

BESTCARE
@ Benalla
HEALTH

2022/2023

**Annual
Report**

2022/2023

best care

Benalla Health acknowledges the Traditional Custodians of the land and pay our respects to Elders past, present and emerging.



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About this report

This annual report outlines the operational and financial performance for Benalla Health from 1 July 2022 to 30 June 2023. We are a public health service established under the Health Services Act 1988 (Vic).



Contents

4	History
4	Registered Objectives
5	Disclosure Index
6	Report of Operations
7	Board Chair and Chief Executive Officer's Report
9	Corporate Governance – Board
10	Responsible Ministers during the Financial Year
11	Board of Directors and Executive Team
16	Organisational Structure
17	Workforce Information
17	Occupational Health and Safety
18	Occupational Violence
18	5 Year Performance
20	Statutory Reporting
22	Attestation and Declaration
23	Statement of Priorities Part A
23	Key Financial and Service Performance Reporting
27	Statement of Priorities Part B
29	Effective Financial Management
29	Statement of Priorities Part C
30	Benalla and District Memorial Hospital Auxiliary
31	Benalla Health Services
32	Senior Staff
33	Financial Statements



BESTCARE @ Benalla HEALTH

History

With a ten-bed bush nursing hospital established in 1935, the Benalla community has always been committed to supporting and promoting a local health service to meet the needs of the community. Today, Benalla Health provides a range of acute, midwifery, residential aged care, community health and urgent care services and is one of the largest employers in Benalla. The health service has evolved in recent years to increase its focus on community-based services and has become recognised for its expertise in ophthalmology. We believe our greatest strength is our people, their passion and commitment to provide best care, every person, every time.

Our Vision

Healthy, thriving and resilient communities in and around Benalla.

Our Purpose

To care for our community by providing safe, high-quality healthcare for everyone.

Registered Objectives

The objectives of the hospital are to:

1. Organise and provide health care services in the Benalla district and, in particular hospital based services, including services provided jointly with other agencies in accordance with the *Health Services Act 1988*, and all existing or future relevant Acts and Regulations;
2. Utilise appropriate physical and personal resources, knowledge and available technologies to promote health and to prevent, treat and alleviate disease, disability, injury and suffering so far as is possible in the prevailing conditions;
3. Set and achieve standards consistent with prevailing principles of quality patient care and community health needs;
4. Foster continuing improvement in standards through education, research and training and;
5. Manage and maintain a Community Health Service which will provide facilities, personnel and services to achieve the following aims:
 - promoting health awareness;
 - improving health standards;
 - fostering awareness and prevention of illness and disability;
 - supporting persons in their home environment; and
 - rehabilitation.

Disclosure Index

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

Legislation	Requirement	Page Reference
Ministerial Directions		
Report Of Operations		
Charter and purpose		
FRD 22	Manner of establishment and the relevant Ministers	Part 1 – 10
FRD 22	Purpose, functions, powers and duties	Part 1 – 4 & 6 – 8
FRD 22	Nature and range of services provided	Part 1 – 31
FRD 22	Activities programs and achievements for the reporting period	Part 1 – 6 – 8
FRD 22	Significant changes in key initiatives and expectations for the future	Part 1 – 6 – 8
Management and structure		
FRD 22	Organisational structure	Part 1 – 16
FRD 22	Workforce data/employment and conduct principles	Part 1 – 17
FRD 22	Occupational Health and Safety	Part 1 – 17
Financial information		
FRD 22	Summary of the financial results for the year	Part 1 – 18
FRD 22	Significant changes in financial position during the year	Part 1 – 19
FRD 22	Operational and budgetary objectives and performance against objectives	Part 1 – 27 – 29
FRD 22	Subsequent events	Part 2 – 114
FRD 22	Details of consultancies under \$10,000	Part 1 – 19
FRD 22	Details of consultancies over \$10,000	Part 1 – 19
FRD 22	Disclosure of ICT expenditure	Part 1 – 19
Legislation		
FRD 22	Application and operation of <i>Freedom of Information Act 1982</i>	Part 1 – 20
FRD 22	Compliance with building and maintenance provisions of <i>Building Act 1993</i>	Part 1 – 20
FRD 22	Application and operation of <i>Public Interest Disclosure Act 2012</i>	Part 1 – 20
FRD 22	Statement on National Competition Policy	Part 1 – 20
FRD 22	Application and operation of <i>Carers Recognition Act 2012</i>	Part 1 – 20
FRD 22	Additional information available on request	Part 1 – 22
FRD 24	Environmental data reporting	Part 1 – 21
FRD 24	Social procurement framework objectives and outcomes	Part 1 – 21
Other relevant reporting directives		
FRD 25	<i>Local Jobs First Act 2003</i> disclosures	Part 1 – 22
SD 5.1.4	Financial Management Compliance attestation	Part 1 – 23
SD 5.2.3	Declaration in report of operations	Part 1 – 8
Attestations		
Attestation on Data Integrity		Part 1 – 23
Attestation on Managing Conflicts of Interest		Part 1 – 23
Attestation on Integrity, fraud and corruption		Part 1 – 23
Compliance with HealthShare Victoria (HSV) Purchasing Policies		Part 1 – 23
Other reporting requirements		
Reporting of outcomes from Statement of Priorities 2022–2023		Part 1 – 24 – 27
Occupational Violence reporting		Part 1 – 18
Gender Equality Act 2020		Part 1 – 22
Reporting obligations under the <i>Safe Patient Care Act 2015</i>		Part 1 – 23

Report of Operations

for the year ending
30 June 2023

Board Chair and Chief Executive Officer's Report

We are delighted to present the 2022–2023 Annual Report for Benalla Health on behalf of the Board of Directors and all staff. We extend our gratitude to the Board Directors for their dedication, thoughtful decision-making, and valuable contributions. We also express our appreciation to Lisa Marta (Chair of the Quality and Safety Committee for six years) and Tammy Smith, retiring Directors, for their years of service. We warmly welcome Alok Mathur, our new Director.

Despite the numerous challenges faced by the healthcare sector, Benalla Health has responded admirably, positioning itself at the forefront of health sector reform. We commend our dedicated staff and medical workforce for their collaboration and hard work in delivering exceptional care to each individual. They have shown unwavering commitment and resilience under immense pressure, working hand in hand with our consumers and the community.

One of our notable achievements is the establishment of a fully funded public antenatal clinic, providing access to registered midwives and GP obstetricians within our maternity services. Benalla Health continues to deliver high-quality maternity care to women and their families, with General Practice Obstetricians working closely with our Maternity services team. Our Midwives and Lactation Consultants provide childbirth education classes, domiciliary care, and breastfeeding support services.

We are thrilled to announce our partnership with the Centre of Perinatal Excellence, which has introduced a world-first online screening program to support the mental health of new and expectant mothers in the region. Additionally, we are proud to share that 62 babies were born at Benalla Health during the 2022–2023 period.

In the Urgent Care Centre (UCC), our highly qualified nursing team has provided care to

5617 consumers, a significant increase from the previous year. We have also introduced Nurse Practitioners to the UCC, receiving positive feedback from the community. Furthermore, the implementation of the Victorian Virtual Emergency Department has enhanced support for our nursing staff and General Practitioners in their care for the community.

Benalla Health continues to be recognised for its expertise in ophthalmology, maintaining a strong partnership with Goulburn Valley Health. We have completed over 1,000 ophthalmology surgeries for GV Health and a total of 1,200 surgeries throughout the year. The satisfaction of our patients with the service is exceptionally high, a testament to the professionalism and skill of our surgeons and perioperative staff.

The Better @ Home program, launched in October, has been instrumental in supporting consumers' safe recovery at home. Our highly skilled



multidisciplinary team ensures that the care provided promotes health independence. Since its inception, 424 individuals have participated in the Better@Home program.

We are pleased to report that Benalla Health has been reaccredited for three years, despite receiving some notices of unmet requirements. Efforts are underway to address the identified gaps and further improve our services.

To enhance Aboriginal Cultural Safety within our Health Service, we have undertaken several initiatives, including providing Aboriginal Cultural training to Board Directors and Senior Leaders, joining the Reconciliation Action Plan program, and maintaining the Aboriginal Patient and Family Support Officer role. We actively participate in National Reconciliation Week and NAIDOC week events, collaborate with the local Aboriginal Reference group, and have developed an Aboriginal and Torres Strait

Islander discharge plan. Notably, the completion of the Aboriginal Artwork project and Aboriginal garden has further strengthened our commitment.

In October 2022, two assessors from the Aged Care Quality and Safety Commission visited Morrie Evans Wing for a four-day accreditation process and has been reaccredited for 3 years. Northern Health's Victorian Virtual Emergency Department supports MEW with Virtual Residential In-Reach operating 7 days/week. Common referrals include dementia complications, cardiac failure, COPD exacerbation, pneumonia, palliative care, falls review, and preventative advice.

We have introduced a buffet breakfast for the residents as well as having residents assist with lunch prep, these have been based on resident requests after meetings and Morrie's Munchies feedback. MEW celebrated 45th Birthday on 16th June with a 70's theme, attended by Benalla Mayor, a band, and singing group.

In November 2022, Benalla Health employees gathered to celebrate our staff awards. It was a fantastic night of recognition for the outstanding performance of our staff. We congratulate the winners in various categories: Pauline Montgomery, Stacey Devlin, Lanie Wathen, Ashleigh Knott, Belinda Taylor, Kate Shepherd, Matthew Charleston, and Gabrielle Robinson.

We have conducted a review of our building infrastructure, acquiring a new property adjacent to our campus to support the development of a new Capital Master Plan. In addition, we have received Regional Health Infrastructure funding, allowing us to upgrade our chiller infrastructure and install a state-of-the-art communication system.

The support from our community has been invaluable, and we express our heartfelt gratitude to various stakeholders, including the Benalla and District Memorial Hospital Auxiliary, community groups, individuals, and

volunteers. Their contributions have enabled us to make important purchases, including a community bus and essential equipment.

Major pieces of capital equipment purchased throughout the year included:

- IT server replacement \$120,000
- Replacement ovens – Catering \$76,000
- Surgical operating lights \$50,000
- Ophthalmic patient trolleys \$25,000

As we plan for the future, we recognise the need to develop a new Strategic Plan in consultation with the community. We understand the changing landscape and are committed to evolving our services to meet the needs of our community, strengthening cultural safety, fostering collaboration, and enhancing the consumer journey across the care continuum.

We strive to create a health service and a community that is respectful and inclusive for people of all backgrounds, cultures, sexualities, genders and abilities. We are committed to removing discrimination, harassment and victimisation from our services.

Benalla Health is working towards Rainbow Tick Accreditation. This means applying an LGBTQIA+ lens across all our systems to embed inclusive and culturally safe practices. Whilst this is an ongoing process, small changes can have big affirming outcomes:

- everyone feels valued, respected, seen and heard, supported and safe
- LGBTQIA+ individuals and communities are included, connected and accepted.

As we continue this journey, collaboration with our staff, partners, and the community is paramount. Together, we work towards a future of excellence,

where inclusivity and cultural safety stand at the core of our services.

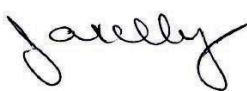
We bid farewell to Executive Director Andrew Nitschke, who made significant contributions to Benalla Health during his tenure. His leadership and dedication have played a pivotal role in providing the best care to our community.

Lastly, we extend our sincere appreciation to the Department of Health, the Board of Directors, our staff, medical officers, partner organisations, and volunteers for their unwavering support. We value the trust placed in us by the community and remain committed to continually improving our care services.

Thank you for your ongoing support and feedback, which drives our efforts to deliver exceptional care to every person, every time.



John Papatheohari
Board Chair



Jackie Kelly
Chief Executive Officer

In accordance with the *Financial Management Act 1994*, I am pleased to present the report of operations for Benalla Health for the year ending 30th June 2023.



John Papatheohari
Board Chair

20 September 2023

Corporate Governance – Board

The organisation is governed by a board appointed by the Governor-in-Council upon the recommendation of the Minister for Health

Government Policy

Health service boards are responsible to the Minister for setting the strategic directions of rural public healthcare agencies within the framework of Government policy. They are accountable for ensuring that rural public healthcare agencies:

- Are effectively and efficiently managed;
- Provide high quality care and service delivery;
- Meet the needs of the community; and
- Meet financial and non-financial performance targets.

The Government is committed to ensuring that there is strong governance and accountability of the board for the performance of the organisation and delivery of health services. Each rural public healthcare agency needs a balanced board, which has the right mix of relevant skills, knowledge, attributes and expertise to be effective and achieve its objectives. This includes skills and expertise relating to the governance of health services, and an ability to represent the views of the community.

Board Committees

Finance and Audit Committee

The committee receives and makes recommendations relating to internal and external audit reports and ensures compliance with any matters raised by the Auditor General's office. The Committee assists the Board of Directors in fulfilling its responsibilities by acting in an advisory capacity and providing recommendations to the Board to improve the financial performance, management and control mechanisms of Benalla Health. The committee meets monthly.

Appointments Committee

The committee has the important role of assessing medical and dental practitioners as well as nurse practitioners and recommending their scope of practice within Benalla Health. The committee meets four times per year.

Medical Consultative Committee

The committee provides a forum for local medical practitioners to meet with the Board to discuss

common issues. The committee meets as required.

