

An aerial photograph of the Mildura Base Public Hospital. The hospital's large, light-colored roof is covered with numerous solar panels. The building is surrounded by extensive parking lots filled with cars, several large trees, and a green lawn area. In the background, a residential neighborhood with houses and trees is visible under a clear sky.

# Creating a happier, healthier Northern Mallee

**MILDURA**  
BASE PUBLIC HOSPITAL

ANNUAL REPORT 2022-23

# VISION

Mildura Base Public Hospital - providing exceptional care.

# PURPOSE

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

# VALUES

## Happy

We are positive

## As an organisation

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

We are caring

## As an organisation

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

We are committed

## As an organisation

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

We are open to others

## As an organisation

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

We are one team

## As an organisation

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

<b>4</b>	<b>Report from the Board Chair and Chief Executive</b>	<b>20</b>	<b>Our People - Workforce Information</b>
<b>5</b>	<b>MBPH Foundation</b>	<b>28</b>	<b>Financial Information</b>
<b>7</b>	<b>MBPH at a glance</b>	<b>32</b>	<b>General Information, Disclosures and Attestations</b>
<b>8</b>	<b>About MBPH</b>	<b>40</b>	<b>Key Financial and Service Performance Reporting</b>
9	Operational Highlights	40	Statement of Priorities Part A
10	Fast Facts	45	Statement of Priorities Part B
12	Strategic Planning	48	Statement of Priorities Part C
13	Strategic Plan Summary	50	Financial Report
14	Our Range of Service		
<b>16</b>	<b>Administrative Structure of MBPH</b>		
<b>18</b>	<b>Organisational Structure of MBPH</b>		

## 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 1 July 2022 to 27 June 2023

The Hon. Mary-Anne Thomas MP, Minister for Health, Minister for Ambulance Services.

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

---

Mildura Base Public Hospital (MBPH) has had much to celebrate over the past 12 months as we reflect on our achievements as the major healthcare provider in the Northern Mallee.

The 2022-23 financial year has delivered some great health outcomes for our community as we continue to strive for excellence.

We are now in year two of our three-year strategic plan, and we're pleased to see continued progress towards our long-term vision.

There are numerous infrastructure projects in progress across MBPH including a major upgrade to our theatre.

The opening of our Clinical Trials and Research Unit was a major step forward for our health service and will play a pivotal role in improving health outcomes for our community.

Part of our role as the biggest health care provider in the region is to deliver improved health outcomes to the whole community, the past year has seen MBPH taking steps to better support our rural partners.

In particular, we have extended our partnership with Mallee Track Health and Community Services and Robinvale District Health Services through the Northern Mallee Integrated Partnership (NMIP).

The NMIP has delivered many great outcomes including the return of medical imaging to Mallee Track and Robinvale through a successful tendering process.

In the context of the ongoing demands of the pandemic and the healthcare workforce shortages it's important to acknowledge the work of our staff.

There has been a focus on recognition towards their commitment and resilience over the past years, with numerous well-being initiatives underway to support them.

We'd also like to thank our consumer advisors and volunteers for their work and patience while working through another challenging year.



The Board Directors and senior leadership group, and all staff are to be congratulated for their commitment to the community over the past 12 months.

It's been heartening to experience another year of support from our community partners, including the MBPH Foundation who have continued to grow our strong community connection.

The Foundation over the past 12 months has been involved in some wonderful fundraising initiatives including the Gala Ball which exceeded all expectations.

Other successful events included a charity golf day and Back to Base, a community concert headlined by international star Jessica Mauboy which attracted over 4000 people.

Health is a challenging field, but through the support and commitment of our wonderful team at MBPH and the ongoing community support we are continuing to stretch the boundaries.

Our HEART values and cultural diversity continue to be the centre of our organisation as we continue to strive for improvement.



*Mary Rydberg*

**Mary Rydberg**  
Board Chair



*Terry Welch*

**Terry Welch**  
Chief Executive Officer

# MBPH FOUNDATION

---

It has been a successful year for the Mildura Base Public Hospital (MBPH) Foundation, raising a significant amount of revenue.

The Foundation held four major fundraising events including a gala ball, golf day, luncheon and community concert.

The gala ball attracted over 340 people and significant funds were raised through auction items and a raffle. The golf day was also well attended, while the K C Society luncheon and Back to Base concert were both successes.

The Back to Base concert featured Australian superstar Jessica Mauboy, with in excess of 4,000 people attending.

Funds throughout the year have been used to support various activities including the establishment of a scholarship program to support tertiary students studying a health-related course. In 2022-23 four scholarships were awarded.

The Foundation also donated \$215,000 towards the new MBPH clinical trials and research unit and is supporting the facility ongoing with the employment of a Research Director.

Families have also been supported by the Foundation who have been forced to travel away from the region for treatment of a sick child.

The funds distributed to these recipients have been through the association with the Lucas Foundation which the MBPH Foundation is continuing to promote and administer after the trustees of the Lucas Foundation decided to wind up and donate all remaining funds to the MBPH Foundation.

The Foundation is committed to continuing its support of creating a happier healthier Northern Mallee and will instigate a number of new projects to ensure health outcomes for this region continue to improve.



A full-page background image with an orange tint. It shows a person from behind, wearing a baseball cap and a dark vest over a light-colored shirt. The vest has a logo on the back that reads 'THE CORPORATE MOOSE' with a moose head illustration. The person is holding a guitar and singing into a microphone. The background is a blurred crowd of people at what appears to be a music festival.

# ABOUT MBPH

---





# FAST FACTS:

A decorative line graphic consisting of a horizontal line that ends with a short diagonal segment pointing upwards and to the right.

30,649

SPECIALIST  
OUTPATIENT  
APPOINTMENTS

33,268

PEOPLE WHO CAME  
TO OUR EMERGENCY  
DEPARTMENT FOR  
TREATMENT

22,208

PEOPLE WHO WERE  
ADMITTED TO OUR  
HOSPITAL

5,690

ELECTIVE ---  
EMERGENCY ---

SURGICAL  
OPERATIONS  
PERFORMED

6,843

AMBULANCE  
ARRIVALS HANDLED  
BY OUR EMERGENCY  
DEPARTMENT

772

BABIES BORN

4914

RENAL DIALYSIS  
TREATMENTS

3083

ONCOLOGY/  
DAY SERVICES  
TREATMENTS

2801

RESIDENTIAL-  
IN-REACH  
CONSULTS

228

HOSPITAL-  
IN-THE-HOME  
ADMISSIONS

725

REHABILITATION  
IN THE HOME  
(RITH)

727

HOSPITAL ADMISSION  
RISK PROGRAM  
(HARP) CONSULTS

2255

TRANSITIONAL CARE  
PROGRAM (TCP)  
CONSULTS

2633

POST-ACUTE CARE  
(PAC) CONSULTS

2106

DIABETES  
EDUCATION  
CONSULTS

291

PULMONARY  
CARDIAC  
REHABILITATION  
CONSULTS



# 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.mbpsh.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.



Caring for our community

Aspirational through our culture

Trusted in our relationships

Sustainable in our Services



VHES 95% positive patient experience responses  
Part B Statement of Priorities KPIs met  
MBPH Research Unit  
YES survey?

Employee satisfaction 67%  
Employee engagement 74%  
Employee workplace culture safety rating 79%  
Psychosocial and physical safety climate rating 60%

Established partnerships  
Improving stakeholder survey results

Part C Statement of Priorities KPIs met  
Masterplan and funding



Consumer engagement  
Consumer advisory Committees  
MBPH Model of Care  
MHRMOC  
MBPH Research Unit  
Patient Safety Program  
Volunteer program

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

MHRMOC partnerships  
NMIP  
You Said We Did program  
MBPH@Home  
CEM@Home

Part C SOP KPIs met  
FMIP  
External report action plans  
Shared services  
Mental Health DMR  
Masterplan and funding





# 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**

Katrina Allen

### **Executive Director Mental Health**

David Kirby

### **Executive Director People, Culture & Wellbeing**

Janelle McGregor

### **Executive Director Communications & Engagement**

Heath Kendall



# ORGANISATIONAL STRUCTURE OF MBPH















FTE PROFILE

Hospital Labour Category	Current Month June FTE		Average Monthly FTE	
	2022	2023	2022	2023
Nursing	410	439	381	415
Administration and Clerical	127	135	111	132
Medical Support	79	88	74	87
Hotel and Allied Services	50	54	47	50
Medical Officers	16	34	14	33
Hospital Medical Officers	79	84	70	73
Sessional Clinicians	18	10	16	7
Ancillary Support (Allied Health)	68	80	63	73
TOTAL	846	926	777	871

The FTE Figures required in the table are those excluding overtime. These do not include contracted staff (e.g., Agency nurses, Fee for Service and Visiting Medical Officers) who are not regarded as employees for this purpose.

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







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:

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

	2023 (\$000)	2022 (\$000)	2021 (\$000)
<b>OPERATING RESULT*</b>	<b>188</b>	<b>250</b>	<b>0</b>
Total Revenue	235,307	189,976	132,622
Total Expenses	(235,838)	(192,313)	(134,592)
<b>Net Result from transactions</b>	<b>(531)</b>	<b>(2,337)</b>	<b>(1,849)</b>
Total other economic flows	(521)	(1,406)	3,349
<b>Net Result</b>	<b>(1,052)</b>	<b>(3,743)</b>	<b>1,500</b>
Total assets	171,262	153,209	136,378
Total liabilities	(75,198)	(56,093)	(43,635)
<b>Net assets/Total equity</b>	<b>96,064</b>	<b>97,116</b>	<b>92,743</b>

\*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

	2023 (\$000)	2022 (\$000)	2021 (\$000)
<b>Operating Result</b>	<b>188</b>	<b>250</b>	<b>0</b>
Capital purpose income	5,140	1,943	1,386
Specific income	146	126	524
COVID 19 state supply arrangements – Assets received free of charge or for nil consideration under the State Supply	1,390	1883	NA
Assets received free of charge	NA	41	NA
Expenditure for capital purpose	(948)	(940)	NA
Depreciation and amortisation	(5,958)	(4,915)	(3,638)
Impairment of non-financial assets	(272)	(597)	(121)
Finance Costs (other)	(217)	(128)	NA
<b>Net Result from transactions</b>	<b>(531)</b>	<b>(2,337)</b>	<b>1,849</b>



Hospital Labour Category	June Current Month FTE		Average Monthly FTE	
	2022	2023	2022	2023
Nursing	410	439	381	415
Administration and Clerical	127	135	111	132
Medical Support	79	88	74	87
Hotel and Allied Support	50	54	47	50
Medical Officers	16	34	14	33
Hospital Medical Officers	79	84	70	73
Sessional Clinicians	18	10	16	7
Ancillary Staff (Allied Health)	68	80	63	73
<b>Total</b>	<b>846</b>	<b>926</b>	<b>777</b>	<b>871</b>

The FTE Figures required in the table are those excluding overtime. These do not include contracted staff (eg, Agency nurses, Fee for Service and Visiting Medical Officers) who are not regarded as employees for this purpose.

