values. Nominees are acknowledged at staff forums held every four months.

Staff Recognition

Our staff continue to go above and beyond to achieve excellence. We aim to provide a platform for recognition increases staff engagement and positive workplace behaviours.

2022-23 REACH Heroes

RESPECT Heroes
Tim Hutchison for making a significant impact to workload for Directors and Department Heads
Melina Puddicombe for always going above and beyond for patients and staff

EXCELLENCE Heroes
Stephanie Elliott for performing above and beyond in working side by side with NUM to complete urgent tasks
Jo Remigio for always going above and beyond for his allocated patients and support to the team
Finance Team for great work on the new and improved Finance Dashboard
Amanda Wheatcroft for hard work, dedication, energy and commitment to the completion and reduction of overdue PPGs before accreditation.

ACCOUNTABILITY Heroes
Administration Team for hard work and dedication to clear the backlog of paperworkin medical records created during COVID
John Kandell for efficiently and promptly reminds staff to complete their competencies. Offer support and assistance to new staff through orientation and documentation process
Kate Brown Thank you to Kate, for keeping food services operating during a period of adversity
Sandeep Kaur for enthusiasm shown learning to be a manual handling trainer and commitment to providing staff training

COMPASSION Heroes
Kim Manuel for stepping in to help with an uncooperative absconding patient by speaking with them, settling them back in bed before continuing with her job
Alyssa Quigg for Gold standard end of life care to Client and his family
Shelley Owen for the generous and thoughtful gesture of donating toys for babies born or children presenting to UCC over Christmas this is the 4th year in a row that she has done this
Antionette Godinet always works above and beyond, staying back to help team, if staff deficit

REACH Superheroes
Christine D'Angelo for being a great team player who is very positive and caring towards patients and colleagues
AHC Team for their display of all REACH values
Danielle Delaney always goes above to help staff and residents. Very caring towards residents. A pleasure to work along side

Recognising Excellence Staff Awards

Our annual Recognising Excellence Staff Awards continued to promote and highlight outstanding achievements demonstrated during the year. The awards cover five categories each representing a governance domain: leadership and culture, clinical and corporate effectiveness, consumer partnerships, workforce and partnerships.

Partnerships

Maternity and Inpatients Team - Neonatal Partnership with Northern Health.

Robyn Laws and Bec van de Paverd - Implementation of the Victorian Virtual Emergency Department for KDH Aged Care Services.

Effectiveness

Education Team - Supporting internal and external education.

Robyn Laws, Raminder Kaur and Bec van de Paverd - Transition from Leap Frog Audits to MANAD Audits.

Workforce

People and Culture Team - introduction of LiveHire and HR Onboard.

Tania Nicholson and Cathy Considine - Blood Pathway Revision including developing support resources; improved patient information and implementation of a track and trigger observation chart.

Leadership & Culture

Andrea Traficante - Implementation of the Healthy Choices Policy Directive.

Consumer

Chrissie Frampton - championing consumer participation and support across KDH.

Our Priorities

Strategic Priorities

Goals	Strategies	Deliverables	Outcomes
Maintain COVID-19 readiness	Maintain a 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, participation in the COVID-19 Streaming Model, the Health Service Winter Response framework and continued support of the COVID-19 vaccine immunisation program and community testing.	COVID discussed at daily DOS and weekly senior leadership meetings as required. KDH will enact surge responses as required. 100% staff have been vaccinated for COVID and remain up to date with mandatory requirements for HCW. KDH achieved compliance for influenza vaccination program in 2022-23 campaign. RAC residents up to date and working with LPHU for access to vaccinations ongoing.	100% staff met mandatory requirements for vaccination. Consumer satisfaction survey overall rating >4 The COVID-19 pandemic challenged KDH to act rapidly and work closely with other health services and community partners in the Hume Region to prepare, prevent and manage COVID-19 outbreaks. The HHSP COVID-19 Response Plan was developed to ensure there was a consistent approach to managing COVID-19. The Plan is regularly updated to reflect the changing nature of COVID-19 and advice from the DoH. The Plan is supported by the HHSP COVID-19 Streaming Escalation Plan.
Delivering more care in the home or virtually	Increase the provision of home-based or virtual care, we here appropriate and preferred, by the patient, including via the Better at Home program.	B@H funding secured for the KDH MITH program. Recruitment finalised for following new positions: • Lactation consultant • Diabetic Educator • Antenatal Dietetics • Enhanced Domicilary care • Antenatal in the home and outreach clinic (Seymour)	Plan and documented model of care for new (non-admitted) Maternity in the Home program implemented New B@H service delivered by Kilmore District Health (part of expansion B@H funding via HSP in 22-23) KDH delivered 11 NWAUs which resulted in 325 telehealth consultations.
Improve quality and safety of care	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.	KDH Maternity Services are part of the SCV PPH Collaborative Regular updates to Mat M&M PPH Collaborative finishing end of May 2023 – presentation being prepared for Q&S and Clinical Governance Committee	SCV PPH collaborative finalised in May 2023 PPH Collaborative Presentation will be presented to the Clinical Governance Committee in August 2023 KDH has been invited to participate in Stage 2 of the SCV PPH collaborative.

Goals	Strategies	Deliverables	Outcomes
Plan update to nutrition and food quality standards	Develop a plan to implement nutrition and quality of food standards in 2022-23, implemented by December of 2023.	Staff menu review underway, Dietetics team leader appointed as project officer for Chefmax rollout which will cover many aspects of the new standard compliance	Successful implementation of healthy eating vending machines across KDH to meet compliance with the Health Choices policy directive of no RED drinks to be available or promoted/advertised. Menu review conducted to support implementation of nutrition and quality food standards in September 2023.
Climate Change Commitments	Contribute to enhancing health system resilience 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.	Main activities include the monitoring and review of the KDH Sustainability action plan that sets out the strategic priorities regarding sustainability.	Ongoing monitoring of the plan (70% of items now completed) however key intiiatives include the purchase of an electric vehicle to support the fleet and the focus on plastic recycling.
Asset Maintenance and Management	Improve health service and Department Asset Management Accountability Framework (AMAF) compliance by collaborating with Health Infrastructure to develop policy and processes to review the effectiveness of asset maintenance and its impact on service delivery.	Review and Audit against AMAF Internal audit conducted in April 2023.	Audit highlighted no areas of material non-compliance

Goals	Strategies	Deliverables	Outcomes
Improve Aboriginal cultural safety	Strengthen commitments to Aboriginal Victorians by addressing the gap in health outcomes by delivering culturally safe and response health care. Establish meaningful partnerships with Aboriginal Community-Controlled Health Organisations. Implement strategies and processes to actively increase Aboriginal employment. Improve patient identification of Aboriginal people presenting for health care, and to address variances in health care and provide equitable access to culturally safe care pathways and environments. Develop discharge plans for every Aboriginal patient.	Added an Equal opportunity statement to the Careers page of KDH website. Monitoring of percentage of applicants who have identified themselves with Aboriginal and Torres Strait Islander status via LiveHire. (Currently 1.0% of all applicants, increase from 0.9% in 2022. ATSI women represent 3.5% of total KDH talent community members for 2023). Advertised 2 positions (Graduate Diploma – Perioperative, Graduate Diploma - Midwifery 2023) with $10k scholarships for ATSI applicants.	Attendance at the Health and Human Service Round Table meeting 25/5/2023. Representation from Victoria Aboriginal Health Service & Taungurung Clans Aboriginal Corporation. Gap analysis findings to be presented back to group late 2023/early 2024.

Goals	Strategies	Deliverables	Outcomes
Foster and develop local partnerships	Strengthen cross-service collaboration, including through active participation in health service partnerships. Work together with other HSP members on strategic system priorities where there are opportunities to achieve better and more consistent outcomes through collaboration, including the pandemic response, elective surgery recovery and reform, implementation of the Better at Home program and mental health reform.	HHSP service planning meetings completed with KDH involvement, CEO briefing reports pending from HSP B@H Southern Hume Project role – KDH as host site – funding extended until June 2024	Attendance at monthly HHSP CEO Council meetings to work collaboratively to improve service access, safety, quality and coordination to ensure patients, consumers and clients experience improved outcomes. Continued work with Northern Health and Austin Health regarding elective surgery. Continued work with Northern Health Geriatric Evaluation Management program. In March 2023, KDH appointed a Workforce Trainer and Careers Advisor (0.6FTE) in a job-share arrangement with Yea & District Memorial Hospital (0.4FTE). The position aims to enhance the skills and capabilities of the non-clinical workforce across the two Health Services to meet strategic and operational needs. The Workforce trainers are responsible for the delivery of essential training and assessment activities for staff covered by the Victorian Public Health Sector (Health and Allied Services, Manager and Administrative Workers) Single Interest Agreement 2021– 2025 (the Agreement).

Performance Priorities

High Quality and Safe Care

Key performance measure	Target	2022-23 Result
Infection prevention and control		
Compliance with Hand Hygiene Australia program	85%	92.5%
Percentage of healthcare workers immunised for influenza	92%	97.09%
Patient Experience		
Percentage of patients who reported positive experiences of their hospital stay	95%	Awaiting VHES data
Maternity and newborn		
Rate of singleton term babies (without birth anomalies) who are considered in poor condition shortly after birth (APGAR score <7 to 5 minutes)	≤ 1.4%	2.5%
Percentage of singleton babies with severe fetal growth restriction (FGR) delivered at 40 or more weeks gestation	≤ 28.6%	0.0%

Strong governance, leadership and culture

Key performance measure	Target	2022-23 Result
Organisational culture		
People matter survey – Percentage of staff with an overall positive response to safety and culture survey questions	62%	73%

Effective Financial Management

Key performance measure	Target	2022-23 Result
Operating result ($M)	$0.00	$0.00
Average number of days to paying trade creditors	60 days	67
Average number of days to receiving patient fee debtors	60 days	14
Adjusted current asset ratio (Variance between actual ACAR and target, including performance improvement over time or maintaining actual performance)	0.7 or 3% improvement from health service base target	.89
Actual number of days available cash, measured on the last day of each month	14.0 days	61

Activity Reporting

Funding type	2022-23 Activity Achievement
Small Rural Acute	1,558
Small Rural Primary Health and HACC	240
Small Rural Residential Aged Care	18,673

Our Performance at a Glance

Admitted	2022-23	2021-22	2020-21	2019-20	2018-19
Acute					
Inpatients treated incl. same day (inc BU) [i]	2614	2,441	2,339	2,411	2523
Beddays [i]	4229	4,279	4,059	4,880	5,245
Average Length of Stay	1.62	3.39	1.70	2.02	2.08
Geriatric Evaluation and Management (GEM)					
Number of Separations [i]	133	127	139	147	153
Beddays [i]	3198	3,253	2,948	3,025	3,282
Average Length of Stay [i]	24.04	25.61	21.21	20.58	21.45
Operating Theatre					
Number of Operations	2052	2,023	1,863	1,617	1,537
Number of Contract Operations [ii]	761	754	735	530	480
Maternity					
Births	162	239	219	211	240
Non-Admitted					
Outpatient Attendances	5632	7,727	6,401	6,201	5526
Urgent Care Centre (UCC) Attendances	10662	14,500	18,244	9,556	8,938
Community Services					
District Nurse Visits	3158	2,417	3,114	4,140	4,723
Meals on Wheels	10490	10,400			
Aged Care					
Nursing Home					
Beddays	8668	9,029	9,566	10,061	9,763
Occupancy	80%	87%	87%	89%	88%
Hostel					
Beddays	10005	10,545	10,462	10,451	10,761
Occupancy	94%	96%	96%	98%	98%

[i] Service contracted with Northern Health - GEM patients

[ii] Service contracted with Northern Health - Elective surgery patients and Austin Health (since 2017/18) - Elective surgery patients

Admitted patient data is to be sourced from the Victorian Admitted Episode Dataset (VAED), and definitions are in accordance with the standards in the VAED Manual. Non-admitted data is in accordance with the definitions in the Agency Information Management System (AIMS) manual.