Quality and Safety Committee

The Quality and Safety Committee provides clinical governance leadership and monitors the delivery of care, quality improvement and risk management (both clinical and non-clinical) throughout the organisation. The committee meets monthly.

Community Advisory Committee

The committee provides direction and leadership in relation to the integration of consumer care and community views across all levels of health service planning, development and operations. The committee meets bimonthly.

Pecuniary Interest

Members of the Board of Directors are required at each meeting to declare any pecuniary interest which might give rise to a conflict of interest. The Board has developed a Policy and Code of Conduct which clarifies the responsibilities of Board Directors.

Responsible Ministers during the Financial Year

The manner in which the Health Service was established and its relevant Minister. Benalla Health is a public health service established under the *Health Services Act 1988* (Vic).

The responsible Minister is the Minister for Health:

From 1 July 2022 to 30 June 2023

The Hon Mary-Anne Thomas MP
Minister for Health

Auditors

RSD Chartered Accountants, Agents
for the Auditor General

Banker

National Australia Bank

Solicitors

HDC Legal



Board of Directors and Executive Team



John Papatheohari

Chair 1st May 2022 – 30th June 2023
BBus, CA, CHCIO, MAICD

Committee Membership

- Finance and Audit
- Quality and Safety
- Appointments
- Medical Consultative

John was appointed to the Board July 2020 and assumed the Chair position in May 2022. John is a Board member of Mallee Track Health and Community Service (Chair), Bairnsdale Regional Health Service, Distinctive Options and Data Capture Experts. He is also a Chisholm Institute Board Committee member advising on cybersecurity, digital and Information Communication and Technology. He is a sports enthusiast and active fun run participant. John has spent the past thirteen years as a CIO and Executive business partner, working across public and private health services and medical education. Engaging extensively with a range of stakeholders, John has delivered digital transformations generating consumer experience and service delivery benefits. John made the transition to industry after 26 years as a Management Consultant. He has a diverse work experience background, having spent over twelve years in various overseas postings.



Dr Dennis O'Brien

BSC (AG) University of Sydney; MSC, University of Manitoba Canada; PHD, Oregon State University USA

Committee Membership

- Quality and Safety
- Community Advisory

After graduating with his PhD, Dennis worked for five years in the Philippines and Indonesia. He has also worked in Canada, USA, Bangladesh, Singapore, Malaysia, Sri Lanka, Vietnam, Papua New Guinea and China. He and Gail returned to Australia with their three children in 1985 to take up a position at the University of Wollongong. He moved to Southern Cross University in 1993, where he was Head of the School of Business. In 2002 he was appointed Associate Professor and Head of the Dookie Campus of the University of Melbourne. He was the foundation Director of Postgraduate Studies at Marcus Oldham College from 2009 to 2010. In addition to his current role as a Director on the Benalla Health Board, he is Chair of the Winton Wetlands Committee of Management and a member of the Waminda Board. He has a long history of commitment to community development locally and in his home state of NSW. He and Gail operate a small Wagyu cattle farm at Goomalibee.

Board of Directors and Executive Team cont.



Dr Sarah Chaplin (Vice Chair)

*BSC (Hons) Leeds; MSC Edin;
PHD Gla; GCERT Uniteach
Melb; GAICD*

Committee Membership

- Community Advisory
- Finance and Audit
- Medical Consultative

Sarah Chaplin is an animal welfare specialist with expertise in project management, analysis, communication and stakeholder engagement. She is employed as a Senior Policy Officer in Animal Welfare Victoria, providing policy advice to the Victorian government on matters relating to animal welfare. Sarah was born in England and came to Australia in 2000 to take up a lecturing position at the University of Melbourne. She was based at Dookie Campus for nearly 10 years and both her children were born at Benalla Hospital. Sarah is a Fairley Fellow (2017) and a graduate of the Australian Institute of Company Directors. Sarah runs a Murray Grey stud at Yabba North with her husband.



Leanne Turner (Treasurer)

*BHealthSci PostGradDip (Health
Administration) MBA GAICD*

Committee Membership

- Finance and Audit (Chair)
- Quality and Safety

Leanne was appointed to the Benalla Health Board of Directors in July 2021. Leanne is currently the Chief Operating Officer at Yooralla and responsible for leading the delivery of all customer services. Before joining Yooralla in 2017, Leanne was the Executive Director of the Royal Dental Hospital of Melbourne at Dental Health Services Victoria for three years. Prior to joining Dental Health Services Victoria, Leanne was the Director of Specialty Services at Austin Health for eight years. In this role, she was responsible for the strategic leadership and operational management of Cardiac Services, Vascular Surgery, Neurosciences, Neuropsychology and Respiratory Services. Leanne's qualifications include a Bachelor of Health Sciences (Nursing), a Post Graduate Diploma in Health Administration (La Trobe University) and a Master of Business Administration (RMIT). She is also a Graduate of the Australian Institute of Company Directors.

Leanne has extensive experience in clinical governance and risk management, service planning and financial management. She is passionate about improving patient outcomes. Leanne has previously held Board Director positions with the Eastern Domestic Violence Service and in Community Health organisations.



Binda Gokahale

FCPA, GAICD

Committee Membership

- Quality and Safety
- Appointments

Binda joined the Benalla Health Board of Directors in July 2021 and has considerable experience in corporate finance, strategic planning, and governance. She is currently the Chief Financial Officer at Wyndham City Council and has previously worked at Telstra. Binda's financial and operational experience is supported by directorships and committee roles held with a number of corporate, statutory, and not-for-profit entities. Currently these include Trust for Nature, Satellite Foundation and the Victorian Disability Worker Commission. She is also currently the Chair of the Public Sector and Not for Profit Committee of CPA Australia and on the Executive Committee of the Victorian Local Government Finance Professionals (FinPro), engaging in policy and professional development. Her attributes include strategic planning, analysis, performance management, corporate governance, compliance, and risk management. Binda is keen to work with her fellow Board members and Benalla Health's Executive on strengthening community engagement and service outcomes in the health sector.



Tammy Smith

(01/07/2018 – 15/05/2023)

BSW, ADIPMGMT

Committee Membership

- Community Advisory
- Appointments

Tammy is a 2017 Graduate of the Alpine Valleys Community Leadership Program and has a range of Committee experience. Tammy is focused on utilising her skills for the betterment of North East Victorian communities. Her involvement includes current Committee membership of the Wangaratta Women in Leadership Group and the ACVL Alumni Sub-Committee. She has worked in both the USA and UK in various social work focused positions. Tammy is currently employed in the role of Respectful Relationships Liaison Officer for the Department of Education and Training. Tammy brings to the Board a strong background in counselling and support particularly working with persons experiencing family violence and held a role managing the local integrated family violence service sector for a number of years. She has also worked in the area of Disability Client Services and Child Protection with the Department of Health.



Lisa Marta

(01/07/2015 – 16/04/2023)

BPharm, MPS, AACPA

Committee Membership

- Quality and Safety (Chair)

Lisa is a pharmacist with over 30 years' experience in community and hospital pharmacy. Lisa is a partner in a local community pharmacy, with her husband Gareth. They moved to Benalla in 1995 and have three children. During this time Lisa has been involved in several community groups.



Alok Mathur

FCPA,GAICD,EMPA,PFIIA

Committee Membership

- Finance and Audit

Alok has thirty years experience in the fields of internal and external auditing, finance and management accounting, risk management and corporate governance and is a Board Director for Murray City Country Coast GP Training Victoria.

Executive Team



Chief Executive Officer

Jackie Kelly

BNurs, MLD, Dip. HR.

The Chief Executive Officer is responsible to the Board of Directors for the efficient and effective management of the Health Service. Key responsibilities include the development and implementation of operational and strategic planning, maximising service efficiency, quality improvement and minimisation of risk.



Executive Director of Clinical Services

Lisa Waite

(Commenced August 2022)

RN, RM, Bachelor of Nursing, and currently studying Masters Of Health Administration.

The Executive Director of Clinical Services (EDCS) is responsible for all clinical services. The EDCS role encompasses leadership of clinical services, clinical governance, clinical leadership and standards of practice, service and strategic planning, clinical risk management, quality improvement and resource management.



Executive Director of Finance and Corporate Services

Andrew Nitchke

(to December 2022)

Mewan Dissanayake

(Commenced May 2023)

MBA(USQ), CA, CPA, GAICD, FCMA(UK), CGMA, FCA(SL), BBA Hons (Specialised in Financial Mgt)

The Executive Director of Finance and Corporate Services is responsible for the finance and administration, ICT, health information, supply, linen and hospitality departments. The Executive Director of Finance and Corporate Services provides leadership in the management of financial and corporate support services.



Director of Medical Services

Dr Ken Cheng

MBBS, BMedSc (Hons), MBA, M Com (Dist), MHM, MPH, FRACMA, FCHSM, CHE, MAICD

As Director of Medical Services Dr Cheng ensures all visiting medical officers are credentialed and have appropriate clinician privileges for the Organisation. The DMS role involves liaison with visiting specialists and General Practitioners as well as the provision of senior medical administrative support, advice and guidance to staff on clinical governance, medical services, quality and medico-legal matters.



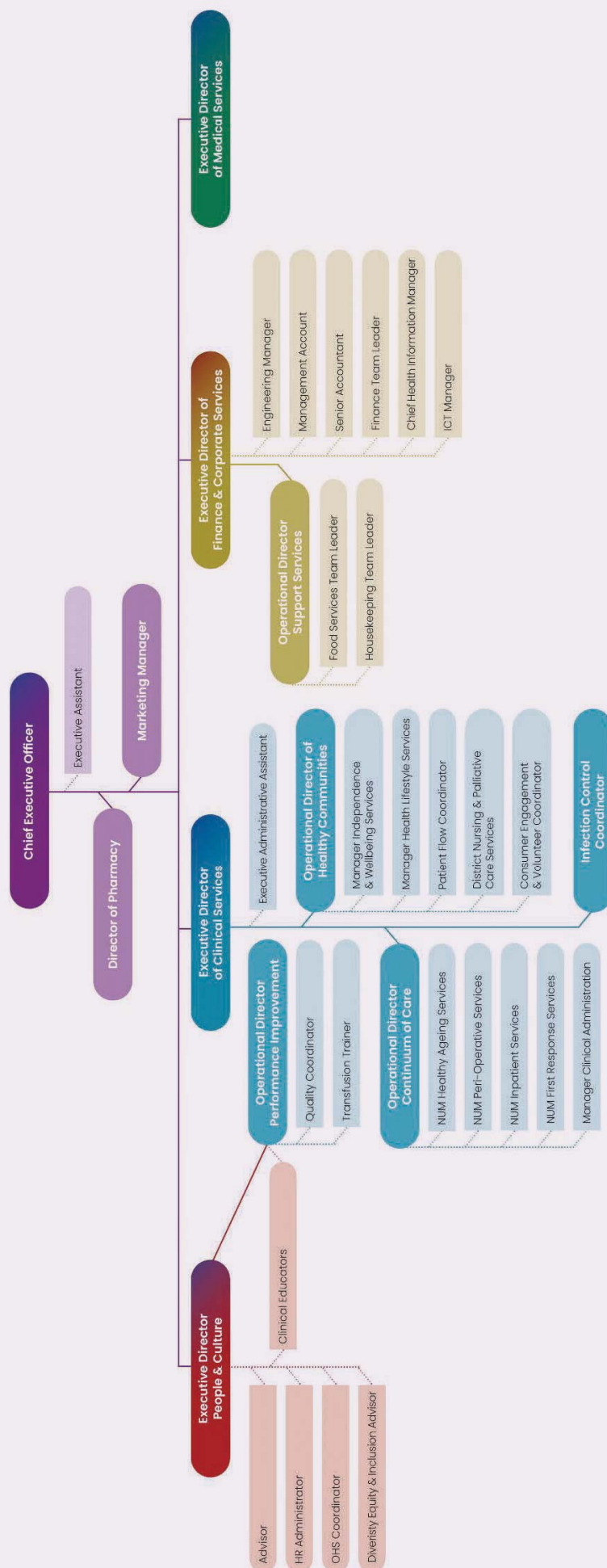
Executive Director of People & Culture

Donovan Jacka
(Commenced March 2023)

Grad Dip HR/IR Grad Cert Mediation

As Executive Director of People and Culture Donovan drives organisational excellence by providing strategic leadership and operational delivery of people and organisational development functions and services for Benalla Health, including management of Employment Services, Employee Relations, Industrial Relations, Diversity, Equity and Inclusion, Health and Safety, Wellbeing Services and Injury Management programs.

Organisational structure 2023



Workforce Information

Current Full Time Equivalent (FTE) and other payroll information is consistent with that provided to the Department in the Minimum Employee Data Set (MDS).

Hospitals Labour Category	June Current Month FTE		Average Monthly FTE	
	2022	2023	2022	2023
Nursing	100.42	99.68	99.99	98.42
Administration and Clerical	34.77	32.11	33.28	32.85
Medical Support	8.82	9.22	8.49	8.73
Hotel and Allied Services	38.52	41.70	39.13	40.32
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)	17.93	19.87	15.83	18.34
Total	200.46	202.58	196.74	198.66

The FTE figures in this table exclude overtime and do not include contracted staff (i.e. agency nurses and fee for service Visiting Medical Officers) who are not regarded as employees for this purpose.

