

2022 -
2023

Annual Report



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Acknowledgment to country

"I would like to acknowledge and extend my appreciation for the Dja Dja Wurrung people, the traditional owners of the land that we are standing on today and all other lands represented. Today, we pay our respects to leaders and Elders past, present and future for they hold the memories, the traditions, the culture and the hopes of all Indigenous Peoples. We express our gratitude in sharing of this land, our sorrow for the personal, spiritual and cultural costs of that sharing and our hope that we may walk forward together in harmony and in the spirit of healing."

Maryborough District Health Service

PO Box 155
75-87 Clarendon Street
Maryborough, Victoria 3465

Phone: +61 3 5461 0333
Fax: +61 3 5461 4480

Incorporating:

Community Services

PO Box 155
75-87 Clarendon Street
Maryborough, Victoria 3465

Phone: +61 3 5461 0333
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Avoca Campus

10 Templeton Street
PO Box 75
Avoca, Victoria 3467

Phone: +61 3 5465 1202
Fax: +61 3 5465 3533

Dunolly Campus

20 Havelock Street
Dunolly, Victoria 3462

Phone: +61 3 5468 2900
Fax: +61 3 5468 1188

Vision, Purpose, Values

Vision

Changing the Healthcare story with our community

Purpose

Connecting our community to GREAT healthcare

Pillars

Connecting our community to care

Purposeful partnerships

Our Team

Sustainability

We Value

Genuine

Being consistently honest, trustworthy and accountable.

Respect

This is reflected in our behaviours, attitudes and words, always being fair honest and caring to those we work with and come in contact with.

Excellence

Only the best by us will do, achieving the highest standards of service and care.

Accountability

We consistently do what we say we are going to do by supporting and holding each other to account.

Togetherness

Working together to support common values and vision for shared goals.



GENUINE



RESPECT



EXCELLENCE



ACCOUNTABILITY



TOGETHERNESS

Report of Operations

Establishment of the Health Service

Maryborough District Health Service is a health service established under the *Health Services Act 1988* (Vic).

Maryborough District Health Service is located across the Local Government Areas of Central Goldfields and Pyrenees Shires in Central Victoria and provides a comprehensive range of services including urgent care, theatre, acute inpatient, residential care, home and community based services to the local population of around 15,000 people.

The main campus is located in Maryborough with other services delivered from the Avoca and Dunolly campuses. The strong clinical and social links that have been developed and nurtured between the three campuses ensure that the community is cared for by trained staff who are committed to high standards of person centered care.

Annual Report

The annual report is a legal document prepared in accordance with the Health Services Annual Reporting Guidelines for 2022 - 2023 under the *Financial Management Act 1994* (Vic).

The Annual Report 2022 -2023 includes the Report of Operations and the Financial Report.

Responsible Ministers

Responsible Ministers for the reporting period

From 1 July 2022 to 30 June 2023

The Hon. Mary-Anne Thomas
Minister for Health

From 1 July 2022 to 5 December 2022

The Hon. Mary-Anne Thomas
Minister for Ambulance Services

From 5 December 2022 to 30 June 2023

The Hon. Gabrielle Williams
Minister for Ambulance Services

From 1 July 2022 to 30 June 2023

The Hon. Gabrielle Williams
Minister for Mental Health

From 1 July 2022 to 5 December 2022

The Hon. Colin Brooks
Minister for Disability, Ageing and Carers

From 5 December 2022 to 30 June 2023

The Hon. Lizzie Blandthorn
Minister for Disability, Ageing and Carers

Responsible Bodies Declaration

In accordance with the *Financial Management Act 1994*, I am pleased to present the Report of Operations for Maryborough District Health Service for the year ending 30 June 2023.



Kelly Mason
Chair, Board of Directors
Maryborough District Health Service

20 July 2023

Services and Programs

Located at the Maryborough Campus are: Acute beds, the Urgent Care Centre, Diagnostic Services and Community Services with Allied Health and Community Health. The Dunolly Campus also includes two acute beds and two Transitional Care Beds alongside its Nursing Home beds. Community programs are managed and delivered throughout the region by MDHS. Aged Care Services are delivered at Maryborough, Dunolly and Avoca campuses along with Social Support at Maryborough and Dunolly. Programs and services are continually monitored and reviewed to ensure they meet expectations and reflect the health care needs of the changing community demographics.

Clinical Services	Acute - Medical/Surgical	Allied Health Support for Inpatient Care	Central Sterilizing Department	Pre-Admission Clinic
	Dialysis	Drug & Alcohol Detoxification	Maternity Services	Urgent Care Centre
	Palliative Care	Perioperative Services – Same day & Overnight	Oncology	Medical Imaging
Aged Care	Residential	Respite Care	Transition Care Program	
Community Services	District Nursing	Women’s Health	Dental Health	Health Promotion
	Your Care pathway	Step Through program	Exercise physiologists	Wound Care
	Post-Acute Care	Home and Community Care Program for Younger People	Hospital in the Home	Palliative Care
	Housing	Occupational Therapy	Physiotherapy	Social Support
	Speech Pathology	Dietetics	Smile Squad	Alcohol & Drug
	Commonwealth Home Support Program	Chronic Disease Management	Hospital Admission Risk Program (HARP)	Multi-Agency Risk Assessment and Management / Strengthening Hospital Responses to Family Violence
	Best Start	School Readiness	Smiles 4 Miles	
Corporate Services	Administration	Building Services	Emergency Management	Finance
	Health Information	Hotel Services	Human Resources	Occupational Health & Safety
	Quality & Risk	Staff Education Enrolled Nurse Program	Student Management	Procurement & Supply

Year in Review

Chairs Report

Now my second year as Board Chair, and my 8th year as a Board Director, I continue to be overwhelmed with the community support for Maryborough District Health Service. This has been evident by the many donations, fundraisers, charity events and compliments we receive across all of our catchments, be it in Avoca, Dunolly or in Maryborough, we have enjoyed yet another year of strong partnerships and engagement.

The Board of Directors at Maryborough District Health Service (MDHS) consists of 8 members, with a breadth of professional skills and interests independently appointed by Department of Health and Human Services. The objective of the Board of Directors is to ensure we maintain robust governance systems, provide strategic direction and support the delegation of operational day-to-day management of the Health Service to the Chief Executive. I take this opportunity to thank fellow Board Directors and the Executive team on another great year of achievements.

Over the last 12 months we have said goodbye to Thileepan and Robyn as Board Directors, and sincerely thank them for their time, support and passion for the health service whilst being a Director. We have welcomed Courtney and Peter who bring a wealth of skills and knowledge to our Board, with Courtney's clinical skills and Peter's project, audit and risk capabilities.

Our Executive and staff have continued to show resilience, innovation, professionalism and continued quality of care across our three campuses. We have seen the introduction of the new Maternity Model of Care which has been described as a 'gold standard' program, providing individualised care and driving increased births locally and supporting over 125 families on their pregnancy, labour and birthing journey.

Our new Student Accommodation opened in January 2023 providing contemporary accommodation for student healthcare workers to experience healthcare in regional Victoria. Other projects in the last 12 months include the move of our dental service to their new home in Neill Street, Avoca's upgrade to their dining area, and the nearly completed upgrades to Wattle Rise.

Building our local workforce is a key strategy for the health service. Through our partnership with Bendigo Kangan Institute we saw 7 graduates from the Diploma of Nursing in 2021/2022 with the majority joining the Transition to Practice graduate positions within MDHS. This year already we have 17 Diploma of Nursing students enrolled.

The Master Plan (Maryborough Hospital rebuild) is progressing with a further allocation of funds in the 2023-2024 May budget, allowing construction to commence. Excitement is increasing as the community will begin to see significant progress being made. As we move forward with this project, emphasis will be directed on ensuring appropriate internal resourcing and communication with the community so as not to hinder our excellent service provision.

This is also an opportunity for me to acknowledge the many volunteers and auxiliaries who are an integral part of the MDHS fabric. We have slowly seen the reintroduction of our volunteers across the service and look forward to increasing the numbers in the next 12 months.

The engagement and wellbeing of our workforce has been a continued focus given the challenges of the last 3 years. I am proud to witness the ongoing commitment to excellence that our staff show on a daily basis. It is without question that as a health service we are 'changing the healthcare story' within our community.



Kelly Mason

Board Chair

Chief Executive's Report

The 2022-2023 year has seen the full activation of our strategic plan and vision to change the healthcare story with our community.

Our values of GREAT continue to be on display every single day, and our ability to succeed in service delivery based on need has been unwavering. We have celebrated the 1st anniversary of our Maternity Model of Care and our strategic plan, built off the feedback from our community. This is a wonderful example of our teams continued focus to connect our community to great care.

Organisationally we have seen continued positive response to the changing demands of the COVID pandemic, and also our responsiveness to state based initiatives to reduce the surgical waiting lists across our region.

Key achievements for the 2022-2023 year are:

- Successful Accreditation against the National Safety and Quality Health Service in August 2022
- Supporting regional approach to reduction of surgical waiting lists for our community and others within the Grampians region
- Completion of bathroom upgrades and dining room experience in Aged Care
- Opening of the 20 bed student accommodation in February 2023
- Finalist Health Service of the Year – Medium Size Service

During the 2022-2023 year we have seen the completion of the early works process to enable a clear site for the \$115 million dollar hospital redevelopment, and opened our relocated dental services into their new home.

We acknowledge and thank our amazing volunteers, carers and consumers who have supported our clients, patients and residents over the past 12 months. Our health service achieves so much due to their dedication and commitment.

Thank you to those groups and individuals who have donated and supported MDHS in the past year. This support aids new equipment and developments, and overall enhances what we have to offer. It makes a huge difference. The commitment of our local community to fundraising for our service is exceptional. Our annual golf day in partnership with True Foods and the Maryborough Golf Club was another successful event, as well as the support of our oncology services fund driven by community for community.

I want to acknowledge and thank the Board of Management for their overwhelming support and guidance. Under the leadership of Kelly Mason, the board have provided robust governance and vision to the organisation.

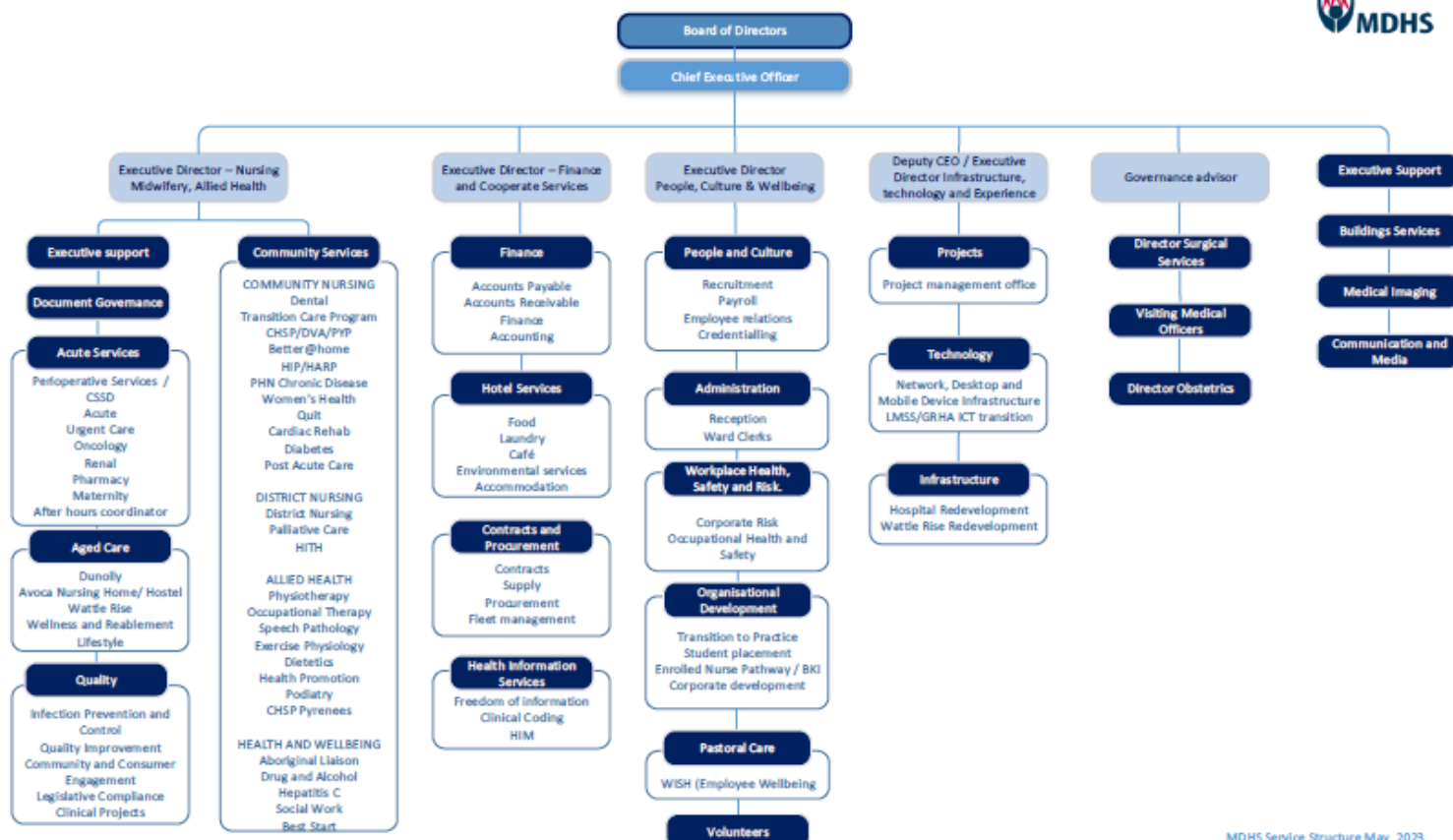
We hope you enjoy this report and look forward to what will be a very exciting 12 months at MDHS.



