Creating a happier, healthier Northern Mallee

MILDURA
BASE PUBLIC HOSPITAL

ANNUAL REPORT **2021-22**

VISION

Outstanding and integrated healthcare for the Sunraysia region.

MISSION

To improve the wellbeing of Sunraysia by providing quality health services with care, compassion and skill, in partnership with the community.

VALUES

Happy	**As an organisation**
We are positive	We aspire to be happy in all our dealings with people. Every day we strive to be the best version of ourselves, and we seek to continuously improve our organisation, ourselves and each other through personal and professional growth. We believe that happy people do their best work. We know that joy in our journey is invaluable to a sustainable and lasting success.
Empathetic	**As an organisation**
We are caring	We put our patients first, and we listen and deal with their needs. We are compassionate people who make MBPH a place for healing, growth and success for patients, their families and our staff.
Accountable	**As an organisation**
We are committed	We take ownership of the actions and decisions made. We do the right thing in all our interactions. We reward based on great outcomes, and we are transparent in both our successes and failures. We use good judgement and every day we make our patients' journey better.
Respectful	**As an organisation**
We are open to others	We build effective relationships and emphasise the importance of diversity and inclusion in our workplace. We recognise and value the views and the experiences our staff and patients bring to our organisation.
Team-based	**As an organisation**
We are one team	We do our best work when we collaborate within and across teams. Every day we strive to be our best selves. We know that individual differences can strengthen teams and we trust and respect each other's contribution. We make sure we have the right people in the right jobs with the right tools, resources and equipment. And we know, no single person is bigger than the team.

The Mildura Base Public Hospital would like to acknowledge the traditional custodians of this land, the people of the Millewa-Mallee Nations, and pay respect to their elders and ancestors past, present and emerging and honour their culture and traditions.

CONTENTS

About this Report

MANNER OF ESTABLISHMENT AND THE RELEVANT MINISTER

This Annual Report is prepared in accordance with Ministerial Directions issued by the Minister for Finance under the Financial Management Act 1994. The following disclosures are made regarding responsible persons for the reporting period.

RESPONSIBLE MINISTERS

From July 1 2022 to June 27 2022

The Hon. James Merlino MP, Minister for Mental Health.

June 27 2022 to June 30 2022

The Hon. Gabrielle Williams MP, Minister for Mental Health and Minister for Treaty and First People.

Mildura Base Public Hospital is charged with delivering public healthcare to the Northern Mallee in accordance with the principles established as guidelines for the delivery of public health services in Victoria under section 17AA of the Health Services Act 1988 (the Act)

REPORT FROM THE BOARD CHAIR AND CHIEF EXECUTIVE

Late last year, Mildura Base Public Hospital (MBPH) unveiled its five-year organisational strategy 'Providing Exceptional Care' to ensure we are well positioned to grow and adapt to the needs of our diverse population.

The challenges of 2021 have consumed us however we continue to develop plans that will underpin delivery of the strategy that will ultimately expand and deliver changing treatments, services and care that will help improve the lives of everyone in the Northern Mallee.

We have been able to forge a clear path that will drive us to deliver what our community expects and needs in the years ahead, whether that be new infrastructure or innovative models of care that significantly improve health outcomes while making treatment more accessible, we're pleased to say we have made good progress on our long-term strategy.

MBPH's response to COVID-19 has been a major focus requiring careful planning, impacting every service and facet of the organisation. It's never been busier at MBPH as we adapt to restrictions that have impacted the way we provide care.

There are so many lessons we've learnt during the pandemic that have positively influenced the way our services operate.

It's great to see so many projects in progress that will make a difference to families in the community, with the masterplan under pinning the future needs of healthcare in this region.

The recommendations of this year's Victorian Royal Commission into the Mental Health system have reaffirmed the importance of improving mental health care for our community, revamping models of care to offer more tailored services that meet consumers' and carers' needs.

Over the past 12 months, we have continued to implement changes to the working environment and to support our staff, including improvements to security, senior leadership accountability, preventing stress, increased recognition, and patient safety culture.

The MBPH Foundation has also been established as we continue to develop our connection with the community through better communication and a much more open approach, something which has been a major focus since the return to public management less than two years ago.

Our gender equality and recognition programs have made MBPH a more inclusive place for people to work and created greater understanding of the diversity of our workforce for all staff.

The appointment of a Director of Aboriginal Health, a first for Victoria, continues to build on the cultural journey we are on as an organisation and it has enabled us to build stronger ties with our local Aboriginal communities.

Our Aboriginal Liaison Committee has also been pivotal in understanding the health care needs and challenges our Aboriginal people face.

Community input has continued to be sought through our Community Collaborative Committee which has provided a voice for people living in this region and a channel of communication between the Board and the broader public.

We would like to thank all of our staff, volunteers, and board directors for their hard work and commitment while working through this challenging year.

After experiencing glimpses of normality between COVID-19 outbreaks, we know we can recover from the pandemic with new knowledge and skills, improved services, and an even greater connection with our community.

It's been very encouraging to see our community partners support the work of MBPH and we know by helping make our community a healthier happier place to live, the Northern Mallee has much to be excited about in the future.

Mary Rydberg
Board Chair

Terry Welch
Chief Executive Officer

MBPH AT A GLANCE

Mildura Base Public Hospital (MBPH) serves as a major healthcare hub and offers the greatest scope of available services within the Northern Mallee region.

MBPH offers a range of in-patient and out-patient services, such as:

- Maternity & Newborn services
- General Medical services
- General Surgical services
- Paediatric services
- Rehabilitation, Palliative Care & Geriatric services
- Mental Health Services
- Emergency Department
- Intensive Care Unit
- Perioperative Services (including Operating Theatres, Pre-admission Clinics, Recovery Unit and CSSD unit)
- Allied Health department
- Community Based Hospital-at-Home Programs (including but not limited too Residential-In-Reach, Hospital-In-The-Home and the Transitional-Care-Program)
- Oncology & Day Services
- Renal Dialysis Services
- Specialists Out-patient Clinics


MILDURA
BASE PUBLIC HOSPITAL

ABOUT MBPH

OPERATIONAL HIGHLIGHTS

MBPH remains committed to working with our patients and consumers to provide innovative and better healthcare experiences for our community.

This year we have:

- Expanded our specialist clinic footprint by doubling our consulting space capacity and allowing a more family friendly environment for our consumers
- Established multiple regular Registrar supervised consulting clinics across all specialities
- Launch of the MBPH@Home program, encompassing a number of home-based-care programs supporting better and safer care closer to home
- Introduction of new clinical programs to the MBPH@Home program, such as Rehab-In-The-Home and GEM@Home)
- Progressed the rollout of an entire new Digital Health Solution, the Regional Community Platform (RCP) for Community Health, Allied Health & Specialist Clinics Services, ultimately allowing patient information to be appropriately accessed by a number of regional health partners in real-time and in the future, will allow patient interaction and patient led care plans.
- The Hospital-In-The-Home (HITH) team have been instrumental in providing care to COVID patients in their home environment throughout the pandemic peak.
- The first non-metro Public Hospital in Victoria to introduce 'Rosa' robotic-assisted knee replacement surgery, resulting in a less invasive and more accurate procedure, fewer complications compared to non-robotic assisted knee replacements and a faster recovery for our patients.

FAST FACTS:

24,421

SPECIALIST OUTPATIENT APPOINTMENTS

29,547

PEOPLE WHO CAME TO OUR EMERGENCY DEPARTMENT FOR TREATMENT

24,918

PEOPLE WHO WERE ADMITTED TO OUR HOSPITAL

4,993

ELECTIVE 3,047
EMERGENCY 1,173

SURGICAL OPERATIONS PERFORMED

6,867

AMBULANCE ARRIVALS HANDLED BY OUR EMERGENCY DEPARTMENT

827

BABIES BORN

5,229

RENAL DIALYSIS TREATMENTS

2,718

ONCOLOGY/ DAY SERVICES TREATMENTS

1,842

RESIDENTIAL-IN-REACH CONSULTS

210

HOSPITAL-IN-THE-HOME ADMISSIONS

74*

REHABILITATION IN THE HOME

*New program commenced in April 2022

1,061

HARP

5,056

TCP

2,316

PAC

1,669

DIABETES EDUCATION

810

PULMONARY CARDIAC REHABILITATION

4,333

MENTAL HEALTH TRIAGE CONTACTS

1,249

MENTAL HEALTH ASSESSMENTS

STRATEGIC PLANNING

The 2021-2024 Mildura Base Public Hospital strategic plan was approved by the Department of Health on 24 February 2022 and is available online at https://www.mbph.org.au/Publications

The plan aligns with our MBPH HEART values and has four strategic pillars;

- **Caring for our community**
- **Aspiration through our culture**
- **Trusted in our relationships**
- **Sustainable in our services**

For each of the four strategic pillars, MBPH have defined the goals, what we will do, what does it mean and how we will know if we are successful.

Stakeholder engagement was part of the preparation of the plan and it is aligned to key Victorian Government strategies, Regional priorities and local service planning and reviews, staff and community feedback and input.

STRATEGIC PLAN SUMMARY

Our Vision

...
...
...
...
...

Our Purpose

To improve health outcomes for our tri-state communities by creating partnerships, leading culture and building our team to deliver sustainable services.

STRATEGIC PILLARS	OUR TARGETS	HOW WE WILL DO IT
Caring for our community	VHES 95% positive patient experience responses Part B Statement of Priorities KPIs met MBPH Research Unit YES survey?	Consumer engagement Consumer advisory Committees MBPH Model of Care MHRMOC MBPH Research Unit Patient Safety Program Volunteer program
Aspirational through our culture	Employee satisfaction 67% Employee engagement 74% Employee workplace culture safety rating 79% Psychosocial and physical safety climate rating 60%	Capability Framework Stall wellbeing framework Workforce planning Emergency management Implement OVA strategy Succession planning RAP GEAP OHS management system Staff wellbeing plan Reward and recognition plan Recruitment and retention
Trusted in our relationships	Established partnerships Improving stakeholder survey results	MHRMOC partnerships NMIP You Said We Did program MBPH@Home GEM@Home
Sustainable in our Services	Part C Statement of Priorities KPIs met Masterplan and funding	Part C SOP KPIs met FMIP External report action plans Shared services Mental Health DMR Masterplan and funding

OUR RANGE OF SERVICE

Mildura Base Public Hospital is a sub-regional public hospital servicing a population of approximately 80,000 in the Sunraysia area.

The hospital is the major public referral health service for the Northern Mallee sub-region of the Loddon Mallee region which encompasses other hospitals at Ouyen, Robinvale and Manangatang. It is also a referral health service for the far west region of New South Wales including Wentworth and Balranald, and the Riverland of South Australia.

Acute service provision includes emergency, obstetrics and gynaecology, intensive care, general medicine and surgery, medical imaging, pathology, dialysis, chemotherapy, mental health (inpatient and community), rehabilitation, palliative care and a range of ambulatory care services.

In conjunction with the Department of Health and Human Services, the Mildura and Northern Mallee Service plan has been progressed in 2021-2022 to ensure Mildura Base Public Hospital is best placed to respond to changing community health demands.


MILDURA BASE
PUBLIC HOSPITAL
Main
Entrance
EMERGENCY
Parking
P

ADMINISTRATIVE STRUCTURE OF MBPH

BOARD OF DIRECTORS

Mary Rydberg - Chair
Frank Piscioneri – Deputy Chair
Glenis Beaumont – Deputy Chair
Quentin Norton
Neth Hinton
Paul O'Neill
Kashif Hayat
Maria Mahony
Ross Dallimore

COMMITTEE STRUCTURES

Finance and Audit Committee
Frank Piscioneri (Chair)
Kashif Hayat (Deputy Chair)
Glenis Beaumont
Paul O'Neill
Quentin Norton
Neth Hinton

Quality, Safety and Risk Committee
Glenis Beaumont (Chair)
Neth Hinton (Deputy Chair)
Ross Dallimore
Maria Mahony

EXECUTIVE TEAM

Chief Executive Officer

Terry Welch

Executive Director Finance & Corporate Services

Deputy CEO

Matthew Jukes

Chief Medical Officer

Louise Litten

Executive Director Patient Experience

Andrea Floyd

Executive Director Clinical Operations

Elise Elder

Executive Director Mental Health

David Kirby

Executive Director People, Culture & Wellbeing

Janelle McGregor

ORGANISATIONAL STRUCTURE OF MBPH

OUR PEOPLE

WORKFORCE INFORMATION

WORKFORCE OVERVIEW

Over the past 12 months, Mildura Base Public Hospital (MBPH) has experienced workforce growth enabling the health service to reach its full potential as a public entity and recognising the critical importance our health service plays in the fabric of our community.

The inaugural MBPH Strategic Plan 2021-2024 (Strategic Plan), endorsed in February 2022, is a pivotal milestone in ensuring key objectives are delivered upon to meet our strategic vision of providing exceptional care to our tri-state community. In our commitment to creating continued positive change in our people practices, and leveraging our HEART Values to build a values-led, high performing, accountable and safety focused culture, MBPH delivered its first People, Culture and Wellbeing strategy (People Strategy).

Building on the strategic pillar of 'Aspirational in our culture', the People Strategy focuses on four key pillars, including:

Wellbeing and Belonging	Support our staff to feel and perform at their best.
Digital Transformation	Use of technology to enable efficiency in human resources and people practices.
Sustainable Workforce	Planning for our current and future workforce and partnering with key stakeholders to meet current and future workforce demands.
Capability and Development	Developing the skills of MBPH staff to achieve a high performing, engaged and agile workforce.

As an organisation with a vision of providing exceptional patient care, comes a responsibility to ensure the health and wellbeing of our staff is front of mind, especially in light of the continuing demands of the COVID-19 pandemic.

Creating a wellbeing program was a key initiative of the People Strategy, and a number of positive initiatives have been delivered across the health service through a consultative process, including free-access to healthy snack vending machines, Early Intervention Program (EIP) providing preventative physiotherapy and clinical massage therapies, and a re-charge room housing two sleeping pods promoting rest and relaxation as a positive form of wellness. Additionally, our COVID wellbeing response included individual internal and external staff wellbeing calls, care packages, employee support phone line manned by appropriately trained professional at a local level, a dedicated health and wellbeing page with access to training programs, relaxation pod-casts, support for managers and tailored communications across the health service.

The EIP was successfully trialled in January 2022 and will become an ongoing feature and commitment to MBPHs staff health and wellbeing program. The aim of the EIP is to provide early intervention to assist injured workers to return to work safely as well as preventing injury from occurring by allowing staff to access on-site treatment. In the first six months over 260 staff participated in remedial massage and 155 staff attended physiotherapy session leading to a reduction in the number and severity of WorkCover claims.

Feedback on the MBPH Wellbeing Program has been very positive with staff reporting they feel heard and supported by MBPH.

Equally important was ensuring MBPH maintained strong focus on Employee Assistance and Wellness Programs, implementing a new Employee Assistance Program (EAP) provider familiar with the health industry and that offers greater service provision for employee and family wellness interventions, including legal support, career development, financial management, and lifestyle support. MBPH also engaged the EAP provider to connect with staff on a clinical level throughout peak COVID outbreaks as a neutral party to check in on their health and wellbeing. Over the past 12 months, MBPH also established a bespoke leadership wellbeing program focussed on physical and psychological wellbeing related to burnout, leadership development, building strong and collaborative team relationships and managing stress and wellbeing for its Executive and senior management teams.

Like many health services, MBPH continues to manage workforce impacts arising from the COVID-19 response; with our people vision to become a 'sub-regional health service of choice' coupled with our HEART Values enables us to attract, retain and develop capable, diverse and inclusive workforce to deliver exceptional patient care.

With increased focus on workforce optimisation and talent acquisition, MBPH have been instrumental in developing a recruitment strategy focused on leveraging overseas trained nursing, midwifery and medical staff. Our Clinical Education teams are also focusing on increasing viable education pathways including transitional nursing programs, increased graduate program offerings such as critical care, collaborative, midwifery, mental health programs, and medical programs such as Psychiatry, Paediatrics, General Medicine, Obstetrics and Gynaecology and Emergency Medicine. MBPH is also focused on providing a work-based assessment programs for varying medical disciplines allowing medical doctors to complete the clinical component in a workplace setting. These programs ensure our staff are appropriately skilled and oriented to our health service to ensure the delivery of safe and patient focused care.

Another key focus of the past 12 months was the development of our Heartbeat Program that continues to gain momentum through the delivery of online and in-person facilitated training and professional development. The key deliverables of the program focus on patients and consumer customer service, personal and team effectiveness across MBPH to increase joy in work and leading teams to strengthen existing and emerging management, supervisory and leadership skills that focus on bringing our HEART Values to life in everything that we do.

In our pursuit of our People Vision, the next 12 months will see MBPH embark on strategic workforce and succession planning for the whole health service in preparation for our current and future workforce. This preparation will include increased focus on employee wellbeing and psychological and physical safety, identifying and building capability, human resource information, payroll and rostering systems implementation and reward and recognition programs. Accountability of MBPHs people practices will continue throughout eight people, culture and wellbeing governing, reporting and consultative committees.

MBPHs commitment to partnering with our Northern Mallee peer health services will also play a large part in delivering MBPH Strategic Plan.

