



2023 -  
2024

# 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  
Fax: +61 3 5461 4828

*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 2023 - 2024 under the *Financial Management Act 1994* (Vic).

The Annual Report 2023 -2024 includes the Report of Operations and the Financial Report.

## Responsible Ministers

*Responsible Ministers for the reporting period*

### Minister for Health

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

### Minister for Ambulance Services

*The Hon. Gabrielle Williams  
From 1 July 2023 to 2 October 2023  
The Hon. Mary-Anne Thomas  
From 2 October 2023 to 30 June 2024*

### Minister for Mental Health

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

### Minister for Disability/Minister for Children

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

### Minister for Ageing

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

## 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 2024.



Kelly Mason  
Chair, Board of Directors  
Maryborough District Health Service

30 June 2024

# 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.

<b>Clinical Services</b>	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
<b>Aged Care</b>	Residential	Respite Care	Transition Care Program	
<b>Community Services</b>	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	
<b>Corporate Services</b>	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

As I mark my ninth and final year on the Maryborough District Health Service (MDHS) Board, I am overwhelmed by the unwavering support from our community. This past year, like many before it, has been a testament to the power of collective effort, reflected in numerous donations, fundraisers, charity events, and heartfelt compliments from Avoca, Dunolly, and Maryborough. Our robust partnerships and strong community engagement have made this journey truly remarkable.

The Board of Directors at MDHS, comprising nine dedicated members appointed by the Governor in Council for the Minister for Health, that brings a wealth of professional skills and interests to the table. Our primary objective is to ensure robust governance, provide strategic direction, and support the Chief Executive in the operational management of the Health Service. I extend my deepest gratitude to my fellow Board Directors and the Executive team for another year of significant achievements.

This year, we were delighted to welcome Lisa Livingstone to the Board. Lisa, a registered clinician with extensive experience in ICT strategy and governance, brings invaluable skills and knowledge to our team. Additionally, we celebrated the reappointments of Robert Camm, Shae Stewart, and Elizabeth Chatham as Board Directors, ensuring continuity and expertise within our leadership.

Our Executive and Staff have demonstrated resilience, innovation, and professionalism, consistently delivering high-quality care across our three campuses. Notably, our Maternity Model of Care celebrated its second anniversary, continuing to provide personalised care to local families during their pregnancy and birthing journeys. Our residents at Wattle Rise saw the completion of the upgrades to their ensuites and dining room which has been met with positive feedback from all staff, residents and their families.

A standout achievement this year has been the launch of a permanent breast screen service in partnership with Breast Screen Victoria. This initiative, fuelled by community fundraising, now allows local access to mammograms, significantly enhancing our healthcare offerings.

Construction of the new hospital is well underway, with the building expected to be completed later this year and operational by the first quarter of 2025. Additionally, we have secured funding for upgrades to back-of-house and logistics support for our new hospital, set to commence in the new financial year.

Our volunteers and auxiliaries continue to be the backbone of MDHS, and their contributions are deeply appreciated. The engagement and wellbeing of our workforce remain a focal point, highlighted by our formal award evening recognising long service and peer-nominated awards. Witnessing the daily commitment to excellence from our staff fills me with immense pride.

As I close this chapter on the MDHS Board, I extend my heartfelt thanks to the Board Directors, Executive, Staff, and community members. Your ongoing support has been instrumental in ensuring our health service drives positive change and achieves excellence for all individuals in our community. Together, we are creating a legacy of which we can all be proud.



**Kelly Mason**  
Board Chair

**30 June 2024**

## Chief Executive's Report

The 2023-2024 year has seen the much progress towards the goals and outcomes 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 second anniversary of our Maternity Model of Care as well an external review of this amazing service, whilst achieving baby friendly accreditation for another 3-year period.

Organisationally we have seen progress on key outcomes of our strategic plan focusing on our pillars of connecting our community to care and purposeful partnerships.

Key achievements for the 2023-2024 year are:

- Launch of breast screen service in partnership with Breast Screen Victoria and our community who fund raised to purchase our first every mammography unit
- Continued support for access to elective service for our community and the greater Grampians region, providing access to an additional 311 patients over the 12 month period
- Commencement of Commonwealth Home support program for community members within the central goldfields and Pyrenees shires.
- Commencement of Diversity and Inclusion officer – supporting MDHS's focus and commitment to gender equality and creating a culturally safe workplace for all.
- Finalist Premiers Health awards – Excellence in women's health
- Launch of our formal staff awards evening – celebrating our team members with an annual event recognising both long service awards and excellence within roles as nominated by their peers.

We have witnessed the new \$115 million dollar new building take shape on our site, and commencement of the back of house and logistics works to ensure we are ready placed for the opening in 2024-2025 FY.

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. Your generosity and support is unwavering and assists us to create an environment that promotes care delivery closer to home, and consumer led models of care. We had the pleasure of celebrating our 10<sup>th</sup> annual golf day in partnership with True Foods and the Maryborough Golf Club. This partnership is a true example of how working together with community, creates service growth and connection with both community and industry within the central goldfields shire

I want to acknowledge and thank the Board of Management for their overwhelming support and guidance. I would also like to recognise the tenure of Kelly Mason as both board director and chair over the past 9 years. Kelly has provided leadership, guidance and support to her fellow directors and the executive team. Kelly has ensured commitment and dedication to our strategic direction and community outcomes.

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

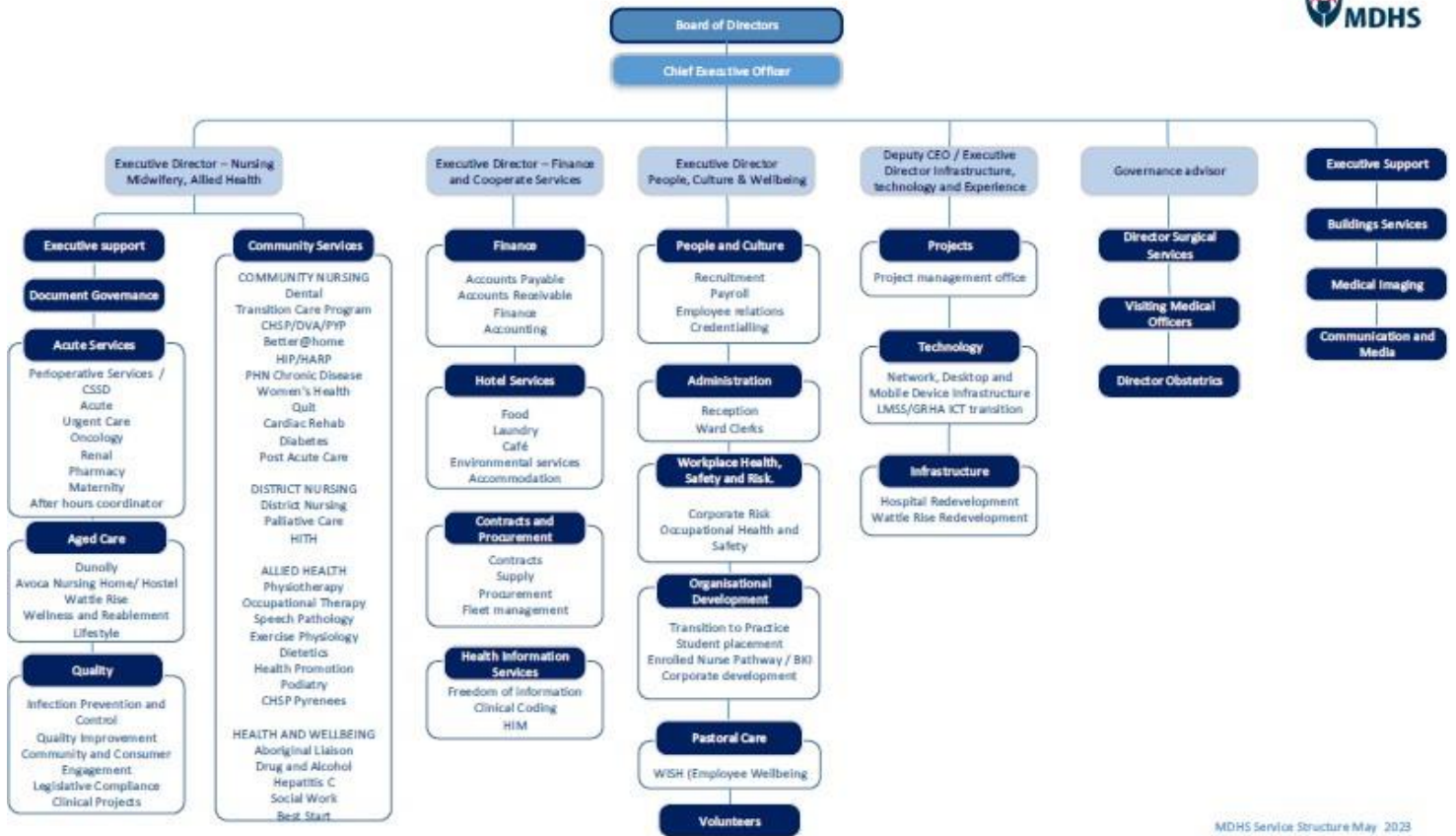


**Nickola Allan**

**CEO**

**30 June 2024**

# 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.

### ***Board of Directors as at***

***30 June 2024***

**Board Chair: Kelly Mason**

B. Comm

Appointed: 2015

Term of Office: 01.07.2018 – 30.06.2024

**Vice Board Chair: Judy Lowthian**

Appointed: 2021

Term of Office: 01.07.2021 – 20.6.2025

**Treasurer: Robert Camm**

Appointed: 2020

Term of Office: 01.07.2020 – 30.06.2026

**Member: Ron Eason**

Appointed: 2017

Term of Office: 01.07.2017 – 30.06.2024

**Member: Shea Stewart**

Appointed: 2020

Term of Office: 01.07.2020 – 30.06.2026

**Member: Elizabeth Chatham**

Appointed: 2021

Term of Office: 01.07.2021 – 30 .06.2026

**Member: Peter Le Lievre**

Appointed: 2022

Term of Office: 01.07.2022 – 30 .06.2025

**Member: Courtney Noonan**

Appointed: 2022

Term of Office: 01.07.2022 – 30.06.2024

Member: Lisa Livingstone

Appointed 2023

Term of Office: 01.07.2023 – 30.06.2026

## Finance Audit and Risk Committee

The Finance Audit and Risk 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 2023-2024

### Members:

- Rob Camm
- Ron Eason
- Judy Lowthian
- Shea Stewart
- John Watson

### Attendees:

- HLB Mann Judd – Internal Auditor
- RSD Audit - 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
- Lisa Livingstone

### 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
- Peter Le Lievre
- Lisa Livingstone

### 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**	
	2023	2024	2023	2024
Nursing	161.5	161.4	159.9	159.6
Administration and Clerical	52.2	63.8	47.6	57.7
Medical Support	13.5	15.9	12.5	17.8
Hotel and Allied Services	52.1	56.6	50.5	53.5
Medical Officers	0	0	0	0
Hospital Medical Officers	0	0.5	0.2	0.4
Sessional Clinicians	0	0	0	0
Ancillary Staff (Allied Health)	42.9	53.4	42.3	47.7

Maryborough District Health Service continues to use contemporary recruitment practices based on fair and equitable employment principles. The Diversity Action Plan acknowledges the Health Service's organisational responsibility to remain inclusive and responsive to the health and well-being of the whole community whatever their background or belief.

## 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	2023-24	2022-23	2021-22	2020-21
Number of reported hazards/incidents for the year per 100 FTE	29.1	31.6	24.24	16.67
Number of lost time standard WorkCover claims for the year per 100 FTE	0.85	0.90	0.70	0.89
The average cost per WorkCover claim for the year (000)	\$7,327	\$17,080	\$13,720	\$12,772

## Occupational Violence

STATISTICS	2023-24
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	102
Number of occupational incidents reported per 100 FTE	29.1
Percentage of occupational violence incidents resulting in a staff injury, illness or condition	8%

### Definitions of occupational violence

- **Occupational violence** – any incident where an employee is abused, threatened, or assaulted in circumstances arising out of, or in the course of their employment.
- **Incident** – an event or circumstance that could have resulted in, or did result in, harm to an employee. Incidents of all severity rating must be included. Code Grey reporting is not included, however, if an incident occurs during the course of a planned or unplanned Code Grey, the incident must be included.
- **Accepted Workcover claims** – accepted Workcover claims that were lodged in 2023-2024.
- **Lost time** – is defined as greater than one day.
- **Injury, illness, or condition** – this includes all reported harm as a result of the incident

## Financial Information

OPERATING RESULTS	2024 \$000	2023 \$000	2022 \$000	2021 \$000	2020 \$000
Net operating result *	-3,961	247	42	325	246
Total revenue	98,822	67,334	54,597	49,437	44,320
Total expenses	65,109	58,657	52,978	52,195	48,056
Net result from transactions	33,713	8,677	1,619	-2,758	-3,736
Total other economic flows	375	19	-2,194	141	-165
Net results	34,088	8,696	5,646	-2,617	-3,901
Total assets	150,499	82,475	74,000	66,875	67,133
Total liabilities	32,579	20,603	19,876	18,945	16,586
Net assets/Total equity	117,920	61,872	53,576	47,930	50,547

### Summary of significant changes in financial position

In addition to the capital grants outlined above, Maryborough District Health Service received \$39.44M in non-cash capital contributions from The Department of Health towards the new \$115M Hospital Redevelopment Project. This *non-cash* contributes significantly to the surplus net result for the 2023-24 financial year.

