



# REPORT OF OPERATIONS

2022-23



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# ABOUT US

*Mallee Track Health and Community Service acknowledges all of the Traditional Owners and original custodians of the land on which we operate. We pay respect to Elders, past and present and thank them for their contribution to our health and community service. We extend that respect to all Aboriginal and Torres Strait Islander peoples.*

## **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.

## **OUR PHILOSOPHY**

Equitable and timely access to innovative models of care, supported by a local workforce that is engaged with the community.

### **MANNER OF ESTABLISHMENT & RESPONSIBLE MINISTER/S**

We are a public health service established under the Health Services Act 1988 (Vic).  
The responsible Minister is the Minister for Health:

From 1 July 2022 to 30 June 2023  
The Hon Mary-Anne Thomas MP  
Minister for Health  
Minister for Ambulance Services

### **REPORT OF OPERATIONS**

MTHCS reports on its annual performance in this Report of Operations, which fulfils the statutory reporting requirements to government. This report is available on the MTHCS website at [www.mthcs.com.au](http://www.mthcs.com.au). Due to the COVID 19 pandemic, the requirement for an annual Quality Account was relaxed in 2020-21.

# ATTESTATIONS AND DECLARATIONS

## RESPONSIBLE BODIES DECLARATIONS - 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 2023.



John Papatheohari  
Board Chair  
Mallee Track Health and Community Service, Ouyen  
Date

## FINANCIAL MANAGEMENT COMPLIANCE ATTESTATIONS - SD 5.1.4

I, John Papatheohari, on behalf of the Responsible Body, certify that Mallee Track Health and Community Service has no Material Compliance Deficiency with respect to the applicable Standing Directions under the Financial Management Act 1994 and Instructions.



John Papatheohari  
Board Chair  
Mallee Track Health and Community Service, Ouyen  
Date

## DATA INTEGRITY DECLARATION

I, Tracey Wilson, 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.



Tracey Wilson  
Accountable officer  
Mallee Track Health and Community Service, Ouyen  
Date



Attestations and Declarations continued...

**CONFLICT OF INTEREST DECLARATION**

I, Tracey Wilson, 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.



Tracey Wilson  
Accountable officer  
Mallee Track Health and Community Service, Ouyen  
Date

**INTEGRITY, FRAUD AND CORRUPTION DECLARATION**

I, Tracey Wilson, certify that Mallee Track Health and Community Service has put in 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 2022-23.



Tracey Wilson  
Accountable officer  
Mallee Track Health and Community Service, Ouyen  
Date

**COMPLIANCE WITH HEALTH SHARE VICTORIA (HSV) PURCHASING POLICIES**

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



Tracey Wilson  
Accountable officer  
Mallee Track Health and Community Service, Ouyen  
Date

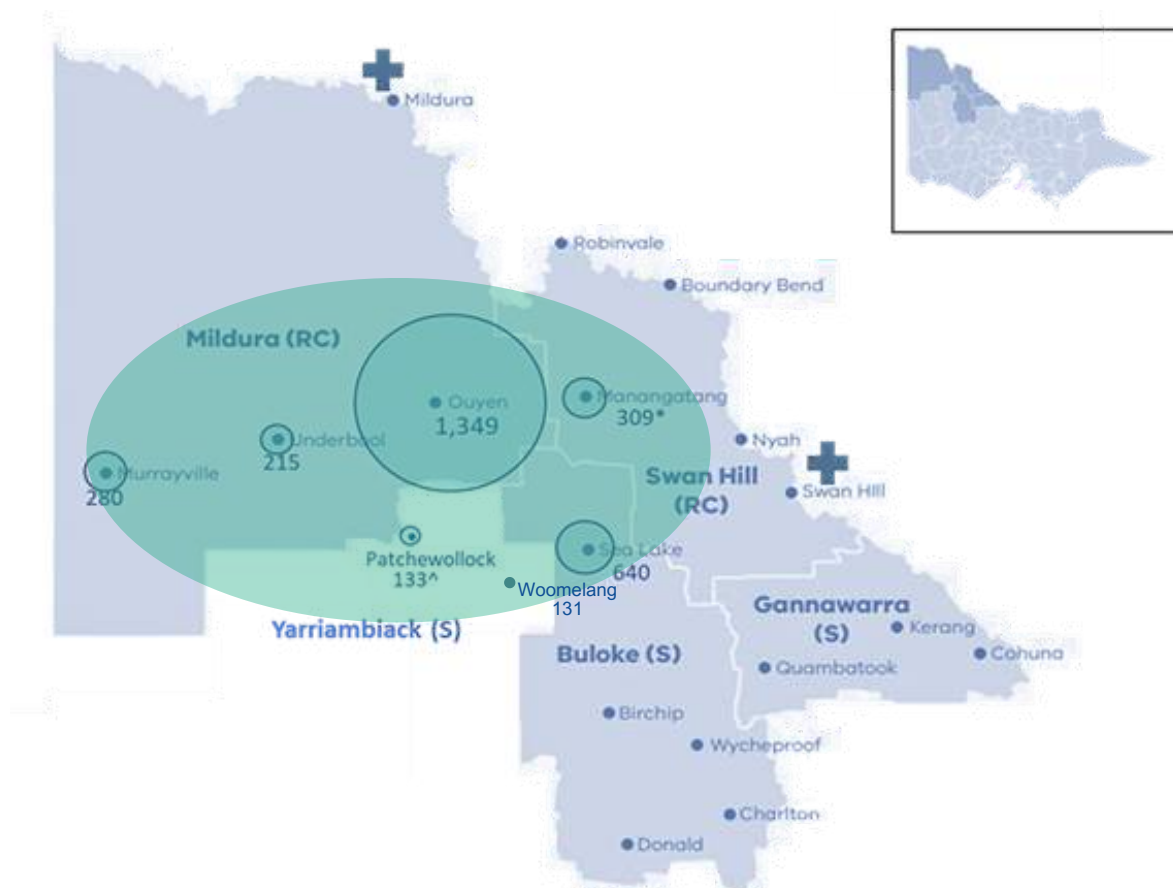
# NATURE AND RANGE OF SERVICES

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

MTHCS was established in 1997. Its catchment is in north-west Victoria and encompasses four Local Government Areas (LGAs): Mildura Rural City Council (Ouyen, Walpeup, Underbool and Murrayville); Buloke Shire (Sea Lake); Yarriambiack (Patchewollock) and Swan Hill Rural City (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.

The median age of residents is 51 years, significantly above the Victorian median of 37 years. MTHCS provides acute medical and urgent care, district nursing, residential aged care, early childhood education and care, early years management, neighbourhood houses, public dental, volunteer co-ordination, medical clinics and a broad range of allied health services. Early childhood education and care is also provided in Manangatang; however, general health care is provided in Manangatang by Robinvale District Health Services.

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.



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

# CHAIR AND CEO REPORT

**Whilst the past year continued to provide tremendous challenge for health and community services, MTHCS' response was compelling and provided positive momentum to be at the forefront of health sector reform going forward.**



**John Papatheohari**  
Board Chair



**Tracey Wilson**  
Interim Chief Executive Officer

At the outset we would like to express appreciation to the MTHCS team for their collaboration and hard work to ensure we have a health and community service that cares. The executive team, all the staff and our partner workforce have again demonstrated their dedicated commitment and ability to withstand the extreme pressures placed on the healthcare system. Our people have strived to provide the highest standard of care, working side by side with our consumers and community.

MTHCS' current strategic plan was developed pre-pandemic and we have initiated development of the next iteration of the Strategic Plan that will involve extensive community consultation. Additional to the structural changes brought on by the pandemic, we recognise the evolving composition and needs of our community and the changing nature of workforce, financial and technology adoption challenges compel us to plan now for a different future. There have been significant outcomes against the priorities defined with our current Strategic Plan:

- Enhancing our services from early years to aged care, including returning Radiology to MTHCS, in response to reform and the 'care closer to home' imperative.
- Countering of workforce pressures with reinforcement of the executive team and overall recruiting success, combined with immeasurable worker wellbeing and culture improvement.
- Continuing adoption of the Montessori approach for person centred care, and satisfying accreditation requirements for recertification.
- Strengthening our collaboration and partnering, planning for increased delivery of care in the home and enhancing a seamless consumer journey across the care continuum.

This year we have initiated a review of our building infrastructure as a precursor to developing a new Capital Master Plan. This initiative together with our new Strategic Plan will lay the foundation needed for future care MTHCS provides and for our future contributions to the Northern Mallee Region.

MTHCS is fortunate to receive invaluable support from the community. We would like to thank the contributions from a range of stakeholders in our health service:

- The MTHCS Foundation, raising funds to assist purchase and upgrade equipment and sponsor staff to further their qualifications
- Community groups and individuals who generously donate
- Volunteers assisting across different areas of the service
- Consumer representatives on Board Committees

*Chair and CEO Report continued...*

### **Strategic Direction 1: Build our future**

The Multipurpose Service Review and response from the Australian Government has been received, and while it is anticipated that there will be a change to the funding model in the future, it remains unclear at this stage what and when the changes may be announced.

The Aged Care Royal Commission has been released and recommendations are being implemented at MTHCS for both our residential aged care services and our services within people's homes in the community. The introduction of the Support at Home program has enabled MTHCS to develop services for the community in preparation for the departure of the Mildura Rural City Council (MRCC) and Yarriambiack Shires from June 30, 2023.

We have continued to grow and develop our Early Years programs across the catchment, with some facilities now maintaining a waiting list on certain days. This is a great result enabling MTHCS to provide and improve outcomes for children and families in the catchment. After several years of planning and preparation it was with great excitement that MTHCS welcomed children and families to the new centre within the grounds of Tyrell College in Sea Lake in February 2023, creating a space that is fit for purpose to deliver early years care and education into the future.

We continue to deliver medical clinic services at both Ouyen and Sea Lake sites through the year. The cohort of locums has remained stable over the year, with the GPs continuing to return to our clinics on a regular basis delivering care to our communities with minimal delays in gaining appointments. Significant work has been undertaken in this area to maximise the efficiency of the service.

### **Strategic Direction 2. Engage our community**

We have had several opportunities to engage and work with our communities, ensuring that we are aware of their needs and ideas. In April 2023, MTHCS established the Community Advisory Committee, with several community members appointed to this Board subcommittee. It is planned that additional community representatives will be appointed, and this committee is providing great insight into the community.

The Foundation has been in place for almost 12 months and has achieved some great outcomes in their first year. Their initial strategy to provide defibrillators for the Ouyen and Sea Lake Urgent Care Centres was achieved in early 2023. The Foundation is supporting our staff to undertake further education and training through scholarships. Initially this has resulted in five scholarships for Early Years staff to commence their Diploma in Early Years studies.

### **Strategic Direction 3. Pursue organisational excellence**

MTHCS is very proud to report that we have maintained all accreditation requirements across the clinical, community and allied health areas to ensure re-certification. This is an excellent achievement given the increasing demands for compliance and quality improvement across all service areas.

The medical clinics also successfully completed accreditation assessment in the past twelve months – a credit to the medical clinic teams at both the Sea Lake and Ouyen sites. Our Early Years teams have also been assessed and fully accredited in the past twelve months. This is a great outcome for each of our centres and staff were very pleased and proud of the results achieved.

We have also maintained Food Safety compliance in our catering teams, ensuring confidence that we are delivering our meals to the residents and the members of the community safely.

### **Strategic Direction 4. Develop our workforce**

The expansion and increasing demand for Early Years places has allowed us to expand our Early Years cohort with several staff joining MTHCS as trainees, commencing their Certificate III studies in early years leading to Diploma and Degree courses.



*Chair and CEO Report continued...*

There is significant interest and enthusiasm for these places and courses.

A collaborative partnership with Mildura Base Public Hospital commenced in August 2022, which resulted in the development of a workforce plan for MTHCS. Skill and capability gaps across MTHCS were identified, with strategies planned to address the vacancies. This work has resulted in a range of initiatives and recruitment including:

- Enrolled Nurse Traineeships taken up by four staff - this is a two-year commitment including travel to Horsham each week for study and also working part time
- Corporate Services partnership with MBPH to provide critical skill gaps and experience in the areas of Finance and Corporate Services, initially this has commenced in the Finance area
- Early Years traineeships for Certificate III in Early Years
- Diploma Course for Early Years
- Bachelor of Education – Early Years
- Certificate III Individual support in partnership with Alpine Health
- Quality Assistant and Quality Manager roles
- Board Secretary
- Manager Corporate Services

Engaging our staff to participate in the People Matter Survey (PMS), delivering on a number of our commitments as part of the MTHCS cultural review was also achieved.

In 2022/23 we shared the results of the PMS broadly with the entire team to make sure they know the importance of their feedback and to demonstrate the changes we are making as a result.

#### **Strategic Direction 5. Strengthen our relationships**

The Northern Mallee Integrated Partnership, a collaborative partnership between Mallee Track Health and Community Service, Mildura Base Public Hospital and Robinvale District Health Services, has strengthened over the past year with several initiatives implemented and developed in the past year.

Of note was the offer to join with Mildura Base Public Hospital as they tendered for radiography services. This provided an opportunity for MTHCS to be included in the tender, resulting in arrangements for the return of x-rays and ultrasounds to MTHCS Ouyen campus. This service will commence later in 2023, providing opportunities for services to be delivered closer to home.

The transition of home-based care from local government has also enabled an opportunity for MTHCS to 'partner' with the new Support at Home providers as they establish themselves in our communities.

Support at Home is enabling MTHCS to establish partnerships with local businesses and service providers across our catchment to deliver meals and care in our community.

#### **Changes in governance at MTHCS**

We thank Lois O'Callaghan for six years of service as Chief Executive Officer prior to her departure last October. We are grateful for the support provided by Mildura Base Public Hospital in seconding Tracey Wilson to the role of Interim CEO from November 2022, providing a wonderful opportunity for the MTHCS team to grow, develop and implement new systems and processes.

The commencement of a long period of leave by Executive Director of Nursing, Pam Vallance, also enabled the appointment of Frances Peart as the Acting Executive Director of Nursing in February 2023 until October 2023.

We thank the Board of Directors for their challenge, debate and considered and cohesive decision-making. Our thanks go to retiring Board Directors Phillip Down and Stephen Fumberger after three years of service. Their respective contributions have been valued. We welcomed Carol Mioduchowski to the Board this year.

To the community we serve, thank you for trusting in us to deliver care to you. We value your feedback and use it to inform us as we strive to improve our health and community service delivery.

# OUR VALUES

## Our values & behaviours

Accountability	Excellence	Compassion	Teamwork	Integrity	Transparency
<b>VALUE</b>					
We define our expectations and are accountable for our actions	We set high standards and continually strive to improve on them	We treat everyone with care, respect and dignity	We work collaboratively and in the spirit of partnership	We endeavour to do the right thing in all circumstances even if no-one is watching	We are open and honest and embrace positive change
<b>BEHAVIOURS</b>					
<ul style="list-style-type: none"> <li>We keep our word and do what we say</li> <li>We own our actions and behaviors</li> <li>We look for solutions, not someone to blame</li> <li>We hold others to account for poor behavior and attitudes</li> </ul>	<ul style="list-style-type: none"> <li>We continuously strive to improve by acting on feedback and being open to new ways of doing things</li> <li>We take initiative and have the courage to question what we do</li> <li>We are professional in every way, always</li> </ul>	<ul style="list-style-type: none"> <li>We are person centred and deliver a positive experience, every time</li> <li>We demonstrate care, kindness and empathy</li> <li>We are flexible, compassionate and offer to help</li> </ul>	<ul style="list-style-type: none"> <li>We are responsive to each others' needs</li> <li>We seek opportunities to break down silos</li> <li>We respect each others' values and opinions</li> <li>We treat others as we would like to be treated</li> </ul>	<ul style="list-style-type: none"> <li>We are honest and reliable</li> <li>We protect and care for our reputation and build community trust</li> <li>We value diversity and are not judgemental</li> <li>We respect privacy and confidentiality</li> </ul>	<ul style="list-style-type: none"> <li>We base our decisions on fact, not rumors</li> <li>We share our knowledge and learning</li> <li>We embrace change and have a 'can do' attitude</li> <li>We don't hide or ignore issues, but tackle them directly</li> </ul>

*These values and behaviours were developed by employees from across MTHCS in 2019 over a series of workshops and interviews.*

