

2020 - 2021

REPORT OF OPERATIONS

MALLEE TRACK HEALTH AND COMMUNITY SERVICE



TABLE OF CONTENTS...



WELCOME	4
VISION	4
MISSION	4
PHILOSOPHY	4
MANNER OF ESTABLISHMENT & RESPONSIBLE MINISTER/S	4
REPORT OF OPERATIONS	4
NATURE & RANGE OF SERVICES	5
ATTESTATIONS & DECLARATIONS	6
RESPONSIBLE BODIES DECLARATIONS - SD 5.2.3	6
FINANCIAL MANAGEMENT COMPLIANCE ATTESTATIONS - SD 5.1.4	6
DATA INTEGRITY DECLARATION	6
CONFLICT OF INTEREST DECLARATION	7
INTEGRITY, FRAUD AND CORRUPTION DECLARATION	7
COMPLIANCE WITH HEALTH PURCHASING VICTORIA (HPV)	7
HEALTH PURCHASING POLICIES	
THE YEAR IN REVIEW	8
A REPORT BY THE CHIEF EXECUTIVE OFFICER & BOARD CHAIR	8
GOVERNANCE	12
ORGANISATIONAL STRUCTURE	12
BOARD OF DIRECTORS	13
BOARD MEMBERS 2020-21	13
MANAGEMENT TEAM 2020-21	13
MANAGEMENT FUNCTIONS	14
CORPORATE SERVICES	15
WORKFORCE DATA	15
OUR MTHCS VALUES & BEHAVIOURS	16
COMMUNICATING WITH OUR WORKFORCE	17
MONTHLY INTERNAL STAFF NEWSLETTER	17
THROUGHOUT THE COVID-19 RESPONSE	17
STRATEGIC PLAN	18

CLINICAL SERVICES	19
ACUTE CARE	21
PRIMARY HEALTH CARE	21
FLEXIBLE AGED CARE	22
PRIMARY CARE & COMMUNITY SERVICES	23
PRIMARY HEALTH CARE SERVICES	23
EARLY YEARS SERVICES	24
QUALITY & RISK MANAGEMENT	25
QUALITY	25
BOARD QUALITY, SAFETY AND RISK COMMITTEE	25
BREAST-FEEDING-FRIENDLY WORKPLACE ACCREDITATION	25
CONSUMER FEEDBACK	25
ABORIGINAL CULTURAL SAFETY	27
PERFORMANCE	28
SERVICE PLAN 2020-21: KEY ACHIEVEMENTS	28
OCCUPATIONAL HEALTH & SAFETY	36
MPS PERFORMANCE PRIORITY REPORTING	38
DISCLOSURES REQUIRED UNDER LEGISLATION	39
CONSULTANCIES INFORMATION FRD 11(e)	39
INFORMATION & COMMUNICATION TECHNOLOGY (ICT)	39
EXPENDITURE FRD 22I 5.17	
FREEDOM OF INFORMATION ACT 2012	40
BUILDING ACT 1993	40
PUBLIC INTEREST DISCLOSURE ACT 2012	40
STATEMENT ON NATIONAL COMPETITION POLICY	41
CARERS RECOGNITION ACT 2012	41
ENVIRONMENTAL PERFORMANCE	42
ADDITIONAL INFORMATION AVAILABLE ON REQUEST	43
LOCAL JOBS ACT 2003	44
SAFE PATIENT CARE ACT 2015	44
GENDER EQUALITY ACT 2020	44
CAR PARKING	44
ASSET MANAGEMENT ACCOUNTABILITY FRAMEWORK (AMAF)	45
DISCLOSURE INDEX	46
FINANCIAL SUMMARY	47

WELCOME...

Mallee Track Health and Community Service (MTHCS) is a multi-purpose service located in the heart of the Mallee in north-west Victoria.

MTHCS has governance of two GP clinics, two Urgent Care Centres, two Flexible Beds units that include Acute Care and Residential Aged Care, a range of Community and Allied Health services, Early Years Education and Care services – Long Day Care and kindergartens - as well as three Neighbourhood Houses.

MTHCS catchment supports the communities of Ouyen, Murrayville, Underbool, Patchewollock, Sea Lake, Manangatang and the surrounding districts, with bed based campuses at Sea Lake and Ouyen.

We are proud to employ 220 staff across our catchment and we work closely with our communities to deliver services within our operating budget of \$14 million dollars.

OUR VISION

LEADING OUR COMMUNITIES TO EXCELLENCE IN INTEGRATED HEALTH & COMMUNITY SERVICES.

OUR MISSION

TO PROVIDE PEOPLE OF ALL AGES WITH ACCESS TO QUALITY, PERSON-CENTRED CARE IN THE MALLEE.

OUR PHILOSOPHY

EQUITABLE & TIMELY ACCESS TO INNOVATIVE MODELS OF CARE, SUPPORTED BY A LOCAL WORKFORCE THAT IS ENGAGED WITH THE COMMUNITY.

MANNER OF ESTABLISHMENT AND RESPONSIBLE MINISTER/S

MTHCS is one of seven Multi-Purpose Services established under Part 4A of the Health Services Act (HSA).

MTHCS was established in 1997. There were seven services that were merged to form *MTHCS*. Three Bush Nursing Centres- (Murrayville; Underbool and Patchewollock); two Neighbourhood Houses - (Murrayville and Ouyen); Community Link - (Transport and Social Support); Ouyen Hospital, Ouyen Nursing Home and Ouyen Hostel. In 2011 Sea Lake and District Health Service (including Sea Lake Neighbourhood House and Sea Lake Men's Shed) merged with *MTHCS*. The Minister responsible for *MTHCS* is the Minister for Health.

From 1 July 2020 to 26 September 2020

Jenny Mikakos MP
Minister for Health
Minister for Ambulance Services

From 26 September 2020 to 30 June 2021

The Hon Martin Foley MP
Minister for Health
Minister for Ambulance Services
Minister for Equality

REPORT OF OPERATIONS

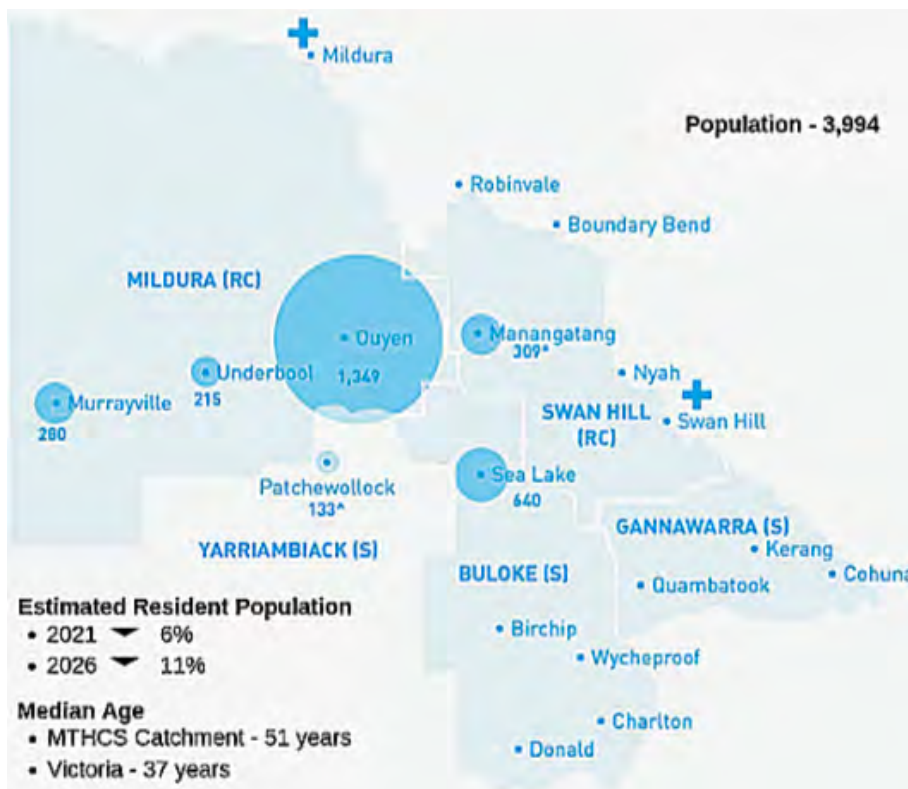
MTHCS reports on its annual performance in two separate documents. This Report of Operations fulfils the statutory reporting requirements to government. The Quality Account Report reports on quality, risk management and performance improvement matters. Both documents are distributed to the community and these reports are available on the *MTHCS* website at www.mthcs.com.au. Due to the COVID 19 pandemic, the requirement for an annual Quality Account has been relaxed.

NATURE AND RANGE OF SERVICES...

MTHCS provides services for all age groups, from child care and kindergarten through to residential and at-home aged care.

The MTHCS catchment area is located in north-west Victoria, and stretches from Ouyen to the South Australian border (including Underbool and Murrayville), south to Patchewollock and south-east to Sea Lake.

Early childhood education and care is also provided in Manangatang; however, general health care is provided in Manangatang by Robinvale District Health Services.



The catchment spans an area of more than 18,000 square kilometres, with a population of approximately 4,000 people.

MTHCS is in the north-west area of the Murray Primary Health Network (PHN) and includes four local government areas (LGAs), as follows:

- Mildura Rural City (including the towns of Ouyen, Walpeup, Underbool and Murrayville).
- Buloke Shire (town of Sea Lake)
- Yarriambiack (town of Patchewollock)
- Swan Hill Rural City (town of Manangatang).

Mildura Base Public Hospital is the referral hospital for towns in the Mildura Rural City LGA and Swan Hill District Health is the referral hospital for towns in the Buloke Shire LGA.

ATTESTATIONS AND DECLARATIONS...

RESPONSIBLE BODIES DECLARATION – SD 5.2.3

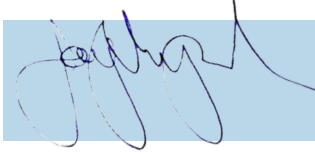
In accordance with the Financial Management Act 1994, I am pleased to present the report of operations for the Mallee Track Health and Community Service for the year ending 30 June 2021.



Joy Lynch
Board Chair
Mallee Track Health and Community Service, Ouyen
[17/09/2021]

FINANCIAL MANAGEMENT COMPLIANCE ATTESTATION – SD 5.1.4

I, Joy Lynch, on behalf of the Responsible Body, certify that Mallee Track Health and Community Service has complied with the applicable Standing Directions of the Minister for Finance under the Financial Management Act 1994 and Instructions.



Joy Lynch
Board Chair
Mallee Track Health and Community Service
[17/09/2021]

DATA INTEGRITY DECLARATION

I, Lois O'Callaghan, certify that Mallee Track Health and Community Service has put in place appropriate internal controls and processes to ensure that reported data accurately reflects actual performance. Mallee Track Health and Community Service has critically reviewed these controls and processes during the year.



Lois O'Callaghan
Accountable Officer
Mallee Track Health and Community Service
[17/09/2021]

CONFLICT OF INTEREST DECLARATION


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



Lois O'Callaghan
Accountable Officer
Mallee Track Health and Community Service
[17/09/2021]

INTEGRITY, FRAUD AND CORRUPTION DECLARATION

I, Lois O'Callaghan, certify that Mallee Track Health and Community Service has put it place appropriate internal controls and processes to ensure that Integrity, fraud and corruption risks have been reviewed and addressed at Mallee Track Health and Community Service during the year.



Lois O'Callaghan
Accountable Officer
Mallee Track Health and Community Service
[17/09/2021]

COMPLIANCE WITH HEALTH PURCHASING VICTORIA (HPV) HEALTH PURCHASING POLICIES

I, Lois O'Callaghan, certify that Mallee Track Health and Community Service has put in place appropriate internal controls and processes to ensure that it has complied with all requirements set out in the HPV Health Purchasing Policies including mandatory HPV collective agreements as required by the Health Services Act 1988 (Vic) and has critically reviewed these controls and processes during the year.



Lois O'Callaghan
Accountable Officer
Mallee Track Health and Community Service
[17/09/2021]

2020 2021...

THE YEAR IN REVIEW

A REPORT BY THE CHIEF EXECUTIVE OFFICER AND BOARD CHAIR

Mallee Track Health and Community Service (MTHCS) has many achievements to report back to the community over the last reporting period. As a health service we are immensely proud of the work of this service – and the staff and volunteers who continue to connect us together.

It is a pleasure to summarise and present to the community our key achievements and highlights of the last year.



Lois O'Callaghan
Chief Executive Officer



Joy Lynch
Board Chair

COVID -19 PANDEMIC RESPONSE

The COVID-19 Pandemic has continued to demand time and energy from staff, volunteers and the community that we serve. There has been an ongoing declared state of emergency in place since March 2020. The requirements of the public health response has been demanding, rewarding and given rise to opportunities for change that would have seemed out of reach in any pre-COVID world.

The biggest achievement has been keeping our community safe from COVID-19. With not one confirmed case in our catchment for the duration of the pandemic, this is a reflection of the dedication of our staff and volunteers. It is also a reflection of the community that we serve – that they have also played their part in ensuring we apply the requirements of the public health response. This has not always been easy – with 4 lockdowns of varying duration over the 20/21 year.

Significant fatigue in the workforce has been an unintended consequence. Looking out for each other – and being kind to ourselves and others was a key platform to address fatigue.

With a vaccination program in full swing within the catchment our desire is that our COVID free status remains intact.

STRATEGIC DIRECTION #1

BUILD OUR FUTURE...

The Multipurpose Service Review and the response from the Australian Government has been finalised. It is anticipated that there will be a change to the funding model but it is unclear about whether this will mean we are 'no worse off' as a result of these changes. Our advocacy with the Commonwealth continues to understand the pending changes as a result of the review.

In addition, the Aged Care Royal Commission was completed and recommendations from this will also impact any decisions in relation to the delivery of aged care in rural areas.

We have experienced significant investment on the part of the State in our early years services. This is a pleasing result and it means that we can make a significant difference to improving outcomes for children and families in the catchment for the longer term.

As a result of work that we undertook with the Murray Primary Healthcare Network, the mental health model of care for our community was finalised and funding received to implement. This has been a key achievement that marks our place in the region with this work – and is a welcome addition to our suite of services.

We continue to be challenged with the delivery of medical services – both with securing workforce and delivery a financially viable primary health care model. We have advocated to the Commonwealth on this issue with a sharp focus on delivering alternative models of funding specific to rural areas – including the potential for funding of an Integrated Health Network model.

STRATEGIC DIRECTION #2

ENGAGE OUR COMMUNITY...

The COVID-19 pandemic placed many physical barriers between MTHCS and our volunteer workforce. The concept of social distancing meant volunteers were not able to support our usual work and business in the community – and we sorely missed their contribution. Despite these limitations, we had a short window of time where the work of volunteers was celebrated through our annual 'thankyou' events. They were well attended and we enjoyed the opportunity to be together with our volunteer workforce.

We were privileged to commence a quality improvement project which will change the way we receive stories from the community about their experience with our health service. This work is being supported by the Health Issues Centre – their work is to support health services to hear the consumer experience to influence service delivery and policy change. We look forward to reporting this work back to the community.

The Foundation – Friends of Mallee Track – was finalised and the entity has now been formally put in place. This has included the appointment of Directors to oversee the development of a formal strategy to capture funding opportunities for program and capital outside of our usual government funding channels. We hope to formally launch the Foundation in late 2021.

STRATEGIC DIRECTION #3

PURSUE ORGANISATIONAL EXCELLENCE...

The pandemic has created an unusual opportunity for service delivery and partnering which has projected us forward with addressing the actions from the clinical governance review which was undertaken in 2018. It was exciting work for us to embed our organisational values and behaviours.

We have maintained strong integrated quality systems. Accreditation processes were initially delayed – and then methods for virtual assessment were deployed to work around the limitations of COVID-19. We are pleased to report to the community that we have maintained all of our accreditation requirements to ensure re-certification. This is an excellent achievement given the increasing demands for compliance and quality improvement across all service areas that we are involved with.

The implementation of the Montessori approach for aged care was committed to during the reporting period. We look forward to reporting our progress with this to support and enable person centred care.

During the easing of restrictions, we were able to progress asset assessments for all campuses to assess their suitability for our long term service delivery needs. We will use these assessments to guide our investment in capital in the short and medium term.

STRATEGIC DIRECTION #4

DEVELOP OUR WORKFORCE...

It is exciting to report that significant investments have occurred in our workforce. This has included engagement of trainees in a broad range of our service areas, training of our middle managers in all aspects of being a manager, commencing implementation of the Speaking up for Safety Program and supporting a Positive Workplace Culture and Bystander training.

Engaging our staff to participate in the People Matters Survey and delivering on a number of our commitments as part of the MTHCS cultural review were able to be achieved. This has been remarkable given the limitations of COVID-19 and is a reflection on all staff and their commitment to the work that we do within the organisation.

Succession planning within the organisation was considered – and a strategy adopted to enable growth and career pathways has been put in place. This will be further developed in the next reporting period.

The application of models of care with the commencement of a Nurse Practitioner and being selected for testing a model for the application of paramedicine are two particular highlights of the last 12 months. This has enabled us to look at and consider other disciplines outside of traditional medicine to address workforce shortages in primary health care.

STRATEGIC DIRECTION #5

STRENGTHEN OUR RELATIONSHIPS...

There has been a significant development within the Loddon Mallee region to put in place a formal partnership of all public sector health services – the Loddon Mallee Health Network. MTHCS is a signatory to this partnership – as it will assist us in the future through delivery of shared services, shared procurement and other benefits of partnering in a formal and informal way. This model was also as a direct result of our success as a region to ‘stand up’ a COVID-19 collective response that became the gold standard for the state of Victoria. This is work that we are proud of – and will secure our health service for the future.

The transition of the Mildura Base Public Hospital back to the public sector has enabled us to commence the development of closer professional and working relationships for the benefit of the community. We plan to develop this further in the future.

We have continued the use of a communications agency which has supported our ability to reach out to more members of the community. We have deliberately planned our communications to the community through planned messaging and methods. This has had strong benefits and we have had a lot of positive community feedback about our transparent approach.

CHANGES IN GOVERNANCE AT MTHCS...

We wish to acknowledge and thank, Mark Wilson and Terry Elliott both previous Chairs of MTHCS, for their commitment and dedication. Terry Elliott completed his tenure at 30 June 2020, and Mark Wilson completed his tenure at 30 Jun 2021.

Mark chaired MTHCS from December 2018 to December 2020. Mark served as a board member for the previous six years and before that he was an independent member of the Finance and Audit Committee. Mark served on many of the sub committees which assisted the Board to operate efficiently. Mark deserves particular recognition in leading the formation of the Mallee Track Health and Community Service Foundation. He has been the continuous driving force of its development and formation. The foundation will support the work of MTHCS through raising of funds to support specific capital and other programs of MTHCS.

We thank Mark whole heartedly for his 10 years of service to MTHCS.

Terry Elliott joined the board in 2010 and served for 10 years. Terry was a former member of the Sea Lake and District Health Service board and oversaw the implementation of the Multi-Purpose Service in Sea Lake and the development and investment in the admirable new facility of the Flexi Bed facility in Sea Lake. Terry also served on many sub committees of the Board.

Also leaving the board at 30 June 2020 was Meredith Rowney. Meredith served three years on the board and her clinical knowledge was appreciated and sought. Meredith was a member of the Quality, Safety and Risk committee. Our thanks to Meredith.