### 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	2023-24 \$000
Net operating result *	-3,961
Capital purpose items	1,068
Specific income COVID-19 State Supply Arrangements - Assets received free of charge or for nil consideration under the State Supply	79
State Supply items consumed up to 30 June 2022	-79
Assets provided free of charge	39,443
Assets received for capital purposes	
Depreciation and amortization	-2,814
Impairment of non-financial assets	
Financial costs (other)	-23
Net result from transactions	33,713

### Summary of financial results:

Maryborough District Health Service achieved a net result of \$33.713M. The comprehensive result for the year was \$56.048M. Revenue and income from transactions for the year was \$98.82M and expenses from transactions for the year \$65.11M. Capital grants of \$1.09M were received to carry out major projects, including planning and commencement of works to upgrade existing support services and logistics buildings.

In addition to the capital grants outlined above, Maryborough District Health Service received \$39.44M in non-cash capital contributions from The Department of Health towards the new \$115M Hospital Redevelopment Project. This *non-cash* contributes significantly to the surplus net result for the 2023-24 financial year.

# Consultancies Information

## **Details of consultancies (under \$10,000)**

In 2023-24, there were four consultancies where the total fees payable to the consultants were less than \$10,000. The total expenditure incurred during 2023-24 in relation to these consultancies is \$21,656.5 (excl. GST).

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

In 2023-24, there were five consultancies where the total fees payable to the consultants were \$10,000 or greater. The total expenditure incurred during 2023-24 in relation to these consultancies is \$207,120.62 (excl. GST).

Consultant	Purpose of Consultancy	Start Date	End Date	Total approved project fee (excluding GST)	Expenditure 2023-24 (excluding GST)	Future expenditure (excluding GST)
FUTURE LEADERSHIP PTY LTD				\$26,949.51	\$26,949.51	
JEREMY NICOLLE OATS				\$11,904.00	\$11,904.00	
JULIA CHRISTINE MAY				\$75,500.00	\$75,500.00	
THE TRUSTEE FOR DJANDAK FIXED TRUST				\$40,994.70	\$40,994.70	
VISIBILITY CO PTY LTD				\$51,772.41	\$51,772.41	

## **Information and communication technology (ICT) expenditure**

The total ICT expenditure incurred during 2023-24 is \$1,365,549.14 (excluding GST) with the details 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)
\$1,308,845.73	\$56,703.41	\$0.00	\$56,703.41

# Disclosures required under Legislation

## ***Freedom of Information Action Act 1982***

During 2023-24, Maryborough District Health received 54 applications. Of these requests, 32 were legal requests, 22 were from the general public.

Maryborough District Health Service made 54 FOI decisions during the 12 months ended 30 June 2024

There were 54 decisions made within the statutory time periods. Of the decisions made outside time, 0 were made within a further 45 days and 0 decisions were made in greater than 45 days. A total of 44 FOI access decisions were made where access to documents was granted in full, granted in part or denied in full. 1 not proceeded with, 6 no documents, 3 not yet finalised. 0 decisions were made after mandatory extensions had been applied or extensions were agreed upon by the applicant. Of requests finalised, the average number of days over / under the statutory time (including extended timeframes) to decide the request was 7-14 days.

During 2023-24, 0 requests were subject to a complaint/internal review by Office of the Victorian Information Commissioner. 0 requests progressed to the Victorian Civil and Administrative Tribunal (VCAT).

## ***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. Australian Essential Services Compliance complete an annual assessment of all Health Service buildings to ensure compliance to the Essential Safety Measures requirements.

There was an Occupancy Permit issued for the Wattle Rise Redevelopment Project during the financial year.

There was a Building Permit issued for the Support Services Logistics Project during the financial year. The \$4.3M project is upgrading and expanding our building services, supply, linen and waste management facilities. Works commenced in June 2024 and are anticipated to be completed in April 2025.

A WorkSafe Improvement Notice was issued in relation to the collapse of ceiling panels in our building occupied by Anglicare Victoria. The Health Service worked with the Anglicare Victoria and WorkSafe to ensure rectification works were completed in line with notice requirements.

## ***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 2023-24 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).

- ensuring our staff have an awareness and understanding of the care relationship principles set out in the Act (e.g. developing and implementing a staff awareness strategy about the principles in the Act and what they mean for staff; induction and training programs offered by the organisation include discussion of the Act and the statement of principles therein)
- considering the care relationships principles set out in the Act when setting policies and providing

services (e.g. reviewing our employment policies such as flexible working arrangements and leave provisions to ensure that these comply with the statement of principles in the Act; developing a satisfaction survey for distribution at assessment and review meetings between workers, carers and those receiving care)

### **Local Jobs First Act 2003**

The \$4.3M Support Services Logistic Project commenced in June 2024 with builder SJ Weir (Ballarat) Pty Ltd. The project is upgrading and expanding our building services, supply, linen and waste management facilities. Works are anticipated to be completed in April 2025. The Industry Capability Network has assessed the builders Local Industry Development Plan and assessed it as compliant to the requirements. The plans commitment to the key criteria is as follows:

<b>Key Criteria</b>	<b>Commitment/Status</b>
ANZ Value-Added Activity:	94.36%
Apprenticeships Created:	0.06
Apprenticeships Retained:	0.37
Traineeships Created:	0.00
Traineeships Retained:	0.00
Cadetships Created:	0.00
Cadetships Retained:	0.00
Standard Employment Created:	0.58
Standard Employment Retained:	3.32
Implementation Plan	Complete
Additional Requirements	N/A

### **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.

### **Disclosure of government advertising expenditure**

Maryborough District Health Service did not undertake any government advertising expenditure

### **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) is being actively implemented, and progress reports have been provided to the Commission for Gender Equality in February 2024. Pleasingly, the progress report has been accepted by the Commission for Gender Equality, and confirms that we are achieving the objectives outlined as priority areas.

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 focused 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.

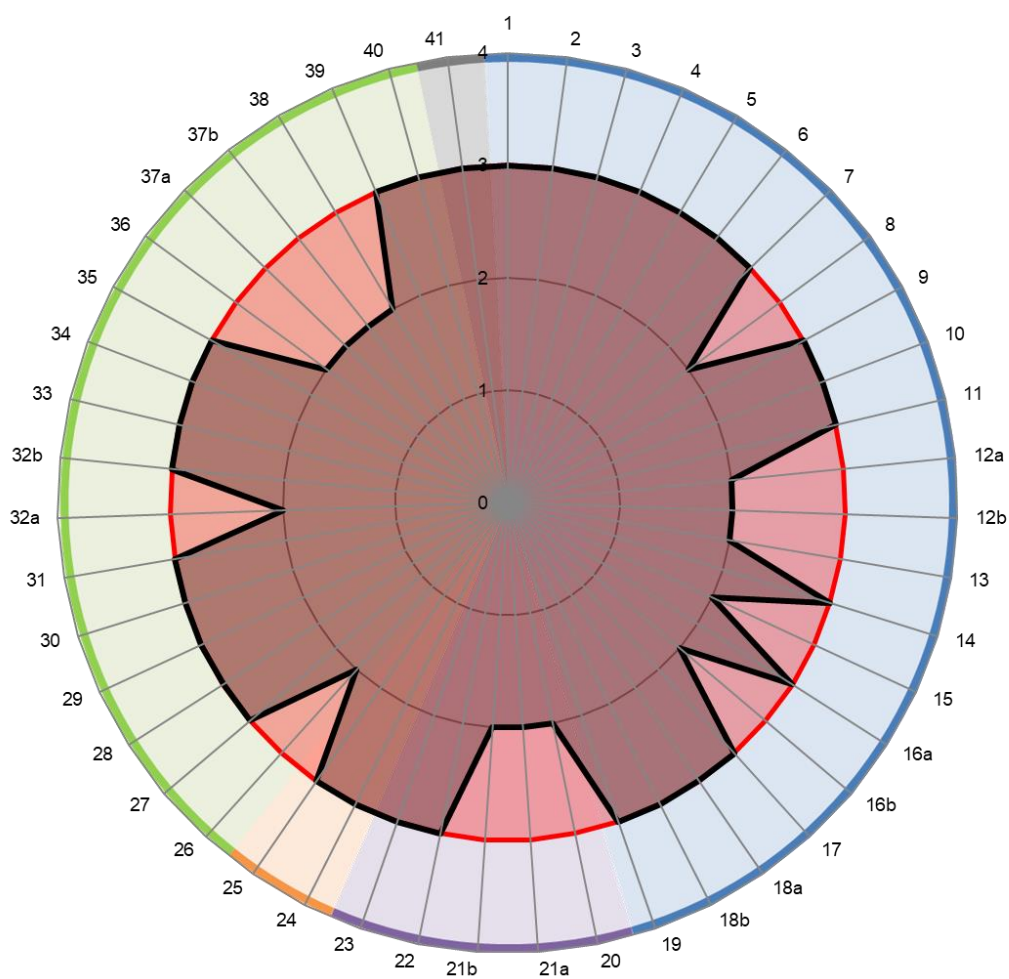
Each of the above key priority areas has specific action plans in place, which directly relate to the 7 indicators of gender equality. The implementation and monitoring of each action plan is to be undertaken by the MDHS Gender Equality Action Plan Committee.



## Asset Management Accountability Framework

The following sections summarise Maryborough District Health Service’s assessment of maturity against the requirements of the Asset Management Accountability Framework (AMAF). The AMAF is a non-prescriptive, devolved accountability model of asset management that requires compliance with 41 mandatory requirements. These requirements can be found on the DTF website [Asset management accountability framework | Department of Treasury and Finance Victoria \(dtf.vic.gov.au\)](http://www.dtf.vic.gov.au/asset-management-accountability-framework).

The Maryborough District Health Service target maturity rating is 'competence', meaning systems and processes fully in place, consistently applied and systematically meeting the AMAF requirement, including a continuous improvement process to expand system performance above AMAF minimum requirements.

### Results:



<b>Target</b>		<b>Legend</b>	
		Status	Scale
<b>Overall</b>		Not Applicable	N/A
		Innocence	0
		Awareness	1
		Developing	2
		Competence	3
		Optimising	4
		Unassessed	U/A



### **Leadership and Accountability (requirements 1-19)**

Maryborough District Health Service is developing its competence and progressing towards its target maturity level under most requirements within this category. There is no material non-compliance reported in this category. A plan for improvement is in place to address maturity rating gaps in these areas.

**Planning (requirements 20-23)** Maryborough District Health Service is developing its competence and progressing towards its target maturity level under most requirements within this category. There is no material non-compliance reported in this category. A plan for improvement is in place to address maturity rating gaps in these areas.

### **Acquisition (requirements 24 and 25)**

Maryborough District Health Service has met or exceeded its target maturity level in this category.

### **Operation (requirements 26-40)**

Maryborough District Health Service is developing its competence and progressing towards its target maturity level under most requirements within this category. There is no material non-compliance reported in this category. A plan for improvement is in place to address maturity rating gaps in these areas.

### **Disposal (requirement 41)**

Maryborough District Health Service has met its target maturity level in this category.