Nickola Allan

CEO

Organisational Structure



MDHS Service Structure May 2023

Corporate Governance

Board of Directors

The Board of Directors administers MDHS according to established Corporate Governance practices and procedures, which are reviewed regularly. The Board of Directors are responsible for the governance and legislative compliance and works within the framework of the *Health Services Act 1998*(Vic) to establish policies and deliver, within its financial limitations, a strategic direction for the management of MDHS.

Members of the Board of Directors are appointed by the Governor-in-Council on the recommendation of the Minister for Health. The usual term of office is three years, with members able to seek re-appointment up a maximum term of 9 years. Members receive remuneration for activities associated with the Health Service Board of Directors.

Pecuniary and Conflict of Interest

At the commencement of each Board meeting, members are asked to declare pecuniary interests and conflicts of interest. None were recorded for the year.

Board of Directors as at 30 June 2023

Board Chair: Kelly Mason

B. Comm

Appointed: 2015

Term of Office: 01.07.18 – 30.06.24

Vice Board Chair: Judy Lowthian

Appointed: 2021

Term of Office: 01.07.21 – 20.6.2025

Treasurer: Robert Camm

Appointed: 2020

Term of Office: 01.07.20 – 30.06.23

Member: Ron Eason

Appointed: 2017

Term of Office: 01.07.17 – 30.06.24

Member: Shea Stewart

Appointed: 2020

Term of Office: 01.07.2020 – 30.06.2023

Member: Robyn Smith

Appointed: 2018

Term of Office: 01.07.18 – 30.06.21

Observer: 01.07.2021 – 30.06.2022

Member: Thileepan Naren

Appointed: 2020

Term of Office: 01.07.2020 – 30 .06.2023

Member: Elizabeth Chatham

Appointed: 2021

Term of Office: 01.07.2021 – 30 .06.2023

Member: Peter Le Lievre

Appointed: 2022

Term of Office: 01.07.2022 – 30 .06.2025

Member: Courtney Noonan

Appointed: 2022

Term of Office: 01.07.22 – 30.06.2024

Audit

The Audit committee provides advice and oversight for the financial and risk management framework for MDHS, the performance and independence of the internal auditors and the effectiveness of management and other systems of internal control. The committee also monitors compliance with laws and regulations, its own code of conduct and the code of financial practice. HLB Mann Judd has been the appointed Internal Auditor for 2022-2023

Members:

- Rob Camm
- Ron Eason
- Judy Lowthian
- Linda McNeill (Chair)
- Shannon Buckley
- John Watson

Attendees:

- HLB Mann Judd – Internal Auditor
- AccountPro - VAGO Auditors
- Chief Executive Officer
- Executive Director Finance & Corporate Services
- Executive Director Infrastructure, Technology & Experience
- Executive Director People, Culture & Wellbeing
- Executive Director Nursing, Midwifery & Allied Health

Quality, Safety and Clinical Governance

The Quality, Safety and Clinical Governance committee is responsible for ensuring that client services are provided within an organisational wide quality program and culture. This is assured through monitoring, reporting, evaluation and improvement. It ensures that MDHS is compliant with all clinical regulatory and government standards and provides advice on clinical risk management planning processes and progress.

Members:

- Elizabeth Chatham(Chair)
- Courtney Noonan
- Judy Lowthian

Attendees:

- Chief Executive Officer
- Executive Director Nursing, Midwifery & Allied Health
- Governance Advisor
- Director Nursing – Acute Services
- Director Community Services
- Director Aged Care
- Director Quality Services

Project Infrastructure

The Project Infrastructure Board Sub-Committee’s purpose is to provide high level leadership and oversight to manage the delivery of capital projects and large strategic projects. The committee is responsible for ensuring appropriate representation and engagement of community, consumer, staff and service delivery partners during the project planning and delivery phases.

Members:

- Kelly Mason
- Rob Camm
- Elizabeth Chatham
- Shea Stewart

Attendees:

- Chief Executive Officer
- Executive Director Finance & Corporate Services
- Executive Director Infrastructure, Technology & Experience
- Executive Director People, Culture & Wellbeing
- Executive Director Nursing, Midwifery & Allied Health
- Project Management Office - Manager

Workforce Data

HOSPITALS LABOUR CATEGORY	JUNE CURRENT MONTH FTE*		AVERAGE MONTHLY FTE**	
	2022	2023	2022	2023
Nursing	150.98	161.5	151.99	159.9
Administration and Clerical	36.84	52.2	37.49	47.6
Medical Support	27.41	13.5	25.06	12.5
Hotel and Allied Services	48.88	52.1	46.66	50.5
Medical Officers	0	0	0	0
Hospital Medical Officers	0	0	0	0.2
Sessional Clinicians	0	0	0	0
Ancillary Staff (Allied Health)	23.79	42.9	23.74	42.3

Please note a correction to reporting methodology has been made during the 2023 financial year. Systems have matured to ensure data capture is consistent with the structure of the organisation.

Occupational Health and Safety

Respect is a core value and part of business. Staff, visitors and contractors are required to respect themselves and those around them by ensuring they have regard for health and safety.

In line with legislative requirements risks have been identified relating to MDHS' business. A variety of process improvements, mechanical aids and policies and procedures, have been implemented to reduce the potential for a staff member or a visitor becoming ill or injured at one of our campuses.

Using the Victorian Health Incident Management System (VHIMS), staff report incidents and near misses relating to their health and safety whilst at work. Reports from this system are presented to the Occupational Health & Safety Committee and Performance Committee, which in turn report to the board.

OCCUPATIONAL HEALTH AND SAFETY STATUS	2022-23	2021-22	2020-21	2019-20
Number of reported hazards/incidents for the year per 100 FTE	31.6	24.24	16.67	19.33
Number of lost time standard WorkCover claims for the year per 100 FTE	0.90	0.70	0.89	1.5
The average cost per WorkCover claim for the year (000)	\$17,080	\$13,720	\$12,772	\$40,034

Occupational Violence

STATISTICS	2022-23
WorkCover accepted claims with an occupational violence cause per 100 FTE	0
Number of accepted WorkCover claims with lost time injury with an occupational violence cause per 1,00,000 hours worked	0
Number of occupational incidents reported	35
Number of occupational incidents reported per 100 FTE	11.18
Percentage of occupational violence incidents resulting in a staff injury, illness or condition	14%

Financial Information

OPERATING RESULTS	2023 \$000	2022 \$000	2021 \$000	2020 \$000	2019 \$000
Net operating result *	247	42	325	246	1243
Total revenue	67,334	54,597	49,437	44,320	43,146
Total expenses	58,657	52,978	52,195	48,056	45,480
Net result from transactions	8,677	1,619	-2,758	-3,736	-2,450
Total other economic flows	19	-2,194	141	-165	-116
Net results	8,696	5,646	-2,617	-3,901	-2,450
Total assets	82,475	74,000	66,875	67,133	70,863
Total liabilities	20,603	19,876	18,945	16,586	15,832
Net assets/Total equity	61,872	53,576	47,930	50,547	55,031

Reconciliation between the Net results from transactions reported in the model to the Operating result as agreed in the Statement of Priorities.

NET OPERATING RESULT	2022-23 \$000
Net operating result *	247
Capital purpose items	4,282
Specific income COVID-19 State Supply Arrangements - Assets received free of charge or for nil consideration under the State Supply	298
State Supply items consumed up to 30 June 2022	-298
Assets provided free of charge	6,811
Assets received for capital purposes	
Depreciation and amortization	-2,658
Impairment of non-financial assets	
Financial costs (other)	-5
Net result from transactions	8,677

Summary of financial results:

Maryborough District Health Service achieved a net result of \$8.68M. The comprehensive result for the year was \$5.25M. Revenue and income from transactions for the year was \$67.33M and expenses from transactions for the year \$58.66M. Capital grants of \$3.84M were received to carry out major projects, including the new student accommodation building and improvements to aged care facilities.

In addition to the capital grants outline above, Maryborough District Health Service received \$6.81M in non-cash capital contributions from The Department of Health towards the new \$115M Hospital Redevelopment Project. This *non-cash* contribution has been a significant factor in the surplus net result for the 2022-23 financial year.

Consultancies Information

Details of consultancies (under \$10,000) – commentary to be added

During 2022-23 there were three consultancies where the total fees payable to the consultants were less than \$10,000. The total expenditure incurred during this period in relation to these consultancies is \$11,860.00 (ex gst)

Details of consultancies (valued at \$10,000 or greater) – commentary to be added

During 2022-23 there were five consultancies where the total fees payable to the consultants were more than \$10,000. The total expenditure incurred during this period in relation to these consultancies is \$288,545.20 (ex gst)

Consultant	Purpose of Consultancy	Start Date	End Date	Total approved project fee (excluding GST)	Expenditure 2022-23 (excluding GST)	Future expenditure (excluding GST)
Ngamuru Advisory Pty Ltd				\$ 27,000.00	\$ 27,000.00	
The Leadership Place Pty Ltd				\$ 37,500.00	\$ 37,500.00	
Visibility Co Pty Ltd				\$155,233.80	\$155,233.80	
GovernWith Pty Ltd				\$ 20,000.00	\$ 20,000.00	
Naked Ambition Consulting				\$ 48,806.40	\$ 48,806.40	

Information and communication technology (ICT) expenditure – commentary to be added

During the 2022-23 financial year, total expenditure incurred was \$1,879,622.13 (x gst) with the breakdown shown below:

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)
\$1,641,982	\$237,640.13	\$160,591.23	\$77,048.90

Disclosures required under Legislation

Freedom of Information Action Act 1982

Access to documents and records held by MDHS may be requested under the *Freedom of Information Act 1982*. Members of the public wishing to access documents can apply in writing to the FOI Principal Officer, Nickola Allan at MDHS. Information can be found at: www.mdhs.vic.gov.au. 38 Freedom of information requests were granted but were unable to fulfil 4 due to not having the required information that the request specified and 2 withdrawn.

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. There were no Occupancy Permits issued during the financial year. There were no Building Permits issued during the financial year.

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. MDHS complies with the requirements of the Public Interest Disclosure Act 2012 and did not receive any disclosures in the 2021-22 financial year.

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

MDHS 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).

Local Jobs First Act 2003

In 2022-2023 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 9.1.3 (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 section 40 of the Safe Patient Care Act 2015.

Gender Equality Act 2020

The Maryborough District Health Service Gender Equality Action Plan (GEAP) was approved by the Commission for Gender Equality on the 20th June 2022.

MDHS's Gender Equality Objective is for, *"our workforce to complement the diversity of the community we serve and engage with by creating a working environment and conditions in which we operate, learn, work and age in as a focus of all action plans and strategies"*.

In order to achieve this objective, MDHS has focussed on 3 key priority areas, being:

- **Priority 1** The MDHS workplace is a sector-wide gender equality leader where all women and gender diverse people, with intersectional characteristics, are acknowledged, celebrated and recognised in a way that supports people to succeed.
- **Priority 2** MDHS applies inclusive and bias-free practices when assessing its talent pool to achieve a gender-balanced workforce with pay equity, while also striving to have a workforce that is increasingly representative of the local community.
- **Priority 3** MDHS has zero tolerance for sexism, discrimination, bullying and sexual harassment with all staff empowered to recognise, address and respond to it.

Each of the above key priority areas has specific action plans in place, which directly relate to the 7 indicators of gender equality. The implementation and monitoring of each action plan is to be undertaken by the MDHS Gender Equality Action Plan Committee.

Environmental Performance

MDHS remains committed to improving our environmental impact and strives to provide health care in an environmentally sound and sustainable manner. MDHS will ensure that environmental sustainability is a high priority for the future of our master plan project.