# STRATEGIC PLAN 2018-2023

## MALLEE TRACK HEALTH AND COMMUNITY SERVICE

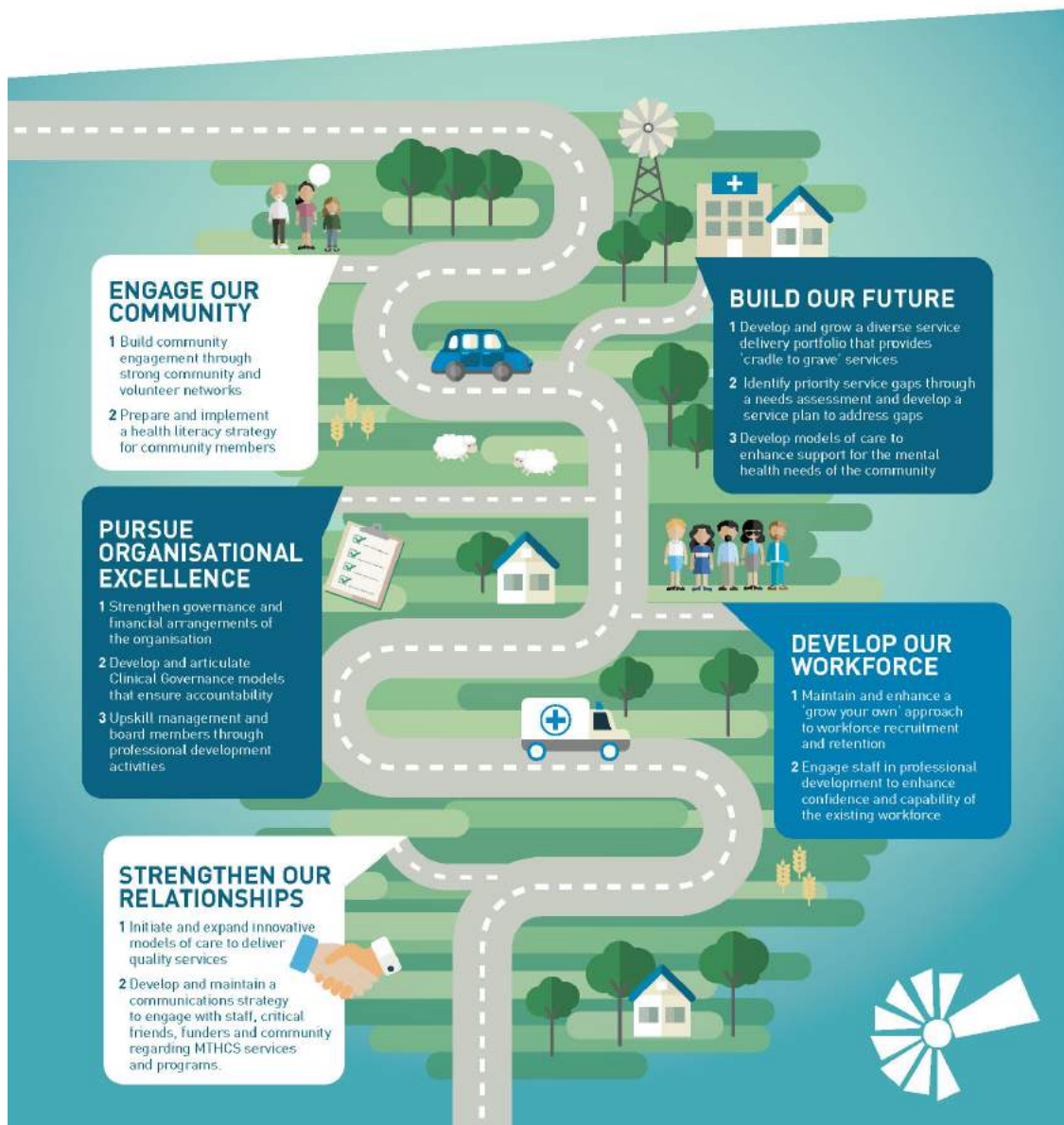
### STRATEGIC DIRECTION 2018/2023

#### 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



MTHCS is guided by our 2018-2023 Strategic Plan which sets community-identified priority goals for service delivery and governance.

# GOVERNANCE

## **As a Multi-Purpose Services, MTHCS is governed by a Board 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. Access to, and delivery of, health and aged care services in rural communities has many challenges. The MPS model benefits include joint funding that enables each community to retain local health and aged care services and provide a degree of certainty that helps overcome the limited economies of scale and high fixed overheads of many multipurpose services.

There are economies of scale. For instance, nursing staff can deliver health services and supervise or deliver services to aged care residents living in the same MPS facility. Those residents can, at times, be “admitted” for acute care within their own room.

MTHCS is guided by our 2018-2023 Strategic Plan which sets community-identified priority goals for service delivery and governance. The Board is appointed by the Governor-in-Council upon the recommendation of the Minister for Health. Meetings were held 11 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 OF DIRECTORS 2022-23**

<b>Name</b>	<b>Role</b>	<b>Service</b>
John Papatheohari	Board Chair	Appointed July 2021
Kathryn Munro	Deputy Chair	Appointed July 2020
Steven Fumberger	Board Director	Appointed July 2020, retired June 2023
Joy Lynch	Board Director	Appointed July 2016
Mary Rydberg	Board Director	Appointed November 2019
Carol Mioduchowski	Board Director	Appointed July 2022
Philip Down	Board Director	Appointed July 2020, retired June 2023
Frank Piscioneri	Board Director	Appointed July 2021

## MANAGEMENT TEAM 2022-23

Name	Position
Tracey Wilson	Interim Chief Executive Officer
Frances Peart	Acting Executive Director of Nursing
Lyndal Munro	Director of Community Services
Dr Mau Wee	Director of Medical Services

## ROLE DESCRIPTIONS

### 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.

### 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.

### 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.

### Director of 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.



# ORGANISATIONAL CHART

## CHIEF EXECUTIVE OFFICER

*Lois O'Callaghan*  
July 1 to October 8, 2022

*Tracey Wilson (Interim)*  
November 2, 2022 to June 30, 2023

## BOARD OF DIRECTORS

*John Papatheohari (Chair)*  
*Kathryn Munro (Deputy Chair)*  
*Steven Fumberger*  
*Joy Lynch*  
*Mary Rydberg*  
*Carol Mioduchowski*  
*Philip Down*  
*Frank Piscioneri*

BOARD  
SECRETARY

### EXECUTIVE DIRECTOR OF NURSING

*Pam Vallance*  
July 1, 2022 to Jan 28, 2023

*Frances Peart (Acting)*  
February 8 to June 30, 2023

#### Acute Services

#### Urgent Care Centre

Residential Aged Care  
• Ouyen Flexi Bed  
• Pattinson House  
• Sea Lake

#### Sub Acute Care

Medical Clinic  
• Ouyen  
• Sea Lake

#### Infection Control Quality

#### District Nursing

#### Education

### DIRECTOR OF COMMUNITY SERVICES

*Lyndal Munro*  
July 1, 2022 to June 30, 2023

#### Allied Health

- Physiotherapy
- Occupational Therapy
- Podiatry
- Exercise and fitness groups

#### Community Services

- Social Support/Respite
- Volunteer transport
- Volunteers
- Rural Outreach Worker
- Care Finder
- Meals on Wheels

#### Early Years Management

- Child Care
- Kindergartens

#### Residential Care

- Lifestyle and Leisure

### DIRECTOR OF MEDICAL SERVICES

*Dr Mau Wee*  
July 1, 2022 to June 30, 2023

VMO / Locum GP support

### OFFICE OF THE CHIEF EXECUTIVE OFFICER

#### Administration

#### Dental Services

#### Finance

Hotel Services  
• Catering  
• Cleaning

#### Maintenance

Occupational Health and Safety

#### People and Culture

Procurement and Supplies

#### Risk Management

### FINANCE AND AUDIT COMMITTEE

*Frank Piscioneri (Chair)*  
*Kathryn Munro*  
*John Papatheohari*

### QUALITY, SAFETY AND RISK COMMITTEE

*Mary Rydberg (Chair)*  
*Carol Mioduchowski*  
*John Papatheohari*  
*Steven Fumberger*

### COMMUNITY ADVISORY COMMITTEE

*Joy Lynch (Chair)*  
*Phillip Down*  
*John Papatheohari*

### REMUNERATION COMMITTEE

Board Chair  
Deputy Chair  
Director

# CORPORATE SERVICES

## INCIDENT COMMAND GROUP

### COVID-19 Management:

- Chief health officer regular updates
- All staff and visitor requirements changed according to COVID-19 numbers that included: RAT testing, wearing of masks etc.
- COVID Safe plan and Outbreak Management plans adjusted accordingly
- PPE availability discussed frequently
- Vaccinations stats reported (COVID-19 and Influenza)
- MTHCS received masks from the state supply chain (620 boxes) to distribute masks for the community. These were given to childcare, volunteers, Transport and NHH.
- MTHCS provided fit testing for all staff members 2022-2023.
- Antiviral (Hospital stock availability reported at managers meeting)
- COVID leave for staff (All staff are entitled to seven days COVID leave)
- MTHCS received 40 x Samsung air purifiers from Mildura Base public Hospital in May 2023, these were distributed around MTHCS facilities.

### Winter retention and surge programme:

- All staff for MTHCS received the surge payment in 2022
- August 2022: Meal and refreshment program - \$12,115 spending allocation to be used before Christmas 2022. This was used for night shift/early mornings workers this included; breakfast/healthy snacks. Staff members were extremely grateful for this allocation.

### Health Alerts (with regular updates for staff) such as:

- Monkey pox
- Shigellosis
- Thunderstorm Asthma
- Japanese encephalitis
- Murray Valley encephalitis
- Gastroenteritis
- Measles

People living and visiting northern Victoria, particularly inland riverine regions and near the Murray River were at higher risk of contracting Murray Valley encephalitis and Japanese encephalitis. Given our location, posters/social media awareness on how to protect yourself against mosquito bites were provided for the community.

### State Emergency Advice:

Flood Response October/November 2022:

- Sea Lake was affected by the floods in and around Victoria. Access to and from Swan Hill was restricted with detours in place for staff and visitors. Staff were entitled to disaster leave and support was offered. In addition, MTHCS CEO Tracey Wilson submitted MTHCS bed vacancies to Mildura Base Public Hospital to assist with the coordination of support if needed.

Communication plan:

- Staff were updated regularly via email, social media, and local newspapers.

## MANAGERS' MEETINGS

Scheduled monthly Manager meetings were refreshed in early 2023 to include the Incident Command Group meeting and the operational Quality, Safety and Risk meeting. This meeting is held face to face, enabling discussions and understanding across the organisation. A reporting template has been developed to focus the achievement of reporting requirements. As a result, improved communication has developed which in turn, supports and assists patient care across all parts of MTHCS. This format has focused on particular topics at each meeting as needed. Accreditation preparation and Mandatory Training were two such examples, ensuring the organisation was prepared for the accreditation visit in April 2023.

## CONSUMER FEEDBACK

Feedback from our consumers across the breadth of MTHCS services is always welcomed and actioned. We launched the Care Opinion service in 2022 enabling consumers to provide their feedback online either independently or with support as needed. Although this has had a slow take up, it has been appreciated by members of the community. It provides an immediate message to the Board and Executive when a message is sent enabling MTHCS to consider and respond to the feedback in real time. In addition, we continue to receive feedback in a range of ways including in person, email, letters and via phone calls. On each and every occasion we respond to the feedback and listen to the opinions of our community to improve our services. In 2023 MTHCS has scheduled a number of community forums to discuss topics of interest and to listen to the thoughts of local people. This format will continue in the future as we seek the opinion of our communities to design and develop the next iteration of our Strategic Plan.

## MPS PERFORMANCE PRIORITY REPORTING

Congruent with the performance priorities outlined in the Victorian health services – performance monitoring framework, Mallee Track Health and Community Service achieved the results listed below.

## 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	85%	93%
Percentage of healthcare workers immunised for influenza	92%	97%
Victorian Healthcare Experience Survey – percentage of positive patient experience responses	95%	Full compliance

## ABORIGINAL CULTURAL SAFETY

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

- Engaging with the Mallee Health Partnership to progress options for shared training in cultural competency and cultural sensitivity.
- Review and update of our Diversity plan.
- Engaging with the Mildura Base Public Hospital Aboriginal Health Unit to seek support to commence a cultural competency strategy.
- Promotion of NAIDOC week.
- 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.

## GOVERNANCE AND LEADERSHIP

Key performance indicator	Target	Result
People Matter Survey – Safety Culture Among Healthcare Workers	62%	67%

## FINANCIAL SUSTAINABILITY

Key performance indicator	Target	Result
Operating result (\$m)		1.48
Trade creditors	60 days	37 days
Patient fee debtors	60 days	4 days
Adjusted current asset ratio	0.7	1.39
Number of days available cash	14 days	129.7 days

## FINANCIAL INFORMATION - FIVE YEAR COMPARISON

Key performance indicator	2022-23	2021-22	2020-21	2019-20	2018-19
Operating result	1396	2426	922	348	(788)
Total revenue	22,208	21,064	18,759	17,445	16,184
Total expenses	(23,278)	20,826	20,349	19,412	18,441
Net results from transactions	(1070)	238	(1590)	(1947)	(2257)
Total other economic flows	158	81	225	(15)	(3)
Net result	(912)	319	(1365)	(1982)	(2260)
Total assets	50,431	51,041	43,321	44,455	46,339
Total liabilities	11,457	11,155	10,093	9,923	9,824
Net assets/total equity	38,974	39,886	33,228	34,532	36,515

## RECONCILIATION OF NET RESULT FROM TRANSACTIONS AND OPERATING RESULT

Key performance indicator	Result
Operating result	1485
Capital purpose income	374
Specific income	-
COVID-19 State Supply Arrangements <ul style="list-style-type: none"> <li>Assets received free of charge for nil consideration under the State Supply</li> </ul>	81
State Supply items consumed up to 30 June 2023	(147)
Assets provided free of charge	-
Assets received free of charge	-
Expenditure for capital purpose	(284)
Depreciation and amortisation	(2545)
Impairment of non-financial assets	-
Finance costs (other)	(34)
Net result from transactions	(1070)

## QUALITY, SAFETY AND RISK

Mallee Track Health and Community Service exists to provide people of all ages with access to quality, person-centred care in the Mallee. Through equitable and timely access to innovative models of care, supported by a local workforce that is engaged with the community, we achieve excellence in integrated health and community services.

The vision, mission and philosophy of Mallee Track Health and Community Service translate into outcomes for the community through the design and maintenance of the organisational structure and work processes. Quality and safety systems are used by the Board and the Chief Executive Officer ensuring Mallee Track Health and Community Service is providing safe, effective, accountable and person-centred healthcare underpinned by continuous improvement.

The Mallee Track Health and Community Service Board Directors guided particular focus on the quality of service delivery, consumer experience and stakeholder engagement.

The outcomes of these foci included:

- A review of clinical governance
- Establishment of the Consumer Advisory Committee
- Enhancement of relationships with Ambulance Victoria and the Northern Mallee Integrated Partnership

Within the context of these foci, the Chief Executive Officer created a safe and open culture that empowered staff to raise concerns regarding the delivery of safe and high-quality care. The outcomes of this work included:

- Enhanced incident reporting via VHIMS
- Compliance with the National Aged Care Reforms
- Medical leadership provided by Mildura Base Public Hospital



Corporate Services continued...

The Executive and staff worked within the organisational systems and processes to provide safe and high-quality care for every consumer. The organisational structures that support this work are the Board Quality Safety and Risk Committee; the Quality Team and the Monthly Managers' Meetings. The outcomes achieved this year include:

- The development of a Performance Dashboard for organisational wide reporting
- Installation of quality boards in each ward and department to showcase quality improvements
- Full certification of the Quality Management System to ISO 9001.

#### **Board Quality, Safety and Risk Committee**

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

#### **Occupational Health and Safety**

During this reporting period the COVID-19 pandemic continued to have an impact on our services, staff and community.

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

1. % of planned workplace OH&S inspections completed.
2. Number of injured workers who are supported to Return to Work (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 OHS risk assessment.
7. % of OHS Committee trained.
8. % of HSR positions filled.
9. % of management trained in RTW.

#### **Achievements of the OH&S Committee:**

- Work on the Security Action Plan is ongoing;
- New Emergency Exit doors installed at Kaleesa – Sea Lake;
- Occupational Violence Action Plan developed;
- New Health and Safety Representatives have completed training;
- Education sessions on Code Grey rolled out for staff;
- Supporting a Positive Workplace and Bystander Training provided for staff;
- Food Safety audits completed successfully across all sites of MTHCS;
- Summer Preparedness carried out across MTHCS;
- Family Violence Procedures updated to comply with MARAM;
- Staff across the entire MTHCS provided with Fluvax vaccines;
- All Fire Extinguishers checked;
- Pedestrian signage added to front paths at Ouyen Campus;
- All Patient Handling Devices have had their yearly checks;
- Worker Wellbeing program being developed;
- Waste management continues with cardboard and plastic being segregated from other waste for recycling. Aluminium cans and polystyrene also being segregated;
- Food waste also now being segregated;
- Safety Data Sheets updated;
- Refresher training for Health and Safety Representative has been provided;
- Monitoring of MTHCS's water consumption continues.

# PEOPLE AND CULTURE

**MTHCS is one of the region's major employers with 220 staff and 120 registered volunteers.**

During the reporting period, our People and Culture department led several initiatives including coordinating professional development to enhance the confidence and capability of the workforce.

This was frequently disrupted due to the pandemic restrictions and has delayed some progress, including progress ensuring every staff member has an annual review detailing their individual training plan.

There was a strong focus on staff wellbeing with a range of measures implemented, including our Employee Assistance Program, and government initiatives to increase support for staff impacted by the additional stress and workload of COVID-19.

We are extremely grateful to staff for their dedication and hard work during what has been a challenging, difficult time for our communities.

## **PEOPLE MATTER SURVEY 2022-23**

The organisation progressed measures to improve staff engagement in the People Matter Survey with 38% of staff participating.

## **JOY AT WORK**

Four activities were undertaken including staff breakfasts, rewards and thank-you initiatives as a way to thank staff for their commitment and dedication in response to their increased workloads and stress as a result of the pandemic.