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 2022-23, there were 2 consultancies when the total fees payable to the consultants were less than \$10,000.

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

In 2022-23, there were 8 consultants where the total fees payable to the consultants were \$10,000 or greater.

Consultant	Purpose of consultancy	2022-23 (ex GST) \$'000	Future (ex GST) \$'000
Uplift Group	Health Information Review	123	120
MYOB	Payroll Consulting	12	
Golden Star Security	Security Review	13	
Donald Cant Watts Corke Health Advisory	Health Planning Services	39	
Engaging People	Executive Support Program	12	
ASPEX	Pathways to Regional Health Service	16	
Syris Consulting	Clinical Costing	42	
Mary Whelan	Food Services Review	21	
Paxon	Health Precinct Governance	64	
The Trustee for GRMS	Business Continuity Plan	43	

INFORMATION AND COMMUNICATION TECHNOLOGY (ICT)  
EXPENDITURE

Business as Usual (BAU) ICT expenditure	Non-Business as Usual (non-BAU) ICT expenditure		
Total (excluding GST)	Total=Operational expenditure and Capital Expenditure (excluding GST) (a) + (b)	Operational expenditure (excluding GST) (a)	Capital expenditure (excluding GST) (b)
\$2,639,936	\$571,242	\$0	\$571,242

## SOCIAL PROCUREMENT

Social procurement creates an opportunity for MBPH to deliver social and sustainable outcomes that help to build a fair, inclusive sustainable Victoria through all procurement activities undertaken by, or on behalf of the Health Service.

MBPH's Social Procurement Strategy is committed to advancing social and sustainable procurement objectives through procurement in accordance with the Social Procurement Framework. The strategy builds on social policies including Response to Family Violence in the Workplace and Diversity Acceptance Policy.

All procurement activities undertaken by, or on behalf of MBPH aim to support regional small medium enterprises that play a critical role in the sustainability of the region's economy and its community.

MBPH continues to implement the Government's objectives as part of normal market procurement activities and engage with a number of social benefits suppliers. MBPH will continue to identify and engage in opportunities to improve our spend with social benefit suppliers.

# 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](mailto: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 / 1746260904421/0
- Planning Permit Number 005.2021.00000107.001 Construction - 8 Bed Paediatrics Unit (ward 6).
- Building Permit Number CBS- U 57014 /4734797134064/0
- 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 requirements 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.

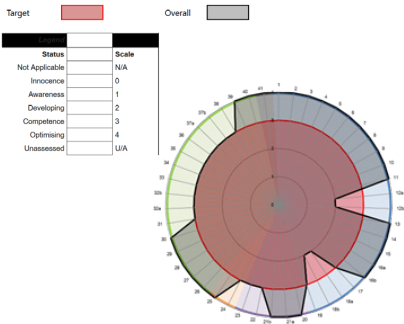
### Safe Patient Care Act 2015 (Vic)

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 60 compliments and 158 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

	UOM	2022-23	2021-22	2020-21
<b>Green House</b>				
Petrol / Fuel	L	23920	23598	23336
<b>Energy</b>				
Electricity	MWh	3405.94	4143	N/A
Gas	GJ	11650	9277	N/A
<b>Water</b>				
Mains	kl	40792	47380	N/A
<b>Waste</b>				
General	kg	284561	168293	177002
Clinical	kg	27678	49891	22784
Recycling	kg	61513	40751	40664

ADDITIONAL INFORMATION AVAILABLE ON REQUEST

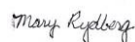
Details in respect of the items listed below have been retained by MBPH and are available to the relevant Ministers, Members of Parliament and the public on request (subject to freedom of information requirements if applicable):

- 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 2023.



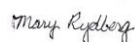
**Mary Rydberg**

Board Chair

27/09/2023

### Attestation for financial management compliance

I 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

27/09/2023

### 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

27/09/2023

### 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

27/09/2023

### 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

27/09/2023

### HSV Purchasing Declaration

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



**Terry Welch**

Chief Executive Officer

27/09/2023





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
<b>Ministerial Direction</b>		
<b>Report of Operations</b>		
<b>Charter and Purpose</b>		
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
<b>Management and structure</b>		
FRD 22	Organisational structure	18
FRD 22	Workforce data/employment and conduct principles	24
FRD 22	Occupational Health and Safety	25
<b>Financial information</b>		
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	32
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	33
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	32
Attestations		
	Attestation on Data Integrity	35
	Attestation on managing Conflicts of Interest	35
	Attestation on Integrity, fraud and corruption	35
Other reporting requirements		
	Reporting of outcomes from Statement of Priorities 2021-22	44
	Occupational Violence reporting	25
	Reporting obligations under the Safe Patient Care Act 2015	25
	Reporting of compliance regarding Car Parking Fees (if applicable)	N/A





Strategic Priorities	MBPH Strategy and Outcome
Improve Emergency Department access	<p>MBPH is a member of the Timely Emergency Care Collaborative; this is a two-year project in which MBPH was selected to participate along with 14 other health services across Victoria. The Collaborative objective is to improve the timeliness of emergency care by improving system-wide patient flow through the hospital.</p> <p>A number of initiatives have been implemented at MBPH to improve patient flow including, though not limited to: appointment of a Nurse Unit Manager – Access &amp; Flow, and an Inpatient Care Coordinator; implementation of a transit lounge, criteria led discharge; and participation in the Pathways Program. The combination of improvements has seen improvements in inpatient length of stay and time to be seen in the Emergency Department.</p> <p>The Mildura Priority Primary Care Centre (PPCC) opened in May 2023; the aim of the PPCC is to relieve pressure on hospital emergency departments by providing medical care for non-life-threatening injuries or illnesses. The Mildura PPCC is a partnership between MBPH, Sunraysia Community Health Services (SCHS) and the Murray Primary Health Network (PHN).</p>
Plan update to nutrition and food quality standards	<p>MBPH introduced the first stage of the health eating initiative, second stage is planned to be introduced in 2023/2024. Another focus for this year has been the introduction of new menu items in both the hospital café and patient menu which promote nutrition value and supported by in house Dietician</p>
Climate Change Commitments	<p>A new environmental committee was establishing with representatives from key internal stakeholders. The committee lead the charge several initiatives including the introduction of new waste streams, installation of solar panels, car conversion to hybrid vehicles and number of other waste minimisation initiatives.</p>
Asset Maintenance and Management	<p>MBPH has in place an Asset Strategy and develops a yearly Asset Management Plan which is presented to both Department of Health and Victorian Health Building Authority. MBPH has submitted multiple business cases through the different capital funding streams and received capital funding for numerous projects. Regular updates are provided to representatives from VHBA on project statuses.</p>

Strategic Priorities      MBPH Strategy and Outcome

<p><b>IMPROVE ABORIGINAL HEALTH AND WELLBEING</b></p> <p>Improve Aboriginal cultural safety</p>	<p>MBPH has appointed an Aboriginal Health Practitioner (AHP) in the Emergency Department to provide clinical care and treatment. This role is supporting aboriginal patients through their emergency department journey, including the provision of assessments and care. The AHP is contacting patients who have left without being seen at times when the role is not operating to identify reasons for patients leaving and offer options to obtain care if that has not occurred.</p> <p>There has also been additional Aboriginal Liaison Officers appointed, allowing the service to expand to include a weekend service and support to outpatient clinics.</p> <p>Several cadetships have been supported for aboriginal trainees to work at MBPH in both nursing and midwifery. These cadetships and roles have been very successful, and the program will be continued in the coming year.</p> <p>This year's NAIDOC week celebrations were held at the Aboriginal Health Unit and included Acknowledgement of Country, smoking ceremony, local dancers and a story teller. The feedback from community was overwhelmingly positive about how safe they felt in this environment.</p>
<p><b>MOVING FROM COMPETITION TO COLLABORATION</b></p> <p>Foster and develop local partnerships</p>	<p>MBPH continues to participate in the Northern Mallee Integrated Partnership (NMIP) collaborating with Robinvale District Health Services (RDHS) and Mallee Track Health and Community Service (MTHCS) to enhance collaboration on priorities and initiatives directly influencing health care service delivery of the Northern Mallee. Through this collaboration, RDHS and MTHCS will see the return of imaging services to their communities.</p> <p>MBPH have partnered with Sunraysia Community Health Services (SCHS) to establish the Mildura Priority Primary Care Centre (PPCC) to provide urgent non-emergency care and treatment to Sunraysia residents.</p> <p>Operations teams continue to meet regularly with our cross-border health service neighbours and NSW Ambulance to enhance current service delivery options and opportunities.</p> <p>Operations teams have re-engaged with local aged care facilities to enhance current relationships, ensuring smooth transition of patients between MBPH inpatient beds, aged care facilities and MBPH@Home services.</p>
<p>Planned Surgery Recovery and Reform Program</p>	<p>MBPH is an active member of the Loddon Mallee Health Network (LMHN) Surgery Recovery and Reform Project. Health services across the Loddon Mallee work together on projects and pool resources to improve patient access to elective surgery and patient outcomes throughout the region, and particularly seek improvement in our own health service.</p> <p>Through this project MBPH have upskilled nursing staff into Perioperative Nurses, in order to increase our pool of local skilled staff, and undertaken data reviews in order to benchmark against LMHN health services.</p>

