



MTHCS

Mallee Track Health
and Community Service

Annual Report 2023-2024

www.mthcs.com.au



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General Information

Establishment:

MTHCS was established in 1997, as one of seven Multi-Purpose Services established in Victoria under Part 4A of the Health Services Act (HSA). In 2011 Sea Lake and District Health Service merged with MTHCS.

The Minister responsible for MTHCS is the Minister for Health.

Responsible Ministers:

Minister for Health:
The Hon Mary-Anne Thomas
From 1 July 2023 to 30 June 2024

Minister for Disability, Ageing and Carers
The Hon. Lizzie Blandthorn
From 1 July 2023 to 2 October 2023

Minister for Ambulance Services
The Hon. Gabrielle Williams
From 1 July 2023 to 2 October 2023
The Hon Mary-Anne Thomas
From 2 October 2023 to 30 June 2024

Minister for Disability/Minister for Children
The Hon. Lizzie Blandthorn
From 2 October 2023 to 30 June 2024

Minister for Mental Health
The Hon. Gabrielle Williams
From 1 July 2023 to 2 October 2023
The Hon. Ingrid Stitt
From 2 October 2023 to 30 June 2024

Minister for Ageing
The Hon. Ingrid Stitt
From 2 October 2023 to 30 June 2024

Responsible Bodies Declarations:

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 2024.


Mary Rydberg (July 17, 2024 05:43 GMT+10:00)

Mary Rydberg Board Chair
Mallee Track Health and Community Service, Ouyen
Date: 17/7/24



About Us



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 Values



ACCOUNTABILITY

We define our expectations and are accountable for our actions.



EXCELLENCE

We set high standards and continually strive to improve on them.



COMPASSION

We treat everyone with care, respect and dignity.



TEAMWORK

We work collaboratively and in the spirit of partnership.



INTEGRITY

We endeavour to do the right thing in all circumstances even if no-one is watching.



TRANSPARENCY

We are open and honest and embrace positive change.

Our Services

The remit of a **Multi-Purpose Service** is to respond to the needs of the community and Mallee Track Health and Community Service has a broad portfolio of services to fulfil that purpose. Services include Urgent Care; Acute Care; Sub-Acute Care; Residential Aged Care; Mallee Track@Home; Dental Services; General Practice Primary Care; Allied Health Services; Delivered Meals; Community Transport; Social Support; Leisure and Lifestyle; Early Years; Rural Outreach and Neighbourhood House.

These services are provided by staff and volunteers across the following locations:

Ouyen - Urgent Care; Acute Care; Sub-Acute Care; Residential Aged Care; Mallee Track@Home; Dental Services; General Practice Primary Care; Allied Health Services; Delivered Meals; Community Transport; Social Support; Leisure and Lifestyle; Early Years; Rural Outreach and Neighbourhood House.

Sea Lake - Urgent Care; Acute Care; Sub-Acute Care; Residential Aged Care; Mallee Track@Home; General Practice Primary Care; Allied Health Services; Delivered Meals; Community Transport; Social Support; Leisure and Lifestyle; Early Years; Rural Outreach and Neighbourhood House.

Murrayville - Mallee Track@Home; Allied Health Services; Delivered Meals; Community Transport; Social Support; Leisure and Lifestyle; Early Years; Rural Outreach and Neighbourhood House.

Underbool - Mallee Track@Home; Allied Health Services; Delivered Meals; Community Transport; Social Support; Leisure and Lifestyle; Early Years and Rural Outreach
Manangatang - Early Years

We also partner with visiting providers to provide the following services:

Ouyen - Country Hearing; Gooch Chiropractic; RFDS Women's Health Service; Maternity Services from MBPH; Diabetes Education from Murray PHN; Dietician from Robinvale District Health Service; Speech Pathology from RFDS; Psychological Therapy Services; Mental Health Services from MBPH.

Sea Lake - Accoustic Health; Speech Pathology from RFDS

Underbool - Nurse Practitioner Primary Care

Murrayville - Nurse Practitioner Primary Care



WOUND CARE AT THE CLINIC OR AT HOME

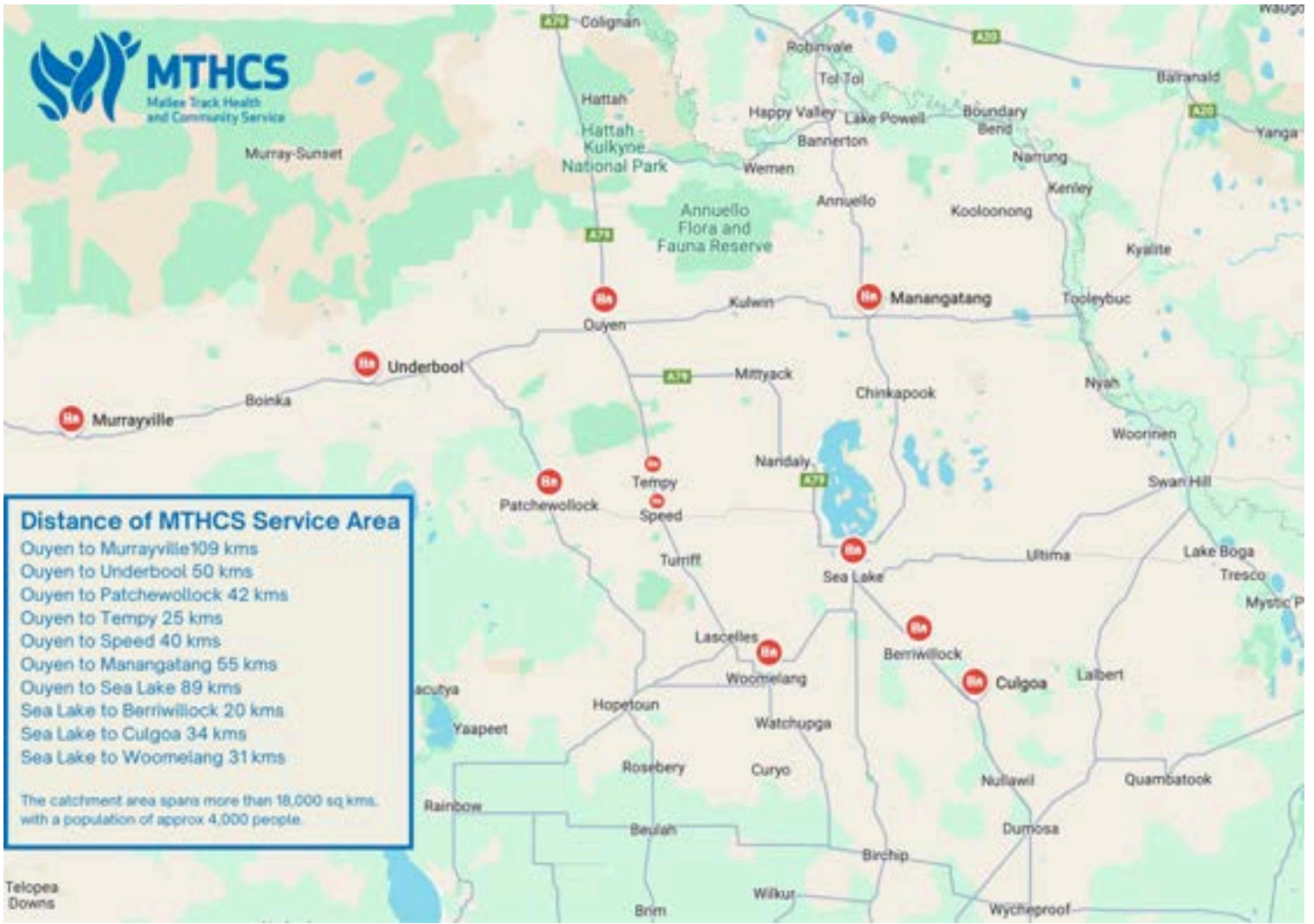
BOOK AN APPOINTMENT NOW

At the Medical Clinics at Ouyen and Sea Lake or you can book the district nurse to come to your own home by calling the Intake Team on 0427 946 272 and ask for Mallee Track@Home services. We can get in touch with your doctor to confirm how your wound is healing. This service is free for Mallee Track Community members.

- High Efficiency Treatment
- More Cost Savings
- Convenient for people with limited mobility

CARE CLOSER TO HOME

MTHCS
Mallee Track Health and Community Service



Organisation Chart



Governance

Board of Directors



MARY RYDBERG

BOARD CHAIR
APPOINTED DEC 2023



CAROL MIODUCHOWSKI

BOARD DIRECTOR
CHAIR OF THE QUALITY, SAFETY
AND CLINICAL RISK COMMITTEE
APPOINTED JULY 2022



JOY LYNCH

BOARD DIRECTOR
CHAIR OF THE COMMUNITY
ADVISORY COMMITTEE
APPOINTED JULY 2016



ALEXANDER LOOK

BOARD DIRECTOR
APPOINTED JULY 2023



FRANK PISCIONERI

BOARD DIRECTOR
CHAIR FINANCE, AUDIT AND RISK COMMITTEE
APPOINTED JULY 2021



NICK MCDONALD

BOARD DIRECTOR
APPOINTED JULY 2023



KATHRYN MUNRO

VICE CHAIR - BOARD DIRECTOR
FINANCE, AUDIT AND RISK COMMITTEE
JULY 2020



JOHN PAPATHEOHARI

BOARD CHAIR
JULY - NOVEMBER 2023
APPOINTED JULY 2021

Finance, Audit & Risk Committee

The finance, audit and risk committee maintain effective financial governance of MTHCS. The members of this committee are:

Board Members:

Frank Piscioneri,
Kathryn Munro
Board Chair Ex Officio

Attendees:

Matthew Jukes Executive Director Finance & Corporate Services / Deputy Chief Executive Officer MBPB,
Jessica Pisevski Finance Manager MBPH,
Donna Hamilton Accountant MTHCS
Rakesh Nagalla Manager Corporate Services MTHCS
Chief Executive Officer MTHCS

Invitees:

Internal Auditors
External Auditors

Governance

Management Team



DR FRANCES PEART
CHIEF EXECUTIVE OFFICER



LYNDAL MUNRO
DIRECTOR OF COMMUNITY SERVICES

COMMUNITY SERVICES - Allied Health, Delivered Meals, Community Transport, Social Support, Leisure and Lifestyle.
EARLY YEARS SERVICES
RURAL CONNECTION - Rural Outreach and Neighbourhood Houses.
DENTAL SERVICES



CASEY CROTHERS
PEOPLE & CULTURE ADVISOR



ROSEMARY CATTANACH
EXECUTIVE DIRECTOR OF NURSING & MIDWIFERY

CLINICAL SERVICES - Urgent Care, Acute and Sub-acute Care, Residential Aged Care, Mallee Track at Home and Medical Clinics.
PROFESSIONAL LEAD FOR NURSING AND MIDWIFERY.



SHARON MALONEY
COMMUNITY ENGAGEMENT ADVISOR



RAKESH NAGALLA
MANAGER OF CORPORATE SERVICES

Administration, Hotel Services and Maintenance & Stores.

Board Chair & Executive Officer Report

Welcome to the Annual Report for Mallee Track Health and Community Service.