Employment and Conduct Principles

Benalla Health is committed to applying merit and equity principles to all employment policies, programs and resources and ensures our values; Respect, Empathy, Excellence, Compassion and Accountability, are implemented throughout the organisation, including through performance planning and employee recognition processes.

Occupational Health and Safety

The objective of Health and Safety is prevention and active response. This is achieved by supportive and ongoing consultation between management, the Occupational Health and Safety Committee, employees, volunteers, students, Visiting Medical Officers, contractors and consumers. We aim to continuously review our practices, look for improvements and evaluate our systems on a regular basis, to ensure excellence in safety management.

Occupational Health and Safety Statistics	2020-2021	2021-2022	2022-2023
Number of reported hazards/incidents for the year per 100 FTE	60.19	82	92
Number of lost time standard WorkCover claims for the year per 100 FTE	2.91	3.33	5
Average cost per WorkCover claim for the year	\$67,038	\$61,202	\$42,001

Occupational Violence

Occupational violence statistics for 2022–2023 are reported as per the table below.

Occupational Violence Statistics	2022–2023
WorkCover accepted claims with an occupational violence cause per 100 FTE	0
Number of accepted WorkCover claims with lost time injury with an occupational violence cause per 1,000,000 hours worked	0
Number of occupational violence incidents reported	12
Number of occupational violence incidents reported per 100 FTE	6
Percentage of occupational violence incidents resulting in staff injury, illness or condition	4

Definitions

For the purposes of the above statistics the following definitions apply:

- **Occupational violence:** Any incident where an employee is abused, threatened or assaulted in circumstances arising out of, or in the course of their employment.
- **Incident:** An event or circumstance that could have resulted in, or did result in, harm to an employee. Incidents of all severity rating must be included. Code Grey reporting is not included, however if an incident occurs during the course of a planned or unplanned Code Grey, the incident must be included.
- **Accepted WorkCover claims:** Accepted WorkCover claims that were lodged in 2022–2023.
- **Lost time:** Is defined as greater than one day.
- **Injury, illness or condition:** This includes all reported harm as a result of the incident, regardless of whether the employee required time off work or submitted a claim.

5 Year Performance

	2023 \$000	2022 \$000	2021 \$000	2020 \$000	2019 \$000
Operating Result	245	682	197	134	244
Total revenue	38,376	33,208	32,005	32,555	29,207
Total expenses	38,039	34,382	33,861	32,637	30,656
Net result from transactions	337	(1,174)	(1,856)	(82)	(1,445)
Total other economic flows	(54)	227	225	(42)	(136)
Net result	283	(947)	(1,631)	(124)	(1,581)
Total assets	50,436	48,820	46,553	47,100	47,126
Total liabilities	10,936	9,603	9,143	8,309	8,211
Net assets/Total equity	39,500	39,217	37,410	38,791	38,915

Reconciliation of Net Result from Transactions and Operating Result	2022-2023 \$000
Operating result	245
Capital purpose income	2,248
Specific income	-
COVID 19 State Supply Arrangements – Assets received free of charge or for nil consideration under the State Supply	312
State Supply items consumed up to 30 June 2023	-312
Assets provided free of charge	-
Assets received free of charge	15
Expenditure for capital purpose	40
Depreciation and amortisation	2,130
Impairment of non-financial assets	-
Finance costs (other)	1
Net result from transactions	337

A result of \$0.245m was achieved for the year which is in line with our Statement of Priorities target of a break even result. Benalla Health had an increase in revenue from operating transactions as a result of increase in government grants from state and commonwealth governments. However the expenses for the year also increased due to workforce related costs and other regular maintenance costs.

Consultancies

Details of consultancies (under \$10,000)

In 2022-2023 there were 4 consultancies where the total fees payable to the consultants were less than \$10,000 (excl. GST). The total expenditure incurred during 2022-2023 in relation to these consultancies is \$14,447 (excl. GST).

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

In 2022-2023 there were 2 consultancies where the total fees payable to the consultants were \$10,000 (excl. GST) or greater. The total expenditure incurred during 2022-2023 in relation to these consultancies is \$201,597 (excl. GST). Details of these consultancies can be viewed below.

Consultant	Purpose of consultancy	Start date	End date	Total approved project fee (excluding GST)	Expenditure 2022-2023 (excluding GST)	Future expenditure (excluding GST)
Harcourt Aged Care Advisors Pty Ltd	Aged care compliance	Jan 2023	May 2023	\$184,896	\$184,896	\$0
Billard Leece Partnership	Staff, student and carer accommodation	May 2023	May 2023	\$16,701	\$16,701	\$0

Information and Communication Technology (ICT)

The total ICT expenditure incurred during 2022-2023 is \$1.526 million (excluding GST) with the details shown below:

Business As Usual (BAU) ICT expenditure	Non-Business As Usual (non-BAU) ICT Expenditure		
Total (excluding GST) (million)	Total = Operational expenditure and Capital expenditure (excluding GST)	Operational expenditure (excluding GST) (million)	Capital expenditure (excluding GST) (million)
\$1.174 million	\$0.352 million	\$0 million	\$0.352 million



Statutory Reporting

Freedom of Information Act 1982

Benalla Health is an agency subject to the Freedom of Information Act 1982 (Victoria). The Chief Executive Officer is the nominated Freedom of Information Officer. Persons wishing to make an FOI request should do so by completing the FOI Request form (available from the Benalla Health website or at the hospital reception desk). The FOI Request form contains information relating to costs of accessing information, what information can be provided and timeline for provision of information to an applicant by Benalla Health. Further information about the Freedom of Information Act is available from the Office of the Victorian Information Commissioner (www.ovic.gov.au). During 2022–2023, 33 valid Freedom of Information requests were received, mostly relating to requests to legally access medical and/or health care related information.

Building Act 1993

Benalla Health complies with the building and maintenance provisions of the Building Act 1993 which encompasses the Building Code of Australia and Standards for Publicly Owned Buildings November 1994 and relevant provisions of the National Construction Code. Benalla Health complies with the Department of Health Fire Risk Management Guidelines.

Public Interest Disclosure Act 2012

Benalla Health is an agency subject to the Public Interest Disclosure Act 2012. The Public Interest Disclosure Act 2012 enables people to make disclosures about improper conduct within the public sector without fear of reprisal. The Act

aims to ensure openness and accountability by encouraging people to make disclosures and protecting them when they do. Policies and guidelines are in place to protect people against actions that might be taken against them if they choose to make a protected disclosure. There were no disclosures in 2022–2023.

National Competition Policy

It is Government policy that the costing policies of publicly funded organisations should reflect any competitive advantage available to the private sector. Benalla Health complies with the National Competition Policy and Competitive Neutrality Policy Victoria and its subsequent reforms.

Carers Recognition Act 2012

Benalla Health is an agency subject to the Carers Recognition Act 2012. The Carers Recognition Act 2012 formally recognises and values the role of carers and the importance of care relationships in the Victorian community. The Act includes a set of principles about the significance of care relationships, and specifies obligations for State Government agencies, local Councils, and other organisations that interact with people in care relationships. Benalla Health has:

- taken all practicable measures to comply with its obligations under the Act;
 - promoted the principles of the Act to people in care relationships receiving our services and also to the broader community; and
 - reviewed our staff employment policies to include flexible working arrangements and leave provision ensuring compliance with the statement of principles in the Act.
- There were no disclosures in 2022–2023.



Environmental Performance Summary

Benalla Health is committed to protecting the environment. When developing changes or making improvements, consideration is always given to conserving energy and water, reducing greenhouse emissions and improving waste management.

Environmental Impacts & Energy Usage	2019-2020	2020-2021	2021-2022	2022-2023
Energy Use				
Electricity (MWH)	1520	1489	1488	1434
Gas (Mj)	11.89	11.48	11.72	12.32
Carbon Emissions (Thousand Tones of CO₂e)				
Electricity	1.55	1.46	1.35	1.38
Gas	0.61	0.59	0.60	0.60
Total emissions	2.16	2.05	1.96	1.98
Water Use (Millions Litres)				
Potable water	9.57	9.28	8.93	8.01

Social Procurement Framework Objectives and Outcomes

Energy Use	SPF Outcome	2022-2023 SPF Reporting Metrics
Opportunities for Victorian Aboriginal People	Purchasing from Victorian Aboriginal businesses	<ul style="list-style-type: none"> Number of Victorian Aboriginal businesses engaged-1 Total expenditure with Victorian Aboriginal businesses (excl. GST)-\$529
Opportunities for Victorians with disability	Purchasing from Victorian social enterprises and Australian Disability Enterprises	<ul style="list-style-type: none"> Number of Victorian social enterprises (led by a mission for people with disability) and Australian Disability Enterprises engaged-1 Total expenditure with Victorian social enterprises (led by a mission for people with disability) and Australian Disability Enterprises (excl. GST)-\$221.
Opportunities for disadvantaged Victorians	Purchasing from Victorian social enterprises	<ul style="list-style-type: none"> Number of Victorian social enterprises (led by a mission for one of the five disadvantaged cohorts) engaged-3
		<ul style="list-style-type: none"> Total expenditure with Victorian social enterprises (led by a mission for one of the five disadvantaged cohorts; excl. GST)-\$44,337.

Additional Information

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

- a statement that declarations of pecuniary interests have been duly completed by all relevant officers;
- details of shares held by a senior officer as nominee or held beneficially in a statutory authority or
- subsidiary;
- details of publications produced by the entity about itself, and how these can be obtained;
- details of changes in prices, fees, charges, rates and levies charged by the entity;
- details of any major external reviews carried out on the entity;
- details of major research and development activities undertaken by the entity;
- details of overseas visits undertaken including a summary of the objectives and outcomes of each visit;
- details of major promotional, public relations and marketing activities undertaken by the entity to develop community awareness of the entity and its services;
- details of assessments and measures undertaken to improve the occupational health and safety of employees;
- a general statement on industrial relations within the entity and details of time lost through industrial accidents and disputes;
- a list of major committees sponsored by the entity, the purposes of each committee and the extent to which the purposes have been achieved; and
- details of all consultancies and contractors including:
 - (i) consultants/contractors engaged;
 - (ii) services provided; and
 - (iii) expenditure committed to for each engagement

Local Jobs First Act 2003

Benalla Health complied with the regulations within the *Local Jobs First Act 2003*. There were no contracts that required reporting under this act for the year 2022–2023.

Gender Equality Act 2020

Gender equality is the enjoyment of equal opportunities, resources and wellbeing by all people, regardless of their gender. By achieving greater gender equality, it allows for a more just, inclusive and fair society for everyone.

Since the implementation of the Gender Equality Act 2020, Benalla Health has gained momentum towards gender equality within the organisation and community.

Our key focus is to implement actions outlined in the Gender Equality Act 2020. Benalla Health undertook Gender Equality data collection and found the following;

- 85% of Benalla Health's workforce are female.
- 56% of Benalla Health's leadership team are female, 44% are male.
- 83% of Benalla Health's management team are female, 17% are male.

In 2022–2023 Benalla Health has developed a Gender Equality Action Plan 2023–2025, this summarises Benalla Health's commitments to gender equality and outlines an action plan. Benalla Health has employed a Diversity, Inclusion and Equity Adviser within the People and Culture department to further support an inclusive and equitable environment.

Benalla Health's Maternity Ward are actively promoting gender equality by the implementation of the Baby Makes 3 program which seeks to prevent violence against women and challenges the rigid belief of gender-based roles.

Benalla Health has also partnered with Gateway Health, Alpine Health, Mansfield District Hospital and Women's Health Goulburn Northeast, to make a commitment in addressing gender inequality within the workforce by embedding prevention activities under the Gender Equality Act.

Attestation and Declaration

There are a number of specific compliance requirements that health services must meet and declare during the course of operations. Accordingly, the following attestations are made:

Ministerial Standing Direction 5.1.4 Financial Management Compliance

I, John Papatheohari, on behalf of the Responsible Body, certify that Benalla Health has no Material Compliance Deficiency with respect to the applicable Standing Directions under the *Financial Management Act 1994* and instructions.



John Papatheohari

Board Chair

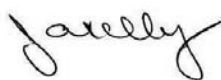
Responsible Officer

Benalla Health

06/09/2023

Integrity, Fraud and Corruption

I, Jackie Kelly, certify that Benalla Health has put in place appropriate internal controls and processes to ensure that Integrity, fraud and corruption risks have been reviewed and addressed at Benalla Health during the year.



Jackie Kelly

Chief Executive Officer

Accountable Officer

Benalla Health

06/09/2023

Compliance with Health Share Victoria (HSV) Purchasing Policies

I, Mewan Dissan, certify that Benalla Health 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.



Mewan Dissan,

Executive Director – Finance and Corporate Services

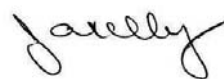
Responsible Officer

Benalla Health

06/09/2023

Data Integrity

I, Jackie Kelly, certify that Benalla Health has put in place appropriate internal controls and processes to ensure that reported data accurately reflects actual performance. Benalla Health has critically reviewed these controls and processes during the year.