Strategic Priorities      MBPH Strategy and Outcome

Support mental health and wellbeing	MBPH Mental Health Services has worked with the Mallee District Aboriginal Service's (MDAS) Ngawingi Kiya Ngawingi (Day to Day) Aboriginal Mental Health and Wellbeing Program to develop a service level agreement outlining how the two services work collaboratively to provide mental health services to Indigenous consumers in a manner that considers both cultural and clinical safety. MBPH also employs an Aboriginal Mental Health trainee undertaking the Bachelor of Mental Health at Charles Sturt University.
<div>A STRONGER WORKFORCE</div> <div>Improve workforce wellbeing</div>	<p>One of MBPH's priorities has been ensuring the safety and wellbeing of its employees. Proactively, MBPH embarked on re-developing its Occupational Health and Safety (OHS) management system which will continue into 2023/24. This dedicated effort not only reflects MBPH's commitment to providing a safe working environment, but also ensures the implementation of necessary precautions to prevent workplace accidents and promote employee wellbeing. While MBPH has made significant strides in employee safety and embedding a safety culture, we recognise that there is more to be done. In 2023 and 2024, MBPH will focus on addressing occupational violence and aggression to enhance workforce safety and wellbeing through the development of a Mental Health and Wellbeing strategy. This proactive approach, which includes actively listening to the employee voice and recognising its importance in strategy development, fosters a respectful and secure environment for our employees and in our pursuit to deliver exceptional patient care.</p> <p>In 2022, the floods that struck Mildura and other towns along the Murray River served as a crucial validation of MBPH's emergency management and business continuity planning. Through the successful completion of the Emergency Response Framework, MBPH demonstrated its ability to effectively handle potential crises, ensuring uninterrupted essential operations and safeguarding its patients, employees and valuable assets.</p> <p>Having a well-defined emergency response plan in place instils confidence not only among MBPH's employees but also within the broader community. It reassures everyone that MBPH is well-prepared to navigate through adversity and prioritise the safety and wellbeing of its workforce and the community it serves, showcasing its position as a resilient health service.</p> <p>As MBPH continues to build on its emergency preparedness measures and business continuity plans, it further reinforces its commitment to upholding the highest safety standards and ensuring seamless healthcare services for patients and the community at large.</p> <p>Efficient Occupational Health and Safety (OHS) processes were further streamlined with the implementation of the workplace people management systems. By embracing technology, MBPH demonstrates its commitment to staying at the forefront of safety practices and ensuring the utmost care for its employees.</p>



STATEMENT OF PRIORITIES PART B

DOMAIN KPI

CURRENT YEAR

Strong governance, leadership and culture

Target

Result

Organisational culture

SoP	Safety culture among healthcare workers	62%	67%
-----	---	-----	-----

Timely access to care

Target

Result

Emergency care

SoP	Patients transferred from ambulance to ED within 40 minutes	90%	79%
SoP	Percentage of triage category 1 patients seen immediately	100%	100%
SoP	Triage category 1 to 5 patients seen within clinically recommended time	80%	58%
SoP	Patients with a length of stay in ED less than 4 hours	81%	56%
SoP	Patients with a length of stay in ED greater than 24 hours	0	528

Mental health care

SoP	Percentage of 'urgent' (Category 'C') triage episodes with a face to face contact received within 8 hours	80%	91%
SoP	Percentage of mental health related ED presentations with a length of stay of less than 4 hours	81%	53%

Specialist clinics

SoP	Urgent patients who attended a first appointment in the waiting period	100%	85.9%
SoP	Routine patients who attended a first appointment in the waiting period	90%	100%

DOMAIN KPI		CURRENT YEAR	
Effective financial management		Target	Result

Budget management

SoP	Operating result (\$M)	0.00	0.19
SoP	Net result from transaction variance	90.0%	44.58%

Cash management

SoP	Trade creditors	60	79
SoP	Patient fee debtors	60	122
SoP	Adjusted current asset ratio	0.70	1.00
SoP	Current days of available cash	14.0	73.7

High quality and safe care		Target	Result
----------------------------	--	--------	--------

Infection prevention and control

SoP	Hand hygiene	85.0%	89.2%
SoP	Healthcare worker immunisation	92%	99%

Patient experience

SoP	Patients who reported positive experienced of their hospital stay	95.0%	87.3%
-----	---	-------	-------

Potentially preventable infections

SoP	Healthcare-associated surgical site infections - selected procedures	No outliers	No outliers
SoP	Healthcare-associated intensive care unit (ICU) infections, per 1,000 central line days	0.0	0.0



STATEMENT OF PRIORITIES PART C

Funding Type Activity

Consolidated Activity Funding

Acute admitted, Sub Acute Admitted, Emergency Services, non-admitted NWAU	23,052
---	--------

Acute Admitted

Acute Admitted DVA	135
Acute Admitted TAC	80
National Bowel Cancer Screening Program NWAU	49

Acute Non-Admitted

Home Enteral Nutrition NWAU	14
-----------------------------	----

Mental Health and Drug Services

Mental Health Ambulatory	30,622
Mental Health Inpatient - Available Bed Days	5,113
Mental Health Service System Capacity	1
Drug Services	308
Mental Health Subacute	3,652

Subacute/Non-Acute, Admitted & Non-admitted

Transition Care - Bed Days	2,276
Transition Care - Home Days	3,570
Subacute WIES - DVA	36

Other

Health Workforce	63
------------------	----

Total Funding 156,648





Mildura Base Public Hospital presents its audited general purpose financial statements for the year ended 30 June 2023 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**

Board Member’s Accountable Officer’s, and Chief Finance & Accounting Officer’s Declaration	52
Auditor-General’s Report	54
Comprehensive Operating Statement	56
Balance Sheet	57
Cash Flow Statement	58
Statement of Changed in Equity	59
Notes to the Financial Statements	60
Note 1: Basis of Preparation	60
Note 2: Funding Delivery of our Services	64
Note 3: The Cost of Delivering our Services	70
Note 4: Key Assets to Support Service Delivery	78
Note 5: Other Assets and Liabilities	88
Note 6: How we Finance our Operations	94
Note 7: Risks, Contingencies and Valuation Uncertainties	99
Note 8: Other Disclosures	113

# Mildura Base Public Hospital

## Board Member’s, Accountable Officer’s, and Chief Finance & Accounting Officer’s Declaration

The attached financial statements for Mildura Base Public Hospital 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 period 1 July 2022 to 30 June 2023 and the financial position of Mildura Base Public Hospital at 30 June 2023.

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

We authorise the attached financial statements for issue on 27 September 2023.

Board member



Mary Rydberg  
Chair  
Mildura  
27 September 2023

Accountable Officer



Terry Welch  
Chief Executive Officer  
Mildura  
27 September 2023

Chief Financial & Accounting Officer



Matthew Jukes  
Chief Financial & Accounting Officer  
Mildura  
27 September 2023







Independent Auditor’s Report

To the Board of Mildura Base Public Hospital

<b>Opinion</b>	<p>I have audited the financial report of Mildura Base Public Hospital (the health service) which comprises the:</p> <ul style="list-style-type: none"><li>• balance sheet as at 30 June 2023</li><li>• comprehensive operating statement for the year then ended</li><li>• statement of changes in equity for the year then ended</li><li>• cash flow statement for the year then ended</li><li>• notes to the financial statements, including significant accounting policies</li><li>• board member’s, accountable officer’s and chief finance &amp; accounting officer’s declaration.</li></ul> <p>In my opinion the financial report presents fairly, in all material respects, the financial position of the health service as at 30 June 2023 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 7 of the <i>Financial Management Act 1994</i> and applicable Australian Accounting Standards.</p>
<b>Basis for Opinion</b>	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor’s Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the health service in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board’s <i>APES 110 Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
<b>Board’s responsibilities for the financial report</b>	<p>The Board of the health service is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the <i>Financial Management Act 1994</i>, and for such internal control as the Board determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.</p> <p>In preparing the financial report, the Board is responsible for assessing the health service’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.</p>

---

**Auditor's  
responsibilities  
for the audit of  
the financial  
report**

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

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

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

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

---



# Mildura Base Public Hospital

## Comprehensive Operating Statement

For the Financial Year Ended 30 June 2023

	Note	2023 \$ '000	2022 \$ '000
<b>Revenue and income from transactions</b>			
Operating activities	2.1	234,400	189,900
Non-operating activities	2.1	907	76
<b>Total revenue and income from transactions</b>		<b>235,307</b>	<b>189,976</b>
<b>Expenses from transactions</b>			
Employee expenses	3.1	(163,979)	(133,382)
Supplies and consumables	3.1	(42,489)	(37,598)
Finance costs	3.1	(217)	(128)
Depreciation and amortisation	3.1	(5,958)	(4,915)
Other administrative expenses	3.1	(12,624)	(10,254)
Other operating expenses	3.1	(10,571)	(6,036)
<b>Total expenses from transactions</b>		<b>(235,838)</b>	<b>(192,313)</b>
<b>Net result from transactions - net operating balance</b>		<b>(531)</b>	<b>(2,337)</b>
<b>Other economic flows included in net result</b>			
Total net gain/(loss) on financial assets	3.2	(272)	(597)
Share of net profits of joint entities, excluding dividends	3.2	88	(19)
Net gain/(loss) on disposal of property plant and equipment	3.2	(25)	(15)
Net gain/(loss) arising from revaluation of long service leave liability	3.2	(312)	(775)
<b>Total other economic flows included in the net result</b>		<b>(521)</b>	<b>(1,406)</b>
<b>Net result for the period</b>		<b>(1,052)</b>	<b>(3,743)</b>
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified to net result</b>			
Changes in revaluation reserve	4.3	-	8,116
<b>Comprehensive results for the period</b>		<b>(1,052)</b>	<b>4,373</b>