ENERGY CONSUMPTION	2020/21	2021/22	2022/23
Total stationary energy purchased by energy type (GJ)			
Electricity	4993	5359	5978
LPG	1273	1252	1192
Natural Gas	1812	1780	11,020
Total	8,078	8,391	18,190
NORMALISATION			
Energy per unit of floor space (GJ/m ²)	0.47	0.49	1.06
Energy per unit of Separations (GJ/Separations)	1.51	1.70	3.32
Energy per unit of bed-day (LOS+Aged Care OBD) (GJ/OBD)	0.97	1.05	2.15

ENERGY	2020/21	2021/22	2022/23
EL2 On site-electricity generated [MWh]			
Solar Electricity	141.9	136.9	130.8
EL3 On-site installed generation capacity [kW converted to MW]			
Diesel Generator	0.38	0.38	0.38
Solar System	0.20	0.20	0.20
E3 Total energy usage segmented by renewable and non-renewable sources [GJ]			
Renewable	945.205	996.204	1505.985
Non-renewable (E1 + E2 - E3 Renewable)	7132.913	7532.253	16683.021

GREENHOUSE GAS EMISSIONS	2020/21	2021/22	2022/23
G1, G2 & G3 Total scope one (direct) & (indirect) greenhouse gas emissions [tonnes CO₂e]			
Direct greenhouse gas emissions - Carbon Dioxide	170	174	638
Direct greenhouse gas emissions - Methane	0.44	0.44	1.34
Direct greenhouse gas emissions – Nitrous Oxide	0.31	0.31	0.57
Indirect Electricity	1,082	1,087	1,051
Indirect Greenhouse gas emissions	346	356	429
G(Opt) Net greenhouse gas emissions (tonnes CO₂e)	1,598	1,617	2,119

WATER USE	2020/21	2021/22	2022/23
W1 Total units of metered water consumed by water source (kl)			
Class A Recycled Water	N/A	N/A	N/A
Portable Water	13,583	13,936	14,527
Reclaimed Water	N/A	N/A	N/A
Total	13,583	13,936	14,527
NORMALISATION			
Water per unit of floor space (kL/m2)	0.79	0.81	0.85
Water per unit of Separations (kL/Separations)	2.53	2.79	2.65
Water per unit of bed-day (LOS+Aged Care OBD) (kL/OBD)	1.63	1.73	1.72

WASTE AND RECYCLING	2020/21	2021/22	2022/23
WR1 Total units of waste disposed of by waste stream and disposal method [kg]			
Total waste generated (kg clinical waste+kg general waste+kg recycling waste)	170,112	186,661	186,502
Total waste to landfill generated (kg general waste)	127,890	141,202	143,942
Total waste offsite treatment generated (kg clinical waste)	10,872	12,048	10,880
Cardboard kg	31,350	33,412	31,680
Total waste to landfill per patient treated ((kg clinical waste+kg general waste)/PPT)	2.58	2.90	2.93
Recycling rate % (kg recycling / (kg general waste+kg recycling))	18.43%	17.90%	16.99%

NORMALISATION FACTORS	2020/21	2021/22	2022/23
Area M2	17,123	17,123	17,123
1000km (Corporate)	N/A	N/A	N/A
1000km (Non-emergency)	N/A	N/A	N/A
Aged Care OBD	33,168	32,951	32,280
ED Departures	0	0	0
FTE	301	288	319
LOS	11,098	10,692	11,429
OBD	44,266	43,643	43,709
PPT	49,626	48,638	49,186
Separations	5,360	4,995	5,477

Social Procurement

Victoria's Social Procurement Framework (SPF) is a Victorian Government policy that enables Maryborough District Health Service (MDHS) to increase the value of procured goods, services, and construction by pursuing social and sustainable outcomes, in accordance with the SPF.

During the year FY 2022-23, Maryborough District Health Service developed their social procurement strategy which aligns with our strategic goals, namely,

- Opportunities for Victorian Aboriginal people
- Opportunities for disadvantaged Victorians
- Sustainable Victorian Regions

FY 2022-23: Priority Social Procurement Framework (SPF) objectives and outcomes

Maryborough District Health Service strategic priorities for 2022-23 sought the following SPF objectives and corresponding outcomes through our procurement activities.

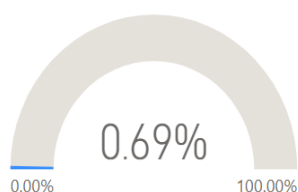
Priority SPF objectives	Priority SPF outcomes sought
1. Opportunities for Victorian Aboriginal people	MDHS have a number of procurement considerations to pursue SPF outcomes to promote Victorian Aboriginal people that have been incorporated into MDHS's Reconciliation Action Plan. MDHS engaged with 1 social benefit suppliers to a total value of \$24,143.00.
2. Opportunities for Victorians with disability	MDHS has undertaken direct social procurement by procuring services from Asteria Services Incorporated, which provide tailored disability support and commercial services to the people of central Victoria.
3. Sustainable Victorian regions	MDHS have a number of procurement considerations to pursue SPF outcomes to promote Sustainable Victorian Regions. MDHS engaged successfully with 7 social benefit suppliers for goods and services related to the following activities, including MDHS Function Catering, Staff Development & Recruitment.

Summary of direct social procurement engagement for FY 2022-23

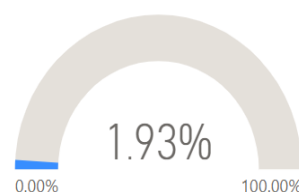
Number of social benefit suppliers engaged during the reporting period: 9

Total amount spent with social benefit suppliers during the reporting period: \$104,635.00

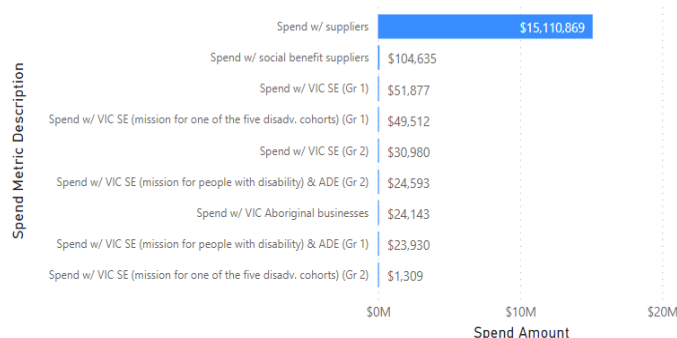
Social Benefit Supplier Spend as a Proportion of Total Supplier Spend



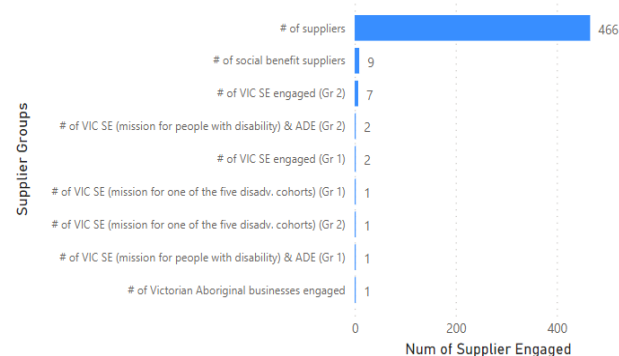
Social Benefit Suppliers as a Proportion of Total Suppliers



Total Expenditure by Spend Metric Description



Total Number of Suppliers by Supplier Group



Privacy

MDHS recognizes, and is committed to, the protection of the privacy of patient, resident, client and staff information. MDHS 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 MDHS that all health information collected and medical records held in relation to their treatment is respected and confidentially is maintained.

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

- 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.

Attestation for Financial Management Compliance

I, Kelly Mason on behalf of the Responsible Body, certify that Maryborough District Health Service has no Material Compliance Deficiency with respect to the applicable Standing Directions under the Financial Management Act 1994 and instructions.



Kelly Mason
Responsible Officer
Maryborough District Health Service

20 July 2023

Attestation for Integrity, Fraud and Corruption

I, Nickola Allan certify that Maryborough District Health Service has put in place appropriate internal controls and processes to ensure that Integrity, fraud and corruption risks have been reviewed and addressed at Maryborough District Health Service.



Nickola Allan
Accountable Officer
Maryborough District Health Service
20 July 2023

Attestation for Data Integrity

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



Nickola Allan
Accountable Officer
Maryborough District Health Service

20 July 2023

Attestation for Compliance with Health Share Victoria (HSV) Purchasing Policies

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



Nickola Allan
Accountable Officer
Maryborough District Health Service

20 July 2023

Attestation for Conflict of Interest

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



Nickola Allan
Accountable Officer
Maryborough District Health Service

20 July 2023

Compliance Disclosure Index

Disclosure Index

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

Legislation	Requirement	Page Reference
Ministerial Directions		
Report of Operations		
Charter and purpose		
FRD 22	Manner of establishment and the relevant Ministers	4
FRD 22	Purpose, functions, powers and duties	4
FRD 22	Nature and range of services provided	5
FRD 22	Activities, programs and achievements for the reporting period	6
FRD 22	Significant changes in key initiatives and expectations for the future	6
Management and structure		
FRD 22	Organisational structure	8
FRD 22	Workforce data/ employment and conduct principles	11
FRD 22	Occupational Health and Safety	11
Financial information		
FRD 22	Summary of the financial results for the year	12
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FRD 22	Operational and budgetary objectives and performance against objectives	13
FRD 22	Subsequent events	26
FRD 22	Details of consultancies under \$10,000	13
FRD 22	Details of consultancies over \$10,000	13
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FRD 22	Application and operation of <i>Freedom of Information Act 1982</i>	14
FRD 22	Compliance with building and maintenance provisions of <i>Building Act 1993</i>	14

Legislation	Requirement	Page Reference
FRD 22	Application and operation of The Public Interest Act 2012	14
FRD 22	Statement on National Competition Policy	14
FRD 22	Application and operation of Carers Recognition Act 2012	14
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Attestations		
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Other reporting requirements		
	• Reporting of outcomes from Statement of Priorities 2021-22	22
	• Occupational Violence reporting	11
	• Reporting obligations under the Safe Patient Care Act 2015	14
	• Gender Equality Act 2020	14
	• Reporting of compliance regarding Car Parking Fees (if applicable)	NA

Statement of Priorities

Part A: Strategic Priorities

Maryborough District Health Service contributed to the Department of Health Operational Plan 2022-2023 through the following strategic priorities:

Keep people healthy and safe in the community:

Maintain COVID-19 readiness

- Maintain a robust COVID-19 readiness and response, working with the department, Health Service Partnership and Local Public Health Unit (LPHU) to ensure effective responses to changes in demand and community pandemic orders. This includes, but is not limited to, participation in the COVID-19 Streaming Model, the Health Service Winter Response framework and continued support of the COVID-19 vaccine immunisation program and community testing.

Outcomes:

- MDHS continues to work with Grampians PHU in response to changing COVID demands across our catchment. MDHS maintains 100% vaccination rates for COVID and Flu.

Care closer to home:

Delivering more care in the home or virtually

- Increase the provision of home-based or virtual care, where appropriate and preferred, by the patient, including via the Better at Home program.

Outcomes:

- MDHS had dedicated resource to Better @ Home during the 2022-2023 financial year. MDHS also implemented a number of strategies to increase virtual care access and opportunities in partnership with our community.

Keep improving care:

Improve quality and safety of care

- Work with Safer Care Victoria (SCV) in areas of clinical improvement to ensure the Victorian health system is safe and delivers best care, including working together on hospital acquired complications, low value care and targeting preventable harm to ensure that limited resources are optimised without compromising clinical care and outcomes.

Outcomes:

- MDHS continues to work with SCV on all aspects of clinical improvements projects such as the Postpartum Haemorrhage collaborative.
- MDHS quality unit reviews all hospital-acquired complications as part of business operations to identify improvement opportunities. MDHS also liaises with SCV closely in response to SAPSE and Sentinel event reporting as required.

Plan update to nutrition and food quality standards

- Develop a plan to implement nutrition and quality of food standards in 2022-2023, implemented by December of 2023. *(NOTE: Report on achievements to 30 June 2023)*

Outcomes:

- MDHS has an active plan to ensure MDHS implements nutrition and food standards by December 2023. MDHS has already met the first phase of this directive in response to our healthy drink options

Climate Change Commitments

- Contribute to enhancing health system resilience by improving the environmental sustainability, including identifying and implementing projects and/or processes that will contribute to committed emissions reduction targets through reducing or avoiding carbon emissions and/or implementing initiatives that will help the health system to adapt to the impacts of climate change.

Outcomes:

- MDHS has committed a pillar to sustainability within the Strategic Plan. Key fundamental design principles have been incorporated in the student accommodation including all electric principals and the new hospital building design.

Asset Maintenance and Management

- Improve health service and Department Asset Management Accountability Framework (AMAF) compliance by collaborating with Health Infrastructure to develop policy and processes to review the effectiveness of asset maintenance and its impact on service delivery.

Outcomes:

- MDHS is an active participant in the Victorian Health Asset Management Communities of Practice and is working to ensure compliance with requirements of the Asset Management Accountability Framework. As part of new build preparation MDHS has been able to review and stocktake all assets for current and future requirements.

Improve Aboriginal health and wellbeing:

Improve Aboriginal cultural safety

- Strengthen commitments to Aboriginal Victorians by addressing the gap in health outcomes by delivering culturally safe and responsive health care.
- Establish meaningful partnerships with Aboriginal Community-Controlled Health Organisations.
- Implement strategies and processes to actively increase Aboriginal employment.
- Improve patient identification of Aboriginal people presenting for health care, and to address variances in health care and provide equitable access to culturally safe care pathways and environments.
- Develop discharge plans for every Aboriginal patient.

Outcomes:

- MDHS has completed Reflect RAP, and as working group submitted our RAP innovate for review by RAP Australia.
- MDHS RAP committee meets monthly to review action plan and identify new opportunities to close the gap.
- MDHS has successfully recruited AHLO role to cover maternity leave, and looking to further expand role to ensure sustainability of role.
- MDHS has recruited dedicated AHLO, and is actively working with Dja Dja Wurrung to ensure we are creating safe spaces for our community to improve access to care.
- MDHS continues partnership with Djandak as part of landscaping and new build works to ensure cultural safety is improved in design methodology.

Moving from competition to collaboration:

Foster and develop local partnerships

- Strengthen cross-service collaboration, including through active participation in health service partnerships (HSP).

- Work together with other HSP members on strategic system priorities where there are opportunities to achieve better and more consistent outcomes through collaboration, including the pandemic response, elective surgery recovery and reform, implementation of the Better @ Home program and mental health reform.