Jackie Kelly

Chief Executive Officer

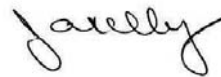
Accountable Officer

Benalla Health

06/09/2023

Conflict of Interest

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



Jackie Kelly

Chief Executive Officer

Accountable Officer

Benalla Health

06/09/2023

Safe Patient Care Act 2015

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

Statement of Priorities Part A

Key Financial and Service Performance Reporting – Strategic Priorities

The Minister of Health intends to work closely with the healthcare sector to develop and implement several important system reforms, including modernising our health system through redesigned governance; driving system reforms that deliver better population health, high quality care and improved patient outcomes and experiences; and reforming clinical services to ensure we are delivering our community the best value care.

Priority	2022–2023 Outcomes
Keep people healthy and safe in the community	
Maintain COVID-19 readiness Maintain a robust COVID-19 readiness and response, working with the department, Health Service Partnership and Local Public Health Unit (LPHU) to ensure effective responses to changes in demand and community pandemic orders. This includes, but is not limited to, participation in the COVID-19 Streaming Model, the Health Service Winter Response framework and continued support of the COVID-19 vaccine immunisation program and community testing.	<p>We have been working in partnership with NHW to implement the Infection Prevention Control (IPC) resource</p> <p>We have access and ongoing support from Goulburn Valley Health (GVH) Public Health Unit (PHU) for our COVID-19 processes including immunisations especially for our Aged Care Residents.</p> <p>We have developed an on going partnership with Health Service Partnerships (HSP) to implement the COVID-19 Streaming Framework. We are also a part of the Regional COVID-19 Streaming working group.</p> <p>Patients transferred as per streaming model or admitted to Acute inpatient services.</p> <p>Vaccination Program in Morrie Evans Wing (MEW) Completed in April 2023.</p> <p>IPC leads X 2 in Aged Care, supported by Benalla Health's IPC.</p>
Care closer to home	
Delivering more care in the home or virtually Increase the provision of home-based or virtual care, where appropriate and preferred, by the patient, including via the Better at Home program.	<p>Increased admissions and growth in the Better@Home program.</p> <p>Increased Hospital In The Home (HITH) admissions from Urgent Care Centre (UCC)/Acute/Day Procedure Unit (DPU)/Benalla and Euroa GP's.</p> <p>UCC Victorian Virtual Emergency Department (VVED) Implemented</p> <p>Chest pain pathway through Safer Care Victoria (SCV)/Alfred Initiative – AV aware of resource</p> <p>My Emergency Doctor Virtual ED available in UCC</p>
Keep improving care	
Improve quality and safety of care Work with Safer Care Victoria (SCV) in areas of clinical improvement to ensure the Victorian health system is safe and delivers best care, including working together on hospital acquired complications, low value care and targeting preventable harm to ensure that limited resources are optimised without compromising clinical care and outcomes.	<p>Tools and resources Maternity Services, participant as pilot project.</p> <p>Chest pain pathway through Safer Care Victoria (SCV)/Alfred Initiative</p> <p>SCV Age Friendly initiative being implemented across Acute services.</p>

Priority	2022–2023 Outcomes
Plan update to nutrition and food quality standards Develop a plan to implement nutrition and quality of food standards in 2022–23, implemented by December of 2023.	New menu introduced January 2023 aligned with nutrition and food quality standards. Kitchen staff seeking feedback from residents and consumers on an ongoing basis through Resident and relatives meeting.
Climate change commitments Contribute to enhancing health system resilience by improving the environmental sustainability, including identifying and implementing projects and/or processes that will contribute to committed emissions reduction targets through reducing or avoiding carbon emissions and/or implementing initiatives that will help the health system to adapt to the impacts of climate change.	Waste Committee Recommendations implemented and reported through to Sustainability Committee. Solar Panel usage monitored and reported through to Sustainability Committee Have participated in the State wide Shedding days x3 in 2023
Asset maintenance and management Improve health service and Department Asset Management Accountability Framework (AMAF) compliance by collaborating with Health Infrastructure to develop policy and processes to review the effectiveness of asset maintenance and its impact on service delivery.	Asset Management plan develop and implementation is underway The Asset Management Plan is reviewed by the Board quarterly
Improve Aboriginal health and wellbeing	
Improve Aboriginal cultural safety Strengthen commitments to Aboriginal Victorians by addressing the gap in health outcomes by delivering culturally safe and responsive health care.	Reconciliation Action Plan (RAP) Reflect completed and now working with Reconciliation Australia to Implement our next RAP Aboriginal Cultural Safety Plan Implemented and reported to Department of Health Aboriginal Patient and Family Support Officer (APFSO) employed and sits with Community Health. Training booked and completed in March 22 nd 2023
Establish meaningful partnerships with Aboriginal Community – Controlled Health Organisations.	Community ‘pop up’ education clinics covering topics such as Maternity services and Advanced Care Planning
Implement strategies and processes to actively increase Aboriginal employment.	Aboriginal Patient and Family Support Officer (APFSO) employed through Victorian Aboriginal Child Care Agency (VACCA).
Improve patient identification of Aboriginal people presenting for health care, and to address variances in health care and provide equitable access to culturally safe care pathways and environments.	Implemented and education offered to all frontline staff. Continued education to staff on asking the question.
Develop discharge plans for every Aboriginal patient.	Being implemented as Aboriginal Consumers identify.

Priority	2022–2023 Outcomes
Moving from competition to collaboration	
Foster and develop local partnerships Strengthen cross-service collaboration, including through active participation in health service partnerships ² (HSP).	Participating and actively engaging with implementation of the outcomes. Participating and actively engaging with implementation of the outcomes that have resulted in an increase in surgical services for Benalla Health. Participating and actively engaging with implementation of the outcomes that have resulted in an increase in surgical services for Benalla Health. Participate in the HSP Planning Days Participate in identified projects that partner with the Central Hume Health Services to deliver better outcomes for consumers
Work together with other HSP members on strategic system priorities where there are opportunities to achieve better and more consistent outcomes through collaboration, including the pandemic response, elective surgery recovery and reform, implementation of the Better at Home program and mental health reform.	Participating in The Hume@Home Working group Participating in the Surgical Reform Working Group. Participating and an active member of the Mental Health Reform.
Joint service planning Develop HSP Strategic Service Plans – codesigned by health services and the department that guide a system approach to future service delivery and consider equity, quality and safety, and value.	Participating and positively contributing to all Strategic Service Plans as developed by HSP.
Planned surgery Recovery and Reform Program Maintain commitment to deliver goals and objectives of the Planned Surgery Recovery and Reform Program, including initiatives as outlined, agreed and funded through the HSP workplan. Health services are expected to work closely with HSP members and the department throughout the implementation of this strategy, and to collaboratively develop and implement future reform initiatives to improve the long-term sustainability of safe and high quality planned surgical services to Victorians.	Participating and positively contributing to the planned Surgery Recovery and Reform Program outlined in the HSP workplan. Service Plans as developed by HSP.
<p>2 All health services are members of a Health Service Partnership. Health Service Partnership members demonstrate inclusivity, partnership and collaboration in ways that are stable and enduring – not person-dependent and time limited. All members take responsibility for participating in the Partnership, reaching consensus-based decisions as a group, taking multiple points of view into consideration and compromising to move forward on broader shared aims.</p>	

Priority	2022–2023 Outcomes
A stronger workforce	
Improve workforce wellbeing Participate in the Occupational Violence and Aggression (OVA) training that will be implemented across the sector in 2022–23.	Training has been scheduled in education calendar for 2023.
Support the implementation of the Strengthening Hospital Responses to Family Violence (SHRFV) initiative deliverables including health service alignment to MARAM, the Family Violence Multi-Agency Risk Assessment and Management framework.	Continuing to implement the Strengthening Hospital Responses to Family Violence (SHRFV) initiative across Benalla Health.
Prioritise wellbeing of healthcare workers and implement local strategies to address key issues.	<p>We have up graded our Employee Assistance Program (EAP) services to Converge EAP which offers best practise support for our Staff their families and Volunteers.</p> <p>In partnership with our staff we have developed and implemented the outcomes of the People Matters survey. We have had regular up dates to our all staff meeting and have updated any feedback we have received.</p>

Statement of Priorities Part B

High Quality and Safe Care – Quality Performance Reporting

Key Performance Measure	Target	Result
Infection prevention and control		
Compliance with the Hand Hygiene Australia program	85%	87%
Percentage of healthcare workers immunized for influenza	92%	99%
Patient experience		
Victorian Healthcare Experience Survey – percentage of positive patient experience responses – Quarter 1	95%	100%
Victorian Healthcare Experience Survey – percentage of positive patient experience responses – Quarter 2	95%	93.2%
Victorian Healthcare Experience Survey – percentage of positive patient experience responses – Quarter 3	95%	97.1%



Strong Governance, Leadership and Culture

Key Performance Indicator	Target	Result
Organisational culture		
People matter survey – Percentage of staff with an overall positive response to safety culture survey questions	62%	68%

Effective Financial Management Financial Reporting

Key Performance Indicator	Target	Result
Operating result (\$m)	\$0.00	\$0.25
Average number of days to pay trade creditors	60 days	39
Average number of days to receive patient fee debtors	60 days	39
Adjusted current asset ratio	0.7 or 3% improvement from health service base target	2.08%
Variance between forecast and actual Net result from transactions (NRFT) for the current financial year ending 30 June.	Variance ≤ \$250,000	Not Achieved
Actual number of days available cash, measured on the last day of each month.	14 days	128

Statement of Priorities Part C

Activity Reporting

Funding Type	2022-2023 Activity Achievement
Consolidated activity funding	
Acute admitted, subacute admitted, emergency services, non-admitted NWAU	3188
Acute admitted	
National Bowel Cancer Screening Program NWAU	0
Acute admitted DVA	64
Other admitted	372
Acute non-admitted	
Home Enteral Nutrition NWAU	1.5
Subacute/non-acute, admitted and non-admitted	
Palliative Care Non-admitted	70
Subacute – DVA	13
Health Independence Program – DVA	0
Aged care	
Residential Aged Care	10,229
HACC	2313
Primary health	
Community Health / Primary Care Programs	7712
Community Health Other	0

Benalla and District Memorial Hospital Auxiliary

This year has seen a period of re-building and change, and the results have been outstanding in terms of volunteer commitment and enthusiasm. In the natural turn of events we have seen members go and new members join. It is timely to thank our plant lady, Sue Berry, who has stepped down after a long period of support. We are currently sixteen active members strong, with the prospect of several other newly retired people about to come on board. We also have many friends who donate their time and efforts in various extra ways, and we thank them sincerely.

Our management model is very much built on consultation and inclusion and we value the variety of skills and experience each member brings to the table. As a consequence of our increasing numbers and the upturn in activities this will enable; we have taken the opportunity to review our Constitution and clarify some of the operational roles and responsibilities. Other administrative matters have also been reviewed and updated to meet Charity Commission Standards in regard to governance, and to secure the Auxiliary's future.

Changes in our weather patterns are having an effect on market stalls, and attendance at other events, it is becoming essential to build on our other fundraising options, and to this end we held

our first recent event – a Tea Cosy Exhibition and High Tea, which was a sell-out occasion. The Tatong Tavern is currently holding a fund-raiser on our behalf, we will be involved with Birchwood Open Garden (which raises money for Benalla and Wangaratta hospitals and the Cancer Council), and other events are being considered. With extra members coming on board, we are confident we can build bigger in this space.

We work closely with Benalla Health staff in relation to deciding on our fundraising goals, and have moved to a model of identifying the target at the outset, in order to capture the attention and support of the general community. Last year we were able to hand over \$40,000.00 for various Hospital needs. In the current economic climate, we are having to work extra hard this year to achieve our goal of a further \$40,000.00 for new resources for Morrie Evans Wing residents. Since January this year we have achieved over 50% of our goal, and I believe we are well on track to deliver on this project.

We would like to sincerely thank Jackie Kelly, CEO, Simone Sammon, Executive Assistant, Kylie Hughes, Marketing Manager, Deb Corcoran, Food Services Manager and the many other staff who have helped with our many printing, publishing and other needs,

and volunteered to help at the High Tea. We would also like to thank the members of Engineering Services for their help at the High Tea, and, as ever, with the transport of our famed institution, the Christmas Stocking. Most of all, I would like to thank our members and friends who truly go above and beyond in terms of hard work and dedication; and the Benalla community who make our work possible.

This has been a most satisfactory year in terms of our activities and building the Auxiliary. We are in excellent shape and excited to meet the challenges of the future.