# Mildura Base Public Hospital

## Balance Sheet

As at 30 June 2023

	Note	2023 \$ '000	2022 \$ '000
<b>Current assets</b>			
Cash and cash equivalents	6.2	50,700	32,887
Receivables and contract assets	5.1	2,980	4,590
Inventories	4.6	631	589
Prepaid expenses		410	519
<b>Total current assets</b>		<b>54,721</b>	<b>38,585</b>
<b>Non-current assets</b>			
Receivables and contract assets	5.1	13,467	13,608
Property, plant and equipment	4.1	95,298	93,761
Right-of-use assets	4.2	6,084	5,374
Intangible assets	4.4	1,692	1,881
<b>Total non-current assets</b>		<b>116,541</b>	<b>114,624</b>
<b>Total assets</b>		<b>171,262</b>	<b>153,209</b>
<b>Current liabilities</b>			
Payables and contract liabilities	5.2	40,381	26,250
Other Liabilities	5.3	855	523
Lease liabilities	6.1	1,139	749
Employee benefits	3.3	22,173	19,365
<b>Total current liabilities</b>		<b>64,548</b>	<b>46,887</b>
<b>Non-current liabilities</b>			
Lease liabilities	6.1	5,312	4,692
Employee benefits	3.3	5,338	4,514
<b>Total non-current liabilities</b>		<b>10,650</b>	<b>9,206</b>
<b>Total liabilities</b>		<b>75,198</b>	<b>56,093</b>
<b>Net assets</b>		<b>96,064</b>	<b>97,116</b>
<b>Equity</b>			
Accumulated surplus/(deficit)		(5,323)	(2,649)
Contributed capital		90,992	90,992
Restricted reserves		2,028	406
Asset revaluation reserve	4.3	8,367	8,367
<b>Total equity</b>		<b>96,064</b>	<b>97,116</b>

# Mildura Base Public Hospital

## Cash Flow Statement

For the Financial Year Ended 30 June 2023

	Note	2023 \$ '000	2022 \$ '000
<b>Cash flows from operating activities</b>			
Operating grants from government		220,499	185,353
Capital grants from government		7,281	1,927
Patient fees received		1,676	1,125
Private practice fees received		1,051	978
GST received from the Australian Taxation Office		7,317	6,223
Interest income received		907	76
Other receipts		7,498	1,852
<b>Total receipts</b>		<b>246,229</b>	<b>197,534</b>
Employee expenses paid		(160,083)	(131,582)
Payments for supplies and consumables		(61,474)	(52,697)
Finance costs		(217)	(128)
<b>Total payments</b>		<b>(221,774)</b>	<b>(184,407)</b>
<b>Net cash provided by operating activities</b>	8.1	<b>24,455</b>	<b>13,127</b>
<b>Cash flows from investing activities</b>			
Proceeds from sale of non-financial assets		-	31
Purchase of property, plant and equipment		(6,067)	(2,782)
<b>Net cash used in investing activities</b>		<b>(6,067)</b>	<b>(2,751)</b>
<b>Cash flows from financing activities</b>			
Principle lease repayments		(938)	(591)
Receipt of Monies in Trust		363	523
<b>Net cash used in financing activities</b>		<b>(575)</b>	<b>(68)</b>
<b>Net increase in cash held</b>		<b>17,813</b>	<b>10,308</b>
Cash and cash equivalents at the beginning of the period		32,887	22,579
<b>Cash and cash equivalents at the end of the period</b>	6.2	<b>50,700</b>	<b>32,887</b>

# Mildura Base Public Hospital

## Statement of Changes in Equity

For the Financial Year Ended 30 June 2023

	Accumulated Surplus \$ '000	Contributed Capital \$ '000	Restricted Reserves \$ '000	Asset Revaluation Reserve \$ '000	Total Equity \$ '000
<b>Balance at 1 July 2021</b>	<b>1,290</b>	<b>90,992</b>	<b>210</b>	<b>251</b>	<b>92,743</b>
Net result for the period	(3,743)	-	-	-	(3,743)
Other comprehensive income	-	-	-	8,116	8,116
Transfer to/(from) reserves	(196)	-	196	-	-
<b>Balance at 30 June 2022</b>	<b>(2,649)</b>	<b>90,992</b>	<b>406</b>	<b>8,367</b>	<b>97,116</b>
Net result for the period	(1,052)	-	-	-	(1,052)
Other comprehensive income	-	-	-	-	-
Transfer to/(from) reserves	(1,622)	-	1,622	-	-
<b>Balance at 30 June 2023</b>	<b>(5,323)</b>	<b>90,992</b>	<b>2,028</b>	<b>8,367</b>	<b>96,064</b>

# Mildura Base Public Hospital

## Notes to the Financial Statements

For the Financial Year Ended 30 June 2023

### **Note 1. Basis of Preparation**

These financial statements represent the audited general purpose financial statements for Mildura Base Public Hospital for the year ended 30 June 2023. 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

## Notes to the Financial Statements

For the Financial Year Ended 30 June 2023

**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 27th September 2023.

**1.2 Impact of COVID-19 pandemic**

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

Where financial impacts of the pandemic are material to Mildura Base Public Hospital, they are disclosed in the explanatory notes. For the Mildura Base Public Hospital, this includes:

**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

# Mildura Base Public Hospital

## Notes to the Financial Statements

For the Financial Year Ended 30 June 2023

### **Note 1. Basis of Preparation (continued)**

#### **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 relate to the following disclosures:

- Note 2.1: Revenue and income from transactions
- Note 3.3: Employee benefits and related on-costs
- Note 4.1: Property, plant and equipment
- Note 4.2: Right-of-use Assets
- Note 4.4: Intangible Assets
- Note 4.5: Depreciation and Amortisation
- Note 4.9: Impairment of Assets
- Note 5.1: Receivables and contract assets
- Note 5.2: Payables and contract liabilities
- Note 6.1: Lease Liabilities
- Note 7.4: Fair value determination

# Mildura Base Public Hospital

## Notes to the Financial Statements

For the Financial Year Ended 30 June 2023

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

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

# Mildura Base Public Hospital

## Notes to the Financial Statements

For the Financial Year Ended 30 June 2023

**Note 1. Basis of Preparation (continued)**

**1.7 Goods and Services Tax (GST)**

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

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

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

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

**1.8 Reporting entity**

Mildura Bases Public Hospital's 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

**Telling the COVID-19 story**

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

# Mildura Base Public Hospital

## Notes to the Financial Statements

For the Financial Year Ended 30 June 2023

### Note 2. Funding Delivery of our Services (continued)

#### Key judgements and estimates

This section contains the following key judgements and estimates

Key judgements and estimates	Description
<i>Identifying performance obligations</i>	<p>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.</p> <p>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.</p> <p>If this criteria is not met, funding is recognised immediately in the net result from operations.</p>
<i>Determining timing of revenue recognition</i>	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 grant income recognition.

#### 2.1 Revenue and income from transactions

	Note	2023 \$ '000	2022 \$ '000
<b>Operating activities</b>			
<b>Revenue from contracts with customers</b>			
Government grants (State) - operating		192,967	153,149
Government grants (Commonwealth) - operating		9,844	9,502
Patient and resident fees		1,936	1,565
Private practice fees		1,051	978
Commercial Activities <sup>1</sup>		855	833
<b>Total revenue from contracts with customers</b>		<b>206,653</b>	<b>166,027</b>
<b>Other sources of income</b>			
Government grants (State) - operating		15,054	15,056
Government grants (State) - capital		5,140	1,943
Assets received free charge or for nominal consideration	2.1(b)	1,390	1,924
Other revenue from operating activities (including non-capital donations)		4,914	4,497
Other revenue from non-operating activities (including specific-purpose donations)		1,249	453
<b>Total other sources of income</b>		<b>27,747</b>	<b>23,873</b>
<b>Total revenue and income from operating activities</b>		<b>234,400</b>	<b>189,900</b>

<sup>1</sup>Commercial activities represent business activities which Mildura Base Public Hospital enters into to support its operations.

# Mildura Base Public Hospital

## Notes to the Financial Statements

For the Financial Year Ended 30 June 2023

### Note 2. Funding Delivery of our Services (continued)

#### 2.1 Revenue and income from transactions (continued)

	2023 \$ '000	2022 \$ '000
<b>Non-operating activities</b>		
<b>Income from other sources</b>		
Interest	907	76
<b>Total income from other sources</b>	<b>907</b>	<b>76</b>
<b>Total income from non-operating activities</b>	<b>907</b>	<b>76</b>
<b>Total revenue and income from transactions</b>	<b>235,307</b>	<b>189,976</b>

#### 2.1(a) Timing of revenue from contracts with customers

	2023 \$ '000	2022 \$ '000
<b>Goods and services transferred to customers:</b>		
Mildura Base Public Hospital disaggregates revenue by the timing of revenue recognition		
At a point in time	205,798	165,194
Over time	855	126
<b>Total revenue from contracts with customers</b>	<b>206,653</b>	<b>165,320</b>

#### 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 a point in time or over time as and 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.

# Mildura Base Public Hospital

## Notes to the Financial Statements

For the Financial Year Ended 30 June 2023

**Note 2. Funding Delivery of our Services (continued)**

**2.1 Revenue and income from transactions (continued)**

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

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.

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 National Weighted Activity Unit (NWAU)	NWAU is a measure of health service activity expressed as a common unit against which the national efficient price (NEP) is paid. The performance obligations for NWAU are the number and mix of admissions, emergency department presentations and outpatient episodes, and is weighted for clinical complexity. Revenue is recognised at point in time, which is when a patient is discharged.
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.

# Mildura Base Public Hospital

## Notes to the Financial Statements

For the Financial Year Ended 30 June 2023

**Note 2. Funding Delivery of our Services (continued)**

**2.1 Revenue and income from transactions (continued)**

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

*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.

*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 and Pharmacy 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**

	2023 \$ '000	2022 \$ '000
Computer Equipment	-	41
Personal protective equipment and other consumables	1,390	1,883
<b>Total fair value of assets and services received free of charge or for nominal consideration</b>	<b>1,390</b>	<b>1,924</b>

**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 2023

**Note 2. Funding Delivery of our Services (continued)**

**2.1 Revenue and income from transactions (continued)**

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

*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.

*Contributions of resources*

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

The exception to this policy is when an asset is received from another government agency or department as a consequence of a restricting 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.

*Volunteer Services*

Contributions by volunteers, in the form of services, are only recognised when fair value can be reliably measured, and the services would have been purchased if they had not been donated. 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 2023

### **Note 3. The Cost of Delivering our Services**

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

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

### **Key judgements and estimates**

This section contains the following key judgements and estimates:

#### *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.

Mildura Base Public Hospital applies significant judgement when measuring its employee liabilities. Mildura Base Public Hospital applies judgement to determine when it expects its employee entitlements to be paid.

With reference to historical data, if Mildura Base Public Hospital does not expect entitlements to be paid within 12 months, the entitlement is measured at its present value, being the expected future payments to employees.

Expected future payments incorporate:

- an inflation rate of 4.35%, reflecting the future wage and salary levels
- durations of service and employee departures, which are used to determine the estimated value of long service leave that will be taken in the future, for employees who have not yet reached the vesting period. The estimated rates are between 56% and 94%.
- discounting at the rate of 4.06%, as determined with reference to market yields on government bonds at the end of the reporting period.