Our Finances

For the year ended 30 June 2023 compared with the last five financial years

	2023 $'000	2022 $'000	2021 $'000	2020 $'000	2019 $'000
Operating Result*	4	208	200	206	120
Total Revenue	38,534	38,394	31,601	27,563	26,169
Total Expenses	39,753	39,123	32,489	28,418	27,558
Net result from transactions	(1,219)	(729)	(888)	(855)	(1,389)
Total other economic flows	21	19	89	9	56
Net Result	(1,198)	(710)	(799)	(846)	(1,333)
Total Assets	44,622	41,047	38,646	39,549	36,918
Total Liabilities	17,101	15,576	13,872	13,976	10,500
Net Assets / Total Equity	27,521	25,471	24,774	25,573	26,419

* The Operating result is the result for which the Health Service is monitored in its Statement of Priorities
Prepared in accordance with Australian Accounting Standards which include A-IFRS

Reconciliation of Net Result from Transactions and Operating Result	2022-23 $'000
Net Operating Result	000
Capital purpose income	1,095
Specific income	
COVID-19 State Supply Arrangements	506
• Assets received free of charge or for nil consideration under the State Supply	
State supply items consumed up to 30 June 2023	
Assets provided free of charge	
Assets received free of charge	
Expenditure for capital purposes	
Depreciation and amortisation	2,524
Impairment of non-financial assets	
Finance costs (other)	
Net result from transactions	(1,219)

Significant Changes in Financial Position During 2021–22

A $2.119M operating deficit was forecast at the beginning of the year however the end result was a surplus of $4,000. The variance to target is mainly due to the provision of a Sustainability Grant applied by the Department of Health.

Summary of Major Changes or Factors which have Affected the Achievement of Operational Objectives for the Year

There were various movements against budget both from a revenue and cost perspective that only marginally affected the result. As per the statement above the sustainability grant was the major factor in bringing the agency on budget.

Events Subsequent to Balance Date, which may have a Significant Effect on the Operations of the Entity in Subsequent Years

There have been no significant events subsequent to balance date affecting the operations of the hospital.

Revenue Indicators as at 30 June 2023

Average Collection Days	2022-23	2021-22
Private Inpatient Fees	12.1	9.5
District Nursing Services	23.8	26.3

Outstanding Debtors as at 30 June 2023

Average Collection Days	Under 30 Days ($)	30-60 Days ($)	61-90 Days ($)	Over 90 Days ($)	Total June 2023 ($)	Total June 2022 ($)
Hospital - Inpatient Fees	16,762	1,690	0	4,613	23,065	24,341
District Nursing Fees	16,707	0	0	0	16,707	19,740
Residential Aged Care	35,409	0	0	0	35,409	4,009
Total	**68,878**	**1,690**	**0**	**4,613**	**75,181**	**48090**

Consultancies less than $10,000

In 2022-23 Kilmore District Health engaged six consultants where the total fees payable to the consultant were less than $10,000, with a total expenditure of $22,988 (excluding GST).

Consultancies more than $10,000

In 2022-23 Kilmore District Health engaged seven consultants where the total fees payable were in excess of $10,000 (excluding GST):

Consultancy	Purpose of Consultancy	Start date	End date	Total approved project fee (excluding GST)	Expenditure 2021-22 (excluding GST)	Future expend-iture (exclud-ing GST)
ZED Consulting	Service Optimization Planning	30/6/22	1/12/22	$109,050	$96,099	0
Chris Smith & Associates	Survey and Design of Car Park Upgrade	17/3/22	16/11/22	$50,000	$47,500	0
Bamford Dash Pty Ltd	Architectural Services and Quantity Surveying	17/5/22	31/12/23	$99,800	$44,100	$55,700
Manning Consulting Australia	Maternity & UCC Service Planning	1/2/22	25/7/22	$49,350	$29,610	0
J Locke	Review of Administration	1/11/22	31/1/23	$15,467	$15,467	0
Smith Bros Media	Marketing Campaign	28/6/22	28/2/23	$40,290	$15,300	0
Strategic Health Resources	Review of Perioperative Environment	14/10/21	21/8/22	$16,620	$10.317	0

Disclosure of Ex-Gratia Payments

Kilmore District Health made no ex-gratia payments for the year ending 30 June 2023.

Disclosure of Information and Communication Technology (ICT) Expenditure

Kilmore District Health's total ICT expenditure incurred during 2022-23 is $0.693 million (excluding GST) with the details shown below:

Business as Usual (BAU) ICT expenditure	Non-Business as Usual (Non-BAU) ICT expenditure		
Total (excluding GST)	Total = Operational and Capital Expenditure (excluding GST)	Operational expenditure (excluding GST)	Capital expenditure (excluding GST)
$0 million	$0.623 million	$0.311 million	$0.312 million

Our Compliance

Building and Maintenance Compliance

During 2022-23 Kilmore District Health buildings complied with the Building Act 1993 as evident in the annual certificate of compliance of essential services. In order to ensure buildings are maintained in a safe and functional condition, ongoing maintenance programs are in place. In addition, Kilmore District Health complies substantially with the Department of Health Fire Risk Management Guidelines.

Carers Recognition

The *Carers Recognition Act 2012* recognises, promotes and values the role of carers. Kilmore District Health understands the different needs of carers and the value they provide to the community. Kilmore District Health takes practical measures to ensure that our staff have an awareness and understanding of the care relationship principles and this is reflected in our commitment to a model of patient- and family-centred care and to involving carers in the development and delivery of our services. Kilmore District Health was not required to make any disclosures during the reporting period.

Compliance

Kilmore District Health has complied substantially with the requirements of the Victorian Public Sector Financial Management Compliance Framework for the year ended 30 June 2023.

Freedom of Information

Members of the public can make a Freedom of Information (FOI) request in writing to Kilmore District Health, addressing it to the Health Information Manager, who is the delegated officer for which requests are to be made. There is a standard application fee for all requests as well as any search, photocopying and postage fees which are determined on a case by case basis.

In 2022-23 Kilmore District Health received 45 FOI requests. All applications were assessed according to the Freedom of Information Act (1982) requirements and prescribed in section 7(4). Request types in 2022-23 ranged from solicitor and consumer requests.

Further information regarding FOI can be found at the https://ovic.vic.gov.au

Local Jobs First Act 2003

In 2022-23 there were no contracts requiring disclosure under the Local Jobs First Policy.

Kilmore District Health complies with the intent of the *Victorian Industry Participation Policy Act 2003* and has no requirements of disclosures for the 2022-23 financial year. The Act requires, wherever possible, local industry participation in supplies, taking into consideration the principle of value for money and transparent tendering processes.

Merit and equity principles

Kilmore District Health ensures a fair and transparent process for recruitment, selection, transfer and promotion of staff. It bases its employment selection on merit and complies with the relevant legislation. Policies and procedures are in place to ensure staff are treated fairly, respected and provided with avenues for grievance and complaint processes.

National Competition Policy

In accordance with the Competition Principles Agreement, Victoria is obliged to apply competitive neutrality policy and principles to all significant business activities undertaken by government agencies and local authorities.

Kilmore District Health continues to comply with the National Competition Policy. The Victorian Government's competitive neutrality pricing principles for all relevant business activities have also been applied by Kilmore District Health.

Privacy

Privacy is an important part of the culture at Kilmore District Health. Since the Health Records Act 2001 became legally binding in 2002, the hospital has aimed to ensure all staff are aware of the Act and its implications in the workplace. The hospital also aims to ensure compliance with the Privacy and Data Protection Bill 2014.

Kilmore District Health's Privacy Officer role is delegated to the Health Information Manager, Ms Lucille Dunuwille.

Public Interest Disclosure

Kilmore District Health is an agency subject to the Public Interest Disclosure Act 2012 which enables people to make disclosures about improper conduct within the public sector without fear of reprisal.

The Act aims to ensure openness and accountability by encouraging people to make disclosures protecting them when they do. Kilmore District Health was not required to disclose any issues under the Act in 2022-23.

Safe Patient Care

The Safe Patient Care (Nurse to Patient and Midwife to Patient Ratios) Act 2015 aims to ensure quality care and better patient outcomes. The purposes of the Act are to provide for requirements that the operators of certain publicly funded health facilities staff certain wards with a minimum number of nurses and midwives and the reporting of compliance with and enforcement of those requirements.

Kilmore District Health understands the nurse to patient and midwife to patient ratios applicable to our organisation and takes practical measures to ensure that our service is staffed in accordance with the Act. The hospital has no matters to report in relation to its obligations under section 40 of the Safe Patient Care Act 2015.

Gender Equity Act 2020

The Gender Equality Act 2020 promotes gender equality in the Public Sector by encouraging organisations to take positive action towards achieving workplace gender equality over several years.

KDH conducted a detailed workplace gender audit in early 2022 to identify a base line against which we will measure the impact of our strategies to improve gender equality in the workplace. The findings of the audit identified several gender equality issues at KDH and informed the strategies and measures outlined in the Gender Equality Action Plan 2021-2025. The plan was submitted to the Commissioner for Gender Equality in June 2022 and subsequently received endorsement from the Commission.

The KDH Gender Equality Action Plan 2021-2025 lists the key issues identified during analysis of the workplace gender audit and the 2021 People Matter Survey results. The plan outlines the actions KDH proposes to take to address these identified issues over four years. The past 12 months has seen the start of the implementation plan to ensure that real and measurable change results from our efforts to address gender inequality at KDH.

The results of the first year of the plan will be documented in a Progress Report (to be submitted to the Commissioner for Gender Equality in the Public Sector in February 2024). The report outlines our progress, based on data analysis of an audit of KDH system data in conjunction with the results from the 2023 People Matter Survey.