## **WORKPLACE CONTACT OFFICERS**

A network of Workplace Contact Officers was established to act as a first point of contact for staff members needing information and support regarding issues that may be impacting their professional and personal wellbeing. Staff who nominated as WCOs received additional training for their roles. WCO posters are widely displayed around all campuses.

## **OVA CAMPAIGN**

We saw an increase in occupational violence and aggression during the pandemic. MTHCS engaged in extensive community education campaigns. Communication to staff was increased about supports available and increased managerial awareness to ensure unacceptable behaviour was swiftly dealt with and staff appropriately supported.

## **CAPITAL PLAN QR CODE**

Staff continued to contribute to the MTHCS capital plan through whole of organisation survey. Previously known as the "wish list" the plan is available year-round to staff via QR code to contribute to with suggestions for equipment to improve consumer services and staff capacity.

## WORKFORCE DATA

Labour category	2023 Jun average	2022 Jun average	2023 average monthly FTE	2022 average monthly FTE
Nursing	38.09	39.72	37.94	39.80
Administration and clerical	26.31	23.94	23.07	10.11
Medical support	0	0	0	5.2
Hotel and allied services	43.34	34.71	35.49	33.46
Medical officers	0	0	0	0
Hospital medical officers	0	0	0	0
Sessional clinicians	0	0	0	0
Ancillary support services	31.32	35.11	35.36	41.55

The FTE figures required in the table are those excluding over-time. 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. This data should be consistent with that provided in the Minimum Employee Data Set.

## DEFINITIONS OF OCCUPATIONAL VIOLENCE

- Occupational violence – any incident where an employee is abused, threatened or assaulted in circumstances arising out of, or in the course of their employment.
- Incident – an event or circumstance that could have resulted in, or did result in, harm to an employee. Incidents of all severity rating must be included.
- Code Grey reporting is not included, however, if an incident occurs during the course of a planned or unplanned Code Grey, the incident must be included.
- Accepted Workcover claims – accepted Workcover claims that were lodged in 2022-23.
- Lost time – is defined as greater than one day.
- Injury, illness or condition – this includes all reported harm as a result of the incident, regardless of whether the employee required time off work or submitted a claim.

## OCCUPATIONAL VIOLENCE STATISTICS

Labour category	Result
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	16
Number of occupational violence incidents reported per 100 FTE	12.5%
Percentage of occupational violence incidents resulting in a staff injury, illness or condition.	1.5%

## OH&S STATISTICS

Labour category	2022-23	2021-22	2020-21
The number of reported hazards/incidents for the year per 100 FTE	26.7	294	384.50
The number of "lost time" standard WorkCover claims for the year per 100 FTE	0.00	0.01	0.01
The average cost per WorkCover claim for the year ('000)	0.00	0.3	0.04

## COMMUNICATING WITH OUR WORKFORCE

The monthly staff newsletter has been refreshed this year creating a vibrant and interesting document to keep our staff and volunteers informed and up to date. The pages are themed providing a quick snapshot of what is happening or planned across the many parts of MTHCS. Since the refresh we have had an ever-increasing supply of stories and updates to be shared with the team.

## MANAGERS' MEETINGS

In early 2023 the fortnightly Manager meetings were combined with the Quality and Safety and Incident Command Meetings to maximise efficiency and enable all managers to come together to discuss critical issues for MTHCS. As a result, this meeting has been well attended with good participation and buy in by the management team. This has also developed deeper collegiality across disciplines.

## REFRESHING OUR FACILITIES

Following several years of limited access and the inability to enable trades people into our facilities due to concerns about COVID 19, this year we have recommenced the refresh and refurbishment of several parts of MTHCS. We were successful in receiving a number of grants to update our facilities. We have completed refurbishments in the activities room at the Sea Lake campus to improve the comfort of our residents while they are undertaking various activities. At the Ouyen campus we have made a good start on the carpet replacement program and painting of the walls in the main corridors. As a result of these works the corridors are looking much brighter and fresher for our residents, staff and the community.

## GENDER EQUALITY ACT 2020 REPORT

MTHCS adheres to the principles of the Gender Equality Act 2020. During the reporting period MTHCS progressed our gender audit and began longer term planning for compliance with the Act. MTHCS will be submitting its progress report to the Commission in February 2024. An upgrade to systems and an improvement to on boarding documentation has assisted MTHCS to close the gap in workforce data as per indicators set by the commission.

## ACHIEVEMENTS UNDER SOCIAL PROCUREMENT STRATEGY

Mallee Track Health and Community Service has prioritized three Social Procurement Framework Objectives in 2022-2023 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 six social benefit suppliers with a spend of \$6467.80 in total.

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.

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 Funding Centre, an initiative of Our Community, for accessing information on grants and fund raising. Our Community is a social enterprise that provides advice, tools and training for Australia's 600,000 community groups, as well as services for business, government and the general public.



# SERVICE PLAN PROGRESS

Objective	Action	Deliverable	Outcome
<b>Strategic Direction - Build Our Future</b>			
Develop and grow a diverse service delivery portfolio that provides cradle to grave services.	Needs analysis to identify service gaps and priorities (growth areas) based on statistical data, community perspectives and service environment.	Engage external assistance to undertake with further work on the needs analysis – according to statistical data, community perspectives and service environment.	MTHCS Executive team have been involved in PHU health planning in the Mallee region, identifying priorities for the community. NMIP clinical service planning project is planned to indicate service gaps and potential solutions. Engaged LGA to identify and source demographic data for the MTHCS catchment.
Identify priority service gaps through a needs assessment and develop a service plan to address gaps.	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.	Develop new service lines which meet service gaps and are a good fit for business.	In response to departure of councils from CHSP programs, including Yarriambiack Shire, MTHCS is focussing on service types that are in line with core business - personal care, flexible respite service home modifications.
		Explore business opportunities with the embedding of the NDIS in residential aged care.	MTHCS relinquished NDIS provider status for residential Aged Care due to burden of compliance requirements compared with low numbers of clients. NDIS participants can utilise residential care under the Aged care funding requirements. MTHCS is comfortable to grow the number of participants we support where we have workforce capacity.
		Explore and expand business opportunities in relation to CMBS billing for medical clinics and allied health services.	Allied Health – There has been a steady increase in Enhanced Primary Care referrals to podiatry and physiotherapy services in the 2022/23 year. MBS billing improvements in medical clinics is improving the financial results for the medical clinics and reducing missed charges. Additional funding secured through the Murray PHN for Podiatry services to deliver and support chronic disease management plans. MTHCS has worked in partnership with Far and Wide Health Services to deliver increased podiatry services to support wait list management.
Develop models of care to enhance support for the mental health needs of the community.	Murray 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 coordinated and supported approach that includes local touch points, improve uptake of services and greater awareness of service availability.	Mental Health –Review of Rural Outreach Worker role – focus on mental health develop model of care within medical clinics utilising PHN GP incentive funding that meets the need of our community and workforce availability.	Rural Outreach Worker roles commenced with two staff based at Ouyen and Sea Lake. As a result MTHCS is observing good client outcomes and need for the new service. The ROW roles have enabled MTHCS' response to support community mental health needs. The ROW role is supporting referral pathways that support people to access mental health services. MTHCS is providing a host environment for visiting services who are funded to provide mental health services on a regular basis, including SCHS Head to Health, MBPH Mental Health Services.
		Mental Health – develop model of care with Secondary Colleges in the catchment to expand mental health service to the community.	Partnership agreement with school in the area did not progress due to inability to successfully recruit into the role.

		Deliverable	Status
		<p>Chronic disease - develop model of care that strengthens referral pathways into Allied Health programs. Develop education and health coaching programs that support self-management. Identify and implement models of care in primary health care that are suitable for the Mallee Track catchment. 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"> <li>• Robinvale District Health Service</li> <li>• Sunraysia Community Health Service</li> <li>• Northern District Community Health</li> <li>• Mildura Base Hospital</li> <li>• Swan Hill District Health</li> <li>• Royal Flying Doctor Service</li> <li>• Loddon Mallee Health Network</li> </ul> <p>Strengthen delivery of medical services through recruitment and retention of appropriate workforce in medical and primary health care.</p>	<p>Models of Care paper under development to help define innovative models of care and how we apply these at MTHCS.</p> <p>Ongoing:</p> <ul style="list-style-type: none"> <li>• Formal partnership in place with the Mallee Health Partnership – Mildura, Robinvale, Mallee Track and Swan Hill</li> <li>• Formal partnership in place with Northern Mallee Integrated Partnership – Mildura, Robinvale, Mallee Track. Key achievements include establishment of a sub-regional credentialing model, development of a shared MOU, a 12 month action plan identifying shared priorities and identifying opportunities for potential shared services, X-ray, corporate services collaborative partnership with Mildura Base Public Hospital.</li> <li>• MTHCS is signatory to the Loddon Mallee Health Network</li> <li>• RFDS partnership has resulted in the provision of: <ul style="list-style-type: none"> <li>o Better Ageing project;</li> <li>o Mobile Dental Van; and,</li> <li>o Mobile Eye clinic</li> </ul> </li> <li>• Regular part time and locum GPs identified and secured to support the delivery of medical services across the catchment for the full year.</li> <li>• RDHS and RFDS Speech therapy model continues to deliver services to 0 – 12 years olds across the catchment utilising delegation and telehealth model to support service delivery.</li> </ul> <p>In the fourth quarter of the year MTHCS has finalised a collaborative partnership with Mildura Base Public Hospital to deliver Director Medical Services to MTHCS. This will commence from 1 July 2023. We have ceased the partnership with Dr Mau Wee who has held the DMS portfolio for some years and we thank him for his support during this time.</p>
		<p>Identify opportunities to implement advanced and delegated scopes of practice to better meet the needs of the community.</p>	<p>Participated in the Advancing Para medicine Roles Implementation Project. Tested and implemented a Nurse Practitioner model to support medical services delivery. Recruitment into the role has been challenging and sporadic.</p>
		<p>Commence implementation of Montessori in Aged Care across bed based and community services.</p>	<p>Montessori principles continue to be embedded into person centred model of care within residential and community aged care. One staff member has completed Certificate Course in Montessori for Dementia and Aging.</p>
		<p>Identify opportunities for intergenerational programs across aged care, early years.</p>	<p>Intergenerational music program commenced at RACF's in Ouyen and Sea Lake through collaboration with Sunraysia Arts and Learning Aged care and Early Years staff.</p>
		<p>Develop strategy to fully utilise Basic Daily fee supplement (food a nutrition supplement) in aged care (e.g. kitchen garden, engagement of Maggie Beer Foundation, and introduction of ChefMax).</p>	<p>Working towards the implementation of ChefMax an electronic meal ordering and delivery system which will provide greater choice for residents and community receiving Meals on Wheels. The Edible Gardens project has been implemented at each Residential Aged Care Sites and first pick of the produce completed.</p>
		<p>Implement Regional Community Platform – web based community service client database and medical record. All health services in Loddon Mallee will use this platform.</p>	<p>Regional Community Platform (RCP) at configuration stage. Further action plan for testing, staff education and implementation in place. RCP is a web based client management system that will be used for all MTHCS community services programs reporting.</p>

Objective	Action	Deliverable	Outcome	
<b><u>Strategic Direction - Engage our community</u></b>				
Build community engagement through strong community and volunteer networks.	Volunteer networks strengthened through engagement of micro-volunteering.	Celebrate the work of volunteers at regular intervals throughout the year. Support volunteer workforce within the catchment to re-engage in safe COVID normal activities.	COVID safe volunteer appreciation events held in Murrayville, Ouyen and Sea Lake. Vouchers provided on a regular basis to ensure volunteers are not out of pocket whilst supporting our people. Volunteers are re-engaged in service delivery – aged care, delivered meals and transport.	
		Participate in the Loddon Mallee Health Network region wide volunteer strategy.	MTHCS Volunteer Coordinator is an active member of the LMHN Volunteer committee.	
		Design flexible micro-volunteering roles in the organisation that add value to the business and improve satisfaction levels of volunteers. Define scope of practice for volunteers within the organisation.	All transport volunteers have completed First Aid Certificate Courses in line with funding requirements. Aged Care volunteers undertaking 1:1 support – partners in care and supporting gardening activities and beautification of our facilities. A Scope of practice for volunteers has been defined.	
	New community members engaged in local activities that improve wellbeing and access to other MTHCS services.		Support the work of the respective auxiliaries and volunteer groups of MTHCS who fundraise to support program areas: <ul style="list-style-type: none"> <li>Ouyen Farmers Festival</li> <li>Sea Lake Ladies Auxiliary and Op shop</li> <li>Respective Kindergarten Parent Advisory Groups</li> </ul>	Training offered for staff in mental health first aid, Child Safety education Sessions, commenced introduction of Montessori model of care and training. Ouyen Farmers Festival held their final festival in 2022.
			Expand the role of the MTHCS Foundation to harness community goodwill and funding on projects of a priority and shared interest.	Following launch in April 2022 MTHCS have focussed on consolidating, establishing and embedding governance processes. Two Defibrillation machines have been purchased by the Foundation and have been installed at the Ouyen and Sea Lake Urgent Care Centres, Staff training has also been provided.
			Kindergarten Parent Committees of management to understand obligations around incorporated and legal status. Governance obligations on Kindergarten committees has changed with the introduction of the Early Years management Framework by the Department of Education.	Supporting Parent Advisory Committee to understand their obligation of Incorporation and the options available to be progressed moving forward. MTHCS sourced support of legal firm to help MTHCS and the Parent groups understand each committee's obligations around entity type and future governance needs.
Prepare and implement a health literacy strategy for community members.	Increased health literacy in the community.	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.	Participated in provider forums and community meetings to explain changes to Home Care services. Provided a community forum based in Sea lake to discuss health needs of the community.	
		Expand social media profile as a platform to engage and inform the community on topics of health literacy and early childhood development.	Social media profile on Facebook and Instagram maintained. Regular media releases on topics demonstrating the priorities of MTHCS and achievements.	

Objective	Action	Deliverable	Outcome
<b>Strategic Direction - Pursue organisational excellence</b>			
Strengthen governance and financial arrangements of the organisation.	Review and streamline organisational policies and procedures.  Prepare a capital master plan for a) refurbishment of existing assets, b) new build requirements and feasibility.	Specific focus on workforce strategy – recruitment, retention and training.	MBPH engaged to develop a Workforce plan. This plan has enabled a planned and strategic approach to address vacancies and capability skill gaps.
		Implement findings of fabric surveys at capital assets (including residential accommodation of the health service) Implement capital plan to consider residential accommodation to support workforce requirements.	3 year plan of action to address items on the fabric surveys in place  Three residential properties renovated including landscaping and beautification.
		Engage with Murrayville community to confirm ongoing ownership and maintenance arrangements of capital assets with Mallee Track.	Legal investigation has clarified the minimum time to enable MTHCS to make a future claim for the transfer of the building to MTHCS.
		Finalise capital build for Early Years centre at Sea Lake – Tyrell College.	Sea Lake Build Early Learning Centre has been completed and operational from February 2023.
		Assist capital planning for future location and planning of Manangatang preschool.	Swan Hill City Council have completed Community Consultation and report to support future capital needs of Manangatang Early Years centre.
Develop and articulate Clinical Governance models that ensure accountability.	Meet and exceed clinical accreditation standards.  Undertake and implement a clinical Governance Review.	Achieve triennial accreditation for ISO and NSQHS – MPS module.	ISO Re-certification successfully achieved. May 2023.
		Maintain effort with National Quality Standards for all Early Childhood Education and Care services. Implement Department of Education and Training (DET) and Early Years Management (EYM) Improvement Framework to improve outcomes for children by delivering high quality accessible early childhood education and care services.	Quality improvement plans are in place for all services. Service Improvement Plans are in place for the EYM All Early childhood services are governed by the National Quality Standards and have successfully maintained their certification. Ouyen Pre School Assessment and Rating May 2023. The visit achieved the rating of Meeting across five Standards and Exceeding the other two of the 7 standards. Improvement Framework self-assessment and focus areas complete. Regular meetings with DET to monitor progress.
Upskill management and board members through professional development activities.	Undertake and implement Board evaluation and professional development.	Conduct board evaluation through GovernWith. Support board members to attend training and development relevant to their role and the business of the health service.	The Board of Directors have undertaken an annual survey with the Governwith Program in April 2023. This program has then identified individual and Board training needs.
		Commission independent reviews of programs or service areas of the health service as needed.	Reviewed delivery of child care during the January period. In previous years, the centres have remained closed over this period due to low demand. Service availability has expanded to include additional days of operation. Reviewed additional wrap around days at Ouyen Pre School. Wrap around days now offered on each day there is a kindergarten program being delivered. This has enabled additional children to access childcare.