The MBPH is a values-led health service strongly committed to the principles of its HEART Values. It is through putting the HEART Values in to action every day that ensures MBPH remains committed to providing equal opportunity and a healthy and safe workplace that is free from bullying, harassment and discrimination.

FTE PROFILE

Hospital Labour Category	Current Month June FTE		Average Monthly FTE	
	2021	2022	2021	2022
Nursing	380.58	409.68	347.40	381.37
Administration and Clerical	90.12	126.85	78.99	111.28
Medical Support	27.84	78.51	26.50	73.50
Hotel and Allied Services	89.76	49.99	82.27	47.42
Medical Officers	22.67	15.50	23.45	13.50
Hospital Medical Officers	66.11	79.07	50.66	70.02
Sessional Clinicians	6.33	18.36	4.70	16.21
Ancillary Support (Allied Health)	60.64	68.06	54.44	63.33
TOTAL	**744.05**	**846.02**	**668.41**	**776.63**

The FTE figures required in the table are those excluding overtime. These do not include contracted staff (e.g. Agency nurses, Fee-for-Service Visiting Medical Officers) who are not regarded as employees for this purpose. The data should be consistent with that provided in the Minimum Employee Data Set.

APPLICATION OF EMPLOYMENT AND CONDUCT PRINCIPLES

Mildura Base Public Hospital ensures that the Public Sector Values and Employment Principles related to the employment relationship are included in policies and practices to ensure merit and equity is achieved in all employment related decisions. MBPH is an equal opportunity employer and confirms employees have been correctly classified in workforce data collections.

HEALTH, SAFETY AND WELLBEING

This year the Health, Safety and Wellbeing team completed its staffing profile and presence within MBPH. A key focus is the addition of an Occupational Violence Coordinator, Health and Safety Advisor and Wellbeing Coordinator that will bring all occupational health and safety systems to the forefront of our operations guaranteeing safety, like workplace culture, is on everyone's business.

Reviewing and embedding our safety management systems continues, with work commencing on two major projects including Emergency Response Management and Business Continuity Planning.

Working collaboratively with our Behavioural Management Nursing, Nurse Unit Managers and other stakeholders, the next 12 months will see a spotlight on Occupational Violence and Aggression (OVA) management, with a complete review of our OVA 10-point Safety Plan and implementation of Safer wards to create safer health services for our staff and patients.

In its second year, the MBPH Respiratory Protection Program (RPP) continues vital work protecting our staff from the risks and hazards associated with infectious disease transmission and continues to mask fit-test workers on an annual basis. During peak COVID outbreaks, the RPP team were involved in frontline testing of a number of community stakeholders that were delivering services to the region.

Strong relationships and consultation with peak Union bodies including the Australian Nursing and Midwifery Federation (ANMF) and Health Workers Union (HWU) continues. MBPH believes in the importance of maintaining quality relationships with Union bodies, including meeting weekly with the ANMF to ensure the health, safety and wellbeing of our staff to ensure that our patients continue to receive high quality patient focused care.

OCCUPATION HEALTH AND SAFETY STATISTICS

Occupational Health and Safety Statistics	2021-22	2020-21	2019-20
The number of reported hazards/ incidents for the year per 100 FTE	53	87	N/A
The number of 'lost time' standard WorkCover claims for the year per 100 FTE	2.83	0.43	N/A
The average cost per WorkCover claim for the year ('000)	$19,816	$24,608	N/A

OCCUPATIONAL VIOLENCE

Occupational Violence Statistics	2021/22
WorkCover accepted claims with occupational violence cause per 100 FTE	0.35
Number of accepted Workcover claims with lost time injury with an occupational violence cause per 1,000,000 hours worked	27.45
Number of occupational violence incidents reported	427
Number of occupational violence incidents reported per 100 FTE	50.47
Percentage of occupational violence incidents resulting in a staff injury, illness or condition	0.70%

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 2019-20.
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

WORKPLACE INCLUSION POLICY

Significant work has commenced in diversity, equality and inclusion, and our MBPH Gender Equality Action Plan was successfully approved by the Commission for Gender Equality in the Public Sector in June 2022 marking a significant milestone under the new legislative requirements of the Gender Equality Act 2020. The plan identifies a number of actions that MBPH will embark on over the next four years.

MBPH has also implemented a gender equality workgroup that will evolve and expand over the coming months to become part of our formal committee structure. To date MBPH has completed or are underway with the following initiatives:

Gender Equality Data Audit	submitted to Gender Equality Commission, December 2021 (approved by Commission);
Gender Equality Action Plan (GEAP)	including overarching Gender Equality Strategy submitted to Gender Equality Commission, March 2022 (approved by Commission, published on MBPH website);
Gender Impact Assessments	new process introduced and communicated to Executive Team and Board, July 2022;
Gender composition of the workforce	updates made to Payroll and HR processes to report gender diversity across organisational structure;
Gendered workforce segregation	policies drafted and in review by relevant Committees (EEO; Gender Equality; Diversity and Inclusion); and

Commenced work to introduce activities to support diversity and inclusion awareness, including use of pronouns and Transgender Awareness training.

Significant progress is being made towards other actions proposed in the GEAP, and are on track to meet the original timeframes proposed. A number of initiatives await results of the People Matter Survey (end July 2022) to assist reporting Gender Composition of the Workforce to be reported to MBPH Board in September 2022.

FINANCIAL INFORMATION

	2022 ($000)	2021 ($000)
OPERATING RESULT*	**250**	**0**
Total Revenue	190,672	132,622
Total Expenses	(193,009)	(134,592)
Net Result from transactions	**(2,337)**	**(1,849)**
Total other economic flows	(1,406)	3,349
Net Result	**(3,743)**	**1,500**
Total assets	114,560	136,378
Total liabilities	(56,093)	(43,635)
Net assets/Total equity	**97,052**	**92,743**

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

RECONCILIATION OF NET RESULT FROM TRANSACTIONS TO OPERATING RESULT

	2022 ($000)	2021 ($000)
Operating Result	**250**	**0**
Capital purpose income	1,943	1,386
Specific income	128	524
COVID 19 state supply arrangements – Assets received free of charge or for nil consideration under the State Supply	1,883	NA
Assets received free of charge	41	NA
Expenditure for capital purpose	(1,070)	NA
Depreciation and amortisation	(4,915)	(3,638)
Impairment of non-financial assets	(597)	(121)
Finance Costs (other)	NA	NA
Net Result from transactions	**(2,337)**	**1,849**


MILDURA
BASE PUBLIC HOSPITAL

CONSULTANCIES

Subsequent Events

There are no subsequent events to balance date which may have significant effect on the operation of MBPH in subsequent years.

Details of consultancies (under $10,000)

In 2021-22, there were two consultancies where the total fees payable to the consultants were less than $10,000.

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

In 2021-22, there were 7 consultancies where the total fees payable to the consultants were $10,00 or greater. The total expenditure incurred during 2021-22 in relation to these consultancies is $420,259 (excl. GST).

Consultant	Purpose of consultancy	2021-22 (ex GST) $'000	Future (ex GST) $'000
Uplift Group	Health Information Review	52	
KPMG	Mntal Health Model of Care	158	
Breathing Space	Executive Coaching	8	
Studer Group Australia	Staff Coaching	43	88
Donald Cant Watts Corke Health Advisory	Health Planning Services	102	
Engaging People Executive Support	Executive Support Program	22	
BRT Consulting Engineers	Ventilation Review	18	
Syris Consulting	Clinical Costing	26	
Health Issue Centre	Community Colaborative	3	

INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) EXPENDITURE

Business as Usual (BAU) **Non-Business as Usual (non-BAU) ICT expenditure**

Total (ex GST)	Total = Operational expenditure and Capital Expenditure (ex GST) (a) + (b)	Operational expenditure (ex GST) (a)	Capital expenditure (ex GST) (b)
$2,541,378	$0	$0	$0


Elise
Terry

GENERAL INFORMATION, DISCLOSURES AND ATTESTATIONS

DISCLOSURES REQUIRED UNDER LEGISLATION

Freedom of Information Act 1982

Access to documents and records held by MBPH may be requested under the Freedom of Information Act 1982. Members of the public wishing to access documents can apply in writing to the PO Box 620, Mildura, VIC 3502 at MBPH or via e-mail to mbph-privacy@mbph.org.au. This year 134 requests were granted in full, 0 requests was partially exempted (under s33 (1) of the FOI Act, with 2 withdrawn by the applicant.

Building Act 1993

All building works have been designed in accordance with the Department of Health's Capital Development Guidelines and comply with the Building Act 1993 (Vic), Building Regulations 2006 (Vic) and Building Code of Australia, relevant at the time of works. All contractors are appropriately qualified. The following building permits were issued by Regional Building Consultants during the financial year to Mildura Base Public Hospital:

- Building permit received from Regional Building Consultants
- Construction - 3x Portable buildings (Transcool)
- Building Permit CBS-U 57014 / 17462609044421/0
- Planning Permit Number 005.2021.00000107.001 Construction - 8 Bed Paediatrics Unit (ward 6).
- Building Permit Number CBS- U 57014 /47347971340 64/0
- Version of BCA application to Building Permit - 2016

Public Interest Disclosure Act 2012

The Public Interest Disclosure Act 2012 (Vic) enables people to make disclosures about improper conduct within the public sector without fear of reprisal. The Public Interest Act aims to ensure openness and accountability by encouraging people to make disclosures and protecting them when they do. MBPH complies with the requirements of the Public Interest Disclosure Act 2012 and did not receive any disclosures.

Statement of National Competition Policy

All competitive neutrality requirements were implemented and met in accordance with National Competition Policy, including compliance with the requiremeents of the policy statement 'Competitive Neutrality Policy Victoria' and any subsequent reforms.

Carers Recognition Act 2012

MBPH recognises and values the unique relationship between clients and their carers and operates in an environment responsive to all parties and applies the overarching principles of the Carer's Recognition Act 2012 (Vic)

Environmental Performance

MBPH remains committed to improving our environmental impact and strives to provide health care in an environmentally sound and sustainable manner.

National Competition Policy

MBPH complied with all government policies regarding competitive neutrality relating to tender applications.

Local Jobs First Act 2003

In 2019-2020 there were no contracts requiring disclosure under the Local Jobs First Policy.

Financial Management Act 1994 (Vic)

In accordance with the Direction of the Minister for Finance part 9.13 (iv), information requirements have been prepared and are available to the relevant Minister, Members of Parliament and the public on request.

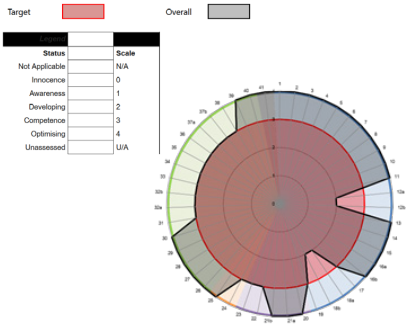
Safe Patient Care Act 2015 (Vic)

The hospital has no matters to report in relation to its obligations under the section 40 of the Safe Patient Care Act 2015 (Vic). 15

ASSET MANAGEMENT ACCOUNTABILITY FRAMEWORK

Leadership and Accountability (requirements 1-19)

The Mildura Base Public Hospital did not comply with some requirements in the areas. There is no material non-compliance in this category. Areas of non-compliance are in monitoring asset performance and evaluation of asset performance. MBPH have secured an Asset Management system which is currently in implementation stage. This system will improve reporting for all assets management and assist in future asset management planning and evaluation of assets.



Planning (requirements 20-23)

The Mildura Base Public Hospital did not comply in some requirements in this area. There is no material non-compliance in this category. Risk management and contingency planning are areas of non-compliance as implementation of the asset management system is completed. The new system will assist the Mildura Base Public Hospital is improving risk management and contingency planning.

Acquisition (requirements 24 and 25)

The Mildura Base Public Hospital has met or exceeded it target maturity level under the requirements in this category.

Operation (requirements 26-40)

The Mildura Base Public Hospital has met or exceeded its target maturity level under most requirements within this category.

Disposal (requirement 41)

The Mildura Base Public Hospital has met its target maturity level in this category.

Feedback

MBPH is committed to providing the best quality health care in the region. We value and encourage feedback from patients, clients and their families, as well as visitors, to our service. In this way we understand how and where we need to improve the way in which we deliver our programs.

This year we received 247 compliments and 239 formal concerns. MBPH has worked with closely with consumers to resolve concerns raised and welcome all feedback that improve our health service.

Privacy

MBPH recognizes, and is committed to, the protection of the privacy of patient, resident, client and staff information. MBPH has in place policies to ensure compliance with the *Health Records Act 2001 (Vic), Privacy Act 2000* and the *Information Privacy Act 2000 (Vic)* Patients, residents and clients are informed of their rights on first contact with MBPH that all health information collected and medical records held in relation to their treatment is respected and confidentially is maintained.

ENVIRONMENTAL PERFORMANCE

	2021-22	2020-21
Green House		
Petrol / Fuel	23,598L	23,336L
Energy		
Electricity	4143KWH	7768.4KWH
Gas	9277GJ	7890 Megajouls
Water		
Mains	47380	39325M3
Waste		
General	168293kg	177002kg
Clinical	49891kg	22784kg
Recycling	40751kg	40664kg

ADDITIONAL INFORMATION AVAILABLE ON REQUEST

Details in respect of the items listed below have been retained by MBPH and are available to the relevant Ministers, Members of Parliament and the public on request (subject to freedom of information requirements if applicable):

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

ATTESTATIONS AND DECLARATIONS

Responsible Body's declaration

In accordance with the Financial Management Act 1994, I am pleased to present Mildura Base Public Hospital's Annual Report for the year ending 30 June 2022.

Mary Rydberg
Board Chair
28/09/2022

Attestation for financial management compliance

1, Mary Rydberg, on behalf of the Responsible Body, certify that the Mildura Base Public Hospital has complied with the applicable Standing Directions of the Minister of Finance under the Financial Management Act 1994 and Instructions.

Mary Rydberg
Board Chair
28/09/2022

Data Integrity Declaration

I Terry Welch certify that Mildura Base Public Hospital has put in place appropriate internal controls and processes to ensure that reported data accurately reflects actual performance. Mildura Base Public Hospital has critically reviewed these controls and processes during the year.

Terry Welch
Chief Executive Officer
28/09/2022

Conflict of Interest Declaration

I, Terry Welch, certify that Mildura Base Public Hospital has put in place appropriate internal controls and processes to ensure that it has complied with the requirements of hospital circular 07/2017 Compliance reporting in health portfolio entities (Revised) and has implemented a 'Conflict of Interest' policy consistent with the minimum accountabilities required by the VPSC. Declaration of private interest forms have been completed by all executive staff within Mildura Base Public Hospital 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.

Terry Welch
Chief Executive Officer
28/09/2022

Integrity, Fraud and Corruption Declaration

I Terry Welch certify that Mildura Base Public Hospital has put in place appropriate internal controls and processes to ensure that Integrity, fraud and corruption risks have been reviewed and addressed at Mildura Base Public Hospital during the year.

Terry Welch
Chief Executive Officer
28/09/2022

Declaration in the financial statements

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

We further state that, in our opinion, the information set out in the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement and accompanying notes, presents fairly the financial transactions during the year ended 30 June 2021 and financial position of the Department at 30 June 2.

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 28 September, 2022.

Mary Rydberg
Board Chair
28/09/2022

Terry Welch
Chief Executive Officer
28/09/2022

Matthew Jukes
Executive Director - Finance
28/09/2022

DISCLOSURE INDEX

The annual report of the Mildura Public Base Hospital is prepared in accordance with all relevant Victorian legislation. This index has been prepared to facilitate identification of the departments' compliance with statutory disclosure requirement.

Legislation	Requirement	Page Reference
Ministerial Direction		
Report of Operations		
Charter and Purpose		
FRD 22	Manner of which establishment and the relevant Ministers	3
FRD 22	Purpose, functions, powers and duties	3
FRD 22	Nature and range of services provided	14
FRD 22	Activities, programs and achievements for the reporting period	9
FRD 22	Significant changes in key initiatives and expectations for the future	12
Management and structure		
FRD 22	Organisational structure	18
FRD 22	Workforce data/employment and conduct principles	20
FRD 22	Occupational Health and Safety	24
Financial information		
FRD 22	Summary of the financial results for the year	28
FRD 22	Significant changes in financial position during the year	29
FRD 22	Operational and budgetary objectives and performance against objectives	29
FRD 22	Subsequent events	30
FRD 22	Details of consultancies under $10,000	30
FRD 22	Details of consultancies over $10,000	30
FRD 22	Disclosure of ICT expenditure	30

DISCLOSURE INDEX

The annual report of the Mildura Public Base Hospital is prepared in accordance with all relevant Victorian legislation. This index has been prepared to facilitate identification of the departments' compliance with statutory disclosure requirement.