Social Procurement

KDH considers procurement to be a core business and strategic function. Social procurement creates an opportunity for KDH to use our buying power to deliver social and sustainable outcomes that help to build a fair, inclusive and sustainable Victoria.

Our Social Procurement Strategy builds on our people commitments, further realising the potential of the procurement spend to deliver greater value beyond the goods or services being procured. By incorporating social considerations into procurements, social procurement creates opportunities for KDH to advance our organisational objectives.

In 2022-23, KDH spent over $52,600 with social procurement entities including Victorian Aboriginal businesses, Australian Disability Enterprises and Social Enterprises supporting disadvantaged cohorts.

Environmental Performance

Kilmore District Health reports on environmental performance on a regular basis to the Department of Health through the department's Environmental Data Management System. We recognise that conserving and protecting the environment for future generations is critical. We are focused on the key challenges of climate change, reducing greenhouse gas emissions, energy and water use and resources.

Efficiencies during 2022-23 include:

- Completion of Led lighting site wide
- Turn off campaign
- Replacement fleet cars with hybrid vehicles
- New high efficiency Utensil washers for aged care buildings
- New electric car as part of the fleet
- Environmental Sustainability plan action items Strategy of better segregating recyclables
- Completed site energy audit – working to close the identified gaps

Greenhouse Gas Emissions	July 2022 - June 2023	July 2021 - June 2022	July 2020 - June 2021
Total greenhouse gas emissions (tonnes CO2e)			
Scope 1	410	400	394
Scope 2	578	627	774
Total net greenhouse gas emissions (tonnes CO2e)	**1,244**	**1,279**	**1,438**

Stationary Energy	July 2022 - June 2023	July 2021 - June 2022	July 2020 - June 2021
Total stationary energy purchased by energy type (GJ)			
Electricity	3,048	3,095	3,575
Natural Gas	7,966	7,774	7,647
Total	**10,428**	**10,293**	**10,545**

Embedded Generation	July 2022 - June 2023	July 2021 - June 2022	July 2020 - June 2021
Total embedded stationary energy generated by energy type (GJ)			
Solar Power	569	575	673
Total	**569**	**575**	**673**

Water	July 2022 - June 2023	July 2021 - June 2022	July 2020 - June 2021
Total water consumption by type (kL)			
Class A Recycled water	N/A	N/A	N/A
Potable water	7,924	7,443	7,640
Reclaimed water	N/A	N/A	N/A
Total	**7,924**	**7,443**	**7,640**

Water re-use and recycling	July 2022 - June 2023	July 2021 - June 2022	July 2020 - June 2021
Re-use or recycling rate % (Class A + Reclaimed/ Potable+Class A+Reclaimed	N/A	N/A	N/A

Waste & Recycling	July 2022 - June 2023	July 2021 - June 2022	July 2020 - June 2021
Waste			
Total waste generated (kg clinical waste+kg general +kg recycling waste)	113,575	129,460	102,212
Total waste to landfill generated (kg clinical waste+kg general waste)	95,082	90,996	90,616
Total waste to landfill per patient treated (kg clinical waste+kg general waste)/PPT)	3.24	3.09	2.99
Recycling rate % (kg recycling / (kg general waste+kg recycling))	8.33	18	-

Factors influencing environmental impacts	July 2022 - June 2023	July 2021 - June 2022	July 2020 - June 2021
Floor space (m2)	7,914	7,914	7,914
Separations	2,999	2,848	2,738
In-patient Bed Days	26,327	26,618	27,618
Aged Care Bed Days	18,720	18,489	19,804

Normalised greenhouse gas emissions	July 2022 - June 2023	July 2021 - June 2022	July 2020 - June 2021
Emissions per unit of floor space (kgCO2e/m2)	0.157	0.161	0.182
Emissions per unit of Separations (kgCO2e/Separations)	435.8073	404.3313	503.2165
Emissions per unit of bed-day (LOS+Aged Care OBD) (kgCO2e/OBD)	80.2339	81.0807	96.3746

Normalised stationary energy consumption	July 2022 - June 2023	July 2021 - June 2022	July 2020 - June 2021
Energy per unit of floor space (GJ/m2)	1.3176	1.3017	1.3324
Energy per unit of Separations (GJ/Separations)	0.415	0.449	0.182
Energy per unit of bed-day (LOS+Aged Care OBD) (GJ/ OBD)	0.5903	0.5672	0.6237

Normalised embedded generation	July 2022 - June 2023	July 2021 - June 2022	July 2020 - June 2021
Embedded generation per unit of floor space (GJ/m2)	0.0718	0.0726	0.0850
Embedded generation per unit of Separations (GJ/ Separations)	0.1897	0.2019	0.2458
Embedded generation per unit of bed-day (LOS+Aged Care OBD) (GJ/OBD)	0.0216	0.0214	0.0242

Normalised water consumption (Potable + Class A)	July 2022 - June 2023	July 2021 - June 2022	July 2020 - June 2021
Water per unit of floor space (kL/m2)	1.0012	0.9404	0.9653
Water per unit of Separations (kL/Separations)	2.6422	2.8482	2.7903
Water per unit of bed-day (LOS+Aged Care OBD) (kL/ OBD)	0.3009	0.2796	0.2766

Normalised expenditure rates	July 2022 - June 2023	July 2021 - June 2022	July 2020 - June 2021
Expenditure per unit of floor space ($ thousand/m2)	41.16	39.08	41.88
Expenditure per unit of Separations ($ thousand/ separation)	108.61	114.23	121.08
Expenditure per unit of bed-day ($ thousand/(LOS+Aged Care OBD))	12.37	16.52	12.00
Expenditure per unit of Aged Care Bed Day ($ thousand/ Aged Care OBD)	17.40	16.52	16.73

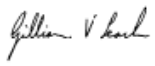
Additional Information Available on Request

- Details in respect of the items listed below have been retained by the health service and are available to the relevant Ministers, Members of Parliament and the public on request (subject to the freedom of information requirements, if applicable): A statement that declarations of pecuniary interests have been duly completed by all relevant officers.
- Details of shares held by senior officers as nominee or held beneficially in a statutory authority or subsidiary.
- Details of publications produced by Kilmore District Health.
- Details of changes in prices, fees, charges, rates and levies charged.
- Details of any major external reviews carried out.
- Details of major research and development activities undertaken.
- 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 entity to develop community awareness of Kilmore District Health and its services.
- Details of assessments and measures undertaken to improve the occupational health and safety of employees.
- General statement on industrial relations within Kilmore District Health and details of time lost through industrial accidents and disputes.
- A list of major committees sponsored by Kilmore District Health, the purposes of each committee and the extent to which those purposes have been achieved.
- Details of all consultancies and contractors including consultants/contractors engaged, services provided, and expenditure committed for each engagement.

Attestations

Financial Management Compliance attestation – SD 5.1.4

I, Gillian Leach, on behalf of the Responsible Body, certify that Kilmore District Health has no Material Compliance Deficiency with respect to the applicable Standing Directions under the *Financial Management Act 1994* and instructions.



Gillian Leach
Chair, Board of Directors
Kilmore District Health
21 September 2023

Data Integrity Declaration

I, Jennifer Gilham, certify that Kilmore District Health has put in place appropriate internal controls and processes to ensure that reported data accurately reflects actual performance. Kilmore District Health has critically reviewed these controls and processes during the year.

Jennifer Gilham
Accountable Officer
Kilmore District Health
21 September 2023

Conflict of Interest

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

Jennifer Gilham
Accountable Officer
Kilmore District Health
21 September 2023

Integrity, Fraud and Corruption Declaration

I, Jennifer Gilham, certify that Kilmore District Health has put in place appropriate internal controls and processes to ensure that Integrity, fraud and corruption risks have been reviewed and addressed at Kilmore District Health during the year.

Jennifer Gilham
Accountable Officer
Kilmore District Health
21 September 2023

Compliance with Health Share Victoria (HSV) Purchasing Policies

No compliance issues

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

Jennifer Gilham
Accountable Officer
Kilmore District Health
21 September 2023

Disclosure Index

The Annual Report of Kilmore District Health is prepared in accordance with all relevant Victorian legislations and pronouncements. This index has been prepared to facilitate identification of the department's compliance with statutory disclosure requirements.

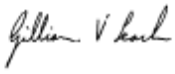
Board member's, accountable officer's and chief finance and accounting officer's declaration

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

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

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

We authorise the attached financial report for issue on 21 September 2023.



Ms Gillian Leach
Board Chair

Kilmore
21 September 2023

Ms Jennifer Gilham
Chief Executive Officer

Kilmore
21 September 2023

Mr. Colin Clark
Chief Finance and Accounting Officer

Kilmore
21 September 2023

Independent Auditor's Report

Victorian Auditor-General's Office

To the Board of Kilmore District Health

Opinion

I have audited the financial report of Kilmore District Health (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.

MELBOURNE
2 October 2023

Dominika Ryan
as delegate for the Auditor-General of Victoria

Financial Statements

Comprehensive Operating Statement

For the Financial Year Ended 30 June 2023

	Note	Total 2023 $'000	Total 2022 $'000
Revenue and income from transactions			
Operating activities	2.1	38,284	38,367
Non-operating activities	2.1	250	27
Total revenue and income from transactions		**38,534**	**38,394**
Expenses from transactions			
Employee expenses	3.1	(30,509)	(29,761)
Supplies and consumables	3.1	(3,844)	(3,829)
Depreciation and amortisation	4.4	(2,526)	(2,344)
Other operating expenses	3.1	(2,864)	(3,189)
Total Expenses from transactions		**(39,743)**	**(39,123)**
Net result from transactions - net operating balance		**(1,209)**	**(729)**
Other economic flows included in net result			
Net gain/(loss) on sale of non-financial assets	3.2	-	(16)
Other Gain/(Loss) from other economic flows	3.2	21	35
Total Other economic flows included in net result		**21**	**19**
Net result for the year		**(1,188)**	**(710)**
Other economic flows - other comprehensive income			
Items that will not be classified to the net result			
Changes to property, plant and equipment revaluation surplus	4.3	3,239	1,407
Total other comprehensive income		3,239	1,407
Comprehensive result for the year		**2,051**	**697**

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

Balance Sheet as at 30 June 2023

	Note	Total 2023 $'000	Total 2022 $'000
Current assets			
Cash and cash equivalents	6.2	12,841	9,214
Receivables	5.1	1,193	3,629
Inventories		245	316
Other financial assets		166	134
Total current assets		**14,445**	**13,293**
Non-current assets			
Receivables	5.1	1,740	1,260
Property, plant & equipment	4.1(a)	28,244	26,349
RIght of use assets	4.2	192	144
Intangible assets		2	1
Total non-current assets		**30,178**	**27,754**
Total assets		**44,623**	**41,047**
Current Liabilities			
Payables	5.2	3,412	3,677
Borrowings	5.3	134	154
Employee benefits	3.3	4,980	4,754
Other liabilities	5.4	7,429	6,248
Total current liabilities		**16,101**	**14,833**
Non-current liabilities			
Borrowings	6.1	221	231
Employee benefits	3.3	779	512
Total non-current liabilities		**1,000**	**743**
Total liabilities		**17,101**	**15,576**
Net assets		**27,522**	**25,471**
Equity			
Revaluation surplus	4.3	22,914	19,675
Contributed capital	SCE	11,532	11,532
Accumulated deficits	SCE	(6,924)	(5,736)
Total equity		**27,522**	**25,471**

This balance sheet should be read in conjunction with the accompanying notes.

