

Annual Report

2023-24



South West 
Healthcare

Front cover image: Our Regional Logistics Distribution Centre became fully operational in March 2024.

This report provides performance, quality and financial information covering the 2023-24 financial year. It has been prepared in accordance with the Health Services Act 1988, Financial Management Act 1994, Standing Directions of the Minister for Finance (Section 4 Financial Management Reporting) and Financial Reporting Directions (specifically FRD22).

In accordance with the Financial Management Act 1994, we are pleased to present the report of operations for South West Healthcare for the year ending 30 June 2024.

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South West Healthcare commissioned indigenous artist, Sherry Johnstone to complete this artwork. This piece symbolises South West Healthcare as a meeting place, the number of services we provide to the community, people coming together and taking steps towards reconciliation.



Acknowledgement of Country

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

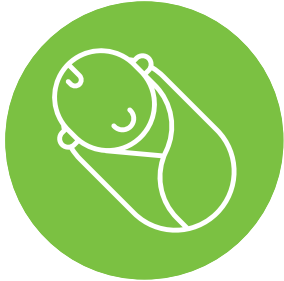
Our Service



Our School Readiness Program won the Keeping People Healthy and Safe in the Community award at the 2023 Victorian Public Healthcare Awards

At a glance

768



Babies born at our Warrnambool Base and Camperdown Hospitals

26,678



Inpatients across our Warrnambool and Camperdown campuses

28,164



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

12,303



Patients seen by our Specialist Outpatients Clinic

8,903



Items were hired from South West Healthcare Supplies

16,140



Appointments attended at our Regional Dental Service

209



Bedside patient entertainment screens installed at Warrnambool and Camperdown

453



New staff commenced in 2023-2024

100%



South West Healthcare staff received flu immunisations

215,276



Total inpatient meals prepared by our food services department

1,351



Tonnes of linen processed by our South West Regional Linen Service

21,450



Volunteer hours across our 241 registered volunteers

About us



2,158

People employed

110,000

People live in South West Victoria

150

Medical, nursing, mental health, allied health and community health services provided to our community

\$180M

We are the region's largest employer: 2158 people work for South West Healthcare. Our local economy benefits to the tune of approximately \$180M per annum.

Our Vision

Leaders in healthcare, partners in wellbeing.

Our Mission

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

Our Values

Our Culture of Care

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

Our Culture of Respect

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

Our Culture of Integrity

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

Our Culture of Excellence

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

Our Culture of Leadership

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

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

We continue to advocate for, and successfully deliver excellent care closer to home and nurture expansion to our diverse service profile year on year. The Warrnambool Base Hospital proudly turned 170 years old this year, and our Camperdown Hospital achieved 115 years of providing care to those in our communities.

South West Healthcare consists of two public hospitals, an area mental health service, an aged care facility, a Regional Logistics Distribution Centre and five community health centres. In 2023-24 we provided more than 150 medical, nursing, mental health, allied health and community health services to the 110,000 people who live in Warrnambool, Moyne, Corangamite, Southern Grampians and Glenelg Shires.

Our Hospitals

Camperdown Hospital	Robinson Street, Camperdown 3260	03 5593 7300 frontdesk@swh.net.au
Warrnambool Hospital	Ryot Street, Warrnambool 3280	03 5563 1666 info@swh.net.au

Our Mental Health and Wellbeing Services

Camperdown	64 Scott Street, Camperdown 3260	03 5593 6000
Hamilton	12 Foster Street, Hamilton 3300	03 5551 8418
Portland	63 Julia Street, Portland 3305	03 5522 1000
Warrnambool	Koroit Street, Warrnambool 3280	03 5561 9100

Our Aged Care Facility

Merindah Lodge	York Street, Camperdown 3260	03 5593 7366 merindah@swh.net.au
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Our Community Health Centres

Camperdown	140 Manifold Street, Camperdown 3260	03 5557 0900 mplace2@swh.net.au
David Newman Adult Day Centre	20a Church Street, Camperdown 3260	03 5593 7364 dcentre@swh.net.au
Lismore	High Street, Lismore 3324	03 5558 3000 lismore2@swh.net.au
Macarthur	12 Ardonachie Street, Macarthur 3286	03 5552 2000 macarthur@swh.net.au
Warrnambool	287 Koroit Street, Warrnambool 3280	03 5563 4000 intake@swh.net.au

Our Laundry and Supply Facility

Regional Logistics Distribution Centre	Cooper Street, Warrnambool 3280	03 5564 4211 supply@swh.net.au
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Our Dental Services

Camperdown	140 Manifold Street, Camperdown 3260	03 5557 0915 camperdowndental@swh.net.au
Hamilton	2 Roberts Street, Hamilton 3300	03 5551 8347 dental@swh.net.au
Portland	Bentinck Street, Portland 3305	03 5563 1500 dental@swh.net.au
Warrnambool	287 Koroit Street, Warrnambool 3280	03 5563 4250 dental@swh.net.au

Regional Logistics Distribution Centre open for business



The robotic auto store at RLDC

South West Healthcare's new Regional Logistics Distribution Centre (RLDC) is a purpose built facility that houses the South West Regional Supply warehouse, Linen Service, Procurement team, and provides some space for the South West Healthcare maintenance team. The warehouse supports all 11 public health services in South West Victoria including Western District Health Service, Portland District Health and Colac Area Health. The Regional Linen Service provides linen cleaning and distribution to public health services and also 34 aged care and other health facilities in the South West of Victoria. The RLDC is a shared service model with all South West public health services as partners and as such the benefits of the newly established facility are shared across all public health services.

The RLDC was completed in January this year and all supply warehousing and laundry functions are operating from this site. The health organisations across the South West catchment service a population in excess of 130,000 across the municipalities of Colac-Otway Shire, Corangamite Shire, Glenelg Shire, Moyne Shire, Southern Grampians Shire, Surf Coast Shire and Warrnambool City Council.

The RLDC project commenced in 2021 and quickly took shape over the next few years. With its striking green and gold external wall cladding the RLDC has become somewhat of an icon along its Cooper Street home with the site becoming fully operational in May this year.

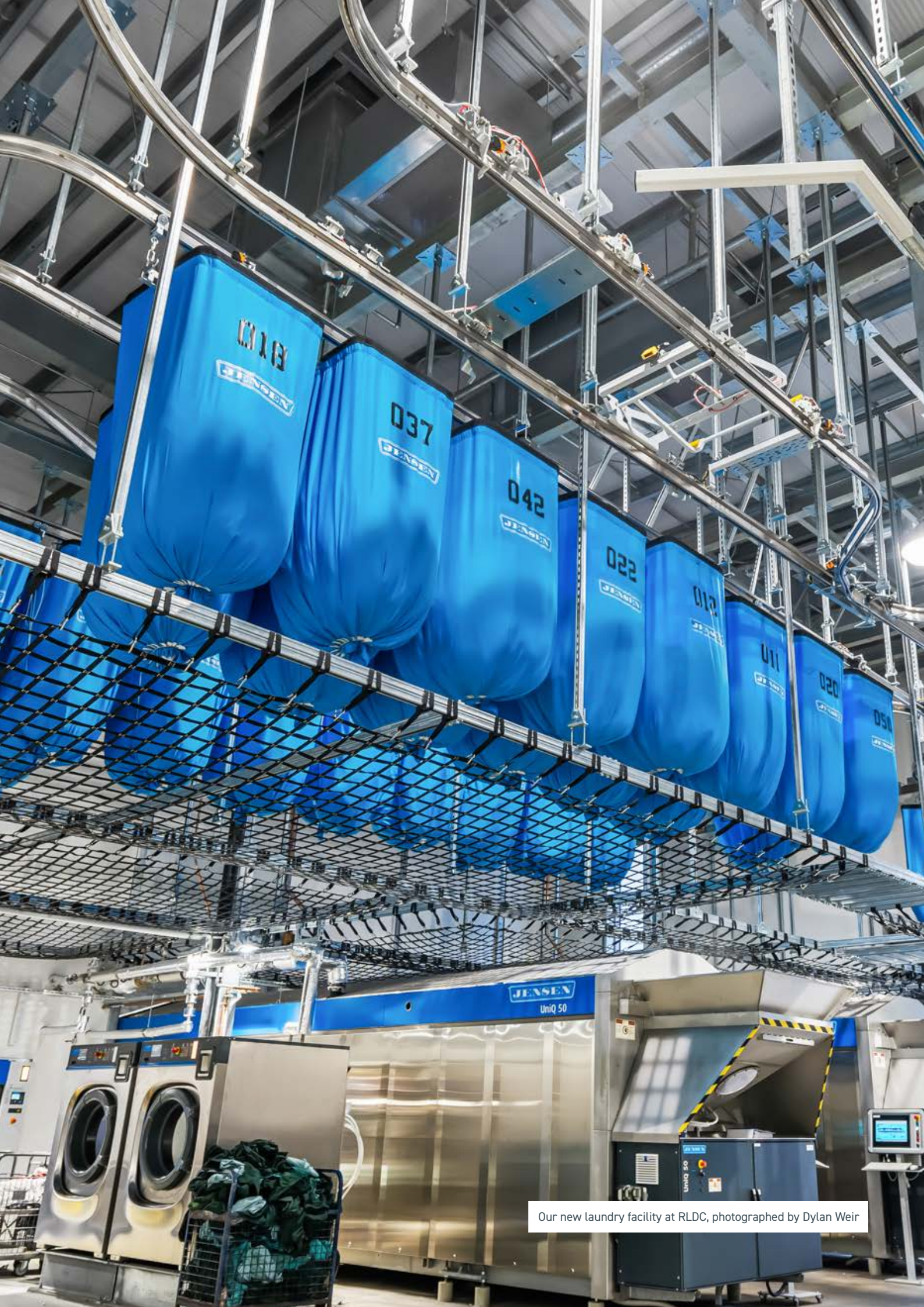
Prior to the move, our key staff underwent extensive training on the multi-million-dollar Jensen laundry equipment, and Dematic Auto-Store supply technology. Key contacts within

South West public health services nursing and medical departments also established communication channels with the operations team which enabled a smooth transition, with stock and goods remaining accessible throughout the changeover.

To ensure successful outcomes during construction of the RLDC, South West Healthcare teams worked with our contractor Hansen Yuncken and took a collaborative approach to coordinate the building works and deliver the highly automated site, which includes:

- The fully automated laundry, including the installation of the latest technology and Jensen laundry equipment which supports the laundry process from receipt of dirty linen through to packing and distribution of clean and folded linen across South West health facilities and partner agencies.
- The Dematic Autostore which is a robotic and automatic retrieval system consisting of 7,600 containers known as totes. The totes hold the regions products which are retrieved and transported by robots to centralised workstations for distribution. The Autostore is located within a sterile environment, housing both warehousing and distribution functions and this area is temperature, humidity and positive air pressure controlled.

The 5,280 square metre RLDC will support more than 50 health providers across South West Victoria and has been part of the enabling works phase of the \$384M Warrnambool Base Hospital Redevelopment.



Our new laundry facility at RLDC, photographed by Dylan Weir

Highlights



2023 Victorian Public Healthcare Awards
Winner: The Premier's Medium Health Service of the Year
Winner: Keeping people healthy and safe in the community
Finalist: Creating a sustainable and climate resilient health system



Achieved 99.8% staff influenza vaccinations rate across all campuses which is the highest in the state for a service our size.



This Ophthalmic Microscope is the latest addition to our operating team in Warrnambool.



Acknowledged 16 Days of Activism.



The "Gloves On, Gloves Off" campaign saw a 13% reduction in glove use in 6 months.



We welcomed 24 graduate nurses and 17 RUSONS across our Warrnambool and Camperdown campuses



We have welcomed 105 Doctors in training.



Accredited as one of the nation's first rural training hospitals for Plastic and Reconstructive Registrars in their final years of training.



40 parents were supported by our Healthy Mothers Healthy Bubs service during 2023-24.



872 consumers were supported through South West Centre Against Sexual Assault.



Gained successful accreditation for both Warrnambool and Camperdown campuses in line with the National Safety and Quality Health Services Standards.



Achieved a further three years Aged Care Quality and Safety Commission accreditation for Merindah Lodge.

Year in review

Over the past 12 months South West Healthcare has continued our commitment to delivering high quality care close to home and improving the health and wellbeing of South West Victorians.



From left, South West Healthcare CEO, Craig Fraser, Hansen Yuncken Project Manager, Stephen Keen, Minister for Health, The Hon. Mary Anne Thomas MP, State Member for Western Victoria Region, Jacinta Ermacora, South West Healthcare Board Chair, Bernadette Northeast.

This dedication to care has seen a number of achievements across our organisation, as we work to expand and improve our services.

It was extremely exciting and a fitting recognition of our hard-working staff when South West Healthcare was awarded The Premier's Medium Health Service of the Year at the 2023 Victorian Public Healthcare Awards. It was a successful night with our School Readiness team recognised as the top performer in the Keeping People Healthy and Safe in the Community category along with our teams in linen and supply and the sustainability team being shortlisted as finalists in the Creating a Sustainable and Climate Resilient Health System category.

Meeting accreditation requirements across multiple areas was another big achievement and in recognition of our excellence in care provision, we achieved another three years of accreditation under the National Safety and Quality Health Services Standards across the entire organisation. The dedication and commitment to care for our patients was highlighted as a strength by the survey team.

We continue to cement our reputation as a strong rural medical training location with our successful submission to the Royal Australian College of Surgeons, which saw us endorsed as one of the nation's first rural training hospitals for Plastic and Reconstructive Registrars. Having met the requirements for the accredited program we have since accepted our first registrar this year. Our healthcare service has also seen 105 doctors-in-training commence, along with over 500 nursing and allied health students.

Promotion of the benefits of regional training has been an ongoing focus with the introduction of the Hospital Medical Officer program at our Camperdown campus. A welcome

relief to our local GPs in the area, this medical workforce model provides invaluable rural generalist training to junior medical staff. The additional medical workforce means there is a trainee Doctor onsite during the day which assists to improve the care of urgent care and inpatients at Camperdown Hospital.

As Victoria's largest sub-regional healthcare provider, our dedication remains for the care and wellbeing of our patients, residents and consumers. We are committed to delivering high quality experiences, including patient comfort. Feedback from our patients consistently reflects their positive experiences throughout their interactions with our services. Achieving results above the target, included 96.7 per cent of patients reporting a positive experience. The recent completion of the \$1.5M patient engagement and entertainment system upgrade for both the Warrnambool and Camperdown hospitals, has delivered 209 bedside TVs, and significantly enhanced comfort.

Our Emergency Department expansion, now nearing completion, is expected to see a further improvement in wait times with teams better able to manage access and flow of incoming presentations. This past year has seen a marked improvement to Emergency Department care times, with our 'seen within' times increased by 28% in this 12-month period. A contributing factor to our improved patient flow in the Emergency Department has been the introduction of geriatric screening as patients present. This process sees our Geriatrician actively assessing patients on presentation allowing for expedited assessment and quicker discharges similar to programs that run within the United Kingdom.

Further service expansion occurred in the Ngootyoong Prevention and Recovery Centre (PARC) with day stay beds

now available. The ability to provide more spaces in this 'step up, step down' mental health and wellbeing service promotes seamless care between home and hospital for vulnerable consumers.

While inpatient care is imperative, we are also working hard to ensure our clients are receiving quality care and support when at home. This has been achieved through a variety of programs such as Hospital in the Home (HITH) and our Geriatric Evaluation and Management (GEM) programs. Our HITH program is strongly supported by a new initiative for South West Healthcare in our Virtual Internal Medicine Team (VIMT). The team has had a promising start having treated more than 80 patients' who were managed virtually in their own homes by a Specialist Physician-led team. In the same 12 months, the VIMT simplified the assessment and triaging of more than 1205 patients referred to our Day Stay Unit.

In early 2024 South West Healthcare also obtained accreditation under the National Standards for our residential Aged Care facility, Merindah Lodge in Camperdown. These results reflect the incredible care and support of our staff not only towards the residents but also their families. This three-year accreditation will span our transition into the newly built Residential Aged Care facility which is on track for completion in mid-2025. Construction works commenced early 2024 and once completed the new 36-bed, two-story facility will further promote physical and mental wellbeing, as well as encourage greater social interaction for our aged care residents.

Our most significant redevelopment milestone this year was the completion and opening of our Regional Logistics Distribution Centre. Staff on site received extensive training on the multi-million-dollar Jensen laundry equipment, and Dematic Auto-Store supply technology and all areas are now running efficiently and smoothly to maintain supply and linen services across the entire South West of Victoria.

The final works stage of the \$384.2M Warrnambool Base Hospital Redevelopment are looking to commence in 2025, with a design review process underway. Due to the rise in building and construction costs we have undergone a redesign phase for this project to ensure we deliver on budget and on time. We look forward to the progress over

the next three years to improve the services we deliver whilst meeting the increasing needs of the community. With these expanding services, South West Healthcare is committed to the retention and recruitment of our workforce. A significant rise in senior medical staff numbers has allowed us the ability to provide increased medical services. Our Mental Health and Wellbeing service now has a fuller complement of clinicians providing care and support to our consumers. These appointments are a result of concerted efforts by the team over the last five years and were enhanced with the appointment of a Clinical Director in May 2024.

This year we endorsed our Aboriginal Employment Strategy. This guides us in providing a more culturally appropriate environment with strong Aboriginal presence in our workforce. Understanding Aboriginal culture, spiritual beliefs and physical health needs is pivotal to providing positive health outcomes.

We recognise that when our staff's skills are nurtured, they become a stronger workforce delivering better patient care. Results of our recent staff survey highlighted that our teams valued learning and development in their roles along with recognition for what they are achieving. We launched our Leading with Clarity program in mid-February, which supports our managers, and in turn staff, to further develop their team culture into their work systems. We continue, as always, to work towards improving staff engagement and job satisfaction, to ensure a workplace dedicated to fostering innovation whilst consistently delivering great patient experiences alongside high-quality outcomes.

We look forward to 2025 and beyond; we have some substantial work ahead in the construction of the Warrnambool Base Hospital clinical services building whilst also boosting our workforce to maintain a strong patient care focus.

We are dedicated in providing an expanding breadth of services to people and communities in Victoria's South West and will continue to strive to deliver exceptional healthcare closer to home.