Legislation	Requirement	Page Reference
Management and structure		
FRD 22	Application and operation of Freedom of Information Act 1982	32
FRD 22	Compliance with building and maintenance provisions of Building Act 1993	32
FRD 22	Application and operation of Protected Disclosure 2012	33
Management and structure		
FRD 22	Statement on National Competition Policy	32
FRD 22	Application and operation of Carers Recognition Act 2012	32
FRD 22	Summary of the entity's environmental performance	32
FRD 22	Additional information available on request	34
Other relevant reporting directives		
FRD 25D	Local Jobs First Act disclosures	32
SD 5.1.4	Financial Management Compliance attestation	32
SD 5.2.3	Declaration in report of operations	33
Attestations		
	Attestation on Data Integrity	35
	Attestation on managing Conflicts of Interest	36
	Attestation on Integrity, fraud and corruption	36
Other reporting requirements		
	Reporting of outcomes from Statement of Priorities 2021-22	40
	Occupational Violence reporting	25
	Reporting obligations under the Safe Patient Care Act 2015	32
	Reporting of compliance regarding Car Parking Fees (if applicable)	N/A

KEY FINANCIAL AND SERVICE PERFORMANCE REPORTING

STATEMENT OF PRIORITIES REPORTING

The Service Act 1988 allows that post 1 October of each financial year the Minister for Health makes a Statement of Priorities which is provided to the health services.

STATEMENT OF PRIORITIES PART A

Strategic Priorities MBPH	Strategy and Outcome
Maintain your Robust COVID-19 readiness and response, working with my department to ensure we rapidly respond to outbreaks, if and when they occur, which includes providing testing for your community and staff, where necessary and if required. This includes preparing to participate in, and assist with implementation of our COVID-19 vaccine immunisation program rollout, ensuring your local community's confidence in the program.	Establishment of a Pandemic Response Office to oversee the processes and ensure rapid response to changing covid environment, including community outbreaks. A staff immunisation and testing programs, both symptomatic and asymptomatic have been established to support staff to monitor their health. An extensive staff wellbeing program was developed including refreshments, physiotherapy, massages, sleep pods, massage chairs and support for staff that were furloughed due to exposure and illness. Regular communication with our community was undertaken to advise of visitor restrictions and hospital activity. Significant infrastructure and environmental works have been undertaken to improve ventilation and air quality and reduce risk of transmission of COVID-19. This includes HVAC work and installation of air purifiers. Department of Health infection control consultants conducted site visits and commended our approach to COVID –19 management and supported MBPH to become a COVID –19 regional streaming hospital.
Drive improvements in access to emergency services by reducing emergency department four-hour wait times, improving ambulance to health service handover times, and implementing strategies to reduce bed-blockage to enable improved whole of hospital system flow.	MBPH has focussed on partnering with our consumers to implement an ED Live data dashboard displaying average wait times as a permanent fixture outside the Emergency Department, as a communication tool for consumers to view and make an educated decision about whether or not they'd like to present for consultation of non-urgent concerns versus seeking an alternative treatment pathway available within the community. A close relationship with Ambulance Victoria sees us collectively review daily statistical reports to identify any delays and/or areas of improvements. A revised Non-Urgent Patient Transport contract allows for a dedicated onsite vehicle available Mon-Fri (8am-6pm) to prioritise non-urgent transfers/ discharges from MBPH. Redesigned General Medicine rostering model has created numerous efficiencies within the faculty, allowing for better and more timely care, including admissions and discharges. Launched MBPH@Home initiative allowing for more acute care to be delivered safely in the home environment and therefore better inpatient bed access. Pre-operative physiotherapy program commenced by Allied Health and Orthopaedic teams to assist with faster recovery and post-operative discharge.

Strategic Priorities MBPH	Strategy and Outcome
Actively collaborate on the development and delivery of priorities within your Health Service Partnership, contribute to inclusive and consensus-based decision-making, support optimum utilisation of services, facilities and resources within the Partnership, and be collectively accountable for delivering against Partnership accountabilities as set out in the Health Service Partnership Policy and Guidelines.	MBPH established the Northern Mallee Integrated Partnership (NMIP) collaborating with Robinvale District Health Services (RDHS) and Mallee Track Health and Community Service (MTHCS). The NMIP was established to enhance collaboration on priorities and initiatives directly influencing health care service delivery of the Northern Mallee at an operational level. Partnerships to address the impact of COVID 19 mitigating and responding to the impact of the pandemic across the catchment have been established in the Northern Mallee, resulting in coordinated PPE supplies, access to pathology testing and staffing support to maintain service delivery across health services.
Engage with your community to address the needs to patients, especially our vulnerable Victorians whose care can be delayed due to the pandemic and provide necessary "catch-up" care to support them to get back on track. Work collaboratively with your Health Service Partnership to: · Implement the Better at Home initiative to enhance in-home and virtual models of patient care when it is safe, appropriate and consistent with patient preferences. · Improve elective surgery performance and ensure that patients who have waited longer than clinically recommended for treatment have their needs addressed as a priority.	MBPH has established a strong working partnership by participating and contributing to the Loddon Mallee Health Network (LMHN) Better@Home Steering Group, established to develop and oversee the State Government Budget initiative, Better@Home across the region. The launch of the MBPH@Home program has seen: · Expansion of Hospital in the Home (HITH) services by increasing FTE and implementing a Home Frusemide Program. · Established Rehabilitation in the Home (RITH) as a new service which provides clients with an alternative to remaining in hospital to complete their rehabilitation. Assisting with bed management and reducing length of stay (LOS). · Expansion of our current Pulmonary and Cardiac Rehabilitation Program by increasing FTE to meet demand and reducing waiting times to access the program. · Establishment of a GEM@Home program, allowing geriatric patients to receive care at home in their familiar environment and with family support and companionship. · MBPH is continuing to support Remote Patient Monitoring (RPM) of covid positive patients in our community and is committed to expanding this service to other patient cohorts within our wider community.

Strategic Priorities MBPH	Strategy and Outcome
	MBPH has increased the number of operating sessions facilitated each week, allowing more patients to access elective theatre in our community. We have commenced an additional Endoscope/Colonoscopy list managed by an expert GP to assist in reducing wait times for our community. Introduction of robotic-assisted knee replacement surgery which has reduced post0operative recovery time and length of inpatient stay. MBPH is an active member of the Loddon Mallee Health Partnership (LMHP) steering group for Elective Surgery, which works together on projects and to pool resources to improve patient access to elective surgery and patient outcomes.
Address critical mental health demand pressures and support the implementation of mental health system reforms to embed integrated mental health and suicide prevention pathways for people with, or at risk of, mental illness or suicide through a whole-of-system approach as an active participant in your Health Service Partnership and through your partnership's engagement with Regional Mental Health and Wellbeing Boards.	Victorian government responses to the state's Royal Commission into the mental health system (2021) require every Area Mental Health Service (AMHS) to 'transform' across nine priority areas over the next three years (2022- 2025). MBPH's service reforms, currently underway, will result in a new Model of Care for the assessment, treatment and care of those experiencing severe and episodic mental illness in the Northern Mallee. The future MBPH Area Mental Health and Wellbeing Service (AMHWS) will have: increased peer and family and carer supports; better connections with local and state-wide services; integrated clinical, wellbeing and addiction supports; and increased availability of developmentally appropriate care at times and in places that best suit the region's population. New ways of operating will be designed with those who have lived experience of the mental health system, and will utilise technology for contemporary service delivery. In collaboration with regional leadership and governance structures, such as the Interim Regional Mental Health and Wellbeing Boards and Health Service Partnerships, MBPH will continue to work collaboratively to lead strategy for mental health and suicide prevention system reforms in the Northern Mallee, responding to regional service demands and achieved through service partnerships and the development of diverse multidisciplinary workforces.

Strategic Priorities MBPH	Strategy and Outcome
Embed the Aboriginal and Torres Strait Islander Cultural Safety Framework into your organisation and build a continuous quality improvement approach to improving cultural safe care to Aboriginal patients and families, and to provide culturally safe workplaces for Aboriginal employees.	Appointment of Director of Aboriginal Health Unit Development of Aboriginal & Torres Strait Islander Advisory Committee Development of Reconciliation Action Plan (RAP) has commenced Aboriginal Liaison Officer roles to support inpatients during their admission and support discharge "Your Mob" learning implemented as a mandatory training Cultural presentation including health and cultural needs of aboriginal patients to new staff at orientation "Sorry business" presentation and brochure developed Engagement with community members to consult regarding master planning process NAIDOC week · Community march · Courtyard Art Stalls local aboriginal artists · Yarning circle & traditional food MBPH celebration of NAIDOC week including Smoking ceremony acknowledgement of country and shared lunch

STATEMENT OF PRIORITIES PART B

DOMAIN KPI CURRENT YEAR

High quality and safe care		Target	Result
Infection prevention and control			
SoP	Compliance with Hand Hygiene Australia program	85%	87.7%
SoP	Percentage of healthcare workers immunised for influenza	92%	96%
Patient experience			
SoP	Victorian Healthcare Experience Survey - percentage of positive patient experience responses	95%	90.6%
SoP	Percentage of mental health consumers reporting a 'very good' or 'excellent' experience of care in the last 3 months or less	80%	N/A
SoP	Percentage of mental health consumers reporting they 'usually' or 'always' felt safe using this service	90%	N/A
Healthcare associated infections (HAI's)			
SoP	Rate of patients with surgical site infection	No Outliners	No Outliners
SoP	Rate of patients with ICU central-line associated bloodstream infection (CLABSI)	Nil	0.0
Unplanned readmissions			
SoP	Unplanned readmissions to any hospital following a hip replacement	Less than or equal to 6%	N/A*

*No hip replacements were undertaken at MBPH for the reporting period.

High quality and safe care		Target	Result
Mental health			
SoP	Percentage of closed community cases re-referred within six months: CAMHS, adults and aged persons	Less than 25%	CAMHS = 14.5% Adult = 22% Aged = 17.5%
SoP	Rate of seclusion events relating to a child and adolescent acute mental health admission per 1,000 occupied bed days	Equal to or less than 10%	48.8%
SoP	Rate of seclusion events relating to an adult acute mental health admission per 1,000 occupied bed days	Equal to or less than 10%	14%
SoP	Rate of seclusion events relating to an aged acute mental health admission per 1,000 occupied bed days	Equal to or less than 5%	0.0%
SoP	Percentage of child and adolescent acute mental health inpatients who have a post-discharge follow-up within seven days	88%	91%
SoP	Percentage of acute mental health inpatients who have post-discharged follow-up within seven days	88%	84%
SoP	Percentage of aged acute mental health inpatients who have post-discharged follow-up within seven days	88%	100%
SoP	Percentage of child and adolescent acute mental health inpatients who are readmitted within 28 days of discharge	Less than 22%	23%
SoP	Percentage of adult acute mental health inpatients who are readmitted within 28 days of discharge	Less than 14%	14%
SoP	Percentage of aged acute mental health inpatients who were readmitted within 28 days of discharge	14%	9.2%

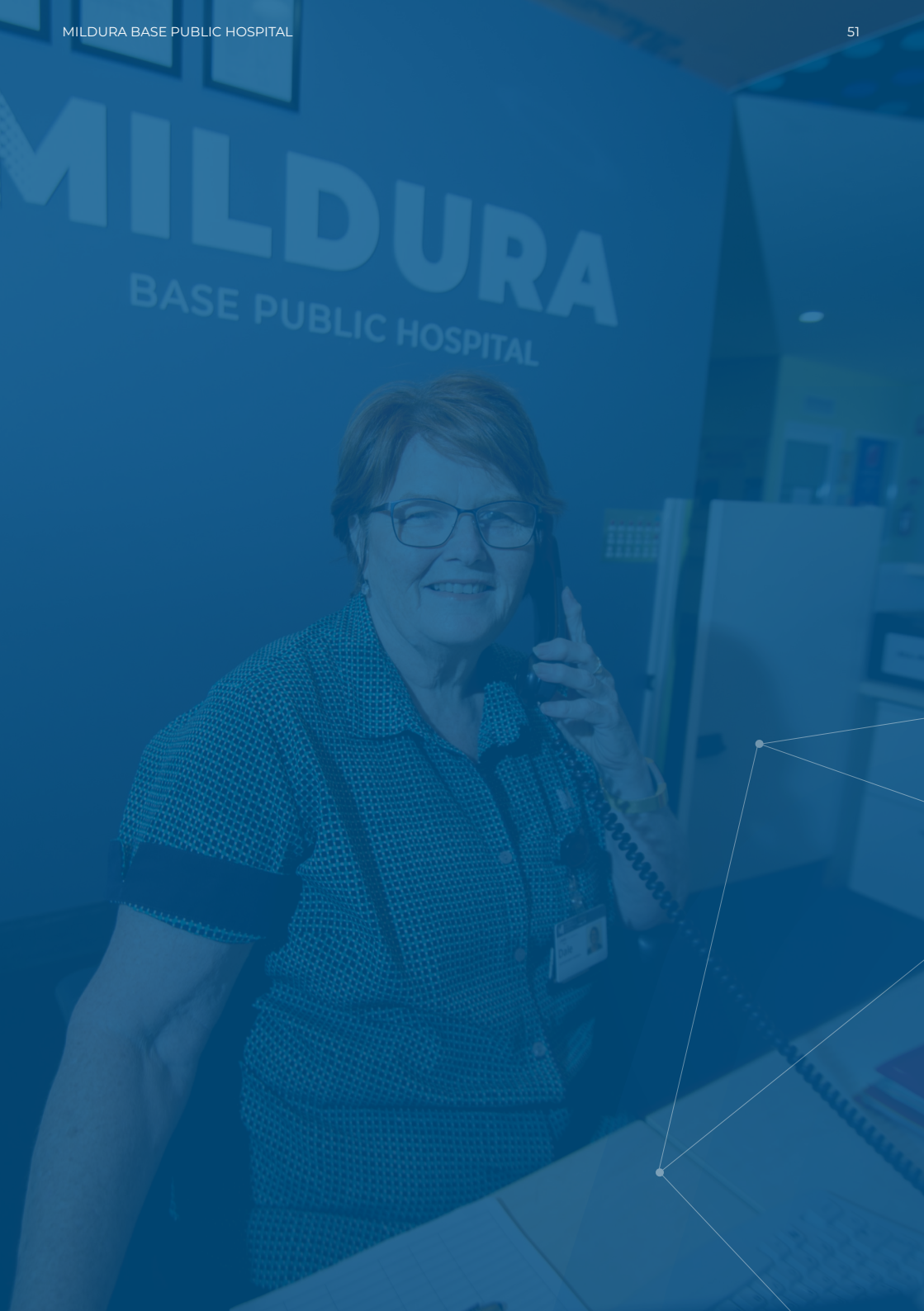
High quality and safe care		Target	Result
Maternity and Newborn			
SoP	Rate of singleton term infants without birth anomalies with APGAR score less than 7 to 5 minutes	Less than or equal to 1.4%	1.6%
SoP	Rate of severe fetal growth restriction (FGR) in singleton pregnancy undelivered by 40 weeks	Less than or equal to 28.6%	15%
SoP	Proportion of urgent maternity patients referred for obstetric care to a level 4, 5, or 6 maternity service who were booked for a specialist clinic appointment within 30 days of accepted referral	100%	100%
Continuing Care			
SoP	Functional independence gain from an episode of rehabilitation admission to discharge relative to length of stay	Greater than or equal to 0.645	0.851
Strong governance, leadership and culture			
SoP	People matter survey - Percentage of staff with an overall positive response to safety culture survey	62%	61%

Timely access to care		Target	Result
Emergency care			
SoP	Percentage of patients transferred from ambulance to emergency department within 40 minutes	90%	78%
SoP	Percentage of Triage Category 1 emergency patients seen immediately	100%	100%
SoP	Percentage of Triage Category 1 to 5 emergency patients seen within clinically recommended time	80%	61%
SoP	Percentage of emergency patients with a length of stay in the emergency department of less than four hours	81%	56%
SoP	Number of patients with a length of stay in the emergency department greater than 24 hours	0	249
Mental Health			
SoP	Percentage of 'crisis' (category 'C') mental health triage episodes with a face-to-face contact received within 8 hours	80%	90%
SoP	Percentage of mental health-related emergency department presentations with a length of stay of less than 4 hours	81%	54%
Specialist clinics			
SoP	Percentage of urgent patients referred by a GP or external specialist who attended a first appointment within 30 days	100%	85.7%
SoP	Percentage of routine patients referred by GP or external specialist who attended a first appointment within 365 days	90%	100%

Timely access to care		Target	Result
Effective financial management			
SoP	Operating result ($m)		0.25
SoP	Average number of days to pay trade creditors	60 days	59 days
SoP	Average number of days to receive patient fee debtors	60 days	92 days
SoP	Adjusted current asset ratio	0.7 or 3%	1.01%
SoP	Actual number of days available cash, measured on the last day of each month	14 days	64.3
SoP	Variance between forecast and actual Net result from transactions (NRFT) for the current financial year ending 30 June		21.49

STATEMENT OF PRIORITIES PART C

Funding Type	2021-22 Activity Achievement
Consolidated Activity Funding	
Acute admitted, Sub Acute Admitted, Emergency Services, non-admitted NWAU	20,189
Acute Admitted	
National Bowel Cancer Screening Program NWAU	52
Acute Admitted DVA	236
Acute Admitted TAC	57
Acute Non-Admitted	
Home Enteral Nutrition NWAU	13
Subacute/Non-Acute, Admitted & Non-admitted	
Subacute WIES-DVA	32
Transition Care - Bed Days	1,725
Transition Care - Home Days	3,331
Mental Health and Drug Services	
Mental Health Ambulatory	27,767
Mental Health Inpatient - Available Bed Days	5,113
Mental Health Service System Capacity	1
Mental Health Sub Acute	3,652
Drug Services	308


MILDURA
BASE PUBLIC HOSPITAL

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

Mildura Base Public Hospital presents its audited general purpose financial statements for the year ended 30 June 2022 in the following structure to provide users with the information about Mildura Base Public Hospital's stewardship of the resources entrusted to it.

