



28th Annual Report 2022 - 2023

Acknowledgement

We would like to acknowledge and extend our appreciation for the Dja Dja Wurrung People, the Traditional Owners of the land that we are standing on today.

Today, we pay our respects to leaders and Elder's past, present and emerging for they hold the memories, the traditions, the culture and the hopes of all Dja Dja Wurrung People.

We express our gratitude in the sharing of this land, our sorrow for the personal, spiritual and cultural costs of that sharing and our hope that we may walk forward together in harmony and in the spirit of healing.



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Ingleswood and Districts Health Service

3 Hospital Street, Ingleswood VIC 3517

Mail: PO Box 135, Ingleswood VIC 3517

Phone: (03) 5431 7000 **Fax:** (03) 5431 7004

Email: admin@idhs.vic.gov.au

idhs.vic.gov.au

ABN 59 289 296 57



Cover:

About Inglewood and Districts Health Service

Inglewood & Districts Health Service (IDHS) is situated in the Loddon Shire, approximately 45 kilometres from Bendigo with its catchment area including the southern half of the Loddon Shire. IDHS serves a population of approximately 5,000 people. The hospital and residential aged care service is located in Inglewood, with community-based services also delivered in Wedderburn, Bridgewater, Serpentine, Tarnagulla and Korong Vale.

IDHS was formed on 1 January 1996 by the amalgamation of The Inglewood Hospital, first opened in 1863 and the Inglewood and Districts Community Health Centre Inc, formed in 1977. Inglewood & Districts Health Service is established under Section 13 of the Health Services Act 1988 providing a broad range of services that includes acute, residential aged and primary care services (as well as home nursing) to our catchment population.

Services available at IDHS

Community and Allied Health Services

Bed Based Services

- Acute Care
- Urgent Care
- Residential Care
- Respite Care
- Counselling
- Transitional Care Program
- Palliative Care

Community and Allied Health Services

- Community Nursing/ Chronic Disease Nurse
- Counselling / Social Work
- Diabetes Education
- District Nurse Services
- Group Fitness
- Health Promotion
- Mental Health
- Alcohol and Other Drugs Counselling
- Cardio Pulmonary Rehabilitation
- Physiotherapy
- Occupational Therapy
- Speech Pathology
- Exercise Physiology
- Social Support Programs Group and individual
- Volunteer Coordination

Responsible Ministers for the Reporting Period

Minister for Health:

The Hon Mary-Anne Thomas
From 1 July 2022 to 30 June 2023

Minister for Ambulance Services:

The Hon Mary-Anne Thomas
From 1 July 2022 to 5 December 2022

The Hon. Gabrielle Williams
From 5 December 2022 to 30 June 2023

Minister for Mental Health:

The Hon. Gabrielle Williams
From 1 July 2022 to 30 June 2023

Minister for Disability, Ageing and Carers:

The Hon. Colin Brooks
From 1 July 2022 to 5 December 2022

The Hon. Lizzie Blandthorn
From 5 December 2022 to 30 June 2023

Mission Statement
 Providing quality health services, supporting and enhancing community wellbeing.

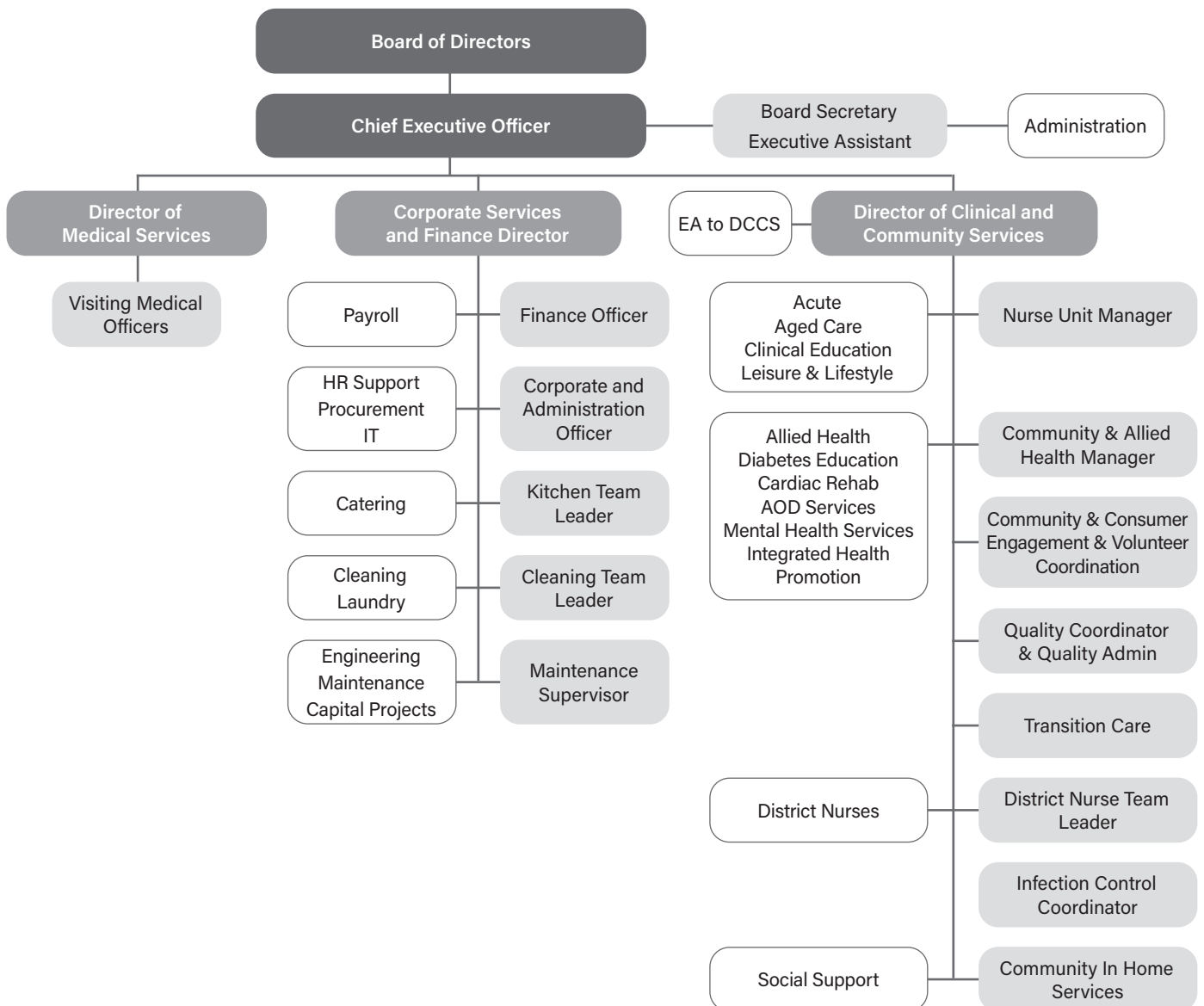
Vision
 Excellence in health care now and the future

Values
 Care Respect Choice Equality

Purpose – Delivering Better Care



Organisational Structure



Board Chair and CEO Report – Year in review

On behalf of the Board Chair and Chief Executive Officer in accordance with the Financial Management Act 1994, we are pleased to present the Report of Operations for Inglewood and Districts Health Service (IDHS) for the year ending 30 June 2023.

I would like to acknowledge the commitment of the entire Inglewood and Districts Health Service team for their ability and willingness to continue to respond to an everchanging environment. Our team continues to deliver excellence in healthcare despite the challenges that they face.

IDHS has completed the second year of our strategic plan, Delivering Better Care 2021-2024. We have made significant strides in assuring we meet our strategic objectives. IDHS ensures our strategic objective of Delivering Better Care is guided by our strategic pillars of Our Care, Our Team, Our Partnerships and Our Sustainability

Our Care

Inglewood and Districts Health Services continues to invest and expand our services into our community. We have seen significant growth in our community service programs, inclusive of support for managing chronic health conditions. The Loddon Shire experiences some of the state's highest levels of chronic disease including heart disease, chronic respiratory conditions, and diabetes. Our catchment has unique demographic features and challenges that contribute to poor health outcomes. We have an aging population that has a higher than the state average rate of disadvantage, We also have higher rates of risk taking behaviour through substance use and higher than state average smoking rates.

Inglewood and Districts Health Services acknowledge we have significant barriers to achieve our strategic objective of Delivering Better Care. Therefore we have expanded our community services programs to ensure that we meet the current and future needs of our community with significant investment into preventative health.

Over the past year, Inglewood and Districts Health Service has expanded our Allied Health Clinical hours with an increase in services relating to Physiotherapy, Occupational Therapy, Exercise Physiology, Diabetes Education, Mental Health and Chronic Disease management through our Cardio Pulmonary Education Programs.

Our Bed Based Services comprising of thirty five aged care beds have continued to maintain high occupancy levels of 93%.

Inglewood and Districts Health Service also offers a vibrant, comprehensive transitional care program through both its acute and community services. We achieved combined occupancy levels of 110% throughout the year with allied health support for community transitional care.

Inglewood and Districts Health Service provides support to our community through our urgent care service. We have enhanced our partnerships with Ambulance Victoria to increase presentations locally. We have invested in providing greater education to our nursing staff. We continue to work closely with our local GPs and also utilise the Victorian Virtual Emergency Department.

In March 2023 Inglewood and Districts Health Service achieved full accreditation for our acute service through the Australian Council of Healthcare Standards. Inglewood and Districts Health Service also achieved full accreditation through the Aged Care Quality Standards for both our Nursing Home and Hostel in May 2023.

Our Team

Inglewood and Districts Health Service strategic goal is to create and maintain opportunities to develop our people and to partner and empower our community. This investment will contribute to improving our overall health and wellbeing now and in the future.

Over the past five years we have had significant growth in our service delivery leading to an increase in our staffing profile by over 20%. Our organisational structure has evolved with the need to develop further reporting lines to ensure our standard of care is maintained. The implementation of roles such as the Manager of Allied and Community Health has been a recognition of the growth of our service. Throughout the past 12 months, Inglewood and Districts Health Service has succeeded in recruiting to all advertised roles with a high calibre of applications.

Inglewood and Districts Health Service have invested in our team by implementing various training and development programs over the past 12 months. Training Programs include:

- Positive Workplace Behaviour Training
- Leadership Training in partnership with Boort District Health
- Dementia training conducted by Dementia Australia
- Completion of The BIRCH Program (Dementia Australia).

Inglewood and Districts Health Service have reintroduced Student Placements through partnerships with RMIT and Bendigo Tafe for enrolled nursing placements, and Latrobe University for ambulance and allied health placements. We have also partnered with local schools within our region to provide structured work experience programs.

Our Team are our most valuable asset and I would like to acknowledge their commitment to delivering better care to our community.

Our Sustainability

Inglewood and Districts Health Service will provide facilities that integrate technology to support the provision of quality and connected care. Using our resources efficiently and effectively we will make strategic investments in infrastructure and technology, to enable access to innovative models of care and treatment options to improve customer experience.

Inglewood have again been successful in the delivery of major building projects including:

- Commencement of the Student Accommodation and Allied Health Precinct
- Commencement of the Aged Care Outdoor Environment Project
- Planning for Redevelopment of Acute Services
- Completion of LED light replacement
- Further Solar Panel installation.

Inglewood and Districts Health Service is committed to being a responsible steward of public funds. We ensure we are efficient and productive with our funding to deliver care within our means. Our goal is to remain sustainable in our current environment through looking for opportunities for growth in service delivery, while ensuring we are fiscally responsible.

Our Partnerships

Inglewood and Districts Health Service works together with our community and partners to deliver the health and community services our people need now and into the future. Our strong community links and history of working closely with our consumers brings a sense of belonging and a foundation for improving local health capabilities.

Inglewood and Districts Health Service continues to seek opportunities for improved service delivery through ongoing collaboration with our regional partners. IDHS has strengthened our commitment to Indigenous Health, Gender Equity, and Mental Health.

Our regional partnerships with our regional health sector colleague's remains extremely important. We are becoming increasingly cohesive as a health system. This can be attributed to ongoing and developing

partnerships that promote collaborative planning and sharing of service delivery.

Inglewood and Districts Health Service continues to participate as an active partner in delivering systemised care to rural Victorians.

Inglewood and Districts Health Service would like to acknowledge and thank our partners in the Loddon Mallee Health Network, Buloke Loddon, Gannawarra Health and Wellbeing Executive Network, Loddon Shire, Murray Primary Health Network, Ambulance Victoria the Department of Health, our local schools and community groups.

Inglewood and Districts Health Service would like to welcome and acknowledge Shan Welham and Kerry Hicks to our Board.

Shan has an extensive background in, telecommunications and networking technology, commercial and contract management, relationship building, management governance, risk management, negotiation and influencing as well as senior people leadership.

Kerrie's board strengths are governance, risk, and strategy, well complemented by her dedication to ethics, values, culture, and human potential. Kerrie is an accomplished leader, having served the community in the employ of Victoria Police since 2001, including holding diverse senior leadership positions. After more than twenty years of policing Kerrie is excited to have undertaken a new direction, establishing Gritential Pty Ltd and Gritential Coaching, extending the commitment of her service to the community to service to individuals and teams through coaching.

Inglewood and Districts Health Service acknowledges the significant contributions of Ian Marshall who completed his tenure as a Board Director on 30 June 2023. Ian has a strong connection to the local community which was highly valued by the Board and team at Inglewood and Districts Health Service during his directorship.

Inglewood and Districts Health Service would also like to acknowledge and thank the many individuals and groups that place their trust in us to provide care. I would like to acknowledge our dedicated Team who strive to achieve the IDHS Vision of excellence in health care now and in the future.