Dr Bernadette Northeast
Board Chair



Craig Fraser
Chief Executive Officer



Our People



Our recruitment team

Staff service awards

10 years

Ruth Alger
Jennifer Ashworth
Catherine Atkinson
Maureen Bayard
Sonya Brady
Sharon Cameron
Amanda Crisp
Heidi Cutting
Kylie Dorney
Kristy Dowie
Sarah Gravalin
Helen Hand
Daniel Hawthorne
Louise Hoffmann
Lauren Johnson
La Toya Johnston
Anthony Kane
Marnie Kerr
Michelle Lucas
Brian MacKenzie
Melissa Magilton
Patricia Mahony
Heidi Manson
Rachael Mason
Julie McKenzie
Melissa McMahan
Barbara Moll
Anne North
Monica O'Leary
Monique O'Sullivan
Tania Page
Sharna Purcell
Madison Rush
Julie Russell
Catherine Wallis
Lesley Watt
Erin Weston
Robyn White
Brooke Williams

15 years

Melanie Allen
Carmel Allison
Catherine Asling
Timothy Baker
Trudi Best
Michelle Brooks
Felicity Clancey
Lynette Conn
Jessica Crute
Julie Dawson
Lynda Dowd
Anthony Earnshaw
Colleen Eccles
Lara Fleming
Catherine Graham
Catherine Hirst
Annemartien Hoekstra
Michael Jones
Lorraine Kane
Narelle Lewis
Michelle Lyons
Bernadette O'Brien
Penelope O'Neill
Carolyn Price
Rohitha Ranasinghe
Timothy Reading
Megan Reilly
Julie Robertson
Jessica Smith
Sharon Smith
Robyn Steel
Carley Thomas
Alison Tickner
Shaun Vesey
Bernadette Walsh
Mia Wolff

20 years

Jennifer Cameron
Catriona Campbell
Andrea Drendel
Nayani Edirimanna
Rebecca Lowe
Jennifer Lukeis
Joanne Matthews
Carl McMeel
Kirsty Mitchell
Paul Moritz
Janice O'Brien
Annette O'Keeffe
Therese O'Neill
Nadine Porter
Graeme Raymond
Carly Ryan
Jamie Sabo
Jillian Smith
Kate Turner

25 years

Maureen Bond
Karen Bond
Carolyn Cook
Nicole Delaney
Robyn Gordon
Raymond Hall
Kim Helmore
Leanne Hyland
Annette Kelson
Isabel Kinnear
Suzanne Patten
Lisa Petherick
Joanne Place
Cheryl Poole
Alison Van De Camp
Sharyn Weber

30 years

Jodie Gardner
Tricia Jewell
Karyn McCluskey
Sharon McKenzie
Nicholas Place
Theresa Swanson
Michelle Trigg
Melissa Walsh
Judy Wilde

35 years

Maree Boyle
Charlotte Bryant
Wendy Clark
Linda Gaut
Carole Holman
Marie Hynes
Louise Jacobs
Caroline Polack
Sharon Scott
Leanne Solly
Donald Stewart
Lorraine Timms

40 years

Lindsay Hess
Helen Keegan
Peter Logan
Dale Mitchell
Sharyn Pownceby
Louise Speed

45 years

Dianne Fitzwilliam
Lynn Gardiner
David Speed

Investing in our people

The South West Healthcare workforce continues to be our most valuable asset and one in which we invest in heavily. Throughout the year we have provided a number of training, education and development opportunities to ensure our staff deliver best practice and contemporary services to the South West communities in which we live. The South West Healthcare People Strategy revolves around our people and focusses on five key pillars to drive the development of a high performing workforce and culture of excellence and care. It articulates future opportunities through prioritising engagement with our people and builds on our dedicated recruitment and retention strategies, to meet our current and future workforce needs. It is a key component in delivering on the South West Healthcare strategic objectives.

A major initiative to achieve the objectives of the People Strategy is the Leading with Clarity program which enhances the skills knowledge and consistency of our management teams. The Leading with Clarity program, together with the internal Leadership Engagement and Development (LEAD) program, proactively support and develop our leaders through the practical application of best practice leadership tools and techniques. The South West Healthcare Scholarship Program and other various development opportunities promote the development of a high performing and engaged workforce, in accordance with South West Healthcare's longer term strategic objectives. The People Strategy and the Aboriginal Employment Strategy initiatives will continue to be an important focus for South West Healthcare for the next 12 months, and beyond.

Engaging with our staff to capture feedback resulted in actions that were implemented to improve staff satisfaction in the workplace. Through annual staff surveys and in partnership with more than 40 staff participating in 12 staff survey workshops, we collaboratively developed an Action Plan to drive organisational improvement on topics that matter most to our staff. These initiatives aim to enhance the workplace for our staff, provide further career development opportunities and improve employee engagement and satisfaction. Some of the initiatives achieved to date, include:

- Launched the "Leading with Clarity Program" to embed the Studer Framework Leadership model to drive excellence in service delivery and ultimately enhance patient care outcomes
- Refreshed and relaunched the South West Healthcare Values and the "I Will I Won't" Statement articulating expected behaviours to drive positive workplace culture
- Developed and delivered the Leadership Engagement and Development (LEAD) Program delivering 22 management leadership topics to more than 440 staff in both clinical and non-clinical roles
- Delivered Supporting Workplace Mental Health training to 90 Managers across South West Healthcare
- Provided access to wellbeing initiatives including free relaxation massages, and free Yoga and Pilates classes delivered at campuses/sites across the region
- Enhanced orientation and induction programs for new staff and emerging leaders
- Installed new free coffee machines at both Camperdown and Warrnambool campuses
- Awarded eight Scholarships for study in 2024 spanning qualifications from Certificate IV through to Masters across numerous disciplines
- Ongoing and timely communication through a number of channels including monthly CEO Manager updates, CEO online staff forums and the monthly 'Message from CEO'
- Delivered stress management and developing resilience coaching sessions to teams across the organisation
- Provided free access to school holiday activity programs to support staff juggling caring responsibilities over school holiday periods
- Developed the Fatigue Management Tool and delivered training to proactively manage and support our workforce
- Established and implemented a consistent Change Management Framework together with practical tools to communicate and support change across all areas of the organisation

Workforce data Table 1.1

Labour category	June FTE 2023	June FTE 2024	Average monthly FTE 2023	Average monthly FTE 2024
Nursing	570	599	560	577
Admin and Clerical	219	235	217	227
Medical Support	71	69	71	70
Hotel and Allied Services	155	158	154	158
Medical Officer	116	24	101	31
Hospital Medical Officers	N/A*	99	N/A	94
Sessional Clinicians	13	12	12	13
Ancillary Staff	149	173	148	158
Total	1,293	1,369	1,263	1,328

*Medical officer and Hospital Medical officer numbers were combined for June FTE 2023 report.

Occupational Health and Safety statistics Table 1.2

	2023-24	2022-23	2021-22
The number of reported hazards/incidents for the year per 100 FTE	41.24	32.69	30.77
The number of 'lost time' standard WorkCover claims for the year per 100 FTE	0.76	0.79	0.72
The average cost per WorkCover claim for the year ('000)	\$70,899.66	\$125,142.01	\$77,363.85

Occupational violence statistics Table 1.3

	2023-24
Workplace accepted claims with an occupational violence cause per 100 FTE	0
Number of accepted WorkCover claims with lost time injury with an occupational violence cause per 1,000, 000 hours worked	0
Number of occupational violence incidents reported	298
Number of occupational violence incidents reported per 100 FTE	22.5
Percentage of occupational violence incidents resulting in a staff injury, illness or condition	0

Definitions of occupational violence

- Occupational violence - any incident where an employee is abused, threatened, or assaulted in circumstances arising out of, or in the course of their employment.
- Incident - an event or circumstance that could have resulted in, or did result in, harm to an employee. Incidents of all severity rating must be included. Code Grey reporting is not included, however, if an incident occurs during the course of a planned or unplanned Code Grey, the incident must be included.
- Accepted Workcover claims - accepted Workcover claims that were lodged in 2023-24.
- Lost time - is defined as greater than one day.
- Injury, illness, or condition - this includes all reported harm as a result of the incident, regardless of whether the employee required time off work or submitted a claim.

Board of Directors

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



Board Chair Dr Bernadette Northeast

Senior Manager, Land Health and Strategic Partnerships - Glenelg Hopkins Catchment Management Authority

Bachelor Science (Hons), Doctor Philosophy, AICD CDC

Appointed: July 2015

Board committees: Governance and Remuneration (Chair) / Human Research Ethics (Chair) / Quality and Clinical Risk / Financial Performance, Audit and Financial Risk

Attendance: 8/8 (100%) board meetings



Deputy Chair Allison Patchett

Director - The Leadership Place

Master Science, Bachelor Science (Hons), Registered Nurse, Post Graduate Certificate Organisational Coaching

Appointed: July 2019

Board committees: Quality and Clinical Risk (Chair) / Governance and Remuneration

Attendance: 8/8 (100%) board meetings



Deputy Vice Chair Dr Geoffrey Toogood

Cardiologist - Peninsula Health, Alfred Health

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

Appointed: July 2017

Board committees: Quality and Clinical Risk / Governance and Remuneration

Attendance: 5/8 (63%) board meetings



Director Narelle Allen

Manager Brand and Strategic Marketing - South West TAFE

GAICD CDC, Graduate Certificate Marketing

Appointed: July 2015

Board committees: Consumer and Community Advisory / Financial Performance, Audit and Financial Risk

Attendance: 8/8 (100%) board meetings



Director Jenny Waterhouse

Assistant Business Manager - Warrnambool College

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

Appointed: July 2016

Board committees: Financial Performance, Audit and Financial Risk (Chair) / Governance and Remuneration

Attendance: 7/8 (88%) board meetings



Director Bill Brown

Director, Advisor and Lawyer – Orange Advisory Pty Ltd
Bachelor Laws, Bachelor Economics, GIA (Cert)

Appointed: July 2017

Board committees: Financial Performance, Audit and Financial Risk / Governance and Remuneration

Attendance: 7/8 (88%) board meetings



Director Alex Gillan

Independent Non Exec: Director – Royal Rehab Pty Ltd; Gospel Resources Ltd; Psychological Health Pty Ltd

Bachelor Business (IT), GAICD CDC

Appointed: July 2019

Board committees: Financial Performance, Audit and Financial Risk / Quality and Clinical Risk

Attendance: 7/8 (88%) board meetings



Director Ronda Held

Board Director – Leadership Great South Coast

Master Policy and Administration, Bachelor Economics, Bachelor Social Administration

Appointed: July 2020

Board committees: Consumer and Community Advisory (Chair) / Quality and Clinical Risk

Attendance: 7/8 (88%) board meetings



Director Brandon Howard

Director Child Youth and Family West Vic, MacKillop Family Services

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

Appointed: July 2021

Board committees: Financial Performance, Audit and Financial Risk / Consumer and Community Advisory

Attendance: 7/8 (88%) board meetings



Director Ann Larkins

Executive Director Information Communication and Technology/CIO – Australian Red Cross Lifeblood

Master of Business and Technology (MBT), Critical Care Registered Nurse (non-practicing) GAICD

Appointed: July 2023

Board committees: Financial Performance, Audit and Financial Risk / Quality and Clinical Risk

Attendance: 8/8 (100%) board meetings

Executive Directors



Chief Executive Officer

Craig Fraser

BProsOrth, Dip Applied Science, GAICD, AFCHSE

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



Chief Operating Officer

Andrew Trigg

BComm (Accounting/Finance), ASA, GAICD

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



Executive Director Primary and Community Services

Kerry Anderson

BPod (Hons), Prof Cert Workplace Leadership

Kerry has worked in the health care sector for more than 25 years. With a strong clinical background, she has worked in a variety of project and management roles and has a comprehensive understanding of community based healthcare. She is committed to continued development and provision of high-quality multidisciplinary healthcare, with a particular focus on what can be provided outside of hospital walls.



Executive Director Redevelopment and Infrastructure

Jamie Brennan

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

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



Executive Director Mental Health and Wellbeing Services

Richard Campion

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

Richard has more than 15 years' experience in the health services sector across Australia and the UK, working in executive positions within health services in the Northern Territory and Victoria. He has a mental health clinical background and is committed to supporting the provision of high quality, consumer focused mental health and wellbeing services.



Executive Director Medical Services

Dr Kate McConnon

MBBS FRACGP MHSM AFRACMA

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



Executive Director People and Culture

Sheron Cook

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

Sheron is a highly experienced HR professional who has worked in executive and senior management roles across the public and private health sector. Sheron is committed to building robust systems that enable people to achieve their full potential to meet emerging trends and demands, and to foster a vibrant and patient focussed organisational culture.



Executive Director Nursing and Midwifery

Sue Anderton

Bachelor of Nursing, Graduate Diploma of Nursing (Critical Care), Master of Nursing (Nurse Practitioner), Certificate of Advanced Leadership

Sue is an experienced nursing professional with over 25 years of expertise in the Victorian public health sector. As a registered nurse, she has adeptly navigated diverse clinical, management, and project roles, with a significant focus on emergency nursing, including her qualification and role as a nurse practitioner. This extensive background has not only honed her clinical skills but also deepened her understanding of the contemporary needs in regional health services.



Acting Executive Director Nursing and Midwifery

Peter Logan

RN, RM BNursing, Masters Public Health

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

Organisational Structure

Board of Directors

Chief Executive Officer

Chief Operating Officer

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

Executive Director Primary and Community Services

- General Practice
- Aboriginal Health
- District Nursing and Hospital In The Home
- Intake and Access
- Allied Health and Ambulatory Rehabilitation
- Regional Dental Services
- Chronic Illness Programs
- Community Health
Camperdown, Hamilton, Portland, Warrnambool, Lismore
- Centre Against Sexual Assault (CASA)

Executive Director Redevelopment and Infrastructure

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

Executive Director Mental Health and Wellbeing

- Adult Mental Health and Wellbeing
Camperdown, Hamilton, Portland, Warrnambool
- Older Mental Health and Wellbeing
- Child and Youth Mental Health
- Inpatient Services
- Ngootyoong Prevention and Recovery Care Centre (PARC)
- Referral Services
- Primary Mental Health

Executive Director Medical Services

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

Executive Director People and Culture

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

Executive Director Nursing and Midwifery

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

Our full organisational structure can be found by visiting southwesthealthcare.com.au/about-us/organisational-structure

Principle Committees

The Board of Directors is supported by four Principal Committees.

Financial Performance, Audit and Financial Risk Committee

This committee oversees the development and monitoring of performance of South West Healthcare's strategic financial and annual business plans and financial risk management systems. This committee met six times in 2023-24.

Consumer and Community Advisory Committee

The community members of this committee advocate for the best interest of patients, consumers and their families, and provide advice and guidance to South West Healthcare in carrying out our community engagement responsibilities, ensuring that community and consumer views are embedded in the planning and delivery of services across South West Healthcare. This committee met four times during 2023-24.

Quality and Clinical Risk Committee

This committee ensures robust and accountable systems are in place to monitor and continually improve the quality, safety and effectiveness of health services provided by South West Healthcare in the delivery of safe effective patient centred care. This committee met six times in 2023-24.

Governance and Remuneration Committee

This committee ensures robust and accountable systems are in place to monitor and continually improve the outcomes and effectiveness of South West Healthcare through defined strategic and operational performance indicators for the CEO, Executive and Board. This committee met three times in 2023-24.

Performance and Direction



Our graduate nurses are supported through rotational placements, regular study days and clinical supervision

Statement of Priorities

In 2023-24 South West Healthcare contributed to the achievement of the Victorian Government's commitments by:

Excellence in clinical governance

Goals	Health Service Deliverables
MA2 Strengthen clinical governance systems that support safe care, including clear recognition, escalation, and addressing clinical risk and preventable harm	<p>Improve patient access and flow with a focus on quality of care. This will be demonstrated by improvement by:</p> <ul style="list-style-type: none"> • Patients seen within clinically appropriate timeframes • Reduction in length of inpatient and Emergency Department stay • Increase Hospital in the Home and other home based services

Health Service Outcome

Achieved ✓

In the past year, South West Healthcare has made significant advancements in strengthening clinical governance. With ongoing demands on the Emergency Department and inpatient beds, our strategic initiatives have focused on enhancing patient care, optimising operational efficiency, and improving patient flow throughout the hospital system including partner agencies.

The introduction of a senior streaming model in the Emergency Department has facilitated earlier assessments by senior medical staff for emergency patients. This initiative has proven effective in expediting initial patient care, ensuring timely medical interventions, and enhancing the overall quality of care provided in the Emergency Department.

South West Healthcare have increased the utilisation of the Emergency Observation Unit for patients requiring less than 24 hours hospital stay. This approach has allowed us to provide appropriate care without unnecessary admissions, improving patient flow and freeing up inpatient beds for those in need of extended care.

The Emergency Department expansion project has been a significant investment in building and infrastructure aimed at supporting fast track and additional treatment areas and waiting room spaces. This development will greatly improve Emergency Department flow, allowing us to better accommodate patient volumes and enhance overall patient experience.

A renewed focus on discharge destination and timing has been initiated to enhance the transition out of hospital and to home for patients. By optimising multidisciplinary team discharge processes, we are continuing to work on patients receiving comprehensive discharge planning, facilitating a smoother transition out of hospital.

South West Healthcare are continually reviewing our bed management practices and daily operating systems to boost efficiency. This ongoing analysis of patient flow and bed occupancy has enabled us to make informed adjustments, ensuring that resources are allocated effectively and that we can respond promptly to inpatient demand.

A comprehensive review of policies related to patient access and flow has commenced. This review is aimed at identifying bottlenecks in the system and will lead to the implementation of solutions to improve the patient journey through the Emergency Department, inpatient acute and sub-acute services, as well as at home services, ensuring timely access to appropriate care.

These initiatives have resulted in improved "seen by" times in the Emergency Department, enhancing patient satisfaction and experience.

There has also been a decrease in the length of stay in the Emergency Department, allowing for more efficient resource use and increased patient throughput.

Our efforts have contributed to improved National Emergency Access Target (NEAT) performance, reflecting our commitment to delivering timely care to patients in the emergency setting.

Additionally, we have achieved a reduction in inpatient length of stay.

South West Healthcare's dedication to continuous improvement in patient care and operational efficiency will ensure that we remain responsive to the needs of our patients and the community, ultimately providing high-quality care in a timely manner.

Goals	Health Service Deliverables
MA7 Improve mental health and wellbeing outcomes by implementing Victoria's new and expanded Mental Health and Wellbeing system architecture and services	Actively contribute and participate in the Mental Health Royal Commission rollout process, and actively advocate for the needs of the South West Victoria community

Health Service Outcome **Achieved** ☑ **Ongoing** ☑

South West Healthcare Mental Health and Wellbeing Services have continued to support, implement, and embed the recommendations of the Royal Commission into Victoria's Mental Health System during 2023-24.

Continued priority has been given to the embedding of Lived and Living Experience into the leadership, design and delivery of Area Mental Health Services. A number of additional peer support worker roles have commenced across the region and the final phase of recruitment to remaining positions is underway.

Embedding of a new Child and Youth Mental Health Services (CYMHS) model commenced during 2023-24 and is now entering its final phases of completion.

There has also been a continued focus on community partnerships with a number of primary and secondary consultation arrangements being developed or continuing, particularly through Child and Youth Mental Health Services and the Primary Mental Health Team.

A new partnership with Forensicare has brought additional specialist capabilities to the region and South West Healthcare is in the process of establishing a Forensic Clinical Specialist role, which will be the first time such services have been based at South West Healthcare to serve the region.

A significant change to practice has been the implementation of the *Mental Health and Wellbeing Act (2022)* by Area Mental Health Services, replacing the previous *Mental Health Act (2014)*. In 2023, South West Healthcare transitioned to the new Act as well as providing support and advice to stakeholders and groups across the region.

The Royal Commission rollout in Victoria is a ten year initiative.

Goals

- MA11 Partner with Safer Care Victoria (SCV) and relevant multidisciplinary groups to establish protocols and auditing processes to manage effective monitoring and escalation of deterioration in paediatric patients via VICTOR charts
- MA11 Improve paediatric patient outcomes through implementation of the "VICTOR track and trigger" observation chart and escalation system, whenever children have observations taken
- MA11 Implement staff training on the "VICTOR track and trigger" tool to enhance identification and prompt response to deteriorating paediatric patient conditions

Health Service Outcome **Achieved** ☑

South West Healthcare utilises Victoria children's tool for observation and response (VICTOR) to record paediatric observations.

Paediatric Track and Trigger charts, often referred to as "Victor charts" have been implemented in areas recording observation of children across South West Healthcare including Emergency Department, paediatric ward, operating theatre, and maternity services neonatal unit.

Working to achieve long term financial sustainability

Goals	Health Service Deliverables
MB1 Cooperate with and support Department-led reforms that look towards reducing waste and improving efficiency to address financial sustainability, operational and safety performance, and system management	Complete the Regional Logistics Distribution Centre (RLDC) capital works program and transition the Regional Supply Chain, Linen and Procurement service profile to the RLDC

Health Service Outcome **Achieved** ☑

Practical completion of the Regional Logistics and Distribution Centre (RLDC) facility and occupancy certificate achieved.

Staff from South West Healthcare Linen, Supply and Distribution teams have moved in and the new facility is fully operational.