Our commitment to providing people of all ages with access to quality person-centred care in the Mallee has remained steadfast, guiding our efforts and inspiring innovation. In this report, we reflect on our journey over the past year, highlighting our progress, celebrating the dedication of our staff, and outlining our strategic priorities for the future.

This year marked a period of significant change in the leadership of Mallee Track Health and Community Service. We witnessed the departure of Pam Vallance, our esteemed Executive Director of Nursing, whose influence was pivotal in shaping our clinical and residential aged care services over 35 years of service to the community. We extend our heartfelt gratitude to Tracey Wilson for her dedicated service as interim Chief Executive Officer and to John Papatheohari for his invaluable contributions as Board Chair. These transitions have infused our organisation with new energy and ideas, reinforcing our commitment to delivering exceptional healthcare in our rural communities. We are delighted to welcome Rosemary Cattanach as the new Executive Director of Nursing and Midwifery, bringing a wealth of experience and a fresh perspective to our team.

Accountability

The Board reviewed and updated the bylaws and provided a draft to the Department of Health for approval. Aligning our goals with the evolving needs of our community, the board led the development of refreshed strategic priorities through to the end of 2024. We implemented an operational dashboard to monitor departmental key performance indicators each month, ensuring better oversight and performance tracking.

Excellence

We are proud to have achieved NSQHS accreditation in early 2024, a testament to our commitment to quality and safety. As part of our continuous improvement efforts, we have ceased the ISO accreditation process and decentralized our quality management system. Communication with Mallee Track Health and Community Service employees has enhanced over the past 12 months with the introduction of the People and Culture boards located above all Kronos clocks and the staff newsletter being produced from within the team rather than an external consultant.

Compassion

General practice services were expanded with the creation of a position for a Mildura Base Public Hospital junior doctor to rotate to the Ouyen Medical Clinic. Supervision for the junior doctor is provided by the locum general practitioner and this has translated into increased access to general practice appointments for the Ouyen community. The most impressive collaboration with Mildura Base Public Hospital was the establishment of the virtual ward at Ouyen Hospital. A new model of care was developed to enable Mildura Base Public Hospital patients to be admitted to the Ouyen Hospital under the care of the specialist medical services at Mildura.

Teamwork

Our People Matter Survey achieved the highest participation rate to date, reflecting the staff's engagement and commitment to Mallee Track. One outcome from the survey was the formation of focus groups to address five key areas - Bullying and Harassment; Violence and Aggression; Patient Safety, Learning and Development and Responding to Stress. The inaugural staff awards ceremony celebrated the exceptional contributions of our employees. The event was planned and organised by staff and Board Directors, managers and staff enjoyed a wonderful evening of fun and comradery.

Board Chair & Executive Officer Report

Integrity

We were very fortunate to participate in the development and publication of the Northern Mallee Integrated Partnership Clinical Services Plan. One of the direct benefits of the plan was the establishment of an antenatal outpatient service at Ouyen as an outreach of Mildura Base Public Hospital maternity services. A significant improvement for the Sea Lake community was the repurposing of the Carinya facility to accommodate the neighbourhood house activities and other community events.

Transparency

Partnering with Mildura Base Public Hospital for financial services has resulted in improvement and enhancement of financial reporting to the Board. A major upgrade to our financial software systems has enhanced our financial management and reporting capabilities. A complete review of our strategic and operational risk registers has been undertaken this year, providing a robust framework for risk management.

This year has been one of transformation and growth for Mallee Track Health and Community Service. We have navigated significant changes, implemented best practice initiatives, and continued to prioritise the needs of our community. This has all been possible with the help of the careful stewardship of the Board, the skilled decision making of the executive and the compassion and dedication of the staff. We offer our heartfelt thanks to them for all that has been achieved this year. We are confident that the foundations laid this year will propel us towards a future of enhanced service delivery and community health outcomes.



Mary Rydberg

Mary Rydberg
Board Chair



Dr Frances Peart

Dr Frances Peart
Chief Executive Officer



Aboriginal Cultural Safety

Whilst the number of people in the Mallee Track communities who identify as Aboriginal or Torres Strait Islander is well below the Mallee average of 8% of total population, there are Aboriginal people living in our communities. 1.5% of the population of Ouyen, 0.9% of the Sea Lake population and 7.7% of the Manangatang population identify as Aboriginal or Torres Strait Islander. Aboriginal elders from Barkindji Country joined us for lunch to talk about how we could develop cultural awareness in staff to better support the Aboriginal people in our community. Mallee Track Health and Community Service staff participated in the Loddon Mallee Health Network Research Project: System Reform for First Nations Communities within EDs and UCCs. The research project is a collaboration between Loddon Mallee Health Network and La Trobe University.

MPS Performance Priorities

Service Plan Progress Outcomes

Leverage Northern Mallee Integrated Partnership Clinical Services Plan Data Analysis to progress MTHCS demand insights.

The CSP supply side data identified that there were many Mallee Track Community members accessing inpatient and outpatient services at MBPH. Further exploration of the activity data for MBPH provided direction for the development of the Clinical Services Capability Statements for MTHCS. A wound clinic has been established at the Ouyen Medical Clinic to provide these services closer to home for Mallee Track communities.

Define Board Performance Dashboard

A consolidated view of known metrics and new indicators aligned with strategic priorities.

Composition is:

- Financial (e.g., operating result, labour cost ratio, locum cost ratio)
- Clinical (e.g., accreditation, incident, falls, medications)
- Activity (e.g., Early Years, occupancy, UCC/sub-acute, care close to home)
- Consumer/Community (e.g., feedback, satisfaction, volunteer)
- People & Culture (e.g., workforce fulfilment, PMS, turnover, Workcover)
- Reform (e.g., partnering, climate action, equitable access)

Financial and Operational Modelling

OPEX and CAPEX budgets modelled including consumer demand, facility occupancy, workforce/EFT, capacity utilisation and Income optimisation

Reform - Aged Care, Early Years, Mental Health

Service delivery (and grants) options for services assessed to align with Aged Care and Early Years reform including 'at home' and from community to residential and end of life care. Mallee Track@Home model of care developed incorporating MPS funding model, care closer to home principles, virtual care options across primary, acute and aged care service delivery.

Consumer Journey

Patient flow data reviewed to identify travel undertaken by MTHCS community members. Clinical Services Capability framework will guide development of relevant services closer to home.

Consumer Demand Generation

Existing services and new services promoted to the community using a range of communication strategies. Clients presenting to the wound clinic were identified through community consultation.



Service Plan continued.

Virtual Care Project

A virtual care pilot was established in partnership with MBPH.

Strategy Execution

An assessment of strategic priority execution capability (organisation structure, workforce, core services, marketing) was undertaken and changes to the organisational structure were made to enhance efficiency.

Capital Master Plan

An initial assessment of the Capital Master assets was undertaken. This work will inform strategic approach to the utilisation of the capital assets.



MPS Financial & Service Performance Reporting

Governance and Leadership

KEY PERFORMANCE INDICATOR ORGANISATIONAL CULTURE	TARGET	RESULT
People matter survey - Percentage of staff with an overall positive response to safety culture survey questions.	62%	70%

Occupational Health & Safety

OCCUPATIONAL HEALTH AND SAFETY STATISTICS	2021-2022	2022-2023	2023-2024
The number of reported hazards / incidents for the year per 100 FTE.	294	26.7	57.05
The number of 'lost time' standard WorkCover claims for the year per 100 FTE.	0.01	0.00	2.72
The average cost per WorkCover claim for the year.	0.30	0.00	\$13

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%	91%
Percentage of healthcare workers immunised for influenza	92%	100%
Victorian Healthcare Experience Survey - percentage of positive patient experience responses.	95% positive experience	n/a

Occupational Violence

OCCUPATIONAL VIOLENCE STATISTICS	2023-2024
WorkCover accepted claims with an occupational violence cause per 100 FTE.	0.00
Number of accepted WorkCover claims with lost time injury with an occupational violence cause per 1,000,000 hours worked.	0.00
Number of occupational violence incidents reported.	13
Number of occupational violence incidents reported per 100 FTE.	8.8
Percentage of occupational violence incidents resulting in a staff injury, illness or condition.	0

MPS Financial & Service Performance Reporting cont.

Workforce Data

HOSPITAL LABOUR CATEGORY	JUNE CURRENT MONTH FTE 2023	JUNE CURRENT MONTH FTE 2024	AVERAGE MONTHLY FTE 2023	AVERAGE MONTHLY FTE 2024
Nursing	38.09	37.34	37.94	38.33
Administration and Clerical	26.31	27.89	23.07	28.09
Medical Support	0.00	0.00	0.00	0.00
Hotel and Allied Services	43.44	49.35	35.49	47.61
Medical Officers	0.00	0.00	0.00	0.00
Hospital Medical Officers	0.00	0.00	0.00	0.00
Sessional Clinicians	0.00	0.00	0.00	0.00
Ancillary Staff (Allied Health)	31.32	35.49	35.56	33.21

MPS Funded Flexible Aged Care Places

CAMPUS	NUMBER
Flexible high care	50
Flexible low care	35

MPS Utilisation of Flexible Aged Care Places

OUYEN CAMPUS	NUMBER	OCCUPANCY LEVEL %
Flexible high care	29	52.57%
Flexible low care	27	43.20%
Respite	2	247.40%
TOTAL	58	

SEA LAKE CAMPUS	NUMBER	OCCUPANCY LEVEL %
Flexible high care	19	63.11%
Flexible low care	6	54.20%
Respite	2	46.16%
TOTAL	27	

MPS Financial & Service Performance Reporting



MPS Acute Care Activity

SERVICE	TYPE OF ACTIVITY	ACTUAL ACTIVITY 2023-2024
Medical inpatients	Bed days	106
Urgent care	Presentations	801

MPS Primary Health Care Activity

SERVICE	ACTUAL ACTIVITY 2023-2024
District Nursing	1457 hours / 1843 occasions / 102 clients
Podiatry including foot care clinics	1224 hours / 2242 occasions
Occupational Therapy	460 hours / 539 occasions
Physiotherapy (including Hydrotherapy)	356 hours / 652 occasions
Exercise groups	1602 hours / 1906 occasions
Community Social Support	12048 hours community
Volunteer Transport	1716 trips
Delivered Meals	7056 DM / 241 CM
Speech Therapy in partnership with RDHS	817 occasions
Rural Outreach Worker	134
Registered Volunteer	132

EARLY YEARS SERVICES	ACTUAL ACTIVITY 2023-2024
Kindergarten	70
Child Care	126

Disclosures Required Under Legislation

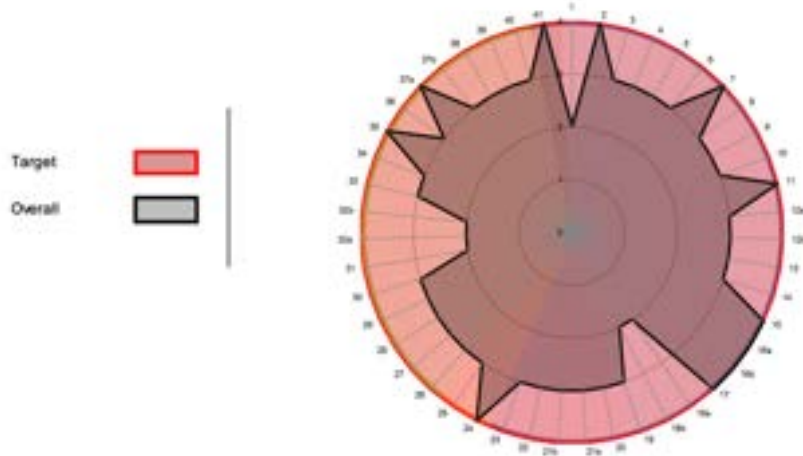


Achievements Under Social Procurement Strategy

Mallee Track health and Community Service has prioritized 3 Social Procurement Framework Objectives in 2023-2024 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 1 social benefit supplier with a spend of \$1184.00 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 organization to benefit other not-for-profits. Any surplus they make is returned to the community.