Outcomes:

- MDHS is an active member of Grampians HSP and involved in all identified projects and MDHS CEO is the Chair of Grampians HSP systems improvement committee.
- MDHS is lead agency in collaborative tender process across WestVic PHN with two members of Grampians HSP, building stronger partnerships and connection

Planned Surgery Recovery and Reform Program

- Maintain commitment to deliver goals and objectives of the Planned Surgery Recovery and Reform Program, including initiatives as outlined, agreed and funded through the HSP workplan. Health services are expected to work closely with HSP members and the department throughout the implementation of this strategy, and to collaboratively develop and implement future reform initiatives to improve the long-term sustainability of safe and high quality planned surgical services to Victorians.

Outcomes:

- MDHS works collaboratively with Grampians health to fill 3 additional lists per month dedicated to patients who have exceeded wait times across the region.

A stronger workforce:

Improve workforce wellbeing

- Participate in the Occupational Violence and Aggression (OVA) training that will be implemented across the sector in 2022-2023.
- Support the implementation of the Strengthening Hospital Responses to Family Violence (SHRFV) initiative deliverables including health service alignment to MARAM, the Family Violence Multi-Agency Risk Assessment and Management framework.
- Prioritise wellbeing of healthcare workers and implement local strategies to address key issues.

Outcomes:

- MDHS has dedicated resource to support MARAM framework, and will participate in training offered to MDHS in regards to OVA.

Statement of Priorities

Part B: Performance Priorities

High quality and safe care

Key performance measure	Target	Result
Infection prevention and control		
Compliance with the Hand Hygiene Australia program	85%	90%
Percentage of healthcare workers immunised for influenza	92%	100%
Patient experience		
Victorian Healthcare Experience Survey – percentage of positive patient experience responses – Quarter 1	95%	96.1%
Victorian Healthcare Experience Survey – percentage of positive patient experience responses – Quarter 2	95%	100%
Victorian Healthcare Experience Survey – percentage of positive patient experience responses – Quarter 3	95%	97.3%
Maternity and Newborn		
Rate of singleton term infants without birth anomalies with APGAR score <7 to 5 minutes	≤ 1.4%	0%
Rate of severe fetal growth restriction (FGR) in singleton pregnancy undelivered by 40 weeks	≤ 28.6%	0%

Strong governance, leadership and culture

Key performance measure	Target	Result
Organisational culture		
People matter survey – Percentage of staff with an overall positive response to safety culture survey questions	62%	61%

Effective financial management

Key performance measure	Target	Result
Operating result (\$m)	\$0.00	-\$0.25
Average number of days to paying trade creditors	60 days	67
Average number of days to receiving patient fee debtors	60 days	17
Adjusted current asset ratio	0.7 or 3% improvement from health service base target	0.80
Variance between forecast and actual Net result from transactions (NRFT) for the current financial year ending 30 June.	Variance ≤ \$250,000	-\$0.25
Actual number of days available cash, measured on the last day of each month.	14 days	7 days

Statement of Priorities

Part C: Activity and Funding

MDHS Activity Achievements 2022-2023

Funding Type	Activity
Consolidated Activity Funding	
Acute admitted, subacute admitted, emergency services, non-admitted NWAU	4142.61
Acute Admitted	
National Bowel Cancer Screening Program NWAU	18.88NWAU
Acute admitted DVA	20.82 NWAU
Acute Non-Admitted	
Home Enteral Nutrition NWAU	0.42 NWAU
Aged Care	
Residential Aged Care	31,824 Bed Days
HACC	5,680 service events
Primary Health	
Community Health / Primary Care Programs	4,339 service events

Donations

Each year we receive generous contributions through donations, sponsorships, bequests and philanthropic grants. We thank the numerous community members and organisations who have made a donation to MDHS this year. Total donations for the 2022-2023 year \$ \$167,143

MDHS Charity Golf Day

MDHS in conjunction with our major sponsor, True Foods, held our annual Charity Golf Day again this year. The event raised \$24,227. We extend our thanks to True Foods and all the hole sponsors for another successful event.

Major Community Supporters

- AFS & Associates Chartered Accountants
- Alchemy Performance Packaging Pty Ltd
- Alex Stoneman
- Alison Evans
- Allround Packaging
- Avoca Health Services Ladies Auxiliary
- Barry Parsons
- Bendigo Bank
- Bequest of the Late Elizabeth Tunkin
- Carl Spencer
- Central Victorian Transport
- Dr Tang
- Dunolly Community Meals on Wheels
- Edgemill Group
- Edlyn Foods
- Glenn Patterson
- Geoff roach
- Hutchin and Rowles Transport
- Intergral Food Ingredients
- James Collicoat
- Jason Lang
- K. McArdle
- Lions club of Carisbrook
- Louis & Bill Foreman
- Manildra Group
- Maryborough Highland Society
- Maryborough Machinery
- Maryborough Senior Citizens Club
- Maryborough Toyota
- Maryborough Transport
- Mauffster Enterprises Pty Ltd
- Magenta Sweeney
- Modern Edge Concreting
- Noela Evans
- Ruby Adams
- Sensate
- Sonac
- True Foods
- VISY
- Wattle City Meats
- Windsor Main

Thank you to all our donors who made a contribution during the year to support the Health Service in delivering care to our community.



Maryborough District Health Service

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mdhs.vic.gov.au



2022-
2023

Annual Financial Report

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Balance Sheet
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Cash Flow Statement
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Alternative Presentation of Comprehensive Statement

Maryborough District Health Service

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Maryborough, Victoria 3465

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Incorporating:

Community Services

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Maryborough, Victoria 3465

Phone: +61 3 5461 0333
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Avoca Campus

10 Templeton Street
PO Box 75
Avoca, Victoria 3467

Phone: +61 3 5465 1202
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Dunolly Campus

20 Havelock Street
Dunolly, Victoria 3462

Phone: +61 3 5468 2900
Fax: +61 3 5468 1188

Financial Statements

Financial Year ended 30 June 2023

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

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

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

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

We authorise the attached financial statements for issue on <<insert date>>.

Board member



Chair

Maryborough
28 / 09 / 2023

Accountable Officer



Chief Executive Officer

Maryborough
28 / 09 / 2023

Chief Finance & Accounting Officer



Chief Finance and Accounting Officer

Maryborough
28 / 09 / 2023

Independent Auditor's Report

To the Board of Maryborough District Health Service

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

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

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

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

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

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

MELBOURNE
25 October 2023



Charlotte Jeffries
as delegate for the Auditor-General of Victoria

Maryborough District Health Service
Comprehensive Operating Statement
For the Financial Year Ended 30 June 2023

		2023	2022
	Note	\$'000	\$'000
Revenue and income from transactions			
Operating activities	2.1	65,737	53,155
Non-operating activities	2.1	411	172
Share of revenue from joint operations	8.7	1,186	870
Total revenue and income from transactions		67,334	54,197
Expenses from transactions			
Employee expenses	3.1	(43,470)	(37,704)
Supplies and consumables	3.1	(5,215)	(5,179)
Finance costs	3.1	(5)	(9)
Depreciation	3.1	(2,658)	(3,825)
Other administrative expenses	3.1	(3,604)	(2,882)
Other operating expenses	3.1	(2,626)	(2,484)
Other non-operating expenses	3.1	(35)	(67)
Share of expenditure from joint operations	8.7	(1,044)	(828)
Total Expenses from transactions		(58,657)	(52,978)
Net result from transactions - net operating balance		8,677	1,219
Other economic flows included in net result			
Net gain/(loss) on sale of non-financial assets	3.2	(6)	(2,196)
Net gain/(loss) on financial instruments	3.2	94	(111)
Other gain/(loss) from other economic flows	3.2	(69)	201
Total other economic flows included in net result		19	(2,106)
Net result for the year		8,696	(887)
Other comprehensive income			
Items that will not be reclassified to net result			
Changes in property, plant and equipment revaluation surplus	4.1(b)	-	6,133
Total other comprehensive income		-	6,133
Comprehensive result for the year		8,696	5,246

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

Maryborough District Health Service
Balance Sheet
As at 30 June 2023

		2023	2022
	Note	\$'000	\$'000
Current assets			
Cash and cash equivalents	6.2	12,202	11,348
Receivables	5.1	815	1,575
Contract assets	5.2	-	548
Inventories		64	41
Prepaid expenses		362	770
Total current assets		13,443	14,282
Non-current assets			
Receivables	5.1	1,163	1,146
Property, plant and equipment	4.1(a)	67,507	57,799
Right of use assets	4.2(a)	182	45
Investment Properties	4.5(a)	180	180
Total non-current assets		69,032	59,170
Total assets		82,475	73,452
Current liabilities			
Payables	5.3	4,231	5,936
Borrowings	6.1	72	46
Employee benefits	3.3	8,167	7,344
Other liabilities	5.5	7,430	6,281
Total current liabilities		19,900	19,607
Non-current liabilities			
Borrowings	6.1	108	-
Employee benefits	3.3	595	669
Total non-current liabilities		703	669
Total liabilities		20,603	20,276
Net assets		61,872	53,176
Equity			
Property, plant and equipment revaluation surplus	4.3	49,244	49,244
Restricted specific purpose reserve	SCE	486	486
Contributed capital	SCE	13,776	13,776
Accumulated deficit	SCE	(1,634)	(10,330)
Total equity		61,872	53,176

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

Maryborough District Health Service
Statement of Changes in Equity
For the Financial Year Ended 30 June 2023

		Property, Plant and Equipment Revaluation Surplus	Restricted Specific Purpose Reserve	Contributed Capital	Accumulated Surplus/(Deficits)	Total
	Note	\$'000	\$'000	\$'000	\$'000	\$'000
Total						
Balance at 30 June 2021		43,111	486	13,776	(9,443)	47,930
Net result for the year		-	-	-	(887)	(887)
Other comprehensive income for the year		6,133	-	-	-	6,133
Transfer from/(to) accumulated deficits		-	-	-	-	-
Balance at 30 June 2022		49,244	486	13,776	(10,330)	53,176
Net result for the year		-	-	-	8,696	8,696
Other comprehensive income for the year		-	-	-	-	-
Transfer from/(to) accumulated deficits		-	-	-	-	-
Balance at 30 June 2023		49,244	486	13,776	(1,634)	61,872

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

Maryborough District Health Service
Cash Flow Statement
For the Financial Year Ended 30 June 2023

		2023	2022
	Note	\$'000	\$'000
Cash Flows from operating activities			
Operating grants from State government		38,676	31,708
Operating grants from Commonwealth government		8,628	8,628
Capital grants from government - State		3,839	3,435
Patient fees received		2,794	2,423
Private practice fees received		2,280	1,993
Donations and bequests received		2	-
GST received from ATO		1,675	989
Interest and investment income received		278	54
Commercial Income Received		305	214
Other receipts		1,968	1,652
Total receipts		60,445	51,096
Payments to employees		(42,458)	(37,811)
Payments for supplies and consumables		(5,447)	(3,754)
Payments for medical indemnity insurance		(489)	(497)
Payments for repairs and maintenance		(1,573)	(1,416)
Finance Costs		(5)	(9)
GST paid to ATO		(1,561)	(1,082)
Cash outflow for leases		(25)	(25)
Other payments		(3,793)	(3,639)
Total payments		(55,351)	(48,233)
Net cash flows from/(used in) operating activities	8.1	5,094	2,863
Cash Flows from investing activities			
Purchase of property, plant and equipment		(5,522)	(3,572)
Capital donations and bequests received		165	181
Other capital receipts		-	-
Proceeds from disposal of property, plant and equipment		8	-
Net cash flows from/(used in) investing activities		(5,349)	(3,391)
Cash flows from financing activities			
Repayment of borrowings		(52)	(13)
Receipt of accommodation deposits		2,485	2,329
Repayment of accommodation deposits		(1,324)	(1,536)
Net cash flows from /(used in) financing activities		1,109	780
Net increase/(decrease) in cash and cash equivalents held		854	252
Cash and cash equivalents at beginning of year		11,348	11,096
Cash and cash equivalents at end of year	6.2	12,202	11,348

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

Maryborough District Health Service
Notes to the Financial Statements
For the Financial Year Ended 30 June 2023

Note 1: Basis of preparation

Structure

- 1.1 Basis of preparation of the financial statements*
- 1.2 Impact of COVID-19 pandemic*
- 1.3 Abbreviations and terminology used in the financial statements*
- 1.4 Joint arrangements*
- 1.5 Key accounting estimates and judgements*
- 1.6 Accounting standards issued but not yet effective*
- 1.7 Goods and Services Tax (GST)*
- 1.8 Reporting entity*

Maryborough District Health Service

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 Maryborough District Health Service for the year ended 30 June 2023. The report provides users with information about Maryborough District Health Service's stewardship of the resources entrusted to it.

This section explains the basis of preparing the financial statements.

Note 1.1: Basis of preparation of the financial statements

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

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

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

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

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

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

The financial statements are presented in Australian dollars.

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

The annual financial statements were authorised for issue by the Board of Maryborough District Health Service on [insert date].

Maryborough District Health Service

Notes to the Financial Statements

For the Financial Year Ended 30 June 2023

Note 1.2 Impact of COVID-19 pandemic

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

In the current reporting period, financial impacts of the pandemic were not material to Maryborough District Health Service.