### **Reviews and Studies expenditure**

Name of the review (portfolio(s) and output(s)/agency responsible)	Reasons for review/study	Terms of reference/scope	Anticipated outcomes	Estimated cost for the year (excl. GST)	Final cost if completed (excl. GST)	Publicly available (Y/N) and URL
12 month review of midwifery continuity of care model, as part of agreed Local Health Area Committee (MDHS, Professor Jeremy Oats)	To meet the Local Health Advisory Committee (LHAC) obligations and ensure the sustainability and viability of the service.	Review previous recommendations provided by the Oat's review in 2020, links to other services, activity, governance and future growth opportunities.	Report written to provide outcomes of the review for board of directors and the Health Advisory Committee (LHAC). Recommendations to support new opportunities and ensure governance requirements are being met.	\$20K	\$12,024	N

### **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	2021/22	2022/23	2023/24
<b>Total stationary energy purchased by energy type (GJ)</b>			
Electricity	5359	5978	5926
LPG	1252	1192	752
Natural Gas	1780	11,020	11,170
<b>Total</b>	<b>8,391</b>	<b>18,190</b>	<b>17,848</b>
<b>NORMALISATION</b>			
Energy per unit of floor space (GJ/m2)	0.49	1.06	1.07
Energy per unit of Separations (GJ/Separations)	1.70	3.32	3.35
Energy per unit of bed-day (LOS+Aged Care OBD) (GJ/OBD)	1.05	2.15	0.42

ENERGY	2021/22	2022/23	2023/24
<b>EL2 On site-electricity generated [MWh]</b>			
Solar Electricity	136.9	130.8	131.16
Diesel Generator	0.38	0.38	0.38
Solar System	0.20	0.20	0.20
Renewable	996.204	1505.985	1628
Non-renewable (E1 + E2 - E3 Renewable)	7532.253	16683.021	17,762

GREENHOUSE GAS EMISSIONS	2021/22	2022/23	2023/24
<b>G1, G2 &amp; G3 Total scope one (direct) &amp; (indirect) greenhouse gas emissions [tonnes CO2e]</b>			
Direct greenhouse gas emissions - Carbon Dioxide	174	638	657
Direct greenhouse gas emissions - Methane	0.44	1.34	1.28
Direct greenhouse gas emissions – Nitrous Oxide	0.31	0.57	0.66
Indirect Electricity	1,087	1,051	1,083
Indirect Greenhouse gas emissions	356	429	388
<b>G(Opt) Net greenhouse gas emissions (tonnes CO2e)</b>	<b>1,617</b>	<b>2,119</b>	<b>2,130</b>

WATER USE	2021/22	2022/23	2023/24
<b>W1 Total units of metered water consumed by water source (kl)</b>			
Class A Recycled Water	N/A	N/A	N/A
Portable Water	13,936	14,527	15,611
Reclaimed Water	N/A	N/A	N/A
<b>Total</b>	<b>13,936</b>	<b>14,527</b>	<b>15,611</b>
<b>NORMALISATION</b>			
Water per unit of floor space (kL/m2)	0.81	0.85	0.91
Water per unit of Separations (kL/Separations)	2.79	2.65	2.85
Water per unit of bed-day (LOS+Aged Care OBD) (kL/OBD)	1.73	1.72	0.36

WASTE AND RECYCLING	2021/22	2022/23	2023/24
<b>WR1 Total units of waste disposed of by waste stream and disposal method [kg]</b>			
Total waste generated (kg clinical waste+kg general waste+kg recycling waste)	186,661	186,502	121,998
Total waste to landfill generated (kg general waste)	141,202	143,942	112,883
Total waste offsite treatment generated (kg clinical waste)	12,048	10,880	9,115
Cardboard kg	33,412	31,680	25,163
Total waste to landfill per patient treated ((kg clinical waste+kg general waste)/PPT)	2.90	2.93	2.3
Recycling rate % (kg recycling / (kg general waste+kg recycling))	17.90%	16.99%	17.10%

NORMALISATION FACTORS	2021/22	2022/23	2023/24
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	32,951	32,280	32,550

ED Departures	0	0	0
FTE	288	319	332
LOS	10,692	11,429	11,011
OBD	43,643	43,709	43,561
PPT	48,638	49,186	49,029
Separations	4,995	5,477	5,468

## 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 2023-24, 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 2023-24: Priority Social Procurement Framework (SPF) objectives and outcomes

Maryborough District Health Service strategic priorities for 2023-24 sought the following SPF objectives and corresponding outcomes through our procurement activities.

Priority SPF objectives	Priority SPF outcomes sought
1. <b>Opportunities for Victorian Aboriginal people</b>	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 supplier to a total value of \$18,995.
2. <b>Opportunities for Victorians with disability</b>	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. MDHS engaged with this 1 social benefit supplier to a total value of \$23,636.
3. <b>Sustainable Victorian regions</b>	MDHS have a number of procurement considerations to pursue SPF outcomes to promote Sustainable Victorian Regions. MDHS engaged successfully with 2 social benefit suppliers for goods and services related to activities, including MDHS Function Catering, Staff Development & Recruitment., to the total value of \$112,733

### Summary of direct social procurement engagement for FY 2022-23

Number of social benefit suppliers engaged during the reporting period: 4

Total amount spent with social benefit suppliers during the reporting period: \$155,365.

## **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.

## **Additional information available on request**

***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.

## Attestations

### *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  
30 June 2024

### *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  
30 June 2024

### *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  
30 June 2024

### *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  
30 June 2024

### *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 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 standard agenda item for declaration and documenting at each executive board meeting.



Nickola Allan  
Accountable Officer  
Maryborough District Health Service

# 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
<b>Ministerial Directions</b>		
<b>Report of Operations</b>		
<b>Charter and purpose</b>		
FRD 22	Manner of establishment and the relevant Ministers	<a href="#">4</a>
FRD 22	Purpose, functions, powers and duties	<a href="#">4</a>
FRD 22	Nature and range of services provided	<a href="#">5</a>
FRD 22	Activities, programs and achievements for the reporting period	<a href="#">6</a>
FRD 22	Significant changes in key initiatives and expectations for the future	<a href="#">7</a>
<b>Management and structure</b>		
FRD 22	Organisational structure	<a href="#">8</a>
FRD 22	Workforce data/ employment and conduct principles	<a href="#">11</a>
FRD 22	Occupational Health and Safety	<a href="#">11</a>
<b>Financial information</b>		
FRD 22	Summary of the financial results for the year	<a href="#">12</a>
FRD 22	Significant changes in financial position during the year	<a href="#">12</a>
FRD 22	Operational and budgetary objectives and performance against objectives	<a href="#">13</a>
FRD 22	Subsequent events	<a href="#">31</a>
FRD 22	Details of consultancies under \$10,000	<a href="#">13</a>
FRD 22	Details of consultancies over \$10,000	<a href="#">13</a>
FRD 22	Disclosure of government advertising expenditure	<a href="#">15</a>
FRD 22	Disclosure of ICT expenditure	<a href="#">13</a>
FRD 22	Asset Management Accountability Framework	<a href="#">16</a>
FRD 22	Reviews and Studies expenditure	<a href="#">17</a>
<b>Legislation</b>		
FRD 22	Application and operation of <i>Freedom of Information Act 1982</i>	<a href="#">14</a>
FRD 22	Compliance with building and maintenance provisions of <i>Building Act 1993</i>	<a href="#">14</a>

<b>Legislation</b>	<b>Requirement</b>	<b>Page Reference</b>
FRD 22	Application and operation of The Public Interest <i>Act 2012</i>	<a href="#">14</a>
FRD 22	Statement on National Competition Policy	<a href="#">14</a>
FRD 22	Application and operation of <i>Carers Recognition Act 2012</i>	<a href="#">14</a>
FRD 24	Summary of the entity's environmental performance	<a href="#">17</a>
FRD 22	Additional information available on request	<a href="#">20</a>

### **Other relevant reporting directives**

FRD 25	Local Jobs First Policy disclosures	<a href="#">15</a>
SD 5.1.4	Financial Management Compliance attestation	<a href="#">21</a>
SD 5.2.3	Declaration in report of operations	<a href="#">4</a>

### **Attestations**

Attestation for Financial Management Compliance	<a href="#">21</a>
Attestation Compliance with Health Share Victoria (HSV) Purchasing Policies	<a href="#">21</a>
Attestation on Data Integrity	<a href="#">21</a>
Attestation on managing Conflicts of Interest	<a href="#">21</a>
Attestation on Integrity, fraud and corruption	<a href="#">21</a>

### **Other reporting requirements**

• Reporting of outcomes from Statement of Priorities 2023-24	<a href="#">24</a>
• Occupational Violence reporting	<a href="#">11</a>
• Reporting obligations under the <i>Safe Patient Care Act 2015</i>	<a href="#">15</a>
• Gender Equality Act 2020	<a href="#">15</a>
• Reporting of compliance regarding Car Parking Fees (if applicable)	NA

# Statement of Priorities

In 2023-24, Maryborough District Health will contribute to the achievement of the Victorian Government's commitments by:

<b>Mandatory: Excellence in clinical governance</b>		
<b>Goals</b>	<b>Health Service Deliverables</b>	<b>Achievements/Outcome</b>
<b>MA6 Improve access to timely emergency care by implementing strategies that improve whole of system patient flow to reduce emergency department wait times and improve ambulance to health service handover times.</b>	MA6 Embed internal standards and agreements that support the delivery of patient centred care, through identification of 'how we do things here' to support patient flow.	MDHS has embedded VVED through Urgent Care Centre to ensure smooth patient flow.  MDHS is also part of the statewide chest pain program with Alfred Health.
	MA6 Adopt models of care that ensure the appropriate skill mix, and senior decision makers in the right places to manage the volume of patients and health service demands.	MDHS has embedded VVED through Urgent Care Centre to ensure smooth patient flow.  Nurse led model of care embedded with the UCC, and appropriate escalation of care to either VVED or on call GP's to support community and health service needs.
	MA6 Implement initiatives that support early discharge of patients to appropriate settings to improve timely patient access to care.	MDHS has embedded VVED through Urgent Care Centre to ensure smooth patient flow, reducing burden on our GP VMO workforce and improve timely access to care.
<b>MA9 Maintain commitment to driving planned surgery reform in alignment with the Surgery Recovery and Reform Program, as well as identify and implement local reform priorities.</b>	MA9 Implement and scale same day surgery models of care in line with Safer Care Victoria's Expanding Day Surgery recommendations.	MDHS has identified and successfully completed a number of appropriate same day surgery procedures as per the SCV day surgery models.
	MA9 Proactively manage preparation lists (formally waiting lists) including validation and support of patients into optimal care pathways.	MDHS has been an active member of the Grampians HSP and has supported increased access to elective lists for a wide range of procedures for patients across the Grampians region. MDHS is committed to being part of system reform and embarking on region wide approach to access to elective surgery.
	MA9 Collaboratively drive reform regionally through delivery and innovation teams, in alignment with Surgery Recovery and Reform Priorities.	
<b>MA11 Develop strong and effective systems to support early and accurate recognition and management of deterioration of paediatric patients.</b>	MA11 Partner with Safer Care Victoria (SCV) and relevant multidisciplinary groups to establish protocols and auditing processes to manage effective monitoring and escalation of deterioration in paediatric patients via VICTOR charts.	MDHS was part of one of the early pilots in the use of the VICTOR charts for early escalation and identification of paediatric patients. MDHS routinely audits the use of these charts as part of our ongoing quality improvement processes.
	MA11 Improve paediatric patient outcomes through implementation of the "VICTOR track and trigger" observation chart and escalation system,	



whenever children have observations taken.
MA11 Implement staff training on the “ViCTOR track and trigger” tool to enhance identification and prompt response to deteriorating paediatric patient conditions.

**Mandatory: Working to achieve long term financial sustainability**

Goals	Health Service Deliverables	Achievements/Outcome
<b>MB1 Co-operate with and support Department-led reforms that look towards reducing waste and improving efficiency to address financial sustainability, operational and safety performance, and system management.</b>	MB1 Operational efficiency improvements: Develop and implement strategies to improve operational efficiency, such as reducing waiting times, improving patient flow, and optimising resource allocation.	Implementation of new Motor Vehicle fleet system has identified potential cost and environmental benefits from reduction in fleet size and efficiency of booking systems and allocations.
	MB1 Collaborative partnerships: Collaborate with other health service providers, community organisations, the department and stakeholders to explore opportunities for shared services, joint procurement, and resource sharing to reduce costs and improve efficiency.	MDHS partners with other organisations to support our payroll processing and stores procurement.  MDHS also has partnered with local services to support their communities with access to MDHS AHLO’s.

**Mandatory: Improving equitable access to healthcare and wellbeing**

Goals	Health Service Deliverables	Achievements/Outcome
MC1 Address service access issues and equity of health outcomes for rural and regional people including more support for primary, community, home-based and virtual care, and addiction services.	MC1 CEO and executive leadership to drive and be accountable for outcomes in cultural safety and Aboriginal self-determination.	CEO and members of executive team part of RAP working group. MDHS has now two AHLO’s to support our community to access services.  Service level agreement with Djaara, to support new build and design principals to create culturally safe environment.  AHLO’s working with quality team to support admission processes across MDHS.
	MC1 Partner with Aboriginal community-controlled health organisations, respected Aboriginal leaders and Elders, and Aboriginal communities to deliver healthcare improvements.	MDHS has SLA with Djaara, working collaboratively with BDAC on MOU.  RAP working group has representation from ACCHO and Dja Dja Wurrung Cooperative.