Asset Management Accountability Framework



Financial Sustainability

KEY PERFORMANCE INDICATOR	TARGET	ACTUAL
Operating results (\$m)	0.301	(\$0.398)
Trade creditors	60 days	57 days
Patient fee debtors	60 days	22 days
Adjusted current asset ratio	0.7	1.10
Number of days available cash	14 days	99 days

Disclosures Required Under Legislation

Financial Information - Five Year Comparison

KEY PERFORMANCE INDICATOR	2024-23	2022-23	2021-22	2020-21	2019-20
Operating results	(398)	1396	2426	922	348
Total revenue	21,968	22,208	21,064	18,759	17,445
Total expenses	(24,908)	(23,278)	20,826	20,349	19,412
Net results from transactions	(2,940)	(1,070)	238	(1,590)	(1,947)
Total other economic flows	147	158	81	225	(15)
Net result	(2,793)	(912)	319	(1,365)	(1,982)
Total assets	79,936	50,431	51,041	43,321	44,455
Total liabilities	12,569	11,457	11,155	10,093	9,923
Net assets/Total equity	67,367	38,974	39,886	33,228	34,532

Reconciliation of NET Result from Transactions & Operating Result

KEY PERFORMANCE INDICATOR	RESULT 2024
Operating results	(398)
Capital purpose income	294
Specific income	59
COVID-19 state supply arrangements: Assets received free of charge for nil consideration under the State Supply	N/A
Assets received free of charge	N/A
Expenditure for capital purpose	(305)
Depreciation and amortisation	(2,563)
Impairment of non-financial assets	N/A
Finance costs (other)	(27)
Net result from transactions	(2,940)

Disclosures Required Under Legislation

Information & Communication Technology Expenditure

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)
\$792,405		\$0	\$0	\$0

Disclosure & Review Study Expenses

KEY PERFORMANCE INDICATOR	TARGET	ACTUAL
Feasibility studies	0	0
Scoping studies	0	0
Audits / reviews	0	0
Research and development	0	0
Inquiries and investigations	0	0
Impact / evaluation studies	0	0

Consultancies Information

CONSULTANT	PURPOSE OF CONSULTANCY	START DATE	END DATE	TOTAL APPROVED PROJECT FEE (EX-GST)	EXPENDITURE 2023-24 (EX-GST)	FUTURE EXPENDITURE
Tribal Media Makers	Communications and Engagement Consultant	N/A	N/A	N/A	\$8,800	\$0
Des Travis	Home Model of Care	N/A	N/A	N/A	\$5,500	\$0
Local Logic	Early Childhood Workforce Plan	N/A	N/A	N/A	\$13,230	\$0

Disclosures Required Under Legislation

FRD 24 - Indicator Related to Green House Gas Emissions

ELECTRICITY USE				STATIONARY ENERGY	
EL1 Total electricity consumption segmented by source [MWh]	EL2 Total On site-electricity generated [MWh]	EL3 Total On-site installed generation capacity [MW]	EL4 Total electricity offsets [MWh]	F1 Total fuels used in buildings [MJ]	F2 Greenhouse gas emissions from stationary fuel consumption [Tonnes CO2-e]
873.53	206.36	2.03	125.43	1,636,476	99,1703
TRANSPORTATION ENERGY					
T1 Total energy used in transportation (vehicle fleet) [MJ]	T2 Number and proportion of vehicles in the organisational boundary segmented by engine/fuel type and vehicle category	T3 Total Greenhouse gas emissions from transportation (vehicle fleet) [tonnes CO2-e]	T4 Total distance travelled by commercial air travel (passenger km travelled for business purposes by entity staff on commercial or charter aircraft)	T(opt1) Total vehicle travel associated with entity operations [1,000 km]	T(opt2) Greenhouse gas emissions from vehicle fleet [tonnes CO2-e per 1,000 km]
760,524.50	Not reported by Eden Suite	51,7225	n/a	n/a	n/a
TOTAL ENERGY USE				SUSTAINABLE BUILDINGS AND INFRASTRUCTURE	
E1 Total energy usage from fuels, including stationary fuels (F1) and transport fuels (T1) [MJ]	E2 Total energy usage from electricity [MJ]	E3 Total energy usage segmented by renewable and non-renewable sources [MJ]	E4 Total: Units of Stationary Energy used normalised: (F1+E2)/normaliser	B1 Discuss how environmentally sustainable design (ESD) is incorporated into newly completed entity-owned buildings	B2 Discuss how new entity leases meet the requirement to preference higher-rated office buildings and those with a Green Lease Schedule
239,7000.5	3,144,716,14248	6284607.64	297,717.27	Not reported by Eden Suite	Not reported by Eden Suite
SUSTAINABLE BUILDINGS AND INFRASTRUCTURE			WATER USE		
B3 NABERS Energy (National Australian Built Environment Rating system) ratings of newly completed/occupied Entity-owned office buildings and substantial tenancy fit-outs (temised)	B4 Environmental performance ratings (eg. NABERS, Green Star, or ISCAIS rating scheme) of newly completed Entity-owned non-office building or infrastructure projects or upgrades with a value over \$1 million	B5 Environmental performance ratings achieved for Entity-owned assets portfolio segmented by rating scheme and building, facility, or infrastructure type, where these ratings have been conducted	W1 Total units of metered water consumed by water source (kl)	W2 Total units of metered water consumed normalised by FTE, headcount, floor area, or other entity or sector specific quantity	
Not reported by Eden Suite	Not reported by Eden Suite	Not reported by Eden Suite	27,437,3388	1,708.48	
WASTE AND RECYCLING					GREENHOUSE GAS EMISSIONS
WR1 Total units of waste disposed of by waste stream and disposal method [kg]	WR2 Percentage of office sites covered by dedicated collection services for each waste stream	WR3 Total units of waste disposed normalised by FTE, headcount, floor area, or other entity or sector specific quantity, by disposal method	WR4 Recycling rate [%]	WR5 Greenhouse gas emissions associated with waste disposal [tonnes CO2-e]	G1 Total scope one (direct) greenhouse gas emissions [tonnes CO2e]
14,546.1	Not reported by Eden Suite	0.83	15.88%	15.91	150.89
GREENHOUSE GAS EMISSIONS			NORMALISATION FACTORS		
G2 Total scope two (indirect electricity) greenhouse gas emissions [tonnes CO2e]	G3 Total scope three (other indirect) greenhouse gas emissions associated with commercial air travel and waste disposal (tonnes CO2e)	G(Opt) Net greenhouse gas emissions (tonnes CO2e)	1000km (Corporate)	1000km (Non-emergency)	Aged Care OBD
438.81	162.27	751.98	n/a	n/a	17,332
NORMALISATION FACTORS				SUSTAINABLE BUILDINGS AND INFRASTRUCTURE	
ED Departures	FTE	LOS	OBD	PPT	Separations
0.00	143	106	17438	17457	19
SUSTAINABLE BUILDINGS AND INFRASTRUCTURE					
Total Area m2					
11,385					

Disclosures Required Under Legislation



Building Act 1993

All building works have been designed in accordance with the Department of Health's Capital Development Guidelines and comply with the Building Act 1993 (Vic), Building Regulations 2006 (Vic) and Building Code of Australia, relevant at the time of works. All contractors are appropriately qualified. There were no Occupancy Permits issued during the financial year. There were no Building Permits issued during the financial year.

Public Interest Disclosure Act 2012

The Public Interest Disclosure Act 2012 (Vic) enables people to make disclosures about improper conduct within the public sector without fear of reprisal. The Public Interest Act aims to ensure openness and accountability by encouraging people to make disclosures and protecting them when they do. MTHCS complies with the requirements of the Public Interest Disclosure Act 2012 and did not receive any disclosures in the 2023-24 financial year. Members of the public wishing to access copies of procedures can apply in writing to the Chief Executive Officer, Dr Frances Peart at MTHCS. Information can be found at: www.mthcs.com.au.

National Competition Policy (NCP)

All competitive neutrality requirements were implemented and met in accordance with National Competition Policy (NCP). MTHCS is compliant with the National Competition Policy (NCP), including compliance with the requirements of the policy statement, Competitive Neutrality Policy Victoria and any subsequent reforms.

Local Jobs First Act 2003

In 2023-2024 there were no contracts requiring disclosure under the Local Jobs First Policy. Financial Management Act 1994 (Vic) In accordance with the Direction of the Minister for Finance part 9.1.3 (iv), information requirements have been prepared and are available to the relevant Minister, Members of Parliament and the public on request.

Safe Patient Care Act 2015 (Vic)

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

Environmental Performance

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

Disclosures Required Under Legislation

Carers Recognition Act 2012

MTHCS recognises and values the unique relationship between clients and their carers and operates in an environment responsive to all parties and applies the overarching principles of the Carer's Recognition Act 2012 (Vic). MTHCS has taken all practical measures to comply with its obligations under the Act.

These include:

- promoting the principles of the Act to people in care relationships who receive our services and to the wider community (e.g. distributing printed material about the Act at community events or service points; providing links to state government resource materials on our website; providing digital and/or printed information about the Act to our partner organisations)
- ensuring our staff have an awareness and understanding of the care relationship principles set out in the Act (e.g. developing and implementing a staff awareness strategy about the principles in the Act and what they mean for staff; induction and training programs offered by the organisation include discussion of the Act and the statement of principles therein)
- considering the care relationships principles set out in the Act when setting policies and providing services (e.g. reviewing our employment policies such as flexible working arrangements and leave provisions to ensure that these comply with the statement of principles in the Act; developing a satisfaction survey for distribution at assessment and review meetings between workers, carers and those receiving care)
- implementing priority actions in Recognising and supporting Victoria's carers: Victorian Carer strategy 2018-22.

Freedom of Information Act 1982

MTHCS processed ten (10) requests during the 2023-24 reporting period (2 were carried over from 2022-23). The majority of requests received were from Legal Representatives on behalf of members of the public. Other requests processed included Subpoenas, Summons, WorkCover requests and Coroner's requests.

Access to documents and records held by MTHCS may be requested under the Freedom of Information Act 1982. Members of the public wishing to access documents can apply in writing to:

Freedom of Information Officer
Mallee Track Health and Community Service
Rosemary Cattanach
PO Box 130
Ouyen Vic 3490
rcattanach@mthcs.vic.gov.au

Payment of Application Fee can be made by Direct Deposit or Cheque to:
Mallee Track Health and Community Service
BSB: 013756
Account No: 290605963

Disclosure Required Under Legislation

Gender Equality Act 2020

The Mallee Track Health and Community Service Gender Equality Action Plan (GEAP) was approved by the Commission for Gender Equality on the 20th June 2022.