This facility houses the business units of regional linen, central supply, regional procurement, and workshops and storage for the Building and Infrastructure team. The RLDC includes the installation of latest laundry equipment and technology to support the Regional Linen Service and a robotic warehouse system to support the Regional Central Supply Service. All Public Hospitals in South West Victoria are partners in the development and the benefits are being shared across the region.

Goals	Health Service Deliverables
MB2 Development of a health service financial sustainability plan in partnership with the Department with a goal to achieving long term health service safety and sustainability	Develop a sustainable financial strategy and service profile that responds to past COVID impacts and emerging system cost and funding challenges

Health Service Outcome

Ongoing ✓

South West Healthcare has benefited from another year of significant capital investment with a number of major capital projects progressing in 2023-24. As a result South West Healthcare has continued to improve its asset condition and the Entity result after capital items, is in surplus. The operating financial position has, however, been extremely challenging with South West Healthcare incurring its first operating deficit in many years. South West Healthcare has worked closely with the Department of Health in developing a sustainable operating financial position for 2024-25.

The benefits as a result of a number of capital commitments from reserves will take effect this calendar year. (i.e. Mental Health Acute Unit, Emergency Department expansion).

Improving equitable access to healthcare and wellbeing

Goals	Health Service Deliverables
MC1 Address service access issues and equity of health outcomes for rural and regional people including more support for primary, community, home-based and virtual care, and addiction services	Review and where appropriate reform sub-acute inpatient services to better meet community needs

Health Service Outcome

Achieved ✓ Ongoing ✓

The Rehabilitation in the Home program was implemented as a bed substitution service in the second half of 2023-24 with a successful six week trial across May and June resulting in 16 patients receiving their multidisciplinary rehabilitation care at home. This program is planned to continue during 2024-25.

Further work will occur across 2024-25 to increase access across the region.

Goals	Health Service Deliverables
MC3 Enhance the provision of appropriate and culturally safe services, programs and clinical trials for and as determined by Aboriginal people, embedding the principles of self-determination	Implement all actions identified on the Cultural Safety Plan

Health Service Outcome

Ongoing ✓

This is a multi year initiative with remaining tasks to be rolled over into 2024-25.

During 2023-24 the following has been achieved:

- A reduction in number of Aboriginal people leaving the Emergency Department without treatment across most of the year.
- Continued employment of Aboriginal Liaison Officers, with plans to increase to three.
- Recognition of dates of significance including NAIDOC, Reconciliation Week, National Sorry Day and Close the Gap Week. On National Sorry Day we heard from Eva Jo Edwards a Boonwurrung, Mutti Mutti/Yorta Yorta woman who spent much of her adult life rediscovering and engaging again in the culture she lost as a child - a powerful learning for all staff about the trauma impacting our communities today.
- Partnerships with local Aboriginal Community Controlled Health Organisations in provision of healthcare including Dental, Podiatry, Speech Pathology, Diabetes education and Dietetics.
- 100 percent completion rate for Aboriginal Cultural Safety e-learning training with additional training offered throughout the year within specific teams, including on country experience.

A stronger workforce

Goals	Health Service Deliverables
MD1 Improve employee experience across four initial focus areas to assure safe, high-quality care: Leadership, health and safety, flexibility, and career development and agility	Deliver the Aboriginal Employment Strategy objectives that promote increased recruitment and retention of Aboriginal people

Health Service Outcome

Ongoing ✓

The Aboriginal Employment Strategy has been developed and is being implemented across South West Healthcare by the new Aboriginal Programs Manager who commenced in December 2023.

All initial Aboriginal employment strategies have commenced with six monthly reporting against the Aboriginal Employment Strategy to occur in late 2024.

Goals	Health Service Deliverables
MD1 Improve employee experience across four initial focus areas to assure safe, high-quality care: Leadership, health and safety, flexibility, and career development and agility	Continue to deliver the initiatives of the People Strategy to proactively drive positive workplace change

Health Service Outcome

Achieved ✓ Ongoing ✓

A major initiative to achieve the objectives of the South West Healthcare People Strategy is the Leading with Clarity program which commenced in February 2024 with significant progress to date and continues to be ongoing in June 2024.

The Leading with Clarity program together with the internal Leadership Engagement and Development (LEAD) program proactively support and develop our leaders through the practical application of best practice leadership tools and techniques.

The South West Healthcare Scholarship Program and other various development opportunities promote the development of a high performing and engaged workforce, in accordance with the longer-term strategic objectives of the People Strategy.

The People Strategy and the Aboriginal Employment Strategy initiatives will continue to be a focus in the next 12 months.

Moving from competition to collaboration

Goals	Health Service Deliverables
ME2 Engage in integrated planning and service design approaches, whilst assuring consistent and strong clinical governance, with partners to join up the system to deliver seamless and sustainable care pathways and build sector collaboration	Implement the 2023-24 actions associated with the TrakCare clinical system upgrade project (3 year project)

Health Service Outcome

Achieved ✓ Ongoing ✓

The TrakCare Edition project progressed well across the year. Project governance was established with broad representation from each of the 11 health agencies involved.

A project team structure was developed, a project team recruited to and detailed project timelines and implementation approach was agreed to. The project team has many key senior clinical staff from across the South West region seconded into subject matter expert roles. Clinical work groups were also established to review functionality and develop workflows for the various clinical streams within the electronic health record.

Significant work associated with planning for implementation of the new Electronic Health Record occurred in readiness for 'go live' in late 2025 including commencement on developing education and training plans for all health agencies.

Empowering people to keep healthy and safe in the community

Goals	Health Service Deliverables
EA4 Enhance health literacy and promote high-quality health information so that the local community, including those in priority cohorts, can apply this knowledge to their own circumstances	Develop a Health Literacy Strategy, framework and action plan to improve the communities health behaviours

Health Service Outcome

Ongoing ✓

The Health Literacy Strategy and action plan have been completed with actions to be delivered over 2024-25. Drawing on the success of our community messaging during the COVID-19 pandemic, these actions will see South West Healthcare increase communication and information to the community to best enable adoption of behaviours that will improve health outcomes. The target audience for these actions is broad with some focused on those who are already unwell, and others focused on those yet to become unwell and more vulnerable groups within community.

Care closer to home

Goals	Health Service Deliverables
EB4 Improve health and wellbeing outcomes for people living in rural and regional areas by increasing access to care delivered remotely, closer to, or in their homes	Implement all initiatives identified through the Better at Home Program in admitted acute, admitted subacute and non-admitted areas

Health Service Outcome

Ongoing ✓

All initiatives identified through the Better at Home Program in admitted acute, admitted subacute and non-admitted areas have been implemented.

Geriatric Evaluation and Management (GEM) at Home program provided care to 117 patients for a total of 2,100 bed days. This program is now embedded at South West Healthcare as part of normal service delivery.

Hospital Admission Risk Program extended roles now in place at Terang and Mortlake Health Service, Timboon and District Healthcare Service and Moyne Health Services which has enabled an additional 86 consumers to access the service across the region.

Movement Disorder Nurse role has provided care and support for 66 consumers.

An additional 37 consumers have also been able to receive smoking cessation support.

Rehab in the Home trial occurred across May and June with 16 patients able to receive their multidisciplinary rehabilitation at home with plans to continue across 2024-25.

Hospital in the Home average number of patients receiving Hospital in the Home care per day has increased to 8.4, largely due to growth in medical type patients with the implementation of the Virtual Internal Medicine Team (VIMT).

Whilst the statewide Better at Home project is complete, a new strategy will be in place for 2024-25 to increase amount of care delivered at home.

Statement of Strategic Direction



Great healthcare experiences

We partner with consumers to achieve service excellence.

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



Empowering Our People

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

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



Integrated, high quality care

We continually improve service delivery to achieve high quality outcomes.

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



Infrastructure that supports best care

Future demand is planned and delivered through strategic investment.

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



Partnering for success

We are a highly valued partner and leader.

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

Performance Priorities

High Quality and Safe Care		Target	2023-24 Actuals
Infection prevention and control			
Compliance with the Hand Hygiene Australia Program		85%	89.3%
Percentage of healthcare workers immunised for influenza		94%	100%
Continuing Care			
Functional independence gains from episode of rehabilitation admission to discharge, relative to length of stay		0.645	1.122
Healthcare associated infections (HAI'S)			
Rate of patients with ICU central-line associated bloodstream infection (CLABSI)		0.0	0.0
Patient experience			
Percentage of patients who reported positive experiences of their hospital stay	Annual	95%	96.7%
Percentage of mental health consumers who reported positive experience of care with a service		80%	87%
Percentage of mental health consumers reporting they felt safe using this service		90%	92.8%
Percentage of mental health families/carers reporting a positive experience of the service		80%	53.5%
Percentage of mental health families/carers reporting they felt their opinions as a carer were respected		90%	68.1%
Maternity and Newborn			
Rate of singleton term infants without birth anomalies with APGAR score < 7 to 5 minutes	Warrnambool	≤ 1.4%	0.9%
	Camperdown	≤ 1.4%	0.0%
Rate of severe foetal growth restriction (FGR) in singleton pregnancy undelivered by 40 weeks	Warrnambool	≤ 26.8%	0.0%
Unplanned readmissions			
Unplanned readmissions for hip replacement		≤ 6.0	7.2
Aboriginal Health			
Percentage of Aboriginal admitted patients who left against medical advice		1.3%	2.6%
Percentage of Aboriginal emergency department presentations who did not wait to be seen		6.1%	6.6%
Mental Health			
Rate of seclusion events relating to an adult acute mental health admission		≤ 8	7
Rate of seclusion events relating to an aged acute mental health admission		≤ 5	0
Percentage of child and adolescent acute mental health inpatients with post-discharge follow-up within seven days		88%	100%
Percentage of adult acute mental health inpatients admissions who have a post-discharge follow-up within seven days		88%	93%
Percentage of aged acute mental health inpatients who have a post-discharge follow-up within seven days		88%	89%
Percentage of adult acute mental health inpatients who are readmitted within 28 day of discharge		14%	13%
Percentage of aged acute mental health inpatients who are readmitted within 28 day of discharge		7%	14%

Strong Governance, Leadership and Culture		Target	2023-24 Actuals
Organisational Culture			
People Matter Survey - Percentage of staff with an overall positive response to safety culture questions		62%	56%
Timely Access To Care		Target	2023-24 Actuals
Planned Surgery			
Percentage of urgency Category 1 planned surgery patients admitted within 30 days		100%	100%
Percentage of all planned surgery patients admitted within clinically recommended time		94%	87.4%
Number of patients on the planned surgery waiting list (as at 30 June 2024)		760	813
Number of patients admitted from the planned surgery waiting list		3,740	3,116
Percentage of patients on the waiting list who have waited longer than clinically recommended time for their respective triage category		5%	4.9%
Number of hospital-initiated postponements per 100 scheduled planned surgery admissions		≤ 7.0	8.0
Emergency Care			
Percentage of patients transferred from ambulance to Emergency Department within 40 minutes		90%	85%
Percentage of Triage Category 1 emergency patients seen immediately		100%	100%
Percentage of Triage Category 1 to 5 emergency patients seen within clinically recommended time		80%	73%
Percentage of emergency patients with a length of stay in the Emergency Department less than four hours		81%	58%
Number of patients with a length of stay in the Emergency Department greater than 24 hours		0	18
Mental Health			
Percentage of crisis (category C) mental health triage episodes with a face-to-face contact received within 8 hours		80%	45%
Percentage of mental health-related emergency department presentations with a length of stay of less than 4 hours		81%	49%
Specialist Clinics			
Percentage of urgent patients referred by a GP or external specialist who attended a first appointment within 30 days		100%	98.5%
Percentage of routine patients referred by a GP or external specialist who attended a first appointment within 365 days		90%	97.7%
Home Based Care			
Percentage of admitted bed days delivered at home		6.9%	7.0%
Percentage of admitted episodes delivered at least partly at home		1.7%	1.4%

Effective Financial Management	Target	2023-24 Actuals
Finance		
Operating Result (\$M)	(17.43)	-\$22M
Cash Management:		
Trade creditors	60 days	28 days
Patient fee debtors	60 days	50 days
Asset Management		
Adjusted current asset ratio	0.70	0.44
Actual days of available cash	14 days	10.66 days
Accuracy of forecasting the Net result from transactions (NRFT) for the current financial year	≤ \$250,000	Not met

*The data included in this annual report was accurate at the time of publication and is subject to validation by official sources from the Department of Health.

Activity reporting

		2023-24 Actuals
Funding Type		Activity Achievement
Consolidated Activity	Acute admitted, subacute admitted, emergency services, non-admitted NWAU	23,878
Acute Admitted	National Bowel Cancer Screening Program NWAU	50
	Acute admitted DVA	160
	Acute admitted TAC	92
Acute Non-Admitted	Home Enteral Nutrition NWAU	14.14
	Specialist Clinics	1,736
Sub-Acute/Non-Acute Admitted	Sub-Acute - DVA	39
	Transition Care – Bed Days	2,333
	Transition Care – Home Days	2,754
Sub-Acute/Non Admitted	Health Independence Program - DVA	37
Aged Care	Residential Aged Care	7,606
	Commonwealth Home with Support Program	40,064
Mental Health and Drug Services	Mental Health Ambulatory	40,827
	Mental Health Inpatient – Available bed days	5,446
	Mental Health Service System Capacity	1
	Mental Health Sub Acute	5,490
	Drug Services	65
Primary Health	Community Health/Primary Care Programs	22,700
Community Health Contacts by Campus	Warrnambool Community Health (inc HIP)	54,624
	Camperdown Community Health/David Newman Centre	13,854
	Macarthur Community Health	2,638
	Lismore Community Health	2,858
	Regional Dental Service	16,140
	South West Medical Centre (GP Clinic)	16,558

NWAU is the national weighted activity unit.

*The data included in this annual report was accurate at the time of publication and is subject to validation by official sources from the Department of Health.

Community Partnerships



Life governorships were awarded to (from left) Barbara Draffen, Wendy Howlett, Margaret Draffen and Virginia Marshall

Donors

We are incredibly grateful that our donors not only stood by us in this year but gifted more than ever before. Of the \$1,989,936.86 generously donated during 2023-24, three significant public appeals benefitted to allow for game-changing quality improvements for our patients, consumers, clients, residents and communities.

We have had 11 donors finance a \$511,000 food retherm system for our Warrnambool Base Hospital. This sophisticated technology will provide a wider variety of foods for inpatients with texture-modified dietary requirements to reduce their risk of choking or accidentally inhaling food and liquid into their airways. We care for up to 20 inpatients per day in this situation. Many of them have cancer. Others are recovering from stroke or dealing with conditions like multiple sclerosis. Allergen-free inpatients will also benefit. We acknowledge the following donors for this truly wonderful gift: Peter's Project Foundation, Vedmore Foundation, the Lois Batten Bequest, A L Lane Foundation, Ray & Joyce Uebergang Foundation, Gwen & Edna Jones Foundation, William & Lindsay Brodie Foundation, Thomas O'Toole Foundation, Gall Family Foundation, Ern Hartley Foundation, and Archie & Hilda Graham Foundation.

Launched in March 2024, our \$562,000 appeal to help equip, furnish and enhance the \$39.6M Camperdown Residential Aged Care facility crossed the half-way mark by week 11. Additionally, We've Got You Inc commendably inspired the community to gift more than \$120,000 to help fund the development of a bereavement suite within our Warrnambool Maternity Unit.

We continue to be generously supported by local businesses and clubs. This year we'd particularly like to recognise The Midfield Group for yet another \$100,000 gift which, this time, will be directed to identified needs within our Warrnambool Emergency Department, and members of the Warrnambool

Men's Shed for having voluntarily built the cubby house we raffled at Christmas time.

Bequests were gratefully received from the late Jean Batten, Lois Batten, John Gordon, Bernard Jansen, Alexander Murdoch and Pamela Redgewell. Memorial gifts were made as enduring tributes to the late Leura Alexander, Trevor Conlan, Vivian Garner, Maureen Gilmore, Brian Glennen, Bruce Marney, Matt Ryan, Andrew Schache, Heather Schache, Ian Schache, Kaye Sheppard/Slater, Gaynor Stevenson, Kerri Tabart, Graham Tilly and Faye Tregear.

Our hard-working auxiliaries have once again excelled on the fundraising front. The Camperdown & District Hospital Auxiliary donated \$46,831 for a much-needed cardiotocography (CTG) machine, \$10,242 was gifted by the Woolsthorpe Auxiliary for identified needs including three sets of otoscopes/ophthalmoscopes for our Warrnambool Emergency Department and the Warrnambool Auxiliary donated \$14,939 to help purchase both our first-ever moleculight and coblation tonsillectomy system.

The South West Healthcare Workplace Giving Program donated \$6,071 to our Camperdown Residential Aged Care appeal whilst our 2024 Warrnambool College Murray - Moyne Cycle Relay Team raised \$5,000 for paediatric equipment including an Emergency Department resuscitation cart. Our Scrubbers & Gasman team did not ride this year but still gifted \$1,000 to our Warrnambool theatres.

Other donor-funded medical equipment purchased in 2023-24 included:

Transport ventilator Warrnambool Emergency Department	\$40,039
Nitrous analgesic unit Warrnambool Paediatrics Unit	\$10,998
Patient trolleys x 4 Camperdown Theatre and Urgent Care Centre	\$80,000
Toys and play therapy equipment Child and Adolescent Mental Health (CAMHS)	\$9,000
Portable oxygen concentrators x 6 Community Palliative Care	\$24,000

Life Governors

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

At our 2023 Annual General Meeting, this honor was awarded to Barb Draffen, Marg Draffen, Wendy Howlett and Virginia Marshall. Each a member of our hard working Woolsthorpe Auxiliary, their collective 67 years of impressive fundraising has allowed us to purchase much-needed medical equipment to improve our patients' experience and health outcomes. A fifth volunteer, Macarthur Community Health's Ernie Pimblett, was awarded a Certificate of Appreciation for, in particular, his outstanding five-year contribution to our Telecare service.

Currently we have 262 Life Governors, as follows:

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

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

Our condolences are extended to the family and friends of life governor Jack Daffy OAM who passed away in November 2023 and life governor Austin Lewis who passed away in May 2024.

Volunteers

South West Healthcare has 241 registered volunteers, 222 of whom have been active throughout the past year. We have farewelled 12 long term volunteers who retired over the last 12 months, inclusive of the Camperdown Auxiliary group, who have worked tirelessly over the 43 years they have been involved in supporting our organisation. In 2023-24 we have continued to grow our volunteer numbers and welcomed 21 new recruits from a diverse range of ages and ethnicity. We would like to thank and acknowledge the timeless work of our volunteer coordinator, Julie Evans, who brings this program to life.

Volunteers have integrated back into several of our clinical settings as well as maintaining supporting within the ICON Cancer Centre. Volunteer services have adapted to a number of innovative measures such as engaging in working from home when providing arts and craft resources and time.

The past year has been highly rewarding with the inclusion of Year 11 and 12 students from Emmanuel College into the volunteer space. These students give their time after school Monday through to Saturday as afternoon tea monitors in the Haemodialysis Unit and lunch monitors in the Emergency Department. Many thanks to the Unit Managers and staff for mentoring and supporting these students.

In the spirit of unity, our volunteers approach challenges with determination, energy and enthusiasm. Over the past year our volunteers have contributed 21,450 hours to our organisation. This is a remarkable achievement and a true reflection of dedication, loyalty and pride.

Areas currently being supported by our volunteers include:

- Community and Allied Health
- Mental Health Services
- Palliative Care
- David Newman Centre
- Merindah Lodge
- Macarthur Community Health Centre
- Lismore Community Health

As well as a number of important behind the scenes duties in and around our Warrnambool, Lismore, Camperdown and Macarthur campuses.

The roles our volunteers play

At **Camperdown Hospital** we have three registered volunteers and are in the process of engaging more, with a recruitment drive to commence in August. Volunteers will add value in the areas of Acute, supply, maintenance, administration, drivers and Merindah Lodge.