**Robert Chamberlain,
Board Chair**



**Dallas Coghill,
Chief Executive Officer**

Inglewood and Districts Health Service Board of Directors



Robert Chamberlain

Board Chair

Appointed 1 July 2019

Occupation and Qualifications

Lawyer

- Bachelor of Laws
- Bachelor of Business
- Graduate Diploma of Legal Practice
- Graduate Certificate in Public Sector Management
- AICD Company Directors Course



Sue Hurly

Board Director

Appointed 1 July 2020

Occupation and Qualifications

Change

Consultant and Human Resources Manager

- Master of Business Administration
- Bachelor of Science
- AICD Company Directors Course



Ann Marie Davis

Board Director

Appointed 1 July 2021

Occupation and Qualifications

Disability Service CEO

- Masters Business Administration
- Diploma Community Sector Management
- Advanced Diploma of Community Services Management
- Advanced Diploma of Disability Work



Dr Con Georgakas

Board Director

Appointed 1 July 2020

Occupation and Qualifications

Emergency Physician

- Bachelor of Medicine and Bachelor of Surgery
- Fellow of the Australasian College for Emergency Medicine
- AICD Company Directors Course



Kerrie Hicks

Board Director

Appointed

30 August 2022

Occupation and Qualifications

Leadership Coach

- Bachelor of Arts
- Graduate Diploma of Business
- AICD Company Directors Course



Ian Marshall

Board Director

Appointed 1 July 2017

Occupation and Qualifications

Retired Business Executive

with extensive experience of:

- Business Development
- Management
- Marketing
- Project and Design



Dr Jolene Morse

Board Director

Appointed 1 July 2020

Occupation and Qualifications

Risk and Finance Professional

- Doctrine of Business Administration
- Graduate Diploma in Applied Finance
- Masters in Business Management
- Certificate in Project Management



Robert Porter

Board Director

Appointed 1 July 2018

Occupation and Qualifications

Manager of Reporting, Performance Planning and Budgeting

- Masters of Business Administration
- Bachelor of Nursing
- Critical care Certificate



Shan Welham

Board Director

Appointed

22 August 2022

Occupation and Qualifications

Technology and Business Leader

- Contract & Commercial Management
- Advanced Practitioner
- Masters of Business Administration
- AICD Company Directors Course



Greg Westbrook

Board Director

Appointed 1 July 2018

Occupation and Qualifications

Lawyer

- Bachelor of Laws
- Bachelor of Legal Studies

Board Committees

Audit and Risk Committee

- Jolene Morse, Chair (Chair)
- Robert Chamberlain (Board Chair)
- Robert Porter (Board Director)
- Ian Marshall (Board Director)
- Greg Westbrook (Board Director)

Clinical Governance Committee

- Robert Porter, Chair (Board Director)
- Con Georgakas (Board Director)
- Kerrie Hicks (Board Director)
- Sue Hurly (Board Director)
- Jolene Morse (Board Director)
- Shan Welham (Board Director)
- Greg Westbrook (Board Director)

Community Engagement Committee

- Ian Marshall, Chair (Board Director)
- Anne- Maree Davis (Board Director)
- Kerrie Hicks (Board Director)
- Shan Welham (Board Director)

Project Control Group

- David Rolland (Chair)
- Robert Chamberlain (Board Chair)
- Ian Marshall, Chair (Board Director)
- Anne- Maree Davis (Board Director)

Auditors

External Auditor

RSD Chartered Accountants
(as agents of Auditor General of Vic.)

Internal Auditor

AFS & Associates Pty Ltd. Bendigo

Community Representatives

- David Rolland, Chair, Project Control Group
- Kevin Stewart, Audit and Risk Committee
- Lorraine Jackson, Audit and Risk Committee
- Graham Morse, Community Engagement Committee
- Paul Davis, Community Engagement Committee
(Retired September 2022)
- Colleen Condliffe, Community Engagement Committee
- Robyn Vella, Community Engagement Committee

Key Personnel as at June 30, 2023



Dallas Coghill
Chief Executive Officer

Commenced
20 December 2021
(*Director of Clinical
and Community
Services July-
December 2021*)



April McKenzie
Director of Clinical
and Community
Services

Commenced
21 February 2021



Aaron Baker
Director of
Finance and
Corporate
Services

Commenced
14 February 2021



Dr. Craig Winter
Director of
Medical Services

Visiting Medical Officers

- Dr Shak Issa
- Dr Hadi Rafi

Workforce Data

Hospitals labour category	JUNE current month FTE*		Average Monthly FTE**	
	2022	2023	2022	2023
Nursing	25.83	28.76	27.3	29.61
Administration and Clerical	6.2	10.97	6.83	10.59
Medical Support	8.65	7.38	8.92	8.51
Hotel and Allied Services	14.62	11.65	12.94	12.98
Medical Officers	0.05	0.00	0.10	0.00
Hospital Medical Officers	0	0.00	0	0.00
Sessional Clinicians	0	0.00	0	0.00
Ancillary Staff (Allied Health)	8.45	9.43	9.95	8.21
Total	63.8	68.19	65.36	69.9

Occupational Health and Safety

Occupational Health and Safety Statistics	2020-2021	2021-2022	2022-2023
The number of reported hazards/incidents for the year per 100 FTE	10	17	40
The number of 'lost time' standard WorkCover claims for the year per 100 FTE	0.82	0.76	12
The average cost per WorkCover claim for the year ('000)	\$10.5	\$5	\$19

Occupational Violence

Occupational violence statistics	2022-2023
Workcover accepted claims with an occupational violence cause per 100 FTE	1.43
Number of accepted Workcover claims with lost time injury with an occupational violence cause per 1,000,000 hours worked.	7.84
Number of occupational violence incidents reported	35
Number of occupational violence incidents reported per 100 FTE	48.64
Percentage of occupational violence incidents resulting in a staff injury, illness or condition	3.03

Financial Information

	2023 \$000	2022 \$000	2021 \$000	2020 \$000	2019 \$000
OPERATING RESULT*	(36,467)	49,723	141,057	(79,093)	22,452
Total revenue	11,978,745	10,072,439	8,836,433	8,225,639	8,167,596
Total expenses	(11,998,019)	(10,629,053)	(9,595,085)	(9,122,188)	(8,534,096)
Net result from transactions	(19,274)	(556,614)	(758,652)	(896,549)	(366,500)
Total other economic flows	8,928	29,718	119,283	2,916	(47,702)
Net result	(10,346)	(526,896)	(639,369)	(893,633)	(409,202)
Total assets	22,025,392	20,847,705	18,116,016	18,678,366	17,542,450
Total liabilities	8,725,971	7,537,938	6,507,837	6,535,005	4,307,456
Net assets/Total equity	13,299,421	13,309,767	11,608,179	12,143,361	13,234,994

Significant Changes in Financial Position

Cash increased by \$923k as a result of an increase in funding which was due to sustainability funding as well as commonwealth grants increasing due to the introduction of a new funding model for residential aged care. There was a positive net movement of over 320k for accommodation bond deposits held.

Receivables have increased due to a large increase in the share of receivables from our joint arrangement, also GST receivable increased due to credits claimed for multiple capital payments. Payables increased as a result of deferred capital grant income & the share of payables from our joint arrangement increasing. Other liabilities increased due to the positive net movement of over 320k for accommodation bond deposits held.

Reconciliation between the Net result from transactions to the Statement of Priorities Operating Result

	2022-2023 (\$000)
Operating result	(36,467)
Capital purpose income	1,089,864
Expenditure for capital purpose	(3,200)
Depreciation and amortisation	(1,069,471)
Net result from transactions	(19,274)

Performance against Operational and Budgetary Objectives

Inglewood & Districts Health Service recorded an operating deficit of \$36k compared to our agreed SoP result of \$250k deficit which was \$214k better than budget. Revenue factors include \$271k in sustainability funding being received in June, while commonwealth revenue performed better than budget as a result of the introduction of the new AN-ACC funding model, investment interest also performed better than budget due to increases in interest rates. Expenditure factors include personnel costs majorly impacted by sick leave & overtime. While administrative costs were over budget due to consulting costs & internal audit fees reporting over budget.

Significant events occurring after balance date – There has been no significant events occurring after balance date.

Consultancies information

Details of consultancies (under \$10,000)

In 2022-2023, there were zero consultancies where the total fees payable to the consultants were less than \$10,000. The total expenditure incurred during 2022-2023 in relation to these consultancies is \$0 (excl. GST).

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

In 2022-2023, there was 1 consultancy where the total fees payable to the consultants were \$10,000 or greater. The total expenditure incurred during 2022-2023 in relation to these consultancies is \$39,000 (excl. GST). Details of these consultancies can be viewed below.

Consultant	Purpose of consultancy	Start date	End date	Total approved project fee (excluding GST)	Expenditure 2022-2023 (excluding GST)	Future expenditure (excluding GST)
The Writing Room	Service Review Report for Primary Health and Community Care Services	1 November 2022	1 June 2023	\$39,000	\$39,000	\$0

Information and Communication Technology (ICT) Expenditure

Business as Usual (BAU) ICT expenditure	Non-Business as Usual (non-BAU) ICT expenditure		
	Total=Operational expenditure and Capital Expenditure (excluding GST) (a) + (b)	Operational expenditure (excluding GST) (a)	Capital expenditure (excluding GST) (b)
\$330,434	\$0	\$0	\$0

Disclosures

Freedom of Information Act 1982

All Freedom of Information requests are to be addressed to the Inglewood and Districts Health Service Chief Executive Officer. The public may seek access to any documents and records held by Inglewood and Districts Health Service by making a written request to the Freedom of Information Manager. The application fee for making a request for access under section 17 of the Freedom of information Act is \$31.80.

During the reporting period Inglewood & Districts Health Service received 1 request for information which related to personal documents.

More information about Freedom of information can be found at the Office of the Victorian Information Commissioner Website www.ovic.vic.gov.au

Building Act 1993

Inglewood & Districts Health Service ensures that all buildings, plant, and equipment in its control are maintained and operated according to the statutory requirements of the Building Act 1993 and the Minister for Finance Guideline Building Act 1993 Standards for Publicly Owned Buildings November 1994. Inglewood and Districts Health Service is compliant with the Department of Health and Human Services Fire Risk Management Guidelines.

Public Interest Disclosures Act 2012

Inglewood & Districts Health Service is committed to the aims and objectives of the Public Interest Disclosures Act 2012 and does not tolerate improper conduct by its employees, officers or directors, nor the taking of reprisals against those who come forward to disclose such conduct.

Under the Act, Inglewood and Districts Health Service has a policy and protocol in place, consistent with the Act, that supports staff in making disclosures that reveal misconduct or corruption within the organisation and in public health services in Victoria.

Inglewood and Districts Health Service received no notifications during the 2022/23 financial year.

Statement on National Competition Policy

Inglewood & Districts Health Service supports and complies with the Victorian Government's Competitive Neutrality Policy neutral costing and pricing arrangement to significant business units within its operations. These arrangements are in line with the Government policy and the model principles applicable to the health sector.

Carers Recognition Act 2012

Inglewood & Districts Health Service is an agency subject to the Carer's Recognition Act 2012. The Carer's Recognition Act 2012 formally recognises and values the role of carers and the importance of care relationships in the Victorian community. The Act includes a set of principles about the significance of care relationships, and specifies obligations for State Government agencies, Local Councils and other organisations that interact with people in care relationships.

There were no disclosures in 2022-2023.

Inglewood & Districts Health Service has:

- Taken all practical measures to comply with its obligations under the Act
- Promoted the principles of the Act to people in care relationships receiving our services and to the broader community.

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 a senior officer as nominee or held beneficially in a statutory authority or subsidiary;
- details of publications produced by the entity about itself, and how these can be obtained;
- details of changes in prices, fees, charges, rates and levies charged by the entity;
- details of any major external reviews carried out on the entity;
- details of major research and development activities undertaken by the entity;
- 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 the entity and its services;
- details of assessments and measures undertaken to improve the occupational health and safety of employees;
- a general statement on industrial relations within the entity and details of time lost through industrial accidents and disputes;
- a list of major committees sponsored by the entity, the purposes of each committee and the extent to which the purposes have been achieved; and
- details of all consultancies and contractors including:
 - consultants/contractors engaged;
 - services provided; and
 - expenditure committed to for each engagement.

Local Jobs First Act 2023

Inglewood & Districts Health Service acknowledges it is required to abide by the principles of the Victorian Industry Participation Policy Act 2003 (VIPPA). In 2021/22 there were no projects commenced to which the VIPPA applies. To ensure that all requirements are in place that assures compliance to the VIPPA policy requirements, Inglewood & Districts Health Service District has:

Delegated the Inglewood & Districts Health Service Procurement Team the responsibility for Registration of future projects requiring ICN registration.

VIPPA requirements and statements are incorporated as part of our RFT documents.

Inglewood & Districts Health Service has a nominated VIPPA Authorised Administrator to ensure future Projects over \$1 million are appropriately captured and compliant with VIPPA guidelines and requirements.

Gender Equality Act 2020

Inglewood and Districts Health Services is dedicated to creating an inclusive workplace that challenges assumptions and removes barriers to ensure equitable outcomes, regardless of gender, and that reflects the diversity of our local community.

Our Gender Equality Action Plan 2022-2025 has been developed and lodged in accordance with the Gender Equality Act 2020, demonstrating our commitment to removing gender bias and improving gender representation from traditionally disadvantaged groups through inclusion and diversity.

1. Gender diversity targets for the health service's governing body were achieved in August 2022
2. Inglewood & Districts Health Service Health Promotion and Community Engagement Officers are actively involved in the Community and participate in any committees that promote inclusion and diversity.
3. Inglewood & Districts Health Service Leadership team have established establish key performance indicators for success and employee satisfaction in this area will be measured through employee opinion surveys.

Inglewood and Districts Health Service Financial Management Compliance Attestation Statement

I, Robert Chamberlain, on behalf of the Responsible Body, certify that Inglewood and Districts Health Service has no Material Compliance Deficiency with respect to the applicable Standing Directions under the Financial Management Act 1994 and Instructions.



Robert Chamberlain, Board Chair

Inglewood and Districts Health Service
04/09/2023

Integrity, Fraud and Corruption Declaration

I, Dallas Coghill, certify that Inglewood and Districts Health Service has put in place appropriate internal controls and processes to ensure that Integrity, fraud and corruption risks have been reviewed and addressed at Inglewood and Districts Health Service during the year.



Dallas Coghill, Chief Executive Officer

Inglewood and Districts Health Service
04/09/2023

Data Integrity Declaration

I, Dallas Coghill, certify that Inglewood and Districts Health Service has put in place appropriate internal controls and processes to ensure that reported data accurately reflects actual performance. Inglewood and Districts Health Service has critically reviewed these controls and processes during the year.



Dallas Coghill, Chief Executive Officer

Inglewood and Districts Health Service
04/09/2023

Compliance with Health Share Victoria (HSV) Purchasing Policies

I, Dallas Coghill, certify that Inglewood and Districts Health Service 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.