Bren Brown

President

Benalla Health Services



Healthy Communities

Allied Health

- Chronic Disease Management
- Diabetes Education
- Dietitian
- Exercise and Rehabilitation Groups
- High Risk Foot Clinic
- Occupational Therapy
- Physiotherapy
- Podiatry
- Speech Therapy
- Social Work/Counselling
- Cardiac Rehabilitation
- Pulmonary Rehabilitation
- Orthopedic Rehabilitation

Health Independence Programs

- Sub-Acute Ambulatory Care Program (SACS)
- Hospital Admission Risk Program (HARP)
- Post-Acute Care (PAC)
- Better@Home

Home Nursing Service

- District Nursing Service
- Hospital in the Home
- Palliative Care

Support Groups

- Diabetes
- First Time Parents Groups

Hospital Services

- Acute Inpatient Services
- Perioperative Services
- Day Procedure Unit
- Urgent Care Centre
- Education
- Quality
- Infection Control
- Pharmacy

Maternity Services

- Antenatal Clinic
- Breast Feeding Support
- Domiciliary

Residential Aged Care

- Morrie Evans Wing

Other Services

- CT Scan, Ultrasound, X-Ray
- Planned Activities Program
- Mental Illness Fellowship
- Visiting Medical Officers
- Pathology
- Psychology Services
- Amplifon Hearing

Community Services

A department of the Benalla Rural City Council provides the following services:

Ray Sweeney Centre

- Family services
- Economic Development and Sustainability
- Maternal and Child Health service
- Child support
- Family liaison
- Aboriginal Patient and Family Support Officer

Other Visiting Services Include

- Audiology – Hearing Australia
- Breast Care Nurse – McGrath Foundation
- Community Interlink
- Dental Technician
- Mental Health Services
 - Albury Wodonga Health / Wellway Benalla Wangaratta
 - Mansfield Mental Health and Wellbeing local

Senior Staff

(as at 30 June 2023)

Clinical Services

Operational Director Continuum of Care

Fiona Coad, RN, RM, MACN

Nurse Unit Manager First Response Services

David Briggs, RN, BSc, Grad Cert
(Crit Care), Cert IV TAE, Cert IV
WHS, MACN, MCENA

Nurse Unit Manager Peri-operative Services

Anna Stepowany, RN, BN, Grad
Cert Perioperative Nursing

Nurse Unit Manager Inpatient Services

Gabrielle Robinson, RN, ADip
(Management)

Nurse Unit Manager Healthy Ageing

Vacant

Infection Prevention and Control Co- ordinator

Hannah Capstick, RN,
Nurse Immuniser

Transfusion Trainer

Sue Wallace, RN, BApp Science
(Nursing), Grad Dip (Emergency),
Grad Cert Health (Scheduled
Medicines)

Clinical Administration Coordinator

Sharon Downey

Healthy Communities

Operational Director Healthy Communities

Greg van Popering,
RN, DipM'gt, PGradDip
(Advanced Clinical
Nursing)

Manager Healthy Lifestyle

Merryn Howell, BSW, AMHSW, BSc

Manager Independence and Wellbeing Services

Casey Cowie, Bsc, BENS, MDietSt
(APD)

Performance Improvement

Operational Director Performance Improvement

Cara Hammond, BNurs
(Prereg), BAppSc
(HealthProm), GCertNursPrac
(EmCare)

Finance and Corporate Services

Engineering Manager

Matthew Charleston

Chief Health Information Manager

Veronica Young, BAppSc
(Medical Records Admin)

ICT Manager

Peter Hurley, BInfTech
(Applied Computing)

Finance Administration Team Leader

Fiona Stewart, Cert III
(Business Admin)

Support Services

Operational Director Support Services

Peter Edwards

Food Services Team Leader

Gayle Else

Housekeeping Team Leader

Jacinta Mathieson

Medical Services

Director of Pharmacy

Angela Lawrence, B Pharm, Grad
Dip Bus (IR), MBA, ASA, MPS, MSHP

Media Services

Marketing Manager

Kylie Hughes, BA
Graphic Design

Financial Statements

for the year ending
30 June 2023



Financial Statements

Financial Year ended 30 June 2023

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

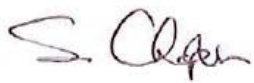
The attached financial statements for Benalla Health have been prepared in accordance with Direction 5.2 of the Standing Directions of the Assistant Treasurer under the *Financial Management Act* 1994, applicable Financial Reporting Directions, Australian Accounting Standards including Interpretations,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

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

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

We authorise the attached financial statements for issue on 6th September, 2023.

Board Director

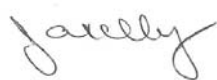


Dr Sarah Chaplin

Chair

Benalla
20th September, 2023

Accountable Officer



Jackie Kelly

Chief Executive Officer

Benalla
20th September, 2023

Chief Finance & Accounting Officer



Mewan Dissanayake

Chief Finance and Accounting Officer

Benalla
20th September, 2023



Independent Auditor's Report

To the Board of Benalla Health

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

Auditor's responsibilities for the audit of the financial report	<p>As required by the <i>Audit Act 1994</i>, 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.</p> <p>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:</p> <ul style="list-style-type: none"> • 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. <p>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.</p>
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MELBOURNE
25 September 2023

Dominika Ryan
as delegate for the Auditor-General of Victoria

Benalla Health
Comprehensive Operating Statement
For the Financial Year Ended 30 June 2023

		Total 2023 \$'000	Total 2022 \$'000
Note			
Revenue and income from transactions			
	Operating activities	2.1 37,860	33,160
	Non-operating activities	2.1 516	48
	Total revenue and income from transactions	38,376	33,208
Expenses from transactions			
	Employee expenses	3.1 (27,932)	(24,523)
	Supplies and consumables	3.1 (3,396)	(3,418)
	Finance costs	3.1 (16)	(15)
	Depreciation and amortisation	3.1 (2,130)	(2,288)
	Other administrative expenses	3.1 (2,682)	(2,571)
	Other operating expenses	3.1 (1,879)	(1,560)
	Other non-operating expenses	3.1 (4)	(7)
	Total Expenses from transactions	(38,039)	(34,382)
	Net result from transactions - net operating balance	337	(1,174)
Other economic flows included in net result			
	Net gain/(loss) on sale of non-financial assets	3.2 21	127
	Net gain/(loss) on financial instruments	3.2 (1)	7
	Other gain/(loss) from other economic flows	3.2 (74)	93
	Total other economic flows included in net result	(54)	227
	Net result for the year	283	(947)
Other comprehensive income			
Items that will not be reclassified to net result			
	Changes in property, plant and equipment revaluation surplus	4.3 -	2,754
	Total other comprehensive income	-	2,754
	Comprehensive result for the year	283	1,807

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

Benalla Health
Balance Sheet
As at 30 June 2023

		Total 2023 \$'000	Total 2022 \$'000
	Note		
Current assets			
Cash and cash equivalents	6.2	15,907	14,645
Receivables	5.1	917	695
Contract assets	5.2	410	-
Inventories		19	26
Prepaid expenses		153	196
Total current assets		17,406	15,562
Non-current assets			
Receivables	5.1	1,124	982
Property, plant and equipment	4.1 (a)	31,404	31,870
Right of use assets	4.2 (a)	499	402
Intangible assets	4.4	3	4
Total non-current assets		33,030	33,258
Total assets		50,436	48,820
Current liabilities			
Payables	5.3	1,924	2,096
Contract Liabilities	5.4	-	332
Borrowings	6.1	257	234
Employee benefits	3.3	4,955	4,286
Other liabilities	5.3	2,926	1,878
Total current liabilities		10,062	8,826
Non-current liabilities			
Borrowings	6.1	335	306
Employee benefits	3.3	539	471
Total non-current liabilities		874	777
Total liabilities		10,936	9,603
Net assets		39,500	39,217
Equity			
Property, plant and equipment revaluation surplus	4.3	29,234	29,234
General purpose surplus	SCE	1,711	399
Restricted specific purpose reserve	SCE	96	113
Contributed capital	SCE	13,293	13,293
Accumulated deficit	SCE	(4,834)	(3,822)
Total equity		39,500	39,217

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

**Benalla Health
Statement of Changes in Equity
For the Financial Year Ended 30 June 2023**

	Property, Plant and Equipment Revaluation Surplus \$'000	Restricted Specific Purpose Reserve \$'000	General Purpose Surplus \$'000	Contributed Capital \$'000	Accumulated Deficit \$'000	Total \$'000
Total						
Balance at 1 July 2021	26,480	113	399	13,293	(2,875)	37,410
Net result for the year	-	-	-	-	(947)	(947)
Other comprehensive income for the year	2,754	-	-	-	-	2,754
Transfer from/(to) accumulated deficits	-	-	-	-	-	-
Balance at 30 June 2022	29,234	113	399	13,293	(3,822)	39,217
Net result for the year	-	-	-	-	283	283
Other comprehensive income for the year	-	-	-	-	-	-
Transfer from/(to) accumulated deficits	-	(17)	1,312	-	(1,295)	-
Balance at 30 June 2023	29,234	96	1,711	13,293	(4,834)	39,500

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

Benalla Health
Cash Flow Statement
For the Financial Year Ended 30 June 2023

	Total 2023 \$'000	Total 2022 \$'000
Note		
Cash Flows from operating activities		
Operating grants from State Government	27,211	25,687
Operating grants from Commonwealth Government	3,334	2,887
Capital grants from government - State	751	347
Patient fees received	1,586	1,180
Private practice fees received	175	193
Donations and bequests received	-	72
GST received from ATO	745	745
Interest and investment income received	516	48
Commercial income received	148	234
Other receipts	1,693	2,110
Total receipts	36,159	33,503
Payments to employees	(27,177)	(24,593)
Payments for supplies and consumables	(3,688)	(3,642)
Payments for medical indemnity insurance	(333)	(332)
Payments for repairs and maintenance	(1,062)	(805)
Finance costs	(16)	(15)
Other payments	(3,540)	(3,464)
Total payments	(35,815)	(32,851)
Net cash flows from operating activities	8.1 344	652
Cash Flows from investing activities		
Purchase of property, plant and equipment	(1,546)	(517)
Capital donations and bequests received	1,369	3
Other capital receipts	128	21
Proceeds from disposal of property, plant and equipment	54	208
Net cash flows from/(used in) investing activities	5	(285)
Cash flows from financing activities		
Repayment of borrowings	(33)	(40)
Repayment of principal portion of lease liabilities	(148)	(127)
Receipt of accommodation deposits	1,822	956
Repayment of accommodation deposits	(728)	(440)
Net cash flows from financing activities	913	349
Net increase in cash and cash equivalents held	1,262	716
Cash and cash equivalents at beginning of year	14,645	13,929
Cash and cash equivalents at end of year	6.2 15,907	14,645

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

Benalla Health
Notes to the Financial Statements
For the Financial Year Ended 30 June 2023

Note 1: Basis of preparation

Structure

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

Benalla Health

Notes to the Financial Statements

For the Financial Year Ended 30 June 2023

Note 1: Basis of preparation

These financial statements represent the audited general purpose financial statements for Benalla Health for the year ended 30 June 2023. The report provides users with information about Benalla Health'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.

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

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

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

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

The financial statements are presented in Australian dollars.

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

The annual financial statements were authorised for issue by the Board of Benalla Health on 6th September, 2023.

Benalla Health**Notes to the Financial Statements****For the Financial Year Ended 30 June 2023****Note 1.2 Impact of COVID-19 pandemic**

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

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

Note 1.3 Abbreviations and terminology used in the financial statements

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

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

Benalla Health

Notes to the Financial Statements

For the Financial Year Ended 30 June 2023

Note 1.4 Joint arrangements

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

Benalla Health has the following joint arrangements:

- Hume Region Health Alliance - Joint Operation

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

Note 1.5 Key accounting estimates and judgements

Management make estimates and judgements when preparing the financial statements.

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

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

The accounting policies and significant management judgements and estimates used, and any changes thereto, are 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: Intangible assets
- Note 4.5: Depreciation and amortisation
- Note 4.6: Impairment of assets
- Note 5.1: Receivables
- Note 5.2: Contract assets
- Note 5.3: Payables
- Note 5.4: Contract liabilities
- Note 5.5: Other liabilities
- Note 6.1(a): Lease liabilities
- Note 7.4: Fair value determination

Benalla Health

Notes to the Financial Statements

For the Financial Year Ended 30 June 2023

Note 1.6 Accounting standards issued but not yet effective

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

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

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

Benalla Health

Notes to the Financial Statements

For the Financial Year Ended 30 June 2023

Note 1.7 Goods and Services Tax (GST)

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

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

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

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

Note 1.8 Reporting Entity

The financial statements include all the activities of Benalla Health.

Benalla Health's principal address is:

45-63 Coster Street
Benalla, Victoria 3672

A description of the nature of Benalla Health's operations and its principal activities is included in the report of operations, which does not form part of these financial statements.

Note 2: Funding delivery of our services

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

Structure

2.1 Revenue and income from transactions

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

2.3 Other income

Telling the COVID-19 story

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

Key judgements and estimates

This section contains the following key judgements and estimates:

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

Note 2.1 Revenue and income from transactions

	Total 2023 \$'000	Total 2022 \$'000
Operating activities		
Revenue from contracts with customers		
Government grants (State) - Operating	18,939	13,820
Government grants (Commonwealth) - Operating	2,278	1,842
Patient and resident fees	1,530	1,224
Private practice fees	175	193
Commercial activities ¹	148	234
Total revenue from contracts with customers	23,070	17,313
	Note 2.1(a)	
Other sources of income		
Government grants (State) - Operating	9,156	11,857
Government grants (Commonwealth) - Operating	1,056	1,045
Government grants (State) - Capital	751	347
Other capital purpose income	128	21
Capital donations	1,369	3
Assets received free of charge or for nominal consideration	327	667
Other revenue from operating activities (including non-capital donations)	2,003	1,907
Total other sources of income	14,790	15,847
Total revenue and income from operating activities	37,860	33,160
Non-operating activities		
Income from other sources		
Other interest	516	48
Total other sources of income	516	48
Total income from non-operating activities	516	48
Total revenue and income from transactions	38,376	33,208

1. Commercial activities represent business activities which Benalla Health enter into to support their operations.

Benalla Health
Notes to the Financial Statements
for the financial year ended 30 June 2023

Note 2.1 Revenue and income from transactions (continued)

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

Benalla Health disaggregates revenue by the timing of revenue recognition.