Merindah Lodge has 10 registered volunteers, inclusive of six FROM (Friends and Relatives of Merindah Lodge) members who assist with a variety of activities including craft, music therapy, activities, outdoor gardening, social support and fundraising.

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

Lismore Community Health has six registered volunteers who work diligently to support program activities for our rural and isolated clients. Assisting with the Lismore Social Support Group, support with meal preparations and group activities, helping with music and singing activities, bus driving and fundraising from the Auxiliary Members.

Macarthur Community Health has 12 registered volunteers who perform many activities including bus driving, transporting clients to medical appointments, social support group assistance, gardening, telecare and broadband for seniors, a tremendous effort from this small community.

Warrnambool Base Hospital has 172 registered volunteers. 72 volunteers support onsite programs in our Emergency Department, Medical, Rehabilitation, Acute, Haemodialysis and Paediatric Units. The remaining 100 palliative specific registered volunteers support nine in-patient and community based palliative care programs, which cares for patients, clients, carers and families across our catchment area.

Warrnambool Community Health has 13 registered volunteers who assist our cardiac, rehabilitation and continence teams, perform administrative tasks and ensure the smooth functioning of our Ostomy Association.

Warrnambool Mental Health Services has two registered volunteers who support our Acute Inpatient Unit by helping to run the weekly BBQ for our consumers as inpatients. We are blessed to have one registered 'work from home' volunteer, who is a seamstress that makes the most amazing patchwork quilts and donates them to our inpatients as well as PARC residents.

Volunteer Services moved off site in October 2023 to 304-306 Timor Street. This has enabled us to recommence Education and Training within the facility of our volunteer group.

A group of nine Palliative Care recruits were trained and graduated in May-June 2024. It is with sincere gratitude to the Ostomy Association who donated an enormous TV screen to enable easy screening of live presentations to assist with this training.

Volunteer Services has also trained a group of five volunteers in the 'Cognitive Impaired Program' as patient companions. This training equips volunteers with a basic understanding of diagnosis of dementia, alzheimer's and other brain injuries.

We also trained seven volunteers to assist with support of the South West Regional Cancer Centre, in the capacity of patient companion, meet and greet, flower person and administrative duties.

Recognising our Volunteers

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

5 years of service

Jennifer Alexander	Merilyn Cook	Heather Hillman	Murray Matthews	Helen Toohey
Jane Altmann	Peter Cook	Judi Hoare	Layla McMahon	Natalie Vorwerk
Tony Antony	Anne-Marie Coulton	Sandy Hockley	Patricia O'Leary	Russell Voss
Mary Bartlett	John Dwyer	Lou Hollis	Julie Pike	Elaine Warren
Kathy Beatty	Robyn Edmunds	Gail Jaensch	Kerrie Robertson	David Wells
Helen Byron	Elizabeth Field	Jennifer Jeffery	Trish Simmons	Wilma White
Belinda Cain	Bernice Hand	Karen Johnson	Marg Sinclair	Ben Witham
Tom Cameron	Annette Harlock	Malcolm MacPherson	Ruth Skene	Lyndon Wright
Leanne Carr	Jan Harrington	Simon Manifold	Barbara Skilbeck	
Melissa Castledine	Colin Hayman	Karen Mather	Alison Sutherland	

10 years of service

Larry Abrahams	Terry King	Carol Mowbray	Lesley Sheen
James Grayson	Marg Lawlor	Grant Myers	Jack Showler
Patricia King	Helen Marris	Judy Myers	

15 years of service

John Bragg	Sue Hoggan	Ann Nicolson	Lesley Togni
Christine Buchanan	Karen Jackson	Patti Purcell	Harry Van Rooy
Antionette Burke	Prue McKimmie	Julie Ryan	

20 years of service

Christine Vickers

30 years of service

Lynette Stammberger

35 years of service

Ray Hoy Phil Waugh

Where our volunteers support us:

Camperdown Hospital	3
David Newman Adult Day Centre	11
Lismore Community Health	6
Macarthur Community Health	12
Merindah Lodge	10
Warrnambool Base Hospital	172
Warrnambool Community Health	13
Warrnambool Mental Health Services	2
Cognitive Repair Program	5
South West Regional Cancer Centre	7
TOTAL	241

Transparency and Commitments



South West Healthcare collected and recycled 694 uniforms in 2023-24

Statutory requirements

Manner of Establishment

South West Healthcare is a public health service established under the *Health Services Act 1988*.

Responsible Ministers 2023-24

The Responsible Ministers for South West Healthcare:

Minister for Health

The Hon. Mary-Anne Thomas
From 1 July 2023 to 30 June 2024

Minister for Mental Health

The Hon. Gabrielle Williams
From 1 July 2023 to 2 October 2023
The Hon. Ingrid Stitt
From 2 October 2023 to 30 June 2024

Minister for Disability, Ageing and Carers

The Hon. Lizzie Blandthorn
From 1 July 2023 to 2 October 2023

Minister for Disability/Minister for Children

The Hon. Lizzie Blandthorn
From 2 October 2023 to 30 June 2024

Minister for Ageing

The Hon. Ingrid Stitt
From 2 October 2023 to 30 June 2024

Freedom of Information Requests

During 2023-24, South West Healthcare received 468 Freedom of Information applications, all of which were personal requests from the general public.

South West Healthcare made 462 Freedom of Information decisions during the 12 months ended 30 June 2024, all of which were made within the statutory time periods.

A total of 374 Freedom of Information access decisions were made where access to documents was granted in full, 65 granted in part and four denied. Six requests were withdrawn, and 13 requests were received where we did not hold any documents within the scope of the request. Six requests were not yet finalised at the close of the financial year.

During 2023-24, no requests were subject to a complaint/internal review by the Office of the Victorian Information Commissioner.

Principal Officer

Dr Bernadette Northeast
Board Chair

Medical Principal Officer

Dr Kate McConnon
Executive Director Medical Services

Freedom of Information Officer

Ms Robyn White

Carers Recognition Act 2012

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

Safe Patient Care Act 2015

South West Healthcare has no matters to report in relation to its obligations under section 40 of the *Safe Patient Care Act 2015*.

Building Act 1993

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

Competitive Neutrality

South West Healthcare continues to comply with the National Competition Policy and the requirements of the Victorian Government Competitive Neutrality (CN) Policy with regard to all significant business activities.

Gender Equality Act 2020

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

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

In accordance with the Act, South West Healthcare committed to 18 strategies and measures in the South West Healthcare Gender Equality Action Plan (GEAP) 2022-26. To date we have eight actions partially completed and in progress. We have a further 10 strategies that have already commenced and are categorised as ongoing, throughout the life of the Gender Equality Action Plan.

South West Healthcare continues to advance the actions as outlined in the Gender Equality Action Plan 2022-26 to further enhance our organisational culture where all people are valued, respected, have equal access to opportunities and are encouraged to realise their potential.

Our organisation plays an important role in the community in setting high standards for gender equality and inclusivity to ensure staff, volunteers, patients and visitors, experience an organisation that is welcoming, inclusive, equitable and safe. South West Healthcare recognises that we are contributing to a shared community goal of preventing injustices against women and gender diverse people, and our actions can create lasting and widespread change.

The next Gender Equality Action Plan progress report is due in February 2026 and South West Healthcare is committed to completing all of the 18 strategies and actions contained in the South West Healthcare Gender Equality Action Plan 2022-26 in accordance with the *Gender Equality Act 2020* (Vic) principles.

Car parking fees

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

Public Interest Disclosure Act 2012

South West Healthcare has in place appropriate procedures for disclosures in accordance with the *Public Interest Disclosure Act 2012* (Vic). Information about the protection of persons from detrimental action can be found in the South West Healthcare policy on protected disclosure.

Complaints about misconduct or corruption involving public health services in Victoria can be made by individuals directly to the Independent Broad-based Anti-corruption Commission (IBAC) on 1300 735 135 or via their website at ibac.vic.gov.au

Additional information available upon 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:
 - i. consultants/contractors engaged;
 - ii. services provided; and
 - iii. expenditure committed to for each engagement

Local Jobs Act Disclosure

In August 2018, the Victorian Parliament reformed the *Victorian Industry Participation Policy Act 2003* in the *Local Jobs First Act 2003* and the FRD was revised to FRD 25D (April 2019). The Local Jobs First Act 2003, the Local Jobs First Policy and related Local Jobs First Guidelines applies to all projects, with an estimated total project expenditure of \$1M or greater in regional Victoria, put to tender from 15 August 2018. South West Healthcare complies with the Local Jobs First Act 2003.

During 2023-24, South West Healthcare had four contracts assessed by the Industry Capability Network (ICN) which have ongoing reporting commitments under the Local Jobs First Act 2003. In addition, two contracts were re-baselined from the previous reporting period, with all six contracts commencing in the FY 2023-24. The aggregated value of these contracts is approximately \$13.4M.

Contracts for document scanning services (patient records), professional services relating to construction and a contract for security services each required only a short form Local Industry Development Plan (LIDP). Local content commitments for these contracts are equal to or greater than 97 percent.

Two construction contracts were assessed by ICN as requiring Standard Local Industry Development Plans. The local content commitment for these contracts was 91.5% and 92.1% respectfully. The total number of SME's expected to be engaged as either the principal contractor or as part of the supply chain for those two contracts was 169.

Across all six contracts, the following Employment Commitments were made by Contractors:

Employment type	Standard employees		Apprenticeships	
	Hours	AEE*	Hours	AEE*
Created	9,101	4.6	3,767	1.9
Retained	17,247	8.7	9,899	5.0

* Annualised Employee Equivalent replaces Equivalent Full Time positions and is calculated by dividing the total number of ordinary working hours that an employee worked and was paid over the reporting period

Sustainable procurement

South West Healthcare continues to support the initiatives of Victoria's Social Procurement Framework (SPF). The organisation endeavours to promote sustainable practices that go beyond compliance requirements to minimise adverse environmental impact and to deliver positive environmental outcomes. Our procurement activities are environmentally conscious and include the following highlights for 2023-24:

- Following the introduction of new nursing uniforms, for security reasons, staff were encouraged to return old uniform items to the health service. Historically returned items would have been de-bagged before being sent to landfill. Instead South West Healthcare engaged a corporate textile recycling company to collect, shred and repurpose the garments as material filling for various commercial uses. An initial collection of 377kg of old uniforms was redirected from landfill, with further collections expected following the introduction of administration and support area uniforms in 2024.
- A local Australian supplier has now been engaged to provide single or reusable patient use warming blankets. Unlike the previous iteration of warming blankets which went to landfill after use, the new blankets are 100% polypropylene and are accepted into the sterilisation wrap recycling stream by our waste collection providers. To date, more than 3,000 blankets have been used across the health service.
- Sequential compression devices (SCDs) are plastic inflatable sleeves that wrap around the leg, thigh or foot and consist of multiple compartments, connected to an air pump. The different compartments are inflated exerting pressure on the lower leg veins aiding venous flow in patients at risk of thrombosis. Historically, these are single patient use devices and are disposed of in general waste post use. On behalf of other health services in the South West region, South West Healthcare worked with its incumbent supplier to establish the State's first reprocessing scheme for the SCD's. In addition to reducing waste, the scheme:
 - operates at no net cost to the health services as the reprocessing cost is absorbed through the suppliers' buy-back of the SCD's;
 - allows the SCD's to be reprocessed up to four times, effectively making a 'single use' garment usable five times before disposal;
 - requires reprocessing to be undertaken offshore (making use of partially empty shipping containers), although the supplier is investigating establishing a facility in Australia as this scheme evolves across the Australian market;
 - caters to an approximate, regional demand of 5,300 sleeves per annum.

South West Healthcare also endeavours to promote social procurement practices where possible. Social Procurement is when organisations use their buying power to generate social value above and beyond the value of the goods, services, or construction being procured. Of the seven specific objectives focussed on Social Procurement under the Social Procurement Framework, South West Healthcare targeted the following:

- Opportunities for Victorian Aboriginal People
- Opportunities for Victorians with disability
- Opportunities for Victorian Priority Jobseekers

South West Healthcare engaged with six social benefit suppliers for a total direct spend of \$565,699 in the financial year 2023-24. This reflects a decrease on recent years in both the number of engagements and net spend. It does not reflect indirect spend made to sub-contractors as part of construction projects undertaken during the reporting period.

Summary of Financial Results for the Year

This report is presented in accordance with the *Financial Management Act 1994*, for the year ending 30 June 2024.

As detailed in the below table, total operating revenue increased from \$294M to \$330M and it is pleasing to confirm the Net result from transactions was a surplus of \$27.1M. This result reflected another year of strong capital investment with new and improved assets totalling \$63.2M being procured. This capital investment continues to strengthen the buildings and infrastructure across a number of campuses and supports the continued growth in services provided by South West Healthcare. Disappointingly, after achieving consistent operating surpluses over many years, the operating result, before capital items, did deteriorate in 2023-24 with an operating deficit of \$22M recorded. This reflects an increase in costs associated with the continuing growth in service provision and demand. The success South West Healthcare has had in responding to that demand is best demonstrated by the increase in staff employed with an additional 76 full time staff employed in June 2024 when compared to June 2023. Whilst the operating deficit reflects the extremely challenging financial environment, the success in recruitment to key positions and the continued expansion of services does place South West Healthcare in a really strong position to continue to respond positively to the communities needs in 2024-25.

South West Healthcare has worked closely with the Department of Health in developing a sustainable operating financial position for 2024-25.

	2024 \$000	2023 \$000	2022 \$000	2021 \$000	2020 \$000
Operating Result*	(22,009)	234	9	3,534	3,913
Total revenue	330,145	294,215	253,020	227,692	212,574
Total expenses	(303,005)	(277,768)	(252,411)	(234,600)	(220,850)
Net Results from transactions	27,140	16,447	609	(6,908)	(8,276)
Total other economic flows	1,430	37	1,709	1,679	(362)
Net result	28,570	16,484	2,318	(5,229)	(8,638)
Total assets	435,042	351,035	304,610	279,628	271,715
Total liabilities	75,854	83,452	84,204	65,046	54,113
Net assets/Total equity	359,188	267,583	220,406	214,582	217,602

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

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

	2023-24 \$000
Net operating result*	(22,009)
Capital purpose income	65,436
Expenditure for capital purpose	(667)
Depreciation and amortisation	(15,569)
Finance costs (other)	(51)
Net result from transactions	27,140

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

Details of 2023-24 consultancies

In 2023-24 there were two consultancies where the total fees payable to the consultants were less than \$10,000. The total expenditure incurred during the 2023-24 financial year in relation to these consultancies was \$11,064 (exclusive of GST).

In 2023-24 there were two consultancies where the total fees payable to the consultants were \$10,000 or greater. The total expenditure incurred during 2023-24 in relation to these consultancies was \$94,717 (exclusive of GST). Details of these consultancies can be viewed below.

Consultant	Purpose of consultancy	Start date	End date	Total approved project fee (excluding GST)	Expenditure 2023-24 (excluding GST)	Future expenditure (excluding GST)
Lake Social Enterprises Pty Ltd	Single assessment system for aged care tender	24/01/2024	19/01/2024	\$30,000	\$32,191	\$0
Studer Group Australia Pty Ltd	Leadership and management training	15/01/2024	4/01/2025	\$180,000	\$62,525	\$117,475

Information and communication technology (ICT) disclosure

The total ICT expenditure incurred during 2023-24 is \$9.62M (excluding GST) with the details shown below.

Business as usual (BAU) ICT expenditure		
Total operational expenditure and capital expenditure (excluding GST)	Operational expenditure (excluding GST)	Capital expenditure (excluding GST)
\$9.62 million	\$7.70 million	\$1.92 million

Commercial appointments

External auditors

Crowe Australasia

Internal auditors

Moore Australia

Bankers

Australia and New Zealand Banking Group Ltd

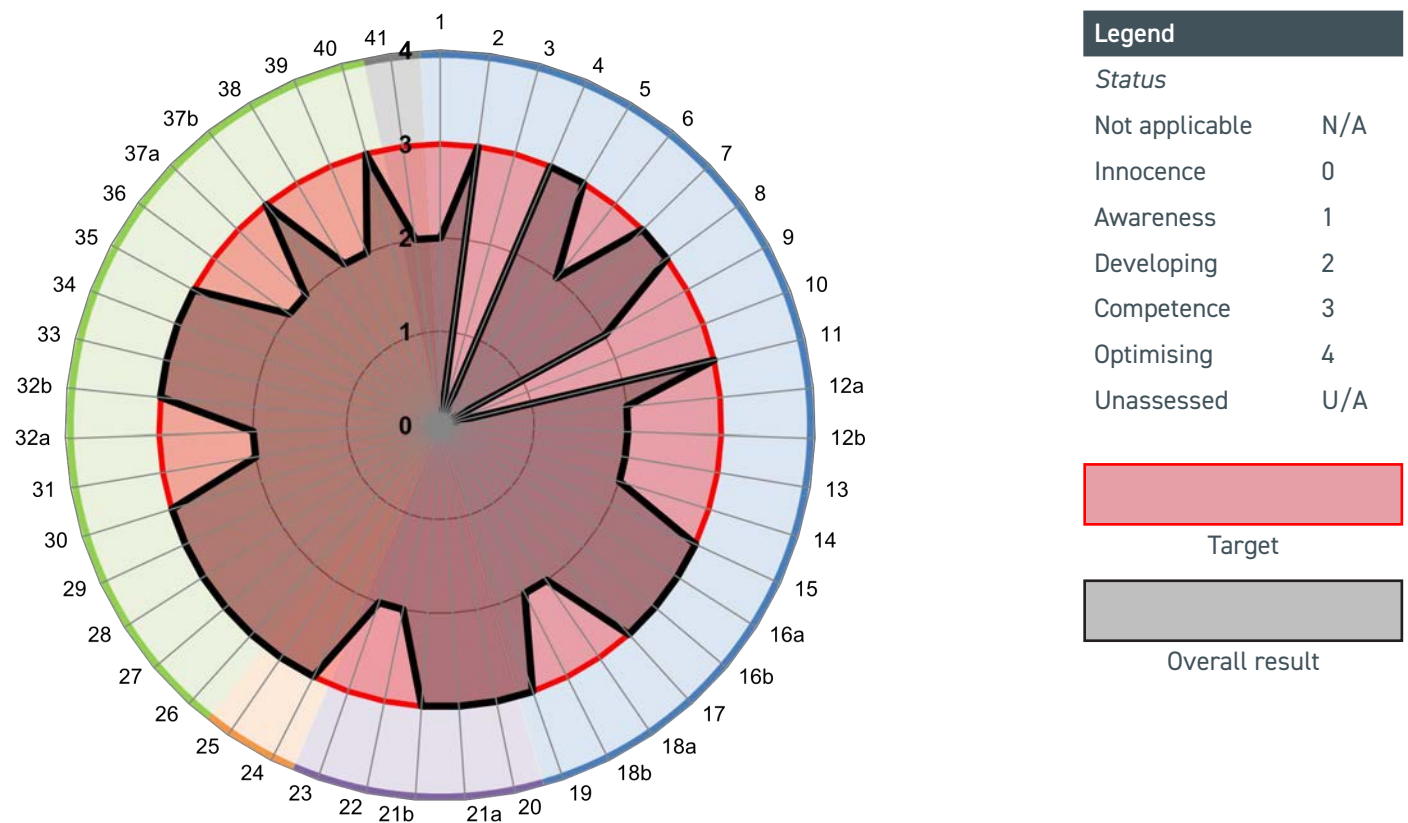
Westpac Banking Corporation

Commonwealth Bank of Australia

Asset management accountability framework

The following sections summarise South West Healthcare's assessment of maturity against the requirements of the Asset Management Accountability Framework. The Asset Management Accountability Framework is a non-prescriptive, devolved accountability model of asset management that requires compliance with 41 mandatory requirements. These requirements can be found on the DTF website (dtf.vic.gov.au/infrastructure-investment/asset-management-accountability-framework)

South West Healthcare's target maturity rating is 'competence', meaning systems and processes fully in place, consistently applied and systematically meeting the Asset Management Accountability Framework requirement, including a continuous improvement process to expand system performance above Asset Management Accountability Framework minimum requirements.