Objective	Action	Deliverable	Outcome
<b>Strategic Direction - Develop our workforce</b>			
<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>	<p>1. Develop and implement a workforce plan to:</p> <p>a) Increase clinical capability of staff (upskilling).</p> <p>b) Increase number of local staff/services provided.</p> <p>2. Greater transparency of career pathways and education/training opportunities.</p> <p>3. Increased number of traineeships available.</p> <p>4. Increased sustainability of the local workforce.</p> <p>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.	Operational Workforce plan developed in partnership with MBPH. A recruitment plan to support workforce shortages has been developed, shared with the Board and management teams and is regularly reviewed to update as successful recruitment is completed.
		Identify, and where appropriate implement, expanded shared services arrangements with other neighbouring or regional health services.	Corporate service support from MBPH has been implemented in areas where additional support and skills are required. The Nurse Educator roles have been engaged across MTHCS.
		As part of clinical governance review, provide training for staff to increase clinical confidence and competence.	Review of mandatory education completed. Liaising with MBPH for collaboration on education.
		Complete Allied Health Clinical Supervision Framework Self-assessment to support implementation of clinical supervision for allied health staff.	Completed and implementation ongoing.
		Continue involvement in Rural Urgent Care Nursing Capability Development Program.	Participating in urgent care project with LMHN. Define the level of care that can be provided close to home.
		Implement all required systems and processes to enable application of RIPERN nurses and nurse practitioners at MTHCS.	Nurse Practitioner employed – RIPERN position vacant.
		Offer traineeships and education upskilling in programs and service areas of the organisation where there are significant workforce pressure.	12 traineeships commenced in 2022/23. Early Years Chef Nursing
		Promote the uptake of the People Matters Survey for 2022. Implement action plan in response to People Matters Survey 2022.	38% staff participation achieved in 2022. An action plan has been developed and shared with the Board and management team. Staff are included in the action plan development and achievements, including linking changes and improvements implemented at MTHCS, back to the staff feedback included in the People Matter Survey. MTHCS has drafted and Employee Value Proposition document to be launched in late 2023.
		Implement Speaking up for Safety.	Two staff have accepted the opportunity to attend Speaking up for Safety training to enable them to train staff at MTHCS.
		Continue one on one mentoring for managers.	This program has been implemented and is ongoing as needed.
		Develop a strategy for emerging leaders at MTHCS – identification and training.	Ongoing education is in place.
		Implement SAP in payroll.	The transition to the SAP program was completed in early 2023.
		Implement KRONOS upgrade in Payroll.	The KRONOS payroll system is in place with version 2 planned to be implemented in the near future.
Commence transition planning for working bank accounts to the Centralised Banking system.	The transition to the preferred provider as required in the Centralised Banking system is well advanced and ongoing discussion with the relevant banks are underway.		



Objective	Action	Deliverable	Outcome
<b>Strategic Direction - Strengthen our relationships</b>			
<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:</p> <p>a) Nurse led models of care</p> <p>b) Nurse practitioners</p> <p>c) Nurse-supported telehealth with specialists</p> <p>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 members to allow easier navigation of MTHCS services and broader health services in the region.</p>	<p>Identify further opportunities where the workforce can be harnessed and trained under delegated or advanced scope of practice roles.</p> <p>Opportunities to be explored include:</p> <ul style="list-style-type: none"> <li>• Paramedicine</li> <li>• District Nursing</li> <li>• Allied Health</li> <li>• Mental Health Nursing</li> </ul> <p>Other opportunities to be considered as they arise.</p>	<p>In progress:</p> <p>In evaluation stage for the Advancing Para medicine Role Implementation Project.</p> <p>Nurse Practitioner model employed for 8 months in medical clinic. This was well received by the community.</p> <p>Nurse led COVID-19 immunisation clinics undertaken during the reporting period.</p> <p>Two Allied Health Assistants (AHA) trainees working towards Certificate 4 in Allied Health Assistance.</p> <p>Two AHA's trained in Basic Foot Care to support Podiatry wait list management for non-urgent podiatry needs clients.</p>
		<p>Expand the application of My Emergency Doctor to support after hours and on call arrangements for urgent care centre and the residential aged care facilities.</p>	<p>My Emergency Dr available at UCC in Sea Lake and Ouyen up to 31 May.</p> <p>Victorian Virtual Emergency Department (VVED) model implemented from 1 June replacing My Emergency Doctor.</p>
		<p>Continue to develop relationships with visiting services providing allied health services.</p>	<p>Key relationship with RDHS in place and visiting allied health services. Includes dietetics and speech pathology.</p>
		<p>Work with News PR Alert to develop and implement a communications plan for 2022:</p> <ul style="list-style-type: none"> <li>• Regular press releases on items of interest that link with the strategic plan and MTHCS priorities</li> <li>• Staff newsletter</li> <li>• Specific engagement of Sea Lake staff and community to continue to reassure their place in the broader entity</li> <li>• Delivery of health literacy strategy</li> </ul> <p>Community education on MTHCS core business.</p>	<p>Communications Strategy identified and in place.</p> <p>Continued to deliver regular community updates to the community.</p> <p>Monthly staff newsletter has been refreshed. This is sent to Board of Directors, staff and volunteers via email with some hard copies in strategic locations across MTHCS.</p>
		<p>Progress rebrand MTHCS.</p>	<p>Completed</p> <p>In 2022/23 this included the installation of the building signage at Underbool and Murrayville locations.</p>
		<p>Review Consumer Partnership Framework and implement improvements:</p> <ul style="list-style-type: none"> <li>• Expand Community Advisory Committee at Sea Lake to a whole of catchment model.</li> <li>• Engage the Health Information Centre to assist with implementation of 'kitchen table' conversations.</li> </ul>	<p>CAC established – inaugural meeting April 2023.</p> <p>Health issues centre has completed a review of MTHCS Consumer partnership framework and identified improvements.</p>
		<p>Implement Care Opinion – complaints and compliment system.</p>	<p>Care opinion available as a way for people to offer feedback in conjunctions with other formats of receiving feedback to support continuous improvement. This has not been well received or used by the community as they prefer to provide feedback either in person or in writing.</p>

Objective	Action	Deliverable	Outcome
<b><u>Strategic Direction - COVID-19 management and implementation</u></b>			
<p>Pandemic Response – COVID 19 – 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 state and commonwealth requirements and our own health service needs. Support state wide public sector health response. Participate in sub-regional pandemic response.</p>	<p>Ongoing - Systems, policies, procedures have been reviewed and approaches in responding to the COVID 19 pandemic have been developed and implemented.</p> <p>Northern Mallee Pandemic Response meeting was implemented as needed when there was an outbreak in the local areas. MTHCS was a regular attendee to this group providing support and feedback to partner organisations.</p> <p>Maintenance of effort during the reporting period will be ongoing for the duration of the pandemic. This included:</p> <ul style="list-style-type: none"> <li>• Incident Control Group meetings – have been held on a fortnightly / monthly basis as needed.</li> <li>• Nurse led immuniser clinics and mandatory vaccine clinics held</li> <li>• Response to local COVID-19 incidents under DoH guidance.</li> </ul>

# PRIMARY HEALTH AND 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.**

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 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
- NDIS participants
- Aged Care Packages

Primary health and community services include:

- Occupational Therapy
- District nursing
- Physiotherapy
- Podiatry
- Hydrotherapy
- Social Support individualised programs
- Social Support Groups and Planned Activity Groups (PAG) - Meet and Eat
- Exercise programs (tai chi) (Falls prevention program)
- Delivered meals
- Carer support groups
- Dementia-friendly community awareness and education
- Speech therapy (partnership with RDHS and RFDS)
- Community transport
- Community Health Promotion Events (RUOK etc)
- Ouyen, Sea Lake, Murrayville Neighbourhood Houses
- Rural Outreach Workers
- District Nurses

## MPS PRIMARY HEALTH CARE ACTIVITY

Service	2022-23 services	2021-22 actual
District Nursing*	1413 hours 5052 occasions 459 clients	1729 hours 7065 occasions 543 clients
Podiatry* including Foot Care Clinics	1130 hours 2065 occasions	949 hours 1552 occasions
Occupational Therapy*	360 hours 397 occasions	78 hours 110 occasions
Physiotherapy (including Hydrotherapy)	639 hours 1442 occasions	437 hours 882 occasions
Exercise groups*	1288 hours 1472 occasions	1001 hours 1032 occasions
Community Social Support*	11,106 hours community	5450 hours community
Volunteer Transport*	1894 trips	1382 trips
Delivered Meals*	4063 meals	4740 meals
Speech Therapy* in partnership with RDHS	838 occasions	436 occasions
Carer support*	21 hours	106 hours
Rural Outreach Worker	388 hours 282 occasions of service	130 hours 246 occasions of service
Registered volunteers	122	121

\*District Nursing Occasions of Service not available for extraction/breakdown at Ouyen and Sea Lake. Data provided is for District Nursing visits in Ouyen and Sea Lake.

## EARLY YEARS SERVICES

Service	2022-23 services	2021-22 actual
Kindergartens	63	67
Child care	99	140

## MPS ACUTE CARE ACTIVITY

Service	Activity type	2022-23 activity
Medical inpatients	Bed days	11
Urgent Care	Presentations	815

## AUXILIARIES

MTHCS is fortunate to have two auxiliaries - at Ouyen and Sea Lake. These auxiliaries are made up of generous volunteers who have given up their time over many years to raise funds for equipment and resources. All money raised goes to local facilities and often includes landscaping, improvements, as well as funding beds and equipment. The Sea Lake Ladies Auxiliary also operates the Opportunity Shop in Sea Lake.

## FOUNDATION

The Foundation of Mallee Track is a registered charity, established to raise funds for Mallee Track Health and Community Service (MTHCS). The Foundation is a separate entity to MTHCS and is managed by a board of seven local directors, who have a proud history of supporting health services in our communities over many years.

Together, the directors use their professional expertise and local networks to ensure all money raised goes directly to what our communities need most. The Directors are Howard Crothers, Greg Vallance, Keith Erhardt, Terry Elliott, Philip Down, Leanne Boyd and Mark Wilson.

The Foundation's first priority was to raise funds to purchase two patient transport and critical care defibrillator machines – one each for the Urgent Care Centres in Sea Lake and Ouyen. This was achieved in March 2023 with these installed and staff training provided. In addition to this, the Foundation is also raising money for a Workforce Scholarship program that will operate over the next five years. This program has also commenced with five scholarships to be awarded to Early Years team members who undertake a Diploma course in Early Years.

The Foundation's future funding priorities will remain flexible and will reflect the needs of the health service. People can support the Foundation of Mallee Track by:

- Running a fundraising event/activity.
- Supporting a fundraising event/activity by purchasing tickets or making a donation.
- Donating directly to the Foundation.
- Remembering the Foundation in their will.

# AGED CARE SERVICES

## **MTHCS has continued to provide quality care to the aged in our community.**

In 2023, many changes have occurred to improve the quality of life of all our residents. The edible garden project is now reaping rewards across all three campuses. Sea Lake residents are already enjoying the fruits of their labour. Vegetable soup was the dish of the day, showcasing the tireless work of both residents and staff and there is nothing better than home grown produce.

The Montessori/Elder Care project was relaunched on the June 30, 2023. The Ouyen campus has integrated many activities into the lives of the residents so that they have purpose in their day. This program was introduced many years ago and the refresh will extend this approach to the people who live at Mallee Track Health and Community Service. Pattinson House has established a tea/coffee station, with residents able to access refreshments and snacks whenever they want. This station has become very popular. It is planned to extend this to include a breakfast bar for those that either rise early or choose to sleep in and eat late. The staff at the Sea Lake campus have developed wonderful life story books that assist with triggering memory and reminiscing.

MTHCS has many services to help eligible residents assessed through My Aged Care access support to remain living independently at home. Community-based services include:

- Meals on Wheels
- Community Transport Program
- District Nursing
- Social and Carer support groups
- Flexible Home-Based Aged Care (Sea Lake only)
- Continence support
- Podiatry
- Occupational Therapy
- Exercise and fitness groups
- Dietetics

These programs are delivered in a range of ways in Ouyen and Sea Lake and to outreach areas including Patchewollock, Underbool, Murrayville and Sea Lake districts. MTHCS receives funding from a number of Government sources to provide help at-home services. Each service has a different cost and discounted rate for eligible consumers. We provide a detailed Community Services Fees Policy for the latest costs. To access services, consumers must be assessed as eligible by My Aged Care. Once assessed, we work with residents to tailor support programs.

## **MPS UTILISATION OF AGED CARE PLACES**

Hospital based clinical services are delivered at both Ouyen and Sea Lake and include urgent care, outpatient services, day only admissions and inpatient services and aged care. The following tables describe the hospital based services delivered during the 2022/23 year.

## **MPS FUNDED FLEXIBLE AGED CARE PLACES**

<b>Campus</b>	<b>Number</b>
Flexible high care	50
Flexible low care	34



### MPS UTILISATION OF FLEXIBLE AGED CARE PLACES

OUYEN	Number	Occupancy
Flexible high care	29	64.61%
Flexible low care	27	31.74%
Respite	2	168.22%
Total	58	

SEA LAKE	Number	Occupancy
Flexible high care	19	51.61%
Flexible low care	6	33.88%
Respite	2	84.25%
Total	27	

### MPS ACUTE CARE ACTIVITY

Service	Activity type	Actual activity 2022-23
Medical inpatients	Bed days	11
Urgent care	Presentations	815

### MPS PRIMARY HEALTH CARE ACTIVITY

Service	Actual activity 2022-23
Speech pathology	838 occasions
District nursing	5052 occasions
Podiatry	2065 occasions

## **SHORT-TERM RESPITE**

Residential respite, including in-patient respite, is short-term care arranged at our residential aged care facilities for a planned period of time on an emergency basis. Respite care offers the resident a period of rest, care and support to increase their capacity to return home and continue living as independently as possible. For those with a carer, it allows the community member and their carer to take a break while still ensuring care needs are met.

## **RESIDENTIAL AGED CARE**

Residential aged care is provided at Pattinson House and TD Canon Martin Nursing Home at Ouyen, and Kaleesa Nursing Home and Carinya Hostel in Sea Lake. Flexible Home Care Packages are also available for eligible residents in the Sea Lake and district.

## **MEALS REVIEW**

Numerous improvements and refinements continued in the reporting period as a result of the MTHCS Meals Review and surveying/consulting residents and consumers of Delivered Meals. Improvements included purchasing food moulds to improve visual appeal of pureed foods for clients with special dietary requirements. It was made clear to us that presentation and visual appeal was of equal importance to many consumers as taste and quality. We now offer more diverse snack options throughout the day including fresh fruit, pure juices and milk shakes and iced coffee.

It is interesting to note that our kitchen and meals teams have prepared, plated up and delivered more than 45,000 meals and snacks to the residents at our Ouyen campus, with more than 20,600 meals and snacks for the Pattinson House residents. In addition, the Sea Lake Hotel Services team have prepared, plated and delivered more than 15,355 meals at their campus. This is a total of more than 80,000 meals across our service and is in addition to the delivered meals service and other catered events. They are an amazing team of individuals who take great care to make sure the specific preferences of our residents are considered.

## **KITCHEN GARDENS**

Capital funding received to set up a kitchen garden (garden to plate) at residential aged care facilities. Anticipated benefits include increasing resident connections with each other and their friends and families, improved nutrition and encouraging residents to be more active. Develop sustainability plan for the gardens including chef apprenticeship opportunities.

## **SOCIAL SUPPORT**

MTHCS employs Social Support staff to coordinate social support groups throughout the catchment. These groups provide important social connections for many residents who can be socially and geographically isolated in their small, rural towns.

## **COMMUNITY TRANSPORT**

We rely on volunteer drivers to deliver Community Transport services in Ouyen, Murrayville, Underbool and Sea Lake. Transport includes a shopping bus as well as individual car-trips to take eligible residents to appointments. Registered Volunteer drivers receive induction including basic First Aid Training and use fleet vehicles. We extend our grateful thanks to our generous volunteer drivers.

*Aged Care Services continued...*

## **CARER SUPPORT**

The Rural Outreach Worker program based at Ouyen and Sea Lake provides Carer Support Services and navigation into a broader network of Carer Information and Education. One on One support is provided upon request. The integration of the Rural Outreach service and the Social Support team, who provide Flexible Respite and Individual Social Support Programs, is MTHCS's holistic approach to care for carers, care recipients and their broader family and friend networks.

## **COMMUNICATION IMPROVEMENTS FOR RESIDENTS AND FAMILIES**

Improved communication methods for keeping in contact with families about pandemic restrictions affecting aged care residents. We also accessed iPads for facilities so that staff could support residents and their families to have videochats during restrictions. We also facilitated "window visits". These improvements directly resulted from families' feedback about ways to stay in touch with and check on their loved ones.

# EARLY YEARS SERVICES

## **MTHCS receives funding from Commonwealth and State Departments of Education and Training for early years education and care programs.**

Commonwealth Child Care Subsidy and Community Child Care funding supports MTHCS to provide a childcare in four locations, Ouyen, Sea Lake, Underbool and Murrayville.

State Department of Education and Training provides block funding and Early Years Management funding to support five sessional kindergartens programs in Ouyen, Sea Lake, Underbool Murrayville and Manangatang.

All kinder services achieved Victorian Government Kinder Tick accreditation. We were also active promoting the roll-out of three-year-old kinder in the catchment's three local government areas.

Highlights during the reporting period:

- Intergenerational music in Ouyen and Sea Lake. Ongoing delivery in line with COVID restrictions.
- School Readiness Funding plans submitted and acquitted in line with Department of Education requirements. Offered 15 hours of three-year-old kinder in Sea Lake, Manangatang, Underbool and Murrayville. Five (5) staff completed Diploma Studies. Six (6) trainees have been signed up to complete their Certificate III in Early Years Education and care. There is a Waiting List for all sites except Underbool.
- Offered five (5) hours of three-year-old kinder at Ouyen.
- All Early childhood services governed by the National Quality Standards have maintained their certification.