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

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

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

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

Privacy

MTHCS recognizes, and is committed to, the protection of the privacy of patient, resident, client and staff information. MTHCS has in place policies to ensure compliance with the Health Records Act 2001 (Vic), Privacy Act 2000 and the Information Privacy Act 2000 (Vic) Patients, residents and clients are informed of their rights on first contact with MTHCS that all health information collected, and medical records held in relation to their treatment is respected and confidentially is maintained. Details in respect of the items listed below have been retained by MTHCS and are available to the relevant Ministers, Members of Parliament and the public on request (subject to freedom of information requirements):

- Declarations of pecuniary interests have been duly completed by all relevant officers.
- Details of shares held by senior officers as nominee or held beneficially.
- Details of publications produced by the entity about itself, and how these can be obtained.
- Details of changes in prices, fees, charges, rates and levies charged by the Health Service.
- Details of any major external reviews carried out on the Health Service.
- Details of major research and development activities undertaken by the Health Service that are not otherwise covered either in the report of operations or in a document that contains the financial statements and report of operations.
- Details of overseas visits undertaken including a summary of the objectives and outcomes of each visit.
- Details of major promotional, public relations and marketing activities undertaken by the Health Service to develop community awareness of the Health Service and its services.
- Details of assessments and measures undertaken to improve the occupational health and safety of employees.
- A general statement on industrial relations within the Health Service and details of time lost through industrial accidents and disputes, which is not otherwise detailed in the report of operations.
- A list of major committees sponsored by the Health Service, the purposes of each committee and the extent to which those purposes have been achieved.
- Details of all consultancies and contractors including consultants/contractors engaged, services provided, and expenditure committed for each engagement.



Attestations & Declarations

MTHCS FINANCIAL MANAGEMENT COMPLIANCE ATTESTATIONS

I, Mary Rydberg, 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.


Mary Rydberg Ltd 17, 2024 09:49 GMT+100

Mary Rydberg Board Chair
Mallee Track Health and Community Service, Ouyen
Date: 17/7/24

DATA INTEGRITY DECLARATION

I, Dr Frances Peart, 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.


Dr Frances Peart Ltd 16, 2024 16:07 GMT+100

Dr Frances Peart Accountable officer
Mallee Track Health and Community Service, Ouyen
Date: 16/7/24

Attestations & Declarations cont.

CONFLICT OF INTEREST DECLARATION

I, Dr Frances Peart, certify that Mallee Track Health and Community Service has put in place appropriate internal controls and processes to ensure that it has implemented a 'Conflict of Interest' policy consistent with the minimum accountabilities required by the VPSC. Declaration of private interest forms have been completed by all executive staff within 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.


Dr Frances Peart (Jul 16, 2024 10:07 GMT+10)

Dr Frances Peart Accountable officer
Mallee Track Health and Community Service, Ouyen
Date: 16/7/24

INTEGRITY, FRAUD AND CORRUPTION DECLARATION

I, Dr Frances Peart, 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 2023-24.


Dr Frances Peart (Jul 16, 2024 10:07 GMT+10)

Dr Frances Peart Accountable officer
Mallee Track Health and Community Service, Ouyen
Date: 16/7/24

COMPLIANCE WITH HEALTH SHARE VICTORIA (HSV) PURCHASING POLICIES

I, Dr Frances Peart, 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.


Dr Frances Peart (Jul 16, 2024 10:07 GMT+10)

Dr Frances Peart Accountable officer
Mallee Track Health and Community Service, Ouyen
Date: 16/7/24

Disclosure Index

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

LEGISLATION	REQUIREMENT MINISTERIAL DIRECTIONS / REPORT OF OPERATIONS	PAGE REFERENCE
CHARTER & PURPOSE		
FRD 22	Manner of establishment and the relevant Ministers	03
FRD 22	Purpose, functions, powers, and duties	03
FRD 22	Nature and range of services provided	05
FRD 22	Activities, programs, and achievements for the reporting period	09 / 10
FRD 22	Significant changes in key initiatives and expectations for the future	12 / 13
MANAGEMENT & STRUCTURE		
FRD 22	Organisational structure	06
FRD 22	Workforce data/employment and conduct principles	14 / 15
FRD 22	Occupational Health and Safety	14
FINANCIAL INFORMATION		
FRD 22	Summary of the financial results for the year	17 / 18
FRD 22	Significant changes in financial position during the year	17 / 18
FRD 22	Operational and budgetary objectives and performance against objectives	17 / 18
FRD 22	Subsequent events	n/a
FRD 22	Details of consultancies under \$10,000	19
FRD 22	Details of consultancies over \$10,000	19

Disclosure Index

LEGISLATION	REQUIREMENT MINISTERIAL DIRECTIONS / REPORT OF OPERATIONS	PAGE REFERENCE
FINANCIAL INFORMATION		
FRD 22	Disclosure of government advertising expenditure	n/a
FRD 22	Disclosure of ICT expenditure	19
FRD 22	Asset Management Accountability Framework	17
FRD 22	Reviews and Studies expenditure	19
LEGISLATION		
FRD 22	Application and operation of Freedom of Information Act 1982	22
FRD 22	Compliance with building and maintenance provisions of Building Act 1993	21
FRD 22	Application and operation of Public Interest Disclosure Act 2012	21
FRD 22	Statement on National Competition Policy	21
FRD 22	Application and operation of Carers Recognition Act 2012	22
FRD 22	Additional information available on request	22 / 23
FRD 24	Environmental data reporting	20
FRD 25	Local Jobs First Act 2003 disclosures	21
SD 5.1.4	Financial Management Compliance attestation	24
SD 5.2.3	Declaration in Report of Operations	03
ATTESTATIONS		
	Attestation on Data Integrity	24



Disclosure Index

LEGISLATION	REQUIREMENT MINISTERIAL DIRECTIONS / REPORT OF OPERATIONS	PAGE REFERENCE
ATTESTATIONS		
	Attestation on managing Conflicts of Interest	25
	Attestation on Integrity, fraud, and corruption	25
	Compliance with HealthShare Victoria (HSV) Purchasing Policies	25
OTHER REPORTING REQUIREMENTS		
	Reporting of outcomes from Statement of Priorities 2023-2024	14 - 16
	Occupational Violence reporting	14
	Asset Management Accountability Framework	17
	Gender Equality Act 2020	23
	Reporting obligations under the Safe Patient Care Act 2015	21
	Reporting of compliance regarding Car Parking Fees (if applicable)	n/a

Part B - Financial Reports

Mallee Track Health and Community Service Financial Statements Financial Year ended 30 June 2024

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

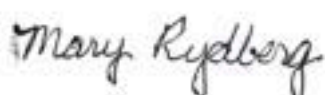
The attached financial statements for Mallee Track Health and Community Service have been prepared in accordance with Direction 5.2 of the Standing Directions of the Assistant Treasurer under the *Financial Management Act 1994*, applicable Financial Reporting Directions, Australian Accounting Standards 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 2024 and the financial position of Mallee Track Health and Community Service at 30 June 2024.

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

We authorise the attached financial statements for issue on 24th September, 2024.

Board member



Mary Rydberg

Chair

Ouyen

24th September, 2024

Accountable Officer



Dr Frances Peart (Sep 24, 2024 17:40 GMT+10)

Dr. Frances Peart

Chief Executive Officer

Ouyen

24th September, 2024

Chief Finance & Accounting Officer



Matthew Jukes

Chief Finance and Accounting Officer
(Contract)

Mildura

24th September, 2024

Part B - Financial Reports

VAGO

Victorian Auditor-General's Office

Independent Auditor's Report

To the Board of Mallee Track Health and Community Service

Opinion	<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">• balance sheet as at 30 June 2024• comprehensive operating statement for the year then ended• statement of changes in equity for the year then ended• cash flow statement for the year then ended• notes to the financial statements, including material accounting policy information• board member's, accountable officer's and chief finance & accounting officer's declaration. <p>In my opinion the financial report presents fairly, in all material respects, the financial position of the health service as at 30 June 2024 and its financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 7 of the <i>Financial Management Act 1994</i> and applicable Australian Accounting Standards.</p>
Basis for Opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the health service in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's <i>APES 110 Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
Other information	<p>The Board of the health service is responsible for the Other Information, which comprises the information in the health service's annual report for the year ended 30 June 2024, but does not include the financial report and my auditor's report thereon.</p> <p>My opinion on the financial report does not cover the Other Information and accordingly, I do not express any form of assurance conclusion on the Other Information. However, in connection with my audit of the financial report, my responsibility is to read the Other Information and in doing so, consider whether it is materially inconsistent with the financial report or the knowledge I obtained during the audit, or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude there is a material misstatement of the Other Information, I am required to report that fact. I have nothing to report in this regard.</p>
Board's responsibilities for the financial report	<p>The Board of the health service is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the <i>Financial Management Act 1994</i>, and for such internal control as the Board determines is necessary to enable the preparation 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>

Level 31 / 35 Collins Street, Melbourne Vic 3000
T 03 8601 7000 enquiries@audit.vic.gov.au www.audit.vic.gov.au

Part B - Financial Reports

Auditor's responsibilities for the audit of the financial report

As required by the *Audit Act 1994*, my responsibility is to express an opinion on the financial report based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

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

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

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



MELBOURNE
18 October 2024

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 2024**

		2024	2023
	Note	\$'000	\$'000
Revenue and income from transactions			
Operating activities	2.1	21,437	21,107
Non-operating activities	2.1	531	351
Total revenue and income from transactions		21,968	21,458
Expenses from transactions			
Employee expenses	3.1	(17,169)	(15,105)
Supplies and consumables	3.1	(1,517)	(1,900)
Finance costs	3.1	(27)	(34)
Depreciation	3.1	(2,563)	(2,545)
Other administrative expenses	3.1	(2,258)	(1,857)
Other operating expenses	3.1	(1,374)	(1,154)
Other non-operating expenses	3.1	-	(3)
Total Expenses from transactions		(24,908)	(22,598)
Net result from transactions - net operating balance		(2,940)	(1,140)
Other economic flows included in net result			
Net gain/(loss) on sale of non-financial assets	3.2	91	187
Net gain/(loss) on financial instruments	3.2	(4)	(1)
Share of other economic flows from joint arrangements	3.2	52	70
Other gain/(loss) from other economic flows	3.2	8	(28)
Total other economic flows included in net result		147	228
Net result for the year		(2,793)	(912)
Other comprehensive income			
Items that will not be reclassified to net result			
Changes in property, plant and equipment revaluation surplus	4.3	31,186	-
Comprehensive result for the year		28,393	(912)