Note 1.3 Abbreviations and terminology used in the financial statements

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

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

Maryborough District Health Service

Notes to the Financial Statements

For the Financial Year Ended 30 June 2023

Note 1.4 Joint arrangements

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

Maryborough District Health Service has the following joint arrangements:

- Loddon Mallee Rural Health Alliance - Joint Operation

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

Note 1.5 Key accounting estimates and judgements

Management make estimates and judgements when preparing the financial statements.

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

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

The accounting policies and significant management judgements and estimates used, and any changes thereto, are

- Note 2.1: Revenue and income from transactions
- Note 3.3: Employee benefits and related on-costs
- Note 4.1: Property, plant and equipment
- Note 4.2: Right-of-use assets
- Note 4.4: Depreciation and amortisation
- Note 4.5: Investment Property
- Note 4.6: Impairment of assets
- Note 5.1: Receivables
- Note 5.2: Contract assets
- Note 5.3: Payables
- Note 5.4: Contract liabilities
- Note 5.5: Other liabilities
- Note 6.1(a): Lease liabilities
- Note 7.4: Fair value determination

Maryborough District Health Service

Notes to the Financial Statements

For the Financial Year Ended 30 June 2023

Note 1.6 Accounting standards issued but not yet effective

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

Standard	Adoption Date	Impact
AASB 17: <i>Insurance Contracts</i>	Reporting periods beginning on or after 1 January 2023	Adoption of this standard is not expected to have a material impact.
AASB 2020-1: <i>Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current</i>	Reporting periods beginning on or after 1 January 2023.	Adoption of this standard is not expected to have a material impact.
AASB 2022-5: <i>Amendments to Australian Accounting Standards - Lease Liability in a Sale and Leaseback</i>	Reporting periods beginning on or after 1 January 2024.	Adoption of this standard is not expected to have a material impact.
AASB 2022-6: <i>Amendments to Australian Accounting Standards - Non-Current Liabilities with Covenants</i>	Reporting periods beginning on or after 1 January 2023.	Adoption of this standard is not expected to have a material impact.
AASB 2022-8: <i>Amendments to Australian Accounting Standards - Insurance Contracts: Consequential Amendments</i>	Reporting periods beginning on or after 1 January 2023.	Adoption of this standard is not expected to have a material impact.
AASB 2022-9: <i>Amendments to Australian Accounting Standards - Insurance Contracts in the Public Sector</i>	Reporting periods beginning on or after 1 January 2026.	Adoption of this standard is not expected to have a material impact.
AASB 2022-10: <i>Amendments to Australian Accounting Standards - Fair Value Measurement of Non-Financial Assets of No-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 Maryborough District Health Service in future periods.

Maryborough District Health Service

Notes to the Financial Statements

For the Financial Year Ended 30 June 2023

Note 1.7 Goods and Services Tax (GST)

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

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

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

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

Note 1.8 Reporting Entity

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

Maryborough District Health Service's principal address is:

75-87 Clarendon Street
Maryborough, Victoria 3465

A description of the nature of Maryborough District Health Service'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

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

Structure

2.1 Revenue and income from transactions

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

Telling the COVID-19 story

Revenue recognised to fund the delivery of our services during the financial year was not materially impacted by the COVID-19 Coronavirus pandemic because the health service's response was limited to implementing COVID safe practices.

Key judgements and estimates

This section contains the following key judgements and estimates:

Key judgements and estimates	Description
Identifying performance obligations	Maryborough District Health Service applies significant judgment when reviewing the terms and conditions of funding agreements and contracts to determine whether they contain sufficiently specific and enforceable performance obligations. If this criteria is met, the contract/funding agreement is treated as a contract with a customer, requiring Maryborough District Health Service to recognise revenue as or when the health service transfers promised goods or services to customers. If this criteria is not met, funding is recognised immediately in the net result from operations.
Determining timing of revenue recognition	Maryborough District Health Service applies significant judgement to determine when a performance obligation has been satisfied and the transaction price that is to be allocated to each performance obligation. A performance obligation is either satisfied at a point in time or over time.
Determining time of capital grant income recognition	Maryborough District Health Service applies significant judgement to determine when its obligation to construct an asset is satisfied. Costs incurred is used to measure the health service's progress as this is deemed to be the most accurate reflection of the stage of completion.
Assets and services received free of charge or for nominal consideration	Maryborough District Health Service applies significant judgement to determine the fair value of assets and services provided free of charge or for nominal value. Where a reliable market value exists it is used to calculate the equivalent value of the service being provided. Where no reliable market value exists, the service is not recognised in the financial statements.

Note 2.1 Revenue and income from transactions

	2023 \$'000	2022 \$'000
Operating activities		
Revenue from contracts with customers		
Government grants (State) - Operating	20,378	19,593
Government grants (Commonwealth) - Operating	8,985	8,431
Patient and resident fees	2,575	2,623
Private practice fees	2,280	1,993
Commercial activities ¹	305	214
Total revenue from contracts with customers	34,523	32,854
Other sources of income		
Government grants (State) - Operating	18,193	12,410
Government grants (Commonwealth) - Operating	724	706
Government grants (State) - Capital	3,839	3,435
Other capital purpose income	-	-
Capital donations	165	181
Assets received free of charge or for nominal consideration	7,109	1,877
Other revenue from operating activities (including non-capital donations)	1,184	1,692
Total other sources of income	31,214	20,301
Total revenue and income from operating activities	65,737	53,155
Non-operating activities		
Income from other sources		
Capital interest	195	-
Other interest	83	54
Other revenue from non-operating activities	133	118
Total other sources of income	411	172
Total income from non-operating activities	411	172
Total revenue and income from transactions	66,148	53,327

1. Commercial activities represent business activities which Maryborough District Health Service enter into to support their operations.

Note 2.1 Revenue and income from transactions (continued)

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

Maryborough District Health Service disaggregates revenue by the timing of revenue recognition.

Goods and services transferred to customers:

At a point in time

Over time

2023 \$'000	2022 \$'000
34,218	32,640
305	214
34,523	32,854

Total revenue from contracts with customers

How we recognise revenue and income from operating activities

Government operating grants

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

When both these conditions are satisfied, the health service:

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

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

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

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

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

Note 2.1 Revenue and income from transactions (continued)

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

Government grant	Performance obligation
Activity Based Funding (ABF) paid as National Weighted Activity Unit (NWAU)	<p>NWAU is a measure of health service activity expressed as a common unit against which the national efficient price (NEP) is paid.</p> <p>The performance obligations for NWAU are the number and mix of admissions, emergency department presentations and outpatient episodes, and is weighted for clinical complexity.</p> <p>Revenue is recognised at point in time, which is when a patient is discharged.</p>
Commonwealth Residential Aged Care Grants	<p>Funding is provided for the provision of care for aged care residents within facilities at Maryborough District Health Service.</p> <p>The performance obligations include provision of residential accommodations and care from nursing staff and personal care workers.</p> <p>Revenue is recognised at the point in time when the service is provided within the residential aged care facility.</p>

Capital grants

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

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

Patient and resident fees

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

Note 2.1 Revenue and income from transactions (continued)

Private practice fees

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

Commercial activities

Revenue from commercial activities includes items such as meal sales and provision of accommodation. Commercial activity revenue is recognised at a point in time, upon provision of the goods or service to the customer.

How we recognise revenue and income from non-operating activities

Rental income – investment properties

Rental income from investment properties is recognised on a straight-line basis over the term of the lease, unless another systematic basis is more representative of the pattern of use of the underlying asset.

Interest Income

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

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

	2023 \$'000	2022 \$'000
Cash donations and gifts	2	-
Land at fair value	-	652
Buildings at fair value	6,809	743
Personal protective equipment	298	482
Total fair value of assets and services received free of charge or for nominal consideration	7,109	1,877

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

Donations and bequests

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

Personal protective equipment

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

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

Contributions of resources

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

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

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

Voluntary Services

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

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

Maryborough District Health Service greatly values the services contributed by volunteers but it does not depend on volunteers to deliver its services.

Non-cash contributions from the Department of Health

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

Supplier	Description
Victorian Managed Insurance Authority	The Department of Health purchases non-medical indemnity insurance for Maryborough District Health Service which is paid directly to the Victorian Managed Insurance Authority. To record this contribution, such payments are recognised as income with a matching expense in the net result from transactions.
Department of Health	Long Service Leave (LSL) revenue is recognised upon finalisation of movements in LSL liability in line with the long service leave funding arrangements set out in the relevant Department of Health Hospital Circular.
Department of Health - Capital	The Department of Health have made non cash capital contributions for the construction of Maryborough District Health Service's new Hospital. The value of these contributions is recognised in Property, Plant and Equipment as Work in Progress at fair value.

Note 3: The cost of delivering our services

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

Structure

3.1 Expenses from transactions

3.2 Other economic flows

3.3 Employee benefits in the balance sheet

3.4 Superannuation

Telling the COVID-19 story

Expenses incurred to deliver services during the financial year were not materially impacted by the COVID-19 Coronavirus pandemic because its response was limited to implementing COVID safe practices.

Key judgements and estimates

This section contains the following key judgements and estimates:

Key judgements and estimates	Description
Classifying employee benefit liabilities	<p>Maryborough District Health Service applies significant judgment when measuring and classifying its employee benefit liabilities.</p> <p>Employee benefit liabilities are classified as a current liability if Maryborough District Health Service does not have an unconditional right to defer payment beyond 12 months. Annual leave, accrued days off and long service leave entitlements (for staff who have exceeded the minimum vesting period) fall into this category.</p> <p>Employee benefit liabilities are classified as a non-current liability if Maryborough District Health Service has a conditional right to defer payment beyond 12 months. Long service leave entitlements (for staff who have not yet exceeded the minimum vesting period) fall into this category.</p>
Measuring employee benefit liabilities	<p>Maryborough District Health Service applies significant judgment when measuring its employee benefit liabilities.</p> <p>The health service applies judgement to determine when it expects its employee entitlements to be paid.</p> <p>With reference to historical data, if the health service does not expect entitlements to be paid within 12 months, the entitlement is measured at its present value, being the expected future payments to employees.</p> <p>Expected future payments incorporate:</p> <ul style="list-style-type: none"> • an inflation rate of 4.35%, 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 22% and 86% • discounting at the rate of 4.063%, as determined with reference to market yields on government bonds at the end of the reporting period. <p>All other entitlements are measured at their nominal value.</p>

Note 3.1 Expenses from transactions (continued)

		2023	2022
	Note	\$'000	\$'000
Salaries and wages		35,683	31,410
On-costs		3,534	2,933
Agency expenses		2,819	93
Fee for service medical officer expenses		1,037	2,997
Workcover premium		397	271
Total employee expenses		43,470	37,704
Drug supplies		281	248
Medical and surgical supplies (including Prostheses)		2,748	2,765
Diagnostic and radiology supplies		819	911
Other supplies and consumables		1,367	1,255
Total supplies and consumables		5,215	5,179
Finance costs		5	9
Total finance costs		5	9
Other administrative expenses		3,604	2,882
Total other administrative expenses		3,604	2,882
Fuel, light, power and water		539	554
Repairs and maintenance		884	720
Maintenance contracts		689	696
Medical indemnity insurance		489	497
Expenses related to leases of low value assets		25	25
Expenditure for capital purposes		-	(8)
Total other operating expenses		2,626	2,484
Total operating expense		54,920	48,258
Depreciation	4.4	2,658	3,825
Total depreciation		2,658	3,825
Bad and doubtful debt expense		35	67
Total other non-operating expenses		35	67
Total non-operating expense		2,693	3,892
Total expenses from transactions		57,613	52,150

Note 3.1 Expenses from transactions

How we recognise expenses from transactions

Expense recognition

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

Employee expenses

Employee expenses include:

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

Supplies and consumables

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

Finance costs

Finance costs include:

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

Other operating expenses

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

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

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

Non-operating expenses

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

Note 3.2 Other economic flows

	2023 \$'000	2022 \$'000
Impairment of property plant and equipment (including intangible assets)	-	(2,276)
Net gain/(loss) on revaluation of investment property	-	88
Net gain/(loss) on disposal of property plant and equipment	(6)	(8)
Total net gain/(loss) on non-financial assets	(6)	(2,196)
Allowance for impairment losses of contractual receivables	94	(111)
Total net gain/(loss) on financial instruments	94	(111)
Net gain/(loss) arising from revaluation of long service liability	(69)	201
Total other gains/(losses) from other economic flows	(69)	201
Total gains/(losses) from other economic flows	19	(2,106)

How we recognise other economic flows

Other economic flows are changes in the volume or value of an asset or liability that do not result from transactions. Other gains/(losses) from other economic flows include the gains or losses from:

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

Net gain/(loss) on non-financial assets

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

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

Net gain/(loss) on financial instruments

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

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

Note 3.3 Employee benefits and related on-costs

Current employee benefits and related on-costs

Accrued days off

Unconditional and expected to be settled wholly within 12 months ⁱ

2023 \$'000	2022 \$'000
117	89
117	89

Annual leave

Unconditional and expected to be settled wholly within 12 months ⁱ

Unconditional and expected to be settled wholly after 12 months ⁱⁱ

2,772	2,440
351	351
3,123	2,791

Long service leave

Unconditional and expected to be settled wholly within 12 months ⁱ

Unconditional and expected to be settled wholly after 12 months ⁱⁱ

534	523
3,563	3,172
4,097	3,695

Provisions related to employee benefit on-costs

Unconditional and expected to be settled within 12 months ⁱ

Unconditional and expected to be settled after 12 months ⁱⁱ

366	361
464	408
830	769

Total current employee benefits and related on-costs

8,167	7,344
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Non-current provisions and related on-costs

Conditional long service leave

Provisions related to employee benefit on-costs

Total non-current employee benefits and related on-costs

526	592
69	77
595	669

Total employee benefits and related on-costs

8,762	8,013
--------------	--------------

ⁱ The amounts disclosed are nominal amounts.