Dallas Coghill, Chief Executive Officer

Inglewood and Districts Health Service
04/09/2023

Conflict of Interest Declaration

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



Dallas Coghill, Chief Executive Officer

Inglewood and Districts Health Service
04/09/2023

Safe Patient Care Act 2015

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

Environmental Performance

Electricity production and consumption			
Indicator	2020/21	2021/22	2022/23
EL1 - Total electricity consumption segmented by source [MWh]			
Purchased	214.04	239.34	270.74
Self-Generated			97.52
Total electricity consumption	214.04	239.34	368.26
EL2 - On-site electricity generated segmented by usage and source [MWh]			
Solar consumption behind the meter	-	-	97.52
Solar exported	-	-	0.00
Total on site-electricity generated	-	-	97.52
EL3 - On-site installed generation capacity segmented by source [MW]			
Diesel Generator	0.18	0.18	0.18
Solar	0.06	0.06	0.09
Total On-site installed generation capacity	0.24	0.24	0.27
EL4 - Total electricity offsets segmented by offset type [MWh]			
LGCs voluntarily retired on the entity's behalf	-	-	-
Green Power	-	-	-
RPP (Renewable Power Percentage in the grid)	40.52	44.49	50.90
Certified climate active carbon neutral electricity purchased	-	-	-
Total electricity offsets	40.52	44.49	50.90
Stationary fuel use: e.g. natural gas, LPG, diesel, petrol			
Indicator	2020/21	2021/22	2022/23
F1 - Total fuels used in buildings and machinery segmented by fuel type [MJ]			
Natural gas	1,860,988.40	1,441,682.60	676,917
F2 - Greenhouse gas emissions from stationary fuel consumption segmented by fuel type (tonnes CO2-e)			
Natural gas	112.78	87.37	41.63

Transportation			
Indicator	2020/21	2021/22	2022/23
T1 - Total energy used in transportation within the entity segmented by fuel type and vehicle category (in megajoules or megawatt-hours)			
Non-executive fleet - Gasoline			
Petrol	339,496.50	134,775.20	23,064.80
Non-executive fleet - E10			
Petrol (E10)	-	-	-
Non-executive fleet - Diesel			
Diesel	-	-	24 396.00
Total energy used in transportation (vehicle fleet) [MJ]	339,496.50	134,775.20	23,064.80
T2 - Number and proportion of vehicles in the organisational boundary segmented by engine/fuel type and vehicle category			
Petrol	3	3	3
Diesel			1
Hybrid	5	5	5
Total	8	8	9
T3 - Greenhouse gas emissions from vehicle fleet segmented by fuel type and vehicle category [tonnes CO₂-e]			
Non-executive fleet - Gasoline			
Petrol	22.96	9.11	1.56
Non-executive fleet - E10			
Petrol (E10)	-	-	-
Non-executive fleet - Diesel			
Diesel	-	-	-
Total Greenhouse gas emissions from transportation (vehicle fleet)	22.96	9.11	1.56
T4 - Total distance travelled by commercial air travel (passenger kilometres)			
	0	0	0

Total energy use			
Indicator	2020/21	2021/22	2022/23
E1 - Total energy usage from fuels	2,200,484.90	1,576,457.80	23,064.80
E2 - Total energy usage from electricity	770,551.28	861,616.71	23,064.80
E3 - Total energy usage segmented into renewable and non-renewable sources			
Renewable	145,865.32	160,174.53	848,604.61
Non-renewable (E1 + E2 - E3 Renewable)	2,825,170.86	2,277,899.98	500,190.91
Total energy usage segmented by renewable and non-renewable sources [MJ]	2,971,036.18	2,438,074.51	1,348,795.52
E4 - Units of energy used normalised by FTE, headcount, floor area, or other entity or sector specific quantity			
Energy per unit of Aged Care OBD [MJ/Aged Care OBD]	219.62	189.63	126.34
Energy per FTE [MJ/FTE]	3,417.58	3,046.69	1,854.17
Energy per unit of Separations [MJ/Separations]	36,549.16	35,435.37	23,673.76
Energy per unit of floor space [MJ/m ²]	796.47	697.12	401.25

Sustainable buildings and infrastructure

The entity did not acquire newly completed entity-owned buildings or hold office leases during the reporting period.

Sustainable procurement

The entity's procurement activities are environmentally responsible & consistent with the environmental impact in procurement with the transition of all fleet vehicles from fuel vehicles to hybrid vehicles underway, maximizing recyclable/recovered content and conserving energy and water.

No data is available regarding the percentage and description of goods contracts that use recycled content, remanufactured/refurbished material content & repurposed or reused materials.

Water consumption			
Indicator	2020/21	2021/22	2022/23
W1 - Total units of metered water consumed by water source			
Potable water [kL]	4,685.14	6,204.21	6,961.81
W2 - Units of metered water consumed normalised by FTE, headcount, floor area, or other entity or sector specific quantity			
Water per unit of Aged Care OBD [kL/Aged Care OBD]	0.39	0.51	0.66
Water per unit of FTE [kL/FTE]	6.08	8.21	9.74
Water per unit of Separations [kL/Separations]	65.07	95.45	124.32
Water per unit of floor space [kL/m ²]	1.42	1.88	2.11

Waste and recycling			
Indicator	2020/21	2021/22	2022/23
WR1 - Total units of waste disposed of by waste stream and disposal method [kg]			
Landfill (total)			
General waste	20,358.00	20,749.50	20,749.50
Offsite treatment			
Clinical waste - incinerated	28.10	287.50	74.00
Clinical waste - sharps	49.93	55.19	51.37
Clinical waste - treated	263.40	295.20	715.40
Recycling/recovery (disposal)			
Cardboard	6,435.00	6,435.00	6,435.00
Grease traps	2,400.00	2,400.00	2,400.00
Paper (confidential)	6960.00	6960.00	6960.00
Total units of waste disposed [kg]	27,134.43	27,822.39	28,025.27
WR1 Total units of waste disposed of by waste stream and disposal method [%]			
Landfill (total)			
General waste	75.03%	74.58%	74.04%
Offsite treatment			
Clinical waste - incinerated	0.10%	1.03%	0.26%
Clinical waste - sharps	0.18%	0.20%	0.18%
Clinical waste - treated	0.97%	1.06%	2.55%
Recycling/recovery (disposal)			
Cardboard	23.72%	23.13%	22.96%
Grease traps	-	-	-
Paper (confidential)	100%	100%	100%
WR3 - Total units of waste disposed normalised by FTE, headcount, floor area, or other entity or sector specific quantity, by disposal method			
Total waste to landfill per PPT [(kg general waste)/PPT]	1.59	1.60	1.84
Total waste to offsite treatment per PPT [(kg offsite treatment)/PPT]	0.03	0.05	0.07
Total waste recycled and reused per PPT [(kg recycled and reused)/PPT]	0.50	0.50	0.57
WR4 - Recycling rate			
Weight of recyclable and organic materials [kg]	6,435.00	6,435.00	6,435.00
Weight of total waste [kg]	27,134.43	27,822.39	27,822.39
Recycling rate [%]	23.72%	23.13%	23.13%
WR5 - Greenhouse gas emissions associated with waste disposal			
tonnes CO2-e	26.90	27.68	28.04

Greenhouse gas emissions			
Indicator	2020/21	2021/22	2022/23
G1 - Total scope one (direct) greenhouse gas emissions			
Carbon Dioxide	134.91	95.87	1.55
Methane	0.38	0.29	0.00
Nitrous Oxide	0.44	0.32	0.00
Total	135.73	96.48	1.56
Scope 1 GHG emissions from stationary fuel (F2 Scope 1) [tonnes CO ₂ -e]	112.78	87.37	
Scope 1 GHG emissions from vehicle fleet (T3 Scope 1) [tonnes CO ₂ -e]	22.96	9.11	1.56
Medical/Refrigerant gases			
Total scope one (direct) greenhouse gas emissions [tonnes CO₂e]	135.73	96.48	1.56
G2 - Total scope two (indirect electricity) greenhouse gas emissions			
Electricity	166.93	174.78	185.98
*G3 - Total scope three (other indirect) greenhouse gas emissions associated with commercial air travel and waste disposal			
Commercial air travel	-	-	-
Waste emissions (WR5)	-	-	-
Indirect emissions from Stationary Energy	-	-	-
Indirect emissions from Transport Energy	-	-	-
Paper emissions	-	-	-
Any other Scope 3 emissions	-	-	-
Total scope three greenhouse gas emissions [tonnes CO₂e]	-	-	-

* not applicable to IDHS

Statement of Priorities Part A

Keep people healthy and safe in the community

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.
- IDHS continues to monitor/screen for COVID-19 as an organisation we remain prepared for any response to an outbreak.
- IDHS through the guidance of the DCCS and the clinical team ensure compliance through usage of PPE and ensure compliance to vaccination guidelines.

Care closer to home

Delivering more care in the home or virtually

- Increase the provision of home-based or virtual care, where appropriate and preferred, by the patient, including via the Better at Home program.
- IDHS has commenced our Home – Based services through our new in home programs.
- IDHS, through our partnership with Bendigo Health providing support for the Better at Home Program.
- IDHS commenced virtual home monitoring for vulnerable clients with COVID.
- IDHS are looking at opportunities to expand this program for clients with Chronic illness

Keep improving care

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.
- IDHS continues to evolve our reporting to our Clinical Governance.
- The reporting is more robust and informative than past iterations.
- IDHS continually reviews our processes to ensure we are delivering appropriate levels of care for our service.
- IDHS Quality Improvement Committee and Occupational Health and Safety Committee have been reviewed and developed. IDHS committees all align with our strategic pillars to ensure we achieve our strategic objective of Delivering Better Care.

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
- Through the leadership of the Manager of Allied Health and Community Services, IDHS has created policies to align with the nutrition and quality of food standards. IDHS dietician and kitchen team leader have provided great insight into the implementation of the policies and plan.
- IDHS has reviewed our catering and nutrition
- IDHS is on track to have the standards implemented by December 2023

Keep improving care (continued)

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.
- IDHS are actively investigating opportunities to improve our waste management program through the implementation of a waste management working group.
- IDHS has finalised our LED light upgrade program
- IDHS has increased the number of Solar Panels throughout the service.

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.
- IDHS has met with the Health Infrastructure team in the Department to develop a greater understanding of the requirements of the Asset Management Accountability Framework.
- IDHS are reviewing and developing policies to ensure increased effectiveness in this area.

Improve Aboriginal health and wellbeing

Improve Aboriginal cultural safety

- Strengthen commitments to Aboriginal Victorians by addressing the gap in health outcomes by delivering culturally safe and responsive 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.
- IDHS CEO is currently engaged with the Loddon Mallee Health Network First Nations Cultural Advisor.
- This relationship will assist IDHS to create a culturally safe workplace and organisation.
- IDHS have commenced conversations with Weethunga Health Network regarding Cultural Safety education.
- This is an ongoing process to ensure that IDHS provides appropriate training for our staff to highlight the gaps in health outcomes for Aboriginal Victorians.
- IDHS is developing discharge processes for all clients inclusive of Aboriginal Victorians.

Moving from competition to collaboration:

Foster and Develop Local Partnerships

- Strengthen cross-service collaboration, including through active participation in health service partnerships² (HSP).
- 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.
- IDHS continues to work as a partner within the Loddon Mallee Health Network comprising of all public health services within the Loddon Mallee Region.
- The IDHS Director of Clinical and Community Services attends the Regional Executive Nursing Group.
- IDHS is a member of the Loddon Health Partnership
- IDHS is developing a greater partnership with Boort District Health providing comprehensive Allied Health services
- IDHS provides Mental Health services to East Wimmera Health Service

A stronger workforce

Improve workforce wellbeing

- Participate in the Occupational Violence and Aggression (OVA) training that will be implemented across the sector in 2022-23.
 - Support the implementation of the Strengthening Hospital Responses to Family Violence (SHRFV) initiative deliverables including health service alignment to MARAM, the Family Violence Multi-Agency Risk Assessment and Management framework.
 - Prioritise wellbeing of healthcare workers and implement local strategies to address key issues
- IDHS Nurse Unit Manager attended Occupational Violence and Aggression Conference.
 - IDHS implemented education relating to Positive Workplace and Dementia management focusing on OVA
 - The SHRFV continues to evolve as we have had a change in project leads for this program.
 - IDHS policies and procedures are compliant and further education is planned for 2023
 - IDHS continues to review our strategy regarding staff health and wellbeing.
 - IDHS have reinvigorated our staff health and wellbeing committee with thoughts around how our social committee can also be involved in staff health and wellbeing.
 - IDHS are celebrating significant days such as International Nurses Day, Aged Care Workers Day, RU OK day.
 - IDHS is also strengthening our partnership with our EAP provider to offer greater support and options for accessing that support.

Statement of Priorities Part B

High Quality and Safe Care

Key performance measure	Target	Result
Infection prevention and control		
Compliance with the Hand Hygiene Australia program	85%	87.9%
Percentage of healthcare workers immunised for influenza	92%	100%
Patient experience		
Percentage of patients who reported positive experience of their hospital stay Q1	95%	NA*
Percentage of patients who reported positive experience of their hospital stay Q1	95%	NA*
Percentage of patients who reported positive experience of their hospital stay Q1	95%	NA*
Percentage of patients who reported positive experience of their hospital stay Q1	95%	NA*

NA*- Less than 10 responses were received for the period due to the relative size of the Health Service

Strong Governance, Leadership and Culture

People Matters Survey

Key performance indicator	Target	Result
Organisational Culture		
People matter survey – Percentage of staff with an overall positive response to safety culture survey questions	62%	76%

Effective Financial Management

Key performance indicator	Target	Result
Operating result (\$m)	As agreed in SoP	(0.04)
Average number of days to paying trade creditors	60 days	35 days
Average number of days to receiving patient fee debtors	60 days	69 days
Adjusted current asset ratio	0.7 or 3%	
Improvement from health service base target	0.98	
Variance between forecast and actual Net result from transactions (NRFT) for the current financial year ending 30 June.	Variance ≤ \$250,000	Not achieved
Actual number of days available cash, measured on the last day of each month.	14 days	48 Days

Statement of Priorities Part C

Part C: Activity and Funding

Funding type	2022-2023 Activity achievement
Small Rural	
Small Rural Acute	0
Small Rural Primary and HACC	10,493
Nursing	1744
Allied Health - Physio	410
Counselling	510

Staff Service Awards

5 years	10 Years	15 Years
Debbie Youngson	Robyn Le Busque	Amy Hall
Madalynne Lamprell		