Goods and services transferred to customers:

	Total 2023 \$'000	Total 2022 \$'000
At a point in time	22,922	17,079
Over time	148	234
Total revenue from contracts with customers	23,070	17,313

How we recognise revenue and income from operating activities

Government operating grants

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

When both these conditions are satisfied, the health service:

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

Where the contract is not enforceable and/or does not have sufficiently specific performance obligations, 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 Benalla Health Service's goods or services. Benalla Health Services funding bodies often direct that goods or services are to be provided to third party beneficiaries, including individuals or the community at large. In such instances, the customer remains the funding body that has funded the program or activity, however the delivery of goods or services to third party beneficiaries is a characteristic of the promised good or service being transferred to the funding body.

How we recognise revenue and income from transactions (continued)

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

Government grant	Performance obligation
Activity Based Funding (ABF) paid as National Weighted Activity Unit (NWAU)	<p>NWAU is a measure of health service activity expressed as a common unit against which the national efficient price (NEP) is paid.</p> <p>The performance obligations for NWAU are the number and mix of admissions, emergency department presentations and outpatient episodes, and is weighted for clinical complexity.</p> <p>Revenue is recognised at point in time, which is when a patient is discharged.</p>
Commonwealth Residential Aged Care Grants	<p>Funding is provided for the provision of care for aged care residents within facilities at Benalla Health.</p> <p>The performance obligations include provision of residential accommodations and care from nursing staff and personal care workers.</p> <p>Revenue is recognised at the point in time when the service is provided within the residential aged care facility.</p>
Department of Health grants linked to Statement of Priorities	<p>Funding is received from DH that have performance obligations linked to the Statement of Priorities agreed upon between the health service and DH.</p> <p>The performance obligation is a requirement to provide a stipulated number of service contacts or hours of service delivery.</p> <p>Revenue is recognised at a point in time as the services are delivered.</p>

Benalla Health
Notes to the Financial Statements
for the financial year ended 30 June 2023

Capital grants

Where Benalla Health 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 Benalla Health'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 at a point in time, to reflect the period accommodation is provided.

Private practice fees

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

Commercial activities

Revenue from commercial activities includes items such as meal sales and provision of accommodation. Commercial activity revenue is recognised over 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

	Total 2023 \$'000	Total 2022 \$'000
Cash donations and gifts	-	72
Plant and equipment	15	90
Personal protective equipment	312	505
Total fair value of assets and services received free of charge or for nominal consideration	327	667

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

Personal protective equipment

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

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

Contributions of resources

Benalla Health may receive resources for nil or nominal consideration to further its objectives. The resources are recognised at their fair value when Benalla Health 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 Benalla Health as a capital contribution transfer.

Benalla Health
Notes to the Financial Statements
for the financial year ended 30 June 2023

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

Volunteer Services

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

Benalla Health 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.

Benalla Health 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 Benalla Health as follows:

Supplier	Description
Victorian Managed Insurance Authority	The Department of Health purchases non-medical indemnity insurance for Benalla Health 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

	Total 2023 \$'000	Total 2022 \$'000
Operating		
Salary and wage recoveries	217	131
Recoveries - sale of services	1,369	1,388
Joint venture alliance revenue	408	380
Other Revenue	9	8
Total other income - Operating	2,003	1,907
Non-Operating		
Interest	516	48
Total other income - Non Operating	516	48

How we recognise other income

Recovery Income

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

Joint Venture Alliance Revenue

Our share of joint venture alliance revenue is recognised in accordance with the Joint Arrangement agreement, with Benalla Health recording our share of revenue.

Other Revenue

Other revenue is recorded as revenue as received.

Interest Income

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

Note 3: The cost of delivering our services

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

Structure

3.1 Expenses from transactions

3.2 Other economic flows

3.3 Employee benefits and related on-costs

3.4 Superannuation

Telling the COVID-19 story

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

Key judgements and estimates

This section contains the following key judgements and estimates:

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

Note 3.1 Expenses from transactions

Note	Total 2023 \$'000	Total 2022 \$'000
Salaries and wages	20,784	18,961
On-costs	2,042	1,791
Agency expenses	1,776	514
Fee for service medical officer expenses	3,131	3,078
Workcover premium	199	179
Total employee expenses	27,932	24,523
Drug supplies	284	272
Medical and surgical supplies (including Prostheses)	2,038	2,160
Diagnostic and radiology supplies	227	215
Other supplies and consumables	847	771
Total supplies and consumables	3,396	3,418
Finance costs	16	15
Total finance costs	16	15
Other administrative expenses	2,682	2,571
Total other administrative expenses	2,682	2,571
Fuel, light, power and water	521	476
Repairs and maintenance	642	451
Maintenance contracts	323	281
Medical indemnity insurance	333	332
Expenditure for capital purposes	60	20
Total other operating expenses	1,879	1,560
Total operating expense	35,905	32,087
Depreciation and amortisation	2,130	2,288
Total depreciation and amortisation	2,130	2,288
Bad and doubtful debt expense	4	7
Total other non-operating expenses	4	7
Total non-operating expense	2,134	2,295
Total expenses from transactions	38,039	34,382

Benalla Health
Notes to the Financial Statements
for the financial year ended 30 June 2023

How we recognise expenses from transactions

Expense recognition

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

Employee expenses

Employee expenses include:

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

Supplies and consumables

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

Finance costs

Finance costs include:

- amortisation of discounts or premiums relating to borrowings
- finance charges in respect of leases which are recognised in accordance with AASB 16 *Leases*.

Other operating expenses

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

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

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

Non-operating expenses

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

Note 3.2 Other economic flows

	Total 2023 \$'000	Total 2022 \$'000
Net gain/(loss) on disposal of property plant and equipment	21	127
Total net gain/(loss) on non-financial assets	21	127
Other gains/(losses) from other economic flows	(1)	7
Total net gain/(loss) on financial instruments	(1)	7
Net gain/(loss) arising from revaluation of long service liability	(74)	93
Total other gains/(losses) from other economic flows	(74)	93
Total gains/(losses) from other economic flows	(54)	227

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, recognised at the date of disposal.

Net gain/(loss) on financial instruments

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

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

Benalla Health
Notes to the Financial Statements
for the financial year ended 30 June 2023

Note 3.3 Employee benefits and related on-costs

Current employee benefits and related on-costs

Accrued days off

Unconditional and expected to be settled wholly within 12 months ⁱ

Total 2023 \$'000	Total 2022 \$'000
47	53
47	53

Annual leave

Unconditional and expected to be settled wholly within 12 months ⁱ

Unconditional and expected to be settled wholly after 12 months ⁱⁱ

1,803	1,556
334	296
2,137	1,852

Long service leave

Unconditional and expected to be settled wholly within 12 months ⁱ

Unconditional and expected to be settled wholly after 12 months ⁱⁱ

499	436
1,731	1,487
2,230	1,923

Provisions related to employee benefit on-costs

Unconditional and expected to be settled within 12 months ⁱ

Unconditional and expected to be settled after 12 months ⁱⁱ

279	232
262	226
541	458

Total current employee benefits and related on-costs

4,955	4,286
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Non-current provisions and related on-costs

Conditional long service leave

Provisions related to employee benefit on-costs

Total non-current employee benefits and related on-costs

477	416
62	55
539	471

Total employee benefits and related on-costs

5,494	4,757
--------------	--------------

ⁱ The amounts disclosed are nominal amounts.

ⁱⁱ The amounts disclosed are discounted to present values.

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

	Total 2023 \$'000	Total 2022 \$'000
Current employee benefits and related on-costs		
Unconditional accrued days off	53	53
Unconditional annual leave entitlements	2,391	2,068
Unconditional long service leave entitlements	2,511	2,165
Total current employee benefits and related on-costs	4,955	4,286
Non-current employee benefits and related on-costs		
Conditional long service leave entitlements	539	471
Total non-current employee benefits and related on-costs	539	471
Total employee benefits and related on-costs	5,494	4,757
Attributable to:		
Employee benefits	4,891	4,244
Provision for related on-costs	603	513
Total employee benefits and related on-costs	5,494	4,757

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

	Total 2023 \$'000	Total 2022 \$'000
Carrying amount at start of year	513	457
Additional provisions recognised	386	317
Net gain/(loss) arising from revaluation of long service liability	8	(10)
Amounts incurred during the year	(304)	(251)
Carrying amount at end of year	603	513

Benalla Health
Notes to the Financial Statements
for the financial year ended 30 June 2023

How we recognise employee benefits

Employee benefit recognition

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

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

Annual leave and accrued days off

Liabilities for annual leave and accrued days off are recognised in the provision for employee benefits as 'current liabilities' because Benalla Health 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 Benalla Health expects to wholly settle within 12 months or
- Present value – if Benalla Health 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 Benalla Health 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 Benalla Health expects to wholly settle within 12 months or
- Present value – if Benalla Health does not expect to wholly settle within 12 months.

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

Provision for on-costs related to employee benefits

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

Note 3.4 Superannuation

	Paid Contribution for the Year		Contribution Outstanding at Year End	
	Total 2023 \$'000	Total 2022 \$'000	Total 2023 \$'000	Total 2022 \$'000
Defined benefit plans:ⁱ				
Aware Super	13	20	-	-
Defined contribution plans:				
Aware Super	1,190	1,058	57	57
Hesta	502	444	-	-
Other	337	269	-	-
Total	2,042	1,791	57	57

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

How we recognise superannuation

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

Defined benefit superannuation plans

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

Benalla Health 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 Benalla Health.

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

Note 4: Key assets to support service delivery

Benalla Health 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 Benalla Health 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 Intangible assets*
- 4.5 Depreciation and amortisation*
- 4.6 Impairment of assets*

Telling the COVID-19 story

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

Key judgements and estimates

This section contains the following key judgements and estimates:

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

Key judgements and estimates (continued)

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

Benalla Health

Notes to the Financial Statements
for the financial year ended 30 June 2023

Note 4.1 Property, plant and equipment

Note 4.1 (a) Gross carrying amount and accumulated depreciation

	Total 2023 \$'000	Total 2022 \$'000
Land at fair value - Crown	504	504
Land at fair value - Freehold	2,302	2,120
Total land at fair value	2,806	2,624
Buildings at fair value	26,546	26,381
Less accumulated depreciation	(1,428)	-
Total buildings at fair value	25,118	26,381
Works in progress at cost	393	216
Total land and buildings	28,317	29,221
Plant and equipment at fair value	3,701	3,633
Less accumulated depreciation	(2,483)	(2,381)
Total plant and equipment at fair value	1,218	1,252
Motor vehicles at fair value	394	247
Less accumulated depreciation	(227)	(209)
Total motor vehicles at fair value	167	38
Medical equipment at fair value	4,393	4,008
Less accumulated depreciation	(3,267)	(3,097)
Total medical equipment at fair value	1,126	911
Computer equipment at fair value	2,117	1,818
Less accumulated depreciation	(1,647)	(1,500)
Total computer equipment at fair value	470	318
Furniture and fittings at fair value	598	609
Less accumulated depreciation	(492)	(479)
Total furniture and fittings at fair value	106	130
Total plant, equipment, furniture, fittings and vehicles at fair value	3,087	2,649
Total property, plant and equipment	31,404	31,870

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

	Note	Land \$'000	Buildings \$'000	Works in progress \$'000	Plant & equipment \$'000	Motor vehicles \$'000	Medical Equipment \$'000	Computer Equipment \$'000
Balance at 1 July 2021		2,352	25,529	111	1,235	92	803	473
Additions		-	-	105	136	-	311	42
Disposals		-	-	-	-	(36)	(1)	-
Revaluation increments/(decrements)	4.3	272	2,482	-	-	-	-	-
Depreciation	4.5	-	(1,630)	-	(119)	(18)	(202)	(197)
Balance at 30 June 2022	4.1 (a)	2,624	26,381	216	1,252	38	911	318
Additions		182	165	177	106	146	442	343
Depreciation	4.5	-	(1,428)	-	(140)	(17)	(227)	(191)
Balance at 30 June 2023	4.1 (a)	2,806	25,118	393	1,218	167	1,126	470

	Note	Furniture & Fittings \$'000	Total \$'000
Balance at 1 July 2021		141	30,736
Additions		13	607
Disposals		-	(37)
Revaluation increments/(decrements)	4.3	-	2,754
Depreciation	4.5	(24)	(2,190)
Balance at 30 June 2022	4.1 (a)	130	31,870
Additions		-	1,561
Depreciation	4.5	(24)	(2,027)
Balance at 30 June 2023	4.1 (a)	106	31,404

Benalla Health
Notes to the Financial Statements
for the financial year ended 30 June 2023

Land and Buildings Carried at Valuation

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

How we recognise property, plant and equipment

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

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, Benalla Health 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 (VGX) 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%, Benalla Health would obtain an interim independent valuation prior to the next scheduled independent valuation.