In July of 2020 we welcomed three new board members, Kathryn Munro, Steve Fumberger and Philip Down. Their combined and varied skills are proving to be tremendous assets to the board.

In closing, we would like to acknowledge the Board of Directors of the health service who give of their time and skills to the oversight of strategy and governance. Additionally, we thank the communities that we serve – your trust in our ability to continue to meet your healthcare needs is an honour to lead.

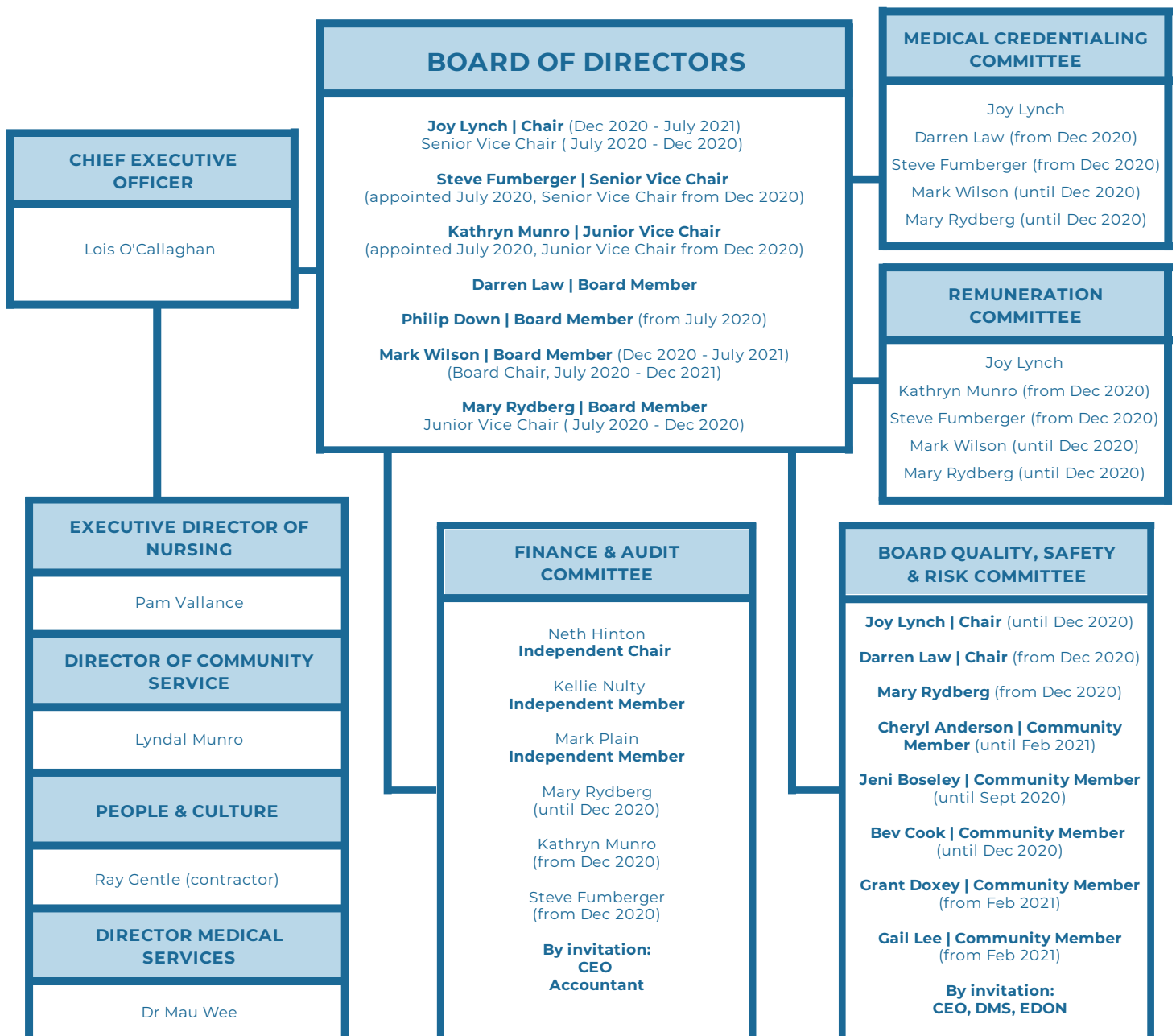
GOVERNANCE...

As a Multi-Purpose Services, MTHCS is governed by a Boards of Directors, in line with S.115E of the Health Services Act. Multi-Purpose Services are subject to similar governance and performance policies as public hospitals.

The Multi-Purpose Service model nationwide was established in March 1991. The model is based on the principle that communities are able to pool funds from previously separate Commonwealth and State aged care and health programs to provide a flexible, coordinated and cost-effective framework for service provision, which aims to meet the aged care and health needs of local communities.

The provision of services is executed through a tripartite agreement between the Commonwealth, State and community which the MPS is present within.

ORGANISATIONAL STRUCTURE...



BOARD OF DIRECTORS...

The Board is appointed by the Governor-in-Council upon the recommendation of the Minister for Health. Meetings are held eleven times during the financial year.

The Board has a responsibility to ensure that MTHCS performs its functions as set out in Section 115E of the Health Services Act, including:

- To oversee and manage the service; and
- To ensure that the services provided by the service comply with the requirements of the Act, the objects of the service, its bylaws and any agreement entered into by the service.

The Board is regularly required to review its own performance as the basis for its own development and quality assurance.

BOARD MEMBERS 2020 - 2021

MEMBER	ROLE
Joy Lynch	Board Chair (December 2020 – July 2021) Senior Vice Chair (July 2020-December 2020)
Kathryn Munro	Junior Vice Chair (appointed to board July 2020, Junior Vice Chair from December 2020)
Steve Fumberger	Senior Vice Chair (appointed to board July 2020, Senior Vice Chair from December 2020)
Darren Law	Board member
Philip Down	Board member (appointed July 2020)
Mark Wilson	Board member (December 2020 – July 2021) (Board Chair, July 2020-December 2020)
Mary Rydberg	Board member (Junior Vice Chair) (July 2020-December 2020)

MANAGEMENT TEAM 2020 - 2021

MEMBER	ROLE
Lois O'Callaghan	Chief Executive Officer
Pam Vallance	Executive Director of Nursing
Lyndal Munro	Director of Community Services
Ray Gentle - contractor	Leader - People and Culture function
Dr Mau Wee	Director of Medical Services

LOIS O'CALLAGHAN

CHIEF EXECUTIVE OFFICER

The Chief Executive Officer is responsible to the Board of Directors for the efficient and effective management of the Mallee Track Health and Community Service.

Major responsibilities include:

- The development and implementation of operational and strategic planning
- Maximising service efficiency and quality improvement
- Minimising risk.

PAM VALLANCE

EXECUTIVE DIRECTOR OF NURSING

The Executive Director of Nursing is part of the MTHCS leadership team and is responsible for:

- Directing, overseeing and evaluating all nursing personnel
- Guiding staffing procedures
- Setting objectives and long-term goals for the nursing department.

LYNDAL MUNRO

DIRECTOR OF COMMUNITY SERVICES

The Director of Community Services is part of the MTHCS leadership team and is responsible for:

- Directing, overseeing and evaluating all community services personnel
- Guiding staffing procedures
- Setting objectives and long-term goals for the community services portfolio.

RAY GENTLE (contractor)

PEOPLE & CULTURE

MTHCS has a contractor who provides advice and support to our on-the-ground people and culture team.

This role leads and advises on cultural practices, and provides expertise and support in the areas of:

- Performance management
- Employee relations
- Employment engagement
- Diversity and inclusion
- Policy and procedure development
- HR compliance.

DR MAU WEE

DIRECTOR MEDICAL SERVICES

The Director of Medical Services is a part of the MTHCS leadership team and has a key role in:

- Medical leadership
- As appropriate, board reporting on medical and clinical matters
- Have input into education and training for medical practitioners
- Undertake clinical reviews and medico-legal advice and support.





MTHCS

Mallee Track Health
and Community Service

CORPORATE SERVICES...

MTHCS works proactively to manage the challenges presented by workforce shortages in the health sector.

To ensure our communities have access to the services they require, MTHCS provides a range of services through visiting health professionals, who generally travel to our Ouyen and/or Sea Lake campuses from either Mildura or Swan Hill.

Recruiting suitable health professionals to rural and remote areas is a challenge Australia-wide. Research indicates that health professionals who grew up in regional and rural areas are most likely to practice regionally/rurally once qualified.

This highlights the importance of enabling people in rural and remote areas to participate in health education and learning opportunities. MTHCS embraces this opportunity and provides scholarships and traineeships.

WORKFORCE DATA

HOSPITALS LABOUR CATEGORY	JUNE CURRENT MONTH FTE*		AVERAGE MONTHLY FTE**	
	2020	2021	2020	2021
Nursing	37.13	37.13	38.95	39.80
Administration & Clerical	9.53	10.42	9.18	10.11
Medical Support	4.92	5.19	4.35	5.20
Hotel & Allied Services	34.08	32.61	34.02	33.46
Medical Officers	0	0	0	0
Hospital Medical Officers	0	0	0	0
Sessional Clinicians	0	0	0	0
Ancillary Staff (Allied Health)	39.47	42.65	42.59	41.55

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

OUR MTHCS VALUES & BEHAVIOURS



Accountability

Value

We define our expectations and are accountable for our actions

Behaviors

We keep our word and do what we say.
We own our actions and behaviours.
We look for solutions, not someone to blame.
We hold others to account for poor behaviour and attitudes.



Excellence

Value

We set high standards and continually strive to improve them

Behaviors

We continuously strive to improve by acting on feedback and being open to new ways of doing things.
We take initiative and have the courage to question what we do.
We are professional in every way, always.



Compassion

Value

We treat everyone with care, respect and dignity

Behaviors

We are person-centred and deliver a positive experience every time.
We demonstrate care, kindness and empathy.
We are flexible, compassionate and offer to help.



Teamwork

Value

We work collaboratively and in the spirit of partnership

Behaviors

We are responsive to each others' needs.
We seek opportunities to break down silos.
We respect others' values and opinions.
We treat others as we would like to be treated.



Integrity

Value

We endeavor to do the right thing in all circumstances even if no one is watching

Behaviors

We are honest and reliable.
We protect and care for our reputation and build community trust.
We value diversity and are not judgmental.
We respect privacy and confidentiality.



Transparency

Value

We are open and honest and embrace positive change

Behaviors

We base decisions on fact, not rumours.
We share our knowledge and learning.
We embrace change and have a can-do attitude.
We don't hide or ignore issues, but tackle them directly.

COMMUNICATING WITH OUR WORKFORCE

MONTHLY INTERNAL STAFF NEWSLETTER...

Staff provide information on programs and services for the monthly newsletter including a regular staff profile. The newsletter is a vehicle for sharing achievements and information and improving communication across the health service.



THROUGHOUT THE COVID-19 RESPONSE...

Strong internal communication was a critical component of the MTHCS COVID-19 response, which continues in the 2020-21 reporting period. Rapidly changing restrictions had wide-ranging impacts on our staff members, the organisation and our communities. Keeping our staff members accurately informed was treated as a top priority. Email updates were sent to all staff following each meeting of the MTHCS Incident Control Group, and more regularly if required.

In addition to this, MTHCS also utilised social media channels and print media to reinforce the information given to staff (where appropriate) and keep local community members informed. The Victorian Department of Health and Human Services website is always treated as the single point of truth throughout the COVID-19 response.

STRATEGIC DIRECTION

2018/2023

OUR VISION

Leading our communities to excellence in integrated health and community services

OUR MISSION

To provide people of all ages with access to quality, person-centred care in the Mallee

ENGAGE OUR COMMUNITY

- 1 Build community engagement through strong community and volunteer networks
- 2 Prepare and implement a health literacy strategy for community members

PURSUE ORGANISATIONAL EXCELLENCE

- 1 Strengthen governance and financial arrangements of the organisation
- 2 Develop and articulate Clinical Governance models that ensure accountability
- 3 Upskill management and board members through professional development activities

STRENGTHEN OUR RELATIONSHIPS

- 1 Initiate and expand innovative models of care to deliver quality services
- 2 Develop and maintain a communications strategy to engage with staff, critical friends, funders and community regarding MTHCS services and programs.

BUILD OUR FUTURE

- 1 Develop and grow a diverse service delivery portfolio that provides 'cradle to grave' services
- 2 Identify priority service gaps through a needs assessment and develop a service plan to address gaps
- 3 Develop models of care to enhance support for the mental health needs of the community

DEVELOP OUR WORKFORCE

- 1 Maintain and enhance a 'grow your own' approach to workforce recruitment and retention
- 2 Engage staff in professional development to enhance confidence and capability of the existing workforce

CLINICAL SERVICES...

MTHCS provides acute, urgent care, nursing home and hostel care to the people of the Mallee Track communities in both Ouyen and Sea Lake.

CLINICAL SERVICES

Access to GPs and mental health services are a priority for community members (based on the Strategic Plan community survey). Lack of access to dental and oral health services ranked in the top five responses for four of the seven communities in the catchment.

Best practice clinical care is provided to acute and urgent care patients by appropriately skilled and qualified staff.

Patients requiring complex care are referred to a higher-level service (i.e., Mildura Base Public Hospital, Swan Hill District Health, Bendigo Health, Pinnaroo Soldiers Memorial Hospital).

URGENT CARE

MTHCS has 24-hour Urgent Care Centres at Sea Lake and Ouyen. Registered nurses are available at all times, as well as triage from the on-call GP. A Telehealth model to support our Urgent Care Centre is also in place with My Emergency Doctor.

MEDICAL CLINICS

Our medical services model operates with visiting locum GPs on a regular roster basis and a Nurse Practitioner to provide continual coverage for the region.

The health service provides management of both Ouyen and Sea Lake clinics as part of planning to ensure the stability of local medical clinics.

MTHCS provides medical services to the Ouyen P-12 College through our contract with the Murray Primary Health Care Network for the delivery of the Doctors in Schools Program.

NURSE PRACTITIONER (NP) – UNDERBOOL & MURRAYVILLE

MTHCS provides a host environment for NP Di Thornton, from mobile health service Mallee Border Health. The District Nursing program also supports these communities.

Mallee Border Health also coordinates regular visits by GPs and other allied health professionals.

RURAL WOMEN'S WELLBEING CLINIC

MTHCS has partnered with the Royal Flying Doctor Service to operate the Rural Women's GP Program in Ouyen. Dr Jane Russell is an accredited shared care doctor with the Royal Women's Hospital and has worked with the RFDS for the past 19 years.

DIABETES MANAGEMENT & CHRONIC DISEASE MANAGEMENT

MTHCS hosts a visiting Diabetes educator to support and assist clients with diabetes. This is an important part of our chronic disease management model of care.

TELEHEALTH

Locum doctors and Telehealth will become the new normal as the nationwide shortage of rural doctors and nurses shows no sign of easing. MTHCS has significantly expanded the use of telehealth during the course of the COVID-19 pandemic across a range of service areas.

STRENGTHENING HOSPITAL RESPONSES TO FAMILY VIOLENCE (SHRFV)

The SHRFV program is being rolled out in North West Victoria. MTHCS has developed a position statement and staff have undertaken training on how to respond to family violence incidents.

Education and awareness for staff themselves is also a key component.

DENTAL SERVICES

A public dental service provided by Tankard Dental is available* from the MTHCS campus in Ouyen, while other communities are provided with a mobile dental service by the Royal Flying Doctor Service.

INDIVIDUALS TREATED	2019/2020	2020/2021
Child	141	132
Adult	596	645
TOTAL	737	777
Priority Access Clients	21.3%	19.2%
Aboriginal and Torres Strait Islander	19	32
Child or young person in residential care	2	1
Mental Health Client	2	2
Intellectual Disability Client	12	14
Youth Justice in Custodial care	1	0

Full year target – 1530 Total DWAU achieved 20/21: 1479*

*Target not met due to impact of COVID.

ACUTE CARE - MPS ACUTE CARE ACTIVITY

SERVICE - OUYEN	TYPE OF ACTIVITY	ANNUAL ACTIVITY 2020-2021
Medical Inpatients	Bed days	2
Urgent Care	Presentations	400
District Nursing	Occasions of service Service hours	32 2118
SERVICE - SEA LAKE		
Medical Inpatients	Bed days	2
Urgent Care	Presentations	145
District Nursing	Occasions of service	34

PRIMARY HEALTH CARE - MPS PRIMARY HEALTH CARE ACTIVITY

SERVICE	2020-2021 ACTUAL SERVICES
Podiatry*	816 hours
Occupational Therapy*	681 hours
Physiotherapy (including Hydrotherapy) *	465 hours
Exercise groups*	887 hours
Social Support*	21,223 hours
Volunteer Transport*	1,118 trips
Delivery Meals *	6,304 meals
Speech Therapy*	265 sessions
Carer Support Group*	46 hours
Community Nursing	79 visits
Registered Volunteer	140
EARLY YEARS SERVICE	
Child Care	94 enrolments
Kindergarten	53 enrolments

*Includes services which are not funded, or only part funded through the MPS Tripartite Agreement

FLEXIBLE AGED CARE

MPS FUNDED FLEXIBLE AGED CARE PLACES

CAMPUS	NUMBER
Flexible High Care	50
Flexible Low Care	35
Flexible Home Care	5

MPS UTILISATION OF FLEXIBLE AGED CARE PLACES

CAMPUS - OUYEN	NUMBER	OCCUPANCY LEVEL %
Flexible High Care	29	79%
Flexible Low Care	27	56%
Respite	2	255.3%
TOTAL	58	

CAMPUS - SEA LAKE	NUMBER	OCCUPANCY LEVEL %
Flexible High Care	19	40%
Flexible Low Care	6	66.7%
Respite	2	63.5%
Flexible Home Care	5	35%
TOTAL	32	



PRIMARY CARE & COMMUNITY SERVICES...

MTHCS delivers a large portfolio of allied health and community services from district nursing and allied health to management of early childhood education and care and Neighbourhood Houses.

Primary health and community services include:

- Occupational Therapy
- Physiotherapy
- Hydrotherapy
- District nursing
- Social Support individualised programs
- Meet and Eat Social Support Groups and Planned Activity Groups (PAG)
- Exercise programs (tai chi) (Falls prevention program)
- Carer support groups
- Dementia-friendly community awareness and education
- Speech therapy (partnership with RDHS and RFDS)
- Community transport
- Community Health Promotion Events (RUOK etc)
- Podiatry

Neighbourhood Houses:

- Ouyen, Sea Lake and Murrayville

Auxiliaries and Volunteers

- Ouyen Farmers Festival
- Sea Lake and District Hospital Ladies' Auxiliary

LOCAL DRUG ACTION TEAM (LDAT)

The Australian Government and Alcohol and Drug Foundation has announced a Local Drug Action Team for the southern Mallee region to help prevent alcohol and other drug harms at a grass-roots level.

VOLUNTEERS

MTHCS is supported by 141 registered volunteers. Volunteers support residential aged care and Community services Program including transport, meals on wheels, friendly visiting and meet and eat/PAG groups.

COMMUNITY SERVICES...

MTHCS Community Services are available to all members of the community.