Cash Flow Statement

For the Financial Year Ended 30 June 2023

	Note	Total 2023 $'000	Total 2022 $'000
Cash Flows From operating activities			
Operating grants from State Government		31,430	28,673
Operating grants from Commonwealth Government			
Capital grants from State Government		428	863
Capital grants from Commonwealth Government			
Other capital receipts		577	577
Patient and resident fees received		1,505	1,509
GST received from ATO		1,160	1,035
Recoupment from private practice for use of health service facilities		109	88
Other capital receipts		250	27
Other receipts		6,795	4,621
Total receipts		**42,254**	**37,393**
Payments to employees		(30,525)	(29,712)
Payment for supplies & consumables		(7,482)	(6,180)
GST paid to ATO		(680)	(449)
Total payments		**(38,687)**	**(36,341)**
Net cash flows from/(used in) operating activities	8.1	**3,567**	**1,052**
Cash Flows From investing activities			
Purchase of Non-Financial Assets		(1,159)	(1,373)
Proceeds from disposal of property, plant and equipment		-	-
Net cash flows from/(used in) investing activities		**(1,159)**	**(1,373)**
Cash Flows from Financing Activities			
Proceeds from investments		77	54
Receipt of accommodation deposits		3,510	962
Repayment of accommodation deposits		(2,306)	(983)
Repayment of borrowings		(62)	(62)
Net Cash Flow from/(used in) Financing Activities		**1,219**	**(29)**
Net Increase/(Decrease) in Cash and Cash Equivilents Held		3,627	(350)
Cash and Cash Equivalents at Beginning of Year		9,214	9,564
Cash and Cash Equivalents at End of Year	6.2	**12,841**	**9,214**

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

Statement of Changes in Equity

For the Financial Year Ended 30 June 23

	Note	Revaluation Surplus $'000	Contributed Capital $'000	Accumulated Surpluses/ (Deficits) $'000	Total $'000
Balance at 1 July 2021		**18,268**	**11,532**	**(5,026)**	**24,774**
Net result for the year		-	-	(710)	(710)
Other comprehensive income for the year	4.3	1,407	-	-	1,407
Balance at 30 June 2022		**19,675**	**11,532**	**(5,736)**	**25,471**
Net result for the year		-	-	(1,188)	(1,188)
Other comprehensive income for the year	4.3	3,239	-	-	3,239
Balance at 30 June 2023		**22,914**	**11,532**	**(6,924)**	**27,522**

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

Note 1: Basis of preparation

Structure

These annual financial statements represent the audited general purpose financial statements for Kilmore District Health for the year ended 30 June 2023. The report provides users with information about the Kilmore District Health's stewardship of resources entrusted to it.

This section explains the basis of preparing the financial statements.

Note 1.1: Basis of preperation 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, and relevant Standing Directions authorised by the Assistant Treasurer.

Kilmore District Health is a not-for-profit entity and therefore applies the additional AUS paragraphs applicable to a "not-for-profit" health service under the Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Apart from the changes in accounting policies, standards and interpretations as noted below, material accounting policies adopted in the preparation of these financial statements are the same as those adopted in the previous period.

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

The financial statements are presented on a going concern basis (refer to Note 8.9 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 Kilmore District Health on 21 September 2023

Note 1.2: Impact of COVID-19 pandemic

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

Where financial impacts of the pandemic are material to Kilmore District Health, they are disclosed in the explanatory notes. For Kilmore District Health, this includes:

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

Note 1.3: Abbreviations and terminology used in the financial statements

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

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

Note 1.4: Joint arrangements

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

Kilmore District Health has the following joint arrangements:

- Hume Rural Health Alliance (ICT Services)

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 3.3: 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
- Note 5.2: Payables
- 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 Kilmore District Health and their potential impact when adopted in future periods is outlined below:

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

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

Note 1.7: Goods and Services Tax (GST)

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

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

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

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

Note 1.8: Reporting Entity

The financial statements include all the controlled activities of Kilmore District Health.

Its principal address is:
1 Anderson Road
Kilmore, Victoria 3764.

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

Note 2: Funding delivery of our services

Kilmore District Health's overall objective is to provide quality health services that support and enhance the wellbeing of all Victorians.

Kilmore District Health is predominantly funded by grant funding for the provision of outputs. Kilmore District Health also receives funding from the supply of services.

Kilmore District Health also receives income from the supply of services.

Structure

2.1 Revenue and income from transactions

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

Telling the COVID-19 story

Revenue and income recognised to fund the delivery of our services decreased during the financial year which was attributable to 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
Identifying performance obligations	Kilmore District Health applies significant judgment when reviewing the terms and conditions of funding agreements and contracts to determine whether they contain sufficiently specific and enforceable performance obligations. If this criteria is met, the contract/funding agreement is treated as a contract with a customer, requiring the Kilmore District Health to recognise revenue as or when the health service transfers promised goods or services to the beneficiaries. If this criteria is not met, funding is recognised immediately in the net result from operations.
Determining timing of revenue recognition	Kilmore District Health applies significant judgement to determine when a performance obligation has been satisfied and the transaction price that is to be allocated to each performance obligation. A performance obligation is either satisfied at a point in time or over time.
Determining time of capital grant income recognition	Kilmore District Health applies significant judgement to determine when its obligation to construct an asset is satisfied. Costs incurred is used to measure the health service's progress as this is deemed to be the most accurate reflection of the stage of completion.
Assets and services received free of charge or for nominal consideration	Kilmore District Health applies significant judgement to determine the fair value of assets and services provided free of charge or for nominal value.

Note 2.1: Revenue and income from transactions

Operating Activites	Note	Total 2023 $'000	Total 2022 $'000
Revenue from contracts with customers			
Government Grants (State) - Operating		4,620	3,935
Government Grants (Commonwealth) - Operating		1,850	2,053
Patient and Resident Fees		593	630
Commercial Activities[1]		591	613
Contracted Throughput - Northern Hospital & Austin Hospital		5,434	3,508
Total revenue from contracts with customers	2.1(a)	**12,497**	**10,126**
Other sources of income			
Government Grants (State) - Operating		24,792	26,248
Government Grants (State) - Capital		428	863
Other Capital purpose income		60	88
Assets received free of charge or for nominal consideration		506	1,041
Other Revenue from Operating Activities (including non-capital donations)		1	1
Total other sources of income		**25,787**	**28,241**
Total revenue and income from operating activities		**38,284**	**38,367**
Non-operating activites			
Income from other sources			
Capital Interest		250	27
Total other sources of income		**250**	**27**
Total Income from Non-Operating Activities		**250**	**27**
Total Income from Transactions		**38,534**	**38,394**

[1]Commercial activities represent business activities which Kilmore District Health enters into to support their operations.

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

	Total 2023 $'000	Total 2022 $'000
Kilmore District Health desegregates revenue by the timing of revenue recognition.		
Goods and services transferred to customers:		
At point in time	11,904	9,496
Over time	593	613
Total revenue from contracts with customers	**12,497**	**10,109**

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

How we recognise revenue and income from operating transactions

Government operating grants

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

When both these conditions are satisfied, the Health Service:

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

If a contract liability is recognised, Kilmore District Health recognises revenue in profit or loss as and when it satisfies its obligations under the contract.

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 Kilmore District Health's goods or services. Kilmore District Health's funding bodies often direct that goods or services are to be provided to third party beneficiaries, including individuals or the community at large. In such instances, the customer remains the funding body that has funded the program or activity, however the delivery of goods or services to third party beneficiaries is a characteristic of the promised good or service being transferred to the funding body.

This policy applies to each of Kilmore District Health's revenue streams, with information detailed below relating to Kilmore District Health's significant revenue streams:

Government grant	Performance obligation
Activity Based Funding (ABF) paid as National Weighted Activity Unit (NWAU)	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 a point in time, which is when a patient is discharged.

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

Capital grants

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

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

Patient and resident fees

Patient and resident fees are charges that can be levied on patients for some services they receive.

Patient and resident fees are recognised at a point in time when the performance obligation, the provision of services, is satisfied, except where the patient and resident fees relate to accommodation charges. Accommodation charges are calculated daily and are recognised over time, to reflect the period accommodation is provided.

Commercial activities

Revenue from commercial activities includes items such as Meals on Wheels, Medical Imaging fees and Clinical Education. Commercial activity revenue is recognised at a point in time, upon provision of the goods or service to the customer.

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.

Note 2.1(b): Fair value of assets and services received free of charge or for nominal consideration

	Total 2023 $'000	Total 2022 $'000
Personal Protective Equipment	506	1,041
Total fair value of assets received free of charge or for nominal consideration	**506**	**1,041**

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

Personal protective equipment

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

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

Contributions of resources

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

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

Volunteer Services

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

Note 2.1(b): Fair value of assets and services received free of charge or for nominal consideration (continued)

Non-cash contributions from the Department of Health

The Department of Health makes some payments on behalf of Kilmore District Health as follows:

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

Note 3: The cost of delivering services

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

Structure

3.1 Expenses from Transactions

3.2 Other Economic Flows

3.3 Employee Benefits in the Balance Sheet

3.4 Superannuation

Telling the COVID-19 story

Expenses incurred to deliver our services decreased during the financial year which was attributable to reduced activity due to 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	Kilmore District Health applies significant judgment when classifying its employee benefit liabilities. Employee benefit liabilities are classified as a current liability if Kilmore District Health does not have an unconditional right to defer payment beyond 12 months. Annual leave, accrued days off and long service leave entitlements (for staff who have exceeded the minimum vesting period) fall into this category. Employee benefit liabilities are classified as a non-current liability if Kilmore District Health has a conditional right to defer payment beyond 12 months. Long service leave entitlements (for staff who have not yet exceeded the minimum vesting period) fall into this category.
Measuring employee benefit liabilities	Kilmore District Health 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: • an inflation rate of 4.35%, 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 49% and 65% • discounting at the rate of 4.063%, 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	Total 2023 $'000	Total 2022 $'000
Salaries and wages		22,776	23,181
On-costs		2,359	2,188
Agency expenses		219	83
Fee for service for visiting medical officer expenses		4,750	3,783
WorkCover premium		405	526
Total employee expenses		**30,509**	**29,761**
Drug supplies		221	206
Medical and surgical supplies		1,995	2,105
Other supplies and consumables		1,628	1,518
Total supplies and consumables		**3,844**	**3,829**
Fuel, light & power		397	315
Repairs and maintenance		589	606
Medical indemnity insurance		433	453
Other administrative expenses		1,445	1,815
Total other operating expenses		**2,864**	**3,189**
Total operating expense		**37,219**	**36,779**
Depreciation and amortisation	4.4	2,524	2,344
Total depreciation and amortisation		**2,524**	**2,344**
Total non-operating expense		**2,524**	**2,344**
Total expenses from transactions		**39,743**	**39,123**

How we recognise expenses from transactions

Expense recognition

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

Employee expenses

Employee expenses include:

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

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.