How this report is structured

Independent Auditor's Report

Victorian Auditor-General's Office

To the Board of Mildura Base Public Hospital

Opinion	I have audited the financial report of Mildura Base Public Hospital (the health service) which comprises the: • balance sheet as at 30 June 2022 • comprehensive operating statement for the year then ended • statement of changes in equity for the year then ended • cash flow statement for the year then ended • notes to the financial statements, including significant accounting policies • board member's, accountable officer's and chief finance & accounting officer's declaration. In my opinion the financial report presents fairly, in all material respects, the financial position of the health service as at 30 June 2022 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 7 of the *Financial Management Act 1994* and applicable Australian Accounting Standards.
Basis for Opinion	I have conducted my audit in accordance with the *Audit Act 1994* which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report. My independence is established by the *Constitution Act 1975.* My staff and I are independent of the health service in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.
Other Information	My opinion on the financial report does not cover the Other Information and accordingly, I do not express any form of assurance conclusion on the Other Information. However, in connection with my audit of the financial report, my responsibility is to read the Other Information and in doing so, consider whether it is materially inconsistent with the financial report or the knowledge I obtained during the audit, or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude there is a material misstatement of the Other Information, I am required to report that fact. I have nothing to report in this regard.
Board's responsibilities for the financial report	The Board of the health service is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the Financial Management Act 1994, and for such internal control as the Board determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error. In preparing the financial report, the Board is responsible for assessing the health service's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.

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

Auditor's responsibilities for the audit of the financial report

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

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

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

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

MELBOURNE
26 October 2022

Dominika Ryan
as delegate for the Auditor-General of Victoria

Mildura Base Public Hospital
Comprehensive Operating Statement

For the Financial Year Ended 30 June 2022

	Note	2022 $ '000	15/9/20 to 30/6/21 $ '000
Revenue and income from transactions			
Operating activities	2.1	189,900	132,545
Non-operating activities	2.1	76	77
Total revenue and income from transactions		**189,976**	**132,622**
Expenses from transactions			
Employee expenses	3.1	(133,382)	(91,424)
Supplies and consumables	3.1	(37,598)	(28,628)
Finance costs	3.1	(128)	(89)
Depreciation and amortisation	3.1	(4,915)	(3,638)
Other administrative expenses	3.1	(10,254)	(8,236)
Other operating expenses	3.1	(6,036)	(2,437)
Other non-operating expenses	3.1	-	(19)
Total expenses from transactions		**(192,313)**	(134,471)
Net result from transactions - net operating balance		**(2,337)**	(1,849)
Other economic flows included in net result			
Total net gain/(loss) on financial assets	3.2	(597)	(121)
Share of net profits of joint entities, excluding dividends	3.2	(19)	952
Net gain/(loss) on disposal of property plant and equipment	3.2	(15)	-
Net gain arising from revaluation of long service leave liability	3.2	(775)	2,518
Total other economic flows included in the net result		**(1,406)**	**3,349**
Net result for the period		**(3,743)**	**1,500**
Other comprehensive income			
Items that will not be reclassified to net result			
Changes in revaluation reserve	4.3	8,116	251
Comprehensive results for the period		**4,373**	**1,751**

This statement should be read in conjunction with the accompanying notes

Mildura Base Public Hospital
Balance Sheet

As at 30 June 2022

	Note	2022 $ '000	2021 $ '000
Current assets			
Cash and cash equivalents	6.2	32,887	22,579
Receivables and contract assets	5.1	4,590	6,446
Inventories	4.6	589	634
Prepaid expenses		519	235
Total current assets		**38,585**	**29,894**
Non-current assets			
Receivables and contract assets	5.1	13,608	13,647
Property, plant and equipment	4.1	93,761	86,865
Right-of-use assets	4.2	5,374	3,813
Intangible assets	4.4	1,881	2,159
Total non-current assets		**114,624**	**106,484**
Total assets		**153,209**	**136,378**
Current liabilities			
Payables and contract liabilities	5.2	26,250	17,252
Other Liabilities	5.3	523	-
Lease liabilities	6.1	749	333
Employee benefits	3.3	19,365	17,190
Total current liabilities		**46,887**	**34,775**
Non-current liabilities			
Lease liabilities	6.1	4,692	3,506
Employee benefits	3.3	4,514	5,354
Total non-current liabilities		**9,206**	**8,860**
Total liabilities		**56,093**	**43,635**
Net assets		**97,116**	**92,743**
Equity			
Accumulated surplus		(2,649)	1,290
Contributed capital		90,992	90,992
Restricted reserves		406	210
Asset revaluation reserve	4.3	8,367	251
Total equity		**97,116**	**92,743**

Mildura Base Public Hospital
Statement of Changes in Equity

For the Financial Year Ended 30 June 2022

	Accumulated Surplus $ '000	Contributed Capital $ '000	Restricted Reserves $ '000	Asset Revaluation Reserve $ '000	Total Equity $ '000
Balance at 15 September 2020	-	-	-	-	-
Contribution from Department of Health	-	90,992	-	-	90,992
Net result for the period	1,500	-	-	-	1,500
Other comprehensive income	-	-	-	251	251
Transfer to/from reserves	(210)	-	210	-	-
Balance at 30 June 2021	**1,290**	**90,992**	**210**	**251**	**92,743**
Balance at 1 July 2021	**1,290**	**90,992**	**210**	**251**	**92,743**
Net result for the period	(3,743)	-	-	-	(3,743)
Other comprehensive income	-	-	-	8,116	8,116
Transfer to/(from) reserves	(196)	-	196	-	-
Balance at 30 June 2022	**(2,649)**	**90,992**	**406**	**8,367**	**97,116**

This statement should be read in conjunction with the accompanying notes

Mildura Base Public Hospital
Cash Flow Statement

For the Financial Year Ended 30 June 2022

	Note	2022 $ '000	15/9/20 to 30/6/21 $ '000
Cash flows from operating activities			
Operating grants from government		185,353	130,023
Capital grants from government		1,927	2,397
Patient fees received		1,125	795
Private practice fees received		978	812
GST received from the Australian Taxation Office		6,223	2,706
Interest income received		76	77
Other receipts		1,852	2,772
Total receipts		197,534	139,582
Employee expenses paid		(131,582)	(84,817)
Payments for supplies and consumables		(52,697)	(30,704)
Finance costs		(128)	(89)
Total payments		(184,407)	(115,610)
Net cash provided by operating activities	8.1	13,127	23,972
Cash flows from investing activities			
Proceeds from sale of non-financial assets		31	-
Purchase of property, plant and equipment		(2,782)	(1,069)
Net cash used in investing activities		(2,751)	(1,069)
Cash flows from financing activities			
Principle lease repayments		(591)	(324)
Receipt of Monies in Trust		523	-
Net cash used in financing activities		(68)	(324)
Net increase in cash held		10,308	22,579
Cash and cash equivalents at the beginning of the period		22,579	-
Cash and cash equivalents at the end of the period	6.2	32,887	22,579

This statement should be read in conjunction with the accompanying notes

Mildura Base Public Hospital
Notes to the Financial Statements

For the Financial Year Ended 30 June 2022

Note 1. Basis of Preparation

These financial statements represent the audited general purpose financial statements for Mildura Base Public Hospital for the year ended 30 June 2022. The report provides users with information about Mildura Base Public Hospital's stewardship of the resources entrusted to it.

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

This section is structured as follows:

1.1 Basis of preparation of the financial statements

1.2 Impact of COVID-19 pandemic

1.3 Abbreviations and terminology used in the financial statements

1.4 Joint arrangements

1.5 Key accounting estimates and judgements

1.6 Accounting standards issued but not yet effective

1.7 Goods and Services Tax (GST)

1.8 Reporting entity

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.

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

Mildura Base Public Hospital operates on a fund accounting basis and maintains three funds: Operating, Specific Purpose and Capital Funds. The Capital and Specific Purpose funds include unspent capital donations and receipts from fundraising activities conducted solely in respect of these funds.

Mildura Base Public Hospital
Notes to the Financial Statements

For the Financial Year Ended 30 June 2022

Note 1. Basis of Preparation (continued)

1.1 Basis of preparation of the financial statements (continued)

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

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

The financial statements presented 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 Mildura Base Public Hospital on 28th September 2022.

1.2 Impact of COVID-19 pandemic

In March 2020 a state of emergency was declared in Victoria due to the global coronavirus pandemic, known as COVID-19. On 2 August 2020 a state of disaster was added with both operating concurrently. The state of disaster in Victoria concluded on 28 October 2020 and the state of emergency concluded on 15 December 2021. To contain the spread of COVID-19 and prioritise the health and safety of our community, Mildura Base Public Hospital was required to comply with various restrictions announced by the Commonwealth and State Governments, which in turn, has continued to impact the way in which Mildura Base Public Hospital operates.

Mildura Base Public Hospital introduced a range of measures during the year, including:

- restrictions on non-essential visitors
- mandatory entry checks including temperature check
- restricted entry points
- office and meeting room density restrictions
- modified patient visitor times
- increased personal protective equipment (PPE) requirements
- deferring elective surgery and non-emergent outpatient sessions
- utilising private hospital to assist with wait list management
- performing COVID-19 testing
- working from home arrangements where operationally suitable
- increased utilisation of video conferencing
- increased utilisation of telehealth
- established and operated internal vaccine clinics
- changed infection control practices
- conducting respiratory protection programs including recruitment of dedicated staff

The standing up/down of these measures has been in line with the guidance issued by the Commonwealth and State Government COVID-19 recommendations.

The financial impacts of the pandemic are disclosed at:

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

Mildura Base Public Hospital
Notes to the Financial Statements

For the Financial Year Ended 30 June 2022

Note 1. Basis of Preparation (continued)

1.3 Abbreviations and terminology used in the financial statements

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

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

1.4 Joint arrangements

Interests in joint arrangements are accounted for by recognising in Mildura Base Public Hospital's financial statements, its share of assets and liabilities and any revenue and expenses of such joint arrangements.

Mildura Base Public Hospital has a joint arrangement in the Loddon Mallee Rural Health Alliance. Details of this joint arrangement are set out in Note 8.7.

1.5 Key accounting estimates and judgements

Management make estimates and judgements when preparing the financial statements.

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

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

The accounting policies and significant management judgements and estimates used, and any changes thereto, are identified at the beginning of each section where applicable and are disclosed in further detail throughout the accounting policies.

Mildura Base Public Hospital
Notes to the Financial Statements

For the Financial Year Ended 30 June 2022

Note 1. Basis of Preparation (continued)

1.6 Accounting standards issued but not yet effective

An assessment of accounting standards and interpretations issued by the AASB that are not yet mandatorily applicable to Mildura Base Public Hospital and their potential impact when adopted in future periods is outlined below.

Accounting Standards	Mandatory adoption date and estimated impact
AASB 2020-1 *Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-Current*	Mandatory for reporting periods on or after 1 January 2022. Adoption of this standard is not expected to have a material impact on the health service.
AASB 2020-3 Amendments to Australian Accounting Standards - Annual Improvements 2018-2020 and Other Amendments	Mandatory for reporting periods on or after 1 January 2022. Adoption of this standard is not expected to have a material impact on the health service.
AASB 2021-2: Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definitions of Accounting Estimates.	Mandatory for reporting periods on or after 1 January 2023. Adoption of this standard is not expected to have a material impact on the health service.
AASB 2021-5: Amendments to Australian Accounting Standards – Deferred Tax related to Assets and Liabilities arising from a Single Transaction	Mandatory for reporting periods on or after 1 January 2023. Adoption of this standard is not expected to have a material impact on the health service.
AASB 2021-6: Amendments to Australian Accounting Standards – Disclosure of Accounting Policies: Tier 2 and Other Australian Accounting Standards	Mandatory for reporting periods on or after 1 January 2023. Adoption of this standard is not expected to have a material impact on the health service.
AASB 2021-7: Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections	Mandatory for reporting periods on or after 1 January 2023. Adoption of this standard is not expected to have a material impact on the health service.

There are no other accounting standards and interpretations issued by the AASB that are not yet mandatorily applicable to the Mildura Base Public Hospital in future periods.

Mildura Base Public Hospital
Notes to the Financial Statements

For the Financial Year Ended 30 June 2022

Note 1. Basis of Preparation (continued)

1.7 Goods and Services Tax (GST)

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

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

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

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

1.8 Reporting entity

The principal address is:

Ontario Avenue
Mildura VIC 3500

A description of the nature of Mildura Base Public Hospital'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

Mildura Base Public Hospital's overall objective is to provide quality health services that improve health outcomes for the health services tri-state communities, by creating partnerships, leading a culture and building a team to deliver sustainable services. Mildura Base Public Hospital is predominantly funded by grant funding for the provision of outputs. Mildura Base Public Hospital also receives income from the supply of services.

The impact of the COVID-19 pandemic on Mildura Base Public Hospital's funding and the key judgements and estimates exercised by management when recognising revenue are also disclosed below.

This section is then structured as follows:

2.1 Revenue and income from transactions

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

Mildura Base Public Hospital
Notes to the Financial Statements

For the Financial Year Ended 30 June 2022

Note 2. Funding Delivery of our Services (continued)

Telling the COVID-19 story

Revenue recognised to fund the delivery of our services decreased during the financial year which was attributable to the COVID-19 pandemic.

Activity Based Funding decreased as the level of activity agreed in the Statement of Priorities couldn't be delivered due to reductions in the number of patients being treated at various times throughout the financial year.

This was offset by additional funding provided by the Department of Health to compensate for reductions in revenue and to cover certain direct and indirect COVID-19 related costs.

Funding provided included COVID-19 grants to fund increased costs associated with administration, cleaning, security, training and consumables.

For the year ended 30 June 2022, the COVID-19 pandemic has impacted Mildura Base Public Hospital's ability to satisfy its performance obligations contained within its contracts with customers. Mildura Base Public Hospital received indication there would be no obligation to return funds to each relevant funding body where performance obligations had not been met.

This resulted in approximately $15m being recognised as income for the year ended 30 June 2022 (2021: $7.6m) which would have otherwise been recognised as a contract liability in the Balance Sheet until subsequent years when underlying performance obligations were fulfilled. The impact of contract modifications obtained for Mildura Base Public Hospital's most material revenue streams, where applicable, is disclosed within this note.

Key judgements and estimates

This section contains the following key judgements and estimates:

Identifying performance obligations

Mildura Base Public Hospital applies significant judgement when reviewing the terms and conditions of funding agreements and contracts to determine whether they contain sufficiently specific and enforceable performance obligations.

If this criteria is met, the contract/funding agreement is treated as a contract with a customer, requiring Mildura Base Public Hospital to recognise revenue as or when the health service transfers promised goods or services to customers.

If this criteria is not met, funding is recognised immediately in the net result from operations.

Determining timing of revenue recognition

Mildura Base Public Hospital applies significant judgement to determine when a performance obligation has been satisfied and the transaction price that is to be allocated to each performance obligation. A performance obligation is either satisfied at a point in time or over time.

Determining timing of capital income recognition

Mildura Base Public Hospital applies significant judgement to determine when its obligation to construct an asset is satisfied. Costs incurred is used to measure the health service's progress as this is deemed to be the most accurate reflection of the stage of completion.

Mildura Base Public Hospital
Notes to the Financial Statements

For the Financial Year Ended 30 June 2022

Note 2. Funding Delivery of our Services (continued)

2.1 Revenue and income from transactions

	Note	2022 $ '000	15/9/20 to 30/6/21 $ '000
Operating activities			
Revenue from contracts with customers			
Government grants (State) - operating		153,149	112,104
Government grants (Commonwealth) - operating		9,502	7,239
Patient and resident fees		1,565	1,499
Private practice fees		978	812
Commercial Activities		126	57
Total revenue from contracts with customers		**165,320**	**121,711**
Other sources of income			
Government grants (State) - operating		15,056	7,600
Government grants (State) - capital		1,943	1,386
Assets received free charge or for nominal consideration	2.1(b)	1,924	-
Other revenue from operating activities (including non-capital donations)		5,204	1,620
Other revenue from non-operating activities (including specific-purpose donations)		453	228
Total other sources of income		**24,580**	**10,834**
Total revenue and income from operating activities		**189,900**	**132,545**
Non-operating activities			
Income from other sources			
Interest		76	77
Total income from other sources		**76**	**77**
Total income from non-operating activities		**76**	**77**
Total revenue and income from transactions		**189,976**	**132,622**

2.1(a) Timing of revenue from contracts with customers

	2022 $ '000	15/9/20 to 30/6/21 $ '000
Goods and services transferred to customers:		
Mildura Base Public Hospital disaggregates revenue by the timing of revenue recognition		
At a point in time	165,194	121,654
Over time	126	57
Total revenue from contracts with customers	**165,320**	**121,711**

Mildura Base Public Hospital
Notes to the Financial Statements

For the Financial Year Ended 30 June 2022

Note 2. Funding Delivery of our Services (continued)

How we recognise revenue and income from operating activities

Government operating grants

To recognise revenue, Mildura Base Public Hospital assesses each grant to determine whether there is a contract that is enforceable and has sufficiently specific performance obligations in accordance with AASB 15 *Revenue from Contracts with Customers.*

When both these conditions are satisfied, the health service:

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

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

Where the contract is not enforceable and/or does not have sufficiently specific performance obligations, in accordance with AASB 1058 *Income for Not-for-Profit Entities,* 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 liability arising 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 Mildura Base Public Hospital's goods or services. Mildura Base Public Hospital's funding bodies often direct that goods or services are to be provided to third party beneficiaries, including individuals or the community at large. In such instances, the customer remains the funding body that has funded the program or activity, however the delivery of goods or services to third party beneficiaries is a characteristic of the promised good or service being transferred to the funding body.