Leadership and Accountability (requirements 1-19)

South West Healthcare has met its target maturity level under most requirements within this category. However there are some areas measured as partially compliant, these areas are allocating asset management roles and responsibility, monitoring asset performance and evaluating of asset performance. There is no material non-compliance reported in this category. A plan for improvement is in place to improve the South West Healthcare's maturity rating in these areas. There were two areas that were found to be not-applicable as South West Healthcare do not currently outsource AMAF responsibilities.

Planning (requirements 20-23)

South West Healthcare has almost met its target maturity level in this category, there were two areas in risk management and contingency planning that are partially compliant.

Acquisition (requirements 24 and 25)

South West Healthcare has met its target maturity level in this category.

Disposal (requirement 41)

South West Healthcare has almost met its target maturity level in this category, with disposal practices partially compliant.

Operation (requirements 26-40)

South West Healthcare has met its target maturity level under most requirements within this category, areas of partial compliance relate to integrating maintenance plans into a single plan and strengthen asset information management practices.

Attestations

Financial Management Compliance attestation statement

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



Allison Patchett
Board Chair
South West Healthcare
26 September 2024

Data Integrity Declaration

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



Craig Fraser
Chief Executive Officer
South West Healthcare
26 September 2024

Conflict of interest declaration

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



Craig Fraser
Chief Executive Officer
South West Healthcare
26 September 2024

Integrity, fraud and corruption declaration

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



Craig Fraser
Chief Executive Officer
South West Healthcare
26 September 2024

Compliance with HealthShare Victoria (HSV) Purchasing Policies

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



Craig Fraser
Chief Executive Officer
South West Healthcare
26 September 2024

Responsible Body's Declaration

In accordance with the *Financial Management Act 1994*, I am pleased to present the report of operations for South West Healthcare for the year ending 30 June 2024.



Allison Patchett
Board Chair
South West Healthcare
26 September 2024

Environmental Sustainability

Environmental Sustainability work at South West Healthcare is guided by our 2020–24 Environmental Management Plan (EMP). The following is a detailed summary of our performance as it relates to energy and water usage, waste production and the generation of Greenhouse Gas Emissions (GHG) by South West Healthcare for 2023-24. The report has been prepared in accordance with the Department of Health's Public Environmental Reporting Guidelines 2023. The Guidelines have been revised to reflect expanded mandatory public environmental reporting requirements under Financial Reporting Direction 24: Reporting of environmental data by government entities (FRD24). South West Healthcare is classified as a Tier 3a entity under FRD24, with disclosure requirements noted as indicators (in the format letter/number i.e. [T1]) throughout the tables.

South West Healthcare is the largest sub-regional health service in Victoria, providing acute, mental health, rehabilitation and aged care together with an extensive range of primary and community health services across the South West catchment in Victoria. The organisation

includes two public hospitals, Warrnambool Base Hospital and Camperdown Hospital and Aged Care Facility, and the Prevention and Recovery Centre Ngootyoong. Public clinical mental health services for community members of all ages operate out of offices in Warrnambool, Camperdown, Portland and Hamilton, with the Hamilton site leased and outside of operational control. Community Health Centres at Warrnambool, Camperdown, Lismore and Macarthur, and an adult day centre in Camperdown provide services and programs to support locals in their community, enabling them to maintain their health and prevent illness and chronic disease. To support patient services, South West Healthcare has commercial kitchens at two sites, two cafes at Warrnambool, a new Regional Logistics Distribution Centre (RLDC) supporting South West Healthcare and a number of other public health services across the South West region, maintenance departments, a warehouse, tenancies and a range of smaller owned and leased dwellings (i.e. Rotary house and medical student accommodation).

2023-24 sustainability highlights

10.6% ↓

Overall fuel usage

13% ↓

Blue glove use

79%

Hybrid or electric vehicles in our fleet

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

Greenhouse Gas Emissions

Improving our environmental performance with a particular focus on decreasing emissions is a primary focus of sustainability activity at South West Healthcare. Consistent with national and international reporting standards, greenhouse gas emissions are broken down into emissions scopes as defined by the Greenhouse Gas (GHG) Protocol and summarised in Table 1. Scope 1 emissions are direct emissions from sources owned or controlled by South West Healthcare, and include natural gas, stationary diesel and transport fuel emissions. Scope 1 emissions increased by 1% in 2023-24 from 2022-23, driven by increases in natural gas usage from the commencement of operations at the RLDC. Vehicle emissions dropped by 11% in 2023-24, partly offsetting this increase. Scope 2 emissions are indirect emissions from South West Healthcare grid electricity use. Scope 2 greenhouse gas emissions increased marginally by 0.2% with increased electricity use balanced by continued greening of the electricity grid. Scope 3 emissions are indirect emissions from sources South West Healthcare does not control but influences. The 10% increase in Scope 3 emissions in 2023-24 from 2022-23 is largely accounted for by increased waste activity and the inclusion of air travel in emissions for the first time.

This reporting period has seen the start of a significant period of service expansion across multiple campuses with our total emissions increasing by 2% in 2023-24. Activity has included planning or construction activity of five key redevelopment projects, with further detail provided in the Sustainable Buildings and Infrastructure section below.

Greenhouse gas emissions	Table 1			
	2023-24	2022-23	2021-22	2020-21
Total Scope 1 greenhouse gas emissions (tonnes CO ₂ -e) [G1]	2,732	2,707	2,565	2,332
Carbon dioxide	2,724	2,698	2,558	2,325
Methane	5	4	4	4
Nitrous oxide	3	4	3	3
Total Scope 2 greenhouse gas emissions (tonnes CO ₂ -e) [G2]	4,594	4,581	4,878	5,352
Total Scope 3 greenhouse gas emissions ⁱ (tonnes CO ₂ -e) [G3]	1,573	1,428	1,310	1,382

ⁱScope 3 emissions limited to waste disposal, indirect emissions from stationary and transport energy

Electricity production and Consumption

Electricity consumption increased by 4.7% in 2023-24, attributed to increased activity associated with redevelopment works, the commencement of operations at RLDC and the additional off-site tenancies required for staff decanting from areas planned for redevelopment works. A new 100 kwp solar PV array at RLDC was commissioned at the end of reporting period, bringing South West Healthcare solar PV capacity to 526 kWp. Electricity usage for Zero Emission Vehicle (ZEV) vehicle charging accounted for 31Mwh or 0.4% of electricity consumed, contributing to continued decreases in fleet emissions in 2023-24.

Electricity production and consumption				Table 2
	2023-24	2022-23	2021-22	2020-21
Total electricity consumption (MWh) [EL1]	7,404	7,090	7,115	7,205
Purchased Electricity	6,985	6,671	6,683	6,863
Self-generated (MWh)	419	422	435	341
On-site electricity generated (MWh) [EL2]	449	445	450	362
Solar PV ⁱⁱ	449	445	450	362
Consumption behind-the-meter	419	422	434	341
Exports	30	24	16	21
Other non-renewable (Diesel backup generator)	0	0	0	0
On-site installed generation capacity (MW) [EL3]	3.93	2.83	2.83	2.78
Solar PV ⁱⁱ	0.53	0.43	0.43	0.37
Diesel backup generator ^{iv}	3.4	2.4	2.4	2.4
Total electricity offsets (MWh) [EL4]	1,313	1,325	1,337	1,299
Green power	0	71	95	0
RPP (Renewable power percentage in the grid)	1,313	1,254	1,242	1,299

ⁱⁱSome South West Healthcare small-scale solar systems do not have data monitoring installed. These will be progressively retrofitted as systems are upgraded.

^{iv}Generation capacity increased with a new 1250kVa diesel generator at the RLDC.

Stationary Fuel Usage

Natural gas usage increased in 2023-24 by 3% reflecting continued increases in processing volumes of our Regional Logistics Distribution Centre. In addition, boilers supporting the old linen service are still supporting functions in the kitchen and theatre and will not be retired until these functions are transitioned onto electrical systems later in 2024-25.

Stationary fuel usage				Table 3
	2023-24	2022-23	2021-22	2020-21
Total fuels used in buildings and machinery (GJ) [F1]	45,507	44,202	44,103	36,941
Buildings	45,507	44,163	41,530	36,702
Natural gas ^{vi}	45,430	44,163	41,530	36,702
LPG	0	0	0	142
Machinery	0	0	0	0
Diesel	77	39	97	97
Greenhouse gas emissions from stationary fuel use (tonnes CO₂-e) [F2]	2,346	2,275	2,139	1,899

^{vi}Natural gas usage associated with the Regional Linen service is a Scope 1 emission for South West Healthcare.

Transportation

South West Healthcare fleet comprised an average of 108 vehicles essential to South West Healthcare provision of services over the course of 2023-24, as detailed in Table 4. Since 2018, South West Healthcare have switched petrol to hybrid cars in a rolling capacity as existing fleet car leases expire with 79% of fleet vehicles now either hybrid or electric. Table 5 highlights changes in fleet energy usage and emissions. Distance travelled by commercial air travel is also included as an indicator of transport energy use. Overall fuel usage dropped by 10.6%, reflecting the increasing proportion of hybrid cars and electric vehicles.

Fleet composition		Table 4		
	2023-24	%	2022-23	%
Number and proportion of vehicles [T2]	103	100	112	100
Road vehicles	103	100	112	100
Passenger vehicles^v	99	100	107	96
Internal combustion engines	14	10	34	30
Petrol	11	0	30	0
Diesel/Biodiesel	3	3	4	4
Hybrid/Electric	85	63	56	50
Hybrid	68	66	56	49
Plug-in Hybrid Electric Vehicle (PHEV)	0	0	0	0
Range-extended electric vehicle	17	16	17	15
Goods Vehicles	4	4	5	4
Internal combustion engines	0	0	0	0
Petrol	0	0	0	0
Diesel/ Biodiesel	4	4	5	0

Notes:

^vProportions of vehicle types vary over the course of the year. Fleet composition detail is only taken from totals recorded for June 2024.

Fleet energy use		Table 5			
	2023-24	2022-23	2021-22	2020-21	
Total energy used in transportation (GJ) [T1]	5,589	5,781	6,149	6,278	
Road and goods vehicles ^v	5,589	5,781	6,149	6,278	
Petrol	2,674	2,819	3,268	3,576	
Diesel	2,914	2,962	2,881	2,702	
Electricity (MWh)	31	37	0	0	
Greenhouse gas emissions from vehicle fleet (Tonnes CO ₂ e) [T3]	386	432	425	432	
Road and goods vehicles	386	432	425	432	
Total distance travelled by commercial air travel (Passenger km) [T4]	270,953	512,806	0	0	

Notes:

^vAggregated totals are provided for road and goods vehicles, as data is not available at the fleet composition category level.

Total energy use

Total energy used by South West Healthcare has increased by 2.5 per cent in 2023-24, driven primarily by increases in stationary fuels. As shown in Table 6, while South West Healthcare overall energy use has increased, normalised energy use has remained constant, reflecting increased service activity levels across the organisation.

Total energy use				Table 6
	2023-24	2022-23	2021-22	2020-21
Total energy usage from fuels (stationary and transportation) (GJ) [E1]	51,095	50,279	47,679	42,980
Total energy used from electricity (GJ) [E2]	26,653	25,527	25,613	25,938
Total energy used segmented into renewable and non-renewable sources (GJ) [E3]	79,256	77,335	73,292	68,918
Renewable ^{vi}	6,234	6,033	6,035	5,906
Non-renewable	73,021	71,304	67,281	63,154
Units of energy used normalised by OBD (GJ/OBD) [E4] ^{vii}	1.07	1.07	1.04	0.96

Notes:

^{vi}As quarterly accounts are updated, annual amounts of natural gas were adjusted from estimates to actual totals for 2022-23.

^{vii}OBD refers to inpatient bed days as reported through the Victorian Admitted Episodes Dataset (VAED) and the number of residential aged care beds for the reporting period reported to the Department of Health's Aged Care branch. For 2023-24, South West Healthcare OBD was 73,641.

Sustainable Buildings and Infrastructure

The start of a significant period of service expansion across multiple campuses has defined 2023-24 at South West Healthcare. Activity has included planning or construction activity of five key redevelopment projects, with the new RLDC commencing operations in March 2024, construction of the new Camperdown Aged Care Facility underway and the expansion of Warrnambool Emergency Department close to completion. The Adult Mental Health Acute Inpatient Unit Refurbishment and new community Mental Health facility in Hamilton have also reached finalisation of design. Key sustainability initiatives incorporated into the RLDC include: 99kwp solar PV array, two EV charging stations, increased insulation in the building envelope beyond National Construction Code requirements, two energy recovery ventilators and high-performance glazing.

The Camperdown Aged Care Facility is under construction and sustainability planning for this site included passive and active structural initiatives such as a high-performance building envelope, solar PV array, and energy efficient heating and hot water services. To improve the resident experience and wellbeing, Indoor Environment Quality features and biophilic design elements were prioritised. The use of natural cladding in internal walls and surfaces, an emphasis on green spaces, homelike elements such as operable bedroom windows, task lighting and enhanced acoustic insulation are all included.

South West Healthcare will develop a Sustainable Building Policy that requires new leases preference buildings with higher energy efficiency ratings and those covered by a Green Lease Schedule, consistent with commitments in the Whole of Victorian Government emissions reduction pledge 2021-25.^[B2] In 2023-24, no newly completed/occupied entity-owned office buildings occurred. One tenancy fit out for a Clinical Elective Surgery Pre-admission service was undertaken but below materiality thresholds for reporting purposes.^[B2, 3 & 4]

Warrnambool Base Hospital and Camperdown Hospital have received environmental performance ratings through NABERS for Public Hospitals with the most current ratings for 2022-23 provided in Table 7. The 2023-24 NABERS ratings will be available in late 2024 and will be reported in the 2024-25 annual report:^[B5]

NABERS ratings				Table 7
	Building type	Rating scheme	2022-23	2021-22
Warrnambool Hospital	Hospital	NABERS - Energy	3.5	3
Warrnambool Hospital	Hospital	NABERS - Water	3.5	3
Camperdown Hospital	Hospital	NABERS - Energy	5	5
Camperdown Hospital	Hospital	NABERS - Water	4.5	4.5

Sustainable procurement

Sustainable procurement is reported as part of Social Procurement Framework reporting on page 48. The inclusion of building materials with recycled content was a key element of the dedicated sustainability budget planning for Camperdown Aged Care Facility and Warrnambool Hospital Redevelopments. Recycled steel is to be incorporated into the Camperdown project, and an investigation of recycled content for wall panelling options to enhance and contribute to acoustic design being considered for Warrnambool. A discounted rate for beverages for those with Keep Cups has continued to reduce the number of disposable cups used to serve hot drinks at Café Nosh with 6633 transactions recorded and 245 new Keep Cups sold in the last 12 months. Finally, the introduction of sequential sleeve recycling stream in partnership with Cardinal Health has enabled South West Healthcare to extend the life of inflatable sleeves that are used post operatively to support blood flow and reduce the risk of thrombosis. The program reprocesses sleeves for a further four uses before disposal and has been implemented in five wards across Warrnambool and Camperdown [B6].

A review of our Social Procurement Framework will be undertaken in 2024-25, with a more comprehensive analysis of opportunities to further embed activities that are consistent with the Environmental Impact in Procurement, Goods and Services Procurement Guide and the Sustainable Investment Guidelines in our procurement activities.

Water use

Water use increased by 2 percent in 2023-24 as shown in Table 8, but remains lower than the 2020-21 years, with likely factors including greater service activity and a drier second half of the reporting period impacting on the re-use/rainwater tank collection. The RLDC has a 30,000L rainwater capture tank used primarily for toilet flushing. This, alongside new water-efficient infrastructure, such as a batch washer with inbuilt water recycling water systems, should lead to substantial reductions in total water consumption in coming years.

Water consumption	2023-24	2022-23	2021-22	2020-21
Total water consumption by an Entity (kilolitres) [W1]	73,745	72,425	75,316	77,424
Potable water consumption	60,745	60,425	63,316	65,424
Metered reused water consumption ^(viii)	12,000	12,000	12,000	12,000
Units of metered water consumed normalised by OBD [W2]	1.00	0.99	0.95	0.95

Notes:

^(viii)The 300,000 rainwater/re-use tank at Warrnambool is not metered and will be decommissioned during redevelopment activity in 2024-25. An estimate of production is important given the contribution to total water use. New tanks to be installed will have meters.

Waste and recycling

Waste management and recycling are key priorities for South West Healthcare. Highlights for 2023-24 include the addition of a sequential sleeve recycling/reuse program, blister pack recycling pilot in pharmacy and two ward areas, and the recycling of uniforms following the introduction of new clinical and administration uniforms. South West Healthcare was a finalist in the Victorian Public Healthcare Awards 'Creating a more sustainable and climate resilient health system' category for our work in adopting single use clinical compostable consumable items including anaesthetic trays and kidney dishes. A campaign to reduce Blue Glove use was developed as a joint Infection Prevention and Sustainability initiative, following the visit of our Infection Prevention Manager Jen Lukeis to the UK National Health Service supported by the A E W Matthews Memorial Travelling Scholarship. 'Gloves On? Gloves Off?' aimed to raise awareness on appropriate and unnecessary glove use. A 13 percent reduction in Blue Glove use was recorded in the six months post campaign, compared to the six months prior, equating to a reduction of 27,000 gloves per month. South West Healthcare also managed a 95 percent reduction in fluid waste from theatre procedures at Warrnambool through the installation of a fluid disposal system, the Serres Nemo. The 'Nemo' enabled 4400L of waste to be treated in 2023-24 within the wastewater system rather than being transported, processed with energy intensive treatments and ending up in landfill, contributing to the 30 percent reduction in clinical waste achieved in the reporting period.

New processes and providers for general waste collection, battery recycling and confidential paper recycling have been adopted in 2023-24, with evaluation of condemned linen recycling opportunities underway. The commencement of activity at the RLDC, movement of staff and decommissioning of existing work areas at Warrnambool has contributed to an increase in both waste to landfill and key recycling streams reported in 2023-24, summarised in Table 9. In addition, waste collection moved to a service model for Warrnambool Hospital and surrounding sites, meaning totals transitioned from a known weight from our compactor truck to the servicing of skips and bins. Waste to landfill has increased and this in part reflects the estimation of weight from volume data, derived from the Victorian Public Health Services waste reporting tool: version 2.01.

Waste and recycling		Table 9						
	2023-24	%	2022-23	%	2021-22	%	2020-21	%
Total units of waste disposed (kg and %) [WR1]	570,858	100	402,131	100	456,736	100	483,718	100
Landfill (disposal)	425,774	75	319,975	79	363,281	73	377,232	78
Recycling/recovery (disposal)	145,084	25	82,156	21	93,455	27	106,468	22
Batteries	785	0	520	1	510	0.5	532	0.5
Cardboard	81,626	56	51,939	63	83,744	89	78,420	73
Comingled	29,414	20	3,714	4	8,763	9	13,704	13
E waste	4,012	3	1,478	2	1,607	2	1,389	1.3
FOGO (including garden organics)	6,087	4	6,689	8	819	1	0	0
PVC (IV Bags, O ² masks and tubing)	129	0	96	1	192	0.2	258	0.2
Paper (confidential and other)	18,812	13	16,772	20	11,062	12	11,885	11
Sequential Sleeve Recycling	44	3	0	0	0	0	0	0
Sterilisation wrap	4,219	0	936	1	0	0	0	0
Toner and print cartridge	0	0	0	0	113	0	221	0
Uniform recycling	694	0	0	0	0	0	0	0
Total units of waste disposed of normalised by OBD (kg/OBD) [WR3]	7.75		5.00		5.70		5.91	
Recycling Rate (%) [WR4]	25%		21%		27%		22%	
Greenhouse gas emissions associated with waste disposal (Tonnes CO ₂ -e) [WR5]	544		457		470		423	

Disclosure Index

The annual report of South West Healthcare is prepared in accordance with all relevant Victorian legislation. This index has been prepared to facilitate identification of the Department's compliance with statutory disclosure requirements.