Other Operating Expenses

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

- fuel, light and power
- repairs and maintenance
- other administrative expenses
- expenditure for capital purposes (represents expenditure related to the purchase of assets that are below the capitalisation threshold of $1,000).

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

Non-operating expenses

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

Note 3.2: Other economic flows

	Total 2023 $'000	Total 2022 $'000
Net loss on disposal of property plant and equipment	-	(16)
Total net gain/(loss) on non-financial assets	-	(16)
Net gain/(loss) from revaluation of long service liability	21	35
Total other gains/(losses) from other economic flows	21	35
Total other gains/(losses) from other economic flows	**21**	**19**

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 available-for-sale financial instruments from the reserves to net result 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 3.3: Employee benefits and related on-costs

	Total 2023 $'000	Total 2022 $'000
Current employee benefits and related on-costs		
Annual leave		
– Unconditional and expected to be settled wholly within 12 months[(i)]	1,305	1,159
– Unconditional and expected to be settled wholly after 12 months[(ii)]	777	801
Long service leave		
– Unconditional and expected to be settled wholly within 12 months[(i)]	440	351
– Unconditional and expected to be settled wholly after 12 months[(ii)]	1,839	1,890
Accrued days off		
– Unconditional and expected to be settled wholly within 12 months[(i)]	47	43
	4,408	**4,244**
Provisions related to employee benefit on-costs		
– Unconditional and expected to be settled wholly within 12 months[(i)]	271	221
– Unconditional and expected to be settled wholly after 12 months[(ii)]	301	289
	572	**510**
Total current employee benefits and related on-costs	**4,980**	**4,754**
Non-current employee benefits and related on-costs		
Conditional long service leave	690	457
Provisions related to employee benefit on-costs	89	55
Total non-current employee benefits and related on-costs	**779**	**512**
Total employee benefits and related on-costs	**5,759**	**5,266**

(i) The amounts disclosed are at nominal amounts.
(ii) The amounts disclosed are discounted to present values.

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

	Total 2023 $'000	Total 2022 $'000
Current employee benefits and related on-costs		
Unconditional long service leave entitlements	2,576	2,511
Unconditional annual leave entitlements	2,352	2,195
Unconditional accrued days off	53	48
Total current employee benefits and related on-costs	**4,981**	**4,754**
Non-current employee benefits and related on-costs		
Conditional Long Service Leave Entitlements	779	512
Total non-current employee benefits and related on-costs	**5,760**	**5,266**
Attributable to:		
Employee benefits	5,098	4,701
Provision for related on-costs	661	565
Total employee benefits and related on-costs	**5,759**	**5,266**

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

	Total 2022 $'000	Total 2021 $'000
Carrying amount at start of year	**565**	**521**
Additional provisions recognised	96	43
Amounts incurred during the year	-	-
Carrying amount at end of year	**661**	**565**

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.

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

Annual Leave and Accrued Days Off

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

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

- Nominal value – if Kilmore District Health expects to wholly settle within 12 months; or
- Present value – if Kilmore District Health does not expect to wholly settle within 12 months.

Long service leave

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

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

The components of this current LSL liability are measured at:

- Nominal value – if Kilmore District Health expects to wholly settle within 12 months; and
- Present value – if Kilmore District Health does not expect to wholly settle a within 12 months.

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

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 3.4: Superannuation

	Paid Contribution for the Year		Contribution Outstanding at Year End	
	Total	Total	Total	Total
	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Defined benefit plans: i				
Health Super	18	18	-	-
Defined Contribution Plans:				
Aware	1,178	1,075	-	-
Hesta	694	714	-	-
Other	469	381		
Total	**2,359**	**2,188**	**-**	**-**

How we recognise superannuation

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

Defined Benefit Superannuation Plans

The defined benefit plan provides benefits based on years of service and final average salary. The amount charged to the Comprehensive Operating Statement in respect of defined benefit superannuation plans represents the contributions made by Kilmore District Health to the superannuation plans in respect of the services of Kilmore District Health staff during the reporting period. Superannuation contributions are made to the plans based on the relevant rules of each plan, and are based on actuarial advice.

Kilmore District Health does not recognise any unfunded defined benefit liability in respect of the plans because the health service 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 DTF 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 Kilmore District Health.

The name and details of the major employee superannuation funds and contributions made by Kilmore District Health are disclosed above.

Defined Contribution Superannuation Plans

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

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

Note 4: Key Assets to Support Service Delivery

Kilmore District Health controls infrastructure and other investments that are utilised in fulfilling its objectives and conducting its activities. They represent the key resources that have been entrusted to Kilmore District health to be utilised for delivery of those outputs.

Structure

4.1 Property, plant & equipment
4.2 Right-of-use assets
4.3 Revaluation surplus
4.4 Depreciation and amortisation
4.5 Impairment of assets

Key judgements and estimates

This section contains the following key judgements and estimates:

Key judgements and estimates	Description
Estimating useful life and residual value of property, plant and equipment	Kilmore District Health assigns an estimated useful life to each item of property, plant and equipment. This is used to calculate depreciation of the asset. This is used to calculate depreciation of the asset. The health service reviews the useful life, residual value and depreciation rates of all assets at the end of each financial year and where necessary, records a change in accounting estimate.
Estimating useful life of right-of-use assets	The useful life of each right-of-use asset is typically the respective lease term, except where the health service is reasonably certain to exercise a purchase option contained within the lease (if any), in which case the useful life reverts to the estimated useful life of the underlying asset. Kilmore District Health applies significant judgement to determine whether or not it is reasonably certain to exercise such purchase options.
Identifying indicators of impairment	At the end of each year, Kilmore District Health assesses impairment by evaluating the conditions and events specific to the health service that may be indicative of impairment triggers. Where an indication exists, the health service tests the asset for impairment. The health service considers a range of information when performing its assessment, including considering: • If an asset's value has declined more than expected based on normal use • If a significant change in technological, market, economic or legal environment which adversely impacts the way the Health Service uses an asset • If an asset is obsolete or damaged • If the asset has become idle or if there are plans to discontinue or dispose of the asset before the end of its useful life • If the performance of the asset is or will be worse than initially expected. Where an impairment trigger exists, the Health Services applies significant judgement and estimate to determine the recoverable amount of the asset.

Note 4.1: Property, plant and equipment

Note 4.1(a): Gross carrying amount and accumulated depreciation

	Total 2023 $'000	Total 2022 $'000
Land at fair value - Crown	2,658	2,658
Total land at fair value	**2,658**	**2,658**
Buildings at Fair Value	21,131	57,652
Less accumulated depreciation	-	(37,973)
Total buildings at fair value	**21,131**	**19,679**
Works in progress at cost	136	79
Total land and buildings	**23,925**	**22,416**
Plant & equipment at fair value	8,653	7,591
Less accumulated depreciation	(4,373)	(3,682)
Total plant & equipment at fair value	**4,280**	**3,909**
Motor vehicles at fair value	94	74
Less accumulated depreciation	(55)	(50)
Total motor vehicles at fair value	**39**	**24**
Total plant, equipment and vehicles at fair value	**4,319**	**3,933**
Total property, plant and equipment	**28,244**	**26,349**

Note 4.1(b): Reconciliations of carrying amount by class of asset

	Crown Land	Buildings	Building works in progress	Plant & Equipment	Motor Vehicles	Total
	$'000	$'000	$'000	$'000	$'000	$'000
Balance at 1 July 2021	1,251	21,452	-	3,156	28	25,887
Additions	-	3	79	1,291	-	1,373
Disposals	-	-	-	(16)	-	(16)
Revaluation Increments/(Decrements)	1,407	-	-	-	-	1,407
Depreciation expense (note 4.4)	-	(1,776)	-	(522)	(4)	(2,302)
Balance at 30 June 2022	**2,658**	**19,679**	**79**	**3,909**	**24**	**26,349**
Additions	-	-	120	997	20	1,137
Disposals	-	-	-	-	-	-
Revaluation Increments/(Decrements)	-	3,240	-	-	-	3,240
Net Transfers between classes	-	-	(63)	63	-	-
Depreciation expense (note 4.4)	-	(1,788)	-	(689)	(5)	(2,482)
Balance at 30 June 2023	**2,658**	**21,131**	**136**	**4,280**	**39**	**28,244**

Land and Buildings Carried at Valuation

The Valuer-General Victoria undertook a to re-value all of Kilmore District Health's owned and leased land and buildings to determine their fair value. The valuation, which conforms to Australian Valuation Standards, was determined by reference to the amounts for which the assets could be exchanged between knowledgeable and willing parties in an arms length transaction. The valuation was based on independent assessments. The effective date of the valuation for buildings was 30 June 2019 and land 30 June 2022.

How we recognise property, plant and equipment

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

Initial Recognition

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

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

Subsequent measurement

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

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

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

Revaluation

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

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

An adjustment is recognised if the assessment concludes that the fair value of land and buildings has changed by 10% or more since the last revaluation (whether that be the most recent independent valuation or managerial valuation). Any estimated change in fair value of less than 10% is deemed

Note 4.1(b): Reconciliations of carrying amount by class of asset (continued)

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%, Kilmore District Health would obtain an interim independent valuation prior to the next scheduled independent valuation.

An independent valuation of Kilmore District Health's buildings was performed by the VGV on 30 June 2019, and for land on 30 June 2022. The valuation, which complies with Australian Valuation Standards, was determined by reference to the amount for which assets could be exchanged between knowledgeable willing parties in an arm's length transaction. As an independent valuation was not undertaken on 30 June 2023, a managerial assessment performed at 30 June 2023, which indicated an overall:

- increase in fair value of land of 0%
- increase in fair value of buildings of 18%

As the cumulative movement was less than 10% for land since the last independent revaluation a managerial revaluation adjustment was not required as at 30 June 2023.

As the cumulative movement was greater than 10% but less than 40% for buildings since the last revaluation a managerial revaluation adjustment was required as at 30 June 2023.