Mildura Base Public Hospital
Notes to the Financial Statements

For the Financial Year Ended 30 June 2022

Note 2. Funding Delivery of our Services (continued)

How we recognise revenue and income from operating activities (continued)

This policy applies to each of Mildura Base Public Hospital's revenue streams, with information detailed below relating to Mildura Base Public Hospital's significant revenue streams:

Type of grants	Performance obligation
Activity Based Funding (ABF) paid as Weighted Inlier Equivalent Separation (WIES) Casemix	The performance obligations for ABF are the number and mix of patients admitted to hospital (defined as 'Casemix') in accordance with the levels of activity agreed to, with the Department of Health in the annual Statement of Priorities. Revenue is recognised at a point in time, which is when a patient is discharged, in accordance with the WIES activity when an episode of care for an admitted patient is completed. WIES activity is a cost weight that is adjusted for time spent in hospital, and represents a relative measure of resource use for each episode of care in a diagnosis related group (DRG). WIES was superseded by NWAU from 1 July 2021, for acute, sub-acute and state-wide (which includes specified grants, state-wide services and teaching and training). Services not transitioning at this time include mental health and small rural services.
Activity Based Funding (ABF) paid as National Weighted Activity Unit (NWAU)	NWAU funding commenced 1 July 2021 and supersedes WIES for acute, sub-acute and state-wide services (which includes specified grants, state-wide services and teaching and training). Services not transitioning at this time include mental health and small rural services. NWAU is a measure of health service activity expressed as a common unit against which the national efficient price (NEP) is paid. The performance obligations for NWAU are the number and mix of admissions, emergency department presentations and outpatient episodes, and is weighted for clinical complexity. Revenue is recognised at point in time, which is when a patient is discharged.
Mental Health Funding	The performance obligation for mental health funding is to deliver mental health services and consultations to inpatients and members of the community. Revenue is recognised at a point in time when consultations are delivered.

Capital grants

Where Mildura Base Public Hospital 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 Mildura Base Public Hospital'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 fees

Patient fees are charges that can be levied on patients for some services they receive. Patient fees are recognised at a point in time when the performance obligation, the provision of services, is satisfied.

Mildura Base Public Hospital
Notes to the Financial Statements

For the Financial Year Ended 30 June 2022

Note 2. Funding Delivery of our Services (continued)

How we recognise revenue and income from operating activities (continued)

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 relate to Cafe Revenue. Commercial activity revenue is recognised at a point in time, upon provision of the goods and service to the customer.

Interest income

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

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

	2022 $ '000	15/9/20 to 30/6/21 $ '000
Computer Equipment	41	-
Personal protective equipment and other consumables	1,883	-
Total fair value of assets and services received free of charge or for nominal consideration	**1,924**	-

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

Personal protective equipment

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

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

Mildura Base Public Hospital
Notes to the Financial Statements

For the Financial Year Ended 30 June 2022

Note 2. Funding Delivery of our Services (continued)

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

Contributions

Mildura Base Public Hospital may receive assets for nil or nominal consideration to further its objectives. The assets are recognised at their fair value when Mildura Base Public Hospital obtains control over the asset, irrespective of whether restrictions or conditions are imposed over the use of the contributions.

On initial recognition of the asset, Mildura Base Public Hospital recognises related amounts being contributions by owners, lease liabilities, financial instruments, provisions and revenue or contract liabilities arising from a contract with a customer.

Mildura Base Public Hospital recognises income immediately in the profit or loss as the difference between the initial fair value of the asset and the related amounts.

The exception to this policy is when an asset is received from a 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 Mildura Base Public Hospital as a capital contribution transfer.

Non-cash contributions from the Department of Health

The Department of Health makes some payments on behalf of the Mildura Base Public Hospital:

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

Voluntary Services

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

Mildura Base Public Hospital
Notes to the Financial Statements

For the Financial Year Ended 30 June 2022

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 costs associated with provision of services are recorded.

The impact of the COVID-19 pandemic on Mildura Base Public Hospital's costs of delivering services and the key judgements and estimates exercised by management when recognising expenditure are also disclosed below.

This section is then structured as follows:

3.1 Expenses from transactions

3.2 Other economic flows

3.3 Employee benefits in the balance sheet

3.4 Superannuation

Telling the COVID-19 story

Expenses incurred to deliver our services increased during the financial year which was attributable to the COVID-19 pandemic.

Additional costs were incurred to implement COVID safe practices throughout Mildura Base Public Hospital including increased cleaning, increased security, the consumption of personal protective equipment and direct personnel costs.

Key judgements and estimates

This section contains the following key judgements and estimates:

Measuring and classifying employee benefit liabilities

Mildura Base Public Hospital applies significant judgment when measuring and classifying its employee benefit liabilities. Employee benefit liabilities are classified as a current liability if Mildura Base Public Hospital does not have an unconditional right to defer payment beyond 12 months. Annual leave, accrued days off and long service leave entitlements (for staff who have exceeded the minimum vesting period) fall into this category.

Employee benefit liabilities are classified as a non-current liability if Mildura Base Public Hospital 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.

The health service also applies judgement to determine when it expects its employee entitlements to be paid. With reference to historical data, if the health service does not expect entitlements to be paid within 12 months, the entitlement is measured at its present value, being the expected future payments to employees.

Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures, and are discounted at rates determined by reference to market yields on government bonds at the end of the reporting period.

All other entitlements are measured at their nominal value.

Mildura Base Public Hospital
Notes to the Financial Statements

For the Financial Year Ended 30 June 2022

Note 3. The Cost of Delivering our Services (continued)

3.1 Expenses from transactions

	2022 $ '000	15/9/20 to 30/6/21 $ '000
Employee expenses		
Salaries and wages	89,283	59,348
On-costs	17,937	17,049
Agency expenses	7,946	3,122
Fee for service medical officer expenses	17,715	10,634
WorkCover premium	501	1,271
Total employee expenses	**133,382**	**91,424**
Supplies and consumables		
Drug supplies	9,930	8,059
Medical and surgical supplies (including Prostheses)	7,450	4,484
Diagnostic and radiology supplies	8,481	7,432
Other supplies and consumables	11,737	8,653
Total supplies and consumables	**37,598**	**28,628**
Finance costs		
Finance costs	128	89
Total finance costs	**128**	**89**
Other administration expenses		
Other administration expenses	10,254	8,236
Total other administration expenses	**10,254**	**8,236**
Other operating expenses		
Fuel, light, power and water	1,204	838
Repairs and maintenance	1,808	1,157
Maintenance contracts	25	14
Medical indemnity insurance	2,999	428
Total other operating expenses	**6,036**	**2,437**
Total operating expenses	**187,398**	**130,814**

Mildura Base Public Hospital
Notes to the Financial Statements

For the Financial Year Ended 30 June 2022

Note 3. The Cost of Delivering our Services (continued)

3.1 Expenses from transactions (continued)

	Note	2022 $ '000	15/9/20 to 30/6/21 $ '000
Depreciation and amortisation			
Depreciation and amortisation	4.5	4,915	3,638
Total depreciation and amortisation		**4,915**	**3,638**
Other non-operating expenses			
Specific expense		-	19
Total other non-operating expenses		**-**	**19**
Total non-operating expenses		**4,915**	**3,657**
Total expenses from transactions		**192,313**	**134,471**

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
- WorkCover premiums.

Supplies and consumables

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

Mildura Base Public Hospital
Notes to the Financial Statements

For the Financial Year Ended 30 June 2022

Note 3. The Cost of Delivering our Services (continued)

3.1 Expenses from transactions (continued)

How we recognise expenses from transactions (continued)

Finance costs

Finance costs include finance charges in respect of leases which are recognised in accordance with AASB 16 *Leases.*

Other operating expenses

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

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

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

Non-operating expenses

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

3.2 Other economic flows

	Note	2022 $ '000	15/9/20 to 30/6/21 $ '000
Net gain/(loss) on disposal of property plant and equipment		(15)	-
Total net gain/(loss) on non-financial assets		(15)	-
Allowance for impairment losses of contractual receivables		(597)	(121)
Total net gain/(loss) on financial assets		(597)	(121)
Share of net profits of joint entities, excluding dividends	8.7	(19)	952
Total share of other economic flows from joint arrangements		(19)	952
Net gain/(loss) arising from revaluation of long service leave liability		(775)	2,518
Total other gain/(losses) from other economic flows		(775)	2,518
Total gains/(losses) from other economic flows		(1,406)	3,349

Mildura Base Public Hospital
Notes to the Financial Statements

For the Financial Year Ended 30 June 2022

Note 3. The Cost of Delivering our Services (continued)

3.2 Other economic flows (continued)

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
- the unrealised gains in the Loddon Mallee Rural Health Alliance joint arrangement.

Net gain/(loss) on non-financial assets

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

- revaluation gains/(losses) of investment properties
- net gain/(loss) on disposal of non-financial assets
- any gain or loss on the disposal of non-financial assets is recognised at the date of disposal

3.3 Employee benefits in the balance sheet

	2022 $ '000	2021 $ '000
Current employee benefits and related on-costs		
Accrued days off		
Unconditional and expected to be settled wholly within 12 months [1]	725	499
	725	499
Annual leave		
Unconditional and expected to be settled wholly within 12 months [1]	7,881	6,778
Unconditional and expected to be settled wholly after 12 months [2]	1,280	1,146
	9,161	7,924
Long service leave		
Unconditional and expected to be settled wholly within 12 months [1]	578	560
Unconditional and expected to be settled wholly after 12 months [2]	7,214	6,551
	7,792	7,111

Mildura Base Public Hospital
Notes to the Financial Statements

For the Financial Year Ended 30 June 2022

Note 3. The Cost of Delivering our Services (continued)

3.3 Employee benefits in the balance sheet (continued)

	2022 $ '000	2021 $ '000
Provisions related to employee benefit on-costs		
Unconditional and expected to be settled wholly within 12 months [1]	934	804
Unconditional and expected to be settled wholly after 12 months [2]	753	852
	1,687	1,656
Total current employee benefits and related on-costs	19,365	17,190
Non-current employee benefits and related on-costs		
Conditional long service leave	4,145	4,820
Provisions related to employee benefit on-costs	369	534
Total non-current employee benefits and related on-costs	4,514	5,354
Total employee benefits and related on-costs	23,879	22,544

[1] The amounts disclosed are nominal amounts

[2] The amounts disclosed are discounted to present value

How we recognise employee benefits

Employee benefits recognition

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

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

Provisions

Provisions are recognised when Mildura Base Public Hospital has a present obligation, the future sacrifice of economic benefits is probable, and the amount of the provision can be measured reliably.

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

Mildura Base Public Hospital
Notes to the Financial Statements

For the Financial Year Ended 30 June 2022

Note 3. The Cost of Delivering our Services (continued)

3.3 Employee benefits in the balance sheet (continued)

Annual leave and accrued days off

Liabilities for annual leave and accrued days off are recognised in the provision for employee benefits as 'current liabilities' because Mildura Base Public Hospital does not have 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 Mildura Base Public Hospital expects to wholly settle within 12 months or
- Present value - if Mildura Base Public Hospital 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 the Mildura Base Public Hospital 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 Mildura Base Public Hospital expects to wholly settle within 12 months or
- Present value - if Mildura Base Public Hospital does not expect to wholly settle within 12 months.

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

Provision for on-costs related to employee benefits

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

Mildura Base Public Hospital
Notes to the Financial Statements

For the Financial Year Ended 30 June 2022

Note 3. The Cost of Delivering our Services (continued)

3.3 Employee benefits in the balance sheet (continued)

3.3(a) Consolidated employee benefits and related on-costs

	2022 $ '000	2021 $ '000
Current employee benefits and related on-costs		
Unconditional accrued days off	725	499
Unconditional annual leave entitlements	10,168	8,792
Unconditional long service leave entitlements	8,472	7,899
Total current employee benefits and related on-costs	19,365	17,190
Non-current employee benefits and related on-costs		
Conditional long service leave entitlements	4,514	5,354
Total non-current employee benefits and related on-costs	4,514	5,354
Total employee benefits and related on-costs	23,879	22,544

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

	2022 $ '000	2021 $ '000
Carrying amount at start of period	22,544	-
Liabilities assumed by Department of Health	-	18,455
Additional provisions recognised	10,091	7,048
Amounts incurred during the year	(7,981)	(5,477)
Net gain/(loss) arising from revaluation of long service leave liability	(775)	2,518
Carrying amount at end of period	23,879	22,544

Mildura Base Public Hospital
Notes to the Financial Statements

For the Financial Year Ended 30 June 2022

Note 3. The Cost of Delivering our Services (continued)

3.4 Superannuation

	Paid contribution for the year		Contribution outstanding at year end	
	2022	2021	2022	2021
Defined contribution plans	$ '000		$ '000	
Aware Super	4,717	2,853	55	336
HESTA Super Fund	1,938	1,005	61	129
Other	1,856	934	67	122
Total superannuation	13,303	4,792	770	587

How we recognise superannuation

Employees of Mildura Base Public Hospital are entitled to receive superannuation benefits and it contributes to both defined benefit and defined contribution plans.

Defined contribution superannuation plans

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

The name, details and amounts that have been expensed in relation to the major employee superannuation funds and contributions made by Mildura Base Public Hospital are disclosed above.

Mildura Base Public Hospital
Notes to the Financial Statements

For the Financial Year Ended 30 June 2022

Note 4. Key Assets to Support Service Delivery

Mildura Base Public Hospital 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 Mildura Base Public Hospital to be utilised for delivery of those outputs.

The impact of the COVID-19 pandemic on Mildura Base Public Hospital's key assets and the key judgements and estimates exercised by management when measuring its assets are also disclosed below.

This section is then structured as follows:

4.1 Property, plant and equipment

4.2 Right-of-use assets

4.3 Revaluation Surplus

4.4 Intangible assets

4.5 Depreciation and amortisation

4.6 Inventories

4.7 Impairment of Assets

Telling the COVID-19 story

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

Key judgements and estimates

This section contains the following key judgements and estimates.

Measuring the fair value of property, plant and equipment

Mildura Base Public Hospital obtains independent valuations for its non-current assets at least once every five years. If an independent valuation has not been undertaken at balance date, the health service estimates possible changes in fair value since the date of the last independent valuation with reference to Valuer-General of Victoria indices.

Managerial adjustments are recorded if the assessment concludes a material change in fair value has occurred. Where exceptionally large movements are identified, an interim independent valuation is undertaken.

Mildura Base Public Hospital
Notes to the Financial Statements

For the Financial Year Ended 30 June 2022

Note 4. Key Assets to Support Service Delivery (continued)

Key judgements and estimates (continued)

Estimating the useful life and residual value of property, plant and equipment

Mildura Base Public Hospital assigns an estimated useful life to each item of property, plant and equipment, whilst also estimating the residual value of the asset, if any, at the end of the useful life. 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 reporting period and where necessary, records a change in accounting estimate.

Estimating restoration costs at the end of a lease

Where a lease agreement requires Mildura Base Public Hospital to restore a right-of-use asset to its original condition at the end of a lease, the health service estimates the present value of such restoration costs. This cost is included in the measurement of the right-of-use asset, which is depreciated over the relevant lease term.

Estimating the useful life of intangible assets

Mildura Base Public Hospital assigns an estimated useful life to each intangible asset with a finite useful life, which is used to calculate amortisation of the asset.

Identifying indicators of impairment

At the end of each year, Mildura Base Public Hospital 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 for impairment. The health service considers a range of information when performing its assessment, including considering:

- if an asset's value has declined more than expected based on normal use
- if a significant change in technological, market, economic or legal environment which adversely impacts the way the health service uses an asset
- if an asset is obsolete or damaged
- if the asset has become idle or if there are plans to discontinue or dispose of the asset before the end of its useful life
- if the performance of the asset is or will be worse than initially expected.

Where an impairment trigger exists, the health service applies significant judgement and estimate to determine the recoverable amount of the asset.