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

Mallee Track Health and Community Service
Balance Sheet
As at 30 June 2024

		Total 2024 \$'000	Total 2023 \$'000
Current assets			
Cash and cash equivalents	6.2	12,411	11,938
Receivables	5.1	281	309
Contract assets	5.2	-	156
Inventories		85	82
Non financial physical assets held for sale	5.6	14	-
Prepaid expenses		100	194
Total current assets		12,891	12,679
Non-current assets			
Receivables	5.1	993	942
Property, plant and equipment	4.1 (a)	65,296	36,199
Right of use assets	4.2 (a)	756	611
Total non-current assets		67,045	37,752
Total assets		79,936	50,431
Current liabilities			
Payables	5.3	1,647	2,013
Contract liabilities	5.4	446	125
Borrowings	6.1	347	223
Employee benefits	3.3	3,485	3,215
Other liabilities	5.5	5,873	5,052
Total current liabilities		11,798	10,628
Non-current liabilities			
Borrowings	6.1	477	476
Employee benefits	3.3	294	353
Total non-current liabilities		771	829
Total liabilities		12,569	11,457
Net assets		67,367	38,974
Equity			
Property, plant and equipment revaluation surplus	4.3	71,634	40,448
Contributed capital	SCE	9,793	9,793
Accumulated deficit	SCE	(14,060)	(11,267)
Total equity		67,367	38,974

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 2024

	2024	2023
Note	\$'000	\$'000
Cash Flows from operating activities		
Operating grants from government	17,407	18,049
Capital grants from government - State	293	126
Other capital income	11	-
Patient fees received	2,791	2,109
Donations and bequests received	8	60
GST received from ATO	800	-
Interest income received	531	351
Other receipts	726	1,749
Total receipts	22,567	22,444
Employee expenses paid	(16,805)	(14,912)
Payments for supplies and consumables	(1,734)	(1,978)
Payments for medical indemnity insurance	(95)	(88)
Payments for repairs and maintenance	(682)	(511)
Finance Costs	(27)	(34)
GST paid to ATO	(67)	-
Payment for share of rural health alliance	52	-
Other payments	(3,179)	(3,066)
Total payments	(22,537)	(20,589)
Net cash flows from operating activities	30	1,855
	8.1	
Cash Flows from investing activities		
Purchase of property, plant and equipment	(618)	(624)
Other capital receipts	(13)	-
Proceeds from disposal of property, plant and equipment	91	187
Net cash used in investing activities	(540)	(437)
Cash flows from financing activities		
Repayment of borrowings	(34)	(36)
Repayment of lease liabilities	196	(98)
Repayment of accommodation deposits	(2,405)	(1,793)
Receipt of accommodation deposits	3,226	1,142
Net cash flows provided by/(used in) financing activities	983	(785)
Net increase in cash and cash equivalents held	473	633
Cash and cash equivalents at beginning of year	11,938	11,305
Cash and cash equivalents at end of year	12,411	11,938
	6.2	

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 2024**

	Property, Plant and Equipment Revaluation Surplus \$'000	Contributed Capital \$'000	Accumulated Deficit \$'000	Total \$'000
Balance at 30 June 2022	40,448	9,793	(10,355)	39,886
Net result for the year	-	-	(912)	(912)
Other comprehensive income for the year	-	-	-	-
Balance at 30 June 2023	40,448	9,793	(11,267)	38,974
Net result for the year	-	-	(2,793)	(2,793)
Other comprehensive income for the year	31,186	-	-	31,186
Balance at 30 June 2024	71,634	9,793	(14,060)	67,367

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 2024**

Note 1: Basis of preparation

Structure

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

Mallee Track Health and Community Service

Notes to the Financial Statements

For the Financial Year Ended 30 June 2024

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 2024. 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 24th September, 2024.

Mallee Track Health and Community Service

Notes to the Financial Statements

For the Financial Year Ended 30 June 2024

Note 1.2 Abbreviations and terminology used in the financial statements

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

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
NWAI	National Weighted Activity Unit
SD	Standing Direction
VAGO	Victorian Auditor General's Office

Note 1.3 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 2024

Note 1.4 Material accounting estimates and judgements

Management make estimates and judgements when preparing the financial statements.

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

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

The material accounting 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
- 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 1.5 Accounting standards issued but not yet effective

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

Standard	Adoption Date	Impact
AASB 2022-5: <i>Amendments to Australian Accounting Standards – Lease Liability in a Sale and Leaseback</i>	Reporting periods beginning on or after 1 January 2024.	Adoption of this standard is not expected to have a material impact.
AASB 2022-9: <i>Amendments to Australian Accounting Standards – Insurance Contracts in the Public Sector</i>	Reporting periods beginning on or after 1 January 2026.	Adoption of this standard is not expected to have a material impact.
AASB 2022-10: <i>Amendments to Australian Accounting Standards – Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities</i>	Reporting periods beginning on or after 1 January 2024.	The impact (if any) of this standard has been unable to be assessed at this time.

Mallee Track Health and Community Service

Notes to the Financial Statements

For the Financial Year Ended 30 June 2024

Note 1.5 Accounting standards issued but not yet effective (continued)

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 1.6 Goods and Services Tax (GST)

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

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

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

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

Note 1.7 Reporting Entity

The financial statements include all 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.

Mallee Track Health and Community Service
Notes to the Financial Statements
For the Financial Year Ended 30 June 2024

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

Material judgements and estimates

This section contains the following material judgements and estimates:

Material judgements and estimates	Description
Identifying performance obligations	<p>Mallee Track Health and Community Service applies material 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 criterion 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 criterion 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 material judgement to determine when a performance obligation has been satisfied and the transaction price that is to be allocated to each performance obligation. A performance obligation is either satisfied at a point in time or over time.</p>
Determining timing of capital grant income recognition	<p>Mallee Track Health and Community Service applies material judgement to determine when its obligation to construct an asset is satisfied. Costs incurred is used to measure the health service's progress as this is deemed to be the most accurate reflection of the stage of completion.</p>
Assets and services received free of charge or for nominal consideration	<p>Mallee Track Health and Community Service applies material judgement to determine the fair value of assets and services provided free of charge or for nominal value. Where a reliable market value exists it is used to calculate the equivalent value of the service being provided. Where no reliable market value exists, the service is not recognised in the financial statements.</p>

Note 2.1 Revenue and income from transactions

	2024	2023
Note	\$'000	\$'000
Operating activities		
Revenue from contracts with customers		
Government grants (State) - Operating	781	1,067
Patient and resident fees	2,574	2,112
Commercial activities ¹	175	-
Total revenue from contracts with customers	3,530	3,179
Other sources of income		
Government grants (State) - Operating	8,512	9,015
Government grants (Commonwealth) - Operating	8,448	7,593
Government grants (State) - Capital	293	126
Other capital purpose income	1	214
Assets received free of charge or for nominal consideration	-	141
Other revenue from operating activities (including non-capital donations)	653	839
Total other sources of income	17,907	17,928
Total revenue and income from operating activities	21,437	21,107
Non-operating activities		
Income from other sources		
Other interest	531	351
Total other sources of income	531	351
Total income from non-operating activities	531	351
Total revenue and income from transactions	21,968	21,458

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

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

	2024 \$'000	2023 \$'000
	3,530	3,179
Total revenue from contracts with customers	3,530	3,179

Total revenue from contracts with customers

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.

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

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

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.

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

	2024 \$'000	2023 \$'000
Cash donations and gifts	-	60
Personal protective equipment	-	81
Total fair value of assets and services received free of charge or for nominal consideration	-	141

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

Under the State Supply Arrangement, Health Share Victoria supplies personal protective equipment to Mallee Track Health and Community Service for nil consideration.

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

	2024 \$'000	2023 \$'000
Operating		
Recoveries - sale of services	154	132
Medical Clinic Incentive Payments	128	130
Child Care Fees	221	270
Other revenue	150	307
Total other income - Operating	653	839
Interest		
Interest	531	351
Total other income	531	351

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.

How we recognise revenue and income from non-operating activities

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.

Mallee Track Health and Community Service
Notes to the Financial Statements
For the Financial Year Ended 30 June 2024

Note 3: The cost of delivering our services

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

Structure

3.1 Expenses from transactions

3.2 Other economic flows

3.3 Employee benefits and related on-costs

3.4 Superannuation

Material judgements and estimates

This section contains the following material judgements and estimates:

Material judgements and estimates	Description
<p>Classifying employee benefit liabilities</p>	<p>Mallee Track Health & Community Service applies material judgment when classifying its employee benefit liabilities.</p> <p>Employee benefit liabilities are classified as a current liability if Mallee Track Health & 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 & Community Service has a conditional right to defer payment beyond 12 months. Long service leave entitlements (for staff who have not yet exceeded the minimum vesting period) fall into this category.</p>
<p>Measuring employee benefit liabilities</p>	<p>Mallee Track Health & Community Service applies material judgment when measuring its employee benefit liabilities.</p> <p>The health service applies judgement to determine when it expects its employee entitlements to be paid.</p> <p>With reference to historical data, if the health service does not expect entitlements to be paid within 12 months, the entitlement is measured at its present value, being the expected future payments to employees.</p> <p>Expected future payments incorporate:</p> <ul style="list-style-type: none"> • an inflation rate of 4.45%, reflecting the future wage and salary levels • durations of service and employee departures, which are used to determine the estimated value of long service leave that will be taken in the future, for employees who have not yet reached the vesting period. The estimated rates are between 18% to 84%. • discounting at the rate of 4.348%, as determined with reference to market yields on government bonds at the end of the reporting period. <p>All other entitlements are measured at their nominal value.</p>

Note 3.1 Expenses from transactions

	2024	2023
Note	\$'000	\$'000
Salaries and wages	12,550	11,856
On-costs	1,360	1,228
Agency expenses	1,942	950
Fee for service medical officer expenses	1,045	955
Workcover premium	272	116
Total employee expenses	17,169	15,105
Drug supplies	16	16
Medical and surgical supplies (including Protheses)	974	1,400
Other supplies and consumables	527	484
Total supplies and consumables	1,517	1,900
Finance costs	27	34
Total finance costs	27	34
Other administrative expenses	2,258	1,857
Total other administrative expenses	2,258	1,857
Fuel, light, power and water	292	271
Repairs and maintenance	522	395
Maintenance contracts	160	116
Medical indemnity insurance	95	88
Expenditure for capital purposes	305	284
Total other operating expenses	1,374	1,154
Total operating expense	22,345	20,050
Depreciation	4.4 2,563	2,545
Total depreciation	2,563	2,545
Bad and doubtful debt expense	-	3
Total other non-operating expenses	-	3
Total non-operating expense	2,563	2,548
Total expenses from transactions	24,908	22,598

Note 3.1 Expenses from transactions

How we recognise expenses from transactions

Expense recognition

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

Employee expenses

Employee expenses include:

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

Supplies and consumables

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

Finance costs

Finance costs include:

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

Other operating expenses

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

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

The Department of Health also makes certain payments on behalf of Mallee Track Health and Community Service. These amounts have been brought to account in determining the operating result for the year, by recording them as revenue and recording a corresponding 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

	2024 \$'000	2023 \$'000
Net gain on disposal of property plant and equipment	91	187
Total net gain on non-financial assets	91	187
Net loss on disposal of financial instruments	(4)	(1)
Total net loss on financial instruments	(4)	(1)
Share of net profits of joint entities, excluding dividends	52	70
Total share of other economic flows from joint arrangements	52	70
Net gain/(loss) arising from revaluation of long service liability	8	(28)
Total other gains/(losses) from other economic flows	8	(28)
Total gain from other economic flows	147	228

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 and related on-costs

	2024 \$'000	2023 \$'000
Current employee benefits and related on-costs		
<i>Accrued days off</i>		
Unconditional and expected to be settled wholly within 12 months ⁱ	69	43
	69	43
<i>Annual leave</i>		
Unconditional and expected to be settled wholly within 12 months ⁱ	1,178	1,001
Unconditional and expected to be settled wholly after 12 months ⁱⁱ	-	-
	1,178	1,001
<i>Long service leave</i>		
Unconditional and expected to be settled wholly within 12 months ⁱ	289	226
Unconditional and expected to be settled wholly after 12 months ⁱⁱ	1,493	1,569
	1,782	1,795
<i>Provisions related to employee benefit on-costs</i>		
Unconditional and expected to be settled within 12 months ⁱ	239	168
Unconditional and expected to be settled after 12 months ⁱⁱ	217	208
	456	376
Total current employee benefits and related on-costs	3,485	3,215
Non-current provisions and related on-costs		
Conditional long service leave ⁽ⁱ⁾	258	312
Provisions related to employee benefit on-costs ⁽ⁱⁱ⁾	36	41
Total non-current employee benefits and related on-costs	294	353
Total employee benefits and related on-costs	3,779	3,568

ⁱThe amounts disclosed are nominal amounts.