Life Governors as at June 30, 2023

17.11.1938	Arthur J. Gibson	21.10.1967	Mr E.D. Hayes	25.06.1986	Mrs E. Roberts
25.04.1950	Miss G. Somerville	13.12.1968	Mrs H.N. Rothacker	22.07.1987	Mr C. Johns
23.04.1951	Mr T. Smith	13.12.1968	I. Raeburn	26.06.1988	Mr C. Chamberlain
23.04.1951	Miss E. Yorath	26.06.1969	Mrs E. Cain	21.06.1989	Mrs K. Weston
19.06.1952	Mr H. Sloan	27.05.1971	Mr S. Payne	12.06.1990	Mrs A. Leach
15.01.1953	Mr A.E. Williams	26.07.1973	Mr J. Leach	12.06.1990	Mr J. Murnane
19.11.1953	Mr R. O'Sullivan	26.07.1973	Mr J. Roberts	19.06.1991	Mrs J. Bellenger
19.11.1953	Mr A.C. Harrison	26.07.1973	Mrs D. Roberts	23.10.1991	Mr J. Barth
29.03.1954	Mrs F. Soulsby	26.07.1973	Mr D. Roberts	23.06.1992	Mrs J. Soulsby
19.11.1953	Mr J.J. Mason	26.07.1974	Mrs E. Roberts	16.09.1992	Mr W.I. Penny
22.04.1954	Miss D. Appleton	28.08.1975	Mr J. Mitchell	16.06.1993	Mr G. Leach
22.04.1954	Mr V. Prosser	27.11.1975	Mr E.J. Edwards	22.06.1994	Mrs M. Duke
20.05.1954	Mr M. Mason	24.06.1976	Mr A. Bellenger	21.06.1995	Mrs A. Adam
21.10.1954	D.E. Davis	28.04.1977	Mr J. Kennedy	20.09.1995	Mrs J. Nevins
21.10.1954	Leo G. Kennedy	28.07.1978	Mr R. Leach	20.09.1995	Mr F. Rose
17.02.1955	Mrs M. Bradley	28.02.1979	Mrs W. Leitch	27.06.1996	Mr N. Roberts
17.03.1955	Mr R. Harding	22.08.1979	Mrs G. Lea	24.09.1997	Mrs J. Hobbs
17.03.1955	Victorian Police Highland Band	29.03.1980	Mrs S. Catto	27.05.1997	Mrs H.J. Passalick
19.05.1955	Mrs C. Catto	22.04.1981	Mr A. Mitchell*	28.07.1998	Mrs I. Chappel
16.02.1956	Mr Jack Nevins	25.02.1981	Mrs D. Vanston	28.07.1998	Mrs J. Douglas
20.12.1956	Mr Geoff Catto	06.08.1981	Mr K. Stagg	28.07.1998	Mrs B. Medcalf
20.06.1957	Mr K. Patterson	26.08.1981	Mrs J. Leach	28.07.1998	Mrs E. Wilson
20.06.1957	Mr Graeme Roberts	23.06.1982	Mrs J. Mitchell	28.07.1998	Mrs A. Woods
20.06.1957	A.J. McDonnell	23.06.1982	Mrs M. Catto	24.08.1999	Mrs N. Wright
17.10.1957	Mrs J. Soulsby	23.06.1982	Mrs L. Bell	21.12.2004	Mr S.G. Hando
11.06.1958	Mr C. Robertson	14.08.1983	Mrs E. Younghusband	21.11.2013	Mr P. Norman
11.06.1958	Mr L. Leach	14.10.1984	Mr A. Wilson	29.11.2017	Mr P. Moore
11.06.1958	Mr Graeme Catto	14.10.1984	Mr L. Mitchell	29.11.2017	Mrs M. Evans
11.06.1958	Mr J. Mitchell	26.06.1985	Mrs Jen Leach	17.12.2019	Mrs C. Gibbins
11.06.1958	Mrs B. Mason*	26.06.1985	Mr R. Gilmore	17.12.2019	Mr L. May
11.06.1958	Mr L. Leitch	26.06.1985	Mr J. Hooke*	17.12.2019	Dr S. Issa
25.08.1964	Mr A.J. Atwood	25.06.1985	Mr W. Leitch	18.02.2021	Mrs Betty Higgs
20.07.1965	Mr E. Harrison	25.06.1986	Mrs N. Rothacker		

Disclosure Index

The annual report of Inglewood and Districts Health Service is prepared in accordance with all relevant Victorian legislation. This index has been prepared to facilitate identification of the Department's compliance with statutory disclosure requirements.

Legislation	Requirement	Page Reference
Charter and purpose		
FRD 22	Manner of establishment and the relevant Ministers	1
FRD 22	Purpose, functions, powers and duties	1
FRD 22	Nature and range of services provided	1
FRD 22	Activities, programs and achievements for the reporting period	3-4
FRD 22	Significant changes in key initiatives and expectations for the future	3-4
Management and structure		
FRD 22	Organisational structure	2
FRD 22	Workforce data/employment and conduct principles	7
FRD 22	Occupational Health and Safety	7
Financial information		
FRD 22	Summary of the financial results for the year	8
FRD 22	Significant changes in financial position during the year	8
FRD 22	Operational and budgetary objectives and performance against objectives	8
FRD 22	Subsequent events	101
FRD 22	Details of consultancies under \$10,000	9
FRD 22	Details of consultancies over \$10,000	9
FRD 22	Disclosure of ICT expenditure	9
Legislation		
FRD 22	Application and operation of <i>Freedom of Information Act 1982</i>	10
FRD 22	Compliance with building and maintenance provisions of <i>Building Act 1993</i>	10
FRD 22	Application and operation of <i>Public Interest Disclosure Act 2012</i>	10
FRD 22	Statement on National Competition Policy	10
FRD 22	Application and operation of <i>Carers Recognition Act 2012</i>	10
FRD 22	Additional information available on request	11
FRD 24	Environmental data reporting	13-16
FRD 25	<i>Local Jobs First Act 2003</i> disclosures	11
SD 5.1.4	Financial Management Compliance attestation	12
SD 5.2.3	Declaration in report of operations	3

Attestations	
Attestation on Data Integrity	12
Attestation on managing Conflicts of Interest	12
Attestation on Integrity, fraud and corruption	12
Compliance with HealthShare Victoria (HSV) Purchasing Policies	12
Other reporting requirements	
▪ Reporting of outcomes from Statement of Priorities 2022-2023	18
▪ Occupational Violence reporting	7
▪ <i>Gender Equality Act 2020</i>	11
▪ Reporting obligations under the <i>Safe Patient Care Act 2015</i>	12
▪ Reporting of compliance regarding Car Parking Fees (if applicable)	N/A



Victorian Auditor-General's Office

Independent Auditor's Report

To the Board of Inglewood and Districts Health Service

Opinion	<p>I have audited the financial report of Inglewood and Districts Health Service (the health service) which comprises the:</p> <ul style="list-style-type: none"> • 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. <p>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 <i>Financial Management Act 1994</i> and applicable Australian Accounting Standards.</p>
Basis for Opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the health service in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
Board's responsibilities for the financial report	<p>The Board of the health service is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the <i>Financial Management Act 1994</i>, and for such internal control as the Board determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.</p> <p>In preparing the financial report, the Board is responsible for assessing the health service's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.</p>

Auditor's responsibilities for the audit of the financial report

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

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

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

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



MELBOURNE
27 September 2023

Dominika Ryan
as delegate for the Auditor-General of Victoria

Financial Statements

For the Year Ended 30 June 2023

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

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

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

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

We authorise the attached financial statements for issue on 12 September 2023.

Board Member



Mr Robert Chamberlain

Chair

Inglewood
12 September 2023

Accountable Officer



Mr Dallas Coghill

Chief Executive Officer

Inglewood
12 September 2023

Chief Finance & Accounting Officer



Mr Aaron Baker

Chief Finance and Accounting Officer

Inglewood
12 September 2023

Comprehensive Operating Statement

For the Financial Year Ended 30 June 2023

		2023	2022
	Note	\$	\$
Revenue and income from transactions			
Operating activities	2.1	11,245,616	9,662,511
Non-operating activities	2.1	209,494	16,457
Share of revenue from joint operations	8.7	523,635	393,471
Total revenue and income from transactions		11,978,745	10,072,439
Expenses from transactions			
Employee expenses	3.1	(8,653,003)	(7,744,278)
Supplies and consumables	3.1	(500,474)	(444,490)
Finance costs	3.1	(18,064)	(16,650)
Depreciation	3.1	(1,062,410)	(878,782)
Share of expenditure from joint operations	8.7	(464,692)	(363,078)
Other administrative expenses	3.1	(950,902)	(845,311)
Other operating expenses	3.1	(316,981)	(289,835)
Other non-operating expenses	3.1	(31,493)	(46,629)
Total expenses from transactions		(11,998,019)	(10,629,053)
Net result from transactions - net operating balance		(19,274)	(556,614)
Other economic flows included in net result			
Net gain/(loss) on sale of non-financial assets	3.2	20,881	18,137
Net gain/(loss) on financial instruments	3.2	(649)	1,941
Other gain/(loss) from other economic flows	3.2	(11,304)	9,640
Total other economic flows included in net result		8,928	29,718
Net result for the year		(10,346)	(526,896)
Other comprehensive income			
Items that will not be reclassified to net result			
Changes in property, plant and equipment revaluation surplus	4.1(b)	-	2,228,484
Total other comprehensive income		-	2,228,484
Comprehensive result for the year		(10,346)	1,701,588

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

Balance Sheet

As at 30 June 2023

		2023	2022
	Note	\$	\$
Current assets			
Cash and cash equivalents	6.2	6,913,371	5,990,302
Receivables	5.1	468,658	242,716
Contract assets	5.2	23,976	48,024
Inventories		59,697	59,697
Prepaid expenses		142,555	107,275
Total current assets		7,608,257	6,448,014
Non-current assets			
Receivables	5.1	585,187	532,956
Property, plant and equipment	4.1 (a)	13,552,121	13,607,015
Right of use assets	4.2 (a)	279,827	259,720
Total non-current assets		14,417,135	14,399,691
Total assets		22,025,392	20,847,705
Current liabilities			
Payables	5.3	2,507,750	1,784,883
Contract liabilities	5.4	-	47,612
Borrowings	6.1	138,552	175,247
Employee benefits	3.3	1,609,506	1,415,872
Other liabilities	5.5	4,143,495	3,812,737
Total current liabilities		8,399,303	7,236,351
Non-current liabilities			
Borrowings	6.1	172,487	133,106
Employee benefits	3.3	154,181	168,481
Total non-current liabilities		326,668	301,587
Total liabilities		8,725,971	7,537,938
Net assets		13,299,421	13,309,767
Equity			
Property, plant and equipment revaluation surplus	4.3	15,168,019	15,168,019
Restricted specific purpose reserve	SCE	650,349	650,349
Contributed capital	SCE	5,284,700	5,284,700
Accumulated deficits	SCE	(7,803,647)	(7,793,301)
Total equity		13,299,421	13,309,767

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

Statement of Changes in Equity

For the Financial Year Ended 30 June 2023

	Note	Property, Plant and Equipment Revaluation Surplus \$	Restricted Specific Purpose Reserve \$	Contributed Capital \$	Accumulated Deficits \$	Total \$
Total						
Balance at 1 July 2021		12,939,535	650,349	5,284,700	(7,266,405)	11,608,179
Net result for the year		-	-	-	(526,896)	(526,896)
Other comprehensive income for the year		2,228,484	-	-	-	2,228,484
Balance at 30 June 2022		15,168,019	650,349	5,284,700	(7,793,301)	13,309,767
Net result for the year		-	-	-	(10,346)	(10,346)
Other comprehensive income for the year		-	-	-	-	-
Balance at 30 June 2023		15,168,019	650,349	5,284,700	(7,803,647)	13,299,421

This statement of changes in equity should be read in conjunction with the accompanying notes.

Cash Flow Statement

For the Financial Year Ended 30 June 2023

	2023	2022
Note	\$	\$
Cash Flows from operating activities		
Operating grants from state government	5,366,765	4,641,810
Operating grants from commonwealth government	2,814,878	2,494,386
Capital grants from government - State	1,171,587	1,097,373
Patient fees received	1,004,983	862,271
Capital donations and bequests received	10,751	45,177
GST received from ATO	40,773	5,918
Interest and investment income received	209,494	16,457
Commercial income received	63,838	74,175
Net receipt from share of rural health alliance	58,943	30,393
Other receipts	1,023,224	1,055,051
Total receipts	11,765,236	10,323,011
Payments to employees	(8,337,877)	(7,418,297)
Payments for supplies and consumables	(396,003)	(646,758)
Payments for medical indemnity insurance	(9,593)	(9,236)
Payments for repairs and maintenance	(170,073)	(150,900)
Finance costs	(18,064)	(16,650)
GST paid to ATO	(72,686)	(1,404)
Cash outflow for leases	(26,732)	(17,025)
Other payments	(1,128,258)	(915,062)
Total payments	(10,159,286)	(9,175,332)
Net cash flows from operating activities	8.1 1,605,950	1,147,679
Cash Flows from investing activities		
Purchase of non-financial assets	(951,096)	(360,224)
Proceeds from sale of non-financial assets	20,881	18,137
Net cash flows used in investing activities	(930,215)	(342,087)
Cash flows from financing activities		
Repayment of borrowings	(74,490)	(68,421)
Receipt of accommodation deposits	1,880,000	1,986,000
Repayment of accommodation deposits	(1,558,176)	(2,002,274)
Net cash flows from/(used in) financing activities	247,334	(84,695)
Net increase in cash and cash equivalents held	923,069	720,897
Cash and cash equivalents at beginning of year	5,990,302	5,269,405
Cash and cash equivalents at end of year	6.2 6,913,371	5,990,302

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

Notes to the Financial Statements

For the Financial Year Ended 30 June 2023

Note 1: Basis of preparation

Structure

1.1 Basis of preparation of the financial statements

1.2 Impact of COVID-19 pandemic

1.3 Abbreviations and terminology used in the financial statements

1.4 Joint arrangements

1.5 Key accounting estimates and judgements

1.6 Accounting standards issued but not yet effective

1.7 Goods and Services Tax (GST)

1.8 Reporting entity

Notes to the Financial Statements

For the Financial Year Ended 30 June 2023

Note 1: Basis of preparation

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

This section explains the basis of preparing the financial statements.

Note 1.1: Basis of preparation of the financial statements

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

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

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

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

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

The financial statements have been prepared on a going concern basis (refer to Note 8.9 Economic Dependency).

The financial statements are presented 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 Inglewood & Districts Health Service on 12 September 2023.

Notes to the Financial Statements

For the Financial Year Ended 30 June 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.

Where financial impacts of the pandemic are material to Inglewood & Districts Health Service, they are disclosed in the explanatory notes. For Inglewood & Districts Health Service, this includes:

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

Note 1.3 Abbreviations and terminology used in the financial statements

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

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

Note 1.4 Joint arrangements

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

Inglewood & Districts Health Service has the following joint arrangements:

- Loddon Mallee Rural Health Alliance - Joint Operation

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

Note 1.5 Key accounting estimates and judgements

Management make estimates and judgements when preparing the financial statements.