Some are on a fee-for-service basis and others are partially subsidised. Funding for Community Services includes:

- *MPS funding*
- *Commonwealth Home Support Program*
- *Home and Community Care Program for Young People (HACCPYP)*
- *Primary Health Care Network (PHN)*
- *Commonwealth Medicare Benefits Scheme*
- *Department of Veterans Affairs*
- *NDIS participants*
- *Aged Care Packages*



EARLY YEARS...

MTHCS receives funding from Commonwealth and State Departments of Education and Training for early education and care programs. Commonwealth Child Care Subsidy and Community Child Care funding support MTHCS to provide a childcare service in four locations, Ouyen, Sea Lake, Underbool and Murrayville. State Department of Education and Training provide rural per capita funding and Early Years Management funding to support five sessional kindergartens programs in Ouyen, Sea Lake, Underbool Murrayville and Manangatang.

QUALITY & RISK MANAGEMENT...

Ongoing improvement in safety and quality in patient care is a key priority across the organisation.

QUALITY

The MTHCS Quality Management System (QMS) fosters a culture of continuous quality improvement that is embedded in everyday practice and supports the meaningful participation of people in giving feedback about the services they require, and the quality of services they receive.

MTHCS is committed to maintaining our QMS which is based on ISO 9001:2015. We also adhere to the National Safety and Quality Health Service Standards Version 2 (NSQHS V2) and have maintained accreditation in all National Standards and the six NSQHS standards for Dental Services. The QMS functions to ensure all accreditation processes are continually reviewed and monitored to maintain compliance.

Every year, the health service has an assessment by qualified assessors against the ISO and NSQHS V2 standards.

MTHCS was assessed against the NSQHS V2 in March 2021. Accreditation was achieved until April 2024. The assessment against the ISO 9001 standard was conducted on site in May 2021 with MTHCS achieving certification until July 2023.

BOARD QUALITY, SAFETY AND RISK COMMITTEE

This committee provides an ongoing forum for review, governance and recommendation to the Board.

BREAST-FEEDING-FRIENDLY WORKPLACE ACCREDITATION

MTHCS has again obtained accreditation as a Breast-Feeding-Friendly workplace and has continued to invest in the workforce with a focus on training and development in all state and national Quality Standards.

CONSUMER FEEDBACK

MTHCS seeks consumer feedback through surveys (internal and external), direct contact and our complaints and feedback process which was reviewed and strengthened in the reporting period. A website and social media pages are maintained and local media is utilised on a regular basis to publish Community Updates that contain information on initiatives, general health issues and GP schedules for each month.

During the reporting period, MTHCS reviewed and updated its Consumer Participation Framework.

CONSUMER FEEDBACK CONT.

Improvements to MTHCS made as a result of complaints during 20/21 included:

- Improved the readability of the MTHCS website. Also improved vision of what consumers see when searching MTHCS website and therefore required updates and changes, ie; What MTHCS showcases on their web page and community perception. A website upgrade was commenced.
- Early Years Physical Environment updated to accommodate bike use, procedure updates completed also, improving usability of the facility for families.
- A number of improvements have been implemented as a result of MTHCS Meals Review and surveying/consulting residents and consumers of Delivered Meals, triggered by a number of complaints about meal quality. These include residents having broader choice due to the introduction of:
 - *Fresh Fruit offered throughout the day, Iced Coffee/Milkshakes for Morning tea, Sustagen drinks and 100% Juice. Supper is now provided for Nurses to distribute (combination of sandwiches and fruit/vegetable based cakes/muffins)*
 - *Residents may choose a cooked breakfast each week and finger food for lunch*
 - *Consumers of Delivered Meals can now choose from a broad and updated menu; the meals they wish to receive, and meal labelling has ensured dietary requirements are managed and ingredients clearly identified on each meal and delivery instructions for Volunteers.*
 - *Purchase of Cook Chill machine (machine works by full cooking of food then chilling it quickly down to 3 Degrees in 90 minutes)and can be stored at controlled temperatures (in cool room, fridge) for up to five days, and longer in the freezer.*
- *Bain Marie purchased for Hostel, meals will be sent to Hostel in bulk and residents will be able to serve themselves from the Bain Marie for lunch, (working toward Montessori approach to care)*
- Increasing safety for pedestrian and vehicle traffic at entrance to Ouyen site and Medical Clinic, between car parking and building, via line marking roadway and directing traffic flow. Non-slip surface has been implemented at the entrance point of the Ouyen medical centre, improving safe access to high pedestrian traffic areas of the entrance to the Ouyen site and medical clinic
- Safe access to Toilet at Community Service through installation of alarm for consumer use
- Increased community/family consultation and communication, meetings with resident families to inform of DHHS restrictions and other information.
- Improved wellbeing and privacy of resident through enabling self-locking 'snib' on room door.
- Improve residents' wellbeing through integrated practices involving Leisure and Health staff (PAG) moving across community and RACF's supporting purposeful and meaningful activity and engagement relevant to a person's identity.
- Montessori Project agreed to and dates confirmed for implementation in 2022.

ABORIGINAL CULTURAL SAFETY

Over the reporting period, MTHCS has undertaken the following initiatives to support Aboriginal culture safety:

- Embedding of Acknowledgement of Traditional Owners at meetings and gatherings of MTHCS
- Inclusion of Aboriginal cultural safety strategies in our Consumer Participation Framework and Diversity Framework
- Engaging with the Mallee Health Partnership to investigate what local cultural competency training is available. This has included engagement with MDAS, one-day Cultural Safety and Cultural Respect Facilitated Learning Program which has been developed for Mallee community member and Mallee organisations. This program will be rolled out soon.
- Review of the MTHCS Aboriginal and Torres Strait Islander policy
- Promotion of NAIDOC week
- Bush kinder with Aboriginal Elders in attendance
- Maintenance of recruitment and retention processes that take into consideration diversity requirements
- Maintaining flexible working policies to ensure readiness for potential employees from Culturally and Linguistically Diverse (CALD) background and Aboriginal populations who may be considering MTHCS as an employer of choice.
- Maintaining flexible service delivery policies to ensure readiness for potential consumers from CALD and Aboriginal populations seeking services.



PERFORMANCE..

SERVICE PLAN 2020-21: KEY ACHIEVEMENTS

STRATEGIC DIRECTION/OBJECTIVE	ACTION	DELIVERABLE	OUTCOME
<p>Pandemic Response – management and implementation</p>	<p>Oversight the management of the COVID 19 pandemic plan response for MTHCS</p>	<p>COVID 19 pandemic response is in line with DHHS requirements and our own health service needs</p>	<p>Ongoing; Systems, policies, procedures and approaches in responding to the COVID 19 pandemic have been developed and implemented.</p> <p>Maintenance of effort since March 2020 will be ongoing for the duration of the pandemic</p> <p>There will be ongoing adjustment of service plan and 'usual' business to balance pandemic response and achieving the strategic plan. If appropriate, sole focus of the organisation will be on pandemic response to ensure community and health service safety.</p>
<p>Strategic Direction 1 : Build Our Future</p> <p>1. Develop & grow a diverse service delivery portfolio that provides cradle to grave services</p> <p>2. Identify priority service gaps through a needs assessment & develop a service plan to address gaps</p> <p>3. Develop models of care to enhance support for the mental health needs of the community</p>	<p>1. Needs analysis to identify service gaps and priorities (growth areas) based on statistical data, community perspectives and service environment.</p> <p>2. Service planning will enable growth of existing services and development of new service lines, e.g. increase medical services, increased aged care services, new disability services and home care services – depending on need identified</p> <p>3. New PHN commissioning models will enable an integrated approach to a stepped model of care for mental health that will provide opportunities to partner with mental health service providers to ensure a coordinate and supported approach that include local touch points, improve uptake of services and greater awareness of service availability.</p>	<p>Engage external assistance to undertake with further work on the needs analysis – according to statistical data, community perspectives and service environment.</p> <p>Develop new service lines which meet service gaps and are a good fit for business:</p> <p>Engage with the PHN and other appropriate service partners to identify stepped model of care appropriate to the catchment:</p> <ul style="list-style-type: none"> • Chronic disease - diabetes • Mental Health • Primary Health Care • Early Years OT <p>Identify models of care in primary health care that are suitable for the Mallee Track catchment.</p>	<p>Complete: Development and implementation of Outreach Worker Role – Underbool and Murrayville. COVID affected the initial role out of this role.</p> <p>Ongoing: Explore and expand business opportunities in relation to CMBS billing for medical clinics and allied health.</p> <p>In progress: PHN GP incentive program – mental health funding received to support mental health outcomes in Sea Lake. Program scope and development restricted by workforce recruitment. Alternative model under development to support people to access the right care at the right time.</p> <p>In progress: Additional Allied Health funding for Social Work services received. This is a new service area for MTHCS and work is being done on service scope and workforce planning.</p> <p>Complete: Project detailing mental health model of care for the catchment completed. Funding to implement model of care received from PHN and recruitment underway.</p>

SERVICE PLAN 2020-21: KEY ACHIEVEMENTS CONT.

STRATEGIC DIRECTION/OBJECTIVE	ACTION	DELIVERABLE	OUTCOME
<p>CONTINUED...</p> <p>Strategic Direction 1: Build Our Future</p>		<p>Define scope of practice for the organisation and staff within the models of care.</p> <p>Engage in partnering arrangements which enable uptake of services for the local community – place-based models of care. Potential partners include:</p> <ul style="list-style-type: none"> • Robinvale District Health Services • Sunraysia Community Health Service • Northern District Community Health • Mildura Base Public Hospital • Swan Hill District Health • Royal Flying Doctor Service <p>Strengthen the delivery of medical services through recruitment and retention of an appropriate workforce in medical and primary health care.</p>	<p>Complete: Funding reconfigured from PHN Chronic Disease Nursing into dietetics.</p> <p>Ongoing: Development of Allied Health Assistant Supervision and Delegation model of care.</p> <p>Ongoing: Continued work to define scope of practice and function for the organisation through the engagement of an organisational psychologist.</p> <p>Ongoing: Continue to progress network model with RFDS, SCHS and RDHS. Speech Pathology partnership service was named finalist in the prestigious HESTA 2020 Excellence Awards. RFDS eye care program continues to be successful.</p> <p>Ongoing: Involvement in the Loddon Mallee Health Network – collaboration of all public sector health services in the Loddon Mallee region.</p> <p>In progress: RFDS Better Ageing Project – support to develop outreach exercise programs and reinstate programs post COVID lockdowns. Research program in conjunction with RFDS. Clients involved in pre and post testing. Full report to come.</p> <p>Ongoing: Review and reconfiguration of model of care for Medical Services.</p> <p>Complete: Secured a regular bank of part time and locum GPs identified and secured to support deliver of medical services across the catchment. Reviewed the current available GP workforce to plan for sector preferences and restructuring available locum GP workforce.</p> <p>Successfully tested and implemented a Nurse Practitioner model to support medical services delivery.</p>

SERVICE PLAN 2020-21: KEY ACHIEVEMENTS CONT.

STRATEGIC DIRECTION/OBJECTIVE	ACTION	DELIVERABLE	OUTCOME
<p>CONTINUED...</p> <p>Strategic Direction 1: Build Our Future</p>		<p>Continue to develop appropriate business model in preparation for full scheme NDIS in the Mallee region.</p> <p>Develop implementation plan for Montessori in Aged Care across bed based and community services.</p> <p>Implement school readiness funding to improve outcomes in Early Childhood Education and Care.</p>	<p>Complete: Supports being provided to NDIS participants in community where we have workforce available to meet participant needs. MTHCS became a registered provider due to the presence of NDIS participants in our aged care facilities.</p> <p>Commenced: Commitment for implementation of Montessori in Aged care in place.</p> <p>In Progress: Participation in Dementia Readiness Project as part of our work with Loddon Mallee Health Network.</p> <p>In progress: Participation in NPS MedicineWise National training program Dementia and changed behaviour: a person-centred approach.</p> <p>Complete: School readiness funding received and implemented.</p>
<p>Strategic Direction 2: Engage our Community</p> <p>1. Build community engagement through strong community and volunteer networks</p> <p>2. Prepare and implement a health literacy strategy for community members</p>	<p>1. Volunteer networks strengthened through engagement of micro-volunteering.</p> <p>2. New community members engaged in local activities that improve wellbeing and access to other MTHCS services.</p> <p>3. Increased health literacy in the community.</p>	<p>Celebrate the work of volunteers at an annual thankyou event.</p> <p>Maintain current volunteer workforce within the catchment.</p> <p>Design flexible micro-volunteering roles in the organisation that add value to the business and improve satisfaction levels of volunteers.</p> <p>Define scope of practice for volunteers within the organisation.</p>	<p>Complete: Face to face volunteer celebration events were held in Sea Lake and Ouyen in May 2021.</p> <p>Complete: Implemented a volunteer workforce re-engagement strategy in safe COVID normal activities. Resources and support provided to volunteers to support them with their volunteering roles and to show our appreciation and value the contributions they make to people in which they support. 21 Volunteers Drivers completed first aid education to support MTHCS to continue to deliver the community transport program.</p> <p>Complete: Participated in the Loddon Mallee Health network region wide volunteer strategy. Developed delivered meals guidelines and offered flu vax for volunteers. Commenced further training of volunteers in First Aid.</p> <p>On hold due to COVID-19</p>

SERVICE PLAN 2020-21: KEY ACHIEVEMENTS CONT.

STRATEGIC DIRECTION/OBJECTIVE	ACTION	DELIVERABLE	OUTCOME
<p>CONTINUED...</p> <p>Strategic Direction 2: Engage our Community</p>		<p>Undertake at least 1 community events with a focus on improving health literacy on topics relevance to the catchment.</p> <p>Host training and information sessions (own and with other service partners of interest) for staff and community which will improve the health literacy of our population.</p> <p>Maintain and professionalise social media profile as a platform to engage and inform the community on topics of health literacy and early childhood development.</p> <p>Undertake at least 1 community education sessions on Aged Care – costs and preparation for entry to residential aged care.</p> <p>Support the work of the respective auxiliaries and volunteer groups of MTHCS who fundraise to support program areas:</p> <ul style="list-style-type: none"> • Mallee Track Ladies Auxiliary • Ouyen Farmers Festival • Sea Lake Ladies Auxiliary • Respective Kindergarten Parent Advisory Groups <p>Establish Friends of Mallee Track (foundation) to harness community goodwill and funding on projects of a priority and shared interest.</p>	<p>RUOK day held across the catchment during COVID lockdown supported by volunteers. Gesture of a cup cake delivered to people during lock down brought much joy to clients, volunteers and staff.</p> <p>Community session held with Black Dog Institute 'Breaking Down Depression'. The presentations aim to increase understanding of mental health issues and influence people to get support – or help someone else who may need support. Mental Health First Aid updates held for staff and community members.</p> <p>Complete: Engaged communications assistance to actively plan and implement health literacy messaging through the MTHCS Facebook page and other communication mediums during COVID-19. Development of organisation calendar of events to support unified organisational approach to health literacy and early childhood development.</p> <p>On hold due to COVID-19. Additional information on social media and within advertorial to support community to understand preparation needed for Aged Care.</p> <p>Complete: Supported Sea Lake Ladies Aux Op Shop to operate in a COVID safe way. Kindergarten Parent Advisory Committees supported to purchase equipment and resources to support Early Childhood education and Care.</p> <p>Complete: Foundation entity established. Planning in place for a launch and development in 21/22.</p>

SERVICE PLAN 2020-21: KEY ACHIEVEMENTS CONT.

STRATEGIC DIRECTION/OBJECTIVE	ACTION	DELIVERABLE	OUTCOME
<p>Strategic Direction</p> <p>3: Pursue Organisational Excellence</p> <p>1. Strengthen governance and financial arrangements of the organisation</p> <p>2. Develop and articulate Clinical Governance models that ensure accountability</p> <p>3. Upskill management and board members through professional development activities</p>	<ol style="list-style-type: none"> 1. Review and streamline organisational policies and procedures. 2. Prepare a capital master plan for a) refurbishment of existing assets, b) new build requirements and feasibility. 3. Meet and exceed clinical accreditation standards. 4. Undertake and implement a clinical Governance Review. 5. Undertake and implement Board evaluation and professional development. 	<p>Engage external assistance (Rosie McMahon, Organisational Psychologist) to identify organisational plan to deliver outcomes against the strategic directions.</p> <p>Ensure sound financial management of the health service.</p> <p>Undertake a fabric survey of all capital assets (including residential accommodation) of the health service.</p> <p>Identify 10-year plan for maintenance of current capital.</p> <p>Commence and document a 15-year capital masterplan for bed based and community services. Plan to consider residential accommodation to support workforce requirements.</p> <p>Engage with Murrayville and Patchewollock communities to confirm ongoing ownership arrangements of capital assets where Mallee Track operates services but these assets are still owned by a separate governing entity.</p> <p>Prepare for implementation of Aged Care Standards across bed based and community services.</p> <p>Achieve tri-ennial accreditation for ISO and NSQHS.</p> <p>Maintain effort with National Quality Standards for all Early Childhood Education and Care services.</p> <p>Prepare and commence implementation of action plan for clinical governance review.</p> <p>Undertake board evaluation. Commence implementation of recommendations from board evaluation.</p>	<p>Ongoing: External assistance engaged. Process of organisational plan to deliver outcomes against strategic directions identified. Have delivered 7 of the 10 steps required. Further 3 steps still to be undertaken</p> <p>Complete: Implemented a financial management improvement plan to anticipate any financial shortfalls in the short and long term</p> <p>Complete: Fabric surveys have been completed and capital plan under development.</p> <p>Complete: Capital budget developed and implemented for 20/21 reporting period</p> <p>Deferred due to COVID 19</p> <p>Complete: Patchewollock community have reinstated operation of the bush nursing centre to enable improved community services.</p> <p>Complete: Self-Assessment against the standards completed. Action plan in place</p> <p>Complete: Re-certification achieved.</p> <p>Complete: All Early childhood services governed by the National Quality Standards have maintained their certification.</p> <p>Complete: Action plan in response to clinical governance review in place and under implementation.</p> <p>Complete: Board self evaluation complete and improvement plan in place.</p>

SERVICE PLAN 2020-21: KEY ACHIEVEMENTS CONT.