ⁱⁱThe amounts disclosed are discounted to present values.

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

	2024 \$'000	2023 \$'000
Current employee benefits and related on-costs		
Unconditional accrued days off	2,095	43
Unconditional annual leave entitlements	1,321	1,141
Unconditional long service leave entitlements	69	2,031
Total current employee benefits and related on-costs	3,485	3,215
Non-current employee benefits and related on-costs		
Conditional long service leave entitlements	294	353
Total non-current employee benefits and related on-costs	294	353
Total employee benefits and related on-costs	3,779	3,568
Attributable to:		
Employee benefits	3,287	3,151
Provision for related on-costs	492	417
Total employee benefits and related on-costs	3,779	3,568

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

	2024 \$'000	2023 \$'000
Carrying amount at start of year	417	384
Additional provisions recognised	307	219
Net gain/(loss) arising from revaluation of long service liability	8	(4)
Amounts incurred during the year	(240)	(182)
Carrying amount at end of year	492	417

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 sick leave is taken.

Annual leave and accrued days off

Liabilities for annual leave and accrued days off are recognised in the provision for employee benefits as 'current liabilities' because 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
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Defined benefit plans:¹				
Aware Super	17	27	-	-
Defined contribution plans:				
Aware Super	701	687	-	-
Hesta / Other	608	476	-	-
Total	1,326	1,190	-	-

¹ 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

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

Mallee Track Health and Community Service
Notes to the Financial Statements
For the Financial Year Ended 30 June 2024

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 Impairment of assets

Material judgements and estimates

This section contains the following material judgements and estimates:

Material judgements and estimates	Description
Estimating useful life of property, plant and equipment	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	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. Mallee Track Health and Community Service applies material judgement to determine whether or not it is reasonably certain to exercise such purchase options.
Identifying indicators of impairment	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. The health service considers a range of information when performing its assessment, including considering: <ul style="list-style-type: none"> ▪ If an asset's value has declined more than expected based on normal use ▪ If a significant change in technological, market, economic or legal environment which adversely impacts the way the health service uses an asset ▪ If an asset is obsolete or damaged ▪ If the asset has become idle or if there are plans to discontinue or dispose of the asset before the end of its useful life ▪ If the performance of the asset is or will be worse than initially expected. Where an impairment trigger exists, the health services applies material judgement and estimate to determine the recoverable amount of the asset.

Note 4.1 Property, plant and equipment

Note 4.1 (a) Gross carrying amount and accumulated depreciation

	2024 \$'000	2023 \$'000
Land at fair value - Freehold	1,345	688
Total land at fair value	1,345	688
Buildings at fair value	62,698	36,360
Less accumulated depreciation	-	(2,112)
Total buildings at fair value	62,698	34,248
Total land and buildings	64,043	34,936
Plant and equipment at fair value	1,486	1,943
Less accumulated depreciation	(1,202)	(1,580)
Total plant and equipment at fair value	284	363
Motor vehicles at fair value	228	558
Less accumulated depreciation	(219)	(544)
Total motor vehicles at fair value	9	14
Medical equipment at fair value	1,121	1,250
Less accumulated depreciation	(865)	(1,000)
Total medical equipment at fair value	256	250
Computer equipment at fair value	839	769
Less accumulated depreciation	(720)	(641)
Total computer equipment at fair value	119	128
Furniture and fittings at fair value	1,110	1,125
Less accumulated depreciation	(525)	(617)
Total furniture and fittings at fair value	585	508
Total plant, equipment, furniture, fittings and vehicles at fair value	1,253	1,263
Total property, plant and equipment	65,296	36,199

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

	Land \$'000	Buildings \$'000	Plant & equipment \$'000	Computer Equipment \$'000	Motor Vehicles \$'000	Medical Equipment \$'000	Furniture & Fittings \$'000	Total \$'000
Balance at 1 July 2022	668	36,202	413	150	63	171	356	38,023
Additions	20	160	35	59	15	125	210	624
Revaluation increments/(decrements)	-	(2,114)	-	-	-	-	-	-
Depreciation	-	(85)	(81)	(64)	(46)	(58)	(2,448)	(2,448)
Balance at 30 June 2023	688	34,248	363	128	14	250	508	36,199
Additions	-	4	5	73	-	55	218	355
Disposals	-	(13)	(6)	-	-	-	(1)	(20)
Revaluation increments/(decrements)	655	30,531	-	-	-	-	-	31,186
Net Transfers between classes	2	48	(2)	-	-	-	(48)	-
Depreciation	-	(2,120)	(76)	(82)	(5)	(49)	(92)	(2,424)
Balance at 30 June 2024	1,345	62,698	284	119	9	256	585	65,296

Note 4.1 (b) Reconciliations of carrying amount by 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 with reference to the amount at which an orderly transaction to sell the asset or to transfer the liability would take place between market participants at the measurement date, under current conditions. The valuation was based on independent assessments. The effective date of the valuation was 30 June 2024.

How we recognise property, plant and equipment

Property, plant and equipment are tangible items that are used by 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 carrying amount by class of asset (continued)

Revaluation

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

Where an independent valuation has not been undertaken at balance date, 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 2024. The valuation, which complies with Australian Valuation Standards, was determined by reference to the amount for which an orderly transaction to sell the asset or transfer the liability would take place between market participants at the measurement date, under current market conditions.

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

	2024 \$'000	2023 \$'000
Right of use vehicles at fair value	1,025	773
Less accumulated depreciation	(269)	(162)
Total right of use vehicles at fair value	756	611
Total right of use vehicles at fair value	756	611

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

	Note	Right-of-use - Vehicles \$'000	Total \$'000
Balance at 1 July 2022		368	368
Additions		340	340
Depreciation	4.4	(97)	(97)
Balance at 30 June 2023	4.2 (a)	611	611
Additions		309	309
Disposals		(25)	(25)
Depreciation	4.4	(139)	(139)
Balance at 30 June 2024	4.2 (a)	756	756

How we recognise right-of-use assets

Initial recognition

When a contract is entered into, Mallee Track Health & Community Service assesses if the contract contains or is a lease. Unless the lease is considered a short-term lease or a lease of a low-value asset (refer to Note 6.1 for further information) the contract gives rise to a right-of-use asset and corresponding lease liability.

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

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

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.

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

	2024	2023
Note	\$'000	\$'000
Balance at the beginning of the reporting period	40,448	40,448
Revaluation increment		
- Land	4.1 (b) 655	-
- Buildings	4.1 (b) 30,531	-
Balance at the end of the Reporting Period*	71,634	40,448
* Represented by:		
- Land	1,085	430
- Buildings	70,549	40,018
	71,634	40,448

Note 4.4 Depreciation

	2024 \$'000	2023 \$'000
Depreciation		
Buildings	2,120	2,114
Plant and equipment	76	85
Motor vehicles	5	64
Medical equipment	49	46
Computer equipment	82	81
Furniture and fittings	92	58
Total depreciation - property, plant and equipment	2,424	2,448
Right-of-use assets		
Right of use - motor vehicles	139	97
Total depreciation - right-of-use assets	139	97
Total depreciation	2,563	2,545

How we recognise depreciation

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

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

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

	2024	2023
Buildings		
- Structure shell building fabric	7 to 50 years	25 to 60 years
- Site engineering services and central plant	7 to 50 years	20 to 30 years
Central Plant		
- Fit out	7 to 15 years	7 to 13 years
- Trunk reticulated building system	7 to 18 years	7 to 15 years
Plant and equipment	3 to 20 years	3 to 20 years
Medical equipment	5 to 10 years	7 to 10 years
Computers and communication	3 to 10 years	3 to 9 years
Furniture and fitting	3 to 20 years	3 to 20 years
Motor vehicles	5 to 6 years	5 to 6 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: 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 2024 (30 June 2023: Nil).

Mallee Track Health and Community Service
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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

5.6 Non-financial physical assets held for sale

Material judgements and estimates

This section contains the following material judgements and estimates:

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

Note 5.1 Receivables

	2024	2023
Note	\$'000	\$'000
Current receivables		
Contractual		
Trade receivables	113	132
Patient fees	29	24
Accrued revenue	42	4
Amounts receivable from governments and agencies	24	7
Total contractual receivables	208	167
Statutory		
Net GST receivable	73	142
Total statutory receivables	73	142
Total current receivables	281	309
Non-current receivables		
Contractual		
Long service leave - Department of Health	993	942
Total contractual receivables	993	942
Total non-current receivables	993	942
Total receivables	1,274	1,251
<i>(i) Financial assets classified as receivables (Note 7.1(a))</i>		
Total receivables	1,274	1,251
GST receivable	(73)	(142)
Total financial assets classified as receivables	7.1(a) 1,201	1,109

How we recognise receivables

Receivables consist of:

- Contractual receivables**, including debtors that relate to goods and services. These receivables are classified as financial instruments and are categorised as 'financial assets at amortised cost'. They are initially recognised at fair value plus any directly attributable transaction costs. The health service holds the contractual receivables with the objective to collect the contractual cash flows and therefore they are subsequently measured at amortised cost using the effective interest method, less any impairment.

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

Trade debtors are carried at the nominal amounts due 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

	2024 \$'000	2023 \$'000
Current		
Contract assets	-	156
Total current contract assets	-	156
Total contract assets	-	156

5.2(a)

Note 5.2(a) Movement in contract assets

	2024 \$'000	2023 \$'000
Balance at the beginning of the year	156	81
Add: Additional costs incurred that are recoverable from the customer	-	156
Less: Transfer to trade receivable or cash at bank	(156)	(81)
Total contract assets	-	156

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 during the next financial year.