All other entitlements are measured at their nominal value.

# Mildura Base Public Hospital

## Notes to the Financial Statements

For the Financial Year Ended 30 June 2023

### Note 3. The Cost of Delivering our Services

#### 3.1 Expenses from transactions

	2023 \$ '000	2022 \$ '000
<b>Employee expenses</b>		
Salaries and wages	113,017	98,526
On-costs	12,603	9,243
Agency expenses	12,326	7,946
Fee for service medical officer expenses	24,796	17,715
WorkCover premium	1,237	501
<b>Total employee expenses</b>	<b>163,979</b>	<b>133,382</b>
<b>Supplies and consumables</b>		
Drug supplies	11,048	9,930
Medical and surgical supplies (including Prostheses)	9,182	7,450
Diagnostic and radiology supplies	10,545	8,481
Other supplies and consumables	11,714	11,737
<b>Total supplies and consumables</b>	<b>42,489</b>	<b>37,598</b>
<b>Finance costs</b>		
Finance costs	217	128
<b>Total finance costs</b>	<b>217</b>	<b>128</b>
<b>Other administration expenses</b>		
Other administration expenses	12,624	10,254
<b>Total other administration expenses</b>	<b>12,624</b>	<b>10,254</b>
<b>Other operating expenses</b>		
Fuel, light, power and water	1,172	1,204
Repairs and maintenance	3,922	1,808
Maintenance contracts	1,877	25
Medical indemnity insurance	3,600	2,999
<b>Total other operating expenses</b>	<b>10,571</b>	<b>6,036</b>
<b>Total operating expenses</b>	<b>229,880</b>	<b>187,398</b>
<b>Depreciation and amortisation</b>		
Depreciation and amortisation	5,958	4,915
<b>Total depreciation and amortisation</b>	<b>5,958</b>	<b>4,915</b>
<b>Total expenses from transactions</b>	<b>235,838</b>	<b>192,313</b>

# Mildura Base Public Hospital

## Notes to the Financial Statements

For the Financial Year Ended 30 June 2023

### **Note 3. The Cost of Delivering our Services**

#### **3.1 Expenses from transactions (continued)**

##### **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.

###### *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.

# Mildura Base Public Hospital

## Notes to the Financial Statements

For the Financial Year Ended 30 June 2023

### Note 3. The Cost of Delivering our Services

#### 3.2 Other economic flows

	Note	2023 \$ '000	2022 \$ '000
Net gain/(loss) on disposal of property plant and equipment		(25)	(15)
<b>Total net gain/(loss) on non-financial assets</b>		<b>(25)</b>	<b>(15)</b>
Allowance for impairment losses of contractual receivables		(272)	(597)
<b>Total net gain/(loss) on financial assets</b>		<b>(272)</b>	<b>(597)</b>
Share of net profits of joint entities, excluding dividends	8.7	88	(19)
<b>Total share of other economic flows from joint arrangements</b>		<b>88</b>	<b>(19)</b>
Net gain/(loss) arising from revaluation of long service leave liability		(312)	(775)
<b>Total other gain/(losses) from other economic flows</b>		<b>(312)</b>	<b>(775)</b>
<b>Total gains/(losses) from other economic flows</b>		<b>(521)</b>	<b>(1,406)</b>

#### 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

# Mildura Base Public Hospital

## Notes to the Financial Statements

For the Financial Year Ended 30 June 2023

### Note 3. The Cost of Delivering our Services

#### 3.3 Employee benefits in the balance sheet

##### Current employee benefits and related on-costs

###### *Accrued days off*

Unconditional and expected to be settled wholly within 12 months <sup>1</sup>

2023 \$ '000	2022 \$ '000
761	725
<b>761</b>	<b>725</b>

###### *Annual leave*

Unconditional and expected to be settled wholly within 12 months <sup>1</sup>

Unconditional and expected to be settled wholly after 12 months <sup>2</sup>

9,268	7,881
1,467	1,280
<b>10,735</b>	<b>9,161</b>

###### *Long service leave*

Unconditional and expected to be settled wholly within 12 months <sup>1</sup>

Unconditional and expected to be settled wholly after 12 months <sup>2</sup>

631	578
7,918	7,214
<b>8,549</b>	<b>7,792</b>

###### *Provisions related to employee benefit on-costs*

Unconditional and expected to be settled wholly within 12 months <sup>1</sup>

Unconditional and expected to be settled wholly after 12 months <sup>2</sup>

1,263	934
865	753
<b>2,128</b>	<b>1,687</b>

##### Total current employee benefits and related on-costs

<b>22,173</b>	<b>19,365</b>
---------------	---------------

##### Non-current employee benefits and related on-costs

Conditional long service leave

Provisions related to employee benefit on-costs

4,901	4,145
437	369

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

<b>5,338</b>	<b>4,514</b>
--------------	--------------

##### Total employee benefits and related on-costs

<b>27,511</b>	<b>23,879</b>
---------------	---------------

<sup>1</sup> The amounts disclosed are nominal amounts

<sup>2</sup> The amounts disclosed are discounted to present value

# Mildura Base Public Hospital

## Notes to the Financial Statements

For the Financial Year Ended 30 June 2023

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

#### **3.3 Employee benefits in the balance sheet (continued)**

##### **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.

###### *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.

###### *Termination benefits*

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

# Mildura Base Public Hospital

## Notes to the Financial Statements

For the Financial Year Ended 30 June 2023

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

#### 3.3 Employee benefits in the balance sheet (continued)

*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.

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

	2023 \$ '000	2022 \$ '000
<b>Current employee benefits and related on-costs</b>		
Unconditional accrued days off	761	725
Unconditional annual leave entitlements	12,109	10,168
Unconditional long service leave entitlements	9,303	8,472
<b>Total current employee benefits and related on-costs</b>	<b>22,173</b>	<b>19,365</b>
<b>Non-current employee benefits and related on-costs</b>		
Conditional long service leave entitlements	5,338	4,514
<b>Total non-current employee benefits and related on-costs</b>	<b>5,338</b>	<b>4,514</b>
<b>Total employee benefits and related on-costs</b>	<b>27,511</b>	<b>23,879</b>
<b>Attributable to:</b>		
Employee Benefits	24,946	21,823
Provision for related on-costs	2,565	2,056
<b>Total employee benefits and related on-costs</b>	<b>27,511</b>	<b>23,879</b>

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

	2023 \$ '000	2022 \$ '000
<b>Carrying amount at start of period</b>	2,056	2,190
Additional provisions recognised	1,511	1,057
Amounts incurred during the year	(690)	(416)
Net gain/(loss) arising from revaluation of long service leave liability	(312)	(775)
<b>Carrying amount at end of period</b>	<b>2,565</b>	<b>2,056</b>

#### 3.4 Superannuation

	Paid contribution for the year		Contribution outstanding at year end	
	2023 \$ '000	2022	2023 \$ '000	2022
<b>Defined contribution plans</b>				
Aware Super	5,849	4,717	169	55
HESTA Super Fund	2,636	1,938	82	61
Other	2,896	1,856	91	67
<b>Total superannuation</b>	<b>11,381</b>	<b>13,303</b>	<b>342</b>	<b>770</b>



# Mildura Base Public Hospital

## Notes to the Financial Statements

For the Financial Year Ended 30 June 2023

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

**3.3 Employee benefits in the balance sheet (continued)**

**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.

**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.

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 pandemic.

# Mildura Base Public Hospital

## Notes to the Financial Statements

For the Financial Year Ended 30 June 2023

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

#### **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.

##### *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 2023

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

#### 4.1 Property, plant and equipment

##### 4.1(a) Gross carrying amount and accumulated depreciation

	2023 \$ '000	2022 \$ '000
Land		
At fair value	2,154	2,154
<b>Total land at fair value</b>	<b>2,154</b>	<b>2,154</b>
Buildings		
At fair value	86,106	85,941
Less accumulated depreciation	(2,325)	-
<b>Total buildings at fair value</b>	<b>83,781</b>	<b>85,941</b>
Works in progress		
At fair value	4,571	1,493
<b>Total works in progress at fair value</b>	<b>4,571</b>	<b>1,493</b>
Plant and equipment		
At fair value	2,355	921
Less accumulated depreciation	(869)	(707)
<b>Total plant and equipment at fair value</b>	<b>1,486</b>	<b>214</b>
Medical equipment		
At fair value	10,340	10,459
Less accumulated depreciation	(8,171)	(8,398)
<b>Total medical equipment at fair value</b>	<b>2,169</b>	<b>2,061</b>
Motor Vehicles		
At fair value	731	739
Less accumulated depreciation	(572)	(506)
<b>Total motor vehicles at fair value</b>	<b>159</b>	<b>233</b>
Computer equipment		
At fair value	4,004	3,658
Less accumulated depreciation	(3,214)	(2,154)
<b>Total computer equipment at fair value</b>	<b>790</b>	<b>1,504</b>
Furniture and fittings		
At fair value	217	170
Less accumulated depreciation	(29)	(9)
<b>Total furniture and fittings at fair value</b>	<b>188</b>	<b>161</b>
<b>Total property, plant and equipment at fair value</b>	<b>95,298</b>	<b>93,761</b>

# Mildura Base Public Hospital

## Notes to the Financial Statements

For the Financial Year Ended 30 June 2023

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

#### 4.1 Property, plant and equipment (continued)

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

	Notes	Land \$'000	Buildings \$'000	Buildings works in progress \$'000	Plant & Equipment \$'000	Motor Vehicles \$'000
<b>Balance at 1 July 2021</b>		<b>1,519</b>	<b>80,611</b>	<b>136</b>	<b>101</b>	<b>-</b>
Additions		-	-	2,385	187	307
Disposals		-	-	-	-	(15)
Revaluation increments/(decrements)		635	7,481	-	-	-
Net transfers between classes		-	-	(1,028)	-	-
Depreciation		-	(2,151)	-	(74)	(59)
<b>Balance at 30 June 2022</b>		<b>2,154</b>	<b>85,941</b>	<b>1,493</b>	<b>214</b>	<b>233</b>
Additions		-	165	3,078	1,492	-
Disposals		-	-	-	-	(4)
Net transfers between classes		-	-	-	(57)	-
Depreciation		-	(2,325)	-	(163)	(70)
<b>Balance at 30 June 2023</b>		<b>2,154</b>	<b>83,781</b>	<b>4,571</b>	<b>1,486</b>	<b>159</b>