Mandatory: A stronger workforce		
Goals	Health Service Deliverables	Achievements/Outcome
MD1 Improve employee experience across four initial focus areas to assure safe, high-quality care: leadership, health and safety, flexibility, and career development and agility.	MD1 Deliver programs to improve employee experience across four initial focus areas: leadership, safety and wellbeing, flexibility, and career development and agility.	Coaching skills for managers rolled out across leadership group – next phase to include our After-hours coordinators, ANUMs across MDHS
	MD1 Implement and/or evaluate new/expanded programs that uplift workforce flexibility such as a flexibility policy for work arrangements.	<p>People matters survey action plans to be developed in response to 2023 survey and communicated with our teams. A new leadership program was rolled out to support positive psychology and self care.</p> <p>MDHS has processes in place re request for flexible work arrangements, and current work from home arrangements to support this.</p> <p>MDHS has developed Workforce plan in 2023-2024 FY.</p>
MD2 Explore new and contemporary models of care and practice, including future roles and capabilities.	MD2 Continual monitoring of the broader healthcare landscape to identify opportunities to modernise skills, capabilities, roles and models of care to meet future health sector needs.	Endorsed midwife led Sexual and reproductive advice clinic developed and soft launch in May 2024, enabling local access for community and our teams to work at full scope of practice.
Mandatory: Moving from competition to collaboration		
Goals	Health Service Deliverables	Achievements/Outcome
<b>ME1 Partner with other organisations (for example community health, ACCHOs, PHNs, General Practice, private health) to drive further collaboration and build a more integrated system.</b>	ME1 Work with the relevant PHN and community health providers to develop integrated service models that will provide earlier care to patients and support patients following hospital discharge.	<p>MDHS has integrated community services as part of BAU.</p> <p>Formal partnership with PHN to deliver programs.</p> <p>MDHS commenced CHSP for Pyrenees shire and commence Central goldfields shire March 2024.</p>

**Elective: Empowering people to keep healthy and safe in the community**

Goals	Health Services Deliverables	Achievements/Outcomes
<p><b>EA5 Improve women’s health outcomes through the quality, availability, and equity of women’s health services across Victoria.</b></p>	<p>EA5 Improve access to women’s health services including contraception, abortion, pelvic pain and menopause through grants or research, or the new hospital-based women’s health clinics or sexual and reproductive community-based hubs.</p>	<p>Developed a sustainable model of care for the delivery of a sexual and reproductive Health clinic funded by ongoing income streams rather than grants. Led by an endorsed Midwife the clinic will work closely with community-based hubs and in partnership with regional partners (OGB)</p> <p>Stage 2 of Postpartum haemorrhage collaborative led by Safer Care Victoria. This collaborative aims to reduce harm to families and health professionals by standardising and improving the response to PPH across participating Victorian health services</p>

**Elective: Care close to home**

Goals	Health Service Deliverables	Achievements/Outcome
<p><b>EB1 Improve pathways through the health system and implement models of care to enable more people to access care closer to, or in their homes.</b></p>	<p>EB1 Implement and/or evaluate new/expanded models of care that address barriers to patients receiving care closer to, or in their home.</p>	<p>Lead agency in the WVPHN Goldfields Your care Path - Chronic Conditions Regional Care Partnerships with Central Highlands Rural Health, Mecwacare, Springs Medical and Beaufort Skipton Health Service. Your Care Path is a new program to support people with a chronic condition.</p>
	<p>EB1 Implement new models of care that improve coordination across health services and with primary and community care so that patients can more easily receive care closer to, or in their homes.</p>	<p>Stay Well, Stay Home Chronic Conditions Breakthrough Series Collaborative working in partnership with Safer Care Victoria and Ballarat Community Health. The aim of the collaborative is to reduce variation in the management of asthma, COPD, and diabetes across Victoria</p> <p>Loddon Children's Health and Wellbeing Local. Partnering with Bendigo Community Health, Bendigo Health and Go Goldfields the program has been designed as a part of the response to the program Royal Commission into Victoria’s Mental Health System. The LCHWL will provide services for children aged 0-11 years who are experiencing developmental, emotional, relational, or behavioural challenges and their families. The LCHWL will provide a central point for connecting, navigating, and accessing health and social care, whilst providing a coordinated and holistic care pathway for children and their families.</p>

<b>Elective: A health system that takes effective climate action</b>		
<b>Goals</b>	<b>Health Service Deliverables</b>	<b>Achievements/Outcome</b>
EC2 Implement climate adaptation initiatives to support the health service's resilience and prepare for future challenges.	EC2 Plan/implement an adaptation initiative to enhance the resilience of infrastructure or service continuity.	MDHS Environmental Management Plan reviewed and updated. Grampians region sustainability project focused on energy efficiency improvements underway with Energy Audit contractors appointed with site visit scheduled in January 2024. RHIF grant applications for Back of House Logistics and Community Health Heating, Ventilation and Air Conditioning supporting transition to all electric health service.
<b>Local: 1</b>		
<b>Goals</b>	<b>Health Service Deliverables</b>	<b>Achievements/Outcome</b>
Local Goal: Achieving key site redevelopment milestones on time and on budget	Local Deliverable 1: Procurement of Furniture, fixture and equipment processes and plans established.	Recruitment of Furniture Fitting and Equipment (FFE) and Clinical Leads to support FFE procurement. Assessment of FFE requirements for the new development in accordance with the Architectural Plans. Analysis of existing FFE assets identifying items that are suitable for transfer to the new facilities. Engagement with vendors to identify and trial FFE items with our clinical/non-clinical teams. Development of the FFE packages, procurement plan and budget. Development of detailed procurement documentation and specifications for each FFE package. Procurement of a range of long lead time FFE packages including theatre and CSSD equipment.
	Local Deliverable 2: Procurement of ICT infrastructure items.	Recruitment of a specialist Project Manager to support the documentation, procurement and implementation of the ICT infrastructure. Development of a detailed ICT Technical Architecture Plan. Development of the ICT packages, procurement plan and budget. Development of detailed procurement documentation and specifications for each ICT package.
	Local Deliverable 3: Developed plan in progress for successful transition of ICT from LMSS to GRHA.	Alliance Transition Project governance and working groups established. Project Management Plan developed and submitted to the Department of Health Digital Health branch. Project Manager recruited with detailed discovery phase under way to refine the scope, schedule, resourcing and budget. Network package underway with new carriage ordered and implementation plan being finalised.

# Statement of Priorities

## Part B: Performance Priorities

### High quality and safe care

Key Performance Measure	Target	Result
<b>Infection prevention and control</b>		
Compliance with the Hand Hygiene Australia program <sup>1</sup>	85%	84.25%
Percentage of healthcare workers immunised for influenza	94%	100%
<b>Patient experience</b>		
Percentage of patients who reported positive experiences of their hospital stay	95%	98.4%
<b>Maternity and newborn</b>		
Percentage of full-term babies (without congenital anomalies) who are considered in poor condition shortly after birth (Apgar score <7 to 5 minutes)	≤ 1.4%	0%
Percentage of singleton babies with severe fetal growth restriction (FGR) delivered at 40 or more weeks gestation	≤ 28.6%	Not applicable
<b>Aboriginal Health</b>		
Percentage of Aboriginal admitted patients who left against medical advice <sup>2</sup>	25% reduction in gap based on prior year's annual rate	0%

### Strong governance, leadership and culture

Key performance measure	Target	Result
<b>Organisational culture</b>		
People matter survey – Percentage of staff with an overall positive response to safety culture survey questions	62%	63%

### Effective financial management

Key performance measure	Target	Result
Operating result (\$M)	(1.29)	(3.96)
Average number of days to pay trade creditors	60 days	50 days
Average number of days to receive patient fee debtors	60 days	12 days
Adjusted current asset ratio	0.7 or 3% improvement from health service base target	0.68
Variance between forecast and actual Net result from transactions (NRFT) for the current financial year ending 30 June.	Variance ≤ \$250,000	(3.71)
Actual number of days of available cash, measured on the last day of each month	14 days	4

# Statement of Priorities

## Part C: Activity and Funding

Maryborough District Health Service funding summary for 1 July 2023 – 30 June 2024

Funding Type	Activity
<b>Consolidated Activity Funding</b>	
Acute admitted, subacute admitted, emergency services, non-admitted NWAU	4302.89 NWAU
<b>Acute Admitted</b>	
National Bowel Cancer Screening Program NWAU	40.99 NWAU
Acute admitted DVA	4.45 NWAU
<b>Acute Non-Admitted</b>	
Home Enteral Nutrition NWAU	0.0 NWAU
<b>Aged Care</b>	
Residential Aged Care	32,591 Bed Days
HACC	2,271 service events
<b>Primary Health</b>	
Community Health / Primary Care Programs	5,016 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 2023-2024 year \$ \$132,683.46

## **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 \$22,285.00. We extend our thanks to True Foods and all the hole sponsors for another successful event.

## **Major Community Supporters**

- Allround Packaging
- Alchemy Performance Packaging Pty Ltd
- Alexander Ingredients
- ASTERIA Services
- Adam Ski
- Anthony Passalick
- Bendigo Bank
- Bequest of the Late Elizabeth Tunkin
- Coghlan Bulk Haulage
- Estate of Late Marjorie Wilks
- Edlyn Foods
- Julie Driscoll
- Manildra Group
- Maryborough Carpet Bowls Club
- Maryborough Golf Club
- Maryborough Highland Society
- Maryborough Lions Club
- Maryborough Toyota
- Maryborough Transport
- Mike Webber
- Rheola Charity Carnival Inc.
- Transport Tyers
- Sonac
- True Foods
- VISY
- Vital Signs



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2023-  
2024

# Annual Financial Report

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**Maryborough District Health Service**

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# Financial Statements

## Financial Year ended 30 June 2024

### ***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 2024 and the financial position of Maryborough District Health Service at 30 June 2024.

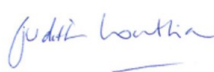
At the time of signing, we are not aware of any circumstance which would render any particulars included in the financial statements to be misleading or inaccurate.

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

**Board member**

**Accountable Officer**

**Chief Finance & Accounting Officer**



Chair

Chief Executive Officer

Chief Finance and Accounting Officer

Maryborough  
25 September 2024

Maryborough  
25 September 2024

Maryborough  
25 September 2024

# Independent Auditor's Report

## To the Board of Maryborough District Health Service

<b>Opinion</b>	<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"> <li>• balance sheet as at 30 June 2024</li> <li>• comprehensive operating statement for the year then ended</li> <li>• statement of changes in equity for the year then ended</li> <li>• cash flow statement for the year then ended</li> <li>• notes to the financial statements, including material accounting policy information</li> <li>• board member's, accountable officer's and chief finance &amp; accounting officer's declaration.</li> </ul> <p>In my opinion the financial report presents fairly, in all material respects, the financial position of the health service as at 30 June 2024 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 7 of the <i>Financial Management Act 1994</i> and applicable Australian Accounting Standards.</p>
<b>Basis for Opinion</b>	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the health service in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's 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>
<b>Other information</b>	<p>The Board of the health service is responsible for the Other Information, which comprises the information in the health service's annual report for the year ended 30 June 2024, but does not include the financial report and my auditor's report thereon.</p> <p>My opinion on the financial report does not cover the Other Information and accordingly, I do not express any form of assurance conclusion on the Other Information. However, in connection with my audit of the financial report, my responsibility is to read the Other Information and in doing so, consider whether it is materially inconsistent with the financial report or the knowledge I obtained during the audit, or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude there is a material misstatement of the Other Information, I am required to report that fact. I have nothing to report in this regard.</p>
<b>Board's responsibilities for the financial report</b>	<p>The Board of the health service is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the <i>Financial Management Act 1994</i>, and for such internal control as the Board determines is necessary to enable the preparation 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>

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**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  
8 October 2024

Dominika Ryan  
*as delegate for the Auditor-General of Victoria*

**Maryborough District Health Service  
Comprehensive Operating Statement  
For the Financial Year Ended 30 June 2024**

		2024	2023
	Note	\$'000	\$'000
<b>Revenue and income from transactions</b>			
Operating activities	2.1	96,731	65,737
Non-operating activities	2.1	635	411
Share of revenue from joint operations	8.7	1,456	1,186
<b>Total revenue and income from transactions</b>		<b>98,822</b>	<b>67,334</b>
<b>Expenses from transactions</b>			
Employee expenses	3.1	(47,096)	(43,470)
Supplies and consumables	3.1	(6,860)	(5,215)
Finance costs	3.1	(23)	(5)
Depreciation	3.1	(2,814)	(2,658)
Other administrative expenses	3.1	(3,958)	(3,604)
Other operating expenses	3.1	(2,974)	(2,626)
Other non-operating expenses	3.1	-	(35)
Share of expenditure from joint operations	8.7	(1,384)	(1,044)
<b>Total Expenses from transactions</b>		<b>(65,109)</b>	<b>(58,657)</b>
<b>Net result from transactions - net operating balance</b>		<b>33,713</b>	<b>8,677</b>
<b>Other economic flows included in net result</b>			
Net gain/(loss) on sale of non-financial assets	3.2	213	(6)
Net gain/(loss) on financial instruments	3.2	(27)	94
Other gain/(loss) from other economic flows	3.2	189	(69)
<b>Total other economic flows included in net result</b>		<b>375</b>	<b>19</b>
<b>Net result for the year</b>		<b>34,088</b>	<b>8,696</b>
<b>Other economic flows - other comprehensive income</b>			
<b>Items that will not be reclassified to net result</b>			
Changes in property, plant and equipment revaluation surplus	4.1(b)	21,960	-
<b>Total other comprehensive income</b>		<b>21,960</b>	<b>-</b>
<b>Comprehensive result for the year</b>		<b>56,048</b>	<b>8,696</b>