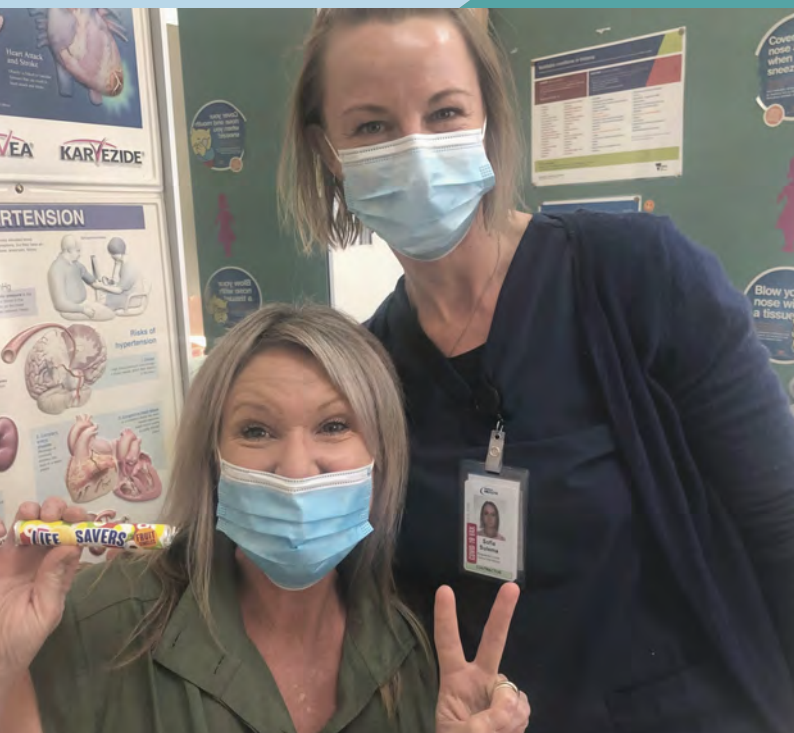
STRATEGIC DIRECTION/OBJECTIVE	ACTION	DELIVERABLE	OUTCOME
<p>CONTINUED...</p> <p>Strategic Direction 3: Pursue Organisational Excellence</p>		<p>Support board members to attend training and development relevant to their role and the business of the health service.</p> <p>Commission independent reviews of programs or service areas of the health service as needed.</p>	<p>Complete: Board members attend training and development on a regular basis.</p> <p>Complete: Meals review implemented.</p>
<p>Strategic Direction 4: Develop our workforce</p> <p>1. Maintain and enhance a 'grow your own' approach to workforce recruitment and retention</p> <p>2. Engage staff in professional development to enhance confidence and capability of the existing workforce</p>	<ol style="list-style-type: none"> 1. Develop and implement a workforce plan to : a) Increase clinical capability of staff (upskilling). b) Increase number of local staff/services provided. 2. Greater transparency of career pathways and education/training opportunities. 3. Increased number of traineeships available. 4. Increased sustainability of the local workforce. 5. Annual participation in the Victorian Public Sector Commission 'People Matter Survey' to inform MTHCS of staff engagement and job satisfaction. 	<p>Identify strategic priorities for the People and Culture team to implement across the organisation.</p> <p>Identify, and where appropriate implement, expanded shared services arrangements with RDHS and other neighbouring or regional health services.</p> <p>Maintain shared service of CFO role with RDHS.</p> <p>As part of clinical governance review, identify training and development plan for medical and nursing to increase clinical confidence and competence.</p> <p>Commence involvement in Rural Urgent Care Nursing Capability Development Program</p> <p>Support 3 candidates to complete their RiPERN studies.</p> <p>Implement all required systems and processes to enable application of RiPERN nurses and nurse practitioners at MTHCS.</p> <p>Ensure every staff member has an annual review which details their individual training plan.</p> <p>Offer traineeships and education upskilling in programs and service areas of the organisation where there are significant workforce pressures.</p> <p>Promote the uptake of the People Matters Survey for 2020.</p>	<p>Complete: Strategic priorities identified.</p> <p>Complete: Contracting arrangements in place with RDHS and AASB Accounting</p> <p>Ongoing: Involvement commenced – on hold due to COVID 19</p> <p>Ongoing: Nursing staff completing the Rural Urgent Care Nursing Program online modules</p> <p>Complete: Process for Nurse Practitioner credentialing in place – transferrable for RiPERN.</p> <p>Ongoing: Candidates completing RiPERN studies.</p> <p>Complete: Annual appraisals for all staff under completion – delayed due to COVID 19. Completed education session on how to conduct appraisals with Manager's.</p> <p>Complete: Trainee positions continue to be offered in program areas where there are known workforce pressures.</p> <p>Complete: Participated in People Matters Survey 2020 and 83 staff responded to the survey – and increase of more than 100% from the prior year.</p> <p>Ongoing: Recommendations from review well progressed.</p> <p>Completed: Findings of Meals Review complete.</p>

SERVICE PLAN 2020-21: KEY ACHIEVEMENTS CONT.

STRATEGIC DIRECTION/OBJECTIVE	ACTION	DELIVERABLE	OUTCOME
<p>CONTINUED...</p> <p>Strategic Direction 4: Develop our workforce</p>		<p>Implement recommendations of MTHCS cultural review.</p> <p>Implement findings of the Meals review.</p> <p>Identify strategy with Managers group to ensure staff feel valued.</p>	<p>Ongoing: Monthly manager's meeting established – development of 'Joy at work' strategies underway.</p>
<p>Strategic Direction 5: Strengthen our relationships</p> <p>1. Initiate and expand innovative models of care to deliver quality services</p> <p>2. Develop and maintain a communications strategy to engage with staff, critical friends, funders and community regarding MTHCS services and programs</p>	<p>1. Enhancement or expansion of: a) Nurse led models of care b) Nurse practitioners c) Nurse-supported telehealth with specialists d) Allied health assistants for acute, community and aged care</p> <p>2. Formal partnerships with critical friends and a common goal/agenda set.</p> <p>3. Communication strategy to maintain and strengthen partnerships.</p> <p>4. Communication strategy for staff to create a unified team across all MTHCS sites.</p> <p>5. Communication strategy for community member to allow easier navigation of MTHCS services and broader health services in the region.</p>	<p>Participate in the Loddon Mallee Shared Services regional telehealth strategy.</p> <p>Participate and contribute to 'radial model' which is under development with SCHS, RDHS, MBH and RFDS.</p> <p>Participate and contribute to the Mallee Health Partnership with RDHS and MBH.</p> <p>Identify opportunities to expand services which can be delivered by telehealth opportunities.</p> <p>Identify opportunities where the workforce can be harnessed and trained under delegated or advanced scope of practice roles. Opportunities to be explored include :</p> <ul style="list-style-type: none"> • Paramedicine • District Nursing • RIPERN • Allied Health • Mental Health Nursing • Other opportunities as they arise <p>Explore the application of My Emergency Doctor to support after hours and on call arrangements for urgent care centre.</p> <p>Continue to develop relationships with visiting services providing allied health services.</p>	<p>In progress.</p> <p>Delayed due to COVID.</p> <p>Complete : Attended all CEO partnership meetings and relevant sub working groups to implement agreed strategies.</p> <p>Complete : Telehealth policy and programs embedded during the course of COVID 19. Expansion of telehealth in progress across Mallee Track – including exercise groups and primary health care.</p> <p>In progress : Partnership project with Ambulance Victoria to identify use of paramedicine in primary health care.</p> <p>Complete : My Emergency Dr implemented at Urgent Care Centres and Residential Aged Care Facilities in Ouyen and Sea Lake</p> <p>Regular updates and improvement to information provided to visiting services due to COVID 19 restrictions</p>

SERVICE PLAN 2020-21: KEY ACHIEVEMENTS CONT.

STRATEGIC DIRECTION/OBJECTIVE	ACTION	DELIVERABLE	OUTCOME
<p>CONTINUED...</p> <p>Strategic Direction 5: Strengthen our relationships</p>		<p>Work with News PR Alert to develop and implement a communications plan for 2019:</p> <ul style="list-style-type: none"> · Regular press releases on items of interest • Regular GP calendar • Regular advertorial/space in the local paper “what’s on” • Staff newsletter • Community newsletter • Change management and implementation of delivery against the strategic plan • Specific engagement of Sea Lake staff and community to continue to reassure their place in the broader entity <p>Continue to develop plans to update the MTHCS website.</p> <p>Progress rebrand for MTHCS.</p> <p>Maintain Community advisory committee at Sea Lake.</p> <p>Engage the Health Issues Centre to review our current approach with consumer engagement and to identify further strategies to support the engagement of consumers.</p>	<p>Complete: Communication plan implemented. Dedicated communications work undertaken to support the COVID 19 response: · Fortnightly staff newsletter maintained · Community Newsletter circulated during COVID Lockdown · Weekly Advertorial in local papers</p> <p>In progress: Contractor engaged for website review and update. Review well progressed.</p> <p>In progress: Implementation plan identified and under delivery.</p> <p>On hold due to COVID-19</p> <p>In progress: Health Issues Centre engaged – plan for review in place.</p>



OCCUPATIONAL HEALTH AND SAFETY...

During this reporting period the COVID-19 Pandemic has impacted us all. This required Incident Control Group meetings initially daily and now they are weekly.

As a result, there has only been two Occupational Health and Safety Committee meetings with an average of ten members present at each meeting.

The OH&S Committee has an agreed set of performance indicators. Indicators 1 to 6 are reported at each meeting. Indicators 7 to 9 are reported annually.

1. % of planned workplace OH&S inspections completed.
2. Number of injured workers who are supported to RTW.
3. % of attendance at OH&S committee meetings.
4. % of planned OH&S system audits undertaken.
5. % of reported incidents investigated.
6. Number of major purchases made with OH&S risk assessment.
7. % of OH&S Committee trained – 100%.
8. % of HSR positions filled – 100%.
9. % Management trained in RTW – 100%.

ACHIEVEMENTS OF THE COMMITTEE HAVE BEEN:

- Further work has been done to improve Security – Security lighting has been reviewed and repaired; a security screen has been installed at the Dental clinic; Childcare has installed a new buzzer on the door to Ouyen Child Care and Sea Lake Early Years has had a security pad installed at service entrances. Sea Lake Medical clinic has installed a new camera for the waiting area. Work on the Security Action Plan is ongoing;
- Cultural Awareness training has been provided for staff across MTHCS;
- Emergency Management Plan has been reviewed and updated to include Sea Lake Muster points and Assembly zones;
- Food Safety audits have been attended across MTHCS;
- Summer Preparedness has been carried out across MTHCS;
- Emergency drills have been conducted across MTHCS;
- Solar panels have been installed to both Ouyen and Sea Lake campuses;
- Staff across the entire MTHCS were provided with Fluvax vaccines;
- All Fire Extinguishers have been checked;
- Ouyen Nurse call system has been upgraded;
- All buses in the fleet have been audited;
- All Patient Handling Devices have had their yearly checks;
- Waste management continues with cardboard and plastic being segregated from other waste for recycling. Aluminium cans and polystyrene are also being segregated.
- Monitoring of MTHCS's water consumption continues.



OCCUPATIONAL HEALTH AND SAFETY DATA

There are no fatalities to disclose for the 2020-21 year.

OCCUPATIONAL HEALTH AND SAFETY STATISTICS	2020-2021	2019-2020	2018-2019
The number of reported hazards/incidents for the year per 100 FTE	377	499	574
The number of 'lost time' standard WorkCover claims for the year per 100 FTE	0.01	0	0
The average cost per WorkCover claim for the year ('000)	0.04	0	0

TABLE 4: OCCUPATIONAL VIOLENCE STATISTICS

OCCUPATIONAL VIOLENCE STATISTICS	2020-2021
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 1,000,000 hours worked.	0
Number of occupational violence incidents reported	12
Number of occupational violence incidents reported per 100 FTE	9.1
Percentage of occupational violence incidents resulting in a staff injury, illness or condition	8.3%

ACHIEVEMENTS UNDER THE SOCIAL PROCUREMENT STRATEGY

Mallee Track Health and Community Service has prioritised three Social Procurement Framework Objectives in 2020-2021 financial year:

- Opportunities for Victorians with disability
- Opportunities for disadvantaged Victorians; and
- Sustainable Victorian social enterprises and Aboriginal business sectors.

During this Financial year MTHCS has engaged with 4 social benefit suppliers with a spend of \$5683.17 in total.

MTHCS has engaged Nadrasca Ltd for a printing job. Nadrasca Industry is a Supported Employment Service employing 130 supported employees with disability. As a social enterprise, Nadrasca Industry provides the opportunity for participants to engage in paid, meaningful work in the fields of commercial printing, warehousing and logistics, packing and packaging services and other commercial services.

MTHCS has engaged MADEC as a training organization for professional development of Early Years staff. MADEC is a successful not for profit and charitable organisation, with a proud 50-year history of providing relief to people experiencing poverty or distress.

MTHCS has engaged CrimCheck for obtaining police checks for staff and volunteers. CrimCheck is an accredited provider of National Criminal History Checks with Australian Criminal Intelligence Commission (ACIC). The CrimCheck Ltd service is provided by a not-for-profit organisation to benefit other not-for-profits. Any surplus they make is returned to the community.

MPS PERFORMANCE PRIORITY REPORTING

QUALITY AND SAFETY		
KEY PERFORMANCE INDICATOR	TARGET	RESULT
Health Service Accreditation	Full compliance	Full compliance
Compliance with cleaning standards	Full compliance	Full compliance
Compliance with the Hand Hygiene Australia program	80%	94%
Percentage of healthcare workers immunised for influenza	75%	90.5%
Victorian Health Experience Survey –patient experience	95% positive experience	Full compliance*
Victorian Health Experience Survey – discharge care	75% positive experience	Full compliance*
GOVERNANCE AND LEADERSHIP		
KEY PERFORMANCE INDICATOR	TARGET	RESULT
People matter survey – percentage of staff with a positive response to the safety culture questions	80%	91%

Legend - * Less than 42 responses were received for this period due to the relative size of the health service

DISCLOSURES REQUIRED UNDER LEGISLATION

CONSULTANCIES INFORMATION FRD 11(E)

In 2020-21 there were 3 consultancies where the total fees payable to the consultants were less than \$10,000. The total expenditure incurred during 2020-21 in relation to these consultancies is \$16,301.27 (Excluding GST).

In 2020-21 there were 4 consultancies where the total fees payable to the consultants were \$10,000 or greater. The total expenditure incurred during 2020-21 in relation to these consultancies is \$63214.83 (Excluding GST).

CONSULTANT	PURPOSE OF CONSULTANCY	SET DATE	END DATE	TOTAL APPROVED PROJECT FEE (EXCLUDING GST)	EXPENDITURE 2020-21 (EXCLUDING GST)	FUTURE EXPENDITURE
Audit & Risk Solutions	4 Internal Audits completed for 2020/21	1 July 2020	30 April 2021	\$24,561.83	\$24,561.83	\$0
Peter Wallis Consulting	Support with CEO Review, Foundation Setup, Sea Lake Community Response & Staff Meetings	1 July 2020	30 April 2021	\$14,250.00	\$14,250.00	\$0
Baade Harbour	Site Inspections for all properties (Fabric Survey)	25 Nov 2020	12 April 2021	\$13,760.00	\$13,760.00	\$0
Lesia Paslawasky & Associates	Integrative Leadership Coaching	1 July 2020	30 April 2021	\$10,643.00	\$10,643.00	\$0

INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) EXPENDITURE FRD 22I 5.17

The total ICT expenditure incurred during 2019-20 is \$799,121.74 (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 = Operating Expenditure and Capital Expenditure (excluding GST) (a)+(b)	Operational expenditure (excluding GST) (a)	Capital expenditure (excluding GST) (b)
\$712,982.84	\$86,138.90	\$62,573.90	\$23,565.00

FREEDOM OF INFORMATION ACT 1982

Freedom of Information Requests can be made by contacting the MTHCS Freedom of Information Officer either via a letter stating what documents you are seeking access to or via email. An application fee of \$30.10 needs to be paid before the request is processed.

Freedom of Information Officer

Mallee Track Health and Community Service

Pam Vallance

PO Box 130

Ouyen Vic 3490 pvallance@mthcs.vic.gov.au

Payment of Application Fee can be made by Direct Deposit or Cheque to:

Mallee Track Health and Community Service

BSB: 013756

Account No: 290605963

MTHCS has the following documents available for access:

- Organisational reports;
- Medical Records;
- Personnel Files;
- Organisational Policies and procedures.

This is not an exhaustive list as there may be other documents not listed.

MTHCS processed 30 requests during the 2020 - 2021 reporting period. The majority of requests received were from Legal Representatives on behalf of members of the public. Other requests processed included Subpoenas, WorkCover requests and Corner's requests.

Further information about Freedom of Information can be found at

<http://www.legislation.vic.gov.au/FOI>

BUILDING ACT 1993

MTHCS complies with the provisions of the Building Act 1993 in accordance with the Department of Health and Human Services Capital Development Guidelines (Minister for Finance Guideline Building Act 1993/ Standards for Publicly Owned Buildings 1994/ Building Regulations 2005 and Building Code of Australia 2004).

APPLICATION & OPERATION OF PUBLIC INTEREST DISCLOSURE ACT 2012

The Public Interest Disclosure Act 2012 intent is to encourage and facilitate the making of disclosure of improper conduct by public officers and public bodies, and establish a system for investigation of matters.

The Act provides protection from detrimental action to any person affected by a protected disclosure whether it is a person who makes a disclosure, a witness, or a person who is the subject of an investigation.

Protected Disclosures are to be reported directly to:

Independent Broad-Based Anti-Corruption Commission (IBAC)

Phone 1300 735 135

Fax 03 8635 6444

Street address Level 1, North Tower, 459 Collins Street, Melbourne VIC 3000

Postal address GPO Box 24234, Melbourne VIC 3001

www.ibac.vic.gov.au/contact-us

STATEMENT ON NATIONAL COMPETITION POLICY

MTHCS complied with all the government policies regarding competitive neutrality.

Under the Act, State government departments, councils and organisations funded by government to provide programs and services to people in care relationships, need to take all practicable measures to:

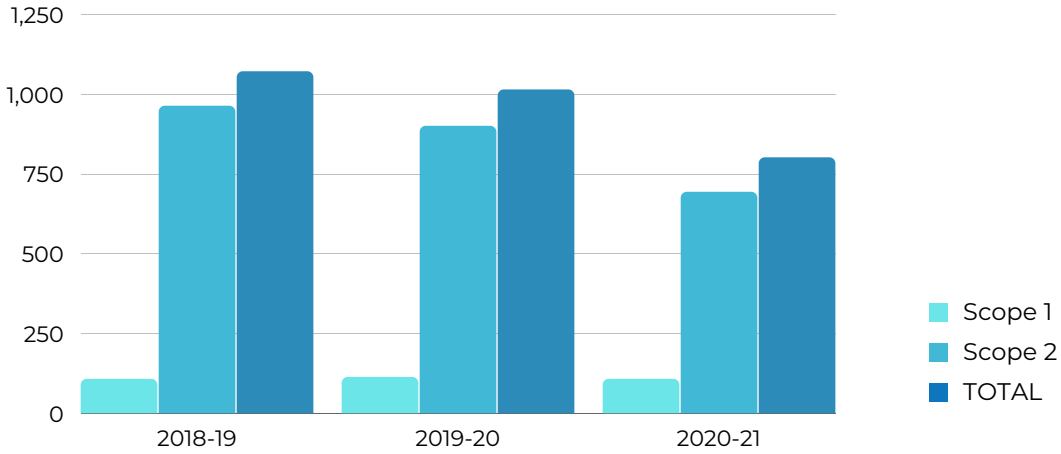
- Ensure staff have available and understand the principles in the Act
- Ensure staff promote the principles to people in care relationships, so that people in care relationships are aware of and understand the principles of the Act
- Reflect the care relationship principles in developing, providing or evaluating support and assistance for those in care relationships.
- Staff have access to copies of the principles of the Act and copies of the charter.