ⁱⁱ The amounts disclosed are discounted to present values.

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

	2023 \$'000	2022 \$'000
Current employee benefits and related on-costs		
Unconditional accrued days off	117	89
Unconditional annual leave entitlements	3,424	3,092
Unconditional long service leave entitlements	4,626	4,163
Total current employee benefits and related on-costs	8,167	7,344
Non-current employee benefits and related on-costs		
Conditional long service leave entitlements	595	669
Total non-current employee benefits and related on-costs	595	669
Total employee benefits and related on-costs	8,762	8,013
Attributable to:		
Employee benefits	7,863	7,167
Provision for related on-costs	899	846
Total employee benefits and related on-costs	8,762	8,013

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

	2023 \$'000	2022 \$'000
Carrying amount at start of year	846	810
Additional provisions recognised	206	141
Net gain/(loss) arising from revaluation of long service liability	8	(24)
Amounts incurred during the year	(161)	(81)
Carrying amount at end of year	899	846

Employee benefits and related on-costs

How we recognise employee benefits

Employee benefit recognition

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

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

Annual leave and accrued days off

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

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

- Nominal value – if Maryborough District Health Service expects to wholly settle within 12 months or
- Present value – if Maryborough District Health Service 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 Maryborough District Health Service does not expect to settle the liability within 12 months because it will not have the unconditional right to defer the settlement of the entitlement should an employee take leave within 12 months. An unconditional right arises after a qualifying period.

The components of this current LSL liability are measured at:

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

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

Provision for on-costs related to employee benefits

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

Note 3.4 Superannuation

	Paid Contribution for the Year		Contribution Outstanding at Year End	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Defined benefit plans:ⁱ				
Aware Super	46	36	-	-
Defined contribution plans:				
Aware Super	1,570	1,772	-	-
Hesta	946	564	-	-
Other	972	561	-	-
Total	3,534	2,933	-	-

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

How we recognise superannuation

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

Defined benefit superannuation plans

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

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

The DTF discloses the State's defined benefits liabilities in its disclosure for administered items. However superannuation contributions paid or payable for the reporting period are included as part of employee benefits in the Comprehensive Operating Statement of Maryborough District Health Service.

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

Defined contribution superannuation plans

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

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

Note 4: Key assets to support service delivery

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

Structure

4.1 Property, plant & equipment

4.2 Right-of-use assets

4.3 Revaluation surplus

4.4 Depreciation

4.5 Investment properties

4.6 Impairment of assets

Telling the COVID-19 story

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

Key judgements and estimates

This section contains the following key judgements and estimates:

Key judgements and estimates	Description
Estimating useful life of property, plant and equipment	Maryborough District Health Service assigns an estimated useful life to each item of property, plant and equipment. This is used to calculate depreciation of the asset. The health service reviews the useful life and depreciation rates of all assets at the end of each financial year and where necessary, records a change in accounting estimate.
Estimating useful life of right-of-use assets	<p>The useful life of each right-of-use asset is typically the respective lease term, except where the health service is reasonably certain to exercise a purchase option contained within the lease (if any), in which case the useful life reverts to the estimated useful life of the underlying asset.</p> <p>Maryborough District Health Service applies significant judgement to determine whether or not it is reasonably certain to exercise such purchase options.</p>

Key judgements and estimates (continued)

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

Note 4.1 Property, plant and equipment

Note 4.1 (a) Gross carrying amount and accumulated depreciation

	2023 \$'000	2022 \$'000
Land at fair value - Crown	889	889
Land at fair value - Freehold	3,219	3,219
Total land at fair value	4,108	4,108
Buildings at fair value	49,730	44,802
Less accumulated depreciation	(1,471)	-
Total buildings at fair value	48,259	44,802
Property improvements at fair value	65	-
Less accumulated depreciation	(14)	-
Total property improvements at fair value	51	-
Works in progress at fair value	9,551	3,073
Total land and buildings	61,969	51,983
Plant and equipment at fair value	3,151	2,978
Less accumulated depreciation	(1,538)	(1,198)
Total plant and equipment at fair value	1,613	1,780
Motor vehicles at fair value	338	376
Less accumulated depreciation	(313)	(327)
Total motor vehicles at fair value	25	49
Medical equipment at fair value	6,445	6,152
Less accumulated depreciation	(3,907)	(3,406)
Total medical equipment at fair value	2,538	2,746
Computer equipment at fair value	1,624	1,223
Less accumulated depreciation	(877)	(752)
Total computer equipment at fair value	747	471
Furniture and fittings at fair value	1,490	1,374
Less accumulated depreciation	(875)	(749)
Total furniture and fittings at fair value	615	625
Plant & Equipment under construction	-	145
Total plant, equipment, furniture, fittings and vehicles at fair value	5,538	5,816
Total property, plant and equipment	67,507	57,799

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

	Land	Buildings & Improvements	Building works in progress	Plant & equipment	Motor vehicles	Medical Equipment	Computer Equipment
Note	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2021	1,591	43,929	241	1,743	75	3,088	550
Additions	-	58	2,832	279	-	155	72
Assets received free of charge	652	743	-	-	-	-	-
Disposals	-	-	-	-	-	(8)	-
Impairment recognised	-	(2,276)	-	-	-	-	-
Revaluation increments/(decrements)	1,695	4,438	-	-	-	-	-
Net transfers between classes	170	680	-	-	-	-	-
Depreciation	4.4	(2,770)	-	(242)	(26)	(489)	(151)
Balance at 30 June 2022	4,108	44,802	3,073	1,780	49	2,746	471
Additions	-	70	4,592	173	-	294	272
Assets received free of charge	-	-	6,809	-	-	-	-
Disposals	-	-	-	-	(9)	-	(11)
Net Transfers between classes	-	4,923	(4,923)	-	-	-	145
Depreciation	4.4	(1,485)	-	(340)	(15)	(502)	(130)
Balance at 30 June 2023	4,108	48,310	9,551	1,613	25	2,538	747

	Furniture & Fittings	Plant & Equip in Progress	Total
Note	\$'000	\$'000	\$'000
Balance at 1 July 2021	728	-	51,945
Additions	31	145	3,572
Assets received free of charge	-	-	1,395
Disposals	-	-	(8)
Impairment recognised	-	-	(2,276)
Revaluation increments/(decrements)	-	-	6,133
Net transfers between classes	-	-	850
Depreciation	4.4	(134)	(3,812)
Balance at 30 June 2022	625	145	57,799
Additions	130	-	5,531
Assets received free of charge	-	-	6,809
Disposals	(3)	-	(23)
Net Transfers between classes	-	(145)	-
Depreciation	4.4	(137)	(2,609)
Balance at 30 June 2023	615	-	67,507

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

Land and Buildings Carried at Valuation

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

How we recognise property, plant and equipment

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

Initial recognition

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

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

Subsequent measurement

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

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

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

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

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

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

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

- decrease in fair value of land of 0.09% (\$3.6K)
- increase in fair value of buildings of 7.0% (\$2.98M)

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

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

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

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

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

Note 4.2 Right-of-use assets

Note 4.2(a) Gross carrying amount and accumulated depreciation

	2023	2022
	\$'000	\$'000
Right-of-use buildings at fair value	127	-
Less accumulated depreciation	(29)	-
Total right of use buildings at fair value	98	-
Total right of use concessionary land and buildings	98	-
Right of use vehicles at fair value	136	78
Less accumulated depreciation	(52)	(33)
Total right of use vehicles at fair value	84	45
Total right of use vehicles at fair value	84	45
Total right of use assets	182	45

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

	Note	Right-of-use Buildings \$'000	Right-of-use Vehicles \$'000	Total \$'000
Balance at 1 July 2021		-	58	58
Depreciation	4.4	-	(13)	(13)
Balance at 30 June 2022	4.2(a)	-	45	45
Additions		127	59	186
Depreciation	4.4	(29)	(20)	(49)
Balance at 30 June 2023	4.2(a)	98	84	182

How we recognise right-of-use assets

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

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

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

Class of right-of-use asset	Lease term
Leased buildings	4 years
Leased vehicles	3 to 5 years

Initial recognition

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

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

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

Subsequent measurement

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

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

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

Note 4.3 Revaluation Surplus

	2023	2022
Note	\$'000	\$'000
Balance at the beginning of the reporting period	49,244	43,111
Revaluation increment		
- Land	4.1 (b) -	1,695
- Buildings	4.1 (b) -	4,438
Balance at the end of the Reporting Period*	49,244	49,244
* Represented by:		
- Land	12,893	12,893
- Buildings	36,351	36,351
	49,244	49,244

Note 4.4 Depreciation

Depreciation

Buildings
Plant and equipment
Motor vehicles
Medical equipment
Computer equipment
Furniture and fittings

2023 \$'000	2022 \$'000
1,485	2,770
340	242
15	26
502	489
130	151
137	134

Total depreciation - property, plant and equipment

2,609	3,812
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Right-of-use assets

Right of use - buildings
Right of use - vehicles

29	-
20	13

Total depreciation - right-of-use assets

49	13
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Total depreciation

2,658	3,825
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How we recognise depreciation

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

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

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

Buildings
- Structure shell building fabric
- Site engineering services and central plant
Central Plant
- Fit Out
- Trunk reticulated building system
Plant and equipment
Medical equipment
Computers and communication
Furniture and fitting
Motor Vehicles

2023	2022
20 to 40 years	20 to 50 years
10 to 40 years	10 to 40 years
10 to 40 years	10 to 40 years
10 to 40 years	10 to 40 years
3 to 20 years	3 to 10 years
3 to 20 years	3 to 10 years
3 to 33 years	5 to 15 years
5 to 25 years	3 to 10 years
5 to 10 years	3 to 10 years

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

Note 4.5 Investment Property

Note 4.5(a) Gross Carrying amount

Investment Property at fair value
Total Investment property at fair value

2023 \$'000	2022 \$'000
180	180
180	180

Note 4.5 (b) Reconciliations of the carrying amount

Balance at Beginning of Period
Disposals and transfer to held for sale
Net gain/(loss) from fair value adjustments
Balance at End of Period

2023 \$'000	2022 \$'000
180	942
-	(850)
-	88
180	180

How we recognise investment properties

Investment properties represent properties held to earn rentals or for capital appreciation or both. Investment properties exclude properties held to meet service delivery objectives of the health services.

Initial recognition

Investment properties are initially recognised at cost. Costs incurred subsequent to initial acquisition are capitalised when it is probable that future economic benefits in excess of the originally assessed performance of the asset will flow to the health service.

Subsequent measurement

Subsequent to initial recognition at cost, investment properties are revalued to fair value, determined annually by independent valuers. Fair values are determined based on a market comparable approach that reflects recent transaction prices for similar properties. Investment properties are neither depreciated nor tested for impairment.

For investment properties measured at fair value, the current use of the asset is considered the highest and best use.

The fair value of the health service's investment properties at 30 June 2023 have been arrived on the basis of an independent valuation carried out by Countrywide Valuers (S. Waters) who are certified practising valuers. The valuation was determined with reference to market evidence of properties including location, condition and lease terms.

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

Rental revenue from leasing of investment properties is recognised in the comprehensive operating statement in the periods in which it is receivable on a straight line basis over the lease term.

Note 4.6: Impairment of assets

How we recognise impairment

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

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

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

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

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

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

Maryborough District Health Service recorded an impairment loss for the year ended 30 June 2023 of \$Nil (2022:\$2.276M).

Note 5: Other assets and liabilities

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

Structure

5.1 Receivables

5.2 Contract assets

5.3 Payables

5.4 Contract liabilities

5.5 Other liabilities

Telling the COVID-19 story

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

Key judgements and estimates

This section contains the following key judgements and estimates:

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

Note 5.1 Receivables

		2023	2022
	Notes	\$'000	\$'000
Current receivables			
Contractual			
Inter hospital debtors		75	154
Trade receivables		579	844
Patient fees		113	332
Allowance for impairment losses - Patient Fees	5.1(a)	(58)	(152)
Accrued revenue		13	190
Total contractual receivables		722	1,368
Statutory			
GST receivable		93	207
Total statutory receivables		93	207
Total current receivables		815	1,575
Non-current receivables			
Contractual			
Long service leave - Department of Health		1,163	1,146
Total contractual receivables		1,163	1,146
Total non-current receivables		1,163	1,146
Total receivables		1,978	2,721
<i>(i) Financial assets classified as receivables (Note 7.1(a))</i>			
Total receivables		1,978	2,721
GST receivable		(93)	(207)
Total financial assets classified as receivables	7.1(a)	1,885	2,514

Note 5.1 Receivables and contract assets (continued)

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

	2023 \$'000	2022 \$'000
Balance at the beginning of the year	152	97
Increase/(decrease) in allowance	(59)	122
Reversal of allowance written off during the year as uncollectable	(35)	(67)
Balance at the end of the year	58	152

How we recognise receivables

Receivables consist of:

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

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

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

Impairment losses of contractual receivables

Refer to Note 7.2 (a) for Maryborough District Health Service's contractual impairment losses.