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Financial Statements



South West Healthcare

Financial Statements

Financial Year ended 30 June 2024

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

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

We further state that, in our opinion, the information set out in the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement and accompanying notes, presents fairly the financial transactions during the year ended 30 June 2024 and the financial position of South West Healthcare at 30 June 2024.

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

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

Board member



Allison Patchett
Board Chair

Warrnambool
26 September 2024

Accountable officer



Craig Fraser
Chief Executive Officer

Warrnambool
26 September 2024

Chief Finance and Accounting Officer



Andrew Trigg
Chief Finance and Accounting Officer

Warrnambool
26 September 2024

Independent Auditor’s Report

To the Board of South West Healthcare

Opinion	<p>I have audited the financial report of South West Healthcare (the health service) which comprises the:</p> <ul style="list-style-type: none"> • balance sheet as at 30 June 2024 • 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 material accounting policy information • 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 2024 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 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
11 October 2024

Dominika Ryan
as delegate for the Auditor-General of Victoria

Comprehensive Operating Statement

For the Financial Year Ended 30 June 2024

	Note	2024 \$'000	2023 \$'000
Revenue and income from transactions			
Operating activities	2.1	328,675	292,246
Non-operating activities	2.1	1,470	1,969
Total revenue and income from transactions		330,145	294,215
Expenses from transactions			
Employee expenses	3.1	(215,108)	(195,959)
Supplies and consumables	3.1	(35,903)	(35,171)
Finance costs	3.1	(51)	(49)
Depreciation and amortisation	4.3	(15,569)	(13,394)
Other administrative expenses	3.1	(25,345)	(23,217)
Other operating expenses	3.1	(11,028)	(9,978)
Total expenses from transactions		(303,005)	(277,768)
Net result from transactions - net operating balance		27,140	16,447
Other economic flows included in net result			
Net gain/(loss) on sale of non-financial assets	3.4	358	433
Net gain/(loss) on financial instruments	3.4	(10)	(19)
Other gain/(loss) from other economic flows	3.4	1,081	(376)
Total other economic flows included in net result		1,430	37
Net result for the year		28,570	16,484
Other economic flows - other comprehensive income items that will not be reclassified to net result			
Changes in property, plant and equipment revaluation surplus		63,035	30,693
Total other comprehensive income		63,035	30,693
Comprehensive result for the year		91,605	47,177

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

Balance Sheet

As at 30 June 2024

	Note	2024 \$'000	2023 \$'000
Current assets			
Cash and cash equivalents	6.2	17,614	47,409
Receivables and contract assets	5.1	7,730	6,379
Inventories		1,809	1,734
Prepaid expenses		163	641
Total current assets		27,316	56,162
Non-current assets			
Receivables and contract assets	5.1	15,143	14,775
Property, plant and equipment	4.1(a)	382,467	270,678
Right of use assets	4.2(a)	10,116	9,420
Total non-current assets		407,725	294,873
Total assets		435,042	351,035
Current liabilities			
Payables	5.2	16,476	27,248
Contract liabilities	5.3	2,938	2,706
Borrowings	6.1	1,708	1,273
Employee benefits	3.2	44,149	40,840
Other liabilities	5.4	3,335	4,047
Total current liabilities		68,605	76,113
Non-current liabilities			
Contract liabilities	5.3	16	15
Borrowings	6.1	2,672	2,023
Employee benefits	3.2	4,561	5,300
Total non-current liabilities		7,249	7,339
Total liabilities		75,854	83,452
Net assets		359,188	267,583
Equity			
Revaluation surplus	SCE	215,344	152,309
Restricted specific purpose reserve	SCE	22	22
Contributed capital	SCE	77,339	77,339
Accumulated surplus/(deficit)	SCE	66,483	37,913
Total equity		359,188	267,583

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

Statement of Changes in Equity

For the Financial Year Ended 30 June 2024

	Property, Plant and Equipment Revaluation Surplus \$'000	Restricted Specific Purpose Reserve \$'000	Contributed Capital \$'000	Accumulated Surplus/ (Deficit) \$'000	Total \$'000
Balance at 1 July 2022	121,616	22	77,339	21,429	220,406
Net result for the year	-	-	-	16,484	16,484
Other comprehensive income for the year	30,693	-	-	-	30,693
Balance at 30 June 2023	152,309	22	77,339	37,913	267,583
Net result for the year	-	-	-	28,570	28,570
Other comprehensive income for the year	63,035	-	-	-	63,035
Balance at 30 June 2024	215,344	22	77,339	66,483	359,188

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 2024

	Note	2024 \$'000	2023 \$'000
Cash flows from operating activities			
Operating grants from Government		231,949	211,674
Capital grants from State Government		20,982	10,714
Patient and resident fees received		5,598	3,570
GST received from ATO		7,861	5,601
Interest received		1,470	1,969
Other receipts received		13,967	18,385
Total receipts		281,827	251,913
Employee expenses		(173,141)	(173,500)
Non salary labour costs		(36,885)	(12,436)
Payments for supplies and consumables		(28,914)	(38,667)
Finance costs		(50)	(49)
Lease payments		(703)	(398)
Other payments		(51,037)	(28,224)
Total payments		(290,730)	(253,274)
Net cash flows from/(used in) operating activities	8.1	(8,903)	(1,361)
Cash flows from investing activities			
Proceeds from sale of non-financial assets		1,990	760
Purchase of non-financial assets		(21,614)	(8,513)
Capital donations and bequests received		541	406
Net cash flows from/(used in) investing activities		(19,083)	(7,347)
Cash flows from financing activities			
Repayment of borrowings		(1,242)	1,152
Repayment of accommodation deposits		600	(606)
Receipt of accommodation deposits and monies in trust		(1,167)	870
Net cash flows from/(used in) financing activities		(1,809)	1,416
Net increase/(decrease) in cash and cash equivalents held		(29,795)	(7,292)
Cash and cash equivalents at beginning of year		47,409	54,701
Cash and cash equivalents at end of year	6.2	17,614	47,409

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

Notes to the Financial Statements

Note 1: Basis of preparation

Structure

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

These financial statements represent the audited general purpose financial statements for South West Healthcare (ABN 41 189 754 233) for the year ended 30 June 2024. The report provides users with information about South West Healthcare's stewardship of resources entrusted to it.

This section explains the basis of preparing the financial statements.

Note 1.1: Basis of preparation of the financial statements

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

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

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

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

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

The financial statements are prepared on a going concern basis (refer note 8.9 Economic Dependency).

The financial statements are in Australian dollars.

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

The annual financial statements were authorised for issue by the Board of South West Healthcare and its controlled entities on 26 September 2024

Note 1.2: Abbreviations and terminology used in the financial statements

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

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

Note 1.3: Joint arrangements

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

South West Healthcare has the following joint arrangement:

- SWARH Health Alliance - Joint Venture Agreement

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

Note 1.4: Material accounting estimates and judgements

Management makes estimates and judgements when preparing the financial statements.

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

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

The material accounting judgements and estimates used, and any changes thereto, are identified at the beginning of each section where applicable and relate to the following disclosures:

- Note 2.1: Revenue and income from transactions
- Note 3.2: Employee benefits and related on-costs
- Note 4.1: Property, plant and equipment
- Note 4.2: Right-of-use assets
- Note 4.3: Depreciation and amortisation
- Note 4.4: Impairment of assets
- Note 5.1: Receivables and contract assets
- Note 5.2: Payables
- Note 5.3: Contract liabilities
- Note 6.1(a): Lease liabilities
- Note 7.4: Fair value determination

Note 1.5: Accounting standards issued but not yet effective

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

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

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

Note 1.6: 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 and/or financing activities, which are recoverable from, or payable to the ATO, which are disclosed as operating cash flows.

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

Note 1.7 Reporting Entity

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

South West Healthcare's principal address is:

Ryot Street
Warrnambool, Victoria 3280

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

Note 2: Funding delivery of our services

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

Structure

2.1 Revenue and income from transactions

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

Material judgements and estimates

This section contains the following material judgements and estimates:

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

Note 2.1: Revenue and income from transactions

	Note	2024 \$'000	2023 \$'000
Operating activities			
Revenue from contracts with customers			
Government grants (State) - Operating		157,421	156,074
Government grants (Commonwealth) - Operating		19,711	19,836
Patient and resident fees		4,077	3,756
Private practice fees		1,552	1,311
Total revenue from contracts with customers		182,761	180,977
Other sources of income			
Government grants (State) - Operating		59,224	56,886
Government grants (State) - Capital		21,624	10,010
Other capital purpose income		2,705	704
Indirect contributions by Department of Health		42,307	23,341
Assets received free of charge or for nominal consideration	2.2	361	1,537
Other income from operating activities		19,694	18,791
Total other sources of income		145,914	111,269
Total revenue and income from operating activities		328,675	292,246
Non-operating activities			
Income from other sources			
Interest		1,470	1,969
Total other sources of income		1,470	1,969
Total income from non-operating activities		1,470	1,969
Total revenue and income from transactions		330,145	294,215

How we recognise revenue and income from operating activities**Government operating grants**

To recognise revenue, South West Healthcare 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.

If a contract liability is recognised, South West Healthcare recognises revenue in profit or loss as and when it satisfies its obligations under the contract.

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

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

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

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

Government grant	Performance obligation
Activity Based Funding (ABF) paid as National Weighted Activity Unit (NWAU)	NWAU is a measure of health service activity expressed as a common unit against which the national efficient price (NEP) is paid. The performance obligations for NWAU are the number and mix of admissions, emergency department presentations and outpatient episodes, and is weighted for clinical complexity. Revenue is recognised at point in time, which is when a patient is discharged.
Other one-off grants if funding conditions contain enforceable and sufficiently specific performance obligations	For other grants with performance obligations South West Healthcare exercises judgement over whether the performance obligations have been met, on a grant by grant basis.

Capital grants

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

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

Patient and resident fees

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

Private practice fees

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

Commercial activities

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

How we recognise revenue and income from non-operating activities

Interest Income

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

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

	2024 \$'000	2023 \$'000
Cash donations and gifts	1,990	406
Assets received free of charge under State supply arrangements	361	1,537
Total fair value of assets and services received free of charge or for nominal consideration	2,351	1,944

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

Donations and bequests

Donations and bequests are generally recognised as income upon receipt (which is when South West Healthcare obtains 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

Under the State Supply Arrangement, Health Share Victoria supplies personal protective equipment to South West Healthcare for nil consideration.

Contributions of resources

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

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

Volunteer Services

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

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

Non-cash contributions from the Department of Health

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

Supplier	Description
Victorian Managed Insurance Authority	The Department of Health purchases non-medical indemnity insurance for South West Healthcare which is paid directly to the Victorian Managed Insurance Authority. To record this contribution, such payments are recognised as income with a matching expense in the net result from transactions.
Victorian Health Building Authority	The Department of Health made payments to the Victorian Health Building Authority to fund capital works projects during the year ended 30 June 2024, on behalf of South West Healthcare.
Department of Health	Long Service Leave (LSL) revenue is recognised upon finalisation of movements in LSL liability in line with the long service leave funding arrangements with the DH.

Note 3: The cost of delivering 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 the provision of services are disclosed.

Structure

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

Material judgements and estimates

This section contains the following material judgements and estimates:

Material judgements and estimates	Description
Classifying employee benefit liabilities	<p>South West Healthcare applies material judgment when classifying its employee benefit liabilities.</p> <p>Employee benefit liabilities are classified as a current liability if South West Healthcare does not have an unconditional right to defer payment beyond 12 months. Annual leave, accrued days off and long service leave entitlements (for staff who have exceeded the minimum vesting period) fall into this category.</p> <p>Employee benefit liabilities are classified as a non-current liability if South West Healthcare has a conditional right to defer payment beyond 12 months. Long service leave entitlements (for staff who have not yet exceeded the minimum vesting period) fall into this category.</p>
Measuring employee benefit liabilities	<p>South West Healthcare applies material judgment when measuring 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 4.450%, 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 21.45% and 85.73% • discounting at the rate of 4.455%, 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>

Note 3.1: Expenses from transactions

	Note	2024 \$'000	2023 \$'000
Salaries and wages		156,887	146,422
On-costs		21,451	21,516
Agency expenses		22,688	14,128
Fee for service medical officer expenses		11,233	12,436
Workcover premium		2,849	1,458
Total employee expenses		215,108	195,959
Drug supplies		14,706	15,935
Medical and surgical supplies (including prosthesis)		11,394	10,759
Diagnostic and radiology supplies		7,461	6,480
Other supplies and consumables		2,342	1,997
Total supplies and consumables		35,903	35,171
Finance costs		51	49
Total finance costs		51	49
Other administrative expenses		25,345	23,217
Total other administrative expenses		25,345	23,217
Fuel, light, power and water		2,639	2,197
Repairs and maintenance		3,358	2,827
Maintenance contracts		1,373	1,410
Medical indemnity insurance		2,986	2,644
Expenditure for capital purposes		672	901
Total other operating expenses		11,028	9,978
Total operating expenses		287,436	264,375
Depreciation and amortisation	4.3	15,569	13,394
Total depreciation and amortisation		15,569	13,394
Total non-operating expenses		15,569	13,394
Total expenses from transactions		303,005	277,768

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:

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

Other operating expenses

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

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

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

Non-operating expenses

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

Note 3.2: Employee benefits and related on-costs

	2024 \$'000	2023 \$'000
Current employee benefits and related on-costs		
<i>Accrued days off</i>		
Unconditional and expected to be settled wholly within 12 months ⁱ	690	531
	690	531
<i>Annual leave</i>		
Unconditional and expected to be settled wholly within 12 months ⁱ	14,938	13,566
Unconditional and expected to be settled wholly after 12 months ⁱⁱ	590	599
	15,528	14,164
<i>Long service leave</i>		
Unconditional and expected to be settled wholly within 12 months ⁱ	2,675	2,504
Unconditional and expected to be settled wholly after 12 months ⁱⁱ	19,610	18,702
	22,285	21,206
<i>Provisions related to employee benefit on-costs</i>		
Unconditional and expected to be settled within 12 months ⁱ	2,772	2,467
Unconditional and expected to be settled after 12 months ⁱⁱ	2,873	2,472
	5,646	4,938
Total current employee benefits and related on-costs	44,149	40,840
Non-current employee benefits and related on-costs		
Conditional long service leave	3,992	4,696
Provisions related to employee benefit on-costs	569	604
Total non-current employee benefits and related on-costs	4,561	5,300
Total employee benefits and related on-costs	48,710	46,140

ⁱThe amounts disclosed are nominal amounts.

ⁱⁱThe amounts disclosed are discounted to present values.

Note 3.2(a): Consolidated employee benefits and related on-costs

	2024 \$'000	2023 \$'000
Current employee benefits and related on-costs		
Unconditional accrued days off	690	531
Unconditional annual leave entitlements	18,016	16,460
Unconditional long service leave entitlements	25,442	23,848
Total current employee benefits and related on-costs	44,149	40,840
Non-current employee benefits and related on-costs		
Conditional long service leave entitlements	4,561	5,300
Total non-current employee benefits and related on-costs	4,561	5,300
Total employee benefits and related on-costs	48,710	46,140
Attributable to:		
Employee benefits	42,496	40,597
Provision for related on-costs	6,214	5,543
Total employee benefits and related on-costs	48,710	46,140

Note 3.2(b) Provision for related on-costs movement schedule

	2024 \$'000	2023 \$'000
Carrying amount at start of year	46,140	39,703
Additional provisions recognised	17,577	20,159
Amounts incurred during the year	(15,007)	(13,722)
Carrying amount at end of year	48,710	46,140

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 sick leave is taken.

Annual leave and accrued days off

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

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

- nominal value – if South West Healthcare expects to wholly settle within 12 months or
- present value – if South West Healthcare does not expect to wholly settle within 12 months.

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

The components of this current LSL liability are measured at:

- nominal value – if South West Healthcare expects to wholly settle within 12 months or
- present value – if South West Healthcare does not expect to wholly settle within 12 months.

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

Termination benefits

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

Provision for on-costs related to employee benefits

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

Note 3.3: Superannuation

	Paid Contribution for the Year		Contribution Outstanding at Year End	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Defined benefit plans:ⁱ				
Aware defined benefits	169	176	13	13
State Superannuation fund	59	77	5	5
Defined contribution plans:				
Aware Superannuation	8,257	7,691	662	616
Hesta Accumulation	3,644	3,599	287	271
Australian Super	683	523	65	-
Host Plus Accumulation	544	498	46	-
Other	2,767	2,095	228	235
Total	16,123	14,659	1,306	1,140

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

How we recognise superannuation

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

Defined benefit superannuation plans

A defined benefit plan provides benefits based on years of service and final average salary. The amount charged to the Comprehensive Operating Statement in respect of defined benefit superannuation plans represents the contributions made by South West Healthcare to the superannuation plans in respect of the services of current South West Healthcare's staff during the reporting period. Superannuation contributions are made to the plans based on the relevant rules of each plan and are based upon actuarial advice.

South West Healthcare does not recognise any defined benefit liability in respect of the plans because the health service has no legal or constructive obligation to pay future benefits relating to its employees; its only obligation is to pay superannuation contributions as they fall due.

The DTF discloses the State's defined benefits liabilities in its disclosure for administered items. Superannuation contributions paid or payable for the reporting period however, are included as part of employee benefits in the Comprehensive Operating Statement of South West Healthcare.

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

Defined contribution superannuation plans

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

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

Note 3.4: Other economic flows

	2024 \$'000	2023 \$'000
Net gain/(loss) on disposal of property plant and equipment	358	433
Total net gain/(loss) on non-financial assets	358	433
Allowance for impairment losses of contractual receivables	(10)	(19)
Total net gain (loss) on financial instruments	(10)	(19)
Net gain/(loss) arising from revaluation of long service liability	1,081	(376)
Total other gains/(losses) from other economic flows	1,081	(376)
Total gains (losses) from other economic flows	1,430	37

How we recognise other economic flows

Other economic flows are changes in the volume or value of an asset or liability that do not result from transactions.

Other gains/(losses) from other economic flows include the gains or losses from:

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

Note 4: Key assets to support service delivery

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

Structure

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

Material judgements and estimates

This section contains the following material judgements and estimates:

Material judgements and estimates	Description
Estimating useful life of property, plant and equipment	South West Healthcare assigns an estimated useful life to each item of property, plant and equipment. This is used to calculate depreciation of the asset. The health service reviews the useful life, residual value and depreciation rates of all assets at the end of each financial year and where necessary, records a change in accounting estimate.
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, in which case the useful life reverts to the estimated useful life of the underlying asset. South West Healthcare applies material judgement to determine whether or not it is reasonably certain to exercise such purchase options.
Estimating restoration costs at the end of a lease	Where a lease agreement requires South West Healthcare to restore a right-of-use asset to its original condition at the end of a lease, the health service estimates the present value of such restoration costs. This cost is included in the measurement of the right-of-use asset, which is depreciated over the relevant lease term.
Identifying indicators of impairment	At the end of each year, South West Healthcare assesses impairment by evaluating the conditions and events specific to the health service that may be indicative of impairment triggers. Where an indication exists, the health service tests the asset for impairment. 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 material judgement and estimate to determine the recoverable amount of the asset.