CARERS RECOGNITION ACT 2012

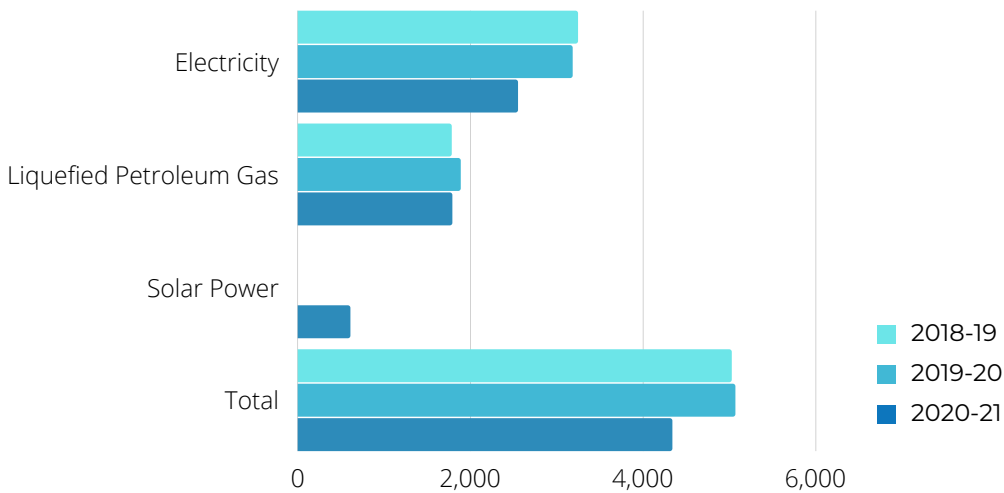
Mallee Track Health and Community Service has taken all practical measures to comply with its obligations under the Carers Recognition Act 2012.

ENVIRONMENTAL PERFORMANCE

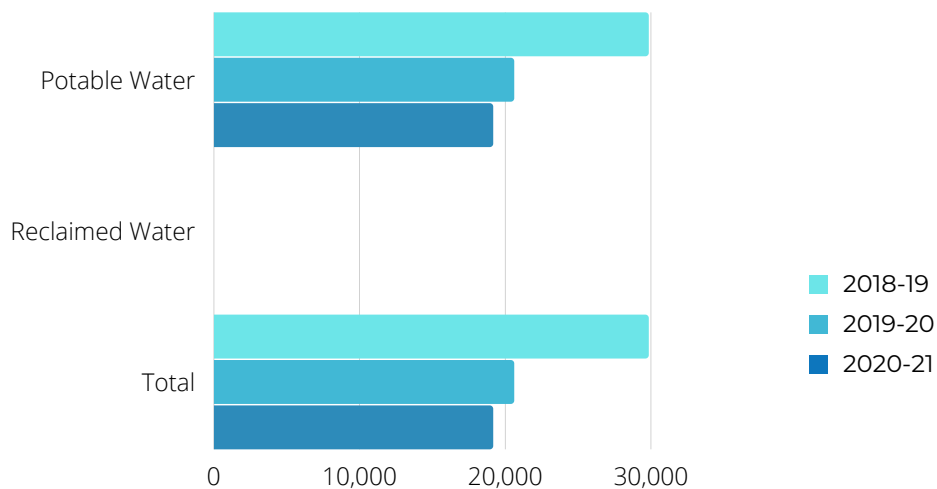
Greenhouse Gas Emissions (tonnes CO2e)



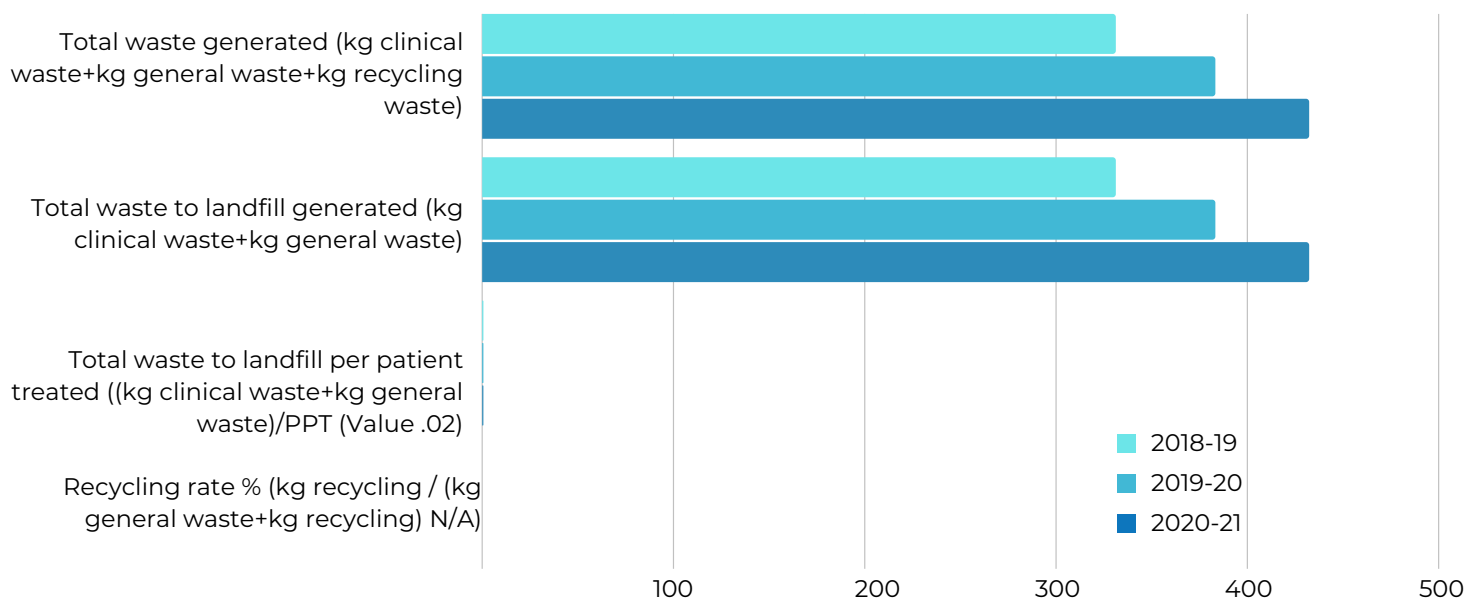
Total Stationary Energy purchased by energy type



Total Water Consumption by type (kL)



Waste Generation and Disposal



ADDITIONAL INFORMATION AVAILABLE ON REQUEST

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

- 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.

LOCAL JOBS ACT 2003

MTHCS adheres to the principles of the Local Jobs Act 2003. During the reporting period, there were no contracts requiring disclosure under the Act.

SAFE PATIENT CARE ACT 2015

MTHCS has no matters to report in relation to obligations under section 40 of the Safe Patient Care Act.

GENDER EQUALITY ACT 2020

MTHCS adheres to the principles of the Gender Equality Act 2020. During the reporting period MTHCS has commenced work to formulate a gender audit and commenced longer term planning for compliance with the Act.

CAR PARKING

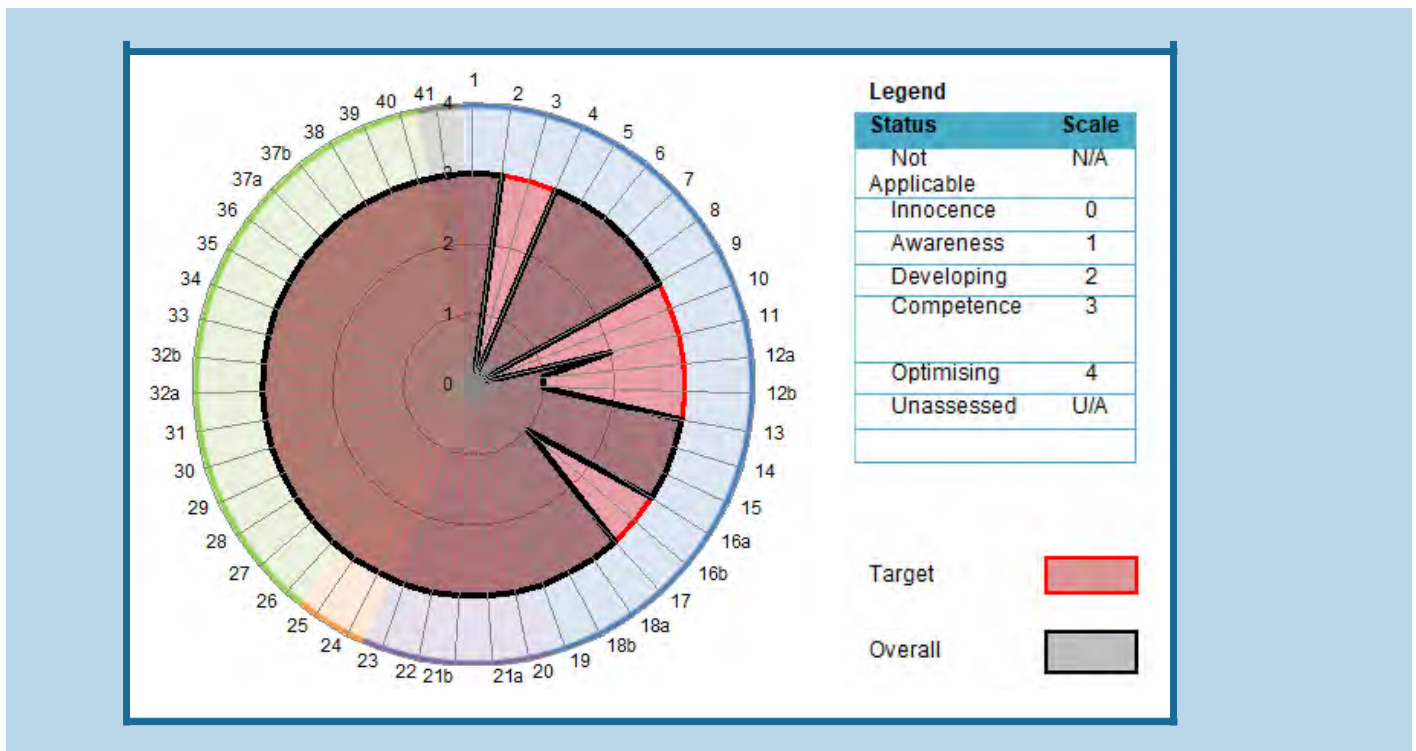
MTHCS provides free public car parking.

ASSET MANAGEMENT ACCOUNTABILITY FRAMEWORK (AMAF) MATURITY ASSESSMENT

The following sections summarise MTHCS 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 (<https://www.dtf.vic.gov.au/infrastructure-investment/asset-management-accountability-framework>).

MTHCS 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.

Compliance and maturity rating tool for MTHCS Asset Management Maturity



LEADERSHIP AND ACCOUNTABILITY (REQUIREMENTS 1-19)

MTHCS has met its target maturity level under most requirements within this category. MTHCS did not comply with some requirements in the areas of monitoring and preventative action and information management. Monitoring and preventative action is an area of material non-compliance. MTHCS is developing a plan for improvement to establish processes to proactively identify potential asset performance failures and identify options for preventive action.

PLANNING (REQUIREMENTS 20-23)

MTHCS has met its target maturity level in this category.

ACQUISITION (REQUIREMENTS 24 AND 25)

MTHCS has met its target maturity level in this category.

OPERATION (REQUIREMENTS 26-40)

MTHCS has met its target maturity level under most requirements within this category.

DISPOSAL (REQUIREMENT 41)

MTHCS has met its target maturity level in this category.

DISCLOSURE INDEX

The annual report of the Mallee Track Health and Community 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.

	REQUIREMENT	PAGE REF
MINISTERIAL DIRECTIONS		
REPORT OF OPERATIONS		
CHARTER AND PURPOSE		
FRD 221	Manner of establishment and the relevant Ministers	04
FRD 221	Purpose, functions, powers and duties	05
FRD 221	Nature and range of services provided	05
FRD 221	Activities, programs & achievements for the reporting period	28
FRD 221	Significant changes in key initiatives & expectations for the future	28
MANAGEMENT AND STRUCTURE		
FRD 221	Organisational structure	12
FRD 221	Workforce data / employment and conduct principles	15
FRD 221	Occupational Health and Safety	36
FINANCIAL INFORMATION		
FRD 221	Summary of the financial results for the year	47
FRD 221	Significant changes in financial position during the year	53
FRD 221	Operational & budgetary objectives & performance against objectives	54
FRD 221	Subsequent events	82
FRD 221	Details of consultancies under \$10,000	39
FRD 221	Details of consultancies over \$10,000	39
FRD 221	Disclosure of ICT expenditure	39
LEGISLATION		
FRD 221	Application and operation of Freedom of Information Act 1982	40
FRD 221	Compliance with building & maintenance provisions of Building Act 1993	40
FRD 221	Application & operation of Protected Disclosure 2012	40
FRD 221	Statement on National Competition Policy	41

FINANCIAL SUMMARY

FINANCIAL INFORMATION

	2021 \$000	2020 \$000	2019 \$000	2018 \$000	2017 \$000
OPERATING RESULT*	922	348	(788)	240	646
Total revenue	18,759	17,445	16,184	15,927	17,224
Total expenses	20,349	19,412	18,441	17,660	16,232
NET RESULT FROM TRANSACTIONS	(1,590)	(1,967)	(2,257)	(1,733)	992
Total other economic flows	225	(15)	(3)	99	(56)
NET RESULT	(1,365)	(1,982)	(2,260)	(1,634)	936
Total assets	43,321	44,455	46,339	39,933	38,990
Total liabilities	10,093	9,923	9,824	9,024	8,662
NET ASSETS/TOTAL EQUITY	33,228	34,532	36,515	30,909	30,328

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

RECONCILIATION OF NET RESULT FROM TRANSACTIONS AND OPERATING RESULT

	2020-21 \$000
NET OPERATING RESULT *	922
Capital purpose income	(301)
Specific income	0
COVID 19 State Supply Arrangements - Assets received free of charge or for nil consideration under the State Supply	(29)
State supply items consumed up to 30 June 2021	21
Assets provided free of charge	0
Assets received free of charge	0
Expenditure for capital purpose	145
Depreciation and amortisation	2,676
Impairment of non-financial assets	0
Finance costs (other)	0
NET RESULT FROM TRANSACTIONS	(1,590)

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

Financial Statements

Financial Year ended 30 June 2021

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

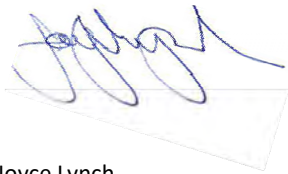
The attached financial statements for Mallee Track Health and Community Service have been prepared in accordance with Direction 5.2 of the Standing Directions of the Assistant Treasurer under the Financial Management Act 1994, applicable Financial Reporting Directions, Australian Accounting Standards 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 2021 and the financial position of Mallee Track Health and Community Service at 30 June 2021.

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 14th September, 2021.

Board member



Joyce Lynch

Chair

Ouyen
14/09/2021

Accountable Officer



Lois O'Callaghan

Chief Executive Officer

Ouyen
14/09/2021

Chief Finance & Accounting Officer



Andrew Arundell

Chief Finance and Accounting Officer (Contract)

Ouyen
14/09/2021

Independent Auditor's Report

To the Board of Mallee Track Health and Community Service

Opinion I have audited the financial report of Mallee Track Health and Community Service (the health service) which comprises the:

- balance sheet as at 30 June 2021
- comprehensive operating statement for the year then ended
- statement of changes in equity for the year then ended
- cash flow statement for the year then ended
- notes to the financial statements, including significant accounting policies
- board member's, accountable officer's and chief finance & accounting officer's declaration.

In my opinion the financial report presents fairly, in all material respects, the financial position of the health service as at 30 June 2021 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 7 of the *Financial Management Act 1994* and applicable Australian Accounting Standards.

Basis for Opinion I have conducted my audit in accordance with the *Audit Act 1994* which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report.

My independence is established by the *Constitution Act 1975*. My staff and I are independent of the health service in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Board's responsibilities for the financial report The Board of the health service is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the *Financial Management Act 1994*, and for such internal control as the Board determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Board is responsible for assessing the health service's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.

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
30 September 2021

Dominika Ryan
as delegate for the Auditor-General of Victoria

**Mallee Track Health and Community Service
Comprehensive Operating Statement
For the Financial Year Ended 30 June 2021**

	Total 2021 \$'000	Total 2020 \$'000
Revenue and income from transactions		
Operating activities	2.1 18,734	17,378
Non-operating activities	2.1 25	72
Total revenue and income from transactions	18,759	17,450
Expenses from transactions		
Employee expenses	3.1 (13,028)	(13,440)
Supplies and consumables	3.1 (1,262)	(543)
Finance costs	3.1 (15)	(16)
Depreciation	3.1 (2,676)	(2,568)
Other administrative expenses	3.1 (2,454)	(1,923)
Other operating expenses	3.1 (887)	(926)
Other non-operating expenses	3.1 (27)	(1)
Total Expenses from transactions	(20,349)	(19,417)
Net result from transactions - net operating balance	(1,590)	(1,967)
Other economic flows included in net result		
Net gain/(loss) on sale of non-financial assets	3.4 63	4
Net gain/(loss) on financial instruments	3.4 (1)	2
Other gain/(loss) from other economic flows	3.4 163	(21)
Total other economic flows included in net result	225	(15)
Net result for the year	(1,365)	(1,982)
Other comprehensive income		
Items that will not be reclassified to net result		
Changes in property, plant and equipment revaluation surplus	4.2(b) 61	-
Comprehensive result for the year	(1,304)	(1,982)

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

Mallee Track Health and Community Service
Balance Sheet
As at 30 June 2021

		Total 2021 \$'000	Total 2020 \$'000
	Note		
Current assets			
Cash and cash equivalents	6.2	8,320	7,454
Receivables and contract assets	5.1	274	277
Inventories	4.3	65	102
Prepaid expenses		131	150
Total current assets		8,790	7,983
Non-current assets			
Receivables and contract assets	5.1	557	642
Property, plant and equipment	4.1 (a)	33,974	35,829
Total non-current assets		34,531	36,471
Total assets		43,321	44,454
Current liabilities			
Payables and contract liabilities	5.2	1,454	1,202
Borrowings	6.1	74	15
Employee benefits	3.2	2,967	3,125
Other liabilities	5.3	5,084	5,002
Total current liabilities		9,579	9,344
Non-current liabilities			
Borrowings	6.1	278	238
Employee benefits	3.2	236	340
Total non-current liabilities		514	578
Total liabilities		10,093	9,922
Net assets		33,228	34,532
Equity			
Property, plant and equipment revaluation surplus	4.1(f)	34,109	34,048
Contributed capital	SCE	9,793	9,793
Accumulated deficit	SCE	(10,674)	(9,309)
Total equity		33,228	34,532

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

**Mallee Track Health and Community Service
Statement of Changes in Equity
For the Financial Year Ended 30 June 2021**

	Property, Plant and Equipment Revaluation Surplus	Contributed Capital	Accumulated Deficits	Total
Note	\$'000	\$'000	\$'000	\$'000
Balance at 30 June 2019	34,048	9,793	(7,327)	36,514
Effect of adoption of AASB 15, 16 and 1058	-	-	-	-
Restated Balance at 1 July 2019	34,048	9,793	(7,327)	36,514
Net result for the year	-	-	(1,982)	(1,982)
Balance at 30 June 2020	34,048	9,793	(9,309)	34,532
Net result for the year	-	-	(1,365)	(1,365)
Other comprehensive income for the year	61	-	-	61
Balance at 30 June 2021	34,109	9,793	(10,674)	33,228

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

Mallee Track Health and Community Service
Cash Flow Statement
For the Financial Year Ended 30 June 2021

	Total	Total
	2021	2020
Note	\$'000	\$'000
Cash Flows from operating activities		
Operating grants from government	15,320	13,690
Capital grants from government - State	43	53
Patient fees received	2,224	2,193
Donations and bequests received	50	67
GST paid to ATO	(30)	(1)
Interest and investment income received	25	72
Commercial Income Received	11	53
Other receipts	1,850	1,327
Total receipts	19,493	17,454
Employee expenses paid	(13,524)	(13,432)
Payments for supplies and consumables	(1,301)	(293)
Payments for medical indemnity insurance	(56)	(29)
Payments for repairs and maintenance	(406)	(374)
Finance Costs	(15)	(15)
Other payments	(2,823)	(2,550)
Total payments	(18,125)	(16,693)
Net cash flows from operating activities	1,368	761
	8.1	
Cash Flows from investing activities		
Purchase of property, plant and equipment	(639)	(507)
Proceeds from disposal of property, plant and equipment	63	4
Net cash flows used in investing activities	(576)	(503)
Cash flows from financing activities		
Proceeds / (repayment) of borrowings	(22)	167
Net Receipt / (Repayment) of Monies Held in Trust	96	(496)
Net cash flows from /(used in) financing activities	74	(329)
Net increase/(decrease) in cash and cash equivalents held	866	(71)
Cash and cash equivalents at beginning of year	7,454	7,525
Cash and cash equivalents at end of year	8,320	7,454
	6.2	

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

Notes to the Financial Statements

Mallee Track Health and Community Service
Notes to the Financial Statements
For the Financial Year Ended 30 June 2021

Note 1: Basis of preparation

Structure

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

Mallee Track Health and Community Service

Notes to the Financial Statements

For the Financial Year Ended 30 June 2021

Note 1: Basis of preparation

These financial statements represent the audited general purpose financial statements for Mallee Track Health and Community Service for the year ended 30 June 2021. The report provides users with information about Mallee Track Health and Community Service's stewardship of the resources entrusted to it.