	Notes	Medical Equipment \$'000	Computer Equipment \$'000	Furniture & Fittings \$'000	Total \$'000
<b>Balance at 1 July 2021</b>		<b>2,278</b>	<b>2,194</b>	<b>26</b>	<b>86,865</b>
Additions		538	265	144	3,826
Disposals		-	-	-	(15)
Revaluation increments/(decrements)		-	-	-	8,116
Net transfers between classes		-	-	-	(1,028)
Depreciation		(755)	(955)	(9)	(4,003)
<b>Balance at 30 June 2022</b>		<b>2,061</b>	<b>1,504</b>	<b>161</b>	<b>93,761</b>
Additions		840	322	88	5,985
Disposals		(20)	-	(14)	(38)
Net transfers between classes		57	24	(24)	-
Depreciation		(769)	(1,060)	(23)	(4,410)
<b>Balance at 30 June 2023</b>		<b>2,169</b>	<b>790</b>	<b>188</b>	<b>95,298</b>

# Mildura Base Public Hospital

## Notes to the Financial Statements

For the Financial Year Ended 30 June 2023

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

#### **4.1 Property, plant and equipment (continued)**

##### **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.

##### *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' buildings was undertaken in June 2019 and the independent valuation for land was completed in June 2022 by the Valuer-General of Victoria. In 2022 a managerial assessment was performed resulting in an index adjustment for buildings. A managerial assessment performed at 30 June 2023 indicated an overall:

- increase in fair value of land of 0%.
- increase in fair value of buildings of 7% (\$5.9m).

# Mildura Base Public Hospital

## Notes to the Financial Statements

For the Financial Year Ended 30 June 2023

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

#### 4.1 Property, plant and equipment (continued)

##### How we recognise property, plant and equipment

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

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 Carrying amount and accumulated depreciation

	2023 \$ '000	2022 \$ '000
<b>Right of Use Buildings</b>		
At fair value	8,135	6,356
Less accumulated depreciation	(2,167)	(982)
<b>Total right of use buildings at fair value</b>	<b>5,968</b>	<b>5,374</b>
<b>Right of Use vehicles</b>		
At fair value	120	-
Less accumulated depreciation	(4)	-
<b>Total right of use vehicles at fair value</b>	<b>116</b>	<b>-</b>
<b>Total right-of-use assets at fair value</b>	<b>6,084</b>	<b>5,374</b>

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

	Right of Use Buildings \$'000	Right of Use Vehicles \$'000	Total \$'000
<b>Balance at 1 July 2021</b>	<b>3,813</b>	-	<b>3,813</b>
Additions	2,193	-	2,193
Depreciation	(632)	-	(632)
<b>Closing balance at 30 June 2022</b>	<b>5,374</b>	-	<b>5,374</b>
Additions	1,828	120	1,948
Depreciation	(1,234)	(4)	(1,238)
<b>Closing balance at 30 June 2023</b>	<b>5,968</b>	<b>116</b>	<b>6,084</b>

# Mildura Base Public Hospital

## Notes to the Financial Statements

For the Financial Year Ended 30 June 2023

**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 2023.

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 Vehicle and 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 2023

### 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	2023 \$ '000	2022 \$ '000
Balance at the beginning of the reporting period		8,367	251
<b>Revaluation increment</b>			
Land	4.1(b)	-	635
Buildings	4.1(b)	-	7,481
<b>Balance at the end of the reporting period*</b>		<b>8,367</b>	<b>8,367</b>
<b>* Represented by:</b>			
Land		886	886
Buildings		7,481	7,481
		<b>8,367</b>	<b>8,367</b>

#### 4.4 Intangible Assets

##### 4.4(a) Gross carrying amount and accumulated amortisation

	2023 \$ '000	2022 \$ '000
Software		
At cost	2,856	2,737
Less accumulated amortisation	(1,164)	(856)
<b>Total software</b>	<b>1,692</b>	<b>1,881</b>
<b>Total intangible assets at cost</b>	<b>1,692</b>	<b>1,881</b>

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

	2023 \$ '000	2022 \$ '000
Software		
Opening balance	1,881	2,159
Additions	37	-
Net transfers between classes	81	-
Amortisation expense	(307)	(278)
<b>Closing balance at 30 June</b>	<b>1,692</b>	<b>1,881</b>



# Mildura Base Public Hospital

## Notes to the Financial Statements

For the Financial Year Ended 30 June 2023

### 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

	2023 \$ '000	2022 \$ '000
<b>Depreciation of property, plant and equipment:</b>		
- Buildings	2,325	2,152
- Plant and equipment	163	72
- Medical equipment	769	757
- Motor Vehicle	70	59
- Computer equipment	1,060	946
- Furniture and fittings	30	8
<b>Total depreciation of property, plant and equipment</b>	<b>4,417</b>	<b>3,994</b>
<b>Depreciation of right-of-use assets:</b>		
- Leased property	1,234	633
<b>Total depreciation of right-of-use assets</b>	<b>1,234</b>	<b>633</b>
<b>Amortisation of intangible assets:</b>		
- Software	307	288
<b>Total amortisation of intangible assets</b>	<b>307</b>	<b>288</b>
<b>Total depreciation and amortisation</b>	<b>5,958</b>	<b>4,915</b>

##### 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 2023

**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**

	2023	2022
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**

	2023 \$ '000	2022 \$ '000
Medical and surgical consumables at cost	272	252
Pharmacy at cost	359	337
<b>Total inventories at cost</b>	<b>631</b>	<b>589</b>

**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 2023

### **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 2023.

# Mildura Base Public Hospital

## Notes to the Financial Statements

For the Financial Year Ended 30 June 2023

### **Note 5. Other assets and liabilities**

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

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 2023

### 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

	2023 \$ '000	2022 \$ '000
<b>Current receivables and contract assets</b>		
<b>Contractual</b>		
Trade debtors	579	1,537
Patient fees	1,130	870
Allowance for impairment of losses	(494)	(494)
Inter hospital debtors	36	193
Accrued revenue	339	1,117
<b>Total current contractual receivables</b>	<b>1,590</b>	<b>3,223</b>
<b>Statutory</b>		
GST receivable	1,390	1,367
<b>Total statutory receivables</b>	<b>1,390</b>	<b>1,367</b>
<b>Total current receivables and contract assets</b>	<b>2,980</b>	<b>4,590</b>
	2023 \$ '000	2022 \$ '000
<b>Non-current receivables and contract assets</b>		
<b>Contractual</b>		
Long service leave - Department of Health	13,467	13,608
<b>Total non-current contractual receivables</b>	<b>13,467</b>	<b>13,608</b>
<b>Total non-current receivables and contract assets</b>	<b>13,467</b>	<b>13,608</b>
<b>Total receivables and contract receivables</b>	<b>16,447</b>	<b>18,198</b>

# Mildura Base Public Hospital

## Notes to the Financial Statements

For the Financial Year Ended 30 June 2023

### Note 5. Other assets and liabilities (continued)

#### 5.1 Receivables and contract assets (continued)

##### 5.1(a) Financial assets classified as receivables

Total receivables:

- Total current	2,980	4,590
- Total non-current	13,467	13,608
	<b>16,447</b>	<b>18,198</b>

Less amounts receivable from the Australian Tax Office

(1,390) (1,367)

#### Financial assets classified as receivables

**15,057 16,831**

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

	2023 \$ '000	2022 \$ '000
Opening balance	494	91
Increase in allowance	272	500
Amounts written off during the period	(272)	(97)
<b>Closing balance at 30 June</b>	<b>494</b>	<b>494</b>

#### 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.

# Mildura Base Public Hospital

## Notes to the Financial Statements

For the Financial Year Ended 30 June 2023

### Note 5. Other assets and liabilities (continued)

#### 5.1 Receivables and contract assets (continued)

#### How we recognise receivables and contract assets (continued)

##### 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 during the next financial year.

##### Impairment losses of contractual receivables

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

#### 5.2 Payables and contract liabilities

	Notes	2023 \$ '000	2022 \$ '000
<b>Current payables and contract liabilities</b>			
<b>Contractual</b>			
Trade creditors		1,254	2,132
Accrued salaries and wages		3,829	3,924
Accrued expenses		21,523	6,774
Contract liabilities	5.2(b)	8,421	6,404
Deferred capital grant income	5.2(c)	3,326	4,417
Other payables		1,468	255
Amounts payable to governments and agencies		560	2,344
<b>Total contractual payables</b>		<b>40,381</b>	<b>26,250</b>
<b>5.2(a) Financial liabilities classified as payables and contract liabilities</b>			
Total payables and contract liabilities:			
- Total current		40,381	26,250
		<b>40,381</b>	<b>26,250</b>
Less:			
- Contract liabilities		(8,421)	(6,404)
- Deferred capital grant income		(3,326)	(4,417)
<b>Financial liabilities classified as payables and contract liabilities</b>	7.1(a)	<b>28,634</b>	<b>15,429</b>
<b>5.2(b) Contract liabilities</b>			
Opening balance		6,404	10,745
Funding received under contracts with funding bodies		209,149	182,079
Contract liabilities recognised as revenue due to fulfilment of performance obligations		(207,132)	(186,420)
<b>Closing balance at 30 June</b>		<b>8,421</b>	<b>6,404</b>

# Mildura Base Public Hospital

## Notes to the Financial Statements

For the Financial Year Ended 30 June 2023

**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 maturity analysis of payables.

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

**5.2(c) Deferred capital grant income**

	2023 \$ '000	2022 \$ '000
Opening balance	4,417	1,010
Capital grants received from funding bodies	4,049	5,350
Spent capital grants recognised as income due to completion of capital works	(5,140)	(1,943)
<b>Closing balance at 30 June</b>	<b>3,326</b>	<b>4,417</b>

**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.



# Mildura Base Public Hospital

## Notes to the Financial Statements

For the Financial Year Ended 30 June 2023

**Note 5. Other assets and liabilities (continued)**

**5.3 Other Liabilities**

	Note	2023 \$ '000	2022 \$ '000
<b>Current monies held it trust</b>			
Other monies:			
Oncology Research Funds		855	523
<b>Total current monies held in trust</b>		<b>855</b>	<b>523</b>
<b>Total other liabilities</b>		<b>855</b>	<b>523</b>
<b>* Represented by:</b>			
- Cash assets	6.2	855	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

**Telling the COVID-19 story**

Mildura Base Public Hospital's finance and borrowing arrangements were not materially impacted by the COVID-19 pandemic and scaling down of the COVID-19 public health response during the year ended 30 June 2023.