# CLINICAL SERVICES

**Hospital based clinical services are delivered at both Ouyen and Sea Lake and include urgent care, outpatient services, day only admissions and inpatient services and aged care.**

The urgent care services at Ouyen and Sea Lake are supported by the Victorian Virtual Emergency Department and Ambulance Victoria. Community members are able to access expert urgent care services 24 hours each day and the nurses will assist with low acuity presentations in consultation with the Victorian Virtual Emergency Department (operated by Northern Health). Consultations with experts from a comprehensive range of medical specialties are available through this service. Where the patient requires a higher level of care, the nurses make appropriate referrals to ensure that the person has the best possible outcome.

Outpatient services are delivered via telehealth technology in conjunction with the specialist service. The staff assist with establishing the connection to the tertiary service and provide assistance with the consultation.

Members of the community are admitted to hospital for the day to enable them to receive treatment or therapies. For example, the nurses are able to administer blood transfusions, iron infusion or immunoglobulins in partnership with the specialist service to enable people to receive their care closer to home. Inpatient services include acute and sub-acute (rehabilitation and palliative care) care. These services are supported by the MTHCS interdisciplinary team as well as specialist palliative care from Sunraysia Community Health Service.

Residential aged care is offered at Sea Lake and Ouyen and includes permanent and respite places. The people who live at Mallee Track Health and Community Service enjoy support from personal care workers, leisure and lifestyle staff and nurses each day with additional care from allied health and medical officers. Whilst there are no general practitioners living Ouyen or Sea Lake, the medical clinics offer access to primary care services at both locations with the assistance of locum medical officers.

Community based clinical services are provided by district nurses and include care co-ordination, health literacy, wound dressings, chronic disease management and post-acute care. The nurses work closely with allied health and inpatient teams.

## 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 for the on-call GP. A Telehealth model to support our Urgent Care Centre is also in place with My Emergency Doctor.

## TELEHEALTH

Locum doctors and Telehealth have become the new normal as the nationwide shortage of rural doctors and nurses shows no sign of easing. This year, we were excited to be part of the announcement of the Loddon Mallee Health Network Telehealth Strategy. The strategy was developed from input and feedback from staff across all health services in the region.

The provision of quality health care via telehealth requires changes to traditional models of care and infrastructure to support these models. As part of the strategic planning process, LMHN health services received approximately \$400,000 of equipment. A Virtual Care Toolbox was also developed to build workforce capacity and a Virtual Care Office is being established to further support this. Development of a telehealth model for the Mallee Track catchment has been several years in the making as we seek to reduce the impact of GP and medical workforce shortages that are directly impacting some areas of primary health care.

*Clinical Services continued...*

## **NURSE PRACTITIONER (NP) – UNDERBOOL AND 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 a partnership 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 AND CHRONIC DISEASE MANAGEMENT**

MTHCS hosts a visiting diabetes educator to support and assist clients, and has a partnership with Sunraysia Community Health Services to provide continence clinics. These are important components of our chronic disease management model of care.

# DISCLOSURES REQUIRED UNDER LEGISLATION

## CONSULTANCIES INFORMATION FRD 11(E)

In 2022-23 there were seven consultancies where the total fees payable to the consultants were less than \$10,000. The total expenditure incurred during 2022-23 in relation to these consultancies is \$11,668.42 (excluding GST).

In 2022-23 there were five consultancies where the total fees payable to the consultants were \$10,000 or greater. The total expenditure incurred during 2022-23 in relation to these consultancies is \$129,880.11 (excluding GST).

CONSULTANT	PURPOSE OF CONSULTANCY	START DATE	END DATE	TOTAL APPROVED PROJECT FEE (EXCLUDING GST)	EXPENDITURE 2021-22 (EXCLUDING GST)	FUTURE EXPENDITURE
AFS & Associates Pty Ltd	Internal Audits completed for 2022/23.	July 2022	June 2023	\$50,050.00	\$50,050.00	\$47,600.00
Peter Wallis Consulting	Support with Foundation, Review and Advice.	July 2022	June 2023	\$12,393.63	\$12,393.63	\$0
Nicky Jardine Health Business Solutions	Consulting for Ouyen and Sea Lake Doctors Clinic.	July 2022	June 2023	\$27,170.00	\$27,170.00	\$7,150.00 - \$14,300.00
Lesia Paslawasky & Associates	Mentoring CEO and management consultancy.	July 2022	October 2022	\$22,000.00	\$22,000.00	\$0
Mildura Base Public Hospital	Workforce Planning Project.	December 2022	March 2023	\$18,266.48	\$18,266.48	\$0

## INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) EXPENDITURE 22H 5.17

BUSINESS AS USUAL (BAU) ICT EXPENDITURE	NON-BUSINESS AS USUAL (NON-BAU) ICT EXPENDITURE		
Total (excluding GST)	Total = Operating Expenditure & Capital Expenditure (excluding GST) (a)+(b)	Operational expenditure (excluding GST) (a)	Capital expenditure (including GST) (b)
\$821,777.61	\$36,323.96	\$6,935.96	\$29,388.00



# ENVIRONMENTAL PERFORMANCE

## GREENHOUSE GAS EMISSIONS

TOTAL GREENHOUSE GAS EMISSIONS (TONNES CO2E)	2022-23	2021-22	2020-21
Scope 1	115	114	108
Scope 2	595	624	693
Total	709	737	801

NORMALISED GREENHOUSE GAS EMISSIONS	2022-23	2021-22	2020-21
Emissions per unit of floor space (kgCO2e/m2)	62.3041	64.7631	70.3458
Emissions per unit of Separations (kgCO2e/Separations)	101,333.1857	245,776.0333	200,221.7000
Emissions per unit of bed-day (LOS+Aged Care OBD) (kgCO2e/OBD)	44.0114	37.9929	39.2649

## EMBEDDED GENERATION

TOTAL EMBEDDED STATIONARY ENERGY GENERATED BY ENERGY TYPE (GJ)	2022-23	2021-22	2020-21
Solar power	740	754	602
Total	740	754	602

NORMALISED EMBEDDED GENERATION	2022-23	2021-22	2020-21
Embedded generation per unit of floor space (GJ/m2)	0.0650	0.0662	0.0529
Embedded generation per unit of Separations (GJ/Separations)	105.7259	251.1923	150.5783
Embedded generation per unit of bed-day (LOS+Aged Care OBD) (GJ/OBD)	0.0459	0.0388	0.0295

## WATER

TOTAL WATER CONSUMPTION BY TYPE (KL)	2022-23	2021-22	2020-21
Potable Water	22,194	23,947	23,198
Total	22,194	23,947	23,198

NORMALISED WATER CONSUMPTION (POTABLE + CLASS A)	2022-23	2021-22	2020-21
Water per unit of floor space (kL/m <sup>2</sup> )	2.0376	2.1034	1.9494
Water per unit of Separations (kL/Separations)	5,799.5573	7,982.4724	3,170.5473
Water per unit of bed-day (LOS+Aged Care OBD) (kL/OBD)	1.1373	1.2340	1.3770

## WASTE AND RECYCLING

WASTE	2022-23	2021-22	2020-21
Total waste generated (kg clinical waste+kg general waste+kg recycling waste)	18,501	21,051	432
Total waste to landfill generated (kg clinical waste+kg general waste)	15,201	16,926	432
Total waste to landfill per patient treated ((kg clinical waste+kg general waste)/PPT)	0.9428	0.8720	0.0212
Recycling rate % (kg recycling / (kg general waste+kg recycling))	18.1548	20.1835	N/A

## WASTE AND RECYCLING

<b>NORMALISERS (FOR INFORMATION ONLY)</b>	<b>2022-23</b>	<b>2021-22</b>	<b>2020-21</b>
Area M2	11,385	11,385	11,385
1000km (Corporate)	N/A	N/A	N/A
1000km (Non-emergency)	N/A	N/A	N/A
Aged Care OBD	16,108	19,394	20,392
ED Departures	0	0	0
FTE	N/A	134	137
LOS	9	13	5
OBD	16,117	19,407	20,397
PPT	16,124	19,410	20,401
Separations	7	3	4

### ENVIRONMENTAL PERFORMANCE - GENERAL NOTES

1. Information in this report is sourced from data provided by retailers and in some cases data manually uploaded by health services into Eden Suite. Data has not been externally validated. All annual values represent a year ending 30 June.
2. Emissions are calculated using the carbon factors for the year in which the emissions were generated. For health services provided with energy (electricity and steam) under the co-generation ESA (energy services agreement), carbon factors provided by the energy retailer are used.
3. Electricity consumption values exclude line losses; some energy retailers include losses in reported sales.
4. Occupied bed days (OBD) include both in patient and aged care data, unless stated otherwise.

### CAR PARKING

MTHCS provides free public car parking.

### LOCAL JOBS FIRST 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.

# ADDITIONAL INFORMATION

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):

- A statement that declarations of pecuniary interests have been duly completed by all relevant officers;
- details of shares held by a senior officer as nominee or held beneficially in a statutory authority or subsidiary;
- 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 entity;
- details of any major external reviews carried out on the entity;
- details of major research and development activities undertaken by the entity;
- 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 entity to develop community awareness of the entity 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 entity and details of time lost through industrial accidents and disputes;
- a list of major committees sponsored by the entity, the purposes of each committee and the extent to which the purposes have been achieved; and
- details of all consultancies and contractors including:
  - consultants/contractors engaged;
  - services provided; and
  - expenditure committed to for each engagement.

Freedom of Information Officer  
Mallee Track Health and Community Service  
Frances Peart  
PO Box 130  
Ouyen Vic 3490  
[fpeart@methcs.vic.gov.au](mailto:fpeart@methcs.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 eight (8) requests during the 2022-23 reporting period. The majority of requests received were from Legal Representatives on behalf of members of the public. Other requests processed included Subpoenas, Summons top Produce, WorkCover requests and Coroner's requests.  
Further information about Freedom of Information can be found at <http://www.legislation.vic.gov.au/FOI>

### **Safe Patient Care Act Report**

MTHCS has no matters to report in relation to its obligations under section 40 of the Safe Patient Care Act 2015.

### **Gender Equality Act 2020 report**

MTHCS adheres to the principles of the Gender Equality Act 2020. During the reporting period MTHCS progressed our gender audit and began longer term planning for compliance with the Act. MTHCS has submitted our Gender Equality Action Plan (GEAP) 2021-2025. The plan lists key actions against seven workplace gender equality indicators set by the Commission. MTHCS will monitor its progress towards these key actions over the coming years and adhere to further reporting requirements set by the Commission.

### **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).

### **Protected Disclosures 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](http://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 Act.

# DISCLOSURES 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.

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# FINANCIAL INFORMATION

# Mallee Track Health and Community Service

## Financial Statements

### Financial Year ended 30 June 2023

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

The attached financial statements for 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 2023 and the financial position of Mallee Track Health and Community Service at 30 June 2023.

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

We authorise the attached financial statements for issue on 17th October, 2023.

#### **Board member**



John Papatheohari

Chair

Ouyen  
17th October, 2023

#### **Accountable Officer**



Tracey Wilson

Chief Executive Officer (Acting)

Ouyen  
17th October, 2023

#### **Chief Finance & Accounting Officer**



Andrew Arundell

Chief Finance and Accounting Officer (Contract)

Ouyen  
17th October, 2023

# Independent Auditor's Report

## To the Board of Mallee Track Health and Community Service

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

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

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

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

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

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

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MELBOURNE  
23 October 2023

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 2023**

		<b>2023</b>	<b>2022</b>
	<b>Note</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Revenue and income from transactions</b>			
Operating activities	2.1	21,107	20,480
Non-operating activities	2.1	351	29
Share of revenue from joint operations	8.7	750	555
<b>Total revenue and income from transactions</b>		<b>22,208</b>	<b>21,064</b>
<b>Expenses from transactions</b>			
Employee expenses	3.1	(15,105)	(13,812)
Supplies and consumables	3.1	(1,900)	(1,257)
Finance costs	3.1	(34)	(21)
Depreciation	3.1	(2,545)	(2,623)
Share of expenditure from joint operations	8.7	(680)	(537)
Other administrative expenses	3.1	(1,857)	(1,604)
Other operating expenses	3.1	(1,154)	(970)
Other non-operating expenses	3.1	(3)	(2)
<b>Total Expenses from transactions</b>		<b>(23,278)</b>	<b>(20,826)</b>
<b>Net result from transactions - net operating balance</b>		<b>(1,070)</b>	<b>238</b>
<b>Other economic flows included in net result</b>			
Net gain/(loss) on sale of non-financial assets	3.2	187	9
Net gain/(loss) on financial instruments	3.2	(1)	6
Other gain/(loss) from other economic flows	3.2	(28)	66
<b>Total other economic flows included in net result</b>		<b>158</b>	<b>81</b>
<b>Net result for the year</b>		<b>(912)</b>	<b>319</b>
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified to net result</b>			
Changes in property, plant and equipment revaluation surplus	4.3	-	6,339
<b>Comprehensive result for the year</b>		<b>(912)</b>	<b>6,658</b>

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



**Mallee Track Health and Community Service**  
**Balance Sheet**  
**As at 30 June 2023**

	Note	Total 2023 \$'000	Total 2022 \$'000
<b>Current assets</b>			
Cash and cash equivalents	6.2	11,938	11,305
Receivables	5.1	309	227
Contract assets	5.2	156	81
Inventories	4.5	82	139
Prepaid expenses		194	176
<b>Total current assets</b>		<b>12,679</b>	<b>11,928</b>
<b>Non-current assets</b>			
Receivables	5.1	942	722
Property, plant and equipment	4.1 (a)	36,199	38,023
Right of use assets	4.2 (a)	611	368
<b>Total non-current assets</b>		<b>37,752</b>	<b>39,113</b>
<b>Total assets</b>		<b>50,431</b>	<b>51,041</b>
<b>Current liabilities</b>			
Payables	5.3	2,013	1,377
Contract liabilities	5.4	125	156
Borrowings	6.1	223	149
Employee benefits	3.3	3,215	3,124
Other liabilities	5.5	5,052	5,706
<b>Total current liabilities</b>		<b>10,628</b>	<b>10,512</b>
<b>Non-current liabilities</b>			
Borrowings	6.1	476	343
Employee benefits	3.3	353	300
<b>Total non-current liabilities</b>		<b>829</b>	<b>643</b>
<b>Total liabilities</b>		<b>11,457</b>	<b>11,155</b>
<b>Net assets</b>		<b>38,974</b>	<b>39,886</b>
<b>Equity</b>			
Property, plant and equipment revaluation surplus	4.3	40,448	40,448
Contributed capital	SCE	9,793	9,793
Accumulated deficit	SCE	(11,267)	(10,355)
<b>Total equity</b>		<b>38,974</b>	<b>39,886</b>

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 2023**

	Property, Plant and Equipment			
	Revaluation Surplus	Contributed Capital	Accumulated Deficits	Total
Note	\$'000	\$'000	\$'000	\$'000
<b>Balance at 30 June 2021</b>	<b>34,109</b>	<b>9,793</b>	<b>(10,674)</b>	<b>33,228</b>
Net result for the year	-	-	319	319
Other comprehensive income for the year	6,339	-	-	6,339
<b>Balance at 30 June 2022</b>	<b>40,448</b>	<b>9,793</b>	<b>(10,355)</b>	<b>39,886</b>
Net result for the year	-	-	(912)	(912)
Other comprehensive income for the year	-	-	-	-
<b>Balance at 30 June 2023</b>	<b>40,448</b>	<b>9,793</b>	<b>(11,267)</b>	<b>38,974</b>

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 2023**

	2023	2022
Note	\$'000	\$'000
<b>Cash Flows from operating activities</b>		
Operating grants from government	18,049	15,957
Capital grants from government - State	126	151
Patient fees received	2,109	2,243
Donations and bequests received	60	8
Interest income received	351	29
Commercial Income Received	-	1
Other receipts	1,749	1,506
<b>Total receipts</b>	<b>22,444</b>	<b>19,895</b>
Employee expenses paid	(14,912)	(13,295)
Payments for supplies and consumables	(1,978)	(437)
Payments for medical indemnity insurance	(88)	(63)
Payments for repairs and maintenance	(511)	(466)
Finance Costs	(34)	(21)
GST paid to ATO	(13)	(2)
Other payments	(3,053)	(2,701)
<b>Total payments</b>	<b>(20,589)</b>	<b>(16,985)</b>
<b>Net cash flows from operating activities</b>	<b>1,855</b>	<b>2,910</b>
	8.1	
<b>Cash Flows from investing activities</b>		
Purchase of property, plant and equipment	(624)	(465)
Proceeds from disposal of property, plant and equipment	187	9
<b>Net cash used in investing activities</b>	<b>(437)</b>	<b>(456)</b>
<b>Cash flows from financing activities</b>		
Repayment of borrowings	(36)	(43)
Repayment of lease liabilities	(98)	(47)
Repayment of accommodation deposits	(1,793)	(136)
Receipt of accommodation deposits	1,142	757
<b>Net cash flows from financing activities</b>	<b>(785)</b>	<b>531</b>
<b>Net increase in cash and cash equivalents held</b>	<b>633</b>	<b>2,985</b>
Cash and cash equivalents at beginning of year	11,305	8,320
<b>Cash and cash equivalents at end of year</b>	<b>11,938</b>	<b>11,305</b>
	6.2	

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

**Mallee Track Health and Community Service  
Notes to the Financial Statements  
For the Financial Year Ended 30 June 2023**

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

### **Structure**

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

# Mallee Track Health and Community Service

## Notes to the Financial Statements

### For the Financial Year Ended 30 June 2023

## Note 1: Basis of preparation

These financial statements represent the audited general purpose financial statements for Mallee Track Health and Community Service for the year ended 30 June 2023. 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.