Note 5.2 Contract assets

	2023 \$'000	2022 \$'000
Balance at the beginning of the year	548	-
Add: Additional costs incurred that are recoverable from the customer	-	548
Less: Transfer to trade receivable or cash at bank	(548)	-
Total contract assets	-	548
* Represented by:		
- Current assets	-	548
	-	548

How we recognise contract assets

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

Note 5.3 Payables

		2023	2022
	Note	\$'000	\$'000
Current payables			
Contractual			
Trade creditors		854	2,024
Accrued salaries and wages		1,033	701
Accrued expenses		1,747	854
Deferred capital grant income	5.3(a)	292	1,799
Inter hospital creditors		250	142
Amounts payable to governments and agencies		3	416
Deposits		52	-
Total contractual payables		4,231	5,936
Total current payables		4,231	5,936
Total payables		4,231	5,936
<i>(i) Financial liabilities classified as payables (Note 7.1(a))</i>			
Total payables		4,231	5,936
Deferred capital grant income		(292)	(1,799)
Total financial liabilities classified as payables	7.1(a)	3,939	4,137

How we recognise 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 Maryborough District Health Service prior to the end of the financial year that are unpaid.
- **Statutory payables** comprises Goods and Services Tax (GST) payable. Statutory payables are recognised and measured similarly to contractual payables, but are not classified as financial instruments and not included in the category of financial liabilities at amortised cost, because they do not arise from contracts.

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

Note 5.3 (a) Deferred capital grant income

	2023 \$'000	2022 \$'000
Opening balance of deferred capital grant income	1,799	1,446
Grant consideration for capital works received during the year	1,309	3,788
Deferred grant revenue recognised as revenue due to completion of capital works	(2,816)	(3,435)
Closing balance of deferred capital grant income	292	1,799

How we recognise deferred capital grant revenue

Grant consideration was received from the Department of Health to support the construction of major infrastructure, including student accommodation facilities. Capital grant revenue is recognised progressively as the asset is constructed, since this is the time when Maryborough District Health Service satisfies its obligations. The progressive percentage of costs incurred is used to recognise income because this most closely reflects the percentage of completion of the building works. As a result, Maryborough District Health Service has deferred recognition of a portion of the grant consideration received as a liability for the outstanding obligations.

Note 5.4 Contract liabilities

Opening balance of contract liabilities

Grant consideration for sufficiently specific performance obligations received during the year

Revenue recognised for the completion of a performance obligation

Total contract liabilities

* Represented by:

- Current contract liabilities

2023 \$'000	2022 \$'000
-	453
20,378	19,140
(20,378)	(19,593)
-	-
-	-
-	-

How we recognise contract liabilities

Contract liabilities include consideration received in advance from customers in respect of activity based services.

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.

Note 5.5 Other liabilities

		2023	2022
	Notes	\$'000	\$'000
Current monies held in trust			
Patient monies		121	133
Refundable accommodation deposits		7,309	6,148
Total current monies held in trust		7,430	6,281
Total other liabilities		7,430	6,281
* Represented by:			
- Cash assets	6.2	7,430	6,281
		7,430	6,281

How we recognise other liabilities

Refundable Accommodation Deposit (RAD)/Accommodation Bond liabilities

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

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

Note 6: How we finance our operations

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

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

Structure

6.1 Borrowings

6.2 Cash and cash equivalents

6.3 Commitments for expenditure

Telling the COVID-19 story

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

Key judgements and estimates

This section contains the following key judgements and estimates:

Key judgements and estimates	Description
Determining if a contract is or contains a lease	<p>Maryborough District Health Service applies significant judgement to determine if a contract is or contains a lease by considering if the health service:</p> <ul style="list-style-type: none"> • has the right-to-use an identified asset • has the right to obtain substantially all economic benefits from the use of the leased asset and • can decide how and for what purpose the asset is used throughout the lease.
Determining if a lease meets the short-term or low value asset lease exemption	<p>Maryborough District Health Service applies significant judgement when determining if a lease meets the short-term or low value lease exemption criteria.</p> <p>The health service estimates the fair value of leased assets when new. Where the estimated fair value is less than \$10,000, the health service applies the low-value lease exemption.</p> <p>The health service also estimates the lease term with reference to remaining lease term and period that the lease remains enforceable. Where the enforceable lease period is less than 12 months the health service applies the short-term lease exemption.</p>
Discount rate applied to future lease payments	<p>Maryborough District Health Service discounts its lease payments using the interest rate implicit in the lease. If this rate cannot be readily determined, which is generally the case for the health service's lease arrangements, Maryborough District Health Service uses its incremental borrowing rate, which is the amount the health service would have to pay to borrow funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.</p> <p>For leased land and buildings, Maryborough District Health Service estimates the incremental borrowing rate to be between 2.75% and 3.50%.</p> <p>For leased plant, equipment, furniture, fittings and vehicles, the implicit interest rate is between 1.75% and 3.25%.</p>
Assessing the lease term	<p>The lease term represents the non-cancellable period of a lease, combined with periods covered by an option to extend or terminate the lease if Maryborough District Health Service is reasonably certain to exercise such options.</p> <p>Maryborough District Health Service determines the likelihood of exercising such options on a lease-by-lease basis through consideration of various factors including:</p> <ul style="list-style-type: none"> • If there are significant penalties to terminate (or not extend), the health service is typically reasonably certain to extend (or not terminate) the lease. • If any leasehold improvements are expected to have a significant remaining value, the health service is typically reasonably certain to extend (or not terminate) the lease. • The health service considers historical lease durations and the costs and business disruption to replace such leased assets.

Note 6.1 Borrowings

	2023	2022
Note	\$'000	\$'000
Current borrowings		
Lease liability ⁽ⁱ⁾	6.1 (a) 72	46
Total current borrowings	72	46
Non-current borrowings		
Lease liability ⁽ⁱ⁾	6.1 (a) 108	-
Total non-current borrowings	108	-
Total borrowings	180	46

ⁱ Secured by the assets leased.

How we recognise borrowings

Borrowings refer to interest bearing liabilities mainly raised through lease liabilities.

Initial recognition

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

Subsequent measurement

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

Maturity analysis

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

Defaults and breaches

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

Note 6.1 (a) Lease liabilities

Maryborough District Health Service's lease liabilities are summarised below:

	2023 \$'000	2022 \$'000
Total undiscounted lease liabilities	189	47
Less unexpired finance expenses	(9)	(1)
Net lease liabilities	180	46

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

	2023 \$'000	2022 \$'000
Not longer than one year	41	47
Longer than one year but not longer than five years	148	-
Minimum future lease liability	189	47
Less unexpired finance expenses	(9)	(1)
Present value of lease liability	180	46

*** Represented by:**

- Current liabilities	72	46
- Non-current liabilities	108	-
	180	46

How we recognise lease liabilities

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

To apply this definition, Maryborough District Health Service ensures the contract meets the following criteria:

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

Maryborough District Health Service's lease arrangements consist of the following:

Type of asset leased	Lease term
Leased buildings	4 years
Leased vehicles	2 to 5 years

Note 6.1 (a) Lease liabilities (continued)

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

Type of payment	Description of payment	Type of leases captured
Low value lease payments	Leases where the underlying asset's fair value, when new, is no more than \$10,000	Minor equipment

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 Maryborough District Health Services incremental borrowing rate. Our lease liability has been discounted by rates of between 3% to 5%.

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

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

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).

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 fixed payments.

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

Note 6.2 Cash and Cash Equivalents

	2023	2022
Note	\$'000	\$'000
Cash on hand (excluding monies held in trust)	2	1
Cash at bank (excluding monies held in trust)	3,247	649
Cash at bank - CBS (excluding monies held in trust)	1,473	4,370
Term deposits < 3 months (excluding monies held in trust)	50	47
Total cash held for operations	4,772	5,067
Cash at bank (monies held in trust)	7,430	6,281
Total cash held as monies in trust	7,430	6,281
Total cash and cash equivalents	12,202	11,348
7.1 (a)		

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.

Note 6.3 Commitments for expenditure

	2023 \$'000	2022 \$'000
Capital expenditure commitments		
Less than one year	259	3,448
Total capital expenditure commitments	259	3,448
Non-cancellable short term and low value lease commitments		
Less than one year	25	25
Total non-cancellable short term and low value lease commitments	25	25
Total commitments for expenditure (exclusive of GST)	284	3,473
Less GST recoverable from Australian Tax Office	(26)	(316)
Total commitments for expenditure (exclusive of GST)	258	3,157

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

How we disclose our commitments

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

Expenditure commitments

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

Short term and low value leases

Maryborough District Health Service 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(a) for further information.

Refer to Note 6.1(a) for further information.

Note 7: Risks, contingencies and valuation uncertainties

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

Structure

7.1 Financial instruments

7.2 Financial risk management objectives and policies

7.3 Contingent assets and contingent liabilities

7.4 Fair value determination

Key judgements and estimates

This section contains the following key judgements and estimates:

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

Key judgements and estimates (continued)

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

Note 7.1: Financial instruments

Financial instruments arise out of contractual agreements that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Due to the nature of Maryborough District Health Service's activities, certain financial assets and financial liabilities arise under statute rather than a contract (for example, taxes, fines and penalties). Such financial assets and financial liabilities do not meet the definition of financial instruments in AASB 132 *Financial Instruments: Presentation*.

Note 7.1 (a) Categorisation of financial instruments

		Financial Assets at Amortised Cost \$'000	Financial Liabilities at Amortised Cost \$'000	Total \$'000
	Note			
Total				
30 June 2023				
Contractual Financial Assets				
Cash and Cash Equivalents	6.2	12,202	-	12,202
Receivables	5.1	1,885	-	1,885
Total Financial Assetsⁱ		14,087	-	14,087
Financial Liabilities				
Payables	5.3	-	3,939	3,939
Borrowings	6.1	-	180	180
Other Financial Liabilities - Refundable Accommodation Deposits	5.5	-	7,309	7,309
Other Financial Liabilities - Patient monies held in trust	5.5	-	121	121
Total Financial Liabilitiesⁱ		-	11,549	11,549

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

		Financial Assets at Amortised Cost	Financial Liabilities at Amortised Cost	Total
	Note	\$'000	\$'000	\$'000
Total				
30 June 2022				
Contractual Financial Assets				
Cash and cash equivalents	6.2	11,348	-	11,348
Receivables	5.1	2,514	-	2,514
Total Financial Assetsⁱ		13,862	-	13,862
Financial Liabilities				
Payables	5.3	-	4,137	4,137
Borrowings	6.1	-	46	46
Other Financial Liabilities - Refundable Accommodation Deposits	5.5	-	6,148	6,148
Other Financial Liabilities - Patient monies held in trust	5.5	-	133	133
Total Financial Liabilitiesⁱ		-	10,464	10,464

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

How we categorise financial instruments

Categories of financial assets

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

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

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

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

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

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

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

Maryborough District Health Service recognises the following assets in this category:

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

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

Categories of financial liabilities

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

Financial liabilities at amortised cost

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

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

Maryborough District Health Service recognises the following liabilities in this category:

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

Offsetting financial instruments

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

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

Note 7.1 (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
- Maryborough District Health Service retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through' arrangement or
- Maryborough District Health Service has transferred its rights to receive cash flows from the asset and either:
 - has transferred substantially all the risks and rewards of the asset or
 - has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

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

Derecognition of financial liabilities

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

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

Reclassification of financial instruments

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

A financial liability reclassification is not permitted.