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

**Maryborough District Health Service**  
**Balance Sheet**  
**As at 30 June 2024**

		<b>2024</b>	<b>2023</b>
	<b>Note</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Current assets</b>			
Cash and cash equivalents	6.2	19,451	12,202
Receivables	5.1	1,188	815
Inventories		192	64
Prepaid expenses		257	362
<b>Total current assets</b>		<b>21,088</b>	<b>13,443</b>
<b>Non-current assets</b>			
Receivables	5.1	1,679	1,163
Property, plant and equipment	4.1(a)	126,942	67,507
Right of use assets	4.2(a)	700	182
Investment Properties	4.5(a)	90	180
<b>Total non-current assets</b>		<b>129,411</b>	<b>69,032</b>
<b>Total assets</b>		<b>150,499</b>	<b>82,475</b>
<b>Current liabilities</b>			
Payables	5.2	14,005	4,231
Borrowings	6.1	147	72
Employee benefits	3.3	9,235	8,167
Other liabilities	5.3	7,787	7,430
<b>Total current liabilities</b>		<b>31,174</b>	<b>19,900</b>
<b>Non-current liabilities</b>			
Borrowings	6.1	589	108
Employee benefits	3.3	816	595
<b>Total non-current liabilities</b>		<b>1,405</b>	<b>703</b>
<b>Total liabilities</b>		<b>32,579</b>	<b>20,603</b>
<b>Net assets</b>		<b>117,920</b>	<b>61,872</b>
<b>Equity</b>			
Property, plant and equipment revaluation surplus	4.3	71,204	49,244
Restricted specific purpose reserve	SCE	486	486
Contributed capital	SCE	13,776	13,776
Accumulated deficit	SCE	32,454	(1,634)
<b>Total equity</b>		<b>117,920</b>	<b>61,872</b>

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

**Maryborough District Health Service**  
**Cash Flow Statement**  
**For the Financial Year Ended 30 June 2024**

	2024	2023
Note	\$'000	\$'000
<b>Cash Flows from operating activities</b>		
Operating grants from State government	46,968	38,676
Operating grants from Commonwealth government	8,628	8,628
Capital grants from government - State	1,403	3,839
Patient fees received	2,853	2,794
Private practice fees received	2,550	2,280
Donations and bequests received	-	2
GST received from ATO	1,481	1,675
Interest income received	635	278
Commercial Income Received	541	305
Other receipts	2,010	1,968
<b>Total receipts</b>	<b>67,069</b>	<b>60,445</b>
Payments to employees	(42,110)	(39,639)
Payments to contractors and consultants	(3,271)	(2,819)
Payments for supplies and consumables	(5,911)	(5,447)
Payments for medical indemnity insurance	(529)	(489)
Payments for repairs and maintenance	(990)	(1,573)
Finance Costs	(23)	(5)
GST paid to ATO	(1,561)	(1,561)
Cash outflow for leases	(35)	(25)
Other payments	(5,346)	(3,793)
<b>Total payments</b>	<b>(59,776)</b>	<b>(55,351)</b>
<b>Net cash flows from/(used in) operating activities</b>	<b>8.1 7,293</b>	<b>5,094</b>
<b>Cash Flows from investing activities</b>		
Purchase of non-financial assets	(953)	(5,522)
Capital donations and bequests received	134	165
Proceeds from sale of non-financial assets	510	8
<b>Net cash flows from/(used in) investing activities</b>	<b>(309)</b>	<b>(5,349)</b>
<b>Cash flows from financing activities</b>		
Repayment of borrowings	(117)	(52)
Receipt of accommodation deposits	1,706	2,485
Repayment of accommodation deposits	(1,324)	(1,324)
<b>Net cash flows from /(used in) financing activities</b>	<b>265</b>	<b>1,109</b>
<b>Net increase/(decrease) in cash and cash equivalents held</b>	<b>7,249</b>	<b>854</b>
Cash and cash equivalents at beginning of year	12,202	11,348
<b>Cash and cash equivalents at end of year</b>	<b>6.2 19,451</b>	<b>12,202</b>

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 2024**

<b>Total</b>	<b>Note</b>	<b>Property, Plant and Equipment Revaluation Surplus \$'000</b>	<b>Restricted Specific Purpose Reserve \$'000</b>	<b>Contributed Capital \$'000</b>	<b>Accumulated Surplus/(Deficits) \$'000</b>	<b>Total \$'000</b>
<b>Balance at 1 July 2022</b>		<b>49,244</b>	<b>486</b>	<b>13,776</b>	<b>(10,330)</b>	<b>53,176</b>
Net result for the year		-	-	-	8,696	8,696
<b>Balance at 30 June 2023</b>		<b>49,244</b>	<b>486</b>	<b>13,776</b>	<b>(1,634)</b>	<b>61,872</b>
Net result for the year		-	-	-	34,088	34,088
Other comprehensive income for the year		21,960	-	-	-	21,960
<b>Balance at 30 June 2024</b>		<b>71,204</b>	<b>486</b>	<b>13,776</b>	<b>32,454</b>	<b>117,920</b>

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

## **Note 1: Basis of preparation**

### **Structure**

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

## **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 2024. 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 25th September 2024.

**Maryborough District Health Service**  
**Notes to the Financial Statements**  
**For the Financial Year Ended 30 June 2024**

***Note 1.2 Abbreviations and terminology used in the financial statements***

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

<b>Reference</b>	<b>Title</b>
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
NWUA	National Weighted Activity Unit
SD	Standing Direction
VAGO	Victorian Auditor General's Office

**Maryborough District Health Service**  
**Notes to the Financial Statements**  
**For the Financial Year Ended 30 June 2024**

***Note 1.3 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 1.4 Material 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 material accounting policies and significant management judgements and estimates used, and any changes thereto, are identified at the beginning of each section where applicable and relate to the following disclosures:

- Note 2.1: Revenue and income from transactions
- Note 3.3: Employee benefits and related on-costs
- Note 4.1: Property, plant and equipment
- Note 4.2: Right-of-use assets
- Note 4.4: Depreciation and amortisation
- Note 4.5: Investment Property
- Note 4.6: Impairment of assets
- Note 5.1: Receivables
- Note 5.2: Payables
- Note 5.3: 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 2024**

***Note 1.5 Accounting standards issued but not yet effective***

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

<b>Standard</b>	<b>Adoption Date</b>	<b>Impact</b>
<i>AASB 2022-5: 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.
<i>AASB 2022-9: 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.
<i>AASB 2022-10: Amendments to Australian Accounting Standards - Fair Value Measurement of Non-Financial Assets of Not-for-profit Public Sector Entities</i>	Reporting periods beginning on or after 1 January 2024.	The impact of adopting this standard has not yet been assessed by management.

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 2024**

***Note 1.6 Goods and Services Tax (GST)***

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

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

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

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

***Note 1.7 Reporting Entity***

The financial statements include all the controlled activities of 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 services 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

### Material judgements and estimates

This section contains the following material judgements and estimates:

Material judgements and estimates	Description
Identifying performance obligations	<p>Maryborough District Health Service applies material judgement when reviewing the terms and conditions of funding agreements and contracts to determine whether they contain sufficiently specific and enforceable performance obligations.</p> <p>If this criterion 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.</p> <p>If this criterion is not met, funding is recognised immediately in the net result from operations.</p>
Determining timing of revenue recognition	<p>Maryborough District Health Service applies material judgement to determine when a performance obligation has been satisfied and the transaction price that is to be allocated to each performance obligation. A performance obligation is either satisfied at a point in time or over time.</p>
Determining time of capital grant income recognition	<p>Maryborough District Health Service applies material judgement to determine when its obligation to construct an asset is satisfied. Costs incurred is used to measure the health service’s progress as this is deemed to be the most accurate reflection of the stage of completion.</p>
Assets and services received free of charge or for nominal consideration	<p>Maryborough District Health Service applies material 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.</p>



## Note 2.1 Revenue and income from transactions

Note	2024 \$'000	2023 \$'000
<b>Operating activities</b>		
<b>Revenue from contracts with customers</b>		
Government grants (State) - Operating	22,767	20,378
Government grants (Commonwealth) - Operating	11,755	8,985
Patient and resident fees	3,004	2,575
Private practice fees	2,550	2,280
Commercial activities <sup>1</sup>	541	305
<b>Total revenue from contracts with customers</b>	<b>40,617</b>	<b>34,523</b>
<b>Other sources of income</b>		
Government grants (State) - Operating	12,202	18,193
Government grants (Commonwealth) - Operating	721	724
Government grants (State) - Capital	1,403	3,839
Capital donations	134	165
Assets received free of charge or for nominal consideration	39,522	7,109
Other revenue from operating activities (including non-capital donations)	2,132	1,184
<b>Total other sources of income</b>	<b>56,114</b>	<b>31,214</b>
<b>Total revenue and income from operating activities</b>	<b>96,731</b>	<b>65,737</b>
<b>Non-operating activities</b>		
<b>Income from other sources</b>		
Capital interest	188	195
Other interest	447	83
Other revenue from non-operating activities	-	133
<b>Total other sources of income</b>	<b>635</b>	<b>411</b>
<b>Total income from non-operating activities</b>	<b>635</b>	<b>411</b>
<b>Total revenue and income from transactions</b>	<b>97,366</b>	<b>66,148</b>

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

	2024 \$'000	2023 \$'000
	40,076	34,218
	541	305
<b>Total revenue from contracts with customers</b>	<b>40,617</b>	<b>34,523</b>

#### 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**

	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Cash donations and gifts	-	2
Buildings at fair value	39,443	6,809
Personal protective equipment	79	298
<b>Total fair value of assets and services received free of charge or for nominal consideration</b>	<b>39,522</b>	<b>7,109</b>

**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**

Under the State Supply Arrangement, Health Share Victoria supplies personal protective equipment to Maryborough District Health Service for nil consideration.

**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:

<b>Supplier</b>	<b>Description</b>
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.
Victorian Health Building Authority	The Department of Health made payments to the Victorian Health Building Authority to fund capital works projects during the year ended 30 June 2024, on behalf of Maryborough District Health Service.
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 disclosed.

### Structure

#### 3.1 Expenses from transactions

#### 3.2 Other economic flows

#### 3.3 Employee benefits and related on-costs

#### 3.4 Superannuation

### Material judgements and estimates

This section contains the following material judgements and estimates:

Material judgements and estimates	Description
Classifying employee benefit liabilities	<p>Maryborough District Health Service applies material judgement 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 material judgement 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"> <li>• an inflation rate of 4.45%, reflecting the future wage and salary levels</li> <li>• 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%</li> <li>• discounting at the rate of 4.348%, as determined with reference to market yields on government bonds at the end of the reporting period.</li> </ul> <p>All other entitlements are measured at their nominal value.</p>

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**Note 3.1 Expenses from transactions**

	2024	2023
Note	\$'000	\$'000
Salaries and wages	38,381	35,683
On-costs	4,012	3,534
Agency expenses	3,271	2,819
Fee for service medical officer expenses	695	1,037
Workcover premium	737	397
<b>Total employee expenses</b>	<b>47,096</b>	<b>43,470</b>
Drug supplies	1,379	281
Medical and surgical supplies (including Prostheses)	2,908	2,748
Diagnostic and radiology supplies	993	819
Other supplies and consumables	1,580	1,367
<b>Total supplies and consumables</b>	<b>6,860</b>	<b>5,215</b>
Finance costs	23	5
<b>Total finance costs</b>	<b>23</b>	<b>5</b>
Other administrative expenses	3,958	3,604
<b>Total other administrative expenses</b>	<b>3,958</b>	<b>3,604</b>
Fuel, light, power and water	615	539
Repairs and maintenance	570	884
Maintenance contracts	420	689
Medical indemnity insurance	529	489
Expenses related to leases of low value assets	35	25
Expenditure for capital purposes	805	-
<b>Total other operating expenses</b>	<b>2,974</b>	<b>2,626</b>
<b>Total operating expense</b>	<b>60,911</b>	<b>54,920</b>
Depreciation	2,814	2,658
<b>Total depreciation</b>	<b>2,814</b>	<b>2,658</b>
Bad and doubtful debt expense	-	35
<b>Total other non-operating expenses</b>	<b>-</b>	<b>35</b>
<b>Total non-operating expense</b>	<b>2,814</b>	<b>2,693</b>
<b>Total expenses from transactions</b>	<b>63,725</b>	<b>57,613</b>



### **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 in determining the operating result for the year by recording them as revenue and also recording a corresponding 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

	2024 \$'000	2023 \$'000
Net gain/(loss) on revaluation of investment property	(90)	-
Net gain/(loss) on disposal of property plant and equipment	303	(6)
<b>Total net gain/(loss) on non-financial assets</b>	<b>213</b>	<b>(6)</b>
Allowance for impairment losses of contractual receivables	(27)	94
<b>Total net gain/(loss) on financial instruments</b>	<b>(27)</b>	<b>94</b>
Net gain/(loss) arising from revaluation of long service liability	189	(69)
<b>Total other gains/(losses) from other economic flows</b>	<b>189</b>	<b>(69)</b>
<b>Total gains/(losses) from other economic flows</b>	<b>375</b>	<b>19</b>

#### How we recognise other economic flows

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

- the revaluation of the present value of the long service leave liability due to changes in the bond interest rates and;
- 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

	2024 \$'000	2023 \$'000
<b>Current employee benefits and related on-costs</b>		
<i>Accrued days off</i>		
Unconditional and expected to be settled wholly within 12 months <sup>i</sup>	119	117
	<b>119</b>	<b>117</b>
<i>Annual leave</i>		
Unconditional and expected to be settled wholly within 12 months <sup>i</sup>	3,213	2,772
Unconditional and expected to be settled wholly after 12 months <sup>ii</sup>	351	351
	<b>3,564</b>	<b>3,123</b>
<i>Long service leave</i>		
Unconditional and expected to be settled wholly within 12 months <sup>i</sup>	595	534
Unconditional and expected to be settled wholly after 12 months <sup>ii</sup>	3,829	3,563
	<b>4,424</b>	<b>4,097</b>
<i>Provisions related to employee benefit on-costs</i>		
Unconditional and expected to be settled within 12 months <sup>i</sup>	577	366
Unconditional and expected to be settled after 12 months <sup>ii</sup>	551	464
	<b>1,128</b>	<b>830</b>
<b>Total current employee benefits and related on-costs</b>	<b>9,235</b>	<b>8,167</b>
<b>Non-current provisions and related on-costs</b>		
Conditional long service leave	713	526
Provisions related to employee benefit on-costs	103	69
<b>Total non-current employee benefits and related on-costs</b>	<b>816</b>	<b>595</b>
<b>Total employee benefits and related on-costs</b>	<b>10,051</b>	<b>8,762</b>

<sup>i</sup> The amounts disclosed are nominal amounts.