Note 5.3 Payables

	2024	2023
Note	\$'000	\$'000
Current payables		
Contractual		
Trade creditors	1	829
Accrued salaries and wages	560	406
Accrued expenses	702	59
Amounts payable to governments and agencies	384	385
Deferred capital grant income	-	334
Total contractual payables	1,647	2,013
Total current payables	1,647	2,013
Total payables	1,647	2,013
<i>(i) Financial liabilities classified as payables (Note 7.1(a))</i>		
Total payables	1,647	2,013
Deferred grant income	-	(334)
Total financial liabilities classified as payables	1,647	1,679

How we recognise payables

Payables consist of:

- **Contractual payables**, including payables that relate to the purchase of goods and services. These payables are classified as financial instruments and measured at amortised cost. Accounts payable and salaries and wages payable represent liabilities for goods and services provided to the Mallee Track Health and Community Service prior to the end of the financial year that are unpaid.
- **Statutory payables**, including 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) Movement in deferred capital grant income

	2024 \$'000	2023 \$'000
Opening balance of deferred grant income	334	133
Grant consideration for capital works received during the year	-	248
Deferred grant revenue recognised as revenue due to completion of capital works	(334)	(47)
Closing balance of deferred grant income	-	334

How we recognise deferred capital grant income

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 income 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.

Note 5.4 Contract liabilities

	2024 \$'000	2023 \$'000
Current Contract liabilities	446	125
Total current contract liabilities	446	125
Total contract liabilities	446	125

Note 5.4(a) Movement in contract liabilities

	2024 \$'000	2023 \$'000
Opening balance of contract liabilities	125	156
Add: Payment received for performance obligations yet to be completed during the period	3,851	3,148
Less: Revenue recognised for the completion of a performance obligation	(3,530)	(3,179)
Total contract liabilities	446	125

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 higher than the previous reporting period due to a significant increase in the LMRHA joint ventures income in advance.

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

	2024	2023
Note	\$'000	\$'000
Current monies held in trust		
Patient monies	8	11
Refundable accommodation deposits	5,865	5,041
Total current monies held in trust	5,873	5,052
Total other liabilities	5,873	5,052
* Represented by:		
- Cash assets	6.2 5,873	5,052
	5,873	5,052

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 5.6 Non-financial physical assets held for sale

	2024 \$'000	2023 \$'000
Vehicles	14	-
Total non-financial physical assets classified as held for sale	14	-

How we recognise non-financial physical assets classified as held for sale

Non-financial physical assets are treated as current and are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable, the asset's sale is expected to be completed within 12 months from the date of classification, and the asset is available for immediate use in the current condition.

Non-financial physical assets classified as held for sale are treated as current and are measured at the lower of carrying amount and fair value less costs of disposal, and are not subject to depreciation or amortisation.

Mallee Track Health and Community Service

Notes to the Financial Statements

For the Financial Year Ended 30 June 2024

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

Material judgements and estimates

This section contains the following material judgements and estimates:

Material judgements and estimates	Description
Determining if a contract is or contains a lease	<p>Mallee Track Health and Community Service applies material judgement to determine if a contract is or contains a lease by considering if the health service:</p> <ul style="list-style-type: none"> ▪ has the right-to-use an identified asset ▪ has the right to obtain substantially all economic benefits from the use of the leased asset and ▪ can decide how and for what purpose the asset is used throughout the lease.
Determining if a lease meets the short-term or low value asset lease exemption	<p>Mallee Track Health and Community Service applies material judgement when determining if a lease meets the short-term or low value lease exemption criteria.</p> <p>The health service estimates the fair value of leased assets when new. Where the estimated fair value is less than \$10,000, the health service applies the low-value lease exemption.</p> <p>The health service also estimates the lease term with reference to remaining lease term and period that the lease remains enforceable. Where the enforceable lease period is less than 12 months the health service applies the short-term lease exemption.</p>
Discount rate applied to future lease payments	<p>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 vehicles, the implicit interest rate is 1.95%.</p>
Assessing the lease term	<p>The lease term represents the non-cancellable period of a lease, combined with periods covered by an option to extend or terminate the lease if Mallee Track Health and Community Service is reasonably certain to exercise such options.</p> <p>Mallee Track Health and Community Service determines the likelihood of exercising such options on a lease-by-lease basis through consideration of various factors including:</p> <ul style="list-style-type: none"> ▪ If there are significant penalties to terminate (or not extend), the health service is typically reasonably certain to extend (or not terminate) the lease. ▪ If any leasehold improvements are expected to have a significant remaining value, the health service is typically reasonably certain to extend (or not terminate) the lease. ▪ The health service considers historical lease durations and the costs and business disruption to replace such leased assets.

Note 6.1 Borrowings

	2024	2023
Note	\$'000	\$'000
Current borrowings		
Lease liability ⁽ⁱ⁾	309	185
Advances from government ⁽ⁱⁱ⁾	38	38
Total current borrowings	347	223
Non-current borrowings		
Lease liability ⁽ⁱ⁾	462	427
Advances from government ⁽ⁱⁱ⁾	15	49
Total non-current borrowings	477	476
Total borrowings	824	699

ⁱ Secured by the assets leased.

ⁱⁱ 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:

	2024 \$'000	2023 \$'000
Total undiscounted lease liabilities	795	627
Less unexpired finance expenses	(24)	(15)
Net lease liabilities	771	612

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

	2024 \$'000	2023 \$'000
Not longer than one year	310	185
Longer than one year but not longer than five years	485	442
Minimum future lease liability	795	627
Less unexpired finance expenses	(24)	(15)
Present value of lease liability	771	612
* Represented by:		
- Current liabilities	309	185
- Non-current liabilities	462	427
	771	612

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

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 the rate of 1.95%.

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
- payments arising from purchase and termination options reasonably certain to be exercised.

These terms are used to maximise operational flexibility in terms of managing contracts. Extension and termination options held are exercisable only by the health service and not by the respective lessor.

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term and lease liability if the lease is reasonably certain to be extended (or not terminated).

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

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

Note 6.1 (a) Lease liabilities (continued)

Subsequent measurement

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

	2024	2023
Note	\$'000	\$'000
Cash on hand (excluding monies held in trust)	1	1
Cash at bank (excluding monies held in trust)	1,871	902
Cash at bank - CBS (excluding monies held in trust)	4,666	5,983
Total cash held for operations	6,538	6,886
Cash at bank - CBS (monies held in trust)	5,873	5,052
Total cash held as monies in trust	5,873	5,052
Total cash and cash equivalents	12,411	11,938

How we recognise cash and cash equivalents

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

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

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

Note 6.3 Commitments for expenditure

	2024 \$'000	2023 \$'000
Non-cancellable short term and low value lease commitments		
Less than one year	85	71
Longer than one year but not longer than five years	144	243
Total non-cancellable short term and low value lease commitments	229	314
Total commitments for expenditure (exclusive of GST)	229	314
Less GST recoverable from Australian Tax Office	(21)	(29)
Total commitments for expenditure (exclusive of GST)	208	285

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.

Mallee Track Health and Community Service
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For the Financial Year Ended 30 June 2024

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**

Material judgements and estimates

This section contains the following material judgements and estimates:

Material judgements and estimates	Description
Measuring fair value of non-financial assets	<p>Fair value is measured with reference to highest and best use, that is, the use of the asset by a market participant that is physically possible, legally permissible, financially feasible, and which results in the highest value, or to sell it to another market participant that would use the same asset in its highest and best use.</p> <p>In determining the highest and best use, 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>

Material judgements and estimates (continued)

Material 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"> • 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. • 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. • 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. <p>The health service selects a valuation technique which is considered most appropriate, and for which there is sufficient data available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.</p> <p>Subsequently, the health service applies material judgement to categorise and disclose such assets within a fair value hierarchy, which includes:</p> <ul style="list-style-type: none"> • 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. • 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. • 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.

Note 7.1: Financial instruments

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

Note 7.1 (a) Categorisation of financial instruments

Total 30 June 2024	Note	Financial Assets at Amortised Cost		Financial Liabilities at Amortised Cost		Total \$'000
		\$'000	\$'000	\$'000	\$'000	
Contractual Financial Assets						
Cash and Cash Equivalents	6.2	12,411	-	-	-	12,411
Receivables	5.1	1,201	-	-	-	1,201
Total Financial Assetsⁱ		13,612	-	-	-	13,612
Financial Liabilities						
Payables	5.3	-	1,647	-	-	1,647
Borrowings	6.1	-	824	-	-	824
Other Financial Liabilities - Refundable Accommodation Deposits	5.5	-	5,865	-	-	5,865
Other Financial Liabilities - Patient/Resident monies held in trust	5.5	-	8	-	-	8
Total Financial Liabilitiesⁱ		-	8,344	-	-	8,344

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

Total 30 June 2023	Financial Assets at		Total \$'000
	Amortised Cost \$'000	Financial Liabilities at Amortised Cost \$'000	
Contractual Financial Assets			
Cash and cash equivalents	11,938	-	11,938
Receivables	1,109	-	1,109
Total Financial Assetsⁱ	13,047	-	13,047
Financial Liabilities			
Payables	-	1,679	1,679
Borrowings	-	699	699
Other Financial Liabilities - Refundable Accommodation Deposits	-	5,041	5,041
Other Financial Liabilities - Patient/Resident monies held in trust	-	11	11
Total Financial Liabilitiesⁱ	-	7,430	7,430

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

How we categorise financial instruments

Categories of financial assets

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

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

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

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

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

Financial assets at amortised cost

Financial assets are measured at amortised cost if both of the following criteria are met and the assets are not designated as fair value through net result:

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

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

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

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

Categories of financial liabilities

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

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

Financial liabilities at amortised cost

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

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

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

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

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 and liquidity risk. Mallee Track Health and Community Service manages these financial risks in accordance with its financial risk management policy.

Primary responsibility for the identification and management of financial risks rests with the Accountable Officer.

Note 7.2 (a) Credit risk

Credit risk refers to the possibility that a borrower will default on its financial obligations as and when they fall due. 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.

Contractual 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 2023-24.

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 losses for the relevant financial instruments applying AASB 9's Expected Credit Loss approach. Subject to AASB 9, the impairment assessment includes the health service's contractual receivables and its investment in debt instruments.

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

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

Contractual receivables 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	Current	Less than 1 month	1-3 months	3 months -1 year	1-5 years	Total
30 June 2024							
Expected loss rate		0.0%	0.0%	0.0%	0.0%	0.0%	
Gross carrying amount of contractual receivables	5.1	160	37	10	0	0	207
Loss allowance		-	-	-	-	-	-
30 June 2023							
Expected loss rate		0.0%	0.0%	0.0%	0.0%	0.0%	
Gross carrying amount of contractual receivables	5.1	129	30	8	0	0	167
Loss allowance		-	-	-	-	-	-

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

Note 7.2 (b) Liquidity risk

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

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

Total 30 June 2024	Carrying Amount \$'000	Nominal Amount \$'000	Maturity Dates					
			Less than 1 Month \$'000	1-3 Months \$'000	3 months - 1 Year \$'000	1-5 Years \$'000	Over 5 years \$'000	
Payables	1,647	1,647	1,647	-	-	-	-	-
Borrowings	824	-	-	-	347	477	-	-
Other Financial Liabilities - Refundable Accommodation Deposits	5,865	5,865	-	-	1,330	4,535	-	-
Other Financial Liabilities - Patient/Resident monies held in trust	8	8	-	-	8	-	-	-
Total Financial Liabilities	8,344	7,520	1,647	-	1,685	5,012	-	-

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

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

ⁱⁱ Ageing of Refundable Accommodation Deposits are based upon historical redemption rates.

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 were changes in valuation techniques for some specialised land and specialised buildings assets from Level 3 classifications to Level 2 classifications throughout the period to 30 June 2024.