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

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.

Mallee Track Health and Community 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.

Mallee Track Health and Community Service operates on a fund accounting basis and maintains two funds: Operating and Capital Funds. Mallee Track Health and Community Service's Capital Funds include:

- Donation and fundraising funds.

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

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

The financial statements are in Australian dollars.

Mallee Track Health and Community Service

Notes to the Financial Statements

For the Financial Year Ended 30 June 2021

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 Mallee Track Health and Community Service on 14th September, 2021.

Note 1.2 Impact of COVID-19 pandemic

In March 2020 a state of emergency was declared in Victoria due to the global coronavirus pandemic, known as COVID-19. Since this date, to contain the spread of COVID-19 and prioritise the health and safety of our community, Mallee Track Health and Community Service was required to comply with various directions announced by the Commonwealth and State Governments, which in turn, has continued to impact the way in which Mallee Track Health and Community Service operates.

Mallee Track Health and Community Service introduced a range of measures in both the prior and current year, including:

- introducing restrictions on non-essential visitors
- greater utilisation of telehealth services
- implementing reduced visitor hours
- performing COVID-19 testing
- administering COVID-19 vaccinations
- implementing work from home arrangements where appropriate.

The financial impacts of the pandemic are disclosed at:

- Note 2: Funding delivery of our services
- Note 3: The cost of delivering services.
- Note 4: Key assets to support service delivery
- Note 5: Other assets and liabilities
- Note 6: How we finance our operations.
- Note 8: Other disclosures

Mallee Track Health and Community Service

Notes to the Financial Statements

For the Financial Year Ended 30 June 2021

Note 1.3 Abbreviations and terminology used in the financial statements

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

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

Note 1.4 Joint arrangements

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

Mallee Track Health and Community Service has the following joint arrangements:

- Loddon Mallee Rural Health Alliance (LMRHA)

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

Note 1.5 Key accounting estimates and judgements

Management make estimates and judgements when preparing the financial statements.

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

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

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

Mallee Track Health and Community Service

Notes to the Financial Statements

For the Financial Year Ended 30 June 2021

Note 1.6 Accounting standards issued but not yet effective

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

Standard	Adoption Date	Impact
AASB 17: <i>Insurance Contracts</i>	Reporting periods on or after 1 January 2023	Adoption of this standard is not expected to have a material impact.
AASB 2020-1: <i>Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current</i>	Reporting periods on or after 1 January 2022.	Adoption of this standard is not expected to have a material impact.
AASB 2020-3: <i>Amendments to Australian Accounting Standards – Annual Improvements 2018-2020 and Other Amendments</i>	Reporting periods on or after 1 January 2022.	Adoption of this standard is not expected to have a material impact.
AASB 2020-8: <i>Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform – Phase 2</i>	Reporting periods on or after 1 January 2021.	Adoption of this standard is not expected to have a material impact.

There are no other accounting standards and interpretations issued by the AASB that are not yet mandatorily applicable to Mallee Track Health and Community Service in future periods.

Note 1.7 Goods and Services Tax (GST)

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

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

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

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

Mallee Track Health and Community Service
Notes to the Financial Statements
For the Financial Year Ended 30 June 2021

Note 1.8 Reporting Entity

The financial statements include all activities of Mallee Track Health and Community Service.

Its principal address is:

28 Britt Street

Ouyen VIC 3490

A description of the nature of Mallee Track Health and Community 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

Mallee Track Health and Community Service's overall objective is to provide quality health service and to be a leading regional healthcare provider delivering timely, accessible, integrated and responsive services to local community. Mallee Track Health and Community Service is predominantly funded by grant funding for the provision of outputs. Mallee Track Health and Community 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

2.3 Other income

Telling the COVID-19 story

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

Key judgements and estimates

This section contains the following key judgements and estimates:

Key judgements and estimates	Description
Identifying performance obligations	<p>Mallee Track Health and Community Service applies significant judgment when reviewing the terms and conditions of funding agreements and contracts to determine whether they contain sufficiently specific and enforceable performance obligations.</p> <p>If this criteria is met, the contract/funding agreement is treated as a contract with a customer, requiring Mallee Track Health and Community Service to recognise revenue as or when the health service transfers promised goods or services to customers.</p> <p>If this criteria is not met, funding is recognised immediately in the net result from operations.</p>
Determining timing of revenue recognition	<p>Mallee Track Health and Community Service applies significant judgement to determine when a performance obligation has been satisfied and the transaction price that is to be allocated to each performance obligation. A performance obligation is either satisfied at a point in time or over time.</p>
Determining time of capital grant income recognition	<p>Mallee Track Health and Community Service applies significant judgement to determine when its obligation to construct an asset is satisfied. Costs incurred is used to measure the health service's progress as this is deemed to be the most accurate reflection of the stage of completion.</p>

Note 2.1 Revenue and income from transactions

	Total 2021 \$'000	Total 2020 \$'000
Operating activities		
Revenue from contracts with customers		
Government grants (State) - Operating	717	685
Patient and resident fees	2,245	2,181
Commercial activities ¹	11	54
Total revenue from contracts with customers	2,973	2,920
Other sources of income		
Government grants (State) - Operating	7,520	7,369
Government grants (Commonwealth) - Operating	6,282	5,526
Government grants (State) - Capital	43	53
Other capital purpose income	258	358
Assets received free of charge or for nominal consideration	73	30
Other revenue from operating activities (including non-capital donations)	1,585	1,122
Total other sources of income	15,761	14,458
Total revenue and income from operating activities	18,734	17,378
Non-operating activities		
Income from other sources		
Other interest	25	72
Total other sources of income	25	72
Total income from non-operating activities	25	72
Total revenue and income from transactions	18,759	17,450

1. Commercial activities represent business activities which Mallee Track Health and Community Service enter into to support their operations.

Note 2.1 Revenue and income from transactions (continued)

How we recognise revenue and income from transactions

Government operating grants

To recognise revenue, Mallee Track Health and Community Service assesses whether there is a contract that is enforceable and has sufficiently specific performance obligations in accordance with AASB 15: Revenue from Contracts with Customers.

When both these conditions are satisfied, the health service:

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

Where the contract is not enforceable and/or does not have sufficiently specific performance obligations, in accordance with AASB 1058 - *Income for not-for profit entities* the health service:

- recognises the asset received in accordance with the recognition requirements of other applicable Accounting Standards (for example, AASB 9, AASB 16, AASB 116 and AASB 138)
- recognises related amounts (being contributions by owners, lease liabilities, financial instruments, provisions, revenue or contract 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.

The types of government grants recognised under AASB 15: *Revenue from Contracts with Customers* includes:

Government grant	Performance obligation
Dental Weighted Activity Units (DWAU's)	The Dental Health Program funding model is activity-based, using the Australian Dental Association service item codes, rather than courses of care. Performance is measured in terms of Dental Weighted Activity Units (DWAU), calculated using weighted Australian Dental Association item codes. Funding is aligned to DWAs to ensure that state activity targets are met.

Note 2.1 Revenue and income from transactions (continued)

Capital grants

Where Mallee Track Health and Community 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 Mallee Track Health and Community 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.

Commercial activities

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

Non-cash contributions from the Department of Health

The Department of Health makes some payments on behalf of Mallee Track Health and Community Service as follows:

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

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

	Total 2021 \$'000	Total 2020 \$'000
Cash donations and gifts	44	22
Personal protective equipment	29	8
Total fair value of assets and services received free of charge or for nominal consideration	73	30

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 Mallee Track Health and Community Service usually obtained control of the asset) as they do not contain sufficiently specific and enforceable performance obligations. Where sufficiently specific and enforceable performance obligations exist, revenue is recorded as and when the performance obligation is satisfied.

Personal protective equipment

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

Generally, the State Supply Arrangement stipulates that Health Purchasing Victoria (trading as HealthShare Victoria) sources, secures and agrees terms for the purchase of PPE. The purchases are funded by the Department of Health, while Monash Health takes delivery and distributes an allocation of the products to health services. Mallee Track Health and Community Service received these resources free of charge and recognised them as income.

Contributions

Mallee Track Health and Community Service may receive assets for nil or nominal consideration to further its objectives. The assets are recognised at their fair value when Mallee Track Health and Community Service obtains control over the asset, irrespective of whether restrictions or conditions are imposed over the use of the contributions.

On initial recognition of the asset, Mallee Track Health and Community Service recognises related amounts being contributions by owners, lease liabilities, financial instruments, provisions and revenue or contract liabilities arising from a contract with a customer.

Mallee Track Health and Community Service recognises income immediately in the profit or loss as the difference between the initial fair value of the asset and the related amounts.

The exception to this policy is when an asset is received from 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 Mallee Track Health and Community 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

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

Note 2.3 Other income

	Total 2021 \$'000	Total 2020 \$'000
Operating		
Joint venture alliance revenue	884	455
Sale of services & brokerage	234	172
Medical clinic incentive payments	163	146
Child care recoveries	176	171
Other revenue	128	178
Total other income - Operating	1,585	1,122
Interest	25	72
Total other income	25	72

How we recognise other income

Joint Venture Alliance Revenue

Our share of joint venture alliance revenue is recognised in accordance with the Joint Arrangement agreement, with Mallee Track Health and Community Service recording our share of revenue as per note 8.7 joint arrangements.

Sales of Services and Brokerage

Revenue from recovery activities includes items such secondment of staff and provision of support services to other health services. Recovery activity revenue is recognised at a point in time, upon provision of the goods or service to the customer.

Medical Clinic Incentive Payments, Child Care Recoveries and Other Revenue

Medical clinic incentive payments, child care recoveries and other revenue is recorded as revenue when received.

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 3: The cost of delivering our services

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

Structure

3.1 Expenses from transactions

3.2 Employee benefits in the balance sheet

3.3 Superannuation

3.4 Other economic flows

Telling the COVID-19 story

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

Additional costs were incurred to deliver the following additional services:

- Establish facilities within Mallee Track Health and Community Service for the treatment of suspected and admitted COVID-19 patients resulting in an increase in employment costs and additional equipment purchases.
- Implement COVID safe practices throughout Mallee Track Health and Community Service, including increased cleaning, increased security and consumption of personal protective equipment.

Key judgements and estimates

This section contains the following key judgements and estimates:

Key judgements and estimates	Description
Measuring and classifying employee benefit liabilities	<p>Mallee Track Health and Community Service applies significant judgment when measuring and classifying its employee benefit liabilities.</p> <p>Employee benefit liabilities are classified as a current liability if Mallee Track Health and Community 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 Mallee Track Health and Community 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> <p>The health service also applies judgement to determine when it expects its employee entitlements to be paid. With reference to historical data, if the health service does not expect entitlements to be paid within 12 months, the entitlement is measured at its present value. All other entitlements are measured at their nominal value.</p>

Note 3.1 Expenses from transactions

	Total 2021 \$'000	Total 2020 \$'000
Salaries and wages	10,880	10,464
On-costs	1,050	1,014
Agency expenses	244	363
Fee for service medical officer expenses	747	1,472
Workcover premium	107	127
Total employee expenses	13,028	13,440
Drug supplies	25	22
Medical and surgical supplies (including Protheses)	847	123
Diagnostic and radiology supplies	-	-
Other supplies and consumables	390	398
Total supplies and consumables	1,262	543
Finance costs	15	16
Total finance costs	15	16
Other administrative expenses	2,454	1,923
Total other administrative expenses	2,454	1,923
Fuel, light, power and water	306	361
Repairs and maintenance	307	272
Maintenance contracts	99	99
Medical indemnity insurance	56	29
Expenditure for capital purposes	119	165
Total other operating expenses	887	926
Total operating expense	17,646	16,848
Depreciation and amortisation	4.2 2,676	2,568
Total depreciation and amortisation	2,676	2,568
Specific expense	26	-
Bad and doubtful debt expense	1	1
Total other non-operating expenses	27	1
Total non-operating expense	2,703	2,569
Total expenses from transactions	20,349	19,417

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:

- interest on bank overdrafts and short-term and long-term borrowings (interest expense is recognised in the period in which it is incurred)
- amortisation of discounts or premiums relating to borrowings
- 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 Mallee Track Health and Community Service. These amounts have been brought to account as grants in determining the operating result for the year by recording them as revenue and also recording the related expense.

Non-operating expenses

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

Note 3.2 Employee benefits in the balance sheet

	Total 2021 \$'000	Total 2020 \$'000
Current provisions		
<i>Accrued days off</i>		
Unconditional and expected to be settled wholly within 12 months ⁱ	33	37
	33	37
<i>Annual leave</i>		
Unconditional and expected to be settled wholly within 12 months ⁱ	935	935
Unconditional and expected to be settled wholly after 12 months ⁱⁱ	-	-
	935	935
<i>Long service leave</i>		
Unconditional and expected to be settled wholly within 12 months ⁱ	242	156
Unconditional and expected to be settled wholly after 12 months ⁱⁱ	1,436	1,661
	1,678	1,817
<i>Provisions related to employee benefit on-costs</i>		
Unconditional and expected to be settled within 12 months ⁱ	120	104
Unconditional and expected to be settled after 12 months ⁱⁱ	201	232
	321	336
Total current employee benefits	2,967	3,125
Non-current provisions		
Conditional long service leave	212	306
Provisions related to employee benefit on-costs	24	34
Total non-current employee benefits	236	340
Total employee benefits	3,203	3,465

ⁱ The amounts disclosed are nominal amounts.

ⁱⁱ The amounts disclosed are discounted to present values.

Note 3.2 Employee benefits in the balance sheet (continued)

How we recognise employee benefits

Employee benefit recognition

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

Provisions

Provisions are recognised when Mallee Track Health and Community Service has a present obligation, the future sacrifice of economic benefits is probable, and the amount of the provision can be measured reliably.

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

Annual leave and accrued days off

Liabilities for annual leave and accrued days off are recognised in the provision for employee benefits as 'current liabilities' because Mallee Track Health and Community 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 Mallee Track Health and Community Service expects to wholly settle within 12 months or
- Present value – if Mallee Track Health and Community 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 the Mallee Track Health and Community 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 Mallee Track Health and Community Service expects to wholly settle within 12 months or
- Present value – if Mallee Track Health and Community 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.

Termination benefits

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

On-costs related to employee benefits

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

Note 3.2 (a) Employee benefits and related on-costs

	Total 2021 \$'000	Total 2020 \$'000
Unconditional accrued days off	33	37
Unconditional annual leave entitlements	1,069	1,069
Unconditional long service leave entitlements	1,865	2,019
Total current employee benefits and related on-costs	2,967	3,125
Conditional long service leave entitlements	236	340
Total non-current employee benefits and related on-costs	236	340
Total employee benefits and related on-costs	3,203	3,465
Carrying amount at start of year	3,465	3,536
Additional provisions recognised	652	797
Amounts incurred during the year	(914)	(868)
Carrying amount at end of year	3,203	3,465

Note 3.3 Superannuation

	Paid contribution for the year		Contribution Outstanding at Year-end	
	Total	Total	Total	Total
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Defined benefit plans:ⁱ				
Aware Super	48	55	-	-
Defined contribution plans:				
Aware Super	691	645	-	-
Hesta / Other	345	307	-	-
Total	1,084	1,007	-	-

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

How we recognise superannuation

Employees of Mallee Track Health and Community Service are entitled to receive superannuation benefits and it contributes to both defined benefit and defined contribution plans.

Defined benefit superannuation plans

The defined benefit plan provides benefits based on years of service and final average salary. The amount charged to the Comprehensive Operating Statement in respect of defined benefit superannuation plans represents the contributions made by Mallee Track Health and Community Service to the superannuation plans in respect of the services of current Mallee Track Health and Community 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.

Mallee Track Health and Community 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 Mallee Track Health and Community Service.

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

Defined contribution superannuation plans

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

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

Note 3.4 Other economic flows included in net result

	Total 2021 \$'000	Total 2020 \$'000
Net gain/(loss) on disposal of property plant and equipment	63	4
Total net gain/(loss) on non-financial assets	63	4
Net gain/(loss) on disposal of financial instruments	(1)	2
Total net gain/(loss) on financial instruments	(1)	2
Net gain/(loss) arising from revaluation of long service liability	163	(21)
Total other gains/(losses) from other economic flows	163	(21)
Total gains/(losses) from other economic flows	225	(15)

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:

- revaluation gains/(losses) of non-financial physical assets (Refer to Note 4.1 Property plant and equipment)
- 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.

Note 4: Key assets to support service delivery

Mallee Track Health and Community 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 Mallee Track Health and Community Service to be utilised for delivery of those outputs.