#### **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.

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.

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 17th October, 2023.

#### **Note 1.2 Impact of COVID-19 pandemic**

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

# Mallee Track Health and Community Service

## Notes to the Financial Statements

### For the Financial Year Ended 30 June 2023

**Note 1.2 Impact of COVID-19 pandemic (continued)**

In the current reporting period, financial impacts of the pandemic were not material to Mallee Track Health and Community Service.

**Note 1.3 Abbreviations and terminology used in the financial statements**

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

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

**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.

# Mallee Track Health and Community Service

## Notes to the Financial Statements

### For the Financial Year Ended 30 June 2023

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

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

#### **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 beginning on or after 1 January 2023.	Adoption of this standard is not expected to have a material impact.
AASB 2020-1: <i>Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current</i>	Reporting periods beginning on or after 1 January 2023.	Adoption of this standard is not expected to have a material impact.
AASB 2022-5: <i>Amendments to Australian Accounting Standards - Lease Liability in a Sale and Leaseback</i>	Reporting periods beginning on or after 1 January 2024.	Adoption of this standard is not expected to have a material impact.

# Mallee Track Health and Community Service

## Notes to the Financial Statements

### For the Financial Year Ended 30 June 2023

**Note 1.6 Accounting standards issued but not yet effective (continued)**

Standard	Adoption Date	Impact
AASB 2022-6: <i>Amendments to Australian Accounting Standards - Non-Current Liabilities with Covenants</i>	Reporting periods beginning on or after 1 January 2023.	Adoption of this standard is not expected to have a material impact.
AASB 2022-8: <i>Amendments to Australian Accounting Standards - Insurance Contracts: Consequential Amendments</i>	Reporting periods beginning on or after 1 January 2023.	Adoption of this standard is not expected to have a material impact.
AASB 2022-9: <i>Amendments to Australian Accounting Standards - Insurance Contracts in the Public Sector</i>	Reporting periods beginning on or after 1 January 2026.	Adoption of this standard is not expected to have a material impact.
AASB 2022-10: <i>Amendments to Australian Accounting Standards - Fair Value Measurement of Non-Financial Assets of No-for-profit Public Sector Entities</i>	Reporting periods beginning on or after 1 January 2024.	Adoption of this standard is not expected to have a material impact.

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

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

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

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

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

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

**Note 1.8 Reporting Entity**

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

Mallee Track Health and Community Service's 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 and scaling down the COVID-19 public health response during the year ended 30 June 2023.

## Key judgements and estimates

This section contains the following key judgements and estimates:

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 timing 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>
Assets and services received free of charge or for nominal consideration	<p>Mallee Track Health and Community Service applies significant judgement to determine the fair value of assets and services provided free of charge or for nominal value. Where a reliable market value exists it is used to calculate the equivalent value of the service being provided. Where no reliable market value exists, the service is not recognised in the financial statements.</p>

## Note 2.1 Revenue and income from transactions

	2023	2022
Note	\$'000	\$'000
<b>Operating activities</b>		
<b>Revenue from contracts with customers</b>		
Government grants (State) - Operating	1,067	694
Patient and resident fees	2,112	2,280
Commercial activities <sup>1</sup>	-	1
<b>Total revenue from contracts with customers</b>	<b>3,179</b>	<b>2,975</b>
2.1(a)		
<b>Other sources of income</b>		
Government grants (State) - Operating	9,015	8,785
Government grants (Commonwealth) - Operating	7,593	7,296
Government grants (State) - Capital	126	151
Other capital purpose income	214	213
Assets received free of charge or for nominal consideration	141	326
2.2		
Other revenue from operating activities (including non-capital donations)	839	734
2.3		
<b>Total other sources of income</b>	<b>17,928</b>	<b>17,505</b>
<b>Total revenue and income from operating activities</b>	<b>21,107</b>	<b>20,480</b>
<b>Non-operating activities</b>		
<b>Income from other sources</b>		
Other interest	351	29
2.3		
<b>Total other sources of income</b>	<b>351</b>	<b>29</b>
<b>Total income from non-operating activities</b>	<b>351</b>	<b>29</b>
<b>Total revenue and income from transactions</b>	<b>21,458</b>	<b>20,509</b>

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)

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

	2023 \$'000	2022 \$'000
Mallee Track Health and Community Service disaggregates revenue by the timing of revenue recognition.		
Goods and services transferred to customers:		
At a point in time	1,067	695
Over time	2,112	2,280
<b>Total revenue from contracts with customers</b>	<b>3,179</b>	<b>2,975</b>

### How we recognise revenue and income from transactions

#### Government operating grants

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

When both these conditions are satisfied, the health service:

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

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 in accordance with AASB 1058.

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

Mallee Track Health and Community Service  
Notes to the Financial Statements  
for the financial year ended 30 June 2023

This policy applies to each of Mallee Track Health and Community Service's revenue streams, with information detailed below relating to Mallee Track Health and Community Service's significant revenue streams:

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 DWAUs to ensure that state activity targets are met. Revenue is recognised at point in time which is when a patient is treated.
Small Rural Health Service (SRHS) Funding (State Operating Grants) and; Multi Purpose Service (MPS) Funding (Commonwealth Operating Grants)	Mallee Track Health and Community Services receives block funding under the Commonwealths MPS and State's SRHS program. These programs aim to give regional and remote communities improved access to a mix of health and aged care services that meet the community needs, more innovative and integrated service delivery, flexible use of funding, improved quality of care for residents and improved cost effectiveness and long-term viability of services. There are no performance obligations attached to the funding and it is recognised over time, as and when the funding is received.

## **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.

## **How we recognise revenue and income from non-operating activities**

### **Interest Income**

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

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

	2023 \$'000	2022 \$'000
Cash donations and gifts	60	8
Personal protective equipment	81	318
<b>Total fair value of assets and services received free of charge or for nominal consideration</b>	<b>141</b>	<b>326</b>

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

#### Donations and bequests

Donations and bequests are generally recognised as income upon receipt (which is when 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. HealthShare Victoria and Monash Health were acting as agent of the Department of Health under this agreement.

#### Contributions of resources

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

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

Mallee Track Health and Community Service receives volunteer services from members of the community in the following areas:

- meals on wheels, community transport, social support groups, residential aged care facility visitors, gardening, advisory groups, auxiliaries and special events.

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

Mallee Track Health and Community Service greatly values the services contributed by volunteers but it does not depend on volunteers to deliver its services.

**Non-cash contributions from the Department of Health**

The Department of Health makes some payments on behalf of 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 with DH.



## Note 2.3 Other income

	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Operating</b>		
Recoveries - sale of services	132	176
Medical Clinic Incentive Payments	130	159
Child Care Fees	270	228
Other revenue	307	171
<b>Total other income - Operating</b>	<b>839</b>	<b>734</b>
Interest	351	29
<b>Total other income</b>	<b>351</b>	<b>29</b>

### 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.

#### Recovery Income

Revenue from recovery activities includes items such as 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 Fees and Other Revenue

Medical clinic incentive payments, child care fees 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 Other economic flows***

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

***3.4 Superannuation***

### Telling the COVID-19 story

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

## Key judgements and estimates

This section contains the following key judgements and estimates:

Key judgements and estimates	Description
Classifying employee benefit liabilities	<p>Mallee Track Health &amp; 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 &amp; 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 &amp; 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>
Measuring employee benefit liabilities	<p>Mallee Track Health &amp; Community Service applies significant judgment when measuring its employee benefit liabilities.</p> <p>The health service applies judgement to determine when it expects its employee entitlements to be paid.</p> <p>With reference to historical data, if the health service does not expect entitlements to be paid within 12 months, the entitlement is measured at its present value, being the expected future payments to employees.</p> <p>Expected future payments incorporate:</p> <ul style="list-style-type: none"> <li>• an inflation rate of 4.35%, reflecting the future wage and salary levels</li> <li>• durations of service and employee departures, which are used to determine the estimated value of long service leave that will be taken in the future, for employees who have not yet reached the vesting period. The estimated rates are between 22% and 86%</li> <li>• discounting at the rate of 4.063%, as determined with reference to market yields on government bonds at the end of the reporting period.</li> </ul> <p>All other entitlements are measured at their nominal value.</p>

### Note 3.1 Expenses from transactions

	2023	2022
Note	\$'000	\$'000
Salaries and wages	11,856	11,292
On-costs	1,228	1,096
Agency expenses	950	395
Fee for service medical officer expenses	955	931
Workcover premium	116	98
<b>Total employee expenses</b>	<b>15,105</b>	<b>13,812</b>
Drug supplies	16	20
Medical and surgical supplies (including Prostheses)	1,400	821
Other supplies and consumables	484	416
<b>Total supplies and consumables</b>	<b>1,900</b>	<b>1,257</b>
Finance costs	34	21
<b>Total finance costs</b>	<b>34</b>	<b>21</b>
Other administrative expenses	1,857	1,604
<b>Total other administrative expenses</b>	<b>1,857</b>	<b>1,604</b>
Fuel, light, power and water	271	274
Repairs and maintenance	395	341
Maintenance contracts	116	125
Medical indemnity insurance	88	63
Expenditure for capital purposes	284	167
<b>Total other operating expenses</b>	<b>1,154</b>	<b>970</b>
<b>Total operating expense</b>	<b>20,050</b>	<b>17,664</b>
Depreciation	2,545	2,623
<b>Total depreciation</b>	<b>2,545</b>	<b>2,623</b>
Bad and doubtful debt expense	3	2
<b>Total other non-operating expenses</b>	<b>3</b>	<b>2</b>
<b>Total non-operating expense</b>	<b>2,548</b>	<b>2,625</b>
<b>Total expenses from transactions</b>	<b>22,598</b>	<b>20,289</b>

## Note 3.1 Expenses from transactions

### How we recognise expenses from transactions

#### Expense recognition

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

#### Employee expenses

Employee expenses include:

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

#### Supplies and consumables

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

#### Finance costs

Finance costs include:

- 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 Other economic flows included in net result**

	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
Net gain/(loss) on disposal of property plant and equipment	187	9
<b>Total net gain/(loss) on non financial assets</b>	<b>187</b>	<b>9</b>
Net gain/(loss) on disposal of financial instruments	(1)	6
<b>Total net gain/(loss) on financial instruments</b>	<b>(1)</b>	<b>6</b>
Net gain/(loss) arising from revaluation of long service liability	(28)	66
<b>Total other gains/(losses) from other economic flows</b>	<b>(28)</b>	<b>66</b>
<b>Total gains/(losses) from other economic flows</b>	<b>158</b>	<b>81</b>

**How we recognise other economic flows**

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

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

**Net gain/(loss) on non-financial assets**

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

- net gain/(loss) on disposal of non-financial assets.

Any gain or loss on the disposal of non-financial assets is recognised at the date of disposal.

### Note 3.3 Employee benefits in the balance sheet

	2023 \$'000	2022 \$'000
<b>Current employee benefits and related on-costs</b>		
<i>Accrued days off</i>		
Unconditional and expected to be settled wholly within 12 months <sup>i</sup>	43	44
	<b>43</b>	<b>44</b>
<i>Annual leave</i>		
Unconditional and expected to be settled wholly within 12 months <sup>i</sup>	1,001	1,045
Unconditional and expected to be settled wholly after 12 months <sup>ii</sup>	-	-
	<b>1,001</b>	<b>1,045</b>
<i>Long service leave</i>		
Unconditional and expected to be settled wholly within 12 months <sup>i</sup>	226	280
Unconditional and expected to be settled wholly after 12 months <sup>ii</sup>	1,569	1,406
	<b>1,795</b>	<b>1,686</b>
<i>Provisions related to employee benefit on-costs</i>		
Unconditional and expected to be settled within 12 months <sup>i</sup>	168	169
Unconditional and expected to be settled after 12 months <sup>ii</sup>	208	180
	<b>376</b>	<b>349</b>
<b>Total current employee benefits and related on-costs</b>	<b>3,215</b>	<b>3,124</b>
<b>Non-current provisions and related on-costs</b>		
Conditional long service leave <sup>(i)</sup>	312	265
Provisions related to employee benefit on-costs <sup>(ii)</sup>	41	35
<b>Total non-current employee benefits and related on-costs</b>	<b>353</b>	<b>300</b>
<b>Total employee benefits and related on-costs</b>	<b>3,568</b>	<b>3,424</b>

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

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

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

	2023 \$'000	2022 \$'000
<b>Current employee benefits and related on-costs</b>		
Unconditional accrued days off	43	44
Unconditional annual leave entitlements	1,141	1,182
Unconditional long service leave entitlements	2,031	1,898
<b>Total current employee benefits and related on-costs</b>	<b>3,215</b>	<b>3,124</b>
Conditional long service leave entitlements	353	300
<b>Total non-current employee benefits and related on-costs</b>	<b>353</b>	<b>300</b>
<b>Total employee benefits and related on-costs</b>	<b>3,568</b>	<b>3,424</b>
<b>Attributable to:</b>		
Employee benefits	3,151	3,040
Provision for related on-costs	417	384
<b>Total employee benefits and related on-costs</b>	<b>3,568</b>	<b>3,424</b>

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

	2023 \$'000	2022 \$'000
<b>Carrying amount at start of year</b>	384	384
Additional provisions recognised	219	131
Net gain/(loss) arising from revaluation of long service liability	(4)	8
Amounts incurred during the year	(182)	(139)
<b>Carrying amount at end of year</b>	<b>417</b>	<b>384</b>

#### How we recognise employee benefits

##### Employee benefit recognition

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

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



### **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.

### **Provision for on-costs related to employee benefits**

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

### Note 3.4 Superannuation

	Paid contribution for the year		Contribution Outstanding at Year-end	
	Total	Total	Total	Total
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
<b>Defined benefit plans:<sup>i</sup></b>				
Aware Super	27	28	-	-
<b>Defined contribution plans:</b>				
Aware Super	687	645	-	-
Hesta / Other	324	402	-	-
<b>Total</b>	<b>1,038</b>	<b>1,075</b>	-	-

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

#### How we recognise superannuation

Employees of 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

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

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

## 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 Right-of-use assets*

*4.3 Revaluation surplus*

*4.4 Depreciation*

*4.5 Inventories*

*4.6 Impairment of assets*

### Telling the COVID-19 story

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

## Key judgements and estimates

This section contains the following key judgements and estimates:

Key judgements and estimates	Description
Estimating useful life of property, plant and equipment	Mallee Track Health and Community Service assigns an estimated useful life to each item of property, plant and equipment. This is used to calculate depreciation of the asset. The health service reviews the useful life and depreciation rates of all assets at the end of each financial year and where necessary, records a change in accounting estimate.
Estimating useful life of right-of-use assets	<p>The useful life of each right-of-use asset is typically the respective lease term, except where the health service is reasonably certain to exercise a purchase option contained within the lease (if any), in which case the useful life reverts to the estimated useful life of the underlying asset.</p> <p>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"> <li>▪ If an asset's value has declined more than expected based on normal use</li> <li>▪ If a significant change in technological, market, economic or legal environment which adversely impacts the way the health service uses an asset</li> <li>▪ If an asset is obsolete or damaged</li> <li>▪ If the asset has become idle or if there are plans to discontinue or dispose of the asset before the end of its useful life</li> <li>▪ If the performance of the asset is or will be worse than initially expected.</li> </ul> <p>Where an impairment trigger exists, the health services applies significant judgement and estimate to determine the recoverable amount of the asset.</p>

**Note 4.1 Property, plant and equipment**

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

	2023 \$'000	2022 \$'000
Land at fair value - Freehold	688	668
<b>Total land at fair value</b>	<b>688</b>	<b>668</b>
Buildings at fair value	36,360	36,202
Less accumulated depreciation	(2,112)	-
<b>Total buildings at fair value</b>	<b>34,248</b>	<b>36,202</b>
<b>Total land and buildings</b>	<b>34,936</b>	<b>36,870</b>
Plant and equipment at fair value	1,943	1,918
Less accumulated depreciation	(1,580)	(1,505)
<b>Total plant and equipment at fair value</b>	<b>363</b>	<b>413</b>
Motor vehicles at fair value	558	941
Less accumulated depreciation	(544)	(878)
<b>Total motor vehicles at fair value</b>	<b>14</b>	<b>63</b>
Medical equipment at fair value	1,250	1,128
Less accumulated depreciation	(1,000)	(957)
<b>Total medical equipment at fair value</b>	<b>250</b>	<b>171</b>
Computer equipment at fair value	769	698
Less accumulated depreciation	(641)	(548)
<b>Total computer equipment at fair value</b>	<b>128</b>	<b>150</b>
Furniture and fittings at fair value	1,125	917
Less accumulated depreciation	(617)	(561)
<b>Total furniture and fittings at fair value</b>	<b>508</b>	<b>356</b>
<b>Total plant, equipment, furniture, fittings and vehicles at fair value</b>	<b>1,263</b>	<b>1,153</b>
<b>Total property, plant and equipment</b>	<b>36,199</b>	<b>38,023</b>

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

	Land \$'000	Buildings \$'000	Plant & equipment \$'000	Computer Equipment \$'000	Motor Vehicles \$'000	Medical Equipment \$'000	Furniture & Fittings \$'000	Total \$'000
<b>Balance at 1 July 2021</b>	<b>580</b>	<b>32,032</b>	<b>406</b>	<b>199</b>	<b>147</b>	<b>161</b>	<b>264</b>	<b>33,789</b>
Additions	-	125	90	54	-	58	138	465
Revaluation increments/(decrements)	88	6,251	-	-	-	-	-	6,339
Depreciation	4.4	(2,206)	(83)	(103)	(84)	(48)	(46)	(2,570)
<b>Balance at 30 June 2022</b>	<b>668</b>	<b>36,202</b>	<b>413</b>	<b>150</b>	<b>63</b>	<b>171</b>	<b>356</b>	<b>38,023</b>
Additions	20	160	35	59	15	125	210	624
Depreciation	4.4	(2,114)	(85)	(81)	(64)	(46)	(58)	(2,448)
<b>Balance at 30 June 2023</b>	<b>688</b>	<b>34,248</b>	<b>363</b>	<b>128</b>	<b>14</b>	<b>250</b>	<b>508</b>	<b>36,199</b>

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

##### **Land and Buildings Carried at Valuation**

The Valuer-General Victoria undertook to re-value all of Mallee Track Health and Community Services 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.