**Key judgements and estimates**

This section contains the following key judgements and estimates:

*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.

# Mildura Base Public Hospital

## Notes to the Financial Statements

For the Financial Year Ended 30 June 2023

**Note 6.                      How we Finance our Operations (continued)**

**Key judgements and estimates (continued)**

*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.

For leased buildings, Mildura Base Public Hospital estimates the incremental borrowing rate to be between 1.36% to 4.59%

For leased equipment and vehicles the implicit interest rate is 1.25%

*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.

**6.1      Lease liabilities**

	Notes	2023 \$ '000	2022 \$ '000
<i>CURRENT</i>			
Lease liability		1,139	749
<b>Total current lease liability</b>		<b>1,139</b>	<b>749</b>
<i>NON-CURRENT</i>			
Lease liability		5,312	4,692
<b>Total non-current lease liability</b>		<b>5,312</b>	<b>4,692</b>
<b>Total lease liabilities</b>		<b>6,451</b>	<b>5,441</b>

# Mildura Base Public Hospital

## Notes to the Financial Statements

For the Financial Year Ended 30 June 2023

**Note 6.                      How we Finance our Operations (continued)**

**6.1      Lease liabilities (continued)**

**(a)      Maturity analysis of future lease payments**

Future lease payments due and payable:		
- Not longer than one year	1,324	891
- Longer than one year but not longer than five years	3,860	2,960
- Longer than five years	2,228	2,525
<b>Minimum future lease payments</b>	<b>7,412</b>	<b>6,376</b>
Less unexpired interest	(961)	(935)
<b>Present value of lease liability</b>	<b>6,451</b>	<b>5,441</b>

**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.

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:

<b>Types of payments recognised in profit or loss</b>	<b>Description of lease agreement</b>
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 1.36% to 4.59%.

# Mildura Base Public Hospital

## Notes to the Financial Statements

For the Financial Year Ended 30 June 2023

**Note 6.                      How we Finance our Operations (continued)**

**6.1      Lease liabilities (continued)**

**How we recognise lease liabilities (continued)**

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).

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 the substance of fixed payments.

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

**Leased with significantly below market terms and conditions**

Mildura Base Public Hospital holds lease arrangements which contain significantly below-market terms and conditions, which are principally to enable the health service to further its objectives. These are commonly referred to as concessionary lease arrangements.

The nature and terms of such lease arrangements, including Mildura Base Public Hospital's dependency on such lease arrangements is described below.

Description of leased Asset	Our dependance on lease	Nature and terms of lease
Boyden Street, Mildura - Mental Health Patient Services	This lease is used for Patient Mental Health Services. Mildura Base Public Hospital's dependance on this lease is considered high. The asset is of specialised nature and there are limited readily available substitutes.	No lease payment is required on an annual basis. The lease commenced in 2020 and has no lease end date. Restrictions placed on the use of the asset includes continued use to accommodate patient services.
Thirteenth Street, Mildura - Accommodation Services	The lease is used for Doctor Accommodation. Mildura Base Public Hospital's dependance on the lease is considered high. The asset is of specialised nature and there are limited readily available substitutes.	No lease payment is required on an annual basis. The lease commenced in 2020 and has no lease end date. Restrictions placed on the use of the asset includes continued use to accommodate patient services.

# Mildura Base Public Hospital

## Notes to the Financial Statements

For the Financial Year Ended 30 June 2023

### Note 6. How we Finance our Operations (continued)

#### 6.2 Cash and cash equivalents

		2023 \$ '000	2022 \$ '000
<i>CURRENT</i>			
Cash on hand		7	7
Cash at Bank - CBS Operating		46,742	31,365
Cash at Bank - CBS Foundation		1,549	22
Cash at bank - joint arrangement		1,547	970
<b>Total cash and cash equivalents</b>		<b>49,845</b>	<b>32,364</b>
Cash at bank - CBS (monies held in trust)	5.3	855	523
<b>Total cash held as monies in trust</b>		<b>855</b>	<b>523</b>
<b>Total cash and cash equivalents</b>		<b>50,700</b>	<b>32,887</b>

#### How we recognise cash and cash equivalents

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

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

#### 6.3 Commitments for expenditure

		2023 \$ '000	2022 \$ '000
<b>Capital expenditure commitments</b>			
Capital expenditure commitments payable, inclusive of GST:			
- Not longer than one year		3,326	3,744
<b>Total capital expenditure commitments</b>		<b>3,326</b>	<b>3,744</b>
<b>Non-cancellable low value lease commitments</b>			
Low value lease commitments payable, inclusive of GST:			
- Not longer than one year		57	59
- Longer than one year but not longer than five years		61	118
<b>Total non-cancellable low value lease commitments</b>		<b>118</b>	<b>177</b>
<b>Total commitments for expenditure</b>		<b>3,444</b>	<b>3,921</b>

# Mildura Base Public Hospital

## Notes to the Financial Statements

For the Financial Year Ended 30 June 2023

### **Note 6. How we Finance our Operations (continued)**

#### **6.3 Commitments for expenditure (continued)**

##### **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.

### **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

## Notes to the Financial Statements

For the Financial Year Ended 30 June 2023

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

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 use this approach to measure fair value.

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

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

- 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

		Financial assets at amortised cost	Financial liabilities at amortised cost	Total
	Notes	\$ '000	\$ '000	\$ '000
<b>30 June 2023</b>				
<b>Contractual financial assets</b>				
Cash and cash equivalents	6.2	50,700	-	50,700
Receivables	5.1(a)	15,057	-	15,057
<b>Total financial assets</b>		<b>65,757</b>	<b>-</b>	<b>65,757</b>
<b>Financial liabilities</b>				
Payables	5.2(a)	-	28,634	28,634
Lease liabilities	6.1	-	6,451	6,451
Other liabilities		-	855	855
<b>Total financial liabilities</b>		<b>-</b>	<b>35,940</b>	<b>35,940</b>

# Mildura Base Public Hospital

## Notes to the Financial Statements

For the Financial Year Ended 30 June 2023

### 7.1 Financial instruments

#### (a) Categorisation of financial instruments

		Financial assets at amortised cost	Financial liabilities at amortised cost	Total
	Notes	\$ '000	\$ '000	\$ '000
<b>30 June 2022</b>				
<b>Contractual financial assets</b>				
Cash and cash equivalents	6.2	32,887	-	32,887
Receivables	5.1(a)	16,831	-	16,831
<b>Total financial assets</b>		<b>49,718</b>	<b>-</b>	<b>49,718</b>
<b>Financial liabilities</b>				
Payables	5.2(a)	-	15,429	15,429
Lease liabilities	6.1	-	5,441	5,441
Other Liabilities		-	523	523
<b>Total financial liabilities</b>		<b>-</b>	<b>21,393</b>	<b>21,393</b>

#### 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 2023

### **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 2023

### **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 2023

**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.

There has been no material change to Mildura Base Public Hospital's credit risk profile in 2022-23.

# Mildura Base Public Hospital

## Notes to the Financial Statements

For the Financial Year Ended 30 June 2023

**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 and its investment in debt investments.

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

The 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:

<b>30 June 2023</b>	<b>Current</b>	<b>30 days</b>	<b>60 days</b>	<b>90 days</b>	<b>120+ days</b>	<b>Total</b>
Expected loss rate	0%	1%	3%	3%	65%	
Gross carrying amount of contractual receivables	294	283	133	77	746	1,533
Loss allowance	0	3	4	2	485	<b>494</b>
<b>30 June 2022</b>						
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	<b>494</b>

# Mildura Base Public Hospital

## Notes to the Financial Statements

For the Financial Year Ended 30 June 2023

### 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.

		Maturity Dates					
Consolidated		Nominal	Less than 1	3 months to 1			
30 June 2023	Carrying amount	amount	month	1-3 months	year	1-5 years	Over 5 years
Financial liabilities at amortised cost							
Payables	28,634	28,634	28,634	-	-	-	-
Lease liabilities	6,451	7,412	331	331	662	3,860	2,228
Other Liabilities	855	855	15	45	135	660	-
Total financial liabilities	35,940	36,901	28,980	376	797	4,520	2,228

			Maturity Dates				
Consolidated 30 June 2022	Carrying amount	Nominal amount	Less than 1 month	1-3 months	3 months to 1 year	1-5 years	Over 5 years
Financial liabilities at amortised cost							
Payables	15,429	15,429	15,429	-	-	-	-
Lease liabilities	5,441	6,376	74	223	594	2,960	2,525
Other Liabilities	523	523	15	45	135	328	-
Total financial liabilities	21,393	22,328	15,518	268	729	3,288	2,525

\*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 2023

### **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 2022).

#### **How we measure and disclose contingent assets and contingent liabilities**

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

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

#### **Contingent assets**

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

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

#### **Contingent liabilities**

Contingent liabilities are:

- possible obligations that arise from past events, whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the health service or
- present obligations that arise from past events but are not recognised because:
  - (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 2023