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 2024	Level 1 ¹	Level 2 ¹	Level 3 ¹
		\$'000	\$'000	\$'000	\$'000
Specialised land		1,345	-	795	550
Total land at fair value	4.1 (a)	1,345	-	795	550
Specialised buildings		62,698	-	2,810	59,888
Total buildings at fair value	4.1 (a)	62,698	-	2,810	59,888
Plant and equipment at fair value	4.1 (a)	284	-	-	284
Motor vehicles at fair value	4.1 (a)	9	-	-	9
Medical equipment at fair value	4.1 (a)	256	-	-	256
Computer equipment at fair value	4.1 (a)	119	-	-	119
Furniture and fittings at fair value	4.1 (a)	585	-	-	585
Total plant, equipment, furniture, fittings and vehicles at fair value		1,253	-	-	1,253
Right of use assets at fair value - vehicles	4.2 (a)	756	-	-	756
Total right-of-use assets at fair value		756	-	-	756
Vehicles	5.6	14	-	-	14
Total non-financial assets held for sale		14	-	-	14
Total non-financial physical assets at fair value		66,066	-	3,605	62,461

	Note	Total carrying amount	Fair value measurement at end of reporting period using:		
		30 June 2023	Level 1 ¹	Level 2 ¹	Level 3 ¹
		\$'000	\$'000	\$'000	\$'000
Specialised land		688	-	-	688
Total land at fair value	4.1 (a)	688	-	-	688
Specialised buildings		34,248	-	-	34,248
Total buildings at fair value	4.1 (a)	34,248	-	-	34,248
Plant, equipment and vehicles 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
Total plant, equipment, furniture, fittings and vehicles at fair value		1,263	-	-	1,263
Right of use assets at fair value - vehicles	4.2 (a)	611	-	-	611
Total right-of-use assets at fair value		611	-	-	611
Vehicles	5.6	-	-	-	-
Total non-financial assets held for sale		-	-	-	-
Total non-financial physical assets at fair value		36,810	-	-	36,810

¹ Classified in accordance with the fair value hierarchy.

How we measure fair value of non-financial physical assets

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

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

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

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.

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

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

For 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 2024.

Vehicles

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

Furniture, fittings, plant and equipment

Furniture, fittings, plant and equipment (including medical equipment, computers and communication equipment) are held at carrying amount (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 current replacement cost is used to estimate the fair value. Unless there is market evidence that current replacement costs are significantly different from the original acquisition cost, it is considered unlikely that current replacement cost will be materially different from the existing carrying amount.

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

	Land \$'000	Buildings ¹ \$'000	Plant and equipment ¹ \$'000	Motor vehicles ¹ \$'000	Medical equipment ¹ \$'000	Computer equipment ¹ \$'000	Furniture & fittings ¹ \$'000	Right of use - motor vehicles ¹ \$'000
Total								
Balance at 1 July 2022	668	36,202	413	63	171	150	356	368
Additions/(Disposals)	20	160	35	15	125	59	210	340
- Depreciation	-	(2,114)	(85)	(64)	(46)	(81)	(58)	(97)
Balance at 30 June 2023	688	34,248	363	14	250	128	508	611
Additions/(Disposals)	-	(9)	(1)	-	55	73	217	284
Net transfers between classes	2	48	(2)	-	-	-	(48)	-
Net transfers between valuation level	(349)	(2,272)	-	-	-	-	-	-
Gains/(Losses) recognised in net result	-	(2,062)	(76)	(5)	(49)	(82)	(92)	(139)
- Depreciation	-	-	-	-	-	-	-	-
Items recognised in other comprehensive income	-	-	-	-	-	-	-	-
- Revaluation	209	29,935	-	-	-	-	-	-
Balance at 30 June 2024	550	59,888	284	9	256	119	585	756

¹ 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 ⁽ⁱ⁾
Specialised buildings	Current replacement cost approach	- Cost per square metre - Useful life
Vehicles	Current replacement cost approach	- Cost per unit - Useful life
Plant and equipment	Current replacement cost approach	- Cost per unit - Useful life

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

Mallee Track Health and Community Service
Notes to the Financial Statements
For the Financial Year Ended 30 June 2024

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

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

	2024	2023
Note	\$'000	\$'000
Net result for the year	(2,793)	(912)
Non-cash movements:		
(Gain)/Loss on sale or disposal of non-financial assets	3.2 (91)	(187)
Depreciation of non-current assets	4.4 2,563	2,545
Share of net results in associates	(40)	-
(Gain)/Loss on revaluation of long service leave liability	3.2 (8)	(28)
Discount (interest) / expense on loan	3.2 4	1
Movements in Assets and Liabilities:		
(Increase)/Decrease in receivables and contract assets	133	(377)
(Increase)/Decrease in inventories	(3)	57
(Increase)/Decrease in prepaid expenses	94	(18)
Increase/(Decrease) in payables and contract liabilities	(45)	605
Increase/(Decrease) in employee benefits	219	172
Increase/(Decrease) in other liabilities	(3)	(3)
Net cash inflow from operating activities	30	1,855

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.

	Period
The Honourable Mary-Anne Thomas MP:	
Minister for Health	1 Jul 2022 - 30 Jun 2024
Minister for Health Infrastructure	5 Dec 2022 - 30 Jun 2024
Minister for Ambulance Services	2 Oct 2023 - 30 Jun 2024
The Honourable Ingrid Stitt MP:	
Minister for Mental Health	2 Oct 2023 - 30 Jun 2024
Minister for Ageing	2 Oct 2023 - 30 Jun 2024
Minister for Multicultural Affairs	2 Oct 2023 - 30 Jun 2024
The Honourable Gabrielle Williams MP:	
Minister for Mental Health	1 Jul 2022 - 2 Oct 2023
Minister for Ambulance Services	5 Dec 2022 - 2 Oct 2023
The Honourable Lizzy Blandthorn MP:	
Minister for Children	2 Oct 2023 - 30 Jun 2024
Minister for Disability	2 Oct 2023 - 30 Jun 2024
Governing Boards	
John Papatheohari - resigned as Board Chair 24 Nov 2023	1 Jul 2023 - 30 Jun 2024
Mary Rydberg - appointed as Board Chair 25 Nov 2023	1 Jul 2023 - 30 Jun 2024
Frank Piscioneri	1 Jul 2023 - 30 Jun 2024
Joyce Lynch	1 Jul 2023 - 30 Jun 2024
Nick McDonald	1 Jul 2023 - 30 Jun 2024
Alexander Look	1 Jul 2023 - 30 Jun 2024
Carol Mioduchoski	1 Jul 2023 - 30 Jun 2024
Kathryn Munro	1 Jul 2023 - 30 Jun 2024
Accountable Officers	
Tracey Wilson (Chief Executive Officer - Seconded from Mildura Base Public Hospital)	1 Jul 2023 - 8 Oct 2023
Dr. Frances Peart (Chief Executive Officer)	9 Oct 2023 - 30 Jun 2024

Note 8.2 Responsible persons (continued)

Remuneration of Responsible Persons

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

Income Band

\$0,000 - \$9,999

\$140,000 - \$149,999

\$210,000 - \$219,999

Total Numbers

2024	2023
No	No
8	8
1	-
-	1
9	9

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

2024	2023
\$'000	\$'000
183	252

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)	Total Remuneration	
	2024 \$'000	2023 \$'000
Short-term benefits	306	377
Post-employment benefits	31	37
Other long-term benefits	49	12
Total remunerationⁱ	386	426
Total number of executives	5	3
Total annualised employee equivalent ⁱⁱ	2.0	2.4

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

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

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

Short-term Employee Benefits

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

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 - resigned as Chair 24 Nov 2023
Mary Rydberg	Chair of the Board - appointed as Chair 25 Nov 2023
Frank Piscioneri	Board Member
Joyce Lynch	Board Member
Alexander Look	Board Member
Nick McDonald	Board Member
Carol Mioduchowski	Board Member
Kathryn Munro	Board Member
Dr. Frances Peart	Chief Executive Officer - appointed 9 Oct 2023
Tracey Wilson	Acting Chief Executive Officer - departed 8 Oct 2023
Dr. Frances Peart	Acting Executive Director of Nursing - resigned 8 Oct 2023
Nicole Magnisalis	Acting Executive Director of Nursing - appointed 9 Oct 2023, resigned 22 Oct 2023
Loretta Creevy	Acting Executive Director of Nursing - appointed 23 Oct 2023, resigned 17 Dec 2023
Rosemary Cattanach	Executive Director of Nursing and Midwifery - appointed 18 Dec 2023
Lyndal Munro	Director of Community Services

Tracey Wilson had 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.

	2024 \$'000	2023 \$'000
Compensation - KMPs		
Short-term Employee Benefits ⁱ	477	502
Post-employment Benefits	49	46
Other Long-term Benefits	53	71
Termination Benefits	-	58
Totalⁱⁱ	579	677

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

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

Note 8.4: Related parties (continued)

Significant transactions with government related entities

Mallee Track Health and Community Service received funding from the Department of Health of \$8.805 m (2023: \$9.141 m) and indirect contributions of \$0.134 m (2023: \$0.296 m). Balances recallable as at 30 June 2024 are \$0.384 m (2023: \$0.385 m).

Other State Government grants includes \$0.780 m (2023: \$1.067 m) from Dental Health Services Victoria and \$0.638 m (2023: \$0.789 m) from Department of Education and Training.

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

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

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

Transactions with KMPs and other related parties

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

Outside of normal citizen type transactions with Mallee Track Health and Community Service, there were no related party transactions that involved key management personnel, their close family members or their personal business interests. No provision has been required, nor any expense recognised, for impairment of receivables from related parties. There were no related party transactions with Cabinet Ministers required to be disclosed in 2024 (2023: 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 2024 (2023: none).

Note 8.5: Remuneration of auditors

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

2024 \$'000	2023 \$'000
27	18
27	18

Note 8.6: Events occurring after the balance sheet date

There are no events occurring after the Balance Sheet date.

Note 8.7 Joint arrangements

	Principal Activity	Ownership Interest	
		2024 %	2023 %
Loddon Mallee Rural Health Alliance	Provision of Information Technology Services	4.76	4.58

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

	2024 \$'000	2023 \$'000
Current assets		
Cash and cash equivalents	902	645
Receivables	111	94
Prepaid expenses	55	132
Total current assets	1,068	871
Non-current assets		
Property, plant and equipment	37	38
Total non-current assets	37	38
Total assets	1,105	909
Current liabilities		
Payables	260	305
Other Current Liabilities	392	193
Total current liabilities	652	498
Total liabilities	652	498
Net assets	453	411
Equity		
Accumulated surplus	453	411
Total equity	453	411

Note 8.7 Joint arrangements

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

	2024 \$'000	2023 \$'000
Revenue and income from transactions		
Operating activities	874	738
Non-operating activities	62	24
Total revenue and income from transactions	936	762
Expenses from transactions		
Other expenses from continuing operations	899	670
Depreciation	12	10
Total expenses from transactions	911	680
Net result from transactions	25	82

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.

General purpose surplus

The general purpose reserve represents funds set aside by Mallee Track Health and Community Service for specific purpose, where the funds have been internally generated.

Property, plant and equipment revaluation surplus

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

Note 8.9: Economic dependency

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