Mildura Base Public Hospital
Notes to the Financial Statements

For the Financial Year Ended 30 June 2022

Note 4. Key Assets to Support Service Delivery (continued)

4.1 Property, plant and equipment

4.1(a) Gross carrying amount and accumulated depreciation

	2022 $ '000	2021 $ '000
Land		
At fair value	2,154	1,519
Total land at fair value	2,154	1,519
Buildings		
At fair value	85,941	86,069
Less accumulated depreciation	-	(5,458)
Total buildings at fair value	85,941	80,611
Works in progress		
At fair value	1,493	136
Total works in progress at fair value	1,493	136
Plant and equipment		
At fair value	921	746
Less accumulated depreciation	(707)	(645)
Total plant and equipment at fair value	214	101
Medical equipment		
At fair value	10,459	9,921
Less accumulated depreciation	(8,398)	(7,643)
Total medical equipment at fair value	2,061	2,278
Motor Vehicles		
At fair value	739	-
Less accumulated depreciation	(506)	-
Total motor vehicles at fair value	233	-
Computer equipment		
At fair value	3,658	3,393
Less accumulated depreciation	(2,154)	(1,199)
Total computer equipment at fair value	1,504	2,194
Furniture and fittings		
At fair value	170	27
Less accumulated depreciation	(9)	(1)
Total furniture and fittings at fair value	161	26
Total property, plant and equipment at fair value	93,761	86,865

Mildura Base Public Hospital
Notes to the Financial Statements

For the Financial Year Ended 30 June 2022

Note 4. Key Assets to Support Service Delivery (continued)

4.1 Property, plant and equipment (continued)

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

	2022 $ '000	2021 $ '000
Land		
Opening balance	1,519	-
Capital contributed by the Department of Health	-	1,268
Revaluation increments	635	251
Closing balance at 30 June	2,154	1,519
Buildings		
Opening balance	80,611	-
Capital contributed by the Department of Health	-	78,372
Additions	-	27
Revaluation Increments	7,481	-
Transfers (to)/from classes	-	3,754
Depreciation expense	(2,151)	(1,542)
Closing balance at 30 June	85,941	80,611
Works in progress		
Opening balance	136	-
Capital contributed by the Department of Health	-	3,543
Additions	2,385	347
Transfers (to)/from classes	(1,028)	(3,754)
Closing balance at 30 June	1,493	136
Plant and equipment		
Opening balance	101	-
Capital contributed by the Department of Health	-	551
Additions	187	346
Depreciation expense	(74)	(796)
Closing balance at 30 June	214	101
Medical equipment		
Opening balance	2,278	-
Capital contributed by the Department of Health	-	2,256
Additions	538	294
Depreciation expense	(755)	(272)
Closing balance at 30 June	2,061	2,278

Mildura Base Public Hospital
Notes to the Financial Statements

For the Financial Year Ended 30 June 2022

Note 4. Key assets to support service delivery (continued)

4.1 Property, plant and equipment (continued)

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

	2022 $ '000	2021 $ '000
Motor Vehicles		
Capital contributed by the Department of Health	307	-
Additions	-	-
Disposals	(15)	-
Depreciation expense	(59)	-
Closing balance at 30 June	233	-
Computer equipment		
Opening balance	2,194	-
Capital contributed by the Department of Health	-	298
Additions	265	2,550
Depreciation expense	(955)	(654)
Closing balance at 30 June	1,504	2,194
Furniture and fittings		
Opening balance	26	-
Additions	144	27
Depreciation expense	(9)	(1)
Closing balance at 30 June	161	26
Total property, plant and equipment at fair value	**93,761**	**86,865**

How we recognise property, plant and equipment

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

Initial recognition

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

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

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

Mildura Base Public Hospital
Notes to the Financial Statements

For the Financial Year Ended 30 June 2022

Note 4. Key assets to support service delivery (continued)

4.1 Property, plant and equipment (continued)

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

Subsequent measurement

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

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

Further information regarding fair value measurement is disclosed below.

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, Mildura Base Public Hospital perform a managerial assessment to estimate possible changes in fair value of land and buildings since the date of the last independent valuation with reference to Valuer-General of Victoria (VGV) indices.

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

An independent valuation of Mildura Base Public Hospitals' land and buildings was undertaken in June 2019 by the Valuer-General of Victoria. A managerial assessment performed at 30 June 2022 indicated an overall:

- increase in fair value of land of 41% ($635k)
- increase in fair value of buildings of 11% ($7.5m).

As the cumaltive movements were greater than 40% for land since the last independent revaluation, an interim independent valuation was required as at 30 June 2022 and an adjustment was recorded.

As the cumulative movement was greater than 10% but less than 40% for buildings since the last independent revaluation, a managerial revaluation adjustment was required as at 30 June 2022.

Mildura Base Public Hospital
Notes to the Financial Statements

For the Financial Year Ended 30 June 2022

Note 4. Key assets to support service delivery (continued)

4.1 Property, plant and equipment (continued)

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

Revaluation increases (increments) arise when the asset's fair value exceeds its carrying amount. In comparison, 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 decrements are recognised in 'Other Comprehensive Income' 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 property, plant and equipment revaluation surplus 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.

4.2 Right-of-use assets

4.2(a) Gross Carring amount and accumulated depreciation

	Notes	2022 $ '000	2021 $ '000
Leased properties			
At fair value		6,356	4,163
Less accumulated depreciation		(982)	(350)
Total leased properties at fair value		5,374	3,813
Total right-of-use assets at fair value		5,374	3,813

4.2(b) Reconciliation of movements in carrying amounts for class of asset

Leased properties			
Opening balance		3,813	-
Additions		2,193	4,163
Depreciation expense		(632)	(350)
Closing balance at 30 June		5,374	3,813
Total right-of-use assets at fair value		5,374	3,813

Mildura Base Public Hospital
Notes to the Financial Statements

For the Financial Year Ended 30 June 2022

Note 4. Key assets to support service delivery (continued)

4.2 Right-of-use assets (continued)

How we recognise right-of-use assets

Mildura Base Public Hospital recorded no changes in fair value of right-of-use assets during the period ended 30 June 2022.

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

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

Class if right-of-use asset	Lease Term
Leased Land	1 to 40 years
Leased Buildings	1 to 30 years
Leased Equipment	1 to 4 years

Initial recognition

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

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

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

Mildura Base Public Hospital does not hold any lease agreements that contain purchase options.

Peppercorn/concessionary leases

For leases that have significantly below-market terms and conditions principally to enable the health service to further its objectives (commonly known as peppercorn/concessionary leases), the health service has adopted the temporary relief under FRD 103 *Non-financial physical assets* and measures the right-of-use assets at cost on initial recognition. Mildura Base Public Hospital leases properties at 107 Boyden Street, Mildura, and 143 Thirteenth Street, Mildura, from the Department of Health, formerly referred to as the Department of Health and Human Services, each of which meet the definition of a peppercorn/concessionary lease.

Both lease agreements commenced on 15 September 2020, with respective lease terms of 10 and 20 years, expiring on 15 September 2030 and 15 September 2040 respectively. Under the lease agreements, Mildura Base Public Hospital is required to pay any lease per annum for each peppercorn/concessionary lease and is only permitted to use the properties to deliver services under its service agreements with the Department of Health. The right-of-use asset and lease liability relating to such peppercorn/concessionary leases is deemed trivial to the health services' financial statements at $1 and has therefore not been recognised on the Balance Sheet.

Mildura Base Public Hospital
Notes to the Financial Statements

For the Financial Year Ended 30 June 2022

Note 4. Key assets to support service delivery (continued)

4.2 Right-of-use assets (continued)

Subsequent measurement

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

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

Further information regarding fair value measurement is disclosed at Note 7.4(a).

4.3 Revaluation Surplus

	Notes	2022 $ '000	2021 $ '000
Balance at the beginning of the reporting period		251	-
Revaluation increment			
Land	4.1(b)	635	251
Buildings	4.1(b)	7,481	-
Balance at the end of the reporting period*		8,367	251
*** Represented by:**			
Land		886	251
Buildings		7,481	-
		8,367	251

4.4 Intangible Assets

4.4(a) Gross carrying amount and accumulated amortisation

	2022 $ '000	15/9/20 to 30/6/21 $ '000
Software		
At cost	2,737	2,737
Less accumulated amortisation	(856)	(578)
Total software	**1,881**	**2,159**
Total intangible assets at cost	**1,881**	**2,159**

4.4(b) Reconciliation of movements in carrying amounts by class of asset

	2022 $ '000	2021 $ '000
Software		
Opening balance	2,159	-
Capital contributed by the Department of Health	-	2,182
Amortisation expense	(278)	(23)
Closing balance at 30 June	**1,881**	**2,159**

Mildura Base Public Hospital
Notes to the Financial Statements

For the Financial Year Ended 30 June 2022

Note 4. Key assets to support service delivery (continued)

4.4 Intangible Assets (continued)

How we recognise intangible assets

Intangible assets represent identifiable non-monetary assets without physical substance such as computer software.

Initial recognition

Purchased intangible assets are initially recognised at cost.

Subsequent measurement

Intangible assets with finite useful lives are carried at cost less accumulated amortisation and accumulated impairment losses.

4.5 Depreciation and amortisation

	2022 $ '000	15/9/20 to 30/6/21 $ '000
Depreciation of property, plant and equipment:		
- Buildings	2,152	1,542
- Plant and equipment	72	796
- Medical equipment	757	272
- Motor Vehicle	59	-
- Computer equipment	946	654
- Furniture and fittings	8	1
Total depreciation of property, plant and equipment	3,994	3,265
Depreciation of right-of-use assets:		
- Leased property	633	350
Total depreciation of right-of-use assets	633	350
Amortisation of intangible assets:		
- Software	288	23
Total amortisation of intangible assets	288	23
Total depreciation and amortisation	4,915	3,638

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.

Mildura Base Public Hospital
Notes to the Financial Statements

For the Financial Year Ended 30 June 2022

Note 4. Key assets to support service delivery (continued)

4.5 Depreciation and amortisation (continued)

How we recognise amortisation

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

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

Class of asset

	2022	2021
Buildings	40 years	40 years
Plant and equipment	4-10 years	4-10 years
Medical equipment	3-10 years	3-10 years
Motor Vehicles	10 years	10 years
Computer equipment	3-10 years	3-10 years
Furniture and fittings	10 years	10 years
Intangible assets	3 years	3 years
Leased properties	1.75 - 20 years	1.75 - 20 years

4.6 Inventories

	2022 $ '000	2021 $ '000
Medical and surgical consumables at cost	252	308
Pharmacy at cost	337	326
Total inventories at cost	589	634

How we recognise inventories

Inventories include goods held either for sale, consumption or for distribution at no or nominal cost in the ordinary course of business operations. It excludes depreciable assets. Inventories are measured at the lower of cost and net realisable value.

Mildura Base Public Hospital
Notes to the Financial Statements

For the Financial Year Ended 30 June 2022

Note 4. Key assets to support service delivery (continued)

4.7 Impairment of assets

How we recognise impairment

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

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

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

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

When performing an impairment test, Mildura Base Public Hospital 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, Mildura Base Public Hospital estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Mildura Base Public Hospital did not record any impairment losses for the year ended 30 June 2022.

Mildura Base Public Hospital
Notes to the Financial Statements

For the Financial Year Ended 30 June 2022

Note 5. Other assets and liabilities

This section sets out those assets and liabilities that arose from Mildura Base Public Hospital's operations.

The impact of the COVID-19 pandemic on Mildura Base Public Hospital's other assets and liabilities and the key judgements and estimates exercised by management when measuring such assets and liabilities are also disclosed below.

This section is then structured as follows:

5.1 Receivables and contract assets

5.1 Payables and contract liabilities

5.2 Other Liabilities

Telling the COVID-19 story

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

Key judgements and estimates

This section contains the following key judgements and estimates.

Estimating the provision for expected credit losses

Mildura Base Public Hospital 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.

Classifying a sub-lease arrangement as either an operating lease or finance lease

Mildura Base Public Hospital applies significant judgement to determine if a sub-lease arrangement, where the health service is a lessor, meets the definition of an operating lease or finance lease. The health service considers a range of scenarios when classifying a sub-lease. A sub-lease typically meets the definition of a finance lease if:

- the lease transfers ownership of the asset to the lessee at the end of the term
- the lessee has an option to purchase the asset for a price that is significantly below fair value at the end of the lease term
- the lease term is for the majority of the asset's useful life
- the present value of lease payments amount to the approximate fair value of the leased asset and
- the leased asset is of a specialised nature that only the lessee can use without significant modification.

All other sub-lease arrangements are classified as an operating lease.

Measuring deferred capital grant income

Where Mildura Base Public Hospital 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. Mildura Base Public Hospital applies significant judgement when measuring the deferred capital grant income balance, which references the estimated the stage of completion at the end of each financial year.

Mildura Base Public Hospital
Notes to the Financial Statements

For the Financial Year Ended 30 June 2022

Note 5. Other assets and liabilities (continued)

Measuring contract liabilities

Mildura Base Public Hospital applies significant judgement to measure its progress towards satisfying a performance obligation as detailed in Note 2. Where a performance obligation is yet to be satisfied, the health service assigns funds to the outstanding obligation and records this as a contract liability until the promised good or service is transferred to the customer.

Recognition of other provisions

Other provisions include Mildura Base Public Hospital's obligation to restore leased assets to their original condition at the end of a lease term. The health service applies significant judgement and estimate to determine the present value of such restoration costs.

5.1 Receivables and contract assets

	2022 $ '000	2021 $ '000
Current receivables and contract assets		
Contractual		
Trade debtors	1,537	322
Patient fees	870	439
Allowance for impairment of losses	(494)	(91)
Inter hospital debtors	193	28
Accrued revenue	1,117	683
Amounts receivable from governments and agencies	-	979
Total current contractual receivables	3,223	2,360
Statutory		
GST receivable	1,367	4,086
Total statutory receivables	1,367	4,086
Total current receivables and contract assets	4,590	6,446

Mildura Base Public Hospital
Notes to the Financial Statements

For the Financial Year Ended 30 June 2022

Note 5. Other assets and liabilities (continued)

5.1 Receivables and contract assets (continued)

	2022 $ '000	2021 $ '000
Non-current receivables and contract assets		
Contractual		
Long service leave - Department of Health	13,608	13,647
Total non-current contractual receivables	13,608	13,647
Total non-current receivables and contract assets	13,608	13,647
Total receivables and contract receivables	18,198	20,093

5.1(a) Financial assets classified as receivables

Total receivables:		
- Total current	4,590	6,446
- Total non-current	13,608	13,647
	18,198	20,093
Less amounts receivable from the Australian Tax Office	(1,367)	(4,086)
Financial assets classified as receivables	16,831	16,007

5.1(b) Movement in the allowance for impairment of losses

	2022 $ '000	2021 $ '000
Opening balance	91	-
Increase in allowance	500	160
Amounts written off during the period	(97)	(69)
Reversal of allowance written off during the period as uncollectable	-	-
Closing balance at 30 June	494	91

Mildura Base Public Hospital
Notes to the Financial Statements

For the Financial Year Ended 30 June 2022

Note 5. Other assets and liabilities (continued)

5.1 Receivables and contract assets (continued)

How we recognise receivables and contract assets

Receivables

Receivables consist of:

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

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

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

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

Contract assets

Contract assets relate to the Mildura Base Public Hospital's right to consideration in exchange for goods transferred to customers for works completed, but not yet billed at the reporting date. The contract assets are transferred to receivables when the rights become unconditional, at this time an invoice is issued. Contract assets are expected to be recovered early next year.

Impairment losses of contractual receivables

Refer to Note 7.2 (a) for Mildura Base Public Hospital's contractual impairment losses.

Mildura Base Public Hospital
Notes to the Financial Statements

For the Financial Year Ended 30 June 2022

Note 5. Other assets and liabilities (continued)

5.2 Payables and contract liabilities

	Notes	2022 $ '000	2021 $ '000
Current payables and contract liabilities			
Contractual			
Trade creditors		2,132	4,812
Accrued salaries and wages		3,924	2,800
Accrued expenses		6,774	4,965
Contract liabilities	5.2(b)	6,404	3,145
Deferred capital grant income	5.2(c)	4,417	1,010
Other payables		255	326
Amounts payable to governments and agencies		2,344	194
Total contractual payables		26,250	17,252

5.2(a) Financial liabilities classified as payables and contract liabilities

Total payables and contract liabilities:			
- Total current		26,250	17,252
		26,250	17,252
Less:			
- Contract liabilities		(6,404)	(3,145)
- Deferred capital grant income		(4,417)	(1,010)
- Other payables		(255)	(326)
- Amounts payable to governments and agencies		(2,344)	(194)
Financial liabilities classified as payables and contract liabilities	7.1(a)	12,830	12,577

5.2(b) Contract liabilities

Opening balance	10,745	-
Funding received under contracts with funding bodies	182,079	130,088
Contract liabilities recognised as revenue due to fulfilment of performance obligations	(162,651)	(119,343)
Closing balance at 30 June	30,173	10,745

Mildura Base Public Hospital
Notes to the Financial Statements

For the Financial Year Ended 30 June 2022

Note 5. Other assets and liabilities (continued)

5.2 Payables and contract liabilities (continued)

How we recognise payables and contract liabilities

Payables

Payables consist of:

- Contractual payables, which mostly includes payables in relation to goods and services. These payables are classified as financial instruments and measured at amortised cost. Accounts payable and salaries and wages payable represent liabilities for goods and services provided to the Mildura Base Public Hospital prior to the end of the financial year that are unpaid.
- Statutory payables, which mostly includes amounts owed to the Victorian Government and Goods and Services Tax (GST) that are payable. Statutory payables do not arise from contracts and are recognised and measured similarly to contractual payables, but are not classified as financial instruments for disclosure purposes.

Contract liabilities include consideration received in advance from the Department of Health and other funding bodies for sufficiently specific and enforceable performance obligations.

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.