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

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

The accounting policies and significant management judgements and estimates used, and any changes thereto, are identified at the beginning of each section where applicable and 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
- Note 4.5: Impairment of assets
- Note 5.1: Receivables
- Note 5.2: Contract assets
- Note 5.3: Payables
- Note 5.4: Contract liabilities
- Note 6.1(a): Lease liabilities

Notes to the Financial Statements

For the Financial Year Ended 30 June 2023

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 Inglewood & Districts Health Service and their potential impact when adopted in future periods is outlined below:

Standard	Adoption Date	Impact
AASB 17: <i>Insurance Contracts</i>	Reporting periods beginning on or after 1 January 2023	Adoption of this standard is not expected to have a material impact.
AASB 2020-1: <i>Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current</i>	Reporting periods beginning on or after 1 January 2023	Adoption of this standard is not expected to have a material impact.
AASB 2021-2: <i>Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definitions of Accounting Estimates</i>	Reporting periods beginning on or after 1 January 2023	Adoption of this standard is not expected to have a material impact.
AASB 2021-5: <i>Amendments to Australian Accounting Standards – Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>	Reporting periods beginning on or after 1 January 2023	Adoption of this standard is not expected to have a material impact.
AASB 2021-6: <i>Amendments to Australian Accounting Standards – Disclosure of Accounting Policies: Tier 2 and Other Australian Accounting Standards</i>	Reporting periods beginning on or after 1 January 2023	Adoption of this standard is not expected to have a material impact.
AASB 2021-7: <i>Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections</i>	Reporting periods beginning on or after 1 January 2023	Adoption of this standard is not expected to have a material impact.
AASB 2022-5: <i>Amendments to Australian Accounting Standards – Lease Liability in a Sale and Leaseback</i>	Reporting periods beginning on or after 1 January 2024	Adoption of this standard is not expected to have a material impact.
AASB 2022-6: <i>Amendments to Australian Accounting Standards – Non-Current Liabilities with Covenants</i>	Reporting periods beginning on or after 1 January 2023	Adoption of this standard is not expected to have a material impact.
AASB 2022-8: <i>Amendments to Australian Accounting Standards – Insurance Contracts: Consequential Amendments</i>	Reporting periods beginning on or after 1 January 2023	Adoption of this standard is not expected to have a material impact.
AASB 2022-9: <i>Amendments to Australian Accounting Standards – Insurance Contracts in the Public Sector</i>	Reporting periods beginning on or after 1 January 2026	Adoption of this standard is not expected to have a material impact.
AASB 2022-10: <i>Amendments to Australian Accounting standards – Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities</i>	Reporting periods beginning on or after 1 January 2024	Adoption of this standard is not expected to have a material impact.

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

Notes to the Financial Statements

For the Financial Year Ended 30 June 2023

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. These GST components 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 activities of Inglewood & Districts Health Service.

Inglewood & Districts Health Service's principal address is:

3 Hospital Street
Inglewood VIC 3517

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

Notes to the Financial Statements

For the Financial Year Ended 30 June 2023

Note 2: Funding delivery of our services

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

Structure

2.1 Revenue and income from transactions

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

2.3 Other income

Telling the COVID-19 story

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

Key judgements and estimates

This section contains the following key judgements and estimates:

Key judgements and estimates	Description
Identifying performance obligations	<p>Inglewood & Districts Health Service applies significant judgment when reviewing the terms and conditions of funding agreements and contracts to determine whether they contain sufficiently specific and enforceable performance obligations.</p> <p>If this criteria is met, the contract/funding agreement is treated as a contract with a customer, requiring Inglewood & Districts Health Service to recognise revenue as or when the health service transfers promised goods or services to customers.</p> <p>If this criteria is not met, funding is recognised immediately in the net result from operations.</p>
Determining timing of revenue recognition	<p>Inglewood & Districts Health Service applies significant judgement to determine when a performance obligation has been satisfied and the transaction price that is to be allocated to each performance obligation. A performance obligation is either satisfied at a point in time or over time.</p>
Determining timing of capital grant income recognition	<p>Inglewood & Districts Health Service applies significant judgement to determine when its obligation to construct an asset is satisfied. Costs incurred is used to measure the health service's progress as this is deemed to be the most accurate reflection of the stage of completion.</p>

Notes to the Financial Statements

For the Financial Year Ended 30 June 2023

Note 2.1 Revenue and income from transactions

	2023	2022
Note	\$	\$
Operating activities		
Revenue from contracts with customers		
Government grants (Commonwealth) - Operating		
Patient and resident fees	2,814,878	2,494,386
Commercial activities ¹	1,061,288	919,328
	63,838	74,175
Total revenue from contracts with customers	3,940,004	3,487,889
2.1(a)		
Other sources of income		
Government grants (State) - Operating		
Government grants (State) - Capital	5,168,824	4,914,267
Assets received free of charge or for nominal consideration	1,046,730	206,196
Other revenue from operating activities (including non-capital donations)	10,751	45,177
2.2		
2.3	1,079,307	1,008,982
Total other sources of income	7,305,612	6,174,622
Total revenue and income from operating activities	11,245,616	9,662,511
Non-operating activities		
Income from other sources		
Other interest		
2.3	209,494	16,457
Total other sources of income	209,494	16,457
Total income from non-operating activities	209,494	16,457
Total revenue and income from transactions	11,455,110	9,678,968

1. Commercial activities represent business activities which Inglewood & Districts Health Service enter into to support their operations.

Notes to the Financial Statements

For the Financial Year Ended 30 June 2023

Note 2.1 Revenue and income from transactions

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

Inglewood & Districts Health Service disaggregates revenue by the timing of revenue recognition.

Goods and services transferred to customers:

At a point in time

Over time

	2023 \$	2022 \$
	3,876,166	3,413,714
	63,838	74,175
Total revenue from contracts with customers	3,940,004	3,487,889

How we recognise revenue and income from operating activities

Government operating grants

To recognise revenue, Inglewood & Districts Health Service assesses each grant to determine whether there is a contract that is enforceable and has sufficiently specific performance obligations in accordance with AASB 15: *Revenue from Contracts with Customers*.

When both these conditions are satisfied, the health service:

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

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

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

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

Notes to the Financial Statements

For the Financial Year Ended 30 June 2023

Note 2.1 Revenue and income from transactions (continued)

This policy applies to each of Inglewood & Districts Health Service's revenue streams, with information detailed below relating to Inglewood & Districts Health Service's significant revenue streams:

Government grant	Performance obligation
Commonwealth Residential Aged Care Grants	<p>Funding is provided for the provision of care for aged care residents within facilities at Inglewood & Districts Health Service.</p> <p>The performance obligations include provision of residential accommodations and care from nursing staff and personal care workers.</p> <p>Revenue is recognised at the point in time when the service is provided within the residential aged care facility.</p>
Department of Health grants linked to Statement of Priorities	<p>Funding is received from Department of Health that have performance obligations linked to the Statement of Priorities agreed upon between the health service and DoH. The performance obligation is a requirement to provide a stipulated number of service contacts or hours of service delivery.</p> <p>Revenue is recognised over time as the services are delivered.</p>

Capital grants

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

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

Patient and resident fees

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

Commercial activities

Revenue from commercial activities includes items such as Marong Medical Practice, meals on wheels and provision of accommodation. Commercial activity revenue is recognised at a point in time, upon provision of the goods or service to the customer.

Notes to the Financial Statements

For the Financial Year Ended 30 June 2023

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

	2023 \$	2022 \$
Cash donations and gifts	10,751	45,177
Total fair value of assets and services received free of charge or for nominal consideration	10,751	45,177

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

Donations and bequests

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

Personal protective equipment

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

The general principles of the State Supply Arrangement were that Health Share Victoria sourced, secured and agreed terms for the purchase of the PPE products, funded by the Department of Health, while Monash Health took delivery, and distributed an allocation of the products to Inglewood & Districts 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

Inglewood & Districts Health Service may receive resources for nil or nominal consideration to further its objectives. The resources are recognised at their fair value when Inglewood & Districts Health Service 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 Inglewood & Districts Health Service as a capital contribution transfer.

Volunteer services

Inglewood & Districts Health Service receives volunteer services from members of the community to support and assist our residents in aged care and patients within the hospital setting.

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

Inglewood & Districts Health Service greatly values the services contributed by volunteers, but it does not depend on volunteers to deliver its services.

Non-cash contributions from the Department of Health

The Department of Health makes some payments on behalf of Inglewood & Districts Health Service as follows:

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

Notes to the Financial Statements

For the Financial Year Ended 30 June 2023

Note 2.3 Other income

	2023	2022
	\$	\$
Operating		
Inter hospital recoveries	139,462	139,462
Transition care program	442,087	453,344
Community programs	460,726	378,919
Other revenue	37,032	37,257
Total other income - Operating	1,079,307	1,008,982
Non-Operating		
Interest	209,494	16,457
Total other income - Non Operating	209,494	16,457

How we recognise other income

Inter hospital recoveries

Revenue from inter hospital recoveries relates to the provision of support services to other health services. Recovery activity revenue is recognised at a point in time, upon provision of the goods or service to the customer.

Transition care program

The program provides short term support and assistance for older people after completing any necessary acute and sub-acute care in a hospital.

Community programs

Revenue from community programs include activities such as speech therapy service, chronic disease management and primary mental health services. Recovery activity revenue is recognised at a point in time, upon provision of the goods or service to the customer.

Other Revenue

Other revenue is recorded as revenue as received.

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.

Notes to the Financial Statements

For the Financial Year Ended 30 June 2023

Note 3: The cost of delivering our services

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

Structure

3.1 Expenses from transactions

3.2 Other economic flows

3.3 Employee benefits in the balance sheet

3.4 Superannuation

Telling the COVID-19 story

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

Notes to the Financial Statements

For the Financial Year Ended 30 June 2023

Note 3: The cost of delivering our services (continued)

Key judgements and estimates

This section contains the following key judgements and estimates:

Key judgements and estimates	Description
Classifying employee benefit liabilities	<p>Inglewood & Districts Health Service applies significant judgment when classifying its employee benefit liabilities.</p> <p>Employee benefit liabilities are classified as a current liability if Inglewood & Districts Health Service does not have an unconditional right to defer payment beyond 12 months. Annual leave, accrued days off and long service leave entitlements (for staff who have exceeded the minimum vesting period) fall into this category.</p> <p>Employee benefit liabilities are classified as a non-current liability if Inglewood & Districts Health Service has a conditional right to defer payment beyond 12 months. Long service leave entitlements (for staff who have not yet exceeded the minimum vesting period) fall into this category.</p>
Measuring employee benefit liabilities	<p>Inglewood & Districts Health Service applies significant judgment when measuring and classifying its employee benefit liabilities.</p> <p>The health service applies judgement to determine when it expects its employee entitlements to be paid.</p> <p>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.</p> <p>Expected future payments incorporate:</p> <ul style="list-style-type: none"> ▪ 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 32% and 85%. ▪ discounting at the rate of 4.06%, as determined with reference to market yields on government bonds at the end of the reporting period. <p>All other entitlements are measured at their nominal value.</p>

Notes to the Financial Statements

For the Financial Year Ended 30 June 2023

Note 3.1 Expenses from transactions

		2023	2022
	Note	\$	\$
Salaries and wages		7,551,037	6,715,149
On-costs		719,225	628,013
Agency expenses		53,109	66,536
Fee for service medical officer expenses		260,947	233,153
Workcover premium		68,685	101,427
Total employee expenses		8,653,003	7,744,278
Drug supplies		33,225	18,792
Medical and surgical supplies		166,528	148,973
Diagnostic and radiology supplies		-	995
Other supplies and consumables		300,721	275,730
Total supplies and consumables		500,474	444,490
Finance costs		18,064	16,650
Total finance costs		18,064	16,650
Other administrative expenses		950,902	845,311
Total other administrative expenses		950,902	845,311
Fuel, light, power and water		110,583	112,674
Repairs and maintenance		105,343	89,343
Maintenance contracts		64,730	61,557
Medical indemnity insurance		9,593	9,236
Expenses related to leases of low value assets		26,732	17,025
Total other operating expenses		316,981	289,835
Total operating expense		10,439,424	9,340,564
Depreciation	4.4	1,062,410	878,782
Total depreciation and amortisation		1,062,410	878,782
Bad and doubtful debt expense		31,493	46,629
Total other non-operating expenses		31,493	46,629
Total non-operating expense		1,093,903	925,411
Total expenses from transactions		11,533,327	10,265,975

Notes to the Financial Statements

For the Financial Year Ended 30 June 2023

Note 3.1 Expenses from transactions

How we recognise expenses from transactions

Expense recognition

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

Employee expenses

Employee expenses include:

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

Supplies and consumables

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

Finance costs

Finance costs include:

- amortisation of discounts or premiums relating to borrowings.

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 Inglewood & Districts Health Service. These amounts have been brought to account as grants in determining the operating result for the year by recording them as revenue and also recording the related expense.

Non-operating expenses

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

Notes to the Financial Statements

For the Financial Year Ended 30 June 2023

Note 3.2 Other economic flows included in net result

	2023	2022
	\$	\$
Net gain on disposal of property plant and equipment	20,881	18,137
Total net gain on non-financial assets	20,881	18,137
Other gains/(losses) from other economic flows	(649)	1,941
Total net gain/(loss) on financial instruments	(649)	1,941
Net gain/(loss) arising from revaluation of long service liability	(11,304)	9,640
Total other gains/(losses) from other economic flows	(11,304)	9,640
Total gains from other economic flows	8,928	29,718

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.

Net gain/(loss) on non-financial assets

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

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

Net gain/(loss) on financial instruments

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

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

Notes to the Financial Statements

For the Financial Year Ended 30 June 2023

Note 3.3 Employee benefits and related on-costs

	2023	2022
	\$	\$
Current employee benefits and related on-costs		
<i>Accrued days off</i>		
Unconditional and expected to be settled wholly within 12 months ⁱ	21,077	14,167
	21,077	14,167
<i>Annual leave</i>		
Unconditional and expected to be settled wholly within 12 months ⁱ	513,909	392,712
Unconditional and expected to be settled wholly after 12 months ⁱⁱ	81,297	66,453
	595,206	459,165
<i>Long service leave</i>		
Unconditional and expected to be settled wholly within 12 months ⁱ	289,947	280,627
Unconditional and expected to be settled wholly after 12 months ⁱⁱ	536,248	519,907
	826,195	800,534
<i>Provisions related to employee benefit on-costs</i>		
Unconditional and expected to be settled within 12 months ⁱ	92,282	73,904
Unconditional and expected to be settled after 12 months ⁱⁱ	74,746	68,102
	167,028	142,006
Total current employee benefits and related on-costs	1,609,506	1,415,872
Non-current employee benefits and related on-costs		
Conditional long service leave	137,168	150,197
Provisions related to employee benefit on-costs	17,013	18,284
Total non-current employee benefits and related on-costs	154,181	168,481
Total employee benefits and related on-costs	1,763,687	1,584,353

ⁱThe amounts disclosed are nominal amounts.