Note 4.1: Property, plant and equipment**Note 4.1(a): Gross carrying amount and accumulated depreciation**

	2024 \$'000	2023 \$'000
Land at fair value	25,256	21,690
Land at cost	-	608
Land improvements at fair value	1,351	1,233
Less accumulated depreciation	-	(148)
Total land	26,607	23,383
Buildings under construction at cost	25,251	31,319
Buildings at fair value	304,799	195,912
Less accumulated depreciation	-	-
Buildings at cost	-	9,376
Less accumulated depreciation	-	(512)
Total buildings	330,050	236,096
Total land and buildings	356,657	259,479
Plant and equipment at fair value	21,815	10,172
Less accumulated depreciation	(6,939)	(8,799)
Total plant and equipment at fair value	14,876	1,372
Motor vehicles at fair value	940	1,305
Less accumulated depreciation	(914)	(1,168)
Total motor vehicles at fair value	26	138
Medical equipment at fair value	21,245	20,004
Less accumulated depreciation	(13,925)	(12,876)
Total medical equipment at fair value	7,320	7,127
Computer equipment and communications at fair value	8,506	8,268
Less accumulated depreciation	(7,979)	(7,716)
Total computer equipment and communications at fair value	526	552
Furniture and fittings at fair value	4,424	4,421
Less accumulated depreciation	(3,935)	(3,840)
Total furniture and fittings at fair value	489	580
Information technology at fair value	1,737	1,516
Less accumulated depreciation	(1,061)	(729)
Total information technology at fair value	675	787
Works in progress at cost	1,897	642
Total plant, equipment, furniture, fittings and vehicles	25,810	11,199
Total property, plant and equipment	382,467	270,678

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

	Note	Land \$'000	Buildings \$'000	Plant and equipment \$'000	Motor vehicles \$'000	Medical equipment \$'000
Balance at 1 July 2022		23,420	189,295	1,370	530	6,157
Additions		-	25,871	270	-	2,798
Disposals		-	(66)	-	(198)	(49)
Revaluation increments/ (decrements)		-	30,693	-	-	-
Net transfers between classes		-	-	-	-	-
Depreciation	4.3	(37)	(9,697)	(268)	(194)	(1,233)
Balance at 30 June 2023	4.1(a)	23,383	236,096	1,372	138	7,673
Additions		94	45,590	14,230	2	1,486
Disposals		-	-	(32)	(30)	-
Revaluation increments/ (decrements)		3,166	59,869	-	-	-
Net transfers between classes		-	(22)	-	-	-
Depreciation	4.3	(36)	(11,483)	(691)	(82)	(1,359)
Balance at 30 June 2024	4.1(a)	26,607	330,050	14,879	28	7,800

	Note	Computer and equipment \$'000	Furniture and fittings \$'000	Information technology \$'000	Total \$'000
Balance at 1 July 2022		936	495	616	222,819
Additions		138	191	375	29,643
Disposals		-	-	-	(313)
Revaluation increments/ (decrements)		-	-	-	30,693
Net transfers between classes		-	-	-	-
Depreciation	4.3	(426)	(105)	(204)	(12,164)
Balance at 30 June 2023	4.1(a)	648	581	787	270,678
Additions		1,606	17	164	63,189
Disposals		(1)	(6)	-	(69)
Revaluation increments/ (decrements)		-	-	-	63,035
Net transfers between classes		-	-	-	(22)
Depreciation	4.3	(316)	(102)	(276)	(14,344)
Balance at 30 June 2024	4.1(a)	1,937	490	675	382,467

Land and buildings carried at valuation

The Valuer-General Victoria undertook to re-value all of South West Healthcare's land and buildings to determine their fair value. The valuation, which conforms to Australian Valuation Standards, was determined with reference to the amount at which an orderly transaction to sell the asset or to transfer the liability would take place between market participants at the measurement date, under current conditions. The valuation was based on independent assessments. The effective date of the valuation was 30 June 2024.

How we recognise property, plant and equipment

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

Initial recognition

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

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

Subsequent measurement

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

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

Revaluation

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

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

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

An independent valuation of South West Healthcare's property, plant and equipment was performed by the VGV on 30 June 2024. The valuation, which complies with Australian Valuation Standards, was determined with reference to the amount for which an orderly transaction to sell the asset or transfer the liability would take place between market participants at the measurement date, under current market conditions.

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

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

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

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

Note 4.2: Right-of-use assets

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

	2024 \$'000	2023 \$'000
Right-of-use land and buildings	8,508	8,440
Less accumulated depreciation	(2,636)	(2,007)
Total right of use land and buildings	5,873	6,432
Right-of-use information technology	5,069	4,385
Less accumulated depreciation	(3,880)	(3,640)
Total right of use information technology	1,189	745
Right-of-use motor vehicles	4,014	2,853
Less accumulated depreciation	(961)	(610)
Total right of use motor vehicles	3,053	2,243
Total right of use assets	10,116	9,420

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

	Note	Right-of-use land and buildings \$'000	Right-of-use information technology \$'000	Right-of- use motor vehicles \$'000	Total \$'000
Balance at 1 July 2022		7,050	525	1,557	9,132
Additions		37	394	1,087	1,518
Disposals		-	-	-	-
Net transfers between classes		(1)	-	-	(1)
Depreciation	4.3	(654)	(174)	(401)	(1,229)
Balance at 30 June 2023	4.2(a)	6,432	745	2,243	9,420
Additions		46	595	1,370	2,012
Disposals		-	-	(113)	(113)
Net transfers between classes		22	-	-	22
Depreciation	4.3	(627)	(151)	(447)	(1,225)
Balance at 30 June 2024	4.2(a)	5,873	1,189	3,053	10,116

How we recognise right-of-use assets

Initial recognition

When a contract is entered into, South West Healthcare assesses if the contract contains or is 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.

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.

South West Healthcare presents its right-of-use assets as part of property, plant and equipment as if the asset was owned by the health service.

Subsequent measurement

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

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

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

Note 4.3: Depreciation and amortisation

	2024 \$'000	2023 \$'000
Depreciation		
Property, plant and equipment		
Buildings	11,519	9,734
Plant and equipment	691	268
Motor vehicles	82	194
Medical equipment	1,359	1,233
Computer equipment and communications	316	426
Furniture and fittings	102	105
Information technology	276	204
Total depreciation - property, plant and equipment	14,344	12,164
Right-of-use assets		
Right-of-use land and buildings	627	654
Right-of-use information technology	151	174
Right-of-use motor vehicles	447	401
Total depreciation - right-of-use assets	1,225	1,229
Total depreciation	15,569	13,994

How we recognise depreciation

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

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

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

Class of non-current asset	2024	2023
Buildings		
- Structure shell building fabric	6 to 52 years	6 to 52 years
- Site engineering services and central plant	4 to 47 years	4 to 47 years
Central plant		
- Fit out	1 to 47 years	1 to 47 years
- Trunk reticulated building system	2 to 47 years	2 to 47 years
Plant and equipment	Up to 20 years	Up to 20 years
Medical equipment	Up to 15 years	Up to 15 years
Computers and communication	Up to 5 years	Up to 5 years
Furniture and fittings	Up to 20 years	Up to 20 years
Motor vehicles	Up to 10 years	Up to 10 years
Leasehold improvements	Up to 10 years	Up to 10 years
Land improvements	10 years	10 years

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

Note 4.4: Impairment of assets

How we recognise impairment

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

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

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

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

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

South West Healthcare did not record any impairment losses for the year ended 30 June 2024 (30 June 2023: Nil).

Note 5: Other assets and liabilities

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

Structure

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

Material judgements and estimates

This section contains the following material judgements and estimates:

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

Note 5.1: Receivables and contract assets

	Note	2024 \$'000	2023 \$'000
Current receivables and contract assets			
Contractual			
Trade debtors		4,259	3,435
Receivables - South West Alliance of Rural Health		1,042	928
Patient fees and resident debtors		614	505
Allowance for impairment losses	5.1(a)	(74)	(64)
Accrued revenue		135	201
Accrued grants - Department of Health		744	741
Total contractual receivables		6,721	5,746
Statutory			
GST receivable		1,009	633
Total statutory receivables		1,009	633
Total current receivables and contract assets		7,730	6,379
Non-current receivables and contract assets			
Contractual			
Long service leave - Department of Health		15,143	14,775
Total contractual receivables		15,143	14,775
Total non-current receivables and contract assets		15,143	14,775
Total receivables and contract assets		22,872	21,154
<i>(i) Financial assets classified as receivables and contract assets (Note 7.1(a))</i>			
Total receivables and contract assets		22,872	21,154
GST receivable		(1,009)	(633)
Total financial assets classified as receivables and contract assets	7.1(a)	21,864	20,521

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

	2024 \$'000	2023 \$'000
Balance at the beginning of the year	64	45
Increase/(decrease) in allowance	15	31
Amounts written off during the year	(5)	(12)
Balance at the end of the year	74	64

How we recognise receivables

Receivables consist of:

- Contractual receivables, including debtors that relate to goods and services. These receivables are classified as financial instruments and are categorised as 'financial assets at amortised cost'. They are initially recognised at fair value plus any directly attributable transaction costs. The health service hold 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, including 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 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 South West Healthcare's contractual impairment losses.

Note 5.2: Payables

	Note	2024 \$'000	2023 \$'000
Current payables			
Contractual			
Trade creditors		1,736	1,604
Accrued salaries and wages		4,862	2,973
Accrued expenses		8,496	17,890
Payables - South West Alliance of Rural Health		2,025	1,337
Deferred capital grant income	5.2(a)	(642)	3,445
Total contractual payables		16,476	27,249
Total current payables		16,476	27,249
Total payables		16,476	27,249
<i>(i) Financial liabilities classified as payables (Note 7.1(a))</i>			
Total payables		16,476	27,249
Deferred grant income		642	(3,445)
Total financial liabilities classified as payables	7.1(a)	17,118	23,804

How we recognise payables

Payables consist of:

- Contractual payables, including payables that relate to the purchase of 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 South West Healthcare prior to the end of the financial year that are unpaid.
- Statutory payables, including Goods and Services Tax (GST) payable. Statutory payables are recognised and measured similarly to contractual payables, but are not classified as financial instruments and not included in the category of financial liabilities at amortised cost, because they do not arise from contracts.

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

Note 5.2(a): Movement in deferred capital grant income

	2024 \$'000	2023 \$'000
Opening balance of deferred capital grant income	3,445	3,197
Grant consideration for capital works received during the year	17,537	9,976
Deferred capital grant income recognised as income due to completion of capital works	(21,624)	(9,728)
Closing balance of deferred capital grant income	(642)	3,445

How we recognise deferred capital grant income

Grant consideration was received from Department of Health to support the construction/expansion/update of the Regional Logistics Distribution Centre, Mental Health Units, Emergency Department, Patient Engagement and Entertainment System and Network LAN Redevelopment.

Capital grant income is recognised progressively as the asset is constructed, since this is the time when South West Healthcare satisfies its obligations. The progressive percentage of costs incurred is used to recognise income because this most closely reflects the percentage of completion of the building works. As a result, South West Healthcare has deferred recognition of a portion of the grant consideration received as a liability for the outstanding obligations.

South West Healthcare expects to recognise all of the remaining deferred capital grant income for capital works over the coming 12 months.

Note 5.3: Contract liabilities

	Note	2024 \$'000	2023 \$'000
Current			
Contract liabilities		2,938	2,706
Total current contract liabilities		2,938	2,706
Non-current			
Contract liabilities		16	15
Total non-current contract liabilities		16	15
Total contract liabilities	5.3(a)	2,954	2,721

Note 5.3 (a): Movement in contract liabilities

	2024 \$'000	2023 \$'000
Opening balance of contract liabilities	2,721	22,339
Grant consideration for sufficiently specific performance obligations received during the year	998	2,385
Revenue recognised for the completion of a performance obligation	(765)	(22,003)
Total contract liabilities	2,954	2,721

*Represented by:

- Current contract liabilities	2,938	2,706
- Non-current contract liabilities	16	15
	2,954	2,721

How we recognise contract liabilities

Contract liabilities include consideration received in advance from customers in respect of regional grants and share of SWARH income in advance.

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

Maturity analysis of payables

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

Note 5.4: Other liabilities

	2024 \$'000	2023 \$'000
Current monies held in trust		
Patient monies	46	65
Refundable accommodation deposits	2,945	3,512
Other monies	344	470
Total current monies held in trust	3,335	4,047
Total other liabilities	3,335	4,047
*Represented by:		
- Cash assets	3,335	4,047
	3,335	4,047

How we recognise other liabilities**Refundable Accommodation Deposit (RAD)/Accommodation Bond liabilities**

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

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

Note 6: How we finance our operations

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

Structure

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

Material judgements and estimates

This section contains the following material judgements and estimates:

Material judgements and estimates	Description
Determining if a contract is or contains a lease	<p>South West Healthcare applies material 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>South West Healthcare applies material 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>South West Healthcare discounts its lease payments using the interest rate implicit in the lease. If this rate cannot be readily determined, which is generally the case for the health service's lease arrangements, South West Healthcare uses its incremental borrowing rate, which is the amount the health service would have to pay to borrow funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions. For leased land and buildings South West Healthcare estimates the incremental borrowing rate to be between 1.5% and 5.1%.</p> <p>For leased plant, equipment, furniture, fittings and vehicles, the implicit interest rate is between 1.5% and 5.1%.</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 South West Healthcare is reasonably certain to exercise such options.</p> <p>South West Healthcare determines the likelihood of exercising such options on a lease-by-lease basis through consideration of various factors including:</p> <ul style="list-style-type: none">• If there are significant penalties to terminate (or not extend), the health service is typically reasonably certain to extend (or not terminate) the lease.• If any leasehold improvements are expected to have a significant remaining value, the health service is typically reasonably certain to extend (or not terminate) the lease.• The health service considers historical lease durations and the costs and business disruption to replace such leased assets.

Note 6.1: Borrowings

	Note	2024 \$'000	2023 \$'000
Current borrowings			
Finance lease liability - South West Alliance of Rural Health ⁽ⁱⁱ⁾	7.1(a)	412	261
Lease liability ⁽ⁱ⁾		1,296	1,012
Total current borrowings	6.1(a)	1,708	1,273
Non-current borrowings			
Finance lease liability - South West Alliance of Rural Health ⁽ⁱⁱ⁾	7.1(a)	786	497
Lease liability ⁽ⁱ⁾		1,886	1,526
Total non-current borrowings	6.1(a)	2,672	2,023
Total borrowings		4,380	3,296

ⁱSecured by the assets leased. Leases are effectively secured as the rights to the leased assets revert to the lessor in the event of default.

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

How we recognise borrowings

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

Initial recognition

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

Subsequent measurement

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

Maturity analysis

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

Defaults and breaches

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

Note 6.1(a): Lease liabilities

	2024 \$'000	2023 \$'000
Total undiscounted lease liabilities	4,380	3,296
Less unexpired finance expenses	(152)	(53)
Net lease liabilities	4,228	3,243

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

	2024 \$'000	2023 \$'000
Not longer than one year	1,708	1,273
Longer than one year but not longer than five years	2,672	2,023
Minimum future lease liability	4,380	3,296
Less unexpired finance expenses	(152)	(53)
Present value of lease liability	4,228	3,243
*Represented by:		
- Current liabilities	1,708	1,273
- Non-current liabilities	2,520	1,970
	4,228	3,243

How we recognise lease liabilities

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

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

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

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

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

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

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

Separation of lease and non-lease components

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

Initial measurement

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

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

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

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

Subsequent measurement

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

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

Leases with significantly below market terms and conditions

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

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

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

Note 6.2: Cash and cash equivalents

	Note	2024 \$'000	2023 \$'000
Cash on hand (excluding monies held in trust)		7	7
Cash at bank (excluding monies held in trust)		14,251	43,333
Deposits at call (excluding monies held in trust)		22	22
Total cash held for operations		14,279	43,362
Cash at bank (monies held in trust)		3,335	4,047
Total cash held as monies in trust		3,335	4,047
Total cash and cash equivalents	7.1(a)	17,614	47,409

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).

Cash and cash equivalents are held for the purpose of meeting short term cash commitments rather than for investment purposes and are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value.

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

Note 6.3: Commitments for expenditure

	2024 \$'000	2023 \$'000
Capital expenditure commitments		
Less than one year	9,022	14,873
Longer than one year but not longer than five years	-	107
Total capital expenditure commitments	9,022	14,980
Other operating expenditure commitments		
Less than one year	1,172	1,173
Longer than one year but not longer than five years	1,782	262
Total operating expenditure commitments	2,954	1,435
Total commitments for expenditure (inclusive of GST)	11,976	16,415
Less GST recoverable from Australian Tax Office	(1,089)	(1,492)
Total commitments for expenditure (exclusive of GST)	10,887	14,923

How we disclose our commitments

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

Expenditure commitments

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

Note 7: Risks, contingencies and valuation uncertainties

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

Structure

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

Material judgements and estimates

This section contains the following material judgements and estimates:

Material 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. In determining the highest and best use, South West Healthcare has assumed the current use is its highest and best use. Accordingly, characteristics of the health service's assets are considered, including condition, location and any restrictions on the use and disposal of such assets.</p> <p>South West Healthcare uses a range of valuation techniques to estimate fair value, which include the following:</p> <ul style="list-style-type: none"> • Market approach, which uses prices and other relevant information generated by market transactions involving identical or comparable assets and liabilities. The fair value of South West Healthcare's [specialised land, non-specialised land, non-specialised buildings, investment properties and cultural assets] are measured using this approach. • Cost approach, which reflects the amount that would be required to replace the service capacity of the asset (referred to as current replacement cost). The fair value of South West Healthcare's [specialised buildings, furniture, fittings, plant, equipment and vehicles] are measured using this approach. • Income approach, which converts future cash flows or income and expenses to a single undiscounted amount. South West Healthcare does not this use approach to measure fair value. <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 material 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. South West Healthcare does not categorise any fair values within this level. • Level 2, inputs other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly. South West Healthcare categorises non-specialised land and right-of-use concessionary land in this level. • Level 3, where inputs are unobservable. South West Healthcare categorises specialised land, non-specialised buildings, specialised buildings, plant, equipment, furniture, fittings, vehicles, right-of-use buildings and right-of-use plant, equipment, furniture and fittings in this level.

Note 7.1: Financial instruments

Financial instruments arise out of contractual agreements that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Due to the nature of South West Healthcare's activities certain financial assets and financial liabilities arise under statute rather than a contract (for example, taxes, fines and penalties). Such financial assets and financial liabilities do not meet the definition of financial instruments in AASB132 Financial Instruments: Presentation.

Note 7.1(a): Categorisation of financial instruments

		Financial assets at amortised cost \$'000	Financial liabilities at amortised cost \$'000	Total \$'000
30 June 2024	Note			
Contractual financial assets				
Cash and cash equivalents	6.2	17,614	-	17,614
Receivables and contract assets	5.1	21,864	-	21,864
Total financial assetsⁱ		39,478	-	39,478
Financial liabilities				
Payables	5.2	-	17,118	17,118
Borrowings	6.1	-	1,198	1,198
Other financial liabilities - refundable accommodation deposits	5.4	-	2,945	2,945
Other financial liabilities - other	5.4	-	390	390
Total financial liabilitiesⁱ		-	21,652	21,652
30 June 2023				
	Note	Financial assets at amortised cost \$'000	Financial liabilities at amortised cost \$'000	Total \$'000
Contractual financial assets				
Cash and cash equivalents	6.2	47,409	-	47,409
Receivables and contract assets	5.1	20,521	-	20,521
Total financial assetsⁱ		67,930	-	67,930
Financial liabilities				
Payables	5.2	-	23,804	23,804
Borrowings	6.1	-	758	758
Other financial liabilities - refundable accommodation deposits	5.4	-	3,512	3,512
Other financial liabilities - other	5.4	-	535	535
Total financial liabilitiesⁱ		-	28,609	28,609

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

How we categorise financial instruments

Categories of financial assets

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

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

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

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

Financial assets at amortised cost

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

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

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

South West Healthcare recognises the following assets in this category:

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

Categories of financial liabilities

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

Financial liabilities at amortised cost

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

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

South West Healthcare recognises the following liabilities in this category:

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

Derecognition of financial assets

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

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

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

Derecognition of financial liabilities

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

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability.