##### **Subsequent measurement**

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

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

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

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

##### **Revaluation**

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

Where an independent valuation has not been undertaken at balance date, 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 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. As an independent valuation was not undertaken a managerial assessment was performed which indicated an overall:

- increase in fair value of land of 0% (\$0) in 2023.
- increase in fair value of buildings of 5% (\$1,704,543) in 2023.

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

As the cumulative movement was greater than 10% for land since the last revaluation a managerial revaluation adjustment was required as at 30 June 2022.

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

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

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

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

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



**Note 4.2 Right-of-use assets**

**Note 4.2(a) Gross carrying amount and accumulated depreciation**

	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
Right of use vehicles at fair value	773	448
Less accumulated depreciation	(162)	(80)
<b>Total right of use vehicles at fair value</b>	<b>611</b>	<b>368</b>
<b>Total right of use vehicles at fair value</b>	<b>611</b>	<b>368</b>

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

	Note	Right-of-use - Vehicles \$'000	Total \$'000
<b>Balance at 1 July 2021</b>		<b>185</b>	<b>185</b>
Additions		236	236
Depreciation	4.4	(53)	(53)
<b>Balance at 30 June 2022</b>	<b>4.2 (a)</b>	<b>368</b>	<b>368</b>
Additions		340	340
Depreciation	4.4	(97)	(97)
<b>Balance at 30 June 2023</b>	<b>4.2 (a)</b>	<b>611</b>	<b>611</b>

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

Where Mallee Track Health & 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 & 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
Vehicles	3 years

### Initial recognition

When a contract is entered into, Mallee Track Health & 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.

### Subsequent measurement

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

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

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

**Note 4.3 Revaluation surplus**

	<b>2023</b>	<b>2022</b>
<b>Note</b>	<b>\$'000</b>	<b>\$'000</b>
Balance at the beginning of the reporting period	40,448	34,109
<b>Revaluation increment</b>		
- Land	4.1 (b) -	88
- Buildings	4.1 (b) -	6,251
<b>Balance at the end of the Reporting Period*</b>	<b>40,448</b>	<b>40,448</b>
<b>* Represented by:</b>		
- Land	430	430
- Buildings	40,018	40,018
	<b>40,448</b>	<b>40,448</b>

## Note 4.4 Depreciation

	2023 \$'000	2022 \$'000
<b>Depreciation</b>		
Buildings	2,114	2,206
Plant and equipment	85	83
Motor vehicles	64	84
Medical equipment	46	48
Computer equipment	81	103
Furniture and fittings	58	46
<b>Total depreciation - property, plant and equipment</b>	<b>2,448</b>	<b>2,570</b>
<b>Right-of-use assets</b>		
Right of use - motor vehicles	97	53
<b>Total depreciation - right-of-use assets</b>	<b>97</b>	<b>53</b>
<b>Total depreciation</b>	<b>2,545</b>	<b>2,623</b>

### How we recognise depreciation

All 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 charges are based.

	2023	2022
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 20 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	3 to 20 years	13 years
Motor vehicles	5 to 6 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 4.5 Inventories

General stores at cost

**Total inventories**

	2023	2022
	\$'000	\$'000
General stores at cost	82	139
<b>Total inventories</b>	<b>82</b>	<b>139</b>

#### 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 4.6: Impairment of assets**

### **How we recognise impairment**

At the end of each reporting period, Mallee Track Health and Community Service reviews the carrying amount of its tangible and intangible assets that have a finite useful life, to determine whether there is any indication that an asset may be impaired.

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

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

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

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

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

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

Mallee Track Health and Community Service did not record any impairment losses in property, plant and equipment for the year ended 30 June 2023.

## 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

#### 5.2 Contract Assets

#### 5.3 Payables

#### 5.4 Contract liabilities

#### 5.5 Other liabilities

### Telling the COVID-19 story

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

### Key judgements and estimates

This section contains the following key judgements and estimates:

Key judgements and estimates	Description
Estimating the provision for expected credit losses	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	<p>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.</p> <p>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.</p>
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

	2023	2022
Notes	\$'000	\$'000
<b>Current receivables</b>		
<b>Contractual</b>		
Trade receivables	132	73
Patient fees	24	24
Accrued revenue	4	1
Amounts receivable from governments and agencies	7	-
<b>Total contractual receivables</b>	<b>167</b>	<b>98</b>
<b>Statutory</b>		
Net GST receivable	142	129
<b>Total statutory receivables</b>	<b>142</b>	<b>129</b>
<b>Total current receivables</b>	<b>309</b>	<b>227</b>
<b>Non-current receivables</b>		
<b>Contractual</b>		
Long service leave - Department of Health	942	722
<b>Total contractual receivables</b>	<b>942</b>	<b>722</b>
<b>Total non-current receivables</b>	<b>942</b>	<b>722</b>
<b>Total receivables</b>	<b>1,251</b>	<b>949</b>
<i>(i) Financial assets classified as receivables (Note 7.1(a))</i>		
Total receivables	1,251	949
GST receivable	(142)	(129)
Total financial assets	7.1(a) <b>1,109</b>	<b>820</b>

### 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*.

**Impairment losses of contractual receivables**

Refer to Note 7.2 (a) for Mallee Track Health and Community Service's contractual impairment losses.

**Note 5.2 Contract assets**

	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Balance at the beginning of the year</b>	81	59
Add: Additional costs incurred that are recoverable from the customer	156	81
Less: Transfer to trade receivable or cash at bank	(81)	(59)
<b>Total contract assets</b>	<b>156</b>	<b>81</b>
<b>* Represented by:</b>		
- Current assets	156	81
	<b>156</b>	<b>81</b>

**How we recognise contract assets**

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

## Note 5.3 Payables

	2023	2022
Note	\$'000	\$'000
<b>Current payables</b>		
<b>Contractual</b>		
Trade creditors	829	303
Accrued salaries and wages	406	329
Accrued expenses	59	350
Amounts payable to governments and agencies	385	262
Deferred capital grant income	334	133
5.3(a)	<b>2,013</b>	<b>1,377</b>
<b>Total contractual payables</b>	<b>2,013</b>	<b>1,377</b>
<b>Total current payables</b>	<b>2,013</b>	<b>1,377</b>
<b>Total payables</b>	<b>2,013</b>	<b>1,377</b>
<i>(i) Financial liabilities classified as payables (Note 7.1(a))</i>		
Total payables	2,013	1,377
Deferred grant income	(334)	(133)
7.1(a)	<b>1,679</b>	<b>1,244</b>
<b>Total financial liabilities</b>	<b>1,679</b>	<b>1,244</b>

### How we recognise payables

Payables consist of:

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

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

**Note 5.3(a) Deferred capital grant income**

	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Opening balance of deferred grant income</b>	133	-
Grant consideration for capital works received during the year	248	133
Deferred grant revenue recognised as revenue due to completion of capital works	(47)	-
<b>Closing balance of deferred grant income</b>	<b>334</b>	<b>133</b>

**How we recognise deferred capital grant revenue**

Grant consideration was received from the Department of Health Victoria to support refurbishment and upgrades within the residential aged care facilities. There is also deferred grant income relating to the Loddon Mallee Rural Health Alliance joint arrangement. Capital grant revenue is recognised progressively as the asset is constructed, since this is the time when Mallee Track Health and Community Service satisfies its obligations. The progressive percentage of costs incurred is used to recognise income because this most closely reflects the percentage of completion of the building works. As a result, Mallee Track Health and Community Service has deferred recognition of a portion of the grant consideration received as a liability for the outstanding obligations.

Mallee Track Health and Community Service expects to recognise all of the remaining deferred capital grant revenue for capital works by 30 June 2024.

## Note 5.4 Contract liabilities

	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Opening balance of contract liabilities</b>	156	194
Grant consideration for sufficiently specific performance obligations received during the year	3,148	2,937
Revenue recognised for the completion of a performance obligation	(3,179)	(2,975)
<b>Total contract liabilities</b>	<b>125</b>	<b>156</b>
<b>* Represented by:</b>		
- Current contract liabilities	125	156
	<b>125</b>	<b>156</b>

### 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.

### Maturity analysis of payables

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

## Note 5.5 Other liabilities

	2023	2022
Notes	\$'000	\$'000
<b>Current monies held in trust</b>		
Patient monies	11	14
Refundable accommodation deposits	5,041	5,692
<b>Total current monies held in trust</b>	<b>5,052</b>	<b>5,706</b>
<b>Total other liabilities</b>	<b>5,052</b>	<b>5,706</b>
<b>* Represented by:</b>		
- Cash assets	6.2 5,052	5,706
	<b>5,052</b>	<b>5,706</b>

### How we recognise other liabilities

#### Refundable Accommodation Deposit (RAD)/Accommodation Bond liabilities

RADs/accommodation bonds are non-interest-bearing deposits made by some aged care residents to 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.

## 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"> <li>▪ has the right-to-use an identified asset</li> <li>▪ has the right to obtain substantially all economic benefits from the use of the leased asset and</li> <li>▪ can decide how and for what purpose the asset is used throughout the lease.</li> </ul>
Determining if a lease meets the short-term or low value asset lease exemption	<p>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. For leased plant, equipment, furniture, fittings and vehicles, the implicit interest rate is between 1.27% and 2.28%.</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"> <li>▪ If there are significant penalties to terminate (or not extend), the health service is typically reasonably certain to extend (or not terminate) the lease.</li> <li>▪ If any leasehold improvements are expected to have a significant remaining value, the health service is typically reasonably certain to extend (or not terminate) the lease.</li> <li>▪ The health service considers historical lease durations and the costs and business disruption to replace such leased assets.</li> </ul>



## Note 6.1 Borrowings

	2023	2022
Note	\$'000	\$'000
<b>Current borrowings</b>		
Lease liability <sup>(i)</sup>	185	111
Advances from government (ii)	38	38
<b>Total current borrowings</b>	<b>223</b>	<b>149</b>
<b>Non-current borrowings</b>		
Lease liability <sup>(i)</sup>	427	258
Advances from government (ii)	49	85
<b>Total non-current borrowings</b>	<b>476</b>	<b>343</b>
<b>Total borrowings</b>	<b>699</b>	<b>492</b>

<sup>i</sup> Secured by the assets leased.

<sup>ii</sup> These are arranged in a manner to fund solar panels for a loan term of 5 years which bears no interest.

### How we recognise borrowings

Borrowings refer to interest bearing liabilities mainly raised from VicFleet vehicle lease liabilities and other non interest-bearing arrangements with the Department of Health Victoria.

### 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:

	2023 \$'000	2022 \$'000
Total undiscounted lease liabilities	627	380
Less unexpired finance expenses	(15)	(11)
<b>Net lease liabilities</b>	<b>612</b>	<b>369</b>

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

	2023 \$'000	2022 \$'000
Not longer than one year	185	117
Longer than one year but not longer than five years	442	263
<b>Minimum future lease liability</b>	<b>627</b>	<b>380</b>
Less unexpired finance expenses	(15)	(11)
<b>Present value of lease liability</b>	<b>612</b>	<b>369</b>
<b>* Represented by:</b>		
- Current liabilities	185	111
- Non-current liabilities	427	258
	<b>612</b>	<b>369</b>

### 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) 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.	Printer / Photocopier Hardware

### 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.

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 the substance of fixed payments.

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

## Note 6.2 Cash and Cash Equivalents

	<b>2023</b>	<b>2022</b>
<b>Note</b>	<b>\$'000</b>	<b>\$'000</b>
Cash on hand (excluding monies held in trust)	1	1
Cash at bank (excluding monies held in trust)	902	742
Cash at bank - CBS (excluding monies held in trust)	5,983	4,856
<b>Total cash held for operations</b>	<b>6,886</b>	<b>5,599</b>
Cash at bank - CBS (monies held in trust)	5,052	5,706
<b>Total cash held as monies in trust</b>	<b>5,052</b>	<b>5,706</b>
<b>Total cash and cash equivalents</b>	<b>11,938</b>	<b>11,305</b>

7.1 (a)

### How we recognise cash and cash equivalents

Cash and cash equivalents recognised on the balance sheet comprise cash on hand and in banks and deposits at call.

### Note 6.3 Commitments for expenditure

	2023 \$'000	2022 \$'000
<b>Non-cancellable short term and low value lease commitments</b>		
Less than one year	71	57
Longer than one year but not longer than five years	243	-
<b>Total non-cancellable short term and low value lease commitments</b>	<b>314</b>	<b>57</b>
<b>Total commitments for expenditure (exclusive of GST)</b>	<b>314</b>	<b>57</b>
Less GST recoverable from Australian Tax Office	(29)	(5)
<b>Total commitments for expenditure (exclusive of GST)</b>	<b>285</b>	<b>52</b>

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

#### How we disclose our commitments

Our commitments relate to short term and low value leases.

#### 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*

#### *7.4 Fair value determination*

### Key judgements and estimates

This section contains the following key judgements and estimates:

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

## Key judgements and estimates (continued)

Key judgements and estimates	Description
Measuring fair value of non-financial assets	<p>Mallee Track Health and Community Service uses a range of valuation techniques to estimate fair value, which include the following:</p> <ul style="list-style-type: none"> <li>▪ Market approach, which uses prices and other relevant information generated by market transactions involving identical or comparable assets and liabilities. The fair value of Mallee Track Health and Community Service’s specialised land is measured using this approach.</li> <li>▪ Cost approach, which reflects the amount that would be required to replace the service capacity of the asset (referred to as current replacement cost). The fair value of Mallee Track Health and Community Service’s [specialised buildings, furniture, fittings, plant, equipment and vehicles] are measured using this approach.</li> <li>▪ Income approach, which converts future cash flows or income and expenses to a single undiscounted amount. Mallee Track Health and Community Service does not this use approach to measure fair value.</li> </ul> <p>The health service selects a valuation technique which is considered most appropriate, and for which there is sufficient data available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.</p> <p>Subsequently, the health service applies significant judgement to categorise and disclose such assets within a fair value hierarchy, which includes:</p> <ul style="list-style-type: none"> <li>▪ Level 1, using quoted prices (unadjusted) in active markets for identical assets that the health service can access at measurement date. Mallee Track Health and Community Service does not categorise any fair values within this level.</li> <li>▪ Level 2, inputs other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly. Mallee Track Health and Community Service does not categorise any fair values in this level.</li> <li>▪ Level 3, where inputs are unobservable. Mallee Track Health and Community Service categorises specialised land, specialised buildings, plant, equipment, furniture, fittings, vehicles and right-of-use vehicles in this level.</li> </ul>



**Note 7.1: Financial instruments**

Financial instruments arise out of contractual agreements that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Due to the nature of 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**

<b>Total</b>		<b>Financial Assets at</b>	<b>Financial Liabilities</b>	<b>Total</b>
<b>30 June 2023</b>	<b>Note</b>	<b>Amortised Cost</b>	<b>at Amortised Cost</b>	<b>Total</b>
		<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Contractual Financial Assets</b>				
Cash and Cash Equivalents	6.2	11,938	-	11,938
Receivables and contract assets	5.1	1,109	-	1,109
<b>Total Financial Assets<sup>i</sup></b>		<b>13,047</b>	<b>-</b>	<b>13,047</b>
<b>Financial Liabilities</b>				
Payables	5.3	-	1,679	1,679
Borrowings	6.1	-	699	699
Other Financial Liabilities - Refundable Accommodation Deposits	5.5	-	5,041	5,041
Other Financial Liabilities - Patient/Resident monies held in trust	5.5	-	11	11
<b>Total Financial Liabilities<sup>i</sup></b>		<b>-</b>	<b>7,430</b>	<b>7,430</b>

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

<b>Total</b>		<b>Financial Assets at</b>	<b>Financial Liabilities</b>	<b>Total</b>
<b>30 June 2022</b>	<b>Note</b>	<b>Amortised Cost</b>	<b>at Amortised Cost</b>	<b>Total</b>
		<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Contractual Financial Assets</b>				
Cash and cash equivalents	6.2	11,305	-	11,305
Receivables and contract assets	5.1	820	-	820
<b>Total Financial Assets<sup>i</sup></b>		<b>12,125</b>	<b>-</b>	<b>12,125</b>
<b>Financial Liabilities</b>				
Payables	5.3	-	1,244	1,244
Borrowings	6.1	-	492	492
Other Financial Liabilities - Refundable Accommodation Deposits	5.5	-	5,692	5,692
Other Financial Liabilities - Patient/Resident monies held in trust	5.5	-	14	14
<b>Total Financial Liabilities<sup>i</sup></b>		<b>-</b>	<b>7,442</b>	<b>7,442</b>

<sup>i</sup> 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).