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

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

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

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

Note 4.2: Right-of-use assets

Note 4.2(a): Gross carrying amount and accumulated depreciation

	Total 2023 $'000	Total 2022 $'000
Right of use motor vehicles - Vicfleet	264	205
Less Accumulated Depreciation	(90)	(67)
Total right of use motor vehicles - Vicfleet	174	138
Total right of use motor vehicles - Vicfleet	**174**	**138**
PPP - Leased Equipment - HRHA	31	9
Less accumulated Depreciation	(13)	(3)
Total PPP - leased equipment at fair value	**18**	**6**
Total right of use assets	**192**	**144**

Note 4.2(b): Reconciliations of carrying amount by class of asset

	Right of use Assets Vicfleet	Right of use PPP leased equipment	Total
	$000	$000	$'000
Balance at 30 June 2021	173	10	183
Additions			-
Disposals	-		-
Revaluation Increments/(Decrements)	-		-
Depreciation expense (note 4.4)	(35)	(4)	(39)
Balance at 30 June 2022	**138**	**6**	**144**
Additions	105	15	120
Disposals	(30)	-	(30)
Revaluation Increments/(Decrements)	-		-
Depreciation expense (note 4.4)	(39)	(3)	(42)
Balance at 30 June 2023	**174**	**18**	**192**

How we recognise right-of-use assets

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

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

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

Class of right-of-use asset	Lease term
Leased vehicles	2 to 3 years

Initial Recognition

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

The right-of-use asset is initially measured at cost and comprises the initial 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.

Kilmore District Health motor vehicle lease agreements contain purchase options which Kilmore District Health is not reasonably certain to exercise at the completion of the lease.

Kilmore District Health holds lease agreements which contain significantly below-market terms and conditions, which are principally to enable the health service to further its objectives. Refer to Note 6.1 for further information regarding the nature and terms of the concessional lease, and the Health Service's dependency on such lease arrangements.

Subsequent measurement

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

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

Further information regarding fair value measurement is disclosed in Note 7.4

Note 4.3: Revaluation Surplus

	Total 2023 $'000	Total 2022 $'000
Balance at the beginning of the reporting period	**19,675**	**18,268**
Revaluation increment		
- Land	-	1,407
- Buildings	3,239	-
Balance at end of the Reporting Period*	**22,914**	**19,675**
*** Represented by:**		
- Land	2,658	2,658
- Buildings	20,256	17,017
	22,914	**19,675**

Note 4.4: Depreciation and amortisation

	Total 2023 $'000	Total 2022 $'000
Depreciation		
Property, plant and equipment		
Buildings	1,788	1,776
Plant & Equipment	689	522
Motor Vehicles	5	4
Total depreciation - property, plant and equipment	**2,482**	**2,302**
Right-of-use assets		
Right of use assets		
IT Equipment - Leased Assets HRHA	3	4
VicFleet Vehicles - Leased Assets	39	36
Total depreciation - right-of-use assets	**42**	**40**
Total Depreciation	**2,524**	**2,342**
Amortisation		
Software	2	2
Total amortisation	**2**	**2**
Total depreciation and amortisation	**2,526**	**2,344**

How we recognise depreciation

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

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

How we recognise amortisation

Amortisation is the systematic allocation of the depreciable amount of an asset over its useful life.

Note 4.4: Depreciation and amortisation (continued)

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

	2023	2022
Buildings		
– Structure Shell Building Fabric	45 to 60 years	45 to 60 years
– Site Engineering Services and Central Plant	30 to 40 years	30 to 40 years
Central Plant		
– Fit Out	20 to 30 years	20 to 30 years
– Trunk Reticulated Building Systems	30 to 40 years	30 to 40 years
Plant & Equipment	3 to 10 years	3 to 10 years
Motor Vehicles	10 years	10 years
Intangible Assets	3 to 4 years	3 to 4 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, Kilmore District Health reviews the carrying amount of its tangible and intangible assets that have a finite useful life, to determine whether there is any indication that an asset may be impaired. This 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 Kilmore District Health which changes the way in which an asset is used or expected to be used.

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

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

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

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

Kilmore District Health did not record any impairment losses for the year ended 30 June 2023.

Note 5: Other Assets and Liabilities

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

Structure

5.1 Receivables

5.2 Payables

5.3 Contract liabilities

5.4 Other liabilities

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	Kilmore District Health uses a simplified approach to account for the expected credit loss provision. A provision matrix is used, which considers historical experience, external indicators and forward-looking information to determine expected credit loss rates.
Measuring contract liabilities	Kilmore District Health applies significant judgement to measure its progress towards satisfying a performance obligation as detailed in Note 2. Where a performance obligation is yet to be satisfied, Kilmore District 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

	Notes	Total 2023 $'000	Total 2022 $'000
Current receivables			
Contractual			
Inpatient Fees		23	24
District nursing fees		17	20
Aged care fees		35	10
Department of Health		34	1,970
Trade debtors		958	1,476
Hume Rural Health Alliance		76	48
Less allowance for impairment losses of contractual receivables		(7)	(14)
Total contractual receivables		**1,136**	**3,534**
Statutory			
GST Receivable		57	95
Total statutory receivables		**57**	**95**
Total current receivables		**1,193**	**3,629**
Non-current receivables			
Contractual			
Long service leave - Department of Health		1,740	1,260
Total contractual receivables		**1,740**	**1,260**
Total non-current receivables		**1,740**	**1260**
Total receivables		**2,933**	**4,889**
Total receivables		**2,933**	**4,889**
GST receivable		**(57)**	**(95)**
Total financial assets classified as receivables	**7.1(a)**	**2,876**	**4,794**

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

	Total 2023 $'000	Total 2022 $'000
Balance at beginning of year	(14)	(7)
Increase in allowances	-	(7)
Reversal of allowance written off during the year as uncollectable	7	
Balance at end of year	**(7)**	**(14)**

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.

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

- **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.*

Impairment losses of contractual receivables

Refer to Note 7.1 for Kilmore District Health's contractual impairment losses.

Note 5.2: Payables

	Total 2023 $'000	Total 2022 $'000
Current payables		
Contractual		
Trade creditors	1,322	2,523
Accrued salaries and wages	762	708
Deferred capital grant income	238	359
Inter hospital creditors	-	-
Amounts owing to governments and agencies	800	-
Hume Rural Health Alliance	290	87
Total contractual payables	**3,412**	**3,677**
Total current payables	**3,412**	**3,677**
Total payables	**3,412**	**3,677**
Total payables	3,412	3,677
Deferred grant income	(236)	(359)
Total financial liabilities classified as payables (Note 7.1(a))	**3,174**	**3,318**

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

The normal credit terms for accounts payable are usually Net 60 Days.

Note 5.2(a): Deferred capital grant income

	Total 2023 $'000	Total 2022 $'000
Opening balance of deferred grant income	359	114
Grant consideration for capital works received during the year	238	359
Deferred grant revenue recognised as revenue due to completion of capital works	(359)	(114)
Closing balance of deferred grant income	**238**	**359**

How we recognise deferred capital grant revenue

Grant consideration was received from the Department of Health to support the construction of Theatre refurbishment and Nurse Call sytem implementation. Capital grant revenue is recognised progressively as the asset is constructed, since this is the time when Kilmore District Health satisfies its obligations. The progressive percentage of costs incurred is used to recognise income because this most closely reflects the percentage of completion of the building works. As a result, Kilmore District Health has deferred recognition of a portion of the grant consideration received as a liability for the outstanding obligations.

Kilmore District Health expects to recognise all of the remaining deferred capital grant revenue for capital works by June 2024.

Note 5.3: Contract Liabilities

	Total 2023 $'000	Total 2022 $'000
Balance at the beginning of the year	-	-
Add: Additional costs incurred that are recoverable from the customer	134	-
Total contract liabilities	**134**	**-**
*** Represented by:**		
- Current contract liabilities	134	-
- Non-current contract liabilities	-	-
	134	**-**

Note 5.4: Other Liabilities

	Note	Total 2023 $'000	Total 2022 $'000
Current monies held in trust			
Refundable accommodation deposits		7,261	6,040
Monies held in trust: HRHA PAS		168	208
Total current monies held in trust		**7,429**	**6,248**
*** Represented by:**			
Cash Assets	**6.2**	7,429	6,248
		7,429	**6,248**

Refundable Accommodation Deposit (RAD)/ Accommodation Bond liabilities

RADs/accommodation bonds are non-interest-bearing deposits made by some aged care residents to Kilmore District Health 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 Kilmore District Health during its operations, along with interest expenses (the cost of borrowings) and other information related to financing activities of Kilmore District Health.

This section includes disclosures of balances that are financial instruments (such as borrowings and cash balances). Note: 7.1 provides additional, specific financial instrument disclosures.

Structure

6.1 Borrowings

6.2 Cash and cash equivalents

6.3 Commitments for expenditure

Note 6.1: Borrowings

	Note	Total 2023 $'000	Total 2022 $'000
Current Borrowings			
Advances from government (ii)		62	62
Lease Liability (i)	6.1(a)	84	92
Total Current Borrowings		**146**	**154**
Non-current Borrowings			
Lease Liability (i)	6.1(a)	105	52
Advances from government (ii)		116	179
Total non-current borrowings		**221**	**231**
Total borrowings		**367**	**385**

(i) Secured by the assets leased.
(ii) These are unsecured loans which bear no interest.

How we recognise borrowings

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

Initial recognition

All borrowings are initially recognised at fair value of the consideration received, less directly attributable transaction costs.

Subsequent measurement

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

Maturity analysis

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

Defaults and breaches

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

Note 6.1(a): Lease liabilities

Kilmore District Health's lease liabilities are summarised below:

	Total 2023 $'000	Total 2022 $'000
Total undiscounted lease liabilities	192	146
Less unexpired finance expenses	(3)	(2)
Net lease liabilities	189	144

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

	Total 2023 $'000	Total 2022 $'000
Not longer than one year	85	93
Later than one year but not longer than five years	107	53
Minimum future lease payments	**192**	**146**
Less unexpired finance expences	(3)	(2)
Present value of lease liability	**189**	**144**
Represented by:		
Current liabilities	84	92
Non-current liabilities	105	52
	189	**144**

How we recognise lease liabilities

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

To apply this definition Kilmore District Health assesses whether 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 Kilmore District Health and for which the supplier does not have substantive substitution rights;
- Kilmore District Health has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract and kilmore District Health has the right to direct the use of the identified asset throughout the period of use; and
- Kilmore District Health has the right to take decisions in respect of 'how and for what purpose' the asset is used throughout the period of use.

Kilmore District Health's lease arrangements consist of the following:

Type of asset leased	Lease term
Leased computers, equipment and vehicles	1 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.

Note 6.1(a): Lease liabilities (continued)

Seperation 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 Kilmore District Health's incremental borrowing rate. Our lease liability has been discounted by rates of between 2.18% to 2.42%.

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.

These terms are used to maximise operational flexibility in terms of managing contracts. The majority of extension and termination options held are exercisable only by Kilmore District Health and not by the respective lessor.

In determining the lease term, the Hume Rural Health Alliance 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).