The difference in the respective carrying amounts is recognised as an 'other economic flow' in the comprehensive operating statement.

Reclassification of financial instruments

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

A financial liability reclassification is not permitted.

Note 7.2: Financial risk management objectives and policies

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

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

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

Primary responsibility for the identification and management of financial risks rests with the Accountable Officer.

Note 7.2(a): Credit risk

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

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

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

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

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

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

There has been no material change to South West Healthcare's credit risk profile in 2023-24.

Impairment of financial assets under AASB 9

South West Healthcare records the allowance for expected credit losses for the relevant financial instruments by applying AASB 9's Expected Credit Loss approach. Subject to AASB 9, the impairment assessment includes South West Healthcare'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 an impairment assessment under AASB 9.

The credit loss allowance is classified as an other economic flows in the net result.

Contractual receivables at amortised cost

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

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

	Note	Current	Less than 1 month	1-3 months	3 months-1 year	1-5 years	Total
30 June 2024							
Expected loss rate		0%	0%	5%	4%	38%	
Gross carrying amount of contractual receivables	5.1	4,638	807	134	1,075	67	6,721
Loss allowance				(7)	(43)	(26)	(75)
30 June 2024							
Expected loss rate		0%	0%	5%	8%	37%	
Gross carrying amount of contractual receivables	5.1	5,011	262	157	210	106	5,746
Loss allowance		-	-	(8)	(17)	(39)	(64)

Statutory receivables and debt investments at amortised cost

South West Healthcare'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, considering 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.

South West Healthcare is exposed to liquidity risk mainly through the financial liabilities as disclosed in 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
- careful maturity planning of its financial obligations based on forecasts of future cash flows.

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

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

	Note	Carrying amount \$'000	Nominal amount \$'000	Less than 1 month \$'000	Maturity dates		
					1-3 months \$'000	3 months-1 year \$'000	1-5 years \$'000
30 June 2024							
Financial liabilities at amortised cost							
Payables	5.2	17,118	17,118	17,118	-	-	-
Borrowings	6.1	1,198	1,198	-	-	435	763
Other financial liabilities - refundable accommodation deposits	5.4	2,945	2,945	-	147	825	1,973
Other financial liabilities - other	5.4	390	390	-	390	-	-
Total financial liabilities		21,652	21,652	17,118	537	1,260	2,736

	Note	Carrying amount \$'000	Nominal amount \$'000	Less than 1 month \$'000	Maturity dates		
					1-3 months \$'000	3 months-1 year \$'000	1-5 years \$'000
30 June 2024							
Financial liabilities at amortised cost							
Payables	5.2	23,804	23,804	23,804	-	-	-
Borrowings	6.1	758	758	-	266	492	-
Other financial liabilities - refundable accommodation deposits	5.4	3,512	3,512	-	176	983	2,353
Other financial liabilities - other	5.4	535	535	-	535	-	-
Total financial liabilities		28,609	28,609	23,804	977	1,475	2,353

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

Note 7.2(c): Market risk

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

Sensitivity disclosure analysis and assumptions

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

- a change in interest rates of 1% up or down.

Interest rate risk

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

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

Note 7.3: Contingent assets and contingent liabilities

There are no known contingent assets or contingent liabilities for South West Healthcare at the date of this report. (Nil 2023)

How we measure and disclose contingent assets and contingent liabilities

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

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

Contingent assets

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

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

Contingent liabilities

Contingent liabilities are:

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

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

Note 7.4: Fair value determination

How we measure fair value

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

The following assets and liabilities are carried at fair value:

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

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

Valuation hierarchy

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

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

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

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

Identifying unobservable inputs (level 3) fair value measurements

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

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

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

Fair value measurement at end of reporting period using:

	Note	Carrying amount 30 June 2024 \$'000	Level 1 ⁱ \$'000	Level 2 ⁱ \$'000	Level 3 ⁱ \$'000
Non-specialised land		15,095	-	15,095	-
Specialised land		11,512	-	-	11,512
Total land at fair value	4.1(a)	26,607	-	15,095	11,512
Non-specialised buildings		4,185	-	4,185	-
Specialised buildings		300,614	-	-	300,614
Total buildings at fair value	4.1(a)	304,799	-	4,185	300,614
Plant and equipment	4.1(a)	14,876	-	-	14,876
Motor vehicles	4.1(a)	26	-	26	-
Medical equipment	4.1(a)	7,320	-	-	7,320
Computer equipment	4.1(a)	526	-	-	526
Furniture and fittings	4.1(a)	489	-	-	489
Information technology	4.1(a)	675	-	-	675
Total plant, equipment, furniture, fittings and vehicles at fair value		23,913	-	26	23,887
Right-of-use land and buildings	4.2(a)	5,873	-	-	5,873
Right-of-use information technology	4.2(a)	1,189	-	-	1,189
Right-of-use motor vehicles	4.2(a)	3,053	-	3,053	-
Total right-of-use assets at fair value		10,116	-	3,053	7,062
Total non-financial physical assets at fair value		365,435	-	22,359	343,075

Fair value measurement at end of reporting period using:

	Note	Carrying amount 30 June 2023 \$'000	Level 1 ⁱ \$'000	Level 2 ⁱ \$'000	Level 3 ⁱ \$'000
Non-specialised land		13,982	-	13,982	-
Specialised land		9,401	-	-	9,401
Total land at fair value	4.1(a)	23,383	-	13,982	9,401
Non-specialised buildings		10,165	-	10,165	-
Specialised buildings		194,611	-	-	194,611
Total buildings at fair value	4.1(a)	204,776	-	10,165	194,611
Plant and equipment	4.1(a)	1,372	-	-	1,372
Motor vehicles	4.1(a)	138	-	138	-
Medical equipment	4.1(a)	7,127	-	-	7,127
Computer equipment	4.1(a)	552	-	-	552
Furniture and fittings	4.1(a)	580	-	-	580
Information technology	4.1(a)	1,497	-	-	1,497
Total plant, equipment, furniture, fittings and vehicles at fair value		11,267	-	138	11,129
Right-of-use land and buildings	4.2(a)	6,432	-	-	6,432
Right-of-use information technology	4.2(a)	745	-	-	745
Right-of-use motor vehicles	4.2(a)	2,243	-	2,243	-
Total right-of-use assets at fair value		9,420	-	2,243	7,177
Total non-financial physical assets at fair value		248,846	-	26,528	221,318

ⁱClassified in accordance with the fair value hierarchy**How we measure fair value of non-financial physical assets**

The fair value measurement of non-financial physical assets considers 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 consider 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.

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

Theoretical opportunities that may be available in relation to the asset(s) are not considered 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.

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

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

For non-specialised land and non-specialised buildings and investment properties, an independent valuation was performed by the Valuer-General Victoria to determine the fair value using the market approach. Valuation of the assets was determined by analysing comparable sales and allowing for share, size, topography, location and other relevant factors specific to the

asset being valued. An appropriate rate per square metre has been applied to the subject asset. The effective date of the valuation is 30 June 2024.

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.

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

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

The CSO adjustment reflects 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 considers the use of the asset that is physically possible, legally permissible and financially feasible. As adjustments of CSO are considered as significant unobservable inputs, specialised land would be classified as Level 3 assets.

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

An independent valuation of South West Healthcare's specialised land and specialised buildings was performed by the Valuer-General Victoria. The effective date of the valuation is 30 June 2024.

Vehicles

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

Furniture, fittings, plant and equipment

Furniture, fittings, plant and equipment (including medical equipment, computers and communication equipment) are held at carrying amount (depreciated cost). When plant and equipment is specialised in use, such that it is rarely sold other than as part of a going concern, the current 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 current replacement cost will be materially different from the existing carrying amount.

There were no changes in valuation techniques throughout the period to 30 June 2024.

Reconciliation of Level 3 fair value measurement

	Note	Land \$'000	Buildings \$'000	Plant, equipment, furniture and vehicles \$'000	Right-of-use land and buildings \$'000	Right-of- use plant, equipment, furniture, fittings \$'000
Balance at 1 July 2022		9,420	173,670	9,054	7,050	525
Additions/(disposals)		-	641	3,566	37	394
Net transfers between classes		-	-	-	(1)	-
<i>Gains/(losses) recognised in net result</i>						
- Depreciation and amortisation		(19)	(9,026)	(2,201)	(654)	(174)
<i>Items recognised in other comprehensive income</i>						
- Revaluation		-	29,326	-	-	-
Balance at 30 June 2023	7.4(a)	9,401	194,611	10,419	6,432	745
Additions/(disposals)		69	29,509	16,212	46	595
Net transfers between classes		438	27,266	-	22	-
<i>Gains/(losses) recognised in net result</i>						
- Depreciation and amortisation		(23)	(11,671)	(2,744)	(627)	(151)
<i>Items recognised in other comprehensive income</i>						
- Revaluation		1,627	60,899	-	-	-
Balance at 30 June 2024	7.4(a)	11,512	300,614	23,887	5,873	1,189

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

Fair value determination of level 3 fair value measurement

Asset class	Likely valuation approach	Significant inputs (Level 3 only)
Specialised land	Market approach	Community service obligations adjustments ⁽ⁱ⁾
Specialised buildings	Current replacement cost approach	<ul style="list-style-type: none"> • Cost per square metre • Useful life
Vehicles	Current replacement cost approach	<ul style="list-style-type: none"> • Cost per square metre • Useful life
Plant and equipment	Current replacement cost approach	<ul style="list-style-type: none"> • Cost per square metre • Useful life

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

Note 8: Other disclosures

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

Structure

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

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

	Note	2024 \$'000	2023 \$'000
Net result for the year		28,570	16,484
Non-cash movements:			
(Gain)/Loss on sale or disposal of non-financial assets		(358)	(433)
(Gain)/Loss on other economic flows		(1,081)	376
Depreciation of non-current assets	4.4	15,569	13,394
Assets and services received free of charge		(42,328)	(21,291)
Loss allowance for receivables		10	19
Non-cash long service leave liability movement		(368)	(3,587)
Movements in assets and liabilities:			
(Increase)/Decrease in receivables and contract assets		(1,351)	(1,672)
(Increase)/Decrease in other assets		110	(3,637)
Increase/(Decrease) in payables and contract liabilities		(10,543)	(8,236)
Increase/(Decrease) in employee benefits		2,570	6,437
Increase/(Decrease) in other liabilities		372	1,047
Increase/(Decrease) in inventory		(75)	(262)
Net cash inflow from operating activities		(8,903)	(1,361)

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.

	Period
The Honourable Mary-Anne Thomas MP:	
Minister for Health	1 Jul 2023-30 Jun 2024
Minister for Health Infrastructure	1 Jul 2023-30 Jun 2024
Former Minister for Medical Research	1 Jul 2023-2 Oct 2023
Minister for Ambulance Services	2 Oct 2023-30 June 2024
The Honourable Gabrielle Williams MP:	
Former Minister for Mental Health	1 Jul-2 Oct 2023
Former Minister for Ambulance Services	1 Jul-2 Oct 2023
The Honourable Lizzy Blandthorn MP:	
Former Minister for Disability, Ageing and Carers	1 Jul-2 Oct 2023
Minister for Children	2 Oct 2023-30 June 2024
Minister for Disability	2 Oct 2023-30 June 2024
The Honourable Ingrid Stitt MP:	
Minister for Mental Health	2 Oct 2023-30 June 2024
Minister for Ageing	2 Oct 2023-30 June 2024
Governing Boards	
Dr B Northeast	1 Jul 2023-30 Jun 2024
Ms A Patchett	1 Jul 2023-30 Jun 2024
Dr G Toogood	1 Jul 2023-30 Jun 2024
Mrs N Allen	1 Jul 2023-30 Jun 2024
Mrs J Waterhouse	1 Jul 2023-30 Jun 2024
Mr B Brown	1 Jul 2023-30 Jun 2024
Mr A Gillian	1 Jul 2023-30 Jun 2024
Ms R Held	1 Jul 2023-30 Jun 2024
Mr B Howard	1 Jul 2023-30 Jun 2024
Mrs A Larkins	1 Jul 2023-30 Jun 2024
Accountable Officers	
Mr C Fraser (Chief Executive Officer)	1 Jul 2023-30 Jun 2024

Remuneration of Responsible Persons

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

	2024 No	2023 No
Income band		
\$10,000-\$19,999	9	8
\$20,000-\$29,999	1	1
\$380,000-\$389,999	-	1
\$420,000-\$429,999	1	-
Total numbers	11	10
	2024 \$'000	2023 \$'000
Total remuneration received or due and receivable by Responsible Persons from the reporting entity amounted to:	586	524

Amounts relating to Responsible Ministers are reported within the Department of Parliamentary Services' Financial Report.

Note 8.3: Remuneration of executives

The number of executive officers, other than Ministers and 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.

	Total Remuneration	
	2024 \$'000	2023 \$'000
Remuneration of executive officers (including Key Management Personnel disclosed in Note 8.4)		
Short-term benefits	1,630	1,561
Post-employment benefits	195	177
Other long-term benefits	49	59
Total remunerationⁱ	1,874	1,797
Total number of executives	9	8
Total annualised employee equivalent ⁱⁱ	8.00	7.05

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

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

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

Short-term employee benefits

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

Post-employment benefits

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

Other long-term benefits

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

Termination benefits

Termination of employment payments, such as severance packages.

Note 8.4: Related parties

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

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

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

Key management personnel

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

Entity	KMPs	Position Title	Period
South West Healthcare	Dr B Northeast	Chair of the Board	01/07/23-30/06/24
South West Healthcare	Ms A Patchett	Board Member	01/07/23-30/06/24
South West Healthcare	Dr G Toogood	Board Member	01/07/23-30/06/24
South West Healthcare	Mrs N Allen	Board Member	01/07/23-30/06/24
South West Healthcare	Mrs J Waterhouse	Board Member	01/07/23-30/06/24
South West Healthcare	Mr B Brown	Board Member	01/07/23-30/06/24
South West Healthcare	Mr A Gillian	Board Member	01/07/23-30/06/24
South West Healthcare	Ms R Held	Board Member	01/07/23-30/06/24
South West Healthcare	Mr B Howard	Board Member	01/07/23-30/06/24
South West Healthcare	Mrs A Larkins	Board Member	01/07/23-30/06/24
South West Healthcare	Mr C Fraser	Chief Executive Officer	01/07/23-30/06/24
South West Healthcare	Mr A Trigg	Chief Operating Officer	01/07/23-30/06/24
South West Healthcare	Ms K Anderson	Executive Director Primary and Community Services	01/07/23-30/06/24
South West Healthcare	Mr J Brennan	Executive Director Redevelopment and Infrastructure	01/07/23-30/06/24
South West Healthcare	Mr R Champion	Executive Director Mental Health Services	01/07/23-30/06/24
South West Healthcare	Dr K McConnon	Executive Director Medical Services	01/07/23-30/06/24
South West Healthcare	Ms S Cook	Executive Director People and Culture	01/07/23-30/06/24
South West Healthcare	Mr P Logan	Interim Executive Director Nursing and Midwifery	01/07/23-24/09/23
South West Healthcare	Ms S Anderton	Executive Director Nursing and Midwifery	24/09/23-30/06/24

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

	2024 \$'000	2023 \$'000
Compensation - KMPs		
Short-term employee benefits ⁱ	2,161	2,032
Post-employment benefits	238	218
Other long-term benefits	61	72
Total	2,460	2,322

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

ⁱⁱKMPs are also reported in Note 8.2 Responsible Persons or Note 8.3 Remuneration of Executives.

Significant transactions with government related entities

	2024 \$'000	2023 \$'000
Transactions		
Department of Health	207,313	201,072
Indirect contributions (DH)	42,307	23,341
Assets received free of charge	361	1,537
Repayment of funding - interest free loan	-	92
Total	249,980	226,042

	2024 \$'000	2023 \$'000
Funding outstanding		
Department of Health LSL debtor	15,142	14,755
Grants repayable to DH	-	11,676
Total	15,142	26,431

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

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

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

Transactions with KMPs and other related parties

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

Outside of normal citizen type transactions with South West Healthcare, 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 2024 (2023: none).

There were no related party transactions required to be disclosed for South West Healthcare Board of Directors, Chief Executive Officer and Executive Directors in 2024 (2023: none).

Note 8.5: Remuneration of auditors

	2024 \$'000	2023 \$'000
Victorian Auditor-General's Office		
Audit of the financial statements	50	47
Total remuneration of auditors	50	47

Note 8.6: Events occurring after the balance sheet date

There are no events occurring after the balance sheet date that require disclosure in the financial statements.

Note 8.7: Joint arrangements

Entity	Principal Activity	Ownership Interest	
		2024 %	2023 %
Southwest Alliance of Rural Health	Information Systems	16.01	15.57

South West Healthcare's 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:

	2024 \$'000	2023 \$'000
Current assets		
Cash and cash equivalents	3,596	2,735
Inventories	2	3
Receivables	1,042	928
Prepaid expenses	176	135
Total current assets	4,816	3,801
Non-current assets		
Property, plant and equipment	1,864	1,532
DHS LSL debtors	196	160
Total non-current assets	2,060	1,692
Total assets	6,876	5,493
Current liabilities		
Payables	2,025	1,337
Deferred income	2,232	2,087
Provisions	364	419
Lease liabilities	430	261
Total current liabilities	5,051	4,104
Non-current liabilities		
Lease liabilities	769	497
Employee benefits and related on-cost provisions	273	87
Deferred income	2	15
Total non-current liabilities	1,044	599
Total liabilities	6,095	4,703
Net assets	781	790

South West Healthcare's interest in revenues and expenses resulting from joint arrangements are detailed below. The amounts are included in the consolidated financial statements under their respective categories:

	2024 \$'000	2023 \$'000
Revenue and income from transactions		
Operating activities	4,773	3,636
Non-operating activities	130	279
Total revenue and income from transactions	4,903	3,915
Expenses from transactions		
Employee expenses	(2,611)	(1,957)
Maintenance contracts and IT support	(1,228)	(1,123)
Other expenses	(680)	(697)
Finance costs	(11)	(9)
Depreciation and amortisation	(427)	(378)
Total expenses from transactions	(4,957)	(4,164)
Net result from transactions	(54)	(249)
Other economic flows included in the net result		
Revaluation of long service leave	23	3
Total other economic flows included in the net result	23	3
Comprehensive result for the year	(31)	(246)

*Figures obtained from the unaudited SWARH financial statements

Contingent liabilities and capital commitments

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

Note 8.8: Equity

Contributed capital

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

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

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

General purpose surplus

The general purpose reserve represents funds set aside by South West Healthcare for specific purpose, where the funds have been internally generated.

Property, plant and equipment revaluation surplus

The property, plant and equipment revaluation surplus arises on the revaluation of infrastructure, land and buildings. The revaluation surplus is not normally transferred to the accumulated surpluses/(deficits) on derecognition of the relevant asset.

Financial assets at fair value through comprehensive income revaluation reserve

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

Restricted specific purpose reserves

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

Note 8.9: Economic dependency

South West Healthcare is a public health service governed and managed in accordance with the *Health Services Act 1988* and its results form part of the Victorian General Government consolidated financial position. South West Healthcare provides essential services and is predominately dependent on the continued financial support of the State Government, particularly the Department of Health, and the Commonwealth funding via the National Health Reform Agreement (NHRA). The State of Victoria plans to continue South West Healthcare operations and on that basis, the financial statements have been prepared on a going concern basis.



South West
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