Note 7.2: Financial risk management objectives and policies

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

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

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

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

Note 7.2 (a) Credit risk

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

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

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

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

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

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

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

Note 7.2 (a) Credit risk (continued)

Impairment of financial assets under AASB 9

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

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

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

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

Contractual receivables at amortised cost

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

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

	Note	Current	Less than 1 month	1–3 months	3 months –1 year	1–5 years	Total
30 June 2023							
Expected loss rate		1.0%	5.0%	15.0%	30.0%	58.0%	
Gross carrying amount of contractual receivables	5.1	521	16	65	99	21	722
Loss allowance		(5)	(1)	(10)	(30)	(12)	(58)
	Note	Current	Less than 1 month	1–3 months	3 months –1 year	1–5 years	Total
30 June 2022							
Expected loss rate		0.0%	0.0%	0.0%	44.0%	0.0%	
Gross carrying amount of contractual receivables	5.1	1,475	42	205	346	0	2,068
Loss allowance		-	-	-	(152)	-	(152)

Note 7.2 (a) Credit risk (continued)

Statutory receivables and debt investments at amortised cost

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

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

Note 7.2 (b) Liquidity risk

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

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

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

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

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

Note 7.2 (b) Payables and borrowings maturity analysis

		Maturity Dates					
		Carrying Amount	Nominal Amount	Less than 1 Month	3 months - 1 Year	1-5 Years	Over 5 years
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Total							
30 June 2023	Note						
Payables	5.3	3,939	3,939	3,939	-	-	-
Borrowings	6.1	180	189	3	10	28	148
Other Financial Liabilities - Refundable Accommodation Deposits	5.5	7,309	7,309	-	7,309	-	-
Other Financial Liabilities - Patient monies held in trust	5.5	121	121	121	-	-	-
Total Financial Liabilities		11,549	11,558	4,063	10	7,337	148

		Maturity Dates					
		Carrying Amount	Nominal Amount	Less than 1 Month	3 months - 1 Year	1-5 Years	Over 5 years
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Total							
30 June 2022	Note						
Financial Liabilities at amortised cost							
Payables	5.3	4,137	4,137	4,137	-	-	-
Borrowings	6.1	46	46	4	12	30	-
Other Financial Liabilities - Refundable Accommodation Deposits	5.5	6,148	6,148	-	6,148	-	-
Other Financial Liabilities - Patient monies held in trust	5.5	133	133	133	-	-	-
Total Financial Liabilities		10,464	10,464	4,274	12	6,178	-

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

Note 7.3: Contingent assets and contingent liabilities

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

How we measure and disclose contingent assets and contingent liabilities

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

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

Contingent assets

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

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

Contingent liabilities

Contingent liabilities are:

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

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

Note 7.4: Fair Value Determination

How we measure fair value

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

The following assets and liabilities are carried at fair value:

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

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

Valuation hierarchy

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

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

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

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

Identifying unobservable inputs (level 3) fair value measurements

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

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

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

	Note	Total carrying amount 30 June 2023 \$'000	Fair value measurement at end of reporting period using:		
			Level 1 ⁱ \$'000	Level 2 ⁱ \$'000	Level 3 ⁱ \$'000
Specialised land		4,108	-	-	4,108
Total land at fair value	4.1 (a)	4,108	-	-	4,108
Specialised buildings		48,310	-	-	48,310
Total buildings at fair value	4.1 (a)	48,310	-	-	48,310
Plant and equipment	4.1 (a)	1,613	-	-	1,613
Motor vehicles	4.1 (a)	25	-	-	25
Medical equipment	4.1 (a)	2,538	-	-	2,538
Computer equipment	4.1 (a)	747	-	-	747
Furniture and fittings	4.1 (a)	615	-	-	615
Total plant, equipment, furniture, fittings and vehicles at fair value		5,538	-	-	5,538
Right of use buildings	4.2 (a)	98	-	-	98
Right of use vehicles	4.2 (a)	84	-	-	84
Total right-of-use assets at fair value		182	-	-	182
Investment property		180	-	180	-
Total investment property at fair value		180	-	180	-
Total non-financial physical assets at fair value		58,318	-	180	58,138

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

		Total carrying amount 30 June 2022 \$'000	Fair value measurement at end of reporting period using:		
			Level 1 ⁱ	Level 2 ⁱ	Level 3 ⁱ
			\$'000	\$'000	\$'000
Specialised land		4,108	-	-	4,108
Total land at fair value	4.1 (a)	4,108	-	-	4,108
Specialised buildings		44,802	-	-	44,802
Total buildings at fair value	4.1 (a)	44,802	-	-	44,802
Plant and equipment	4.1 (a)	1,780	-	-	1,780
Motor vehicles	4.1 (a)	49	-	-	49
Medical equipment	4.1 (a)	2,746	-	-	2,746
Computer equipment	4.1 (a)	471	-	-	471
Furniture and fittings	4.1 (a)	625	-	-	625
Total plant, equipment, furniture, fittings and vehicles at fair value		5,671	-	-	5,671
Right of use vehicles	4.2 (a)	45	-	-	45
Total right-of-use assets at fair value		45	-	-	45
Investment property		180	-	180	-
Total investment property at fair value		180	-	180	-
Total non-financial physical assets at fair value		54,806	-	180	54,626

ⁱ Classified in accordance with the fair value hierarchy.

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

Maryborough District Health Service has assumed the current use of a non-financial 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.

Investment properties

Investment properties are valued using the market approach. Under this valuation method, the assets are compared to recent comparable sales or sales of comparable assets which are considered to have nominal or no added improvement value.

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

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

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

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

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

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

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

How we measure fair value of non-financial physical assets

Vehicles

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

Furniture, fittings, plant and equipment

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

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

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

		Land \$'000	Buildings \$'000	Plant, equipment, furniture, fittings and vehicles \$'000	ROU Buildings \$'000	ROU Vehicles \$'000
Total	Note					
Balance at 1 July 2021		1,591	43,929	6,184	-	58
Additions/(Disposals)		-	58	529	-	-
Assets provided free of charge		652	743	-	-	-
Net Transfers between classes		170	680	-	-	-
Gains/(Losses) recognised in net result						
- Depreciation		-	(2,770)	(1,042)	-	(13)
- Impairment loss		-	(2,276)	-	-	-
Items recognised in other comprehensive income						
- Revaluation		1,695	4,438	-	-	-
Balance at 30 June 2022	7.4 (a)	4,108	44,802	5,671	-	45
Additions/(Disposals)		-	70	846	127	59
Net Transfers between classes		-	4,923	145	-	-
Gains/(Losses) recognised in net result						
- Depreciation and Amortisation		-	(1,485)	(1,124)	(29)	(20)
Balance at 30 June 2023	7.4 (a)	4,108	48,310	5,538	98	84

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

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

(i) A community service obligation (CSO) of between 25 -30% was applied to Maryborough District Health Service's specialised land.

Note 8: Other disclosures

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

Structure

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

8.2 Responsible persons 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 Jointly controlled operations

8.8 Equity

8.9 Economic dependency

Telling the COVID-19 story

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

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

		2023	2022
	Note	\$'000	\$'000
Net result for the year		8,696	(887)
Non-cash movements:			
(Gain)/Loss on sale or disposal of non-financial assets	3.2	6	8
(Gain)/Loss on revaluation of investment property	3.2	-	(88)
Depreciation of non-current assets	4.4	2,658	3,825
Impairment of non-current assets	4.1(b)	-	2,276
Assets and services received free of charge	2.2	(6,809)	(1,395)
Bad and doubtful debt expense	5.1(a)	(94)	55
Other non-cash movements		(165)	(181)
Movements in Assets and Liabilities:			
(Increase)/Decrease in receivables and contract assets		1,385	(1,213)
(Increase)/Decrease in inventories		(23)	(3)
(Increase)/Decrease in prepaid expenses		408	(85)
Increase/(Decrease) in payables and contract liabilities		(1,705)	758
Increase/(Decrease) in employee benefits		749	(223)
Increase/(Decrease) in other liabilities		(12)	16
Net cash inflow from operating activities		5,094	2,863

Note 8.2 Responsible person disclosures

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

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

	Period
The Honourable Mary-Anne Thomas MP	
Minister for Health	1 Jul 2022 - 30 Jun 2023
Minister for Health Infrastructure	5 Dec 2022 - 30 Jun 2023
Minister for Medical Research	5 Dec 2022 - 30 Jun 2023
Former Minister for Ambulance Services	1 Jul 2022 - 5 Dec 2022
The Honourable Gabrielle Williams MP	
Minister for Mental Health	1 Jul 2022 - 30 Jun 2023
Minister for Ambulance Services	5 Dec 2022 - 30 Jun 2023
The Honourable Lizzy Blandthorn MP	
Minister for Disability, Ageing and Carers	5 Dec 2022 - 30 Jun 2023
The Honourable Colin Brooks MP	
Former Minister for Disability, Ageing and Carers	1 Jul 2022 - 5 Dec 2022
Governing Boards	
Mrs K. Mason	1 Jul 2022 - 30 Jun 2023
Mr R. Camm	1 Jul 2022 - 30 Jun 2023
Ms R. Smith	1 Jul 2022 - 31 Jan 2023
Mr R. Eason	1 Jul 2022 - 30 Jun 2023
Ms S. Stewart	1 Jul 2022 - 30 Jun 2023
Dr T. Naren	1 Jul 2022 - 31 Jan 2023
Ms E. Chatham	1 Jul 2022 - 30 Jun 2023
Ms J. Lowthian	1 Jul 2022 - 30 Jun 2023
Mr P. Le Lievre	1 Jul 2022 - 30 Jun 2023
Ms C. Noonan	1 Jul 2022 - 30 Jun 2023
Accountable Officers	
Ms N. Allan	1 Jul 2022 - 30 Jun 2023

Note 8.2 Responsible persons (continued)

Remuneration of Responsible Persons

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

Income Band

\$10,000 - \$19,999

\$200,000 - \$209,999

\$210,000 - \$219,999

Total Numbers

2023 No	2022 No
10	11
-	1
1	-
11	12
Total 2023 \$'000	Total 2022 \$'000
\$249	\$239

Total remuneration received or due and receivable by Responsible Persons from the reporting entity amounted to:

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

Note 8.3 Remuneration of executives

Remuneration of executive officers

(including Key Management Personnel disclosed in Note 8.4)

Short-term benefits

Post-employment benefits

Other long-term benefits

Total remunerationⁱ

Total number of executives

Total annualised employee equivalentⁱⁱ

Total Remuneration	
2023	2022
\$'000	\$'000
578	553
60	54
16	18
654	625
4	5
4.0	3.0

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

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

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

Short-term employee benefits

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

Post-employment benefits

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

Other long-term benefits

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

Note 8.4: Related Parties

Maryborough District Health Service is a wholly owned and controlled entity of the State of Victoria. Related parties of the health service include:

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

KMPs are those people with the authority and responsibility for planning, directing and controlling the activities of Maryborough District Health Service, directly or indirectly.

Key management personnel

The Board of Directors, Chief Executive Officer and the Executive Directors of Maryborough District Health Services are deemed to be KMPs.

Entity	KMPs	Position Title
Maryborough District Health Service	Mrs K. Mason	Board Chair
Maryborough District Health Service	Mr R. Camm	Board Member
Maryborough District Health Service	Ms R. Smith	Board Member
Maryborough District Health Service	Mr R. Eason	Board Member
Maryborough District Health Service	Ms S. Stewart	Board Member
Maryborough District Health Service	Dr T. Naren	Board Member
Maryborough District Health Service	Ms E. Chatham	Board Member
Maryborough District Health Service	Ms J. Lowthian	Board Member
Maryborough District Health Service	Mr P. Le Lievre	Board Member
Maryborough District Health Service	Ms C. Noonan	Board Member
Maryborough District Health Service	Ms N. Allan	Chief Executive Officer
Maryborough District Health Service	Mr M. Sherwell	Exec Director of Finance & Corporate Services
Maryborough District Health Service	Ms R. Wilson	Exec Director of Nursing, Midwifery & Allied Health
Maryborough District Health Service	Mr D. Edwards	Exec Director of Infrastructure, Technology and Experience
Maryborough District Health Service	Mr K. Payne	Exec Director People, Culture and Wellbeing

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 \$'000	2022 \$'000
Compensation - KMPs		
Short-term Employee Benefits ⁱ	799	767
Post-employment Benefits	82	73
Other Long-term Benefits	22	24
Total ⁱⁱ	903	864

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

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

Note 8.4: Related Parties (continued)

Significant transactions with government related entities

Maryborough District Health Service received funding from the Department of Health of \$40.03 m (2022: \$34.33 m) and indirect contributions of \$8.21 m (2022: \$0.32 m). Balances recallable as at 30 June 2023 are \$Nil (2022 \$1.40 m)

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

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

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

Transactions with KMPs and other related parties

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

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

Except for the transactions listed below there were no related party transactions required to be disclosed for Maryborough District Health Service Board of Directors, Chief Executive Officer and Executive Directors in 2023 (2022: none).

	Total 2023 \$'000
Mr Peter Le Lievre is an executive officer at Central Highlands Water. The health service receives water related services from Central Highlands Water on normal commercial terms and conditions.	50

Note 8.5: Remuneration of Auditors

Victorian Auditor-General's Office

Audit of the financial statements

Total remuneration of auditors

2023 \$'000	2022 \$'000
31	40
31	40

Note 8.6: Events occurring after the balance sheet date

There are no events occurring after the Balance Sheet date.

Note 8.7 Joint arrangements

Entity	Principal Activity	Ownership Interest	
		2023 %	2022 %
Loddon Mallee Rural Health Alliance (LMRHA)	Information Technology Services	7.14	6.91

Maryborough District Health Services interest in the above joint arrangements are detailed below. The amounts are included in the consolidated financial statements under their respective categories:

	2023 \$'000	2022 \$'000
Current assets		
Cash and cash equivalents	1,006	550
Receivables	147	38
Prepaid expenses	206	169
Total current assets	1,359	757
Non-current assets		
Property, plant and equipment	59	57
Total non-current assets	59	57
Total assets	1,418	814
Current liabilities		
Payables	476	281
Other Liabilities	301	17
Total current liabilities	777	298
Total liabilities	777	298
Net assets	641	516
Equity		
Accumulated surplus	641	516
Total equity	641	516

Note 8.7 Joint arrangements

Maryborough District Health Services interest in revenues and expenses resulting from joint arrangements are detailed below:

	2023 \$'000	2022 \$'000
Revenue and income from transactions		
Operating Activities	1,167	857
Capital Purpose Income	19	13
Total revenue and income from transactions	1,186	870
Expenses from transactions		
Other Expenses from Continuing Operations	1,044	828
Depreciation	16	14
Total expenses from transactions	1,060	842
Net result from transactions	126	28

Contingent liabilities and capital commitments

There are no known contingent liabilities or capital commitments held by the joint arrangements at balance date.

Note 8.8: Equity

Contributed capital

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

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

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

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

Specific restricted purpose reserves

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

Note 8.9: Economic dependency

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



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