### **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 and interest rate 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 2022-23.

**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:

**Note 7.2 (a) Contractual receivables at amortised cost**

			Current	Less than 1 month	1–3 months	3 months –1 year	1–5 years	Total
<b>30 June 2023</b>								
<b>Expected loss rate</b>			0.0%	0.0%	0.0%	0.0%	0.0%	
Gross carrying amount of contractual receivables	\$000	5.1	129	30	8	0	0	<b>167</b>
<b>Loss allowance</b>			-	-	-	-	-	-
<b>30 June 2022</b>								
<b>Expected loss rate</b>			0.0%	0.0%	0.0%	0.0%	0.0%	
Gross carrying amount of contractual receivables	\$000	5.1	75	18	5	0	0	<b>98</b>
<b>Loss allowance</b>			-	-	-	-	-	-

## **Note 7.2 (a) Contractual receivables at amortised cost (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.

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) Payables and borrowings maturity analysis

		Maturity Dates						
		Carrying	Nominal	Less than 1	3 months - 1			
		Amount	Amount	Month	1-3 Months	Year	1-5 Years	Over 5 years
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Total</b>								
<b>30 June 2023</b>	<b>Note</b>							
Payables	5.3	1,679	1,679	1,679	-	-	-	-
Borrowings	6.1	699	-	-	-	223	476	-
Other Financial Liabilities - Refundable Accommodation Deposits	5.5	5,041	5,041	-	-	964	4,077	-
Other Financial Liabilities - Patient/Resident monies held in trust	5.5	11	11	-	-	11	-	-
<b>Total Financial Liabilities</b>		<b>7,430</b>	<b>6,731</b>	<b>1,679</b>	<b>-</b>	<b>1,198</b>	<b>4,553</b>	<b>-</b>

		Maturity Dates						
		Carrying	Nominal	Less than 1	3 months - 1			
		Amount	Amount	Month	1-3 Months	Year	1-5 Years	Over 5 years
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Total</b>								
<b>30 June 2022</b>	<b>Note</b>							
<b>Financial Liabilities at amortised cost</b>								
Payables	5.3	1,244	1,244	1,244	-	-	-	-
Borrowings	6.1	492	-	-	-	149	343	-
Other Financial Liabilities - Refundable Accommodation Deposits	5.5	5,692	5,692	-	-	1,497	4,195	-
Other Financial Liabilities - Patient/Resident monies held in trust	5.5	14	14	-	-	14	-	-
<b>Total Financial Liabilities</b>		<b>7,442</b>	<b>6,950</b>	<b>1,244</b>	<b>-</b>	<b>1,660</b>	<b>4,538</b>	<b>-</b>

<sup>i</sup> Ageing analysis of financial liabilities excludes statutory financial liabilities (i.e. GST payable).

<sup>ii</sup> Ageing of Refundable Accommodation Deposits are based upon historical redemption rates.

## **Note 7.2 (c) Market risk**

Mallee Track Health & Community Service's exposures to market risk are primarily through interest rate risk. Objectives, policies and processes used to manage each of these risks are disclosed below.

### **Sensitivity disclosure analysis and assumptions**

Mallee Track Health & Community Service's sensitivity to market risk is determined based on the observed range of actual historical data for the preceding five-year period. Mallee Track Health & Community Service's fund managers cannot be expected to predict movements in market rates and prices. The following movements are 'reasonably possible' over the next 12 months:

- a change in interest rates of 2% to 2.5% up.

### **Interest rate risk**

Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate because of changes in market interest rates. Mallee Track Health & Community Service does not hold any interest-bearing financial instruments that are measured at fair value, and therefore has no exposure to fair value interest rate risk.

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Mallee Track Health & Community Service has minimal exposure to cash flow interest rate risks through cash and deposits, term deposits and bank overdrafts that are at floating rate.

### **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 7.4: Fair Value Determination**

### **How we measure fair value**

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

The following assets and liabilities are carried at fair value:

- Property, plant and equipment
- Right-of-use assets
- Lease liabilities.

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

### **Valuation hierarchy**

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

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

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.

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

### **Identifying unobservable inputs (level 3) fair value measurements**

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

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

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

	Note	Total carrying amount	Fair value measurement at end of reporting period using:		
		30 June 2023	Level 1 <sup>i</sup>	Level 2 <sup>i</sup>	Level 3 <sup>i</sup>
		\$'000	\$'000	\$'000	\$'000
Specialised land		688	-	-	688
<b>Total land at fair value</b>	4.1 (a)	<b>688</b>	-	-	<b>688</b>
Specialised buildings		34,248	-	-	34,248
<b>Total buildings at fair value</b>	4.1 (a)	<b>34,248</b>	-	-	<b>34,248</b>
Plant and equipment at fair value	4.1 (a)	363	-	-	363
Motor vehicles at fair value	4.1 (a)	14	-	-	14
Medical equipment at Fair Value	4.1 (a)	250	-	-	250
Computer equipment at fair value	4.1 (a)	128	-	-	128
Furniture and fittings at fair value	4.1 (a)	508	-	-	508
<b>Total plant, equipment, furniture, fittings and vehicles at fair value</b>		<b>1,263</b>	-	-	<b>1,263</b>
Right of use assets at fair value - vehicles	4.2 (a)	611	-	-	611
<b>Total right-of-use assets at fair value</b>		<b>611</b>	-	-	<b>611</b>
<b>Total property, plant and equipment at fair value</b>		<b>36,810</b>	-	-	<b>36,810</b>
		Total carrying amount	Fair value measurement at end of reporting period using:		
		30 June 2022	Level 1 <sup>i</sup>	Level 2 <sup>i</sup>	Level 3 <sup>i</sup>
		\$'000	\$'000	\$'000	\$'000
Specialised land		668	-	-	668
<b>Total land at fair value</b>	4.1 (a)	<b>668</b>	-	-	<b>668</b>
Specialised buildings		36,202	-	-	36,202
<b>Total buildings at fair value</b>	4.1 (a)	<b>36,202</b>	-	-	<b>36,202</b>
Plant, equipment and vehicles at fair value	4.1 (a)	413	-	-	413
Motor vehicles at fair value	4.1 (a)	63	-	-	63
Medical equipment at Fair Value	4.1 (a)	171	-	-	171
Computer equipment at fair value	4.1 (a)	150	-	-	150
Furniture and fittings at fair value	4.1 (a)	356	-	-	356
<b>Total plant, equipment, furniture, fittings and vehicles at fair value</b>		<b>1,153</b>	-	-	<b>1,153</b>
Right of use assets at fair value - vehicles	4.2 (a)	368	-	-	368
<b>Total right-of-use assets at fair value</b>		<b>368</b>	-	-	<b>368</b>
<b>Total Property, Plant and Equipment</b>		<b>38,391</b>	-	-	<b>38,391</b>

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

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

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

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

Mallee Track Health and Community Service has assumed the current use of a non-financial physical asset is its highest and best use unless market or other factors suggest that a different use by market participants would maximise the value of the asset.

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

### **Specialised land and specialised buildings**

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

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

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

For 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 (current replacement cost).

**Furniture, fittings, plant and equipment**

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

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

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

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
<b>Balance at 1 July 2021</b>		<b>580</b>	<b>31,936</b>	<b>406</b>	<b>147</b>	<b>161</b>	<b>199</b>	<b>264</b>	<b>185</b>
Additions/(Disposals)		-	125	90	-	58	54	138	236
Net Transfers between classes		-	96	-	-	-	-	-	-
- Depreciation		-	(2,206)	(83)	(84)	(48)	(103)	(46)	(53)
Items recognised in other comprehensive income									
- Revaluation		88	6,251	-	-	-	-	-	-
<b>Balance at 30 June 2022</b>	7.4 (a)	<b>668</b>	<b>36,202</b>	<b>413</b>	<b>63</b>	<b>171</b>	<b>150</b>	<b>356</b>	<b>368</b>
Additions/(Disposals)		20	160	35	15	125	59	210	340
- Depreciation		-	(2,114)	(85)	(64)	(46)	(81)	(58)	(97)
<b>Balance at 30 June 2023</b>	7.4 (a)	<b>688</b>	<b>34,248</b>	<b>363</b>	<b>14</b>	<b>250</b>	<b>128</b>	<b>508</b>	<b>611</b>

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

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

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



## Note 8: Other disclosures

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

### Structure

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

***8.2 Responsible persons***

***8.3 Remuneration of executives***

***8.4 Related parties***

***8.5 Remuneration of auditors***

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

***8.7 Joint arrangements***

***8.8 Equity***

***8.9 Economic dependency***

### Telling the COVID-19 story

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

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

	<b>2023</b>	<b>2022</b>
<b>Note</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Net result for the year</b>	(912)	319
<b>Non-cash movements:</b>		
(Gain)/Loss on sale or disposal of non-financial assets	3.2 (187)	(9)
Depreciation and amortisation of non-current assets	4.4 2,545	2,623
(Gain)/Loss on revaluation of long service leave liability	3.2 (28)	66
Discount (interest) / expense on loan	3.2 1	(6)
<b>Movements in Assets and Liabilities:</b>		
(Increase)/Decrease in receivables and contract assets	(377)	(199)
(Increase)/Decrease in inventories	57	(74)
(Increase)/Decrease in prepaid expenses	(18)	(45)
Increase/(Decrease) in payables and contract liabilities	605	79
Increase/(Decrease) in employee benefits	172	155
Increase/(Decrease) in other liabilities	(3)	1
<b>Net cash inflow from operating activities</b>	<b>1,855</b>	<b>2,910</b>

## Note 8.2 Responsible persons

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

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

	Period
The Honourable Mary-Anne Thomas MP:	
Minister for Health	1 Jul 2022 - 30 Jun 2023
Minister for Health Infrastructure	5 Dec 2022 - 30 Jun 2023
Minister for Medical Research	5 Dec 2022 - 30 Jun 2023
Former Minister for Ambulance Services	1 Jul 2022 - 5 Dec 2022
The Honourable Gabrielle Williams MP:	
Minister for Mental Health	1 Jul 2022 - 30 Jun 2023
Minister for Ambulance Services	5 Dec 2022 - 30 Jun 2023
The Honourable Lizzy Blandthorn MP:	
Minister for Disability, Ageing and Carers	5 Dec 2022 - 30 Jun 2023
The Honourable Colin Brooks MP:	
Former Minister for Disability, Ageing and Carers	1 Jul 2022 - 5 Dec 2022
<b>Governing Boards</b>	
John Papatheohari (Board Chair)	1 Jul 2022 - 30 Jun 2023
Frank Piscioneri	1 Jul 2022 - 30 Jun 2023
Joyce Lynch	1 Jul 2022 - 30 Jun 2023
Phillip Down	1 Jul 2022 - 30 Jun 2023
Steven Fumberger	1 Jul 2022 - 30 Jun 2023
Carol Mioduchoski	1 Jul 2022 - 30 Jun 2023
Kathryn Munro	1 Jul 2022 - 30 Jun 2023
Mary Rydberg	1 Jul 2022 - 30 Jun 2023
<b>Accountable Officers</b>	
Lois O'Callaghan (Chief Executive Officer)	1 Jul 2022 - 10 Oct 2022
Tracey Wilson (Chief Executive Officer - Seconded from Mildura Base Public Hospital)	11 Oct 2022 - 30 Jun 2023

**Note 8.2 Responsible persons (continued)**

**Remuneration of Responsible Persons**

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

<b>Income Band</b>	<b>2023 No</b>	<b>2022 No</b>
\$0,000 - \$9,999	8	8
\$190,000 - \$199,999	-	1
\$210,000 - \$219,999	1	-
<b>Total Numbers</b>	<b>9</b>	<b>9</b>

<b>Total remuneration received or due and receivable by Responsible Persons from the reporting entity amounted to:</b>	<b>2023 \$'000</b>	<b>2022 \$'000</b>
	252	226

Amounts relating to Responsible Ministers are reported within the State's Annual 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 remuneration<sup>i</sup>**

Total number of executives

Total annualised employee equivalent<sup>ii</sup>

	Total Remuneration	
	2023	2022
	\$'000	\$'000
Short-term benefits	377	400
Post-employment benefits	37	51
Other long-term benefits	12	10
Termination benefits	-	-
<b>Total remuneration<sup>i</sup></b>	<b>426</b>	<b>461</b>
Total number of executives	3	3
Total annualised employee equivalent <sup>ii</sup>	2.4	3.0

<sup>i</sup> 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.

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

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

#### Short-term Employee Benefits

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

#### Post-employment Benefits

Pensions and other retirement benefits 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

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

KMPs	Position Title
John Papatheohari	Chair of the Board
Frank Piscioneri	Board Member
Joyce Lynch	Board Member
Phillip Down	Board Member
Steven Fumberger	Board Member
Carol Mioduchowski	Board Member
Kathryn Munro	Board Member
Mary Rydberg	Board Member
Lois O'Callaghan	Chief Executive Officer
Tracey Wilson	Acting Chief Executive Officer
Pam Vallance	Executive Director of Nursing
Lyndal Munro	Director of Community Services

Tracey Wilson has been seconded from Mildura Base Public Hospital during this time as Acting 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 State's Annual Financial Report.

	2023 \$'000	2022 \$'000
<b>Compensation - KMPs</b>		
Short-term Employee Benefits <sup>i</sup>	502	480
Post-employment Benefits	46	55
Other Long-term Benefits	71	12
Termination Benefits	58	-
<b>Total<sup>ii</sup></b>	<b>677</b>	<b>547</b>

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

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

## Note 8.4: Related Parties (continued)

### Significant transactions with government related entities

Mallee Track Health and Community Service received funding from the Department of Health of \$9.141 m (2022: \$8.150 m) and indirect contributions of \$0.296 m (2022: \$0.216 m). Balances recallable as at 30 June 2023 are \$0.385 m (2022 \$0.395 m).

Other State Government grants includes \$1.067 m (2022: \$0.694 m) from Dental Health Services Victoria and \$0.789 m (2022: \$0.786 m) from Department of Education and Training.

The Department of Health provided free of charge \$0.081 m (2022: 0.318 m) of essential personal protective supplies and equipment as part of the State Supply arrangement in order to meet the needs of the Health Service during the COVID-19 pandemic (refer note 2.2).

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 2023 (2022: 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 2023 (2022: none).

**Note 8.5: Remuneration of Auditors**

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

<b>2023</b>	<b>2022</b>
<b>\$'000</b>	<b>\$'000</b>
18	18
<b>18</b>	<b>18</b>

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

There are no events occurring after the Balance Sheet date.



## Note 8.7 Joint arrangements

	Principal Activity	Ownership Interest	
		2023	2022
		%	%
Loddon Mallee Rural Health Alliance	Provision of Information Technology Services	4.58	4.41

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:

	2023 \$'000	2022 \$'000
<b>Current assets</b>		
Cash and cash equivalents	645	351
Receivables	94	25
Prepaid expenses	132	108
<b>Total current assets</b>	<b>871</b>	<b>484</b>
<b>Non-current assets</b>		
Property, plant and equipment	38	36
<b>Total non-current assets</b>	<b>38</b>	<b>36</b>
<b>Total assets</b>	<b>909</b>	<b>520</b>
<b>Current liabilities</b>		
Payables	305	180
Other Current Liabilities	193	11
<b>Total current liabilities</b>	<b>498</b>	<b>191</b>
<b>Total liabilities</b>	<b>498</b>	<b>191</b>
<b>Net assets</b>	<b>411</b>	<b>329</b>
<b>Equity</b>		
Accumulated surplus	411	329
<b>Total equity</b>	<b>411</b>	<b>329</b>

**Note 8.7 Joint arrangements**

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

	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Revenue and income from transactions</b>		
Grants	738	547
Other income	24	8
<b>Total revenue and income from transactions</b>	<b>762</b>	<b>555</b>
<b>Expenses from transactions</b>		
Other Expenses from Continuing Operations	670	529
Depreciation	10	8
<b>Total expenses from transactions</b>	<b>680</b>	<b>537</b>
<b>Net result from transactions</b>	<b>82</b>	<b>18</b>

**Contingent liabilities and capital commitments**

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

**Note 8.8: Equity**

**Contributed capital**

Contributions by owners (that is, contributed capital and its repayment) are treated as equity transactions and, therefore, do not form part of the income and expenses of the 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 believes the Department of Health will continue to support Mallee Track Health and Community Service.



**2022-23**

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