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

- increase in fair value of land of 3.36% (\$88,245)
- increase in fair value of buildings of 6.92% (\$1,726,710)

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

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

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

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

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

Benalla Health

Notes to the Financial Statements
for the financial year ended 30 June 2023

Note 4.2 Right-of-use assets

Note 4.2(a) Gross carrying amount and accumulated depreciation

	Total 2023 \$'000	Total 2022 \$'000
Right of use equipment and vehicles at fair value	681	522
Less accumulated depreciation	(182)	(120)
Total right of use equipment and vehicles at fair value	499	402
Total right of use equipment and vehicles at fair value	499	402

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

	Note	Right-of-use - Equipment & Vehicles \$'000	Total \$'000
Balance at 1 July 2021		285	285
Additions		257	257
Disposals		(44)	(44)
Depreciation	4.5	(96)	(96)
Balance at 30 June 2022	4.2(a)	402	402
Additions		232	232
Disposals		(33)	(33)
Depreciation	4.5	(102)	(102)
Balance at 30 June 2023	4.2(a)	499	499

How we recognise right-of-use assets

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

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

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

Class of right-of-use asset	Lease term
Leased computer equipment	3 to 5 years
Leased vehicles	1 to 3 years

Benalla Health
Notes to the Financial Statements
for the financial year ended 30 June 2023

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

Initial recognition

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

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

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

Benalla Health has no lease agreements that contain purchase option at the completion of the lease.

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

	Total 2023 \$'000	Total 2022 \$'000
Note		
Balance at the beginning of the reporting period	29,234	26,480
Revaluation increment		
- Land	4.1 (b) -	272
- Buildings	4.1 (b) -	2,482
Balance at the end of the Reporting Period*	29,234	29,234
* Represented by:		
- Land	1,553	1,553
- Buildings	27,681	27,681
	29,234	29,234

Benalla Health

Notes to the Financial Statements
for the financial year ended 30 June 2023

Note 4.4 Intangible assets

Note 4.4 (a) Intangible assets - Gross carrying amount and accumulated amortisation

	Total 2023 \$'000	Total 2022 \$'000
Intangible assets - software	9	30
Less accumulated amortisation	(6)	(26)
Total intangible assets - software	3	4
Total intangible assets	3	4

Note 4.4 (b) Intangible assets - Reconciliations of the carrying amount by class of asset

	Note	Software \$'000	Total \$'000
Balance at 1 July 2021		6	6
Amortisation	4.5	(2)	(2)
Balance at 30 June 2022	4.4 (a)	4	4
Amortisation	4.5	(1)	(1)
Balance at 30 June 2023	4.4 (a)	3	3

How we recognise intangible assets

Intangible assets represent identifiable non-monetary assets without physical substance such as computer software.

Initial recognition

Purchased intangible assets are initially recognised at cost.

Benalla Health has no internally generated intangible assets.

Subsequent measurement

Intangible assets with finite useful lives are carried at cost less accumulated amortisation and accumulated impairment losses.

Note 4.5 Depreciation and amortisation

	Total 2023 \$'000	Total 2022 \$'000
Depreciation		
Buildings	1,428	1,630
Plant and equipment	140	119
Motor vehicles	17	18
Medical equipment	227	202
Computer equipment	191	197
Furniture and fittings	24	24
Total depreciation - property, plant and equipment	2,027	2,190
Right-of-use assets		
Right of use - equipment and vehicles	102	96
Total depreciation - right-of-use assets	102	96
Amortisation		
Software	1	2
Total amortisation	1	2
Total depreciation and amortisation	2,130	2,288

How we recognise depreciation

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

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

How we recognise amortisation

Amortisation is the systematic allocation of the depreciable amount of an asset over its useful life.

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

	2023	2022
Buildings		
- Structure shell building fabric	10 to 25 years	10 to 25 years
- Site engineering services and central plant	10 to 20 years	10 to 20 years
Central Plant		
- Fit Out	7 to 12 years	7 to 12 years
- Trunk reticulated building system	8 to 12 years	8 to 12 years
Plant and equipment	3 to 30 years	3 to 30 years
Medical equipment	4 to 20 years	4 to 20 years
Computers and communication	3 to 12 years	3 to 12 years
Furniture and fitting	5 to 20 years	5 to 20 years
Motor Vehicles	4 to 7 years	4 to 7 years
Software	2 to 5 years	2 to 5 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.

Benalla Health
Notes to the Financial Statements
for the financial year ended 30 June 2023

Note 4.6 Impairment of assets

How we recognise impairment

At the end of each reporting period, Benalla Health 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 Benalla Health 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, Benalla Health 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, Benalla Health estimates the recoverable amount of the cash-generating unit to which the asset belongs.

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

Note 5: Other assets and liabilities

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

Structure

5.1 Receivables

5.2 Contract Assets

5.3 Payables

5.4 Contract Payables

5.5 Other liabilities

Telling the COVID-19 story

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

Key judgements and estimates

This section contains the following key judgements and estimates:

Key judgements and estimates	Description
Estimating the provision for expected credit losses	Benalla Health 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 contract liabilities	Benalla Health applies significant judgement to measure its progress towards satisfying a performance obligation as detailed in Note 2. Where a performance obligation is yet to be satisfied, the health service assigns funds to the outstanding obligation and records this as a contract liability until the promised good or service is transferred to the customer.

Note 5.1 Receivables

	Total 2023 \$'000	Total 2022 \$'000
Notes		
Current receivables		
Contractual		
Trade receivables	219	157
Patient fees	138	194
Allowance for impairment losses - Patient fees	5.1 (a) (9)	(6)
Accrued revenue	315	50
Amounts receivable from governments and agencies	139	202
Total contractual receivables	802	597
Statutory		
Net GST receivable	115	98
Total statutory receivables	115	98
Total current receivables	917	695
Non-current receivables		
Contractual		
Long service leave - Department of Health	1,124	982
Total contractual receivables	1,124	982
Total non-current receivables	1,124	982
Total receivables	2,041	1,677
<i>(i) Financial assets classified as receivables (Note 7.1(a))</i>		
Total receivables	2,041	1,677
GST receivable	(115)	(98)
Total financial assets classified as receivables	7.1(a) 1,926	1,579

Benalla Health
Notes to the Financial Statements
for the financial year ended 30 June 2023

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

	Total 2023 \$'000	Total 2022 \$'000
Balance at the beginning of the year	6	3
Increase in allowance	3	3
Amounts written off during the year	-	-
Reversal of allowance written off during the year as uncollectable	-	-
Balance at the end of the year	9	6

How we recognise receivables

Receivables consist of:

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

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

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

Impairment losses of contractual receivables

Refer to Note 7.2 (a) for Benalla Health's contractual impairment losses.

Note 5.2 Contract assets

	Total 2023 \$'000	Total 2022 \$'000
Balance at the beginning of the year	-	-
Add: Additional costs incurred that are recoverable from the customer	410	-
Less: Transfer to trade receivable or cash at bank	-	-
Less: impairment allowance	-	-
Total contract assets	410	-
* Represented by:		
- Current assets	410	-
- Non-current contract assets	-	-
	410	-

How we recognise contract assets

Contract assets relate to the Benalla Health'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.

Benalla Health
Notes to the Financial Statements
for the financial year ended 30 June 2023

Note 5.3 Payables

Current payables

Contractual

Trade creditors	605
Accrued salaries and wages	656
Accrued expenses	412
Inter hospital creditors	62
Amounts payable to governments and agencies	189
Total contractual payables	1,924

Total current payables

Total payables

(i) Financial liabilities classified as payables (Note 7.1(a))

Total payables	1,924
Total financial liabilities classified as payables	1,924

How we recognise payables

Payables consist of:

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

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

Note	Total 2023 \$'000	Total 2022 \$'000
	605	112
	656	564
	412	701
	62	169
	189	550
	1,924	2,096
	1,924	2,096
	1,924	2,096
	1,924	2,096
7.1(a)	1,924	2,096

Note 5.4 Contract liabilities

	Total 2023 \$'000	Total 2022 \$'000
Opening balance of contract liabilities	332	149
Grant consideration for sufficiently specific performance obligations received during the year	21,372	15,845
Revenue recognised for the completion of a performance obligation	(21,704)	(15,662)
Total contract liabilities	-	332
* Represented by:		
- Current contract liabilities	-	332
	-	332

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 decreased this year due to deferral of activity based recalls for acute services.

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

Maturity analysis of payables

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

Benalla Health
Notes to the Financial Statements
for the financial year ended 30 June 2023

Note 5.5 Other liabilities

	Total 2023 \$'000	Total 2022 \$'000
Notes		
Current monies held in trust		
Refundable accommodation deposits	2,744	1,650
Other monies	182	228
Total current monies held in trust	2,926	1,878
Total other liabilities	2,926	1,878
* Represented by:		
- Cash assets	6.2 2,926	1,878
	2,926	1,878

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 Benalla Health 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*.

Other monies in trust are held by the Hume Rural Health Alliance in relation to a Patient Administration System to be utilised by Health Services in the Hume Region.

Note 6: How we finance our operations

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

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

6.4 Non-cash financing and investing activities

Telling the COVID-19 story

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

Key judgements and estimates

This section contains the following key judgements and estimates:

Key judgements and estimates	Description
Determining if a contract is or contains a lease	<p>Benalla Health applies significant judgement to determine if a contract is or contains a lease by considering if the health service:</p> <ul style="list-style-type: none"> • has the right-to-use an identified asset • has the right to obtain substantially all economic benefits from the use of the leased asset and • can decide how and for what purpose the asset is used throughout the lease.
Determining if a lease meets the short-term or low value asset lease exemption	<p>Benalla Health applies significant judgement when determining if a lease meets the short-term or low value lease exemption criteria.</p> <p>The health service estimates the fair value of leased assets when new. Where the estimated fair value is less than \$10,000, the health service applies the low-value lease exemption.</p> <p>The health service also estimates the lease term with reference to remaining lease term and period that the lease remains enforceable. Where the enforceable lease period is less than 12 months the health service applies the short-term lease exemption.</p>
Discount rate applied to future lease payments	<p>Benalla Health 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, Benalla Health uses its incremental borrowing rate, which is the amount the health service would have to pay to borrow funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.</p> <p>For leased plant, equipment, furniture, fittings and vehicles, the implicit interest rate is between 1.27% and 2.28%.</p>
Assessing the lease term	<p>The lease term represents the non-cancellable period of a lease, combined with periods covered by an option to extend or terminate the lease if Benalla Health is reasonably certain to exercise such options.</p> <p>Benalla Health determines the likelihood of exercising such options on a lease-by-lease basis through consideration of various factors including:</p> <ul style="list-style-type: none"> • If there are significant penalties to terminate (or not extend), the health service is typically reasonably certain to extend (or not terminate) the lease. • If any leasehold improvements are expected to have a significant remaining value, the health service is typically reasonably certain to extend (or not terminate) the lease. • The health service considers historical lease durations and the costs and business disruption to replace such leased assets.

Note 6.1 Borrowings

	Total 2023 \$'000	Total 2022 \$'000
Note		
Current borrowings		
Lease liability ⁽ⁱ⁾	224	201
Advances from government ⁽ⁱⁱ⁾	33	33
Total current borrowings	257	234
Non-current borrowings		
Lease liability ⁽ⁱ⁾	275	214
Advances from government ⁽ⁱⁱ⁾	60	92
Total non-current borrowings	335	306
Total borrowings	592	540

ⁱ Secured by the assets leased.

ⁱⁱ These are secured loans which bear no interest.

How we recognise borrowings

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

Initial recognition

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

Subsequent measurement

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

Maturity analysis

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

Defaults and breaches

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

Benalla Health
Notes to the Financial Statements
for the financial year ended 30 June 2023

Note 6.1 (a) Lease liabilities

Benalla Health's lease liabilities are summarised below:

	Total 2023 \$'000	Total 2022 \$'000
Total undiscounted lease liabilities	509	427
Less unexpired finance expenses	(10)	(12)
Net lease liabilities	499	415

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

	Total 2023 \$'000	Total 2022 \$'000
Not longer than one year	231	220
Longer than one year but not longer than five years	275	207
Longer than five years	3	-
Minimum future lease liability	509	427
Less unexpired finance expenses	(10)	(12)
Present value of lease liability	499	415
* Represented by:		
- Current liabilities	224	201
- Non-current liabilities	275	214
	499	415

How we recognise lease liabilities

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

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

Benalla Health's lease arrangements consist of the following:

Type of asset leased	Lease term
Leased computer equipment	3 to 5 years
Leased vehicles	1 to 3 years

Note 6.1 (a) Lease liabilities

Separation of lease and non-lease components

At inception or on reassessment of a contract that contains a lease component, the lessee is required to separate out and account separately for non-lease components within a lease contract and exclude these amounts when determining the lease liability and right-of-use asset amount.

Initial measurement

The lease liability is initially measured at the present value of the lease payments unpaid at the commencement date, discounted using the interest rate implicit in the lease if that rate is readily determinable or Benalla Health's incremental borrowing rate. Our lease liability has been discounted by rates of between 3% to 5%.

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

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

Subsequent measurement

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

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

Benalla Health
Notes to the Financial Statements
for the financial year ended 30 June 2023

Note 6.2 Cash and Cash Equivalents

	Total 2023 \$'000	Total 2022 \$'000
Cash on hand (excluding monies held in trust)	2	2
Cash at bank (excluding monies held in trust)	1,642	717
Cash at bank - CBS (excluding monies held in trust)	11,337	12,048
Total cash held for operations	12,981	12,767
Cash at bank (monies held in trust)	-	1
Cash at bank - CBS (monies held in trust)	2,926	1,877
Total cash held as monies in trust	2,926	1,878
Total cash and cash equivalents	15,907	14,645

How we recognise cash and cash equivalents

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

Note 6.3 Commitments for expenditure

There are no capital or operating commitments at 30 June 2023 (2022 \$Nil).