<sup>ii</sup> The amounts disclosed are discounted to present values.

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

	2024 \$'000	2023 \$'000
<b>Current employee benefits and related on-costs</b>		
Unconditional accrued days off	119	117
Unconditional annual leave entitlements	4,055	3,424
Unconditional long service leave entitlements	5,061	4,626
<b>Total current employee benefits and related on-costs</b>	<b>9,235</b>	<b>8,167</b>
<b>Non-current employee benefits and related on-costs</b>		
Conditional long service leave entitlements	816	595
<b>Total non-current employee benefits and related on-costs</b>	<b>816</b>	<b>595</b>
<b>Total employee benefits and related on-costs</b>	<b>10,051</b>	<b>8,762</b>
<b>Attributable to:</b>		
Employee benefits	8,820	7,863
Provision for related on-costs	1,231	899
<b>Total employee benefits and related on-costs</b>	<b>10,051</b>	<b>8,762</b>

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

	2024 \$'000	2023 \$'000
<b>Carrying amount at start of year</b>	899	846
Additional provisions recognised	616	206
Net gain/(loss) arising from revaluation of long service liability	(22)	8
Amounts incurred during the year	(262)	(161)
<b>Carrying amount at end of year</b>	<b>1,231</b>	<b>899</b>

## **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 sick leave 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	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
<b>Defined benefit plans:<sup>i</sup></b>				
Aware Super	45	46	-	-
<b>Defined contribution plans:</b>				
Aware Super	1,729	1,570	-	-
Hesta	949	946	-	-
Australian Super	217	147	-	-
Hostplus	155	132	-	-
Rest Superannuation	205	191	-	-
Other	572	502	-	-
<b>Total</b>	<b>3,872</b>	<b>3,534</b>	-	-

<sup>i</sup> 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

A defined benefit plan provides benefits based on years of service and final average salary. The amount charged to the Comprehensive Operating Statement in respect of defined benefit superannuation plans represents the contributions made by 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*

### Material judgements and estimates

This section contains the following material judgements and estimates:

Material judgements and estimates	Description
Estimating useful life of property, plant and equipment	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	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.  Maryborough District Health Service applies material judgement to determine whether or not it is reasonably certain to exercise such purchase options.

## Material judgements and estimates (continued)

Material 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"><li>• If an asset's value has declined more than expected based on normal use</li><li>• If a significant change in technological, market, economic or legal environment which adversely impacts the way the health service uses an asset</li><li>• If an asset is obsolete or damaged</li><li>• 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</li><li>• If the performance of the asset is or will be worse than initially expected.</li></ul> <p>Where an impairment trigger exists, the health services applies material 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

	2024 \$'000	2023 \$'000
Land at fair value - Crown	2,084	889
Land at fair value - Freehold	1,231	3,219
<b>Total land at fair value</b>	<b>3,315</b>	<b>4,108</b>
Buildings at fair value	70,910	49,730
Less accumulated depreciation	-	(1,471)
<b>Total buildings at fair value</b>	<b>70,910</b>	<b>48,259</b>
Property improvements at fair value	65	65
Less accumulated depreciation	(30)	(14)
<b>Total property improvements at fair value</b>	<b>35</b>	<b>51</b>
Works in progress at fair value	<b>47,428</b>	<b>9,551</b>
<b>Total land and buildings</b>	<b>121,688</b>	<b>61,969</b>
Plant and equipment at fair value	3,369	3,151
Less accumulated depreciation	(1,760)	(1,538)
<b>Total plant and equipment at fair value</b>	<b>1,609</b>	<b>1,613</b>
Motor vehicles at fair value	115	338
Less accumulated depreciation	(108)	(313)
<b>Total motor vehicles at fair value</b>	<b>7</b>	<b>25</b>
Medical equipment at fair value	6,813	6,445
Less accumulated depreciation	(4,409)	(3,907)
<b>Total medical equipment at fair value</b>	<b>2,404</b>	<b>2,538</b>
Computer equipment at fair value	1,698	1,624
Less accumulated depreciation	(1,060)	(877)
<b>Total computer equipment at fair value</b>	<b>638</b>	<b>747</b>
Furniture and fittings at fair value	1,600	1,490
Less accumulated depreciation	(1,004)	(875)
<b>Total furniture and fittings at fair value</b>	<b>596</b>	<b>615</b>
<b>Total plant, equipment, furniture, fittings and vehicles at fair value</b>	<b>5,254</b>	<b>5,538</b>
<b>Total property, plant and equipment</b>	<b>126,942</b>	<b>67,507</b>

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**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
<b>Balance at 1 July 2022</b>	<b>4,108</b>	<b>44,802</b>	<b>3,073</b>	<b>1,780</b>	<b>49</b>	<b>2,746</b>	<b>471</b>
Additions	-	70	4,592	173	-	294	272
Assets received free of charge	-	-	6,809	-	-	-	-
Disposals/Write-off	-	-	-	-	(9)	-	(11)
Net transfers between classes	-	4,923	(4,923)	-	-	-	145
Depreciation	4.4	(1,485)	-	(340)	(15)	(502)	(130)
<b>Balance at 30 June 2023</b>	<b>4.1 (a) 4,108</b>	<b>48,310</b>	<b>9,551</b>	<b>1,613</b>	<b>25</b>	<b>2,538</b>	<b>747</b>
Additions	-	-	185	219	-	368	72
Assets received free of charge	-	-	39,443	-	-	-	-
Disposals/Write-off	(187)	-	(50)	-	(12)	-	-
Revaluation increments/(decrements)	(606)	22,566	-	-	-	-	-
Net Transfers between classes	-	1,701	(1,701)	-	-	-	-
Depreciation	4.4	(1,632)	-	(223)	(6)	(502)	(181)
<b>Balance at 30 June 2024</b>	<b>4.1 (a) 3,315</b>	<b>70,945</b>	<b>47,428</b>	<b>1,609</b>	<b>7</b>	<b>2,404</b>	<b>638</b>

	Furniture & Fittings	Plant & Equip in Progress	Total
Note	\$'000	\$'000	\$'000
<b>Balance at 1 July 2022</b>	<b>625</b>	<b>145</b>	<b>57,799</b>
Additions	130	-	5,531
Assets received free of charge	-	-	6,809
Disposals/Write-off	(3)	-	(23)
Net transfers between classes	-	(145)	-
Depreciation	4.4	(137)	(2,609)
<b>Balance at 30 June 2023</b>	<b>4.1 (a) 615</b>	<b>-</b>	<b>67,507</b>
Additions	109	-	953
Assets received free of charge	-	-	39,443
Disposals/Write-off	-	-	(249)
Revaluation increments/(decrements)	-	-	21,960
Net Transfers between classes	-	-	-
Depreciation	4.4	(128)	(2,672)
<b>Balance at 30 June 2024</b>	<b>4.1 (a) 596</b>	<b>-</b>	<b>126,942</b>

## **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 was based on independent assessments. The effective date of the valuation was 30 June 2024.

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

Property, plant and equipment are tangible items that are used by 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).

#### **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 property, plant and equipment was performed by the VGV on 30 June 2024. The valuation, which complies with Australian Valuation Standards, was determined by reference to the amount for which an orderly transaction to sell the asset or transfer the liability would take place between market participants at the measurement date, under current market conditions for land and non-specialised buildings and used a depreciated replacement cost approach for the specialised buildings.

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**

	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Right-of-use buildings at fair value	128	127
Less accumulated depreciation	(92)	(29)
<b>Total right of use buildings at fair value</b>	<b>36</b>	<b>98</b>
<b>Total right of use concessionary land and buildings</b>	<b>36</b>	<b>98</b>
Right of use vehicles at fair value	763	136
Less accumulated depreciation	(99)	(52)
<b>Total right of use vehicles at fair value</b>	<b>664</b>	<b>84</b>
<b>Total right of use vehicles at fair value</b>	<b>664</b>	<b>84</b>
<b>Total right of use assets</b>	<b>700</b>	<b>182</b>

## 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
<b>Balance at 1 July 2022</b>		-	45	45
Additions		127	59	186
Depreciation	4.4	(29)	(20)	(49)
<b>Balance at 30 June 2023</b>	4.2(a)	<b>98</b>	<b>84</b>	<b>182</b>
Additions		-	673	673
Disposals		-	(13)	(13)
Depreciation	4.4	(62)	(80)	(142)
<b>Balance at 30 June 2024</b>	4.2(a)	<b>36</b>	<b>664</b>	<b>700</b>

### How we recognise right-of-use assets

#### Initial recognition

When a contract is entered into, Maryborough District Health Service assesses if the contract contains or is a lease.

Unless the lease is considered a short-term lease or a lease of a low-value asset (refer to Note 6.1 for further information), the contract gives rise to a right-of-use asset and corresponding lease liability.

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

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

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.

#### 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**

	<b>2024</b>	<b>2023</b>
<b>Note</b>	<b>\$'000</b>	<b>\$'000</b>
Balance at the beginning of the reporting period	49,244	49,244
<b>Revaluation increment</b>		
- Land	4.1 (b) (606)	-
- Buildings	4.1 (b) 22,566	-
<b>Balance at the end of the Reporting Period*</b>	<b>71,204</b>	<b>49,244</b>
<b>* Represented by:</b>		
- Land	12,287	12,893
- Buildings	58,917	36,351
	<b>71,204</b>	<b>49,244</b>

## Note 4.4 Depreciation

	2024 \$'000	2023 \$'000
<b>Depreciation</b>		
Buildings	1,632	1,485
Plant and equipment	223	340
Motor vehicles	6	15
Medical equipment	502	502
Computer equipment	181	130
Furniture and fittings	128	137
<b>Total depreciation - property, plant and equipment</b>	<b>2,672</b>	<b>2,609</b>
<b>Right-of-use assets</b>		
Right of use - buildings	62	29
Right of use - vehicles	80	20
<b>Total depreciation - right-of-use assets</b>	<b>142</b>	<b>49</b>
<b>Total depreciation</b>	<b>2,814</b>	<b>2,658</b>

### 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.

	2024	2023
Buildings		
- Structure shell building fabric	20 to 40 years	20 to 40 years
- Site engineering services and central plant	10 to 40 years	10 to 40 years
Central Plant		
- Fit Out	10 to 40 years	10 to 40 years
- Trunk reticulated building system	10 to 40 years	10 to 40 years
Plant and equipment	3 to 20 years	3 to 20 years
Medical equipment	3 to 20 years	3 to 20 years
Computers and communication	3 to 33 years	3 to 33 years
Furniture and fitting	5 to 25 years	5 to 25 years
Motor Vehicles	5 to 10 years	5 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**

2024	2023
\$'000	\$'000
90	180
<b>90</b>	<b>180</b>

### Note 4.5 (b) Reconciliations of the carrying amount

**Balance at Beginning of Period**

Net gain/(loss) from fair value adjustments

**Balance at End of Period**

2024	2023
\$'000	\$'000
180	180
(90)	-
<b>90</b>	<b>180</b>

#### 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 2024 have been arrived on the basis of an independent valuation carried out by Valuelit Property Valuers (S. Peterson) 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.

## **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.

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 did not record any impairment losses against Property, Plant and Equipment for the year ended 30 June 2024 (30 June 2023:Nil).