ⁱⁱThe amounts disclosed are discounted to present values.

Notes to the Financial Statements

For the Financial Year Ended 30 June 2023

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

	2023 \$	2022 \$
Current employee benefits and related on-costs		
Unconditional accrued days off	21,077	14,167
Unconditional annual leave entitlements	663,655	509,673
Unconditional long service leave entitlements	924,774	892,032
Total current employee benefits and related on-costs	1,609,506	1,415,872
Non-current employee benefits and related on-costs		
Conditional long service leave entitlements	154,181	168,481
Total non-current employee benefits and related on-costs	154,181	168,481
Total employee benefits and related on-costs	1,763,687	1,584,353
Attributable to:		
Employee benefits	1,579,646	1,424,063
Provision for related on-costs	184,041	160,290
Total employee benefits and related on-costs	1,763,687	1,584,353

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

Carrying amount at start of year	160,290	121,068
Additional provisions recognised	35,055	29,582
Net gain/(loss) arising from revaluation of long service liability	(11,304)	9,640
Carrying amount at end of year	184,041	160,290

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 recognised in the provision for employee benefits as 'current liabilities' because Inglewood & Districts Health Service does not have an unconditional right to defer settlements of these liabilities.

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

- Nominal value – if Inglewood & Districts Health Service expects to wholly settle within 12 months or
- Present value – if Inglewood & Districts Health Service does not expect to wholly settle within 12 months.

Notes to the Financial Statements

For the Financial Year Ended 30 June 2023

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 Inglewood & Districts Health Service does not expect to settle the liability within 12 months because it will not have the unconditional right to defer the settlement of the entitlement should an employee take leave within 12 months. An unconditional right arises after a qualifying period.

The components of this current LSL liability are measured at:

- Nominal value – if Inglewood & Districts Health Service expects to wholly settle within 12 months or
- Present value – if Inglewood & Districts Health Service does not expect to wholly settle within 12 months.

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

Provision for on-costs related to employee benefits

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

Notes to the Financial Statements

For the Financial Year Ended 30 June 2023

Note 3.4 Superannuation

	Paid Contribution for the Year		Contribution Outstanding at Year End	
	2023	2022	2023	2022
	\$	\$	\$	\$
Defined contribution plans:				
Aware Super	422,076	343,364	-	-
Hesta	192,229	155,955	-	-
Other	104,919	128,694	-	-
Total	719,224	628,013	-	-

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

How we recognise superannuation

Employees of Inglewood & Districts Health Service are entitled to receive superannuation benefits and it contributes to defined contribution plans. There are no contributions made to defined benefit plans.

Defined contribution superannuation plans

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

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

Notes to the Financial Statements

For the Financial Year Ended 30 June 2023

Note 4: Key assets to support service delivery

Inglewood & Districts Health Service controls infrastructure and other investments that are utilised in fulfilling its objectives and conducting its activities. They represent the key resources that have been entrusted to Inglewood & Districts Health Service 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

4.5 Impairment of assets

Telling the COVID-19 story

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

Key judgements and estimates

This section contains the following key judgements and estimates:

Key judgements and estimates	Description
Estimating useful life of property, plant and equipment	Inglewood & Districts Health Service assigns an estimated useful life to each item of property, plant and equipment. This is used to calculate depreciation of the asset. The health service reviews the useful life, 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. Inglewood & Districts Health Service 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, Inglewood & Districts Health Service assesses impairment by evaluating the conditions and events specific to the health service that may be indicative of impairment triggers. Where an indication exists, the health service tests the asset for impairment. The health service considers a range of information when performing its assessment, including considering: <ul style="list-style-type: none"> ▪ If an asset's value has declined more than expected based on normal use ▪ If a significant change in technological, market, economic or legal environment which adversely impacts the way the health service uses an asset ▪ If an asset is obsolete or damaged ▪ If the asset has become idle or if there are plans to discontinue or dispose of the asset before the end of its useful life ▪ If the performance of the asset is or will be worse than initially expected. Where an impairment trigger exists, the health services applies significant judgement and estimate to determine the recoverable amount of the asset.

Notes to the Financial Statements

For the Financial Year Ended 30 June 2023

Note 4.1 Property, plant and equipment

Note 4.1 (a) Gross carrying amount and accumulated depreciation

	2023	2022
	\$	\$
Land at fair value - Crown	714,664	714,664
Land at fair value - Freehold	88,000	88,000
Total land at fair value	802,664	802,664
Buildings at fair value	12,145,607	12,145,607
Less accumulated depreciation	(922,296)	-
Landscaping at fair value	54,652	54,652
Less accumulated depreciation	(17,299)	-
Total buildings at fair value	11,260,664	12,200,259
Works in progress at cost	1,082,326	217,209
Total land and buildings	13,145,654	13,220,132
Plant and equipment at fair value	977,171	918,036
Less accumulated depreciation	(687,231)	(640,785)
Loddon Mallee Rural Health Alliance at fair value	69,193	58,942
Less accumulated depreciation	(43,263)	(34,467)
Total plant and equipment at fair value	315,870	301,726
Motor vehicles at fair value	25,400	25,400
Less accumulated depreciation	(25,400)	(25,400)
Total motor vehicles at fair value	-	-
Computer equipment at fair value	136,908	120,944
Less accumulated depreciation	(124,836)	(120,944)
Total computer equipment at fair value	12,072	-
Furniture and fittings at fair value	174,084	164,659
Less accumulated depreciation	(95,559)	(79,502)
Total furniture and fittings at fair value	78,525	85,157
Total plant, equipment, furniture, fittings and vehicles at fair value	406,467	386,883
Total property, plant and equipment	13,552,121	13,607,015

Notes to the Financial Statements

For the Financial Year Ended 30 June 2023

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

	Note	Land \$	Buildings \$	Building works in progress \$	Plant & equipment \$	Computer Equipment \$	Furniture & Fittings \$	Total \$
Balance at 1 July 2021		668,887	10,871,675	11,703	196,147	4,349	92,961	11,845,722
Additions		-	-	205,507	148,939	-	7,526	361,972
Revaluation increments/(decrements)		133,777	2,094,707	-	-	-	-	2,228,484
Loddon Mallee Rural Health Alliance		-	-	-	(1,748)	-	-	(1,748)
Depreciation	4.4	-	(766,123)	-	(41,613)	(4,349)	(15,330)	(827,415)
Balance at 30 June 2022	4.1 (a)	802,664	12,200,259	217,210	301,725	-	85,157	13,607,015
Additions		-	-	865,116	59,136	15,964	9,425	949,641
Revaluation increments/(decrements)		-	-	-	-	-	-	-
Loddon Mallee Rural Health Alliance		-	-	-	1,455	-	-	1,455
Depreciation	4.4	-	(939,595)	-	(46,446)	(3,892)	(16,057)	(1,005,990)
Balance at 30 June 2023	4.1 (a)	802,664	11,260,664	1,082,326	315,870	12,072	78,525	13,552,121

Land and Buildings Carried at Valuation

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

How we recognise property, plant and equipment

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

Initial recognition

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

Subsequent measurement

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

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

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

Notes to the Financial Statements

For the Financial Year Ended 30 June 2023

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

Revaluation

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

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

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

An independent valuation of Inglewood & Districts Health Service's property, plant and equipment was performed by the VGV on 30 June 2019. The valuation, which complies with Australian Valuation Standards, was determined by reference to the amount for which assets could be exchanged between knowledgeable willing parties in an arm's length transaction.

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

Notes to the Financial Statements

For the Financial Year Ended 30 June 2023

Note 4.2 Right-of-use assets

Note 4.2 (a) Gross carrying amount and accumulated depreciation

	2023	2022
	\$	\$
Right of use vehicles at fair value	430,596	379,523
Less accumulated depreciation	(150,769)	(119,803)
Total right of use vehicles at fair value	279,827	259,720
Total right of use vehicles at fair value	279,827	259,720

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

	Note	Right of use - Vehicles	Total
Balance at 1 July 2021		191,451	191,451
Additions		153,999	153,999
Disposals		(34,363)	(34,363)
Depreciation	4.4	(51,367)	(51,367)
Balance at 30 June 2022	4.2 (a)	259,720	259,720
Additions		105,874	105,874
Disposals		(29,347)	(29,347)
Depreciation	4.4	(56,420)	(56,420)
Balance at 30 June 2023	4.2 (a)	279,827	279,827

How we recognise right-of-use assets

Where Inglewood & Districts Health Service 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. Inglewood & Districts Health Service 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	3 years

Initial recognition

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

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

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

Subsequent measurement

Right-of-use assets are subsequently measured at fair value 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).

Notes to the Financial Statements

For the Financial Year Ended 30 June 2023

Note 4.3 Revaluation Surplus

	2023	2022
Note	\$	\$
Balance at the beginning of the reporting period	15,168,019	12,939,535
Revaluation increment		
- Land	4.1 (b) -	133,777
- Buildings	4.1 (b) -	2,094,707
Balance at the end of the Reporting Period*	15,168,019	15,168,019
* Represented by:		
- Land	3,976,889	3,976,889
- Buildings	11,191,130	11,191,130
	15,168,019	15,168,019

Notes to the Financial Statements

For the Financial Year Ended 30 June 2023

Note 4.4 Depreciation

	2023	2022
	\$	\$
Depreciation		
Buildings	939,595	766,123
Plant and equipment	46,446	41,613
Computer equipment	3,892	4,349
Furniture and fittings	16,057	15,330
Total depreciation	1,005,990	827,415
Right-of-use assets		
Right of use - motor vehicles	56,420	51,367
Total depreciation - right-of-use assets	56,420	51,367
Total depreciation	1,062,410	878,782

How we recognise depreciation

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

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

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

	2023	2022
Buildings		
- Structure shell building fabric	7 to 64 years	7 to 64 years
- Site engineering services and central plant	7 to 64 years	7 to 64 years
Central Plant		
- Fit Out	7 to 64 years	7 to 64 years
- Trunk reticulated building system	7 to 64 years	7 to 64 years
Plant and equipment	10 years	10 years
Medical equipment	10 years	10 years
Computers and communication	3 years	3 years
Furniture and fitting	10 years	6 to 10 years
Motor Vehicles	3 to 5 years	3 to 5 years

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

Notes to the Financial Statements

For the Financial Year Ended 30 June 2023

Note 4.5 Impairment of assets

How we recognise impairment

At the end of each reporting period, Inglewood & Districts Health Service reviews the carrying amount of its tangible and intangible assets that have a finite useful life, to determine whether there is any indication that an asset may be impaired. The assessment will include consideration of external sources of information and internal sources of information.

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

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

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

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

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

Inglewood & Districts Health Service did not record any impairment losses for the year ended 30 June 2023.

Notes to the Financial Statements

For the Financial Year Ended 30 June 2023

Note 5: Other assets and liabilities

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

Structure

5.1 Receivables

5.2 Contract assets

5.3 Payables

5.4 Contract liabilities

5.5 Other liabilities

Telling the COVID-19 story

The measurement of other assets and liabilities were not materially impacted by the COVID-19 Coronavirus pandemic.

Notes to the Financial Statements

For the Financial Year Ended 30 June 2023

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	Inglewood & Districts Health Service uses a simplified approach to account for the expected credit loss provision. A provision matrix is used, which considers historical experience, external indicators and forward-looking information to determine expected credit loss rates.
Measuring deferred capital grant income	<p>Where Inglewood & Districts Health Service has received funding to construct an identifiable non-financial asset, such funding is recognised as deferred capital grant income until the underlying asset is constructed.</p> <p>Inglewood & Districts Health Service applies significant judgement when measuring the deferred capital grant income balance, which references the estimated the stage of completion at the end of each financial year.</p>
Measuring contract liabilities	Inglewood & Districts Health Service applies significant judgement to measure its progress towards satisfying a performance obligation as detailed in Note 2. Where a performance obligation is yet to be satisfied, the health service assigns funds to the outstanding obligation and records this as a contract liability until the promised good or service is transferred to the customer.

Notes to the Financial Statements

For the Financial Year Ended 30 June 2023

Note 5.1 Receivables

	2023	2022
Notes	\$	\$
Current receivables		
Contractual		
Inter hospital debtors	46,680	30,709
Trade receivables	58,757	28,616
Patient fees	193,607	168,795
Allowance for impairment losses	5.1(a) (25,965)	(57,458)
Accrued revenue	5,103	445
Loddon Mallee Rural Health Alliance Receivables	59,352	13,171
Total contractual receivables	337,534	184,278
Statutory		
GST receivable	131,124	55,752
Loddon Mallee Rural Health Alliance GST receivable	-	2,686
Total statutory receivables	131,124	58,438
Total current receivables	468,658	242,716
Non-current receivables		
Contractual		
Long service leave - Department of Health	585,187	532,956
Total contractual receivables	585,187	532,956
Total non-current receivables	585,187	532,956
Total receivables	1,053,845	775,672
<i>(i) Financial assets classified as receivables (Note 7.1(a))</i>		
Total receivables	1,053,845	775,672
GST receivable	(131,124)	(58,438)
Total financial assets classified as receivables	7.1(a) 922,721	717,234

Notes to the Financial Statements

For the Financial Year Ended 30 June 2023

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

	2023	2022
	\$	\$
Balance at the beginning of the year	57,458	10,830
Increase in allowance	-	46,628
Reversal of allowance written off during the year as uncollectable	(31,493)	-
Balance at the end of the year	25,965	57,458

How we recognise receivables

Receivables consist of:

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

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

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

Impairment losses of contractual receivables

Refer to Note 7.2 (a) for Inglewood & Districts Health Service's contractual impairment losses.

Notes to the Financial Statements

For the Financial Year Ended 30 June 2023

Note 5.2 Contract assets

	2023	2022
	\$	\$
Balance at the beginning of the year	48,024	44,480
Add: Additional costs incurred that are recoverable from the customer	-	48,024
Less: Transfer to trade receivable or cash at bank	(24,048)	(44,480)
Total contract assets	23,976	48,024
* Represented by:		
- Current assets	23,976	48,024
	23,976	48,024

How we recognise contract assets

Contract assets relate to the Inglewood & Districts Health Service's right to consideration in exchange for goods transferred to customers for works completed, but not yet billed at the reporting date. The contract assets are transferred to receivables when the rights become unconditional and at this time an invoice is issued. Contract assets are expected to be recovered during the next financial year.