Structure

4.1 Property, plant & equipment

4.2 Depreciation and amortisation

4.3 Inventories

Telling the COVID-19 story

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

Key judgements and estimates

This section contains the following key judgements and estimates:

Key judgements and estimates	Description
Measuring fair value of property, plant and equipment.	<p>Mallee Track Health and Community Service obtains independent valuations for its non-current assets at least once every five years.</p> <p>If an independent valuation has not been undertaken at balance date, the health service estimates possible changes in fair value since the date of the last independent valuation with reference to Valuer-General of Victoria indices.</p> <p>Managerial adjustments are recorded if the assessment concludes a material change in fair value has occurred. Where exceptionally large movements are identified, an interim independent valuation is undertaken.</p>
Estimating useful life and residual value of property, plant and equipment	<p>Mallee Track Health and Community Service assigns an estimated useful life to each item of property, plant and equipment, whilst also estimating the residual value of the asset, if any, at the end of the useful life. This is used to calculate depreciation of the asset.</p> <p>The health service reviews the useful life, residual value and depreciation rates of all assets at the end of each financial year and where necessary, records a change in accounting estimate.</p>
Estimating useful life of right-of-use assets	<p>The useful life of each right-of-use asset is typically the respective lease term, except where the health service is reasonably certain to exercise a purchase option contained within the lease (if any), in which case the useful life reverts to the estimated useful life of the underlying asset.</p> <p>Mallee Track Health and Community Service applies significant judgement to determine whether or not it is reasonably certain to exercise such purchase options.</p>
Identifying indicators of impairment	<p>At the end of each year, Mallee Track Health and Community Service assesses impairment by evaluating the conditions and events specific to the health service that may be indicative of impairment triggers. Where an indication exists, the health service tests the asset for impairment.</p> <p>The health service considers a range of information when performing its assessment, including considering:</p> <ul style="list-style-type: none"> ▪ If an asset's value has declined more than expected based on normal use ▪ If a significant change in technological, market, economic or legal environment which adversely impacts the way the health service uses an asset ▪ If an asset is obsolete or damaged ▪ If the asset has become idle or if there are plans to discontinue or dispose of the asset before the end of its useful life ▪ If the performance of the asset is or will be worse than initially expected. <p>Where an impairment trigger exists, the health services applies significant judgement and estimate to determine the recoverable amount of the asset.</p>

Note 4.1 (a) Gross carrying amount and accumulated depreciation

	Total 2021 \$'000	Total 2020 \$'000
Land at fair value - Freehold	580	452
Total land at fair value	580	452
Buildings at fair value	36,325	36,059
Less accumulated depreciation	(4,389)	(2,191)
Total buildings at fair value	31,936	33,868
Total land and buildings	32,516	34,320
Plant and equipment at fair value	1,875	1,812
Less accumulated depreciation	(1,469)	(1,386)
Total plant and equipment at fair value	406	426
Motor vehicles at fair value	1,002	1,361
Less accumulated depreciation	(856)	(1,130)
Total motor vehicles at fair value	146	231
Medical equipment at fair value	1,127	1,088
Less accumulated depreciation	(966)	(915)
Total medical equipment at fair value	161	173
Computer equipment at fair value	726	664
Less accumulated depreciation	(527)	(365)
Total computer equipment at fair value	199	299
Furniture and fittings at fair value	818	693
Less accumulated depreciation	(554)	(502)
Total furniture and fittings at fair value	264	191

Note 4.1 (a) Gross carrying amount and accumulated depreciation (continued)

	Total 2021 \$'000	Total 2020 \$'000
Right of use vehicles at fair value	212	91
Less accumulated depreciation	(27)	(3)
Total right of use vehicles at fair value	185	88
Total plant, equipment, furniture, fittings and vehicles at fair value	1,361	1,408
Work in Progress - At Cost	97	101
Total Work in Progress	97	101
Total property, plant and equipment	33,974	35,829

Note 4.1 (b) Reconciliations of the carrying amounts of each class of asset

	Land	Buildings	Work in Progress	Plant & equipment	Computers & Communication Equipment	Motor Vehicles	Medical Equipment	Furniture & Fittings
Note	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2019	452	36,024	7	395	160	348	222	193
Additions	-	36	93	110	219	-	6	40
Depreciation	4.2	(2,191)	-	(79)	(80)	(118)	(55)	(42)
Balance at 30 June 2020	452	33,869	100	426	299	230	173	191
Additions	67	216	46	81	58	-	46	126
Revaluation increments/(decrements)	61	-	-	-	-	-	-	-
Net Transfers between classes	-	49	(49)	-	-	-	-	-
Depreciation	4.2	(2,198)	-	(101)	(158)	(84)	(58)	(53)
Balance at 30 June 2021	580	31,936	97	406	199	146	161	264

	Right of use - Motor Vehicles	Total
Note	\$'000	\$'000
Balance at 1 July 2019	-	37,801
Additions	91	595
Depreciation	4.2	(2,568)
Balance at 30 June 2020	88	35,828
Additions	121	761
Revaluation increments/(decrements)	-	61
Depreciation	4.2	(2,676)
Balance at 30 June 2021	185	33,974

Note 4.1 (b) Reconciliations of the carrying amounts of each class of asset

Land and Buildings and Leased Assets Carried at Valuation

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

How we recognise property, plant and equipment

Property, plant and equipment are tangible items that are used by Mallee Track Health and Community 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.

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

Subsequent measurement

Items of property, plant and equipment (excluding right-of-use assets) are subsequently measured at fair value less accumulated depreciation and impairment losses where applicable.

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

Further information regarding fair value measurement is disclosed below.

Note 4.1 (b) Reconciliations of the carrying amounts of each class of asset

Revaluation

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

Where an independent valuation has not been undertaken at balance date, Mallee Track Health and Community 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%, Mallee Track Health and Community Service would obtain an interim independent valuation prior to the next scheduled independent valuation.

An independent valuation of Mallee Track Health and Community Service's property, plant and equipment was performed by the VGV on 30 June 2019. The valuation, which complies with Australian Valuation Standards, was determined by reference to the amount for which assets could be exchanged between knowledgeable willing parties in an arm's length transaction. The managerial assessment performed at 30 June 2021 indicated an overall:

- increase in fair value of land of 13% (\$61,115)
- buildings were deemed an immaterial movement by the Valuer General Victoria for health agencies in 2021.

As the cumulative movement was less than 10% for buildings since the last revaluation a managerial revaluation adjustment was not required as at 30 June 2021.

As the cumulative movement was greater than 10% for land since the last revaluation a managerial revaluation adjustment was required as at 30 June 2021.

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

Note 4.1 (b) Reconciliations of the carrying amounts of each class of asset

Impairment

At the end of each financial year, Mallee Track Health and Community Service assesses if there is any indication that an item of property, plant and equipment may be impaired by considering internal and external sources of information. If an indication exists, Mallee Track Health and Community Service estimates the recoverable amount of the asset. Where the carrying amount of the asset exceeds its recoverable amount, an impairment loss is recognised. An impairment loss of a revalued asset is treated as a revaluation decrease as noted above.

Mallee Track Health and Community Service has concluded that the recoverable amount of property, plant and equipment which are regularly revalued is expected to be materially consistent with the current fair value. As such, there were no indications of property, plant and equipment being impaired at balance date.

How we recognise right-of-use assets

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

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

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

Class of right-of-use asset	Lease term
Leased vehicles	3 years

Presentation of right-of-use assets

Mallee Track Health and Community Service presents right-of-use assets as 'property plant equipment' unless they meet the definition of investment property, in which case they are disclosed as 'investment property' in the balance sheet.

Initial recognition

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

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

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

Mallee Track Health and Community Service has no lease agreements that contain purchase option at the completion of the lease.

Note 4.1 (b) Reconciliations of the carrying amounts of each class of asset

Subsequent measurement

Right-of-use assets 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).

Impairment

At the end of each financial year, Mallee Track Health and Community Service assesses if there is any indication that a right-of-use asset may be impaired by considering internal and external sources of information. If an indication exists, Mallee Track Health and Community Service estimates the recoverable amount of the asset. Where the carrying amount of the asset exceeds its recoverable amount, an impairment loss is recognised.

Mallee Track Health and Community Service performed an impairment assessment and noted there were no indications of its right-of-use assets being impaired at balance date.

Note 4.1 (c) Fair value measurement hierarchy for assets

	Note	Total carrying amount	Fair value measurement at end of reporting period using:		
		30 June 2021	Level 1 ⁱ	Level 2 ⁱ	Level 3 ⁱ
		\$'000	\$'000	\$'000	\$'000
Specialised land		580	-	-	580
Total land at fair value	4.1 (a)	580	-	-	580
Specialised buildings		31,936	-	-	31,936
Total buildings at fair value	4.1 (a)	31,936	-	-	31,936
Plant and equipment at fair value	4.1 (a)	406	-	-	406
Motor vehicles at fair value	4.1 (a)	146	-	-	146
Medical equipment at Fair Value	4.1 (a)	161	-	-	161
Computer equipment at fair value	4.1 (a)	199	-	-	199
Furniture and fittings at fair value	4.1 (a)	264	-	-	264
Right of use assets at fair value	4.1 (a)	185	-	-	185
Total plant, equipment, furniture, fittings and vehicles at fair value		1,361	-	-	1,361
Total property, plant and equipment at fair value		33,877	-	-	33,877
		Total carrying amount	Fair value measurement at end of reporting period using:		
		30 June 2020	Level 1 ⁱ	Level 2 ⁱ	Level 3 ⁱ
		\$'000	\$'000	\$'000	\$'000
Specialised land		452	-	-	452
Total land at fair value	4.1 (a)	452	-	-	452
Specialised buildings		33,868	-	-	33,868
Total buildings at fair value	4.1 (a)	33,868	-	-	33,868
Plant, equipment and vehicles at fair value	4.1 (a)	426	-	-	426
Motor vehicles at fair value	4.1 (a)	231	-	-	231
Medical equipment at Fair Value	4.1 (a)	173	-	-	173
Computer equipment at fair value	4.1 (a)	299	-	-	299
Furniture and fittings at fair value	4.1 (a)	191	-	-	191
Right of use assets at fair value	4.1 (a)	88	-	-	88
Total plant, equipment, furniture, fittings and vehicles at fair value		1,408	-	-	1,408
Total Property, Plant and Equipment		35,728	-	-	35,728

ⁱ Classified in accordance with the fair value hierarchy.

4.1 (d): Reconciliation of level 3 fair value measurement

Total	Note	Land \$'000	Buildings \$'000	Plant and equipment \$'000	Motor vehicles \$'000	Medical equipment \$'000	Computer equipment \$'000	Furniture & fittings \$'000	Right of use - motor vehicles \$'000
Balance at 1 July 2019	4.1 (b)	452	36,023	395	348	222	160	193	-
Additions/(Disposals)	4.1 (b)	-	36	110	-	6	219	40	91
Net Transfers between classes	4.1 (b)	-	-	-	-	-	-	-	-
- Depreciation and amortisation	4.2	-	(2,191)	(79)	(118)	(55)	(80)	(42)	(3)
Items recognised in other comprehensive income									
- Revaluation		-	-	-	-	-	-	-	-
Balance at 30 June 2020	4.1 (c)	452	33,868	426	230	173	299	191	88
Additions/(Disposals)	4.1 (b)	67	266	81	-	46	58	126	121
Net Transfers between classes	4.1 (b)	-	-	-	-	-	-	-	-
- Depreciation and Amortisation	4.2	-	(2,198)	(101)	(84)	(58)	(158)	(53)	(24)
Items recognised in other comprehensive income									
- Revaluation		61	-	-	-	-	-	-	-
Balance at 30 June 2021	4.1 (c)	580	31,936	406	146	161	199	264	185

i Classified in accordance with the fair value hierarchy, refer Note 4.1(c).

Note 4.1 (e) Property, plant and equipment (fair value determination)

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

(i) A community service obligation (CSO) of 20% was applied to the Mallee Track Health and Community Service's specialised land.

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.

For the purpose of fair value disclosures, Mallee Track Health and Community Service has determined classes of assets on the basis of the nature, characteristics and risks of the asset and the level of the fair value hierarchy as explained above.

In addition, Mallee Track Health and Community 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. In the prior year, there is a transfer between non-specialised land and specialised land to reflect the correct fair value as per the independent revaluation in 2019.

The Valuer-General Victoria (VGV) is Mallee Track Health and Community Service's independent valuation agency.

The estimates and underlying assumptions are reviewed on an ongoing basis.

Note 4.1 (e) Property, plant and equipment (fair value determination)

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.

Identifying unobservable inputs (level 3) fair value measurements

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

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

Consideration of highest and best use (HBU) for non-financial physical assets

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

In accordance with AASB 13 Fair Value Measurement paragraph 29, Mallee Track Health and Community Service has assumed the current use of a non-financial physical asset is its HBU unless market or other factors suggest that a different use by market participants would maximise the value of the asset.

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

Non-specialised land and non-specialised buildings

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

For non-specialised land and non-specialised buildings, an independent valuation was performed by the Valuer-General Victoria to determine the fair value using the market approach. Valuation of the assets was determined by analysing comparable sales and allowing for share, size, topography, location and other relevant factors specific to the asset being valued. An appropriate rate per square metre has been applied to the subject asset. The effective date of the valuation is 30 June 2019.

Note 4.1 (e) Property, plant and equipment (fair value determination)

Specialised land and specialised buildings

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

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

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

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

Vehicles

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

Furniture, fittings, plant and equipment

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

There were no changes in valuation techniques throughout the period to 30 June 2021.

Note 4.1 (f) Property, plant and equipment revaluation surplus

	Total 2021 \$'000	Total 2020 \$'000
Balance at the beginning of the reporting period	34,048	34,048
Revaluation increment		
- Land	61	-
Balance at the end of the Reporting Period*	34,109	34,048
* Represented by:		
- Land	342	281
- Buildings	33,767	33,767
	34,109	34,048

Note 4.2 Depreciation

	Total 2021 \$'000	Total 2020 \$'000
Depreciation		
Buildings	2,198	2,191
Plant and equipment	101	79
Motor vehicles	84	118
Medical equipment	58	55
Computer equipment	158	80
Furniture and fittings	53	42
Right of use - motor vehicles	24	3
Total depreciation	2,676	2,568
Total depreciation and amortisation	2,676	2,568

How we recognise depreciation

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

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

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

	2021	2020
Buildings		
- Structure shell building fabric	25 to 60 years	25 to 60 years
- Site engineering services and central plant	20 to 30 years	20 to 30 years
Central Plant		
- Fit out	7 to 13 years	7 to 13 years
- Trunk reticulated building system	7 to 15 years	7 to 15 years
Plant and equipment	3 to 7 years	3 to 7 years
Medical equipment	7 to 10 years	7 to 10 years
Computers and communication	3 to 9 years	3 to 9 years
Furniture and fitting	13 years	13 years
Motor vehicles	2 to 10 years	2 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 4.3 Inventories

	Total 2021 \$'000	Total 2020 \$'000
Medical and surgical consumables at cost	9	49
General stores at cost	56	53
Total inventories	65	102

How we recognise inventories

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

Note 5: Other assets and liabilities

This section sets out those assets and liabilities that arose from Mallee Track Health and Community Service's operations.

Structure

5.1 Receivables and contract assets

5.2 Payables and contract liabilities

5.3 Other liabilities

Telling the COVID-19 story

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

Key judgements and estimates

This section contains the following key judgements and estimates:

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

Note 5.1 Receivables and contract assets

Notes	Total 2021 \$'000	Total 2020 \$'000
Current receivables and contract assets		
Contractual		
Trade debtors	92	127
Patient fees	(11)	(5)
Accrued revenue	7	-
Amounts receivable from governments and agencies	59	58
Total contractual receivables	147	180
Statutory		
GST receivable	127	97
Total statutory receivables	127	97
Total current receivables and contract assets	274	277
Non-current receivables and contract assets		
Contractual		
Long service leave - Department of Health	557	642
Total contractual receivables	557	642
Total non-current receivables and contract assets	557	642
Total receivables and contract assets	831	919
<i>(i) Financial assets classified as receivables and contract assets (Note 7.1(a))</i>		
Total receivables and contract assets	831	919
GST receivable	(127)	(97)
Total financial assets	7.1(a) 704	822

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

	Total 2021 \$'000	Total 2020 \$'000
Balance at the beginning of the year	-	-
Amounts written off during the year	-	1
Reversal of allowance written off during the year as uncollectable	-	(1)
Balance at the end of the year	-	-

How we recognise receivables

Receivables consist of:

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

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

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

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

Impairment losses of contractual receivables

Refer to Note 7.1 (a) for Mallee Track Health and Community Service's contractual impairment losses.

Note 5.2 Payables and contract liabilities

	Total 2021 \$'000	Total 2020 \$'000
Current payables and contract liabilities		
Contractual		
Trade creditors	232	247
Accrued salaries and wages	99	495
Accrued expenses	314	367
Contract liabilities	194	50
Amounts payable to governments and agencies	615	43
Total contractual payables	1,454	1,202
Total current payables and contract liabilities	1,454	1,202
Total payables and contract liabilities	1,454	1,202
<i>(i) Financial liabilities classified as payables and contract liabilities (Note 7.1(a))</i>		
Total payables and contract liabilities	1,454	1,202
Contract liabilities	(194)	(50)
Total financial liabilities	1,260	1,152

How we recognise payables and contract liabilities

Payables consist of:

- **Contractual payables**, which mostly includes payables in relation to goods and services. These payables are classified as financial instruments and measured at amortised cost. Accounts payable and salaries and wages payable represent liabilities for goods and services provided to the Mallee Track Health and Community Service prior to the end of the financial year that are unpaid.
- **Statutory payables**, which most includes amount payable to the Victorian Government and Goods and Services Tax (GST) payable. Statutory payables are recognised and measured similarly to contractual payables, but are not classified as financial instruments and not included in the category of financial liabilities at amortised cost, because they do not arise from contracts.

The normal credit terms for accounts payable are usually Net 60 days.

Note 5.2 (a) Contract liabilities

	Total 2021 \$'000	Total 2020 \$'000
Opening balance of contract liabilities	50	-
Adjustment for initial adoption of AASB 15	-	3
Payments received for performance obligations not yet fulfilled	3,117	2,967
Revenue recognised for the completion of a performance obligation	(2,973)	(2,920)
Total contract liabilities	194	50
* Represented by:		
- Current contract liabilities	194	50
	194	50

How we recognise contract liabilities

Contract liabilities include consideration received in advance from customers in respect of activity based services. The balance of contract liabilities was lower than the previous reporting period due to reduced funding recalls implemented by the Department of Health

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

Financial guarantees

Payments that are contingent under financial guarantee contracts are recognised as a liability, at fair value, at the time the guarantee is issued. Subsequently, should there be a material increase in the likelihood that the guarantee may have to be exercised, the liability is recognised at the higher of the amount determined in accordance with the expected credit loss model under AASB 9 *Financial Instruments* and the amount initially recognised less, when appropriate, cumulative amortisation recognised.

In the determination of fair value, consideration is given to factors including the overall capital management/prudential supervision framework in operation, the protection provided by the Department of Health by way of funding should the probability of default increase, probability of default by the guaranteed party and the likely loss to the health service in the event of default.

Maturity analysis of payables

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

Note 5.3 Other liabilities

	Total 2021 \$'000	Total 2020 \$'000
Current monies held in trust		
Patient monies	13	27
Refundable accommodation deposits	5,071	4,975
Total current monies held in trust	5,084	5,002
Total other liabilities	5,084	5,002
* Represented by:		
- Cash assets	6.2 5,084	5,002
	5,084	5,002

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 Mallee Track Health and Community 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 Mallee Track Health and Community Service during its operations, along with interest expenses (the cost of borrowings) and other information related to financing activities of Mallee Track Health and Community Service.

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

Structure

6.1 Borrowings

6.2 Cash and cash equivalents

6.3 Commitments for expenditure

Telling the COVID-19 story

Our finance and borrowing arrangements were not materially impacted by the COVID-19 coronavirus pandemic because the health service's response was funded by Government.