## Note 5: Other assets and liabilities

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

### Structure

#### *5.1 Receivables*

#### *5.2 Payables*

#### *5.3 Other liabilities*

### Material judgements and estimates

This section contains the following material judgements and estimates:

Material judgements and estimates	Description
Estimating the provision for expected credit losses	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	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.  Maryborough District Health Service applies material judgement when measuring the deferred capital grant income balance, which references the estimated the stage of completion at the end of each financial year.
Measuring contract liabilities	Maryborough District Health Service applies material judgement to measure its progress towards satisfying a performance obligation as detailed in Note 2. Where a performance obligation is yet to be satisfied, the health service assigns funds to the outstanding obligation and records this as a contract liability until the promised good or service is transferred to the customer.

## Note 5.1 Receivables

	2024	2023
Note	\$'000	\$'000
<b>Current receivables</b>		
<b>Contractual</b>		
Inter hospital debtors	40	75
Trade receivables	760	579
Patient fees	264	113
Allowance for impairment losses - Patient Fees	5.1(a) (85)	(58)
Accrued revenue	36	13
<b>Total contractual receivables</b>	<b>1,015</b>	<b>722</b>
<b>Statutory</b>		
GST receivable	173	93
<b>Total statutory receivables</b>	<b>173</b>	<b>93</b>
<b>Total current receivables</b>	<b>1,188</b>	<b>815</b>
<b>Non-current receivables</b>		
<b>Contractual</b>		
Long service leave - Department of Health	1,679	1,163
<b>Total contractual receivables</b>	<b>1,679</b>	<b>1,163</b>
<b>Total non-current receivables</b>	<b>1,679</b>	<b>1,163</b>
<b>Total receivables</b>	<b>2,867</b>	<b>1,978</b>
<i>(i) Financial assets classified as receivables (Note 7.1(a))</i>		
Total receivables	2,867	1,978
GST receivable	(173)	(93)
<b>Total financial assets classified as receivables</b>	<b>7.1(a) 2,694</b>	<b>1,885</b>

## Note 5.1 Receivables and contract assets (continued)

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

	2024 \$'000	2023 \$'000
<b>Balance at the beginning of the year</b>	58	152
Increase/(decrease) in allowance	27	(59)
Reversal of allowance written off during the year as uncollectable	-	(35)
<b>Balance at the end of the year</b>	<b>85</b>	<b>58</b>

#### How we recognise receivables

Receivables consist of:

- **Contractual receivables**, including debtors that relates to goods and services and accrued revenue from Government agencies. These receivables are classified as financial instruments and are 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**, including Goods and Services Tax (GST) input tax credits that are recoverable. Statutory receivables do not arise from contracts and are recognised and measured similarly to contractual receivables (except for impairment), but are not classified as financial instruments for disclosure purposes. The health service applies AASB 9 for initial measurement of the statutory receivables and as a result statutory receivables are initially recognised at fair value plus any directly attributable transaction cost.

Trade debtors are carried at the 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 Payables

	2024	2023
Note	\$'000	\$'000
<b>Current payables</b>		
<b>Contractual</b>		
Trade creditors	997	854
Accrued salaries and wages	1,270	1,033
Accrued expenses	2,129	1,747
Deferred capital grant income	8,959	292
Inter hospital creditors	264	250
Amounts payable to governments and agencies	334	3
Deposits	52	52
<b>Total contractual payables</b>	<b>14,005</b>	<b>4,231</b>
<b>Total current payables</b>	<b>14,005</b>	<b>4,231</b>
<b>Total payables</b>	<b>14,005</b>	<b>4,231</b>
<i>(i) Financial liabilities classified as payables (Note 7.1(a))</i>		
Total payables	14,005	4,231
Deferred capital grant income	(8,959)	(292)
<b>Total financial liabilities classified as payables</b>	<b>5,046</b>	<b>3,939</b>

### How we recognise payables

Payables consist of:

- **Contractual payables**, including payables that relate to the purchase of goods and services. These payables are classified as financial instruments and measured at amortised cost. Accounts payable and salaries and wages payable represent liabilities for goods and services provided to Maryborough District Health Service prior to the end of the financial year that are unpaid.
- **Statutory payables**, including Goods and Services Tax (GST) payable (if any). Statutory payables are recognised and measured similarly to contractual payables, but are not classified as financial instruments and not included in the category of financial liabilities at amortised cost, because they do not arise from contracts.

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

## Note 5.2 (a) Deferred capital grant income

	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Opening balance of deferred capital grant income</b>	292	1,799
Grant consideration for capital works received during the year	8,667	1,309
Deferred grant revenue recognised as revenue due to completion of capital works	-	(2,816)
<b>Closing balance of deferred capital grant income</b>	<b>8,959</b>	<b>292</b>

### How we recognise deferred capital grant income

Capital grant income 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.

Maryborough District Health Service expects to recognise all of the remaining deferred capital grant income for capital works over the next 12 months.

**Note 5.3 Other liabilities**

	<b>2024</b>	<b>2023</b>
<b>Note</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Current monies held in trust</b>		
Patient monies	96	121
Refundable accommodation deposits	7,691	7,309
<b>Total current monies held in trust</b>	<b>7,787</b>	<b>7,430</b>
<b>Total other liabilities</b>	<b>7,787</b>	<b>7,430</b>
<b>* Represented by:</b>		
- Cash assets	6.2 7,787	7,430
	<b>7,787</b>	<b>7,430</b>

**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

### Material judgements and estimates

This section contains the following material judgements and estimates:

Material judgements and estimates	Description
Determining if a contract is or contains a lease	<p>Maryborough District Health Service applies material judgement to determine if a contract is or contains a lease by considering if the health service:</p> <ul style="list-style-type: none"> <li>• has the right-to-use an identified asset</li> <li>• has the right to obtain substantially all economic benefits from the use of the leased asset and</li> <li>• can decide how and for what purpose the asset is used throughout the lease.</li> </ul>
Determining if a lease meets the short-term or low value asset lease exemption	<p>Maryborough District Health Service applies material judgement when determining if a lease meets the short-term or low value lease exemption criteria.</p> <p>The health service estimates the fair value of leased assets when new. Where the estimated fair value is less than \$10,000, the health service applies the low-value lease exemption.</p> <p>The health service also estimates the lease term with reference to remaining lease term and period that the lease remains enforceable. Where the enforceable lease period is less than 12 months the health service applies the short-term lease exemption.</p>
Discount rate applied to future lease payments	<p>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>

## Material judgements and estimates (continued)

Material judgements and estimates	Description
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"><li>• If there are significant penalties to terminate (or not extend), the health service is typically reasonably certain to extend (or not terminate) the lease.</li><li>• 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.</li><li>• The health service considers historical lease durations and the costs and business disruption to replace such leased assets.</li></ul>

## Note 6.1 Borrowings

	2024	2023
Note	\$'000	\$'000
<b>Current borrowings</b>		
Lease liability <sup>(i)</sup>	147	72
<b>Total current borrowings</b>	<b>147</b>	<b>72</b>
<b>Non-current borrowings</b>		
Lease liability <sup>(i)</sup>	589	108
<b>Total non-current borrowings</b>	<b>589</b>	<b>108</b>
<b>Total borrowings</b>	<b>736</b>	<b>180</b>

<sup>i</sup> 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:

	2024 \$'000	2023 \$'000
Total undiscounted lease liabilities	773	189
Less unexpired finance expenses	(37)	(9)
<b>Net lease liabilities</b>	<b>736</b>	<b>180</b>

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

	2024 \$'000	2023 \$'000
Not longer than one year	163	41
Longer than one year but not longer than five years	610	148
<b>Minimum future lease liability</b>	<b>773</b>	<b>189</b>
Less unexpired finance expenses	(37)	(9)
<b>Present value of lease liability</b>	<b>736</b>	<b>180</b>
<b>* Represented by:</b>		
- Current liabilities	147	72
- Non-current liabilities	589	108
	<b>736</b>	<b>180</b>

### 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	3 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

	2024	2023
Note	\$'000	\$'000
Cash on hand (excluding monies held in trust)	1	2
Cash at bank (excluding monies held in trust)	2,193	3,247
Cash at bank - CBS (excluding monies held in trust)	9,470	1,473
Term deposits < 3 months (excluding monies held in trust)	-	50
<b>Total cash held for operations</b>	<b>11,664</b>	<b>4,772</b>
Cash at bank (monies held in trust)	7,787	7,430
<b>Total cash held as monies in trust</b>	<b>7,787</b>	<b>7,430</b>
<b>Total cash and cash equivalents</b>	7.1 (a) <b>19,451</b>	<b>12,202</b>

### How we recognise cash and cash equivalents

Cash and cash equivalents recognised on the balance sheet comprise cash on hand and in banks, deposits at call and highly liquid investments (with an original maturity date of three months or less).

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

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

### Note 6.3 Commitments for expenditure

	2024 \$'000	2023 \$'000
<b>Capital expenditure commitments</b>		
Less than one year	4,762	259
<b>Total capital expenditure commitments</b>	<b>4,762</b>	<b>259</b>
<b>Non-cancellable short term and low value lease commitments</b>		
Less than one year	15	25
<b>Total non-cancellable short term and low value lease commitments</b>	<b>15</b>	<b>25</b>
<b>Total commitments for expenditure (exclusive of GST)</b>	<b>4,777</b>	<b>284</b>
Less GST recoverable from Australian Tax Office	(434)	(26)
<b>Total commitments for expenditure (exclusive of GST)</b>	<b>4,343</b>	<b>258</b>

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*

### Material judgements and estimates

This section contains the following material judgements and estimates:

Material judgements and estimates	Description
Measuring fair value of non-financial assets	<p>Fair value is measured with reference to highest and best use, that is, the use of the asset by a market participant that is physically possible, legally permissible, financially feasible, and which results in the highest value, or to sell it to another market participant that would use the same asset in its highest and best use.</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"> <li>▪ 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.</li> <li>▪ 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 and equipment and vehicles are measured using this approach.</li> <li>▪ Income approach, which converts future cash flows or income and expenses to a single undiscounted amount. Maryborough District Health Service does not use this approach to measure fair value.</li> </ul> <p>The health service selects a valuation technique which is considered most appropriate, and for which there is sufficient data available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.</p> <p>Subsequently, the health service applies material judgement to categorise and disclose such assets within a fair value hierarchy, which includes:</p> <ul style="list-style-type: none"> <li>▪ 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.</li> <li>▪ 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.</li> <li>▪ 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 and equipment, computer equipment, furniture and fittings in this level.</li> </ul>

**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**

<b>Total</b>		<b>Financial Assets at</b>	<b>Financial Liabilities</b>	
<b>30 June 2024</b>		<b>Amortised Cost</b>	<b>at Amortised Cost</b>	
	<b>Note</b>	<b>\$'000</b>	<b>\$'000</b>	<b>Total</b>
				<b>\$'000</b>
<b>Contractual Financial Assets</b>				
Cash and Cash Equivalents	6.2	19,451	-	19,451
Receivables	5.1	2,694	-	2,694
<b>Total Financial Assets<sup>i</sup></b>		<b>22,145</b>	<b>-</b>	<b>22,145</b>
<b>Financial Liabilities</b>				
Payables	5.2	-	5,046	5,046
Borrowings	6.1	-	736	736
Other Financial Liabilities - Refundable Accommodation Deposits	5.3	-	7,691	7,691
Other Financial Liabilities - Patient monies held in trust	5.3	-	96	96
<b>Total Financial Liabilities<sup>i</sup></b>		<b>-</b>	<b>13,569</b>	<b>13,569</b>

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

Total		Financial Assets at Amortised Cost	Financial Liabilities at Amortised Cost	Total
30 June 2023	Note	\$'000	\$'000	\$'000
<b>Contractual Financial Assets</b>				
Cash and cash equivalents	6.2	12,202	-	12,202
Receivables	5.1	1,885	-	1,885
<b>Total Financial Assets<sup>i</sup></b>		<b>14,087</b>	<b>-</b>	<b>14,087</b>
<b>Financial Liabilities</b>				
Payables	5.2	-	3,939	3,939
Borrowings	6.1	-	180	180
Other Financial Liabilities - Refundable Accommodation Deposits	5.3	-	7,309	7,309
Other Financial Liabilities - Patient monies held in trust	5.3	-	121	121
<b>Total Financial Liabilities<sup>i</sup></b>		<b>-</b>	<b>11,549</b>	<b>11,549</b>

<sup>i</sup> 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.

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**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.

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.

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 2023-24.

**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, the 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 an impairment assessment under AASB 9.

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

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

**Contractual receivables at amortised cost**

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
<b>30 June 2024</b>							
<b>Expected loss rate</b>		1.0%	5.0%	15.0%	30.0%	70.0%	
Gross carrying amount of contractual receivables	5.1	818	36	23	63	75	<b>1,015</b>
<b>Loss allowance</b>		<b>(8)</b>	<b>(2)</b>	<b>(3)</b>	<b>(19)</b>	<b>(53)</b>	<b>(85)</b>
<b>30 June 2023</b>							
<b>Expected loss rate</b>		1.0%	5.0%	15.0%	30.0%	58.0%	
Gross carrying amount of contractual receivables	5.1	521	16	65	99	21	<b>722</b>
<b>Loss allowance</b>		<b>(5)</b>	<b>(1)</b>	<b>(10)</b>	<b>(30)</b>	<b>(12)</b>	<b>(58)</b>



## **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, considering the counterparty's credit rating, risk of default and capacity to meet contractual cash flow obligations in the near term. As a result, no loss allowance has been recognised.