Notes to the Financial Statements

For the Financial Year Ended 30 June 2023

Note 5.3 Payables

	2023	2022
Note	\$	\$
Current payables		
Contractual		
Trade creditors	159,453	70,391
Accrued salaries and wages	473,985	326,889
Accrued expenses	31,000	92,376
Deferred capital grant income	1,246,469	1,074,000
Inter hospital creditors	3,495	3,021
Amounts payable to governments and agencies	25,860	16,860
Other payables	176,982	50,917
Loddon Mallee Rural Health Alliance	317,942	118,638
Total contractual payables	2,435,186	1,753,092
Statutory		
GST payable	49,826	31,791
Loddon Mallee Rural Health Alliance GST payable	22,738	-
Total statutory payables	72,564	31,791
Total current payables	2,507,750	1,784,883
Total payables	2,507,750	1,784,883
<i>(i) Financial liabilities classified as payables (Note 7.1(a))</i>		
Total payables	2,507,750	1,784,883
Deferred capital grant income	(1,246,469)	(1,074,000)
GST payable	(72,564)	(31,791)
Total financial liabilities	1,188,717	679,092

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

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

Notes to the Financial Statements

For the Financial Year Ended 30 June 2023

Note 5.3 (a) Deferred capital grant income

	2023	2022
	\$	\$
Opening balance of deferred grant income	1,074,000	194,000
Grant consideration for capital works received during the year	1,156,454	880,000
Deferred grant revenue recognised as revenue due to completion of capital works	(983,985)	-
Closing balance of deferred grant income	1,246,469	1,074,000

How we recognise deferred capital grant revenue

Grant consideration was received from the Department of Health for the construction of a Leisure and Lifestyle Building. Grant revenue is recognised progressively as the asset is constructed, since this is the time when Inglewood & District Health Service satisfies its obligations under the transfer by controlling the asset as and when it is constructed. The progressive percentage costs incurred is used to recognise income because this most closely reflects the progress to completion as costs are incurred as the works are done. (see note 2.1) As a result, Inglewood & Districts Health Service has deferred recognition of a portion of the grant consideration received as a liability for the outstanding obligations.

Inglewood & Districts Health Service expects to recognise all of the remaining deferred capital grant revenue for capital works by June 2024.

Notes to the Financial Statements

For the Financial Year Ended 30 June 2023

Note 5.4 Contract liabilities

	2023	2022
	\$	\$
Opening balance of contract liabilities	47,612	36,435
Payments received for performance obligations not yet fulfilled	-	47,612
Revenue recognised for the completion of a performance obligation	(47,612)	(36,435)
Total contract liabilities	-	47,612
* Represented by:		
- Current contract liabilities	-	47,612
	-	47,612

How we recognise contract liabilities

Contract liabilities include consideration received in advance from Department of Health in respect of funding for the public sector residential aged care services kitchen garden Initiative, this is expected to be completed in the 2023 financial year.

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

Maturity analysis of payables

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

Notes to the Financial Statements

For the Financial Year Ended 30 June 2023

Note 5.5 Other liabilities

	2023	2022
Note	\$	\$
Current monies held in trust		
Refundable accommodation deposits	4,057,807	3,735,983
Patient monies held in trust	85,688	76,754
Total current monies held in trust	4,143,495	3,812,737
Total other liabilities	4,143,495	3,812,737
* Represented by:		
- Cash assets	6.2 4,143,495	3,812,737
	4,143,495	3,812,737

How we recognise other liabilities

Refundable Accommodation Deposit (RAD)/Accommodation Bond liabilities

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

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

Notes to the Financial Statements

For the Financial Year Ended 30 June 2023

Note 6: How we finance our operations

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

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

Structure

6.1 Borrowings

6.2 Cash and cash equivalents

6.3 Commitments for expenditure

6.4 Non-cash financing and investing activities

Telling the COVID-19 story

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

Notes to the Financial Statements

For the Financial Year Ended 30 June 2023

Key judgements and estimates

This section contains the following key judgements and estimates:

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

Notes to the Financial Statements

For the Financial Year Ended 30 June 2023

Note 6.1 Borrowings

	2023	2022
Note	\$	\$
Current borrowings		
Lease liability ⁽ⁱ⁾	121,816	158,511
Advances from government (ii)	16,736	16,736
Total current borrowings	138,552	175,247
Non-current borrowings		
Lease liability ⁽ⁱ⁾	157,123	101,655
Advances from government (ii)	15,364	31,451
Total non-current borrowings	172,487	133,106
Total borrowings	311,039	308,353

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, and other interest-bearing and non-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.

Notes to the Financial Statements

For the Financial Year Ended 30 June 2023

Note 6.1 (a) Lease liabilities

Inglewood & Districts Health Service's lease liabilities are summarised below:

	2023	2022
	\$	\$
Total undiscounted lease liabilities	284,789	266,782
Less unexpired finance expenses	(5,850)	(6,616)
Net lease liabilities	278,939	260,166

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

	2023	2022
	\$	\$
Not longer than one year	124,863	162,011
Longer than one year but not longer than five years	159,926	104,771
Minimum future lease liability	284,789	266,782
Less unexpired finance expenses	(5,850)	(6,616)
Present value of lease liability	278,939	260,166
* Represented by:		
- Current liabilities	121,816	158,511
- Non-current liabilities	157,123	101,655
	278,939	260,166

How we recognise lease liabilities

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

To apply this definition, Inglewood & Districts Health Service ensures the contract meets the following criteria:

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

Inglewood & Districts Health Service's lease arrangements consist of the following:

Type of asset leased	Lease term
Leased vehicles	3 years

Notes to the Financial Statements

For the Financial Year Ended 30 June 2023

Note 6.1 (a) Lease liabilities

Separation of lease and non-lease components

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

Initial measurement

The lease liability is initially measured at the present value of the lease payments unpaid at the commencement date, discounted using the interest rate implicit in the lease if that rate is readily determinable or Inglewood & Districts Health Services incremental borrowing rate. Our lease liability has been discounted by rates of between [3%] to [5%].

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

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

Subsequent measurement

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

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

Notes to the Financial Statements

For the Financial Year Ended 30 June 2023

Note 6.2 Cash and Cash Equivalents

	2023	2022
Note	\$	\$
Cash on hand (excluding monies held in trust)	1,930	1,930
Cash at bank (excluding monies held in trust)	696,160	457,154
Cash at bank - CBS (excluding monies held in trust)	2,071,786	1,718,481
Total cash held for operations	2,769,876	2,177,565
Cash at bank - CBS (monies held in trust)	4,143,495	3,812,737
Total cash held as monies in trust	4,143,495	3,812,737
Total cash and cash equivalents	6,913,371	5,990,302

How we recognise cash and cash equivalents

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

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

Notes to the Financial Statements

For the Financial Year Ended 30 June 2023

Note 6.3 Commitments for expenditure

	2023	2022
	\$	\$
Capital expenditure commitments		
Less than one year	1,724,254	2,154,559
Total capital expenditure commitments	1,724,254	2,154,559
Total commitments for expenditure (inclusive of GST)	1,724,254	2,154,559
Less GST recoverable from Australian Tax Office	(156,750)	(195,869)
Total commitments for expenditure (exclusive of GST)	1,567,504	1,958,690

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

How we disclose our commitments

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

Expenditure commitments

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

Note 6.4 Non-cash financing and investing activities

	2023	2022
	\$	\$
Acquisition of plant and equipment by means of Leases	105,874	153,999
Total non-cash financing and investing activities	105,874	153,999

Notes to the Financial Statements

For the Financial Year Ended 30 June 2023

Note 7: Risks, contingencies and valuation uncertainties

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

Structure

7.1 Financial instruments

7.2 Financial risk management objectives and policies

7.3 Contingent assets and contingent liabilities

7.4 Fair value determination

Key judgements and estimates

This section contains the following key judgements and estimates:

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

Notes to the Financial Statements

For the Financial Year Ended 30 June 2023

Key judgements and estimates (continued)

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

Notes to the Financial Statements

For the Financial Year Ended 30 June 2023

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 Inglewood & Districts Health Service's activities, certain financial assets and financial liabilities arise under statute rather than a contract (for example, taxes, fines and penalties). Such financial assets and financial liabilities do not meet the definition of financial instruments in AASB 132 *Financial Instruments: Presentation*.

Note 7.1 (a) Categorisation of financial instruments

Total	Financial Assets at Amortised Cost		Financial Liabilities at Amortised Cost	Total
30 June 2023	Note	\$	\$	\$
Contractual Financial Assets				
Cash and Cash Equivalents	6.2	6,913,371	-	6,913,371
Receivables and contract assets	5.1	922,721	-	922,721
Total Financial Assetsⁱ		7,836,092	-	7,836,092
Financial Liabilities				
Payables	5.3	-	1,188,717	1,188,717
Borrowings	6.1	-	311,039	311,039
Other Financial Liabilities - Refundable Accommodation Deposits	5.5	-	4,143,495	4,143,495
Total Financial Liabilitiesⁱ		-	5,643,251	5,643,251

Notes to the Financial Statements

For the Financial Year Ended 30 June 2023

Note 7.1 (a) Categorisation of financial instruments

Total 30 June 2022		Financial Assets at Amortised Cost	Financial Liabilities at Amortised Cost	Total
	Note	\$	\$	\$
Contractual Financial Assets				
Cash and cash equivalents	6.2	5,990,302	-	5,990,302
Receivables and contract assets	5.1	717,234	-	717,234
Total Financial Assetsⁱ		6,707,536	-	6,707,536
Financial Liabilities				
Payables	5.3	-	679,092	679,092
Borrowings	6.1	-	308,353	308,353
Other Financial Liabilities - Refundable Accommodation Deposits	5.5	-	3,812,737	3,812,737
Total Financial Liabilitiesⁱ		-	4,800,182	4,800,182

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

How we categorise financial instruments

Categories of financial assets

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

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

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

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

Notes to the Financial Statements

For the Financial Year Ended 30 June 2023

Note 7.1 (a) Categorisation of financial instruments

Financial assets at amortised cost

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

- the assets are held by Inglewood & Districts Health Service solely to collect the contractual cash flows and
- the assets' contractual terms give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specific dates.

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

Inglewood & Districts Health Service recognises the following assets in this category:

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

Notes to the Financial Statements

For the Financial Year Ended 30 June 2023

Note 7.1 (a) Categorisation of financial instruments

Categories of financial liabilities

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

Financial liabilities at amortised cost

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

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

Inglewood & Districts Health Service 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, Inglewood & Districts Health Service has a legal right to offset the amounts and intend either to settle on a net basis or to realise the asset and settle the liability simultaneously.

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

Notes to the Financial Statements

For the Financial Year Ended 30 June 2023

Note 7.1 (a) Categorisation of financial instruments

Derecognition of financial assets

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

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

Where Inglewood & Districts Health Service has neither transferred nor retained substantially all the risks and rewards or transferred control, the asset is recognised to the extent of Inglewood & Districts Health Service's continuing involvement in the asset.

Derecognition of financial liabilities

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

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

Reclassification of financial instruments

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

A financial liability reclassification is not permitted.

Notes to the Financial Statements

For the Financial Year Ended 30 June 2023

Note 7.2: Financial risk management objectives and policies

As a whole, Inglewood & Districts Health Service's financial risk management program seeks to manage the risks and the associated volatility of its financial performance.

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

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

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

Note 7.2 (a) Credit risk

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

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

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

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

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

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

There has been no material change to Inglewood & Districts Health Service's credit risk profile in 2022-23.

Notes to the Financial Statements

For the Financial Year Ended 30 June 2023

Note 7.2 (a) Credit risk

Impairment of financial assets under AASB 9

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

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

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

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

Contractual receivables at amortised cost

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

On this basis, Inglewood & Districts Health Service determines the closing loss allowance at the end of the financial year as follows:

		Current	Less than 1 month	1–3 months	3 months –1 year	1–5 years	Total
	Note	\$	\$	\$	\$	\$	\$
30 June 2023							
Expected loss rate		0.0%	0.0%	0.0%	0.0%	100.0%	
Gross carrying amount of contractual receivables	5.1	408,935	12,256	8,501	624,152	25,965	1,079,810
Loss allowance		-	-	-	-	(25,965)	(25,965)
		Current	Less than 1 month	1–3 months	3 months –1 year	1–5 years	Total
	Note	\$	\$	\$	\$	\$	\$
30 June 2022							
Expected loss rate		0.0%	0.0%	0.0%	0.0%	100.0%	
Gross carrying amount of contractual receivables	5.1	142,457	9,664	10,047	555,066	57,458	774,692
Loss allowance		-	-	-	-	(57,458)	(57,458)

Notes to the Financial Statements

For the Financial Year Ended 30 June 2023

Note 7.2 (a) Contractual receivables at amortised cost

Statutory receivables and debt investments at amortised cost

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

Both the statutory receivables and investments in debt instruments are considered to have low credit risk, taking into account the counterparty's credit rating, risk of default and capacity to meet contractual cash flow obligations in the near term. As 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.

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

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

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

Notes to the Financial Statements

For the Financial Year Ended 30 June 2023

Note 7.2 (b) Liquidity risk

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

		Maturity Dates						
		Carrying Amount	Nominal Amount	Less than 1 Month	1-3 Months	3 months - 1 Year	1-5 Years	Over 5 years
Total	Note	\$	\$	\$	\$	\$	\$	\$
30 June 2023								
Financial Liabilities at amortised cost								
Payables	5.3	1,188,717	1,188,717	1,188,717	-	-	-	-
Borrowings	6.1	311,039	311,039	5,850	16,773	115,929	172,487	-
Other Financial Liabilities - Refundable Accommodation Deposits	5.5	4,143,495	4,143,495	350,000	350,000	450,000	2,993,495	-
Total Financial Liabilities		5,643,251	5,643,251	1,544,567	366,773	565,929	3,165,982	-
		Maturity Dates						
		Carrying Amount	Nominal Amount	Less than 1 Month	1-3 Months	3 months - 1 Year	1-5 Years	Over 5 years
Total	Note	\$	\$	\$	\$	\$	\$	\$
30 June 2022								
Financial Liabilities at amortised cost								
Payables	5.3	679,092	679,092	679,092	-	-	-	-
Borrowings	6.1	308,353	308,353	6,616	16,773	151,858	133,106	-
Other Financial Liabilities - Refundable Accommodation Deposits	5.5	3,812,737	3,812,737	350,000	350,000	450,000	2,662,737	-
Total Financial Liabilities		4,800,182	4,800,182	1,035,708	366,773	601,858	2,795,843	-

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

Notes to the Financial Statements

For the Financial Year Ended 30 June 2023

Note 7.2 (c) Market risk

Inglewood & Districts Health Service's exposures to market risk are primarily through interest rate risk. Objectives, policies and processes used to manage each of these risks are disclosed below.

Sensitivity disclosure analysis and assumptions

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

- a change in interest rates of 1.5% up or down.