Subsequent measurement

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

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

Note 6.2: Cash and Cash Equivalents

	Note	Total 2023 $'000	Total 2022 $'000
Cash at bank (excluding Monies held in trust)		5,567	2,960
Total cash held for operations		5,567	2,960
Cash at bank (Monies held in trust)		7,274	6,254
Total cash held as monies in trust		7,274	6,254
Total cash and cash equivalents	7.1(a)	**12,841**	**9,214**

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 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 with an insignificant risk of changes in value.

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

Note 6.3: Commitments for expenditure

	Total 2023 $'000	Total 2022 $'000
Capital expenditure commitments		
Less than one year	262	395
Total capital expenditure commitments	262	395
Total commitments for expenditure (exclusive of GST)	**262**	**395**
LessGST recoverable from the Australia Tax Office	(24)	(36)
Total commitments for expenditure (exclusive of GST)	**238**	**359**

How we disclose our commitments

Our commitments relate to capital expenditure.

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

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

Structure

7.1 Financial instruments

7.2 Financial risk management objectives and policies

7.3 Contingent assets and contingent liabilities

7.4 Fair value determination

Key judgements and estimates

This section contains the following key judgements and estimates:

Key judgements and estimates	Description
Measuring fair value of non-financial assets	Fair value is measured with reference to highest and best use, that is, the use of the asset by a market participant that is physically possible, legally permissible, financially feasible, and which results in the highest value, or to sell it to another market participant that would use the same asset in its highest and best use. In determining the highest and best use, Kilmore District Health has assumed the current use is its highest and best use. Accordingly, characteristics of the health service's assets are considered, including condition, location and any restrictions on the use and disposal of such assets. Kilmore District Health uses a range of valuation techniques to estimate fair value, which include the following: • Market approach, which uses prices and other relevant information generated by market transactions involving identical or comparable assets and liabilities. The fair value of Kilmore District Health'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 Kilmore District Health's 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. Kilmore District Health does not this use approach to measure fair value. Kilmore District Health selects a valuation technique which is considered most appropriate, and for which there is sufficient data available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. Subsequently, Kilmore District Health applies significant judgement to categorise and disclose such assets within a fair value hierarchy, which includes: • Level 1, using quoted prices (unadjusted) in active markets for identical assets that the health service can access at measurement date. Kilmore District Health 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. Kilmore District Health categorises non-specialised land and right-of-use concessionary land in this level. • Level 3, where inputs are unobservable. Kilmore District Health 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 Kilmore District Health's activities, certain financial assets and financial liabilities arise under statute rather than a contract. 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

30 June 2023	Note	Financial Assets at Amortised Cost $'000	Financial Liabilities at Amortised Cost $'000	Total $'000
Contractual Financial Assets				
Cash and Cash Equivalents	6.2	12,841	-	12,841
Trade debtors and accruals	5.1	2,876	-	2,876
Total Financial Assets (i)		**15,717**	**-**	**15,717**
Financial Liabilities				
Payables	5.2	-	3,174	3,174
Borrowings	6.1	-	367	367
Monies Held In Trust	5.3	-	7,429	7,429
Total Financial Liabilities (i)		**-**	**10,970**	**10,970**

30 June 2022	Note	Financial Assets at Amortised Cost $'000	Contractual Financial Liabilities at Amortised Cost $'000	Total $'000
Contractual Financial Assets				
Cash and Cash Equivalents	6.2	9,214	-	9,214
Trade debtors and accruals	5.1	4,794	-	4,794
Total Financial Assets (i)		**14,008**	**-**	**14,008**
Financial Liabilities				
Payables	5.2	-	3,318	3,318
Borrowings	6.1	-	385	385
Monies Held In Trust	5.3	-	6,248	6,248
Total Financial Liabilities (i)		**-**	**9,951**	**9,951**

[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 Kilmore District health becomes party to the contractual provisions to the instrument. For financial assets, this is at the date Kilmore District Health commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

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

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

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

Note 7.1(a): Categorisation of financial instruments (continued)

Financial assets at amortised cost

Financial assets are measured at amortised costs 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 Kilmore District Health to collect the contractual cash flows, and
- the assets' contractual terms give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specific dates.

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

Kilmore District Health recognises the following assets in this category:

- cash and deposits
- receivables (excluding statutory receivables)

Categories of financial liabilities

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

Financial liabilities at amortised cost

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

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

Kilmore District Health recognises the following liabilities in this category:

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

Offsetting financial instruments

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

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

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
- Kilmore District Health 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
- Kilmore District Health 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 Kilmore District Health has neither transferred nor retained substantially all the risks and rewards or transferred control, the asset is recognised to the extent of the Hospital'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, Kilmore District Health's business model for managing its financial assets has changed such that its previous model would no longer apply.

A financial liability reclassification is not permitted.

Note 7.2: Financial risk management objectives and policies

As a whole, Kilmore District Health's financial risk management program seeks to manage the risks and the associated volatility of its financial performance.

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

Kilmore District Health's main financial risks include credit risk, liquidity risk, interest rate risk and equity price risk. Kilmore District Health manages these financial risks in accordance with its financial risk management policy.

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

Note 7.2(a): Credit risk

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

Credit risk associated with Kilmore District Health's contractual financial assets is minimal because the main debtor is the Victorian Government. For debtors other than the Government, Kilmore District Health is exposed to credit risk.

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

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

Contractual 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 Kilmore District Health's maximum exposure to credit risk without taking account of the value of any collateral obtained.

There has been no material change to Kilmore District Health's credit risk profile in 2022-23.

Impairment of financial assets under AASB 9

Kilmore District Health records the allowance for expected credit loss for the relevant financial instruments applying AASB 9's Expected Credit Loss approach. Subject to AASB 9, impairment assessment includes Kilmore District Health's and its investment in debt instruments.

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

Credit loss allowance is classified as other economic flows in the net result.

Contractual receivables are written off when there is no reasonable expectation of recovery and impairment losses are classified as a transaction expense. Subsequent recoveries of amounts previously written off are credited against the same line item.

Contractual receivables at amortised cost

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

On this basis, Kilmore District Health determines the closing loss allowance at the end of the financial year as follows:

Note 7.2(a): Credit risk (continued)

On this basis, Kilmore District Health determines the closing loss allowance at the end of the financial year as follows:

30 June 2023	Note		Current	Less than 1 month	1-3 months	3 months - 1 year	1-5 years	Total
Expected loss rate			0%	0%	0%	0%	0%	
Gross carrying amount of contractual receivables ($'000s)	**5.1**	1,143	777	309	57	0	0	1,143
Loss allowance			(7)	0	0	0	0	(7)

30 June 2022	Note		Current	Less than 1 month	1-3 months	3 months - 1 year	1-5 years	Total
Expected loss rate			0%	0%	0%	0%	0%	
Gross carrying amount of contractual receivables ($'000s)	**5.1**	3,548	2,413	958	177	0	0	3,548
Loss allowance			(14)	0	0	0	0	(14)

Statutory receivables and debt investments at amortised cost

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

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

Note 7.2(b): Liquidity risk

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

Kilmore District Health is exposed to liquidity risk mainly through the financial liabilities as disclosed in the face of the balance sheet and the amounts related to financial guarantees. Kilmore District Health 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.

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

Note 7.2(b): Liquidity risk (continued)

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

				Maturity Dates			
30 June 2023	**Note**	**Carrying Amount $'000**	**Nominal Amount $'000**	**Less Than 1 Month $'000**	**1-3 Months $'000**	**3 Months - 1 Year $'000**	**1-5 Years $'000**
Financial Liabilities							
At amortised cost							
Trade creditors and accruals	5.2	3,174	3,174	3,174	-	-	-
Borrowings	6.1	367	367	-	-	62	305
Monies Held In Trust	5.3	7,429	7,429	7,429	-	-	-
Total Financial Liabilities		**10,542**	**10,542**	**10,603**	**-**	**62**	**305**
30 June 2022							
Financial Liabilities							
At amortised cost							
Trade creditors and accruals	5.2	3,677	3,677	3,677	-	-	-
Borrowings	6.1	385	385	-	-	154	231
Monies Held In Trust	5.3	6,248	6,248	6,248	-	-	-
Total Financial Liabilities		**10,310**	**10,310**	**9,925**	**-**	**154**	**231**

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

Note 7.2(c): Market risk

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

Sensitivity disclosure analysis and assumptions

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

- a change in interest rates of 1% 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. Kilmore District Health does not hold any interest-bearing financial instruments that are measured at fair value, and therefore has no exposure to fair value interest rate risk.

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

Note 7.3: Contingent assets and contingent liabilities

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

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.

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

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

Identifying unobservable inputs (level 3) fair value measurements

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

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

Note 7.4(a): Fair value determination of non-financial physical assets

	Note	Carrying Amount 30 June 2023 $'000	Fair value measurement at end of reporting period using: Level 1 $'000	Level 2 $'000	Level 3 $'000
Specialised land	4.1(a)	2,658	-	-	2,658
Total land at fair value		**2,658**	**-**	**-**	**2,658**
Specialised buildings	4.1(a)	21,131	-	-	21,131
Total buildings at fair value		**21,131**	**-**	**-**	**21,131**
Plant and equipment	4.1(a)	4,280	-	-	4,280
Motor vehicles	4.1(a)	39	-	-	39
Total plant and equipment at fair value		**4,319**	**-**	**-**	**4,319**
Right of use assets	4.2(a)	174	-	-	174
Total right of use assets		174	-	-	174
Total non-financial physical assets at fair value		**28,282**	**-**	**-**	**28,282**

Note 7.4(a): Fair value determination of non-financial physical assets (continued)

	Note	Carrying Amount 30 June 2021 $'000	Fair value measurement at end of reporting period using: Level 1 $'000	Level 2 $'000	Level 3 $'000
Specialised land	4.1(a)	2,658	-	-	2,658
Total land at fair value		**2,658**	**-**	**-**	**2,658**
Specialised buildings	4.1(a)	19,679	-	-	19,679
Total buildings at fair value		**19,679**	**-**	**-**	**19,679**
Plant and equipment	4.1(a)	3,909	-	-	3,909
Motor vehicles	4.1(a)	24	-	-	24
Total plant and equipment at fair value		**3,933**	**-**	**-**	**3,933**
Right of use assets	4.2(a)	138	-	-	138
Total right of use assets		138	-	-	138
Total non-financial physical assets at fair value		**26,408**	**-**	**-**	**26,408**

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.

Kilmore District Health has assumed the current use of a non-financial physical asset is its highest and best use unless market or other factors suggest that a different use by market participants would maximise the value of the asset.

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

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, Kilmore District Health held Crown Land. The nature of this asset means that there are certain limitations and restrictions imposed on its use and/or disposal that may impact their fair value.

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

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

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

An independent valuation of Kilmore District Health's specialised land and specialised buildings was performed by the Valuer-General Victoria. The effective date of the valuation is 30 June 2023.