## **Note 7.2 (b) Liquidity risk**

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

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 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.

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**Note 7.2 (c) Payables and borrowings maturity analysis**

		Maturity Dates						
		Carrying Amount	Nominal Amount	Less than 1 Month	1-3 Months	3 months - 1 Year	1-5 Years	Over 5 years
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Total</b>								
<b>30 June 2024</b>	<b>Note</b>							
<b>Financial Liabilities at amortised cost</b>								
Payables	5.2	5,046	5,046	5,046	-	-	-	-
Borrowings	6.1	736	736	13	26	117	580	-
Other Financial Liabilities - Refundable Accommodation Deposits	5.3	7,691	7,691	-	-	7,691	-	-
Other Financial Liabilities - Patient monies held in trust	5.3	96	96	96	-	-	-	-
<b>Total Financial Liabilities</b>		<b>13,569</b>	<b>13,569</b>	<b>5,155</b>	<b>26</b>	<b>7,808</b>	<b>580</b>	<b>-</b>
		Maturity Dates						
		Carrying Amount	Nominal Amount	Less than 1 Month	1-3 Months	3 months - 1 Year	1-5 Years	Over 5 years
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Total</b>								
<b>30 June 2023</b>	<b>Note</b>							
<b>Financial Liabilities at amortised cost</b>								
Payables	5.2	3,939	3,939	3,939	-	-	-	-
Borrowings	6.1	180	189	3	10	28	148	-
Other Financial Liabilities - Refundable Accommodation Deposits	5.3	7,309	7,309	-	-	7,309	-	-
Other Financial Liabilities - Patient monies held in trust	5.3	121	121	121	-	-	-	-
<b>Total Financial Liabilities</b>		<b>11,549</b>	<b>11,558</b>	<b>4,063</b>	<b>10</b>	<b>7,337</b>	<b>148</b>	<b>-</b>

<sup>i</sup> 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.

### **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 material 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	Fair value measurement at end of reporting period using:		
		30 June 2024	Level 1 <sup>i</sup>	Level 2 <sup>i</sup>	Level 3 <sup>i</sup>
		\$'000	\$'000	\$'000	\$'000
Specialised land		3,315	-	-	3,315
<b>Total land at fair value</b>	4.1 (a)	<b>3,315</b>	-	-	<b>3,315</b>
Specialised buildings		70,945	-	-	70,945
<b>Total buildings at fair value</b>	4.1 (a)	<b>70,945</b>	-	-	<b>70,945</b>
Plant and equipment	4.1 (a)	1,609	-	-	1,609
Motor vehicles	4.1 (a)	7	-	-	7
Medical equipment	4.1 (a)	2,404	-	-	2,404
Computer equipment	4.1 (a)	638	-	-	638
Furniture and fittings	4.1 (a)	596	-	-	596
<b>Total plant, equipment, furniture, fittings and vehicles at fair value</b>		<b>5,254</b>	-	-	<b>5,254</b>
Right of use buildings	4.2 (a)	36	-	-	36
Right of use equipment & vehicles	4.2 (a)	664	-	-	664
<b>Total right-of-use buildings, equipment and vehicles at fair value</b>		<b>700</b>	-	-	<b>700</b>
Investment property		90	-	-	90
<b>Total investment property at fair value</b>		<b>90</b>	-	-	<b>90</b>
<b>Total non-financial physical assets at fair value</b>		<b>80,304</b>	-	-	<b>80,304</b>

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

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

<sup>i</sup> Classified in accordance with the fair value hierarchy.

### **How we measure fair value of non-financial physical assets**

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

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

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 considered until it is virtually certain that any restrictions will no longer apply. Therefore, unless otherwise disclosed, the current use of these non-financial physical assets will be their highest and best uses.

### **Specialised land, specialised buildings and investment properties**

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

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

An independent valuation of Maryborough District Health Service's specialised land, specialised buildings and investment properties was performed by the Valuer-General Victoria. The effective date of the valuation is 30 June 2024.

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

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

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

Total	Note	Land	Buildings	Plant, equipment, furniture, fittings and vehicles	Investment Properties	ROU Buildings	ROU Equipment & Vehicles
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Balance at 1 July 2022</b>		<b>4,108</b>	<b>44,802</b>	<b>5,671</b>	-	-	<b>45</b>
Additions/(Disposals)		-	70	846	-	127	59
Net Transfers between classes		-	4,923	145	-	-	-
Gains/(Losses) recognised in net result					-		
- Depreciation		-	(1,485)	(1,124)	-	(29)	(20)
<b>Balance at 30 June 2023</b>	7.4 (a)	<b>4,108</b>	<b>48,310</b>	<b>5,538</b>	-	<b>98</b>	<b>84</b>
Additions/(Disposals)		(187)	-	756	-	-	660
Net Transfers between classes		-	1,701	-	90	-	-
Gains/(Losses) recognised in net result							
- Depreciation and Amortisation		-	(1,632)	(1,040)	-	(62)	(80)
Items recognised in other comprehensive income							
- Revaluation		(606)	22,566	-	-	-	-
<b>Balance at 30 June 2024</b>	7.4 (a)	<b>3,315</b>	<b>70,945</b>	<b>5,254</b>	<b>90</b>	<b>36</b>	<b>664</b>

<sup>i</sup> Classified in accordance with the fair value hierarchy, refer Note 7.4.

#### Fair value determination of level 3 fair value measurement

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

(i) A community service obligation (CSO) of between 10 - 25% 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 disclosures***

***8.3 Remuneration of executives***

***8.4 Related parties***

***8.5 Remuneration of auditors***

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

***8.7 Jointly controlled operations***

***8.8 Equity***

***8.9 Economic dependency***

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

	<b>2024</b>	<b>2023</b>
<b>Note</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Net result for the year</b>	34,088	8,696
<b>Non-cash movements:</b>		
(Gain)/Loss on sale or disposal of non-financial assets	3.2 (303)	6
(Gain)/Loss on revaluation of investment property	3.2 90	-
Depreciation of non-current assets	4.4 2,814	2,658
Assets and services received free of charge	2.2 (39,443)	(6,809)
Bad and doubtful debt expense	5.1(a) 27	(94)
Other non-cash movements	(79)	(165)
<b>Movements in Assets and Liabilities:</b>		
(Increase)/Decrease in receivables	(916)	1,385
(Increase)/Decrease in inventories	(128)	(23)
(Increase)/Decrease in prepaid expenses	105	408
Increase/(Decrease) in payables	9,774	(1,705)
Increase/(Decrease) in employee benefits	1,289	749
Increase/(Decrease) in other liabilities	(25)	(12)
<b>Net cash inflow from operating activities</b>	<b>7,293</b>	<b>5,094</b>

## 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.

	Period
The Honourable Mary-Anne Thomas MP	
Minister for Health	1 Jul 2023 - 30 Jun 2024
Minister for Health Infrastructure	1 Jul 2023 - 30 Jun 2024
Minister for Ambulance Services	2 Oct 2023 - 30 Jun 2024
The Honourable Gabrielle Williams MP	
Minister for Mental Health	1 Jul 2023 - 2 Oct 2023
Former Minister for Ambulance Services	1 Jul 2023 - 2 Oct 2023
The Honourable Ingrid Stitt MP	
Minister for Mental Health	2 Oct 2023 - 30 Jun 2024
Minister for Ageing	2 Oct 2023 - 30 Jun 2024
Minister for Multicultural Affairs	2 Oct 2023 - 30 Jun 2024
The Honourable Lizzy Blandthorn MP	
Former Minister for Children	2 Oct 2023 - 30 Jun 2024
Former Minister for Disability	2 Oct 2023 - 30 Jun 2024
<b>Governing Boards</b>	
Mrs K. Mason	1 Jul 2023 - 30 Jun 2024
Mr R. Camm	1 Jul 2023 - 30 Jun 2024
Mr R. Eason	1 Jul 2023 - 30 Jun 2024
Ms S. Stewart	1 Jul 2023 - 30 Jun 2024
Ms E. Chatham	1 Jul 2023 - 30 Jun 2024
Ms J. Lowthian	1 Jul 2023 - 30 Jun 2024
Mr P. Le Lievre	1 Jul 2023 - 30 Jun 2024
Ms C. Noonan	1 Jul 2023 - 30 Jun 2024
Ms E. Livingstone	1 Jul 2023 - 30 Jun 2024
<b>Accountable Officers</b>	
Ms N. Allan	1 Jul 2023 - 30 Jun 2024

**Note 8.2 Responsible persons (continued)**

**Remuneration of Responsible Persons**

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

**Income Band**

\$10,000 - \$19,999  
\$210,000 - \$219,999  
\$340,000 - \$349,999

**Total Numbers**

<b>2024</b>	<b>2023</b>
<b>No</b>	<b>No</b>
9	10
-	1
1	-
<b>10</b>	<b>11</b>
<b>Total</b>	<b>Total</b>
<b>2024</b>	<b>2023</b>
<b>\$'000</b>	<b>\$'000</b>
<b>\$392</b>	<b>\$249</b>

**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 remuneration<sup>i</sup>**

Total number of executives  
Total annualised employee equivalent<sup>ii</sup>

<b>Total Remuneration</b>	
<b>2024</b>	<b>2023</b>
<b>\$'000</b>	<b>\$'000</b>
729	578
77	60
79	16
<b>885</b>	<b>654</b>
4	4
4.0	4.0

<sup>i</sup> 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.

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

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

**Short-term employee benefits**

Salaries and wages, annual leave or sick leave that are usually paid or payable on a regular basis, as well as non-monetary benefits such as allowances and free or subsidised goods 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	Mr R. Eason	Board Member
Maryborough District Health Service	Ms S. Stewart	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 E. Livingstone	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.

	2024 \$'000	2023 \$'000
<b>Compensation - KMPs</b>		
Short-term Employee Benefits <sup>i</sup>	1,014	799
Post-employment Benefits	107	82
Other Long-term Benefits	156	22
<b>Total<sup>ii</sup></b>	<b>1,277</b>	<b>903</b>

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

<sup>ii</sup> 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 \$36.60m (2023: \$40.03m) and indirect contributions of \$40.11 m (2023: \$8.21m). Balances payable by DH as at 30 June 2024 are \$1.68M (2023 \$1.16M). Indirect contributions includes funding provided during the year (\$39.44M) for the new \$115M hospital redevelopment project managed by the Victorian Health Building Authority (VHBA).

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 2024 (2023: 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 2024 (2023: none).

	<b>Total 2024 \$'000</b>	<b>Total 2023 \$'000</b>
Mr Peter Le Lievre was an executive officer at Central Highlands Water until October 2023. The health service receives water related services from Central Highlands Water on normal commercial terms and conditions.	62	50

**Note 8.5: Remuneration of Auditors**

**Victorian Auditor-General's Office**

Audit of the financial statements

**Total remuneration of auditors**

<b>2024</b>	<b>2023</b>
<b>\$'000</b>	<b>\$'000</b>
32	31
<b>32</b>	<b>31</b>

**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	
		2024 %	2023 %
Loddon Mallee Rural Health Alliance (LMRHA)	Information Technology Services	7.32	7.14

Maryborough District Health Services interest in the above joint arrangements are detailed below.

	2024 \$'000	2023 \$'000
<b>Current assets</b>		
Cash and cash equivalents	1,387	1,006
Receivables	182	147
Prepaid expenses	84	206
<b>Total current assets</b>	<b>1,653</b>	<b>1,359</b>
<b>Non-current assets</b>		
Property, plant and equipment	57	59
<b>Total non-current assets</b>	<b>57</b>	<b>59</b>
<b>Total assets</b>	<b>1,710</b>	<b>1,418</b>
<b>Current liabilities</b>		
Payables	412	476
Other Liabilities	602	301
<b>Total current liabilities</b>	<b>1,014</b>	<b>777</b>
<b>Total liabilities</b>	<b>1,014</b>	<b>777</b>
<b>Net assets</b>	<b>696</b>	<b>641</b>
<b>Equity</b>		
Accumulated surplus	696	641
<b>Total equity</b>	<b>696</b>	<b>641</b>

## Note 8.7 Joint arrangements

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

	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Revenue and income from transactions</b>		
Operating Activities	1,345	1,167
Capital Purpose Income	95	19
<b>Total revenue and income from transactions</b>	<b>1,440</b>	<b>1,186</b>
<b>Expenses from transactions</b>		
Other Expenses from Continuing Operations	1,384	1,044
Depreciation	18	16
<b>Total expenses from transactions</b>	<b>1,402</b>	<b>1,060</b>
<b>Net result from transactions</b>	<b>38</b>	<b>126</b>

### 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.

### **Property, plant and equipment revaluation surplus**

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

## **Note 8.9 Economic dependency**

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



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