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

5.2(c) Deferred capital grant income

	2022 $ '000	2021 $ '000
Opening balance	1,010	-
Capital grants received from funding bodies	5,350	2,396
Spent capital grants recognised as income due to completion of capital works	(1,943)	(1,386)
Closing balance at 30 June	4,417	1,010

Mildura Base Public Hospital
Notes to the Financial Statements

For the Financial Year Ended 30 June 2022

Note 5. Other assets and liabilities (continued)

5.2 Payables and contract liabilities (continued)

5.2(c) Deferred capital grant income (continued)

How we recognise deferred capital grant income

Grant consideration was received from Department of Health for the implementation of plant and equipment. Capital grant income is recognised progressively as the asset is constructed, since this is the time when Mildura Base Public Hospital satisfies its obligations. The progressive percentage of completion of works. As a result, Mildura Base Public Hospital has deferred recognition of a portion of the grant consideration received as a liability for the outstanding obligations.

Mildura Base Public Hospital expects to recognise all of the remaining deferred capital grant income for capital works by the end of 2022/23 financial year.

5.3 Other Liabilities

	Note	2022 $ '000	2021 $ '000
Current monies held it trust			
Other monies:			
Oncology Research Funds		523	-
Total current monies held in trust		523	-
Total other liabilities		523	-
*** Represented by:**			
- Cash assets	6.2	523	-
		523	-

Note 6. How we Finance our Operations

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

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

This section is then structured as follows:

6.1 Lease liabilities

6.2 Cash and cash equivalents

6.3 Commitments for expenditure

6.4 Non-cash financing and investing activities

Mildura Base Public Hospital
Notes to the Financial Statements

For the Financial Year Ended 30 June 2022

Note 6. How we Finance our Operations (continued)

Telling the COVID-19 story

Mildura Base Public Hospital's finance and borrowing arrangements were not materially impacted by the COVID-19 pandemic.

Key judgements and estimates

This section contains the following key judgements and estimates:

Determining if a contract is or contains a lease

Mildura Base Public Hospital applies significant judgement to determine if a contract is or contains a lease by considering if the health service:

- has the right-to-use an identified asset
- has the right to obtain substantially all economic benefits from the use of the leased asset and
- can decide how and for what purpose the asset is used throughout the lease.

Determining if a lease meets the short-term or low value asset lease exemption

Mildura Base Public Hospital applies significant judgement when determining if a lease meets the short-term or low value lease exemption criteria. The health service estimates the fair value of leased assets when new. Where the estimated fair value is less than $10,000, the health service applies the low-value lease exemption. The health service also estimates the lease term with reference to remaining lease term and period that the lease remains enforceable. Where the enforceable lease period is less than 12 months the health service applies the short-term lease exemption.

Discount rate applied to future lease payments

Mildura Base Public Hospital 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, Mildura Base Public Hospital uses its incremental borrowing rate, which is the amount the health service would have to pay to borrow funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Assessing the lease term

The lease term represents the non-cancellable period of a lease, combined with periods covered by an option to extend or terminate the lease if Mildura Base Public Hospital is reasonably certain to exercise such options. Mildura Base Public Hospital determines the likelihood of exercising such options on a lease-by-lease basis through consideration of various factors including:

- if there are significant penalties to terminate (or not extend), the health service is typically reasonably certain to extend (or not terminate) the lease
- if any leasehold improvements are expected to have a significant remaining value, the health service is typically reasonably certain to extend (or not terminate) the lease.
- the health service considers historical lease durations and the costs and business disruption to replace such leased assets

Mildura Base Public Hospital
Notes to the Financial Statements

For the Financial Year Ended 30 June 2022

Note 6. How we Finance our Operations (continued)

6.1 Lease liabilities

	Notes	2022 $ '000	2021 $ '000
CURRENT			
Lease liability		749	333
Total current lease liability		749	333
NON-CURRENT			
Lease liability		4,692	3,506
Total non-current lease liability		4,692	3,506
Total lease liabilities		5,441	3,839

(a) Maturity analysis of future lease payments

Future lease payments due and payable:		
- Not longer than one year	891	521
- Longer than one year but not longer than five years	2,960	1,800
- Longer than five years	2,525	2,421
Minimum future lease payments	6,376	4,742
Less unexpired interest	(935)	(903)
Present value of lease liability	5,441	3,839

How we recognise lease liabilities

A lease is defined as a contract, or part of a contract, that conveys the right for Mildura Base Public Hospital to use an asset for a period of time in exchange for payment.

To apply this definition, Mildura Base Public Hospital 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 Mildura Base Public Hospital and for which the supplier does not have substantive substitution rights
- Mildura Base Public Hospital 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 Mildura Base Public Hospital has the right to direct the use of the identified asset throughout the period of use and;
- Mildura Base Public Hospital has the right to take decisions in respect of 'how and for what purpose' the asset is used throughout the period of use.

Mildura Base Public Hospital
Notes to the Financial Statements

For the Financial Year Ended 30 June 2022

Note 6. How we Finance our Operations (continued)

6.1 Lease liabilities (continued)

Leased property include a number of lease agreements, which contain lease terms of between 1.75 years to 20 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:

Types of payments recognised in profit or loss	Description of lease agreement
Low value lease payments	Photocopier lease

Separation of lease and non-lease components

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

Initial measurement

The lease liability is initially measured at the present value of the lease payments unpaid at the commencement date, discounted using the interest rate implicit in the lease if that rate is readily determinable or Mildura Base Public Hospital's incremental borrowing rate. The lease liability has been discounted by rates of between 2.12% to 3.21%.

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.

The health services property leases contain extension options ranging from 2 to 10 years.

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

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).

Mildura Base Public Hospital
Notes to the Financial Statements

For the Financial Year Ended 30 June 2022

Note 6. How we Finance our Operations (continued)

6.1 Lease liabilities (continued)

All potential future cash flows have been included in the lease liability as the health service is reasonably certain the leases will be extended.

Subsequent measurement

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

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

6.2 Cash and cash equivalents

	Notes	2022 $ '000	2021 $ '000
CURRENT			
Cash on hand		7	7
Cash at bank - CBS		31,387	21,702
Cash at bank - joint arrangement		970	870
Total cash and cash equivalents		32,364	22,579
Cash at bank - CBS (monies held in trust)	5.3	523	-
Total cash held as monies in trust		523	-
Total cash and cash equivalents		32,887	22,579

How we recognise cash and cash equivalents

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

For cash flow statement presentation purposes, cash and cash equivalents include bank overdrafts, which are included as liabilities on the balance sheet.

Mildura Base Public Hospital
Notes to the Financial Statements

For the Financial Year Ended 30 June 2022

Note 6. How we Finance our Operations (continued)

6.3 Commitments for expenditure

	Notes	2022 $ '000	2021 $ '000
Capital expenditure commitments			
Capital expenditure commitments payable, inclusive of GST:			
- Not longer than one year		3,744	380
Total capital expenditure commitments		3,744	380
Non-cancellable low value lease commitments			
Low value lease commitments payable, inclusive of GST:			
- Not longer than one year		59	59
- Longer than one year but not longer than five years		118	134
Total non-cancellable low value lease commitments		177	194
Total commitments for expenditure		3,921	573

How we disclose our commitments

Mildura Base Public Hospital's expenditure commitments relate to capital expenditure, short-term and low value leases.

Commitments for expenditure

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.

Short-term and low value leases

Mildura Base Public Hospital discloses short term and low value lease commitments which are excluded from the measurement of right-of-use assets and lease liabilities. Refer to Note 6.1 for further information.

Mildura Base Public Hospital
Notes to the Financial Statements

For the Financial Year Ended 30 June 2022

Note 7. Risks, Contingencies and Valuation Uncertainties

Mildura Base Public Hospital 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.

This section is structured as follows:

7.1 Financial instruments

7.2 Financial risk management objectives and policies

7.3 Contingent assets and contingent liabilities

7.4 Fair value determination

Key judgements and estimates

This section contains the following key judgements and estimates:

Measuring fair value of non-financial assets

Fair value is measured with reference to highest and best use, that is, the use of the asset by a market participant that is physically possible, legally permissible, financially feasible, and which results in the highest value, or to sell it to another market participant that would use the same asset in its highest and best use.

In determining the highest and best use, Mildura Base Public Hospital 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.

Mildura Base Public Hospital uses a range of valuation techniques to estimate fair value, which include the following:

- Market approach, which uses prices and other relevant information generated by market transactions involving identical or comparable assets and liabilities. The fair value of Mildura Base Public Hospital's specialised land, non-specialised land, non-specialised buildings, investment properties 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 Mildura Base Public Hospital'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. Mildura Base Public Hospital does not this use approach to measure fair value.

Mildura Base Public Hospital
Notes to the Financial Statements

For the Financial Year Ended 30 June 2022

Note 7. Risks, Contingencies and Valuation Uncertainties (continued)

The health service selects a valuation technique which is considered most appropriate, and for which there is sufficient data available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Subsequently, the health service applies significant judgement to categorise and disclose such assets within a fair value hierarchy, which includes:

- Level 1, using quoted prices (unadjusted) in active markets for identical assets that the health service can access at measurement date. Mildura Base Public Hospital 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. Mildura Base Public Hospital categorises non-specialised land and right-of-use concessionary land in this level.
- Level 3, where inputs are unobservable. Mildura Base Public Hospital 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.

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

(a) Categorisation of financial instruments

30 June 2022	Notes	Financial assets at amortised cost $ '000	Financial liabilities at amortised cost $ '000	Total $ '000
Contractual financial assets				
Cash and cash equivalents	6.2	32,887	-	32,887
Receivables	5.1(a)	16,831	-	16,831
Total financial assets		**49,718**	**-**	**49,718**
Financial liabilities				
Payables	5.2(a)	-	12,830	12,830
Lease liabilities	6.1	-	5,441	5,441
Total financial liabilities		**-**	**18,271**	**18,271**

Mildura Base Public Hospital
Notes to the Financial Statements

For the Financial Year Ended 30 June 2022

7.1 Financial instruments

(a) Categorisation of financial instruments

30 June 2021	Notes	Financial assets at amortised cost $ '000	Financial liabilities at amortised cost $ '000	Total $ '000
Contractual financial assets				
Cash and cash equivalents	6.2	22,579	-	22,579
Receivables	5.1(a)	16,007	-	16,007
Total financial assets		**38,586**	**-**	**38,586**
Financial liabilities				
Payables	5.2(a)	-	12,577	12,577
Lease liabilities	6.1	-	3,839	3,839
Total financial liabilities		**-**	**16,416**	**16,416**

How we categorise financial instruments

Categories of financial assets

Financial assets are recognised when Mildura Base Public Hospital becomes party to the contractual provisions to the instrument. For financial assets, this is at the date Mildura Base Public Hospital commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted). Expenses are recognised as they are incurred and reported in the financial year to which they relate.

Financial instruments (except for trade receivables) are initially measured at fair value plus transaction costs. 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 Mildura Base Public Hospital 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.

Mildura Base Public Hospital
Notes to the Financial Statements

For the Financial Year Ended 30 June 2022

Note 7. Risks, Contingencies and Valuation Uncertainties (continued)

7.1 Financial instruments (continued)

(a) Categorisation of financial instruments (continued)

Mildura Base Public Hospital recognises the following assets in this category:

- cash and cash equivalents and
- receivables.

Categories of financial liabilities

Financial liabilities are recognised when Mildura Base Public Hospital becomes a party to the contractual provisions to the instrument. Financial instruments are initially measured at fair value plus transaction costs.

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.

Mildura Base Public Hospital recognises the following liabilities in this category:

- payables (excluding statutory payables and contract liabilities) and
- lease liabilities.

Offsetting financial instruments

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

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

Mildura Base Public Hospital
Notes to the Financial Statements

For the Financial Year Ended 30 June 2022

Note 7. Risks, Contingencies and Valuation Uncertainties (continued)

7.1 Financial instruments (continued)

(a) Categorisation of financial instruments (continued)

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
- Mildura Base Public Hospital 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
- Mildura Base Public Hospital 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 Mildura Base Public Hospital has neither transferred nor retained substantially all the risks and rewards or transferred control, the asset is recognised to the extent of Mildura Base Public Hospital's continuing involvement in the asset.

Derecognition of financial liabilities

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

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

Reclassification of financial instruments

A financial asset is required to be reclassified between amortised cost, fair value through net result and fair value through other comprehensive income when, and only when, Mildura Base Public Hospital'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.

Mildura Base Public Hospital
Notes to the Financial Statements

For the Financial Year Ended 30 June 2022

Note 7. Risks, Contingencies and Valuation Uncertainties (continued)

7.2 Financial risk management objectives and policies

As a whole, Mildura Base Public Hospital's financial risk management program seeks to manage the risks and the associated volatility of its financial performance.

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

Mildura Base Public Hospital's main financial risks include credit risk and liquidity risk. Mildura Base Public Hospital manages these financial risks in accordance with its financial risk management policy.

Mildura Base Public Hospital uses different methods to measure and manage the different risks to which it is exposed. Primary responsibility for the identification and management of financial risks rests with the Accountable Officer.

(a) Credit risk

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

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

In addition, Mildura Base Public Hospital 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, Mildura Base Public Hospital'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 Mildura Base Public Hospital 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 Mildura Base Public Hospital's maximum exposure to credit risk without taking account of the value of any collateral obtained.

Mildura Base Public Hospital
Notes to the Financial Statements

For the Financial Year Ended 30 June 2022

Note 7. Risks, Contingencies and Valuation Uncertainties (continued)

7.2 Financial risk management objectives and policies (continued)

Impairment of financial assets under AASB 9

Mildura Base Public Hospital records the allowance for expected credit loss for the relevant financial instruments applying AASB 9's Expected Credit Loss approach. Subject to AASB 9, impairment assessment includes the health service's contractual receivables. Equity instruments are not subject to impairment under AASB 9.

Credit loss allowance is classified as other economic flows in the net result. Contractual receivables are written off when there is no reasonable expectation of recovery and impairment losses are classified as a transaction expense. Subsequent recoveries of amounts previously written off are credited against the same line item.

Contractual receivables at amortised cost

Mildura Base Public Hospital 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. Mildura Base Public Hospital has grouped contractual receivables on shared credit risk characteristics and days past due and select the expected credit loss rate based on Mildura Base Public Hospital's existing market conditions, as well as forward looking estimates at the end of the reporting period.

On this basis, Mildura Base Public Hospital determines the closing loss allowance at the end of the financial year as follows:

30 June 2022	**Current**	**30 days**	**60 days**	**90 days**	**120+ days**	**Total**
Expected loss rate	1%	8%	11%	22%	82%	
Gross carrying amount of contractual receivables	377	1,131	465	167	387	2,527
Loss allowance	3	91	49	36	315	**494**
30 June 2021						
Expected loss rate	1%	8%	10%	20%	34%	
Gross carrying amount of contractual receivables	297	132	78	77	161	745
Loss allowance	3	11	8	15	55	**91**

Mildura Base Public Hospital
Notes to the Financial Statements

For the Financial Year Ended 30 June 2022

Note 7. Risks, Contingencies and Valuation Uncertainties (continued)

7.2 Financial risk management objectives and policies (continued)

(b) Liquidity risk

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

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

- holding contractual financial assets that are readily tradeable in the financial markets and
- careful maturity planning of its financial obligations based on forecasts of future cash flows.

Mildura Base Public Hospital's exposure to liquidity risk is deemed insignificant based on the current assessment of risk.

The following table discloses the contractual maturity analysis for Mildura Base Public Hospital's financial liabilities. For interest rates applicable to each class of liability refer to individual notes to the financial statements.

30 June 2022	Carrying amount	Nominal amount	Less than one month	One to three months	Three months to one year	One to five years	Over five years
Payables	12,830	12,830	14,667	-	-	-	-
Lease liabilities	5,441	6,376	74	223	594	2,960	2,525
Loss allowance	18,271	19,206	14,741	223	594	2,960	2,525

30 June 2021	Carrying amount	Nominal amount	Less than one month	One to three months	Three months to one year	One to five years	Over five years
Payables	12,577	12,577	12,577	-	-	-	-
Lease liabilities	3,839	4,742	44	88	389	1,800	2,421
Loss allowance	16,416	17,319	12,621	88	389	1,800	2,421

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

Mildura Base Public Hospital
Notes to the Financial Statements

For the Financial Year Ended 30 June 2022

Note 7. Risks, Contingencies and Valuation Uncertainties (continued)

7.3 Contingent assets and contingent liabilities

At balance date, the Board are not aware of any contingent assets or liabilities (Nil for 2021).

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:
  - (i) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligations or
  - (ii) the amount of the obligations cannot be measured with sufficient reliability.

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

7.4 Fair value determination

How we measure fair value

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

The following assets and liabilities are carried at fair value:

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

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

Mildura Base Public Hospital
Notes to the Financial Statements

For the Financial Year Ended 30 June 2022

Note 7. Risks, Contingencies and Valuation Uncertainties (continued)

7.4 Fair value determination (continued)

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.

Mildura Base Public Hospital 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.

Mildura Base Public Hospital 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 Mildura Base Public Hospital'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.