Note 7.4(a): Fair value determination of non-financial physical assets (continued)

Vehicles

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

Furniture, fittings, plant and equipment

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

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

Reconciliation of level 3 fair value measurement

	Crown Land	Buildings	Plant & Equipment	Motor Vehicles	Right of use Assets Motor Vehicles
	$'000	$'000	$'000	$'000	$'000
Balance at 1 July 2021	1,251	21,452	3,156	28	173
Additions	-	3	1,291	-	-
Disposals	-	-	(16)	-	-
Revaluation Increments/(Decrements)	1,407	-	-	-	-
Depreciation expense (note 4.4)	-	(1,776)	(522)	(4)	(35)
Balance at 30 June 2022	**2,658**	**19,679**	**3,909**	**24**	**138**
Additions	-	-	997	20	105
Disposals	-	-	-	-	(30)
Revaluation Increments/(Decrements)	-	3,240	-	-	-
Depreciation expense (note 4.4)	-	(1,788)	(689)	(5)	(39)
Balance at 30 June 2023	**2,658**	**21,131**	**4,217**	**39**	**174**

Reconciliation 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 (a)
Specialised buildings	Current replacement cost approach	- Cost per square metre - Useful life
Dwellings	Current replacement cost approach	- Cost per square metre - Useful life
Vehicles	Current replacement cost approach	- Cost per unit - Useful life
Plant and equipment	Current replacement cost approach	- Cost per square metre - Useful life
Infrastructure	Current replacement cost approach	- Cost per square metre - Useful life

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 disclosures
8.3 Remuneration of executives
8.4 Related parties
8.5 Remuneration of auditors
8.6 Events occurring after the balance sheet date
8.7 Joint arrangements
8.8 Equity
8.9 Economic Dependency

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

	Note	Total 2023 $'000	Total 2022 $'000
Net result for the Year		(1,188)	(710)
Non-cash movements:			
Net (Gain)/Loss from Disposal of Plant and Equipment		-	16
Depreciation and amortisation		2,524	2,344
Hume Rural Health Alliance		(47)	(1)
Provision for doubtful debts	5.1(a)	7	7
Assets received free of charge		(40)	(183)
Movements in Assets and Liabilities:			
Change in Operating assets & liabilities			
(Increase)/Decrease in receivables		1,949	(2,249)
(Increase)/Decrease in other assets		(32)	-
Increase/(Decrease) in payables		(131)	1,292
Increase/(Decrease) in monies in trust		(40)	214
Increase/(Decrease) in employee benefits		494	410
(Increase)/Decrease in inventories		71	(88)
Net cash inflow from operating activities		**3,567**	**1,052**

Note 8.2: Responsible Persons Disclosures

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

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

	Period		
The Honourable Mary-Anne Thomas MP:			
Minister for Health	1 July 2022	-	30 June 2023
Minister for Health Infrastructure	5 December 2022	-	30 June 2023
Minister for Medical Research	5 December 2022	-	30 June 2023
Former Minister for Ambulance Services	1 July 2022	-	5 December 2023
The Honourable Gabrielle Williams MP:			
Minister for Mental Health	1 July 2022	-	30 June 2023
Minister for Ambulance Services	5 December 2022	-	30 June 2023
The Honourable Lizzy Blandthorn MP:			
Minister for Disability, Ageing and Carers	5 December 2022	-	30 June 2023
The Honourable Colin Brooks MP:			
Former Minister for Disability, Ageing and Carers	1 July 2022	-	5 December 2023
Governing Boards			
G. Leach (Chairperson)	1 July 2022	-	30 June 2023
K. Harris (Resigned)	1 July 2022	-	27 October 2022
W. Kelly	1 July 2022	-	30 June 2023
B. Ling	1 July 2022	-	30 June 2023
S. Koshy (Deceased)	1 July 2022	-	21 February 2023
J. Mazzeo	1 July 2022	-	30 June 2023
B. Schade	1 July 2022	-	30 June 2023
L. Falvey	1 July 2022	-	30 June 2023
G. Thomson	1 July 2022	-	30 June 2023
K. See	1 July 2022	-	30 June 2023
Accountable Officer			
A. Naresh (Chief Executive Officer) Resigned	1 July 2022		25 January 2023
J. Gilham (Acting Chief Executive Officer)	25 January 2023		30 June 2023

Remuneration of Responsible Persons

The number of responsible persons are shown in their relevant income bands:

Income Band	Total 2022 No.	Total 2021 No.
$0 - $9,999	10	10
$10,000 - $19,999	-	1
$80,000 - $89,999	1	-
$90,000 - $99,999	-	1
$110,000 - $119,999	-	1
$120,000 - $129,999	1	-
Total Numbers	12	13
Total remuneration received or due and receivable by Responsible Persons from the reporting entity amounted to:	**$236,123**	**$246,346**

Note 8.2: Responsible Persons Disclosures (continued)

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

Note 8.3: Remuneration of Executives

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

	Total Remuneration	
Remuneration of executive officers (Including Key Management Personnel disclosed in note 8.4)	**2023 $**	**2022 $**
Short-term employee benefits	839,221	629,760
Post-employment benefits	95,980	56,966
Other long-term benefits	24,750	18,623
Total remuneration (i)(ii)	**959,951**	**780,938**
Total number of executives	9	6
Total annualised employee equivilant (AEE) (ii)	4.34	3.60

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

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

Total remuneration payable to executives during the year included additional executive officers and a number of executives who received bonus payments during the year. These bonus payments depend on the terms of individual employment contracts.

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

Short-term Employee Benefits

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

Post-employment Benefits

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

Other Long-term Benefits

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

Note 8.4: Related Parties

Kilmore District Health is a wholly owned and controlled entity of the State of Victoria. Related parties of Kilmore District Health include:

- all key management personnel (KMP) and their close family members;
- Cabinet ministers (where applicable) and their close family members; and
- jointly controlled operations - A member of the Hume Rural Health Alliance and
- all health services and public sector entities that are controlled and consolidated into the whole of state consolidated financial statements.

KMPs are those people with the authority and responsibility for planning, directing and controlling the activities of Kilmore District Health and its controlled entities, directly or indirectly.

Key management personnel

The Board of Directors and the Executive Directors of the Hospital and it's controlled entities are deemed to be KMPs. This includes the following:

Entity	KMPs	Position Title
Kilmore District Health	G. Leach	Board Chair
Kilmore District Health	W. Kelly	Board Member
Kilmore District Health	B. Ling	Board Member
Kilmore District Health	K. See	Board Member
Kilmore District Health	J. Mazzeo	Board Member
Kilmore District Health	B. Schade	Board Member
Kilmore District Health	L. Falvey	Board Member
Kilmore District Health	K. Harris	Board Member
Kilmore District Health	G. Thomson	Board Member
Kilmore District Health	S. Koshy	Board Member
Kilmore District Health	A. Naresh	Chief Executive Officer
Kilmore District Health	J. Gilham	Acting Chief Executive Officer
Kilmore District Health	J. Gilham	Deputy Chief Executive Officer
Kilmore District Health	K. Gilchrist	Director of Development & Improvement
Kilmore District Health	R. van de Paverd	Director of Clinical & Aged Care Systems
Kilmore District Health	C. Clark	Director of Finance & Support Services
Kilmore District Health	K. Bishop	Director of People & Culture
Kilmore District Health	M. Forrester	Interim Director of People & Culture
Kilmore District Health	C. Miller	Director of Medical Services
Kilmore District Health	S. Bhagat	Director of Medical Services

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

Compensation - KMPs	2023 $'000	2022 $'000
Short term employee benefits (i)	1,045,626	853,541
Post-employment benefits	113,080	73,972
Other long-term benefits	37,368	24,182
Total	**1,525,218**	**951,695**

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

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

Note 8.4: Related Parties (continued)

Significant transactions with government-related entities

Kilmore District Health received funding from the Department of Health of $24.8 million (2022: $26.2 million).

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

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

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

Transactions with KMPs and Other Related Parties

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

Outside of normal citizen type transactions with Kilmore District Health, there were no related party transactions that involved key management personnel, their close family members and their personal business interests. No provision has been required, nor any expense recognised, for impairment of receivables from related parties. There were no related party transactions with Cabinet Ministers required to be disclosed in 2023 (2022: none).

There were no related party transactions required to be disclosed for Kilmore District Health Board of Directors, Chief Executive Officer and Executive Directors in 2023. (2022: none)

Note 8.5: Remuneration of auditors

	2023	2022
Victorian Auditor-General's Office	**$'000**	**$'000**
Audit of the financial statements	27	27
Total remuneration of auditors	27	27

Note 8.6: Events occurring after the balance sheet date

The Boards of Kilmore District Health and Northern Health have agreed to propose a voluntary amalgamation to form a new health service. The two boards collectively endorsed this proposal for the consideration of the Secretary of the Department of Health. An effective date for the amalgamation would be determined based on approval. If approved, the pro-forma net assets of the amalgamated entity would be approximately $605m with an annual turnover of approximately $1.150m.

Note 8.7: Joint arrangements

Name of Entity	Principal Activity	Ownership Interest 2023	Ownership Interest 2022
		%	%
Hume Rural Health Alliance	Information Systems	**5.4**	**5.3**

Kilmore District Health's interest in assets and liabilities in the above jointly controlled operations are detailed below. The amounts are included in the financial statements under their respective categories:

	2023 $'000	2022 $'000
Current assets		
Cash and cash equivalents	678	506
Receivables	77	47
Prepayments	17	11
Total current assets	**772**	**564**
Non-current assets		
Property, plant and equipment	6	6
Intagible assets	2	1
Lease asset	18	6
Total non-current	**26**	**13**
Total assets	**798**	**577**
Current liabilities		
Payables	289	87
Borrowings	3	1
PAS Monies In Trust	169	208
Total current liabilities	**461**	**296**
Non-current liabilities		
Borrowings	14	5
Total non-current liabilities	**14**	**5**
Total liabilities	**475**	**301**
Net assets	**323**	**276**
Equity		
Accumulated surpluses/(deficits)	323	276
Total equity	**323**	**276**

Note 8.7: Joint arrangements (continued)

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

Revenue and income from transactions	2023 $'000	2022 $'000
Operating Activities	360	345
Non-Operating Activities	18	1
Capital Purpose Income	12	19
Total revenue and income from transactions	**390**	**365**
Expenses from transactions		
Employee Benefits	140	117
Other Expenses From Continuing Operations	217	216
Capital Purpose Expenditure	32	18
Depreciation and Amortisation	12	12
Finance Charges	-	-
Total expenses from transactions	**401**	**363**
Net result from transactions	**(11)**	**2**

Contingent liabilities and capital commitments

There are no known contingent liabilities or capital commitments held by the jointly controlled operations at balance date.

Note 8.8: Equity

Contributed Capital

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

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

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

Note 8.9: Economic Dependency

Kilmore District Health is dependent on the Department of Health for the majority of its revenue used to operate Kilmore District Health. At the date of this report, the Board of Directors believes the Department of Health will continue to support Kilmore District Health.

KILMORE DISTRICT HEALTH
ABN 49 260 016 741

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