Key judgements and estimates

This section contains the following key judgements and estimates:

Key judgements and estimates	Description
Determining if a contract is or contains a lease	<p>Mallee Track Health and Community Service applies significant judgement to determine if a contract is or contains a lease by considering if the health service:</p> <ul style="list-style-type: none"> ▪ has the right-to-use an identified asset ▪ has the right to obtain substantially all economic benefits from the use of the leased asset and ▪ can decide how and for what purpose the asset is used throughout the lease.
Determining if a lease meets the short-term or low value asset lease exemption	<p>Mallee Track Health and Community Service applies significant judgement when determining if a lease meets the short-term or low value lease exemption criteria.</p> <p>The health service estimates the fair value of leased assets when new. Where the estimated fair value is less than \$10,000, the health service applies the low-value lease exemption.</p> <p>The health service also estimates the lease term with reference to remaining lease term and period that the lease remains enforceable. Where the enforceable lease period is less than 12 months the health service applies the short-term lease exemption.</p>
Discount rate applied to future lease payments	<p>Mallee Track Health and Community 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, Mallee Track Health and Community 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>
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 Mallee Track Health and Community Service is reasonably certain to exercise such options.</p> <p>Mallee Track Health and Community Service determines the likelihood of exercising such options on a lease-by-lease basis through consideration of various factors including:</p> <ul style="list-style-type: none"> ▪ If there are significant penalties to terminate (or not extend), the health service is typically reasonably certain to extend (or not terminate) the lease. ▪ If any leasehold improvements are expected to have a significant remaining value, the health service is typically reasonably certain to extend (or not terminate) the lease. ▪ The health service considers historical lease durations and the costs and business disruption to replace such leased assets.

Note 6.1 Borrowings

	Total 2021 \$'000	Total 2020 \$'000
Current borrowings		
Lease liability ⁽ⁱ⁾	36	15
Advances from government (ii)	38	-
Total current borrowings	74	15
Non-current borrowings		
Lease liability ⁽ⁱ⁾	150	73
Advances from government (ii)	128	165
Total non-current borrowings	278	238
Total borrowings	352	253

ⁱ Secured by the assets leased.

ⁱⁱ These are secured loans which bear no interest.

How we recognise borrowings

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

Initial recognition

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

Subsequent measurement

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

Maturity analysis

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

Defaults and breaches

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

Note 6.1 (a) Lease liabilities

Mallee Track Health and Community Service's lease liabilities are summarised below:

	Total 2021 \$'000	Total 2020 \$'000
Total undiscounted lease liabilities	194	94
Less unexpired finance expenses	(8)	(6)
Net lease liabilities	186	88

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

	Total 2021 \$'000	Total 2020 \$'000
Not longer than one year	40	18
Longer than one year but not longer than five years	154	76
Minimum future lease liability	194	94
Less unexpired finance expenses	(8)	(6)
Present value of lease liability	186	88
* Represented by:		
- Current liabilities	36	15
- Non-current liabilities	150	73
	186	88

How we recognise lease liabilities

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

To apply this definition, Mallee Track Health and Community 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 Mallee Track Health and Community Service and for which the supplier does not have substantive substitution rights
- Mallee Track Health and Community 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 Mallee Track Health and Community Service has the right to direct the use of the identified asset throughout the period of use and
- Mallee Track Health and Community Service has the right to take decisions in respect of 'how and for what purpose' the asset is used throughout the period of use.

Mallee Track Health and Community Service's lease arrangements consist of the following:

Type of asset leased	Lease term
Leased vehicles	3 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 Mallee Track Health and Community Services incremental borrowing rate. Our lease liability has been discounted by rates of between 2% 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).

The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the lessee.

During the current financial year, the financial effect of revising lease terms to reflect the effect of exercising extension and termination options was an increase in recognised lease liabilities and right-of-use assets of \$Nil.

Note 6.1 (a) Lease liabilities (continued)

Subsequent measurement

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

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

Note 6.2 Cash and Cash Equivalents

Note	Total 2021 \$'000	Total 2020 \$'000
Cash on hand (excluding monies held in trust)	1	1
Cash at bank (excluding monies held in trust)	627	1,452
Cash at bank - CBS (excluding monies held in trust)	2,608	999
Total cash held for operations	3,236	2,452
Cash at bank - CBS (monies held in trust)	5,084	5,002
Total cash held as monies in trust	5,084	5,002
Total cash and cash equivalents	8,320	7,454

How we recognise cash and cash equivalents

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

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

Note 6.3 Commitments for expenditure

	Total 2021 \$'000	Total 2020 \$'000
Capital expenditure commitments		
Less than one year	412	62
Total capital expenditure commitments	412	62
Non-cancellable short term and low value lease commitments		
Less than one year	57	57
Longer than one year but not longer than five years	57	114
Total non-cancellable short term and low value lease commitments	114	171
Total commitments for expenditure (exclusive of GST)	526	233
Less GST recoverable from Australian Tax Office	(48)	(21)
Total commitments for expenditure (exclusive of GST)	478	212

ⁱ The present values of the lease liability for commissioned PPPs are recognised on the balance sheet, refer to Note 6.1. Amounts disclosed here are for other commitments related to the PPP arrangement.

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

Mallee Track Health and Community 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 for further information.

Note 7: Risks, contingencies and valuation uncertainties

Mallee Track Health and Community 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

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 Mallee Track Health and Community 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

Total		Financial Assets at	Financial Liabilities	Total
30 June 2021	Note	Amortised Cost	at Amortised Cost	Total
		\$'000	\$'000	\$'000
Contractual Financial Assets				
Cash and Cash Equivalents	6.2	8,320	-	8,320
Receivables and contract assets	5.1	704	-	704
Total Financial Assetsⁱ		9,024	-	9,024
Financial Liabilities				
Payables	5.2	-	1,260	1,260
Borrowings	6.1	-	352	352
Other Financial Liabilities - Refundable Accommodation Deposits	5.3	-	5,071	5,071
Other Financial Liabilities - Other monies held in trust	5.3	-	13	13
Total Financial Liabilitiesⁱ		-	6,696	6,696

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

Total		Financial Assets at	Financial Liabilities	Total
30 June 2020	Note	Amortised Cost	at Amortised Cost	Total
		\$'000	\$'000	\$'000
Contractual Financial Assets				
Cash and cash equivalents	6.2	7,454	-	7,454
Receivables and contract assets	5.1	822	-	822
Total Financial Assetsⁱ		8,276	-	8,276
Financial Liabilities				
Payables	5.2	-	1,152	1,152
Borrowings	6.1	-	253	253
Other Financial Liabilities - Refundable Accommodation Deposits	5.3	-	4,975	4,975
Other Financial Liabilities - Other monies held in trust	5.3	-	27	27
Total Financial Liabilitiesⁱ		-	6,407	6,407

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

How we categorise financial instruments

Categories of financial assets

Financial assets are recognised when Mallee Track Health and Community Service becomes party to the contractual provisions to the instrument. For financial assets, this is at the date Mallee Track Health and Community 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 Mallee Track Health and Community 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.

Mallee Track Health and Community Service recognises the following assets in this category:

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

Categories of financial liabilities

Financial liabilities are recognised when Mallee Track Health and Community 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.

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

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.

Mallee Track Health and Community Service recognises the following liabilities in this category:

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

Derivative financial instruments

A derivative financial instrument is classified as a held for trading financial asset or financial liability. They are initially recognised at fair value on the date on which a derivative contract is entered.

Derivatives are carried as assets when their fair value is positive and as liabilities when their fair value is negative. Any gains or losses arising from changes in the fair value of derivatives after initial recognition, are recognised in the consolidated comprehensive operating statement as an other economic flow included in the net result.

Offsetting financial instruments

Financial instrument assets and liabilities are offset and the net amount presented in the consolidated balance sheet when, and only when, Mallee Track Health and Community 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 Mallee Track Health and Community 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
- Mallee Track Health and Community 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
- Mallee Track Health and Community 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 Mallee Track Health and Community Service has neither transferred nor retained substantially all the risks and rewards or transferred control, the asset is recognised to the extent of Mallee Track Health and Community 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, Mallee Track Health and Community Service's business model for managing its financial assets has changed such that its previous model would no longer apply.

A financial liability reclassification is not permitted.

Note 7.2: Financial risk management objectives and policies

As a whole, Mallee Track Health and Community 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.

Mallee Track Health and Community Service's main financial risks include credit risk, liquidity risk, interest rate risk, foreign currency risk and equity price risk. Mallee Track Health and Community Service manages these financial risks in accordance with its financial risk management policy.

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

Note 7.2 (a) Credit risk

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

Credit risk associated with Mallee Track Health and Community 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, Mallee Track Health and Community 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, Mallee Track Health and Community 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 Mallee Track Health and Community Service will not be able to collect a receivable. Objective evidence includes financial difficulties of the debtor, default payments, debtors that are more than 60 days overdue, and changes in debtor credit ratings.

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

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

There has been no material change to Mallee Track Health and Community Service's credit risk profile in 2020-21.

Note 7.2 (a) Credit risk (continued)

Impairment of financial assets under AASB 9

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

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

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

Contractual receivables at amortised cost

Mallee Track Health and Community 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. Mallee Track Health and Community Service has grouped contractual receivables on shared credit risk characteristics and days past due and select the expected credit loss rate based on Mallee Track Health and Community Service's past history, existing market conditions, as well as forward looking estimates at the end of the financial year.

On this basis, Mallee Track Health and Community Service determines the closing loss allowance at the end of the financial year as follows:

Contractual receivables at amortised cost

		Current	Less than 1 month	1–3 months	3 months –1 year	1–5 years	Total
30 June 2021							
Expected loss rate		0.0%	0.0%	0.0%	0.0%	0.0%	
Gross carrying amount of contractual receivables	5.1	87	49	4	-	-	140
Loss allowance		-	-	-	-	-	-
30 June 2020							
Expected loss rate	Note	0.0%	0.0%	0.0%	0.0%	0.0%	
Gross carrying amount of contractual receivables	5.1	170	6	2	2	0	180
Loss allowance		-	-	-	-	-	-

Note 7.2 (a) Credit risk (continued)

Statutory receivables and debt investments at amortised cost

Mallee Track Health and Community 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.

Mallee Track Health and Community Service also has investments in five-year government bonds and debentures.

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

Note 7.2 (b) Liquidity risk

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

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

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

Mallee Track Health and Community 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 liquidation of investments and other financial assets.

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

Note 7.2 (b) Liquidity risk (continued)

		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
Total								
30 June 2021	Note							
Payables	5.2	1,260	1,260	1,260	-	-	-	-
Borrowings	6.1	352	-	-	-	74	278	-
Other Financial Liabilities - Refundable Accommodation Deposits	5.3	5,071	5,071	-	-	964	4,107	-
Other Financial Liabilities - Patient monies held in trust	5.3	13	13	-	-	13	-	-
Total Financial Liabilities		6,696	6,344	1,260	-	1,051	4,385	-

		Maturity Dates						
		0	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
Total								
30 June 2020	Note							
Financial Liabilities at amortised cost								
Payables	5.2	1,152	1,152	1,152	-	-	-	-
Borrowings	6.1	253	-	-	-	15	238	-
Other Financial Liabilities - Refundable Accommodation Deposits	5.3	4,975	4,975	-	-	1,497	3,478	-
Other Financial Liabilities - Patient monies held in trust	5.3	27	27	-	-	27	-	-
Total Financial Liabilities		6,407	6,154	1,152	-	1,539	3,716	-

ⁱ Ageing analysis of financial liabilities excludes statutory financial liabilities (i.e. GST payable).
The maturity dates of the refundable accommodation deposits in the table represent the estimated timing of the repayments.

Note 7.3: Contingent assets and contingent liabilities

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

How we measure and disclose contingent assets and contingent liabilities

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

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

Contingent assets

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

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

Contingent liabilities

Contingent liabilities are:

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

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

Note 8: Other disclosures

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

Structure

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

8.2 Responsible persons disclosure

8.3 Remuneration of executives

8.4 Related parties

8.5 Remuneration of auditors

8.6 Events occurring after the balance sheet date

8.7 Jointly controlled operations

8.8 Equity

8.9 Economic dependency

Telling the COVID-19 story

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

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

Note	Total 2021 \$'000	Total 2020 \$'000
Net result for the year	(1,365)	(1,982)
Non-cash movements:		
(Gain)/Loss on sale or disposal of non-financial assets	3.4 (63)	(3)
Depreciation of non-current assets	4.2 2,676	2,568
(Gain)/Loss on revaluation of long service leave liability	3.4 163	(21)
Discount (interest) / expense on loan	1	(2)
Movements in Assets and Liabilities:		
(Increase)/Decrease in receivables and contract assets	87	(86)
(Increase)/Decrease in inventories	37	(63)
(Increase)/Decrease in prepaid expenses	19	(12)
Increase/(Decrease) in payables and contract liabilities	252	397
Increase/(Decrease) in employee benefits	(425)	(50)
Increase/(Decrease) in other liabilities	(14)	15
Net cash inflow from operating activities	1,368	761

Note 8.2 Responsible persons

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

	Period
The Honourable Martin Foley:	
Minister for Health	26 Sep 2020 - 30 Jun 2021
Minister for the Coordination of Health and Human Services: COVID-19	26 Sep 2020 - 9 Nov 2020
The Honourable Jenny Mikakos:	
Minister for Health	1 Jul 2020 - 26 Sep 2020
Minister for the Coordination of Health and Human Services: COVID-19	1 Jul 2020 - 26 Sep 2020
The Honourable Luke Donnellan:	
Minister for Disability, Ageing and Carers	1 Jul 2020 - 30 Jun 2021
Governing Boards	
Joyce Lynch (Board Chair)	1 Jul 2020 - 30 Jun 2021
Phillip Down	1 Jul 2020 - 30 Jun 2021
Steven Fumberger	1 Jul 2020 - 30 Jun 2021
Darren Law	1 Jul 2020 - 30 Jun 2021
Kathryn Munro	1 Jul 2020 - 30 Jun 2021
Mary Rydberg	1 Jul 2020 - 30 Jun 2021
Mark Wilson	1 Jul 2020 - 30 Jun 2021
Accountable Officers	
Lois O'Callaghan (Chief Executive Officer)	1 Jul 2020 - 30 Jun 2021

Note 8.2 Responsible persons (continued)

Remuneration of Responsible Persons

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

Income Band	Total 2021 No	Total 2020 No
\$0,000 - \$9,999	7	8
\$170,000 - \$179,999	-	1
\$190,000 - \$199,999	1	-
Total Numbers	8	9
Total remuneration received or due and receivable by Responsible Persons from the reporting entity amounted to:	Total 2021 \$'000	Total 2020 \$'000
	\$229	\$199

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

Note 8.3 Remuneration of executives

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

Remuneration of executive officers

(including Key Management Personnel disclosed in Note 8.4)

Short-term benefits

Post-employment benefits

Other long-term benefits

Termination benefits

Total remunerationⁱ

Total number of executives

Total annualised employee equivalentⁱⁱ

	Total Remuneration	
	2021 \$'000	2020 \$'000
Short-term benefits	363	380
Post-employment benefits	48	35
Other long-term benefits	8	9
Termination benefits	24	-
Total remunerationⁱ	443	424
Total number of executives	3	3
Total annualised employee equivalent ⁱⁱ	2.6	3.0

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

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

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

Short-term Employee Benefits

Salaries and wages, annual leave or sick leave that are usually paid or payable on a regular basis, as well as non-monetary benefits

Post-employment Benefits

Pensions and other retirement benefits paid or payable on a discrete basis when employment has ceased.

Other Long-term Benefits

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

Termination Benefits

Termination of employment payments, such as severance packages.

Note 8.4: Related Parties

Mallee Track Health & Community 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.

The Board of Directors and Chief Executive Officer of Mallee Track Health and Community Services are deemed to be KMPs.

KMPs	Position Title
Joyce Lynch (Board Chair)	Chair of the Board
Phillip Down	Board Member
Steven Fumberger	Board Member
Darren Law	Board Member
Kathryn Munro	Board Member
Mary Rydberg	Board Member
Mark Wilson	Board Member
Lois O'Callaghan	Chief Executive Officer

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

	Total 2021 \$'000	Total 2020 \$'000
Compensation - KMPs		
Short-term Employee Benefits	207	181
Post-employment Benefits	17	15
Other Long-term Benefits	5	4
Totalⁱ	229	200

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

Note 8.4: Related Parties (continued)

Significant transactions with government related entities

Mallee Track Health and Community Service received funding from the Department of Health of \$6.844 m (2020: \$6.96 m) and indirect contributions of (\$0.040 m) (2020: \$0.003 m). Balances recallable as at 30 June 2021 are \$0.615 m (2020 \$0.000 m)

Other State Government grants includes \$0.717 m (2020: \$0.684) from Dental Health Services Victoria and \$0.716 m (2020: \$0.730 m) from Department of Education and Training.

Expenses incurred by Mallee Track Health and Community 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 Mallee Track Health and Community 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 Mallee Track Health and Community 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 2021 (2020: none).

There were no related party transactions required to be disclosed for the Mallee Track Health and Community Service Board of Directors, Chief Executive Officer and Executive Directors in 2021 (2020: none).

Note 8.5: Remuneration of Auditors

Victorian Auditor-General's Office
Audit of the financial statements
Total remuneration of auditors

Total 2021 \$'000	Total 2020 \$'000
18	18
18	18

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

Principal Activity	Ownership Interest	
	2021 %	2020 %
Loddon Mallee Rural Health Alliance Provision of Information Technology Services	4.25	4.46

Mallee Track Health and Community Services interest in the above joint arrangement is detailed below. The amounts are included in the financial statements under their respective categories:

	2021 \$'000	2020 \$'000
Current assets		
Cash and cash equivalents	274	290
Receivables	46	20
Investments and other financial assets	-	49
Prepaid expenses	64	58
Total current assets	384	417
Non-current assets		
Property, plant and equipment	41	39
Total non-current assets	41	39
Total assets	425	456
Current liabilities		
Payables	113	169
Borrowings	12	25
Other Current Liabilities	-	18
Total current liabilities	125	212
Total liabilities	125	212
Net assets	300	244
Equity		
Accumulated surplus	300	244
Total equity	300	244

Note 8.7 Joint arrangements

Mallee Track Health and Community Services interest in revenues and expenses resulting from joint arrangements are detailed below:

	2021	2020
	\$'000	\$'000
Revenue		
Grants	884	455
Other income	53	26
Total revenue	937	481
Expenses		
Other Expenses from Continuing Operations	866	486
Depreciation	8	4
Expenditure Using Capital Purpose Income	7	-
Total expenses	881	490
Net result	56	(9)

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 Mallee Track Health and Community Service.

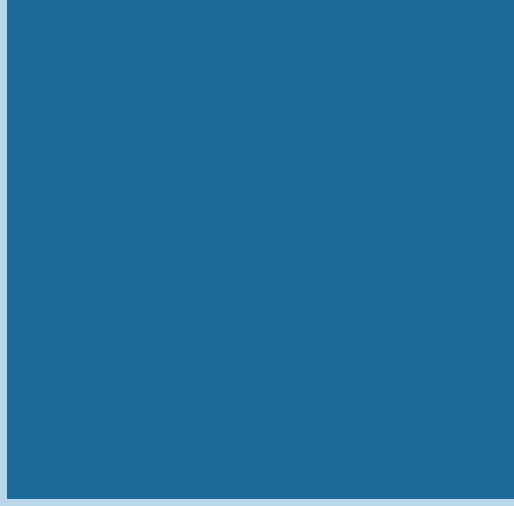
Transfers of net assets arising from administrative restructurings are treated as distributions to or contributions by owners. Transfers of net liabilities arising from administrative restructurings are treated as distributions to owners.

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

Note 8.9: Economic dependency

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







MTHCS

Mallee Track Health
and Community Service