### **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 2023

### 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

		2023 Carrying amount \$ '000	Fair value measurement at end of reporting period using:		
	Note		Level 1 \$ '000	Level 2 \$ '000	Level 3 \$ '000
<b>Property, plant and equipment</b>					
<i>Land</i>					
Specialised land at fair value	4.1(a)	2,154	-	-	2,154
<b>Total land at fair value</b>		<b>2,154</b>	<b>-</b>	<b>-</b>	<b>2,154</b>
<i>Buildings</i>					
Specialised buildings at fair value	4.1(a)	83,781	-	-	83,781
<b>Total buildings at fair value</b>		<b>83,781</b>	<b>-</b>	<b>-</b>	<b>83,781</b>
<i>Works in progress</i>					
Specialised buildings at fair value	4.1(a)	4,571	-	-	4,571
<b>Total works in progress at fair value</b>		<b>4,571</b>	<b>-</b>	<b>-</b>	<b>4,571</b>
<i>Plant and equipment</i>					
Plant and equipment at fair value	4.1(a)	1,486	-	-	1,486
Medical equipment at fair value	4.1(a)	2,169	-	-	2,169
Motor Vehicle at fair value	4.1(a)	159	-	-	159
Computer equipment at fair value	4.1(a)	790	-	-	790
Furniture and fittings at fair value	4.1(a)	188	-	-	188
<b>Total plant, equipment, furniture, fittings and computers at fair value</b>		<b>4,792</b>	<b>-</b>	<b>-</b>	<b>4,792</b>
<b>Total property, plant and equipment at fair value</b>		<b>95,298</b>	<b>-</b>	<b>-</b>	<b>95,298</b>
<b>Right-of-use assets</b>					
<i>Leased property</i>					
Leased property at fair value	4.1(a)	6,084	-	-	6,084
<b>Total leased property at fair value</b>		<b>6,084</b>	<b>-</b>	<b>-</b>	<b>6,084</b>
<b>Total right-of-use assets at fair value</b>		<b>6,084</b>	<b>-</b>	<b>-</b>	<b>6,084</b>
<b>Total assets at fair value</b>		<b>101,382</b>	<b>-</b>	<b>-</b>	<b>101,382</b>



# Mildura Base Public Hospital

## Notes to the Financial Statements

For the Financial Year Ended 30 June 2023

### 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)

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

# Mildura Base Public Hospital

## Notes to the Financial Statements

For the Financial Year Ended 30 June 2023

### **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 buildings was performed by the Valuer-General Victoria, the effective date of valuation is 30 June 2019. An independent valuation of specialised land was performed by the Valuer-General Victoria, 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 2023

### 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

	Land	Buildings	Plant, Equipment, Furniture, Fittings and vehicles	Right-of-Use Assets
Note	\$ '000	\$ '000	\$ '000	\$ '000
<b>Balance at 1 July 2021</b>	<b>1,519</b>	<b>80,611</b>	<b>4,735</b>	<b>3,813</b>
Additions/(Disposals)	-	-	3,811	2,193
Net Transfers between classes	-	-	-	-
<i>Gains/(Losses) recognised in net result</i>				
- Depreciation and amortisation	-	(2,151)	(2,880)	(632)
<i>Items recognised in other comprehensive income</i>				
- Revaluation	635	7,481	-	-
<b>Balance at June 2022</b>	<b>2,154</b>	<b>85,941</b>	<b>5,666</b>	<b>5,374</b>
Additions/(Disposals)	-	165	8,888	1,948
Net Transfers between classes	-	-	(3,106)	-
<i>Gains/(Losses) recognised in net result</i>				
- Depreciation and amortisation	-	(2,325)	(2,085)	(1,238)
<b>Balance at 30 June 2023</b>	<b>2,154</b>	<b>83,781</b>	<b>9,363</b>	<b>6,084</b>

# Mildura Base Public Hospital

## Notes to the Financial Statements

For the Financial Year Ended 30 June 2023

**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	Fair value

**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 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 2023

### Note 8. Other Disclosures (continued)

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

	2023 \$ '000	2022 \$ '000
Net result for the period	(1,052)	(3,743)
<b>Non-cash movements</b>		
Depreciation and amortisation of non-current assets	5,958	4,915
Bad and doubtful debts expense	272	494
Assets and services received free of charge	(1,390)	(1,924)
Share of Joint Venture	441	83
(Gain)/loss on disposal of property plant and equipment	25	15
(Gain)/loss on revaluation of long service leave liability	312	775
<b>Movements in assets and liabilities</b>		
(Increase)/decrease in receivables and contract assets	1,751	1,895
(Increase)/decrease in inventories	(42)	45
(Increase)/decrease in prepaid expenses	109	(284)
Increase/(decrease) in payables and contract liabilities	14,131	8,998
Increase/(Decrease) in monies in trust	332	523
Increase/(decrease) in employee benefits	3,632	1,335
<b>Net cash provided by operating activities</b>	<b>24,479</b>	<b>13,127</b>

# Mildura Base Public Hospital

## Notes to the Financial Statements

For the Financial Year Ended 30 June 2023

**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.

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

	Period
The Honourable Mary-Anne Thomas MP:	
Minister for Health	01 Jul 2022 - 30 June 2023
Minister for Health Infrastructure	05 Dec 2022 - 30 June 2023
Minister for Medical Research	05 Dec 2022 - 30 June 2023
Former Minister for Ambulance Services	01 Jul 2022 - 05 Dec 2022
The Honourable Colin Brooks MP:	
Former Minister for Disability, Ageing and Carers	01 Jul 2022 - 05 Dec 2022
The Honourable Gabrielle Williams MP:	
Minister for Mental Health	01 Jul 2022 - 30 June 2023
Minister for Ambulance Services	05 Dec 2022 - 30 June 2023
The Honourable Lizzy Blandthorn MP::	
Minister for Disability, Ageing and Carers	05 Dec 2022 - 30 June 2023

**Governing board**

	Period
Mary Rydberg (Chair of the Board)	1 July 2022 to 30 June 2023
Glenis Beaumont (Deputy Chair)	1 July 2022 to 30 June 2023
Frank Piscioneri (Deputy Chair)	1 July 2022 to 30 June 2023
Ross Dallimore	1 July 2022 to 30 June 2023
Neth Hinton	1 July 2022 to 04 Nov 2022
Kashif Hayat	1 July 2022 to 30 June 2023
Maria Mahony	1 July 2022 to 30 June 2023
Quentin Norton	1 July 2022 to 30 June 2023
Paul O'Neill	1 July 2022 to 30 June 2023

# Mildura Base Public Hospital

## Notes to the Financial Statements

For the Financial Year Ended 30 June 2023

**Accountable officers**

Terry Welch (Chief Executive Officer)

1 July 2022 to 30 June 2023

**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	2023	2022
\$0 - \$9,999	1	2
\$10,000 - \$19,999	8	6
\$20,000 - \$29,999	-	1
\$300,000 - \$399,999	1	1
<b>Total</b>	<b>10</b>	<b>10</b>
Total remuneration received or due and receivable by Responsible Persons from the reporting entity	489	499

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

	2023 \$ '000	2022 \$ '000
Short-term benefits	1,485	1,432
Post-employment benefits	165	123
Termination benefits	-	139
<b>Total remuneration <sup>1</sup></b>	<b>1,650</b>	<b>1,694</b>
Total annualised employee equivalent <sup>2</sup>	7	6

<sup>1</sup> 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.

<sup>2</sup> 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 2023

**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**

Mary Rydberg  
Glenis Beaumont  
Frank Piscioneri  
Ross Dallimore  
Neth Hinton  
Kashif Hayat  
Maria Mahony  
Quentin Norton  
Paul O'Neill  
Terry Welch  
Andrea Floyd  
Louise Litten  
David Kirby  
Matthew Jukes  
Janelle McGregor  
Elise Elder  
Katrina Allen

**Title**

Chair of the Board  
Board Director  
Board Director  
Board Director  
Board Director  
Board Director  
Board Director  
Board Director  
Board Director  
Chief Executive Officer  
Executive Director Patient Experience  
Chief Medical Officer  
Executive Director Mental Health  
Executive Director Finance and Corporate Services  
Executive Director People and Culture  
Executive Director Clinical Operations  
Executive Director Clinical Operations



# Mildura Base Public Hospital

## Notes to the Financial Statements

For the Financial Year Ended 30 June 2023

**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 Financial Report.

	2023	2022
	\$ '000	\$ '000
Short-term benefits <sup>1</sup>	1,937	1,906
Post-employment benefits	202	148
Termination benefits	-	139
<b>Total remuneration <sup>2</sup></b>	<b>2,139</b>	<b>2,193</b>

<sup>1</sup> Total remuneration paid to KMPs has been reported under short-term employee benefits.  
<sup>2</sup> 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 \$209m (\$182m 2022).  
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 2023 (2022: 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 2023. (2022: Nil)

# Mildura Base Public Hospital

## Notes to the Financial Statements

For the Financial Year Ended 30 June 2023

**Note 8. Other Disclosures (continued)**

**8.5 Remuneration of auditors**

	2023 \$ '000	2022 \$ '000
<b>Victorian Auditor-General's Office</b>		
Audit of the financial statements	67	67
<b>Total remuneration of the auditors</b>	<b>67</b>	<b>67</b>

**8.6 Events occurring after the balance sheet date**

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

**8.7 Joint arrangements**

	Principal Activity	2023 %	2022 %
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.	10.98%	12.19%

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.

	2023 \$ '000	2022 \$ '000
<b>Current assets</b>		
Cash and cash equivalents	1,547	969
Receivables and contract assets	226	67
Prepaid expenses	317	297
<b>Total current assets</b>	<b>2,090</b>	<b>1,333</b>
<b>Non-current assets</b>		
Property, plant and equipment	91	100
<b>Total non-current assets</b>	<b>91</b>	<b>100</b>
<b>Total assets</b>	<b>2,181</b>	<b>1,433</b>

# Mildura Base Public Hospital

## Notes to the Financial Statements

For the Financial Year Ended 30 June 2023

### Note 8. Other Disclosures (continued)

#### 8.7 Joint arrangements (continued)

	2023 \$ '000	2022 \$ '000
<b>Current liabilities</b>		
Payables and contract liabilities	1,195	524
<b>Total current liabilities</b>	<b>1,195</b>	<b>524</b>
<b>Total liabilities</b>	<b>1,195</b>	<b>524</b>
<b>Net assets</b>	<b>986</b>	<b>909</b>
<b>Equity</b>		
Accumulated surplus	986	909
<b>Total equity</b>	<b>986</b>	<b>909</b>
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.		
<b>Revenue and income from transactions</b>		
Operating activities	1,769	1,511
Capital Revenue	29	23
<b>Total revenue and income from transactions</b>	<b>1,798</b>	<b>1,534</b>
<b>Expenses from transactions</b>		
Operating expenses	1,605	1,461
Depreciation and amortisation	25	24
<b>Total expenses from transactions</b>	<b>1,630</b>	<b>1,485</b>
<b>Net result for the period</b>	<b>168</b>	<b>49</b>
Unrealised Gains/(Loss) of Loddon Mallee Rural Health Alliance	818	860
<b>Revised net result for the period</b>	<b>986</b>	<b>909</b>

\*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 2023

**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.



**MILDURA**  
BASE PUBLIC HOSPITAL