Mildura Base Public Hospital
Notes to the Financial Statements

For the Financial Year Ended 30 June 2022

Note 7. Risks, Contingencies and Valuation Uncertainties (continued)

7.4 Fair value determination (continued)

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

	Note	2022 Carrying amount $ '000	Fair value measurement at end of reporting period using: Level 1 $ '000	Level 2 $ '000	Level 3 $ '000
Property, plant and equipment					
Land					
Specialised land at fair value	4.1(a)	2,154	-	-	2,154
Total land at fair value		**2,154**	**-**	**-**	**2,154**
Buildings					
Specialised buildings at fair value	4.1(a)	85,941	-	-	85,941
Total buildings at fair value		**85,941**	**-**	**-**	**85,941**
Works in progress					
Specialised buildings at fair value	4.1(a)	1,493	-	-	1,493
Total works in progress at fair value		**1,493**	**-**	**-**	**1,493**
Plant and equipment					
Plant and equipment at fair value	4.1(a)	214	-	-	214
Medical equipment at fair value	4.1(a)	2,061	-	-	2,061
Motor Vehicle at fair value	4.1(a)	233	-	-	233
Computer equipment at fair value	4.1(a)	1,504	-	-	1,504
Furniture and fittings at fair value	4.1(a)	161	-	-	161
Total plant, equipment, furniture, fittings and computers at fair value		**4,173**	**-**	**-**	**4,173**
Total property, plant and equipment at fair value		**93,761**	**-**	**-**	**93,761**
Right-of-use assets					
Leased property					
Leased property at fair value	4.1(a)	5,374	-	-	5,374
Total leased property at fair value		**5,374**	**-**	**-**	**5,374**
Total right-of-use assets at fair value		**5,374**	**-**	**-**	**5,374**
Total assets at fair value		**99,135**	**-**	**-**	**99,135**

Mildura Base Public Hospital
Notes to the Financial Statements

For the Financial Year Ended 30 June 2022

Note 7. Risks, Contingencies and Valuation Uncertainties (continued)

7.4 Fair value determination (continued)

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

	Note	2021 Carrying amount $ '000	Fair value measurement at end of reporting period using: Level 1 $ '000	Level 2 $ '000	Level 3 $ '000
Property, plant and equipment					
Land					
Specialised land at fair value	4.1(a)	1,519	-	-	1,519
Total land at fair value		**1,519**	**-**	**-**	**1,519**
Buildings					
Specialised buildings at fair value	4.1(a)	80,611	-	-	80,611
Total buildings at fair value		**80,611**	**-**	**-**	**80,611**
Works in progress					
Specialised buildings at fair value	4.1(a)	136	-	-	136
Total works in progress at fair value		**136**	**-**	**-**	**136**
Plant and equipment					
Plant and equipment at fair value	4.1(a)	101	-	-	101
Medical equipment at fair value	4.1(a)	2,278	-	-	2,278
Computer equipment at fair value	4.1(a)	2,194	-	-	2,194
Furniture and fittings at fair value	4.1(a)	26	-	-	26
Total plant, equipment, furniture, fittings and computers at fair value		**4,599**	**-**	**-**	**4,599**
Total property, plant and equipment at fair value		**86,865**	**-**	**-**	**86,865**
Right-of-use assets					
Leased property					
Leased property at fair value	4.1(a)	3,813	-	-	3,813
Total leased property at fair value		**3,813**	**-**	**-**	**3,813**
Total right-of-use assets at fair value		**3,813**	**-**	**-**	**3,813**
Total assets at fair value		**90,678**	**-**	**-**	**90,678**

Mildura Base Public Hospital
Notes to the Financial Statements

For the Financial Year Ended 30 June 2022

Note 7. Risks, Contingencies and Valuation Uncertainties (continued)

7.4 Fair value determination (continued)

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

How we measure fair value of non-financial physical assets

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

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

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

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

Specialised land and specialised buildings

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

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

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

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

For Mildura Base Public Hospital, 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 Mildura Base Public Hospital's specialised land was performed by the Valuer-General Victoria and a managerial revaluation on specialised buildings was performed. The effective date of the valuation is 30 June 2022.

Mildura Base Public Hospital
Notes to the Financial Statements

For the Financial Year Ended 30 June 2022

Note 7. Risks, Contingencies and Valuation Uncertainties (continued)

7.4 Fair value determination (continued)

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

Vehicles

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

Furniture, fittings, plant and equipment

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

There were no changes in valuation techniques throughout the period to 30 June 2022.

Reconciliation of level 3 fair value measurement

	Note	2022 $ '000	2021 $ '000
Land			
Opening balance		1,519	-
Capital contributed by the Department of Health		-	1,268
Revaluation increments		635	251
Closing balance at 30 June		2,154	1,519
Buildings			
Opening balance		80,611	-
Capital contributed by the Department of Health		-	78,372
Additions		-	27
Transfers to/(from) classes			3,754
Revaluation increments		7,481	-
Depreciation expense		(2,151)	(1,542)
Closing balance at 30 June		85,941	80,611
Works in progress			
Opening balance		136	-
Capital contributed by the Department of Health		-	3,543
Additions		2,385	347
Depreciation expense		(1,028)	(3,754)
Closing balance at 30 June		1,493	136

Mildura Base Public Hospital
Notes to the Financial Statements

For the Financial Year Ended 30 June 2022

Note 7. Risks, Contingencies and Valuation Uncertainties (continued)

7.4 Fair value determination (continued)

Reconciliation of level 3 fair value measurement (continued)

	Note	2022 $ '000	2021 $ '000
Plant and equipment			
Opening balance		101	-
Capital contributed by the Department of Health			551
Additions		187	346
Depreciation expense		(74)	(796)
Closing balance at 30 June		214	101
Medical equipment			
Opening balance		2,278	-
Capital contributed by the Department of Health			2,256
Additions		538	294
Depreciation expense		(755)	(272)
Closing balance at 30 June		2,061	2,278
Computer equipment			
Opening balance		2,194	-
Capital contributed by the Department of Health		-	298
Additions		265	2,550
Depreciation expense		(955)	(654)
Closing balance at 30 June		1,504	2,194
Right-of-use Assets			
Opening balance		3,813	-
Additions		2,193	4,163
Depreciation expense		(632)	(350)
Closing balance at 30 June		5,374	3,813
Motor Vehicles			
Capital contributed by the Department of Health		307	-
Additions		-	-
Disposals		(15)	-
Depreciation expense		(59)	-
Closing balance at 30 June		233	-
Furniture and fittings			
Opening balance		26	-
Additions		144	27
Depreciation expense		(9)	(1)
Closing balance at 30 June		161	26
Total level 3 fair value measurement	7.4(b)	99,135	90,678

Mildura Base Public Hospital
Notes to the Financial Statements

For the Financial Year Ended 30 June 2022

Note 7. Risks, Contingencies and Valuation Uncertainties (continued)

7.4 Fair value determination (continued)

Assets have been classified in accordance with the fair value hierarchy.

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 Allowance 30%
Specialised buildings	Depreciated replacement cost approach	Cost per square metre, useful life
Plant and equipment	Depreciated replacement cost approach	Cost per unit, useful life
Leased properties	Market approach	N/A

Note 8. Other Disclosures

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

This section is structured as follows:

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

8.2 Responsible persons disclosure

8.3 Remuneration of executives

8.4 Related parties

8.5 Remuneration of auditors

8.6 Events occurring after the balance sheet date

8.7 Joint arrangements

8.8 Equity

8.9 Economic dependency

Telling the COVID-19 story

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

Mildura Base Public Hospital
Notes to the Financial Statements

For the Financial Year Ended 30 June 2022

Note 8. Other Disclosures (continued)

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

	2022 $ '000	15/9/20 to 30/6/21 $ '000
Net result for the period	(3,743)	1,500
Non-cash movements		
Depreciation and amortisation of non-current assets	4,915	3,638
Bad and doubtful debts expense	494	91
Assets and services received free of charge	(1,924)	-
Share of Joint Venture	83	-
(Gain)/loss on disposal of property plant and equipment	15	-
(Gain)/loss on revaluation of long service leave liability	775	(2,518)
Movements in assets and liabilities		
(Increase)/decrease in receivables and contract assets	1,895	(20,184)
(Increase)/decrease in inventories	45	(634)
(Increase)/decrease in prepaid expenses	(284)	(235)
Increase/(decrease) in payables and contract liabilities	8,998	17,252
Increase/(Decrease) in monies in trust	523	-
Increase/(decrease) in employee benefits	1,335	25,062
Net cash provided by operating activities	**13,127**	**23,972**

Mildura Base Public Hospital
Notes to the Financial Statements

For the Financial Year Ended 30 June 2022

Note 8. Other Disclosures (continued)

8.2 Responsible persons disclosure

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:	
Minister for Health	27 June 2022 - 30 June 2022
Minister for Ambulance Services	27 June 2022 - 30 June 2022
The Honourable Colin Brooks:	
Minister for Disability, Ageing and Carers	27 June 2022 - 30 June 2022
The Honourable Gabrielle Williams:	
Minister for Mental Health	27 June 2022 - 30 June 2022
The Honourable Martin Foley:	
Minister for Health	1 Jul 2021 - 27 June 2022
Minister for Ambulance Services	1 Jul 2021 - 27 June 2022
The Honourable Luke Donnellan:	
Minister for Disability, Ageing and Carers	1 July 2021 - 11 Oct 2021
The Honourable Anthony Carbines:	
Minister for Disability, Ageing and Carers	6 Dec 2021 - 27 June 2022
The Honourable James Merlino:	
Minister for Mental Health	1 July 2021 - 27 June 2022
Minister for Disability, Ageing and Carers	11 Oct 2021 - 6 Dec 2021

Governing board

	Period
Mary Rydberg (Chair of the Board)	1 July 2021 to 30 June 2022
Glenis Beaumont (Deputy Chair)	1 July 2021 to 30 June 2022
Frank Piscioneri (Deputy Chair)	1 July 2021 to 30 June 2022
Ross Dallimore	1 July 2021 to 30 June 2022
Neth Hinton	1 July 2021 to 30 June 2022
Kashif Hayat	1 July 2021 to 30 June 2022
Maria Mahony	1 July 2021 to 30 June 2022
Quentin Norton	1 July 2021 to 30 June 2022
Paul O'Neill	1 July 2021 to 30 June 2022

Mildura Base Public Hospital
Notes to the Financial Statements

For the Financial Year Ended 30 June 2022

Accountable officers

Terry Welch (Chief Executive Officer)	1 July 2021 to 30 June 2022

Note 8. Other Disclosures (continued)

8.2 Responsible persons disclosure (continued)

Remuneration of responsible persons

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

Income band	2022	2021
$0 - $9,999	2	-
$10,000 - $19,999	6	7
$20,000 - $29,999	1	3
$300,000 - $399,999	1	1
Total	10	11
Total remuneration received or due and receivable by Responsible Persons from the reporting entity	499	417

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

8.3 Remuneration of executives

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

	2022 $ '000	2021 $ '000
Short-term benefits	1,432	915
Post-employment benefits	123	92
Termination benefits	139	-
Total remuneration [1]	1,694	1,007
Total annualised employee equivalent [2]	6	7

[1] The total number of executive officers include persons who meet the definition of Key Management Personnel (KMP) of Mildura Base Public Hospital under AASB 124 Related Party Disclosures and are also reported within Note 8.4 Related Parties.

[2] Annualised employee equivalent is based on working 38 ordinary hours per week over the reporting period.

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

Short-term employee benefits

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

Mildura Base Public Hospital
Notes to the Financial Statements

For the Financial Year Ended 30 June 2022

Note 8. Other Disclosures (continued)

8.3 Remuneration of executives (continued)

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.

8.4 Related parties

The Mildura Base Public Hospital is a wholly owned and controlled entity of the State of Victoria. Related parties of the health service include:

- all KMP and their close family members and personal business interests
- cabinet ministers and their close family members
- jointly controlled operations - a member of the Loddon Mallee Rural Health Alliance
- 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 Mildura Base Public Hospital, directly or indirectly.

Key management personnel

The Board of Directors, the Chief Executive and the Executive Directors of the Mildura Base Public Hospital are deemed to be KMPs. This includes the following:

KMPs	Title
Mary Rydberg	Chair of the Board
Glenis Beaumont	Board Director
Frank Piscioneri	Board Director
Ross Dallimore	Board Director
Neth Hinton	Board Director
Kashif Hayat	Board Director
Maria Mahony	Board Director
Quentin Norton	Board Director
Paul O'Neill	Board Director
Terry Welch	Chief Executive Officer
Janet Hicks	Chief Nursing & Midwifery Officer
Andrea Floyd	Acting Chief Nursing & Midwifery Officer
Louise Litten	Chief Medical Officer
David Kirby	Executive Director Mental Health
Matthew Jukes	Executive Director Finance and Corporate Services
Janelle McGregor	Executive Director People and Culture
Elise Elder	Executive Director Clinical Operations

Mildura Base Public Hospital
Notes to the Financial Statements

For the Financial Year Ended 30 June 2022

Note 8. Other Disclosures (continued)

8.4 Related parties (continued)

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

	2022 $ '000	2021 $ '000
Short-term benefits [1]	1,906	1,265
Post-employment benefits	148	159
Termination benefits	139	-
Total remuneration [2]	**2,193**	**1,424**

[1] Total remuneration paid to KMPs has been reported under short-term employee benefits.

[2] KMPs are also reported in Note 8.2 Responsible Persons and Note 8.3 Remuneration of Executives.

Significant transactions with government related entities.

The Mildura Base Public Hospital recognised funding from the Department of Health of approximately $170m ($120m 2021).

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

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

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

Transactions with KMP 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 Health Share Victoria and Victorian Government Procurement Board requirements.

Outside of normal citizen type transactions with the Mildura Base Public Hospital, there were no related party transactions that involved key management personnel, their close family members or their personal business interests. No provision has been required, nor any expense recognised, for impairment of receivables from related parties. There were no related party transactions with Cabinet Ministers required to be disclosed in 2022 (2021: Nil)

There were no related party transactions required to be disclosed for the Mildura Base Public Hospital Board of Directors, Chief Executive Officer and Executive Directors in 2022 (2021: Nil).

Mildura Base Public Hospital
Notes to the Financial Statements

For the Financial Year Ended 30 June 2022

Note 8. Other Disclosures (continued)

8.5 Remuneration of auditors

	2022 $ '000	2021 $ '000
Victorian Auditor-General's Office		
Audit of the financial statements	67	65
Total remuneration of the auditors	**67**	**65**

8.6 Events occurring after the balance sheet date

The COVID-19 pandemic has created unprecedented economic uncertainty. Actual economic events and conditions in future may be materially different from those estimated by Mildura Base Public Hospital at the reporting date. As responses by government continue to evolve, management recognises that it is difficult to reliably estimate with any degree of certainty the potential impact of the pandemic after the reporting date on Mildura Base Public Hospital, it's operations, it's future results and financial position.

There are no further events occurring after the Balance Sheet date.

8.7 Joint arrangements

	Principal Activity	2022 %	2021 %
Loddon Mallee Rural Health Alliance	The Loddon Mallee Rural Health Alliance was established to improve the operations' joint capability and capacity to use and acquire information and communication technology products and services.	12.19%	13.49%

Mildura Base Public Hospital'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.

	2022 $ '000	2021 $ '000
Current assets		
Cash and cash equivalents	969	870
Receivables and contract assets	67	147
Prepaid expenses	297	202
Total current assets	**1,333**	**1,219**
Non-current assets		
Property, plant and equipment	100	130
Total non-current assets	**100**	**130**
Total assets	**1,433**	**1,349**

Mildura Base Public Hospital
Notes to the Financial Statements

For the Financial Year Ended 30 June 2022

Note 8. Other Disclosures (continued)

8.7 Joint arrangements (continued)

	2022 $ '000	2021 $ '000
Current liabilities		
Payables and contract liabilities	524	397
Total current liabilities	**524**	**397**
Total liabilities	**524**	**397**
Net assets	**909**	**952**
Equity		
Accumulated surplus	909	952
Total equity	**909**	**952**

Mildura Base Public Hospital interest in revenues and expenses resulting from joint arrangements are detailed below. The amounts included in the financial statements under their respective categories.

Revenue and income from transactions		
Operating activities	1,511	2,806
Capital Revenue	23	167
Total revenue and income from transactions	**1,534**	**2,973**
Expenses from transactions		
Operating expenses	1,461	2,748
Depreciation and amortisation	24	25
Total expenses from transactions	**1,485**	**2,773**
Net result for the period	**49**	**200**
Unrealised Gains/(Loss) of Loddon Mallee Rural Health Alliance	860	752
Revised net result for the period	**909**	**952**

*Figures obtained from the unaudited Loddon Mallee Rural Health Alliance joint venture annual report. The windfall gain relates to the Mildura Base Public Hospital's entitlement to its share of the Loddon Mallee Rural Health Alliance retained earnings on the date of joining the alliance.

Contingent liabilities and capital commitment

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

Mildura Base Public Hospital
Notes to the Financial Statements

For the Financial Year Ended 30 June 2022

Note 8. Other Disclosures (continued)

8.8 Equity

Contributed capital

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

Transfers of net assets arising from administrative restructurings are treated as distributions to or contributions by owners. Transfers of net liabilities arising from administrative restructurings are treated as distributions to owners. Other transfers that are in the nature of contributions or distributions or that have been designated as contributed capital are also treated as contributed capital.

Specific restricted purpose reserves

The specific restricted purpose reserve is established where Mildura Base Public Hospital has possession or title to the funds but has no discretion to amend or vary the restriction and/or condition underlying the funds received.

8.9 Economic dependency

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

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