Interest rate risk

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

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

Notes to the Financial Statements

For the Financial Year Ended 30 June 2023

Note 7.3: Contingent assets and contingent liabilities

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

How we measure and disclose contingent assets and contingent liabilities

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

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

Contingent assets

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

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

Contingent liabilities

Contingent liabilities are:

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

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

Notes to the Financial Statements

For the Financial Year Ended 30 June 2023

Note 7.4: Fair Value Determination

How we measure fair value

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

The following assets and liabilities are carried at fair value:

- Property, plant and equipment
- Right-of-use assets.

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.

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

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

Identifying unobservable inputs (level 3) fair value measurements

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

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

Notes to the Financial Statements

For the Financial Year Ended 30 June 2023

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

	Note	Total carrying amount	Fair value measurement at end of reporting period using:		
		30 June 2023	Level 1 ⁱ	Level 2 ⁱ	Level 3 ⁱ
		\$	\$	\$	\$
Non-specialised land		88,000	-	88,000	-
Specialised land		714,664	-	-	714,664
Total land at fair value	4.1 (a)	802,664	-	88,000	714,664
Specialised buildings		11,181,250	-	-	11,181,250
Land Improvements at fair value		79,414	-	-	79,414
Total buildings at fair value	4.1 (a)	11,260,664	-	-	11,260,664
Plant and equipment	4.1 (a)	315,870	-	-	315,870
Computer equipment	4.1 (a)	12,072	-	-	12,072
Furniture and fittings	4.1 (a)	78,525	-	-	78,525
Right of use Motor vehicles	4.2 (a)	279,827	-	-	279,827
Total plant, equipment, furniture, fittings and vehicles at fair value		686,294	-	-	686,294
Total non-financial physical assets at fair value		12,749,622	-	88,000	12,661,622
		Total carrying amount	Fair value measurement at end of reporting period using:		
		30 June 2022	Level 1 ⁱ	Level 2 ⁱ	Level 3 ⁱ
		\$	\$	\$	\$
Non-specialised land		88,000	-	88,000	-
Specialised land		714,664	-	-	714,664
Total land at fair value	4.1 (a)	802,664	-	88,000	714,664
Specialised buildings		12,120,845	-	-	12,120,845
Land Improvements at fair value		79,414	-	-	79,414
Total buildings at fair value	4.1 (a)	12,200,259	-	-	12,200,259
Plant and equipment	4.1 (a)	301,726	-	-	301,726
Furniture and fittings	4.1 (a)	85,157	-	-	85,157
Right of use Motor vehicles	4.2 (a)	259,720	-	-	259,720
Total plant, equipment, furniture, fittings and vehicles at fair value		646,603	-	-	646,603
Total non-financial physical assets at fair value		13,649,526	-	88,000	13,561,526

ⁱ Classified in accordance with the fair value hierarchy.

Notes to the Financial Statements

For the Financial Year Ended 30 June 2023

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

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.

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

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

Non-specialised land and non-specialised buildings

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

For non-specialised land and non-specialised buildings, an independent valuation was performed by the Valuer-General Victoria to determine the fair value using the market approach. Valuation of the assets was determined by analysing comparable sales and allowing for share, size, topography, location and other relevant factors specific to the asset being valued. An appropriate rate per square metre has been applied to the subject asset. The effective date of the valuation is 30 June 2019 for buildings and 30 June 2022 for land.

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

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

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

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

An independent valuation of Inglewood & Districts Health Service's specialised land and specialised buildings was performed by the Valuer-General Victoria. The effective date of the valuation is 30 June 2019 for buildings and 30 June 2022 for land.

Notes to the Financial Statements

For the Financial Year Ended 30 June 2023

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

Vehicles

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

Furniture, fittings, plant and equipment

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

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

Notes to the Financial Statements

For the Financial Year Ended 30 June 2023

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

Total	Note	Land	Buildings	Plant and equipment	Computer equipment	Furniture & fittings	ROU motor vehicles
		\$	\$	\$	\$	\$	\$
Balance at 1 July 2021	4.1 (b)	580,887	10,871,675	196,147	4,349	92,961	191,451
Additions/(Disposals)	4.1 (b)	-	-	147,191	-	7,526	119,636
Net Transfers between classes	4.1 (b)	-	-	-	-	-	-
Gains/(Losses) recognised in net result							
- Depreciation	4.4	-	(766,123)	(41,613)	(4,349)	(15,330)	(51,367)
Items recognised in other comprehensive income							
- Revaluation		133,777	2,094,707	-	-	-	-
Balance at 30 June 2022	7.4 (a)	714,664	12,200,259	301,725	-	85,157	259,720
Additions/(Disposals)	4.1 (b)	-	-	60,591	15,964	9,425	76,527
Net Transfers between classes	4.1 (b)	-	-	-	-	-	-
Gains/(Losses) recognised in net result							
- Depreciation	4.4	-	(939,595)	(46,446)	(3,892)	(16,057)	(56,420)
Items recognised in other comprehensive income							
- Revaluation		-	-	-	-	-	-
Balance at 30 June 2023	7.4 (a)	714,664	11,260,664	315,870	12,072	78,525	279,827

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

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

Notes to the Financial Statements

For the Financial Year Ended 30 June 2023

Note 8: Other disclosures

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

Structure

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

8.2 Responsible persons disclosure

8.3 Remuneration of executives

8.4 Related parties

8.5 Remuneration of auditors

8.6 Events occurring after the balance sheet date

8.7 Joint arrangements

8.8 Equity

8.9 Economic dependency

Telling the COVID-19 story

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

Notes to the Financial Statements

For the Financial Year Ended 30 June 2023

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

		2023	2022
	Note	\$	\$
Net result for the year		(10,346)	(526,896)
Non-cash movements:			
(Gain)/Loss on sale or disposal of non-financial assets	3.2	(20,881)	(18,137)
Depreciation and amortisation of non-current assets	4.4	1,062,410	878,782
Provision for Doubtful Debts	5.1 (a)	(31,493)	46,628
Discount (interest) / expense on loan	3.2	649	(1,941)
Movements in Assets and Liabilities:			
(Increase)/Decrease in receivables and contract assets		(222,633)	(224,152)
(Increase)/Decrease in prepaid expenses		(35,280)	(3,705)
Increase/(Decrease) in payables and contract liabilities		675,256	712,326
Increase/(Decrease) in employee benefits		179,334	278,666
Increase/(Decrease) in other liabilities		8,934	6,108
Net cash inflow/(outflow) from operating activities		1,605,950	1,147,679

Notes to the Financial Statements

For the Financial Year Ended 30 June 2023

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 2022 and new ministers were sworn in on the 5th of December 2022.

	Period
The Honourable Mary-Anne Thomas:	
Minister for Health	1 Jul 2022 - 30 Jun 2023
Minister for Health Infrastructure	5 Dec 2022 - 30 Jun 2023
Minister for Medical Research	5 Dec 2022 - 30 Jun 2023
Former Minister for Ambulance Services	1 Jul 2022 - 5 Dec 2022
The Honourable Gabrielle Williams:	
Minister for Mental Health	1 Jul 2022 - 30 Jun 2023
Minister for Ambulance Services	5 Dec 2022 - 30 Jun 2023
The Honourable Lizzy Blandthorn:	
Minister for Disability, Ageing and Carers	5 Dec 2022 - 30 Jun 2023
The Honourable Colin Brooks:	
Former Minister for Disability, Ageing and Carers	1 Jul 2022 - 5 Dec 2022
Governing Boards	
Mr Robert Chamberlain (Chair of the Board)	1 Jul 2022 - 30 Jun 2023
Mr Ian Marshall	1 Jul 2022 - 30 Jun 2023
Ms Ann Maree Davis	1 Jul 2022 - 30 Jun 2023
Ms Sue Hurly	1 Jul 2022 - 30 Jun 2023
Mr Con Georgakas	1 Jul 2022 - 30 Jun 2023
Ms Jolene Morse	1 Jul 2022 - 30 Jun 2023
Mr Robert Porter	1 Jul 2022 - 30 Jun 2023
Mr Greg Westbrook	1 Jul 2022 - 30 Jun 2023
Ms Kerrie Hicks	1 Jul 2022 - 30 Jun 2023
Ms Shan Welham	1 Jul 2022 - 30 Jun 2023
Accountable Officers	
Mr Dallas Coghil	1 Jul 2022 - 30 Jun 2023

Notes to the Financial Statements

For the Financial Year Ended 30 June 2023

Note 8.2 Responsible persons (continued)

Remuneration of Responsible Persons

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

Income Band	2023	2022
	No	No
\$0 - \$9,999	10	10
\$80,000 - \$89,999	-	1
\$100,000 - \$109,999	-	1
\$190,000 - \$199,999	1	-
Total Numbers	11	12

	2023	2022
	\$	\$
Total remuneration received or due and receivable by Responsible Persons from the reporting entity amounted to:	239,020	234,284

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

Note 8.3 Remuneration of executives

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

Remuneration of executive officers

(including Key Management Personnel disclosed in Note 8.4)

	Total Remuneration	
	2023	2022
	\$	\$
Short-term benefits	318,264	184,047
Post-employment benefits	29,207	15,671
Other long-term benefits	8,842	10,491
Total remunerationⁱ	356,313	210,209

Total number of executives	2	3
Total annualised employee equivalent ⁱⁱ	2.0	2.5

ⁱ The total number of executive officers includes persons who meet the definition of Key Management Personnel (KMP) of Inglewood & Districts Health Service 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.

Notes to the Financial Statements

For the Financial Year Ended 30 June 2023

Note 8.3 Remuneration of executives (continued)

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.

Notes to the Financial Statements

For the Financial Year Ended 30 June 2023

Note 8.4: Related Parties

The Inglewood & Districts Health Service is a wholly owned and controlled entity of the State of Victoria. Related parties of the health service include:

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

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

Key management personnel

The Board of Directors and the Executive Directors of Inglewood & Districts Health Service are deemed to be KMPs. This includes the following:

Entity	KMPs	Position Title
Inglewood & Districts Health Service	Mr Robert Chamberlain	Board Chair
Inglewood & Districts Health Service	Mr Ian Marshall	Board Member
Inglewood & Districts Health Service	Ms Ann-Maree Davis	Board Member
Inglewood & Districts Health Service	Ms Sue Hurly	Board Member
Inglewood & Districts Health Service	Mr Con Georgakas	Board Member
Inglewood & Districts Health Service	Ms Jolene Morse	Board Member
Inglewood & Districts Health Service	Mr Robert Porter	Board Member
Inglewood & Districts Health Service	Mr Greg Westbrook	Board Member
Inglewood & Districts Health Service	Ms Kerrie Hicks	Board Member
Inglewood & Districts Health Service	Ms Shan Welham	Board Member
Inglewood & Districts Health Service	Mr Dallas Coghill	Chief Executive Officer
Inglewood & Districts Health Service	Mrs April McKenzie	Director of Clinical & Community Services
Inglewood & Districts Health Service	Mr Aaron Baker	Director of Finance & Corporate Services

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

	2023	2022
	\$	\$
Compensation - KMPs		
Short-term Employee Benefits ⁱ	531,258	397,509
Post-employment Benefits	49,650	33,713
Other Long-term Benefits	14,425	13,271
Totalⁱⁱ	595,333	444,493

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.

Notes to the Financial Statements

For the Financial Year Ended 30 June 2023

Note 8.4: Related Parties

Significant transactions with government related entities

Inglewood & Districts Health Service received funding from the Department of Health of \$5.12m (2022: \$4.66m) and indirect contributions of (\$0.30m) (2022: (\$0.30m)). Balances outstanding as at 30 June 2023 are \$0.00m (2022 \$0.05m).

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

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

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

Transactions with KMPs and other related parties

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

Outside of normal citizen type transactions with Inglewood & Districts Health Service, there were no related party transactions that involved key management personnel, their close family members or their personal business interests. No provision has been required, nor any expense recognised, for impairment of receivables from related parties. There were no related party transactions with Cabinet Ministers required to be disclosed in 2022 (2021: none).

There were no related party transactions required to be disclosed for Inglewood & Districts Health Service Board of Directors, Chief Executive Officer and Executive Directors in 2023 and 2022.

Notes to the Financial Statements

For the Financial Year Ended 30 June 2023

Note 8.5: Remuneration of Auditors

Victorian Auditor-General's Office

Audit of the financial statements

Total remuneration of auditors

2023	2022
\$	\$
25,860	17,220
25,860	17,220

Note 8.6: Events occurring after the balance sheet date

There were no events occurring after the Balance Sheet date.

Notes to the Financial Statements

For the Financial Year Ended 30 June 2023

Note 8.7: Joint arrangements

	Principal Activity	Ownership Interest	
		2023	2022
		%	%
Loddon Mallee Rural Health Alliance	Information Technology Services	3.13	2.98

Inglewood & Districts Health Service interest in assets and liabilities of the above joint arrangements are detailed below. The amounts are included in the financial statements under their respective categories:

	2023	2022
	\$	\$
Current assets		
Cash and cash equivalents	440,989	237,046
Receivables	64,455	16,302
Prepaid expenses	90,504	72,680
Total current assets	595,948	326,028
Non-current assets		
Property, plant and equipment	25,930	24,475
Total non-current assets	25,930	24,475
Total assets	621,878	350,503
Current liabilities		
Payables	185,948	118,638
Other current liabilities	154,732	9,610
Total current liabilities	340,680	128,248
Total liabilities	340,680	128,248
Net assets	281,198	222,255
Equity		
Accumulated surplus	281,198	222,255
Total equity	281,198	222,255

Notes to the Financial Statements

For the Financial Year Ended 30 June 2023

Note 8.7 Joint arrangements

Inglewood & Districts Health Services interest in revenues and expenses resulting from joint arrangements are detailed below: The amounts are included in the financial statements under their respective categories:

	2023	2022
	\$	\$
Revenue and income from transactions		
Operating activities	504,156	369,438
Non-operating activities	19,479	24,033
Total revenue and income from transactions	523,635	393,471
Expenses from transactions		
Operating expenses	464,692	363,078
Total expenses from transactions	464,692	363,078
Net result from transactions	58,943	30,393

* Figures obtained from the (un)audited Loddon Mallee Rural Health Alliance Joint Venture annual report.

Contingent liabilities and capital commitments

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

Notes to the Financial Statements

For the Financial Year Ended 30 June 2023

Note 8.8: Equity

Contributed capital

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

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

Transfers of net liabilities arising from administrative restructurings are treated as distributions to owners.

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

Specific restricted purpose reserves

The specific restricted purpose reserve is established where Inglewood & Districts Health Service has possession or title to the funds but has no discretion to amend or vary the restriction and/or condition underlying the funds received.

Note 8.9: Economic dependency

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