Note 6.4 Non-cash financing and investing activities

	Total 2023 \$'000	Total 2022 \$'000
Acquisition of plant and equipment by means of Leases	232	187
Total non-cash financing and investing activities	232	187

Note 7: Risks, contingencies and valuation uncertainties

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

Structure

7.1 Financial instruments

7.2 Financial risk management objectives and policies

7.3 Contingent assets and contingent liabilities

7.4 Fair value determination

Key judgements and estimates

This section contains the following key judgements and estimates:

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

Key judgements and estimates (continued)

Key judgements and estimates	Description
Measuring fair value of non-financial assets	<p>Benalla Health 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 Benalla Health's [specialised land, non-specialised land, non-specialised buildings, investment properties and cultural assets] are measured using this approach. ▪ Cost approach, which reflects the amount that would be required to replace the service capacity of the asset (referred to as current replacement cost). The fair value of Benalla Health's specialised buildings, furniture, fittings, plant, equipment and vehicles are measured using this approach. <p>The health service selects a valuation technique which is considered most appropriate, and for which there is sufficient data available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.</p> <p>Subsequently, the health service applies significant judgement to categorise and disclose such assets within a fair value hierarchy, which includes:</p> <ul style="list-style-type: none"> ▪ Level 1, using quoted prices (unadjusted) in active markets for identical assets that the health service can access at measurement date. Benalla Health 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. Benalla Health categorises non-specialised land and non-specialised buildings in this level. ▪ Level 3, where inputs are unobservable. Benalla Health categorises specialised land, specialised buildings, medical equipment, plant and equipment, furniture and fittings, motor vehicles, right-of-use equipment and vehicles in this level.

Benalla Health
Notes to the Financial Statements
for the financial year ended 30 June 2023

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 Benalla Health'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 2023	Note	Financial Assets at			Total \$'000
		Amortised Cost \$'000	Financial Liabilities at Amortised Cost \$'000		
Contractual Financial Assets					
Cash and Cash Equivalents	6.2	15,907	-		15,907
Receivables and contract assets	5.1	1,926	-		1,926
Total Financial Assetsⁱ		17,833	-		17,833
Financial Liabilities					
Payables	5.3	-	1,924		1,924
Borrowings	6.1	-	592		592
Other Financial Liabilities - Refundable Accommodation Deposits	5.5	-	2,744		2,744
Other Financial Liabilities - other monies held in trust	5.5	-	182		182
Total Financial Liabilitiesⁱ		-	5,442		5,442

Benalla Health
Notes to the Financial Statements
for the financial year ended 30 June 2023

		Financial Assets at Amortised Cost		Financial Liabilities at Amortised Cost		Total
	Note	\$'000		\$'000		\$'000
Total						
30 June 2022						
Contractual Financial Assets						
Cash and cash equivalents	6.2	14,645		-		14,645
Receivables and contract assets	5.1	1,579		-		1,579
Total Financial Assetsⁱ		16,224		-		16,224
Financial Liabilities						
Payables	5.3	-		2,096		2,096
Borrowings	6.1	-		540		540
Other Financial Liabilities - Refundable Accommodation Deposits	5.5	-		1,650		1,650
Other Financial Liabilities - other monies held in trust	5.5	-		228		228
Total Financial Liabilitiesⁱ		-		4,514		4,514

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

How we categorise financial instruments

Categories of financial assets

Financial assets are recognised when Benalla Health becomes party to the contractual provisions to the instrument. For financial assets, this is at the date Benalla Health 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.

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 Benalla Health 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.

Benalla Health recognises the following assets in this category:

- cash and deposits
- receivables (excluding statutory receivables)

Categories of financial liabilities

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

Financial liabilities at amortised cost

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

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

Benalla Health 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, Benalla Health 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 Benalla Health 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.

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
- Benalla Health 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
- Benalla Health 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 Benalla Health has neither transferred nor retained substantially all the risks and rewards or transferred control, the asset is recognised to the extent of Benalla Health'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, Benalla Health'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, Benalla Health'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.

Benalla Health's main financial risks include credit risk, liquidity risk and interest rate risk. Benalla Health manages these financial risks in accordance with its financial risk management policy.

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

Note 7.2 (a) Credit risk

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

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

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

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

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

Benalla Health
Notes to the Financial Statements
for the financial year ended 30 June 2023

Impairment of financial assets under AASB 9

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

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

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

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

Contractual receivables at amortised cost

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

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

30 June 2023							
Current	Less than 1 month	1-3 months	3 months-1 year	1-5 years	Total		
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000		
0.0%	0.0%	5.0%	6.5%	0.0%			
599	73	14	125	0	811		
-	-	(1)	(8)	-	(9)		
5.1							
Expected loss rate							
Gross carrying amount of contractual receivables							
Loss allowance							
Note							
30 June 2022							
Current	Less than 1 month	1-3 months	3 months-1 year	1-5 years	Total		
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000		
0.0%	0.0%	5.0%	8.0%	0.0%			
484	39	12	68	0	603		
-	-	(1)	(5)	-	(6)		
5.1							
Expected loss rate							
Gross carrying amount of contractual receivables							
Loss allowance							

Statutory receivables and debt investments at amortised cost

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

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

Note 7.2 (b) Liquidity risk

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

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

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

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

Benalla Health
Notes to the Financial Statements
for the financial year ended 30 June 2023

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

		Maturity Dates						
Total 30 June 2023	Note	Carrying Amount \$'000	Nominal Amount \$'000	Less than 1 Month \$'000	1-3 Months \$'000	3 months - 1 Year \$'000	1-5 Years \$'000	Over 5 years \$'000
Payables	5.3	1,924	1,924	1,924	-	-	-	-
Borrowings	6.1	592	592	19	57	155	361	-
Other Financial Liabilities - Refundable Accommodation Deposits	5.5	2,744	2,744	-	-	1,650	1,094	-
Other Financial Liabilities - Other monies held in trust	5.5	182	182	-	-	182	-	-
Total Financial Liabilities		5,442	5,442	1,943	57	1,987	1,455	-

		Maturity Dates						
Total 30 June 2022	Note	Carrying Amount \$'000	Nominal Amount \$'000	Less than 1 Month \$'000	1-3 Months \$'000	3 months - 1 Year \$'000	1-5 Years \$'000	Over 5 years \$'000
Payables	5.3	2,096	2,096	2,096	-	-	-	-
Borrowings	6.1	540	540	16	32	146	346	-
Other Financial Liabilities - Refundable Accommodation Deposits	5.5	1,650	1,650	-	-	1,650	-	-
Other Financial Liabilities - other monies held in trust	5.5	228	228	-	-	228	-	-
Total Financial Liabilities		4,514	4,514	2,112	32	2,024	346	-

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

Note 7.2 (c) Market risk

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

Sensitivity disclosure analysis and assumptions

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

- a change in interest rates of 1.5% up or down

Interest rate risk

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

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

Note 7.3 Contingent assets and contingent liabilities

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

How we measure and disclose contingent assets and contingent liabilities

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

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

Contingent assets

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

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

Contingent liabilities

Contingent liabilities are:

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

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

Note 7.4 Fair Value Determination

How we measure fair value

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

The following assets and liabilities are carried at fair value:

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

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.

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

Benalla Health 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 Benalla Health'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.

Benalla Health
Notes to the Financial Statements
for the financial year ended 30 June 2023

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

	Note	Total carrying amount 30 June 2023 \$'000	Fair value measurement at end of reporting period using:		
			Level 1 ⁱ \$'000	Level 2 ⁱ \$'000	Level 3 ⁱ \$'000
Non-specialised land		632	-	632	-
Specialised land		2,174	-	-	2,174
Total land at fair value	4.1 (a)	2,806	-	632	2,174
Non-specialised buildings		1,074	-	1,074	-
Specialised buildings		24,044	-	-	24,044
Total buildings at fair value	4.1 (a)	25,118	-	1,074	24,044
Plant and equipment	4.1 (a)	1,218	-	-	1,218
Motor vehicles	4.1 (a)	167	-	-	167
Medical equipment	4.1 (a)	1,126	-	-	1,126
Computer equipment	4.1 (a)	470	-	-	470
Furniture and fittings	4.1 (a)	106	-	-	106
Total plant, equipment, furniture, fittings and vehicles at fair value		3,087	-	-	3,087
Right of use assets	4.2 (a)	499	-	-	499
Total right-of-use assets at fair value		499	-	-	499
Total non-financial physical assets at fair value		31,510	-	1,706	29,804

	Note	Total carrying amount 30 June 2022 \$'000	Fair value measurement at end of reporting period using:		
			Level 1 ⁱ \$'000	Level 2 ⁱ \$'000	Level 3 ⁱ \$'000
Non-specialised land		632	-	632	-
Specialised land		1,992	-	-	1,992
Total land at fair value	4.1 (a)	2,624	-	632	1,992
Non-specialised buildings		1,074	-	1,074	-
Specialised buildings		25,307	-	-	25,307
Total buildings at fair value	4.1 (a)	26,381	-	1,074	25,307
Plant and equipment	4.1 (a)	1,252	-	-	1,252
Motor vehicles	4.1 (a)	38	-	-	38
Medical equipment	4.1 (a)	911	-	-	911
Computer equipment	4.1 (a)	318	-	-	318
Furniture and fittings	4.1 (a)	130	-	-	130
Total plant, equipment, furniture, fittings and vehicles at fair value		2,649	-	-	2,649
Right of use assets	4.2 (a)	402	-	-	402
Total right-of-use assets at fair value		402	-	-	402
Total non-financial physical assets at fair value		32,056	-	1,706	30,350

ⁱ Classified in accordance with the fair value hierarchy.

How we measure fair value of non-financial physical assets

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

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

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

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

Non-specialised land & non-specialised buildings

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

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

Specialised land and specialised buildings

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

During the reporting period, Benalla Health held Crown and freehold Land. The nature of this asset means that there are certain limitations and restrictions imposed on its use and/or disposal that may impact their fair value.

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

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

For Benalla Health, 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 Benalla Health's specialised land and specialised buildings was performed by the Valuer-General Victoria. The effective date of the valuation is 30 June 2019.

Benalla Health
Notes to the Financial Statements
for the financial year ended 30 June 2023

Vehicles

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

Furniture, fittings, plant and equipment

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

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

7.4 (b) Reconciliation of level 3 fair value measurement

		Land \$'000	Buildings \$'000	Plant, equipment, vehicles, furniture & fittings \$'000	ROU Assets \$'000
Total	Note				
Balance at 1 July 2021		1,720	24,455	2,744	285
Additions/(Disposals)		-	-	465	213
- Depreciation and amortisation		-	(1,630)	(560)	(96)
Items recognised in other comprehensive income					
- Revaluation		272	2,482	-	-
Balance at 30 June 2022	7.4 (a)	1,992	25,307	2,649	402
Additions/(Disposals)		-	165	1,037	199
- Depreciation and Amortisation		-	(1,428)	(599)	(102)
Items recognised in other comprehensive income					
- Revaluation		-	-	-	-
Balance at 30 June 2023	7.4 (a)	2,174	24,044	3,087	499

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

Asset class	Likely valuation approach	Significant inputs (Level 3 only)
Specialised land (Crown/freehold)	Market approach	Community Service Obligations Adjustments ⁽ⁱ⁾
Specialised buildings	Current replacement cost approach	- Cost per square metre - Useful life
Dwellings	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 Benalla Health's specialised land.

Note 8: Other disclosures

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

Structure

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

8.2 Responsible persons disclosure

8.3 Remuneration of executives

8.4 Related parties

8.5 Remuneration of auditors

8.6 Events occurring after the balance sheet date

8.7 Joint arrangements

8.8 Equity

8.9 Economic dependency

Telling the COVID-19 story

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

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

		Total 2023 \$'000	Total 2022 \$'000
	Note		
Net result for the year		283	(947)
Non-cash movements:			
(Gain)/Loss on sale or disposal of non-financial assets	3.2	(21)	(127)
Depreciation and amortisation of non-current assets	4.5	2,130	2,288
Assets and services received free of charge	2.2	(15)	(90)
Bad and doubtful debt expense	3.1	3	3
Discount (interest) / expense on loan		1	(7)
Less cash inflow from investing and financing activities		(1,497)	(24)
Movements in Assets and Liabilities:			
(Increase)/Decrease in receivables and contract assets		(777)	(265)
(Increase)/Decrease in inventories		7	-
(Increase)/Decrease in prepaid expenses		43	(40)
Increase/(Decrease) in payables and contract liabilities		(504)	(279)
Increase/(Decrease) in employee benefits		737	(88)
Increase/(Decrease) in other liabilities		(46)	228
Net cash inflow from operating activities		344	652

Benalla Health
Notes to the Financial Statements
for the financial year ended 30 June 2023

Note 8.2 Responsible persons disclosures

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

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

	Period
The Honourable Mary-Anne Thomas MP:	
Minister for Health	1 Jul 2022 - 30 Jun 2023
Minister for Health Infrastructure	5 Dec 2022 - 30 Jun 2023
Minister for Medical Research	5 Dec 2022 - 30 Jun 2023
Former Minister for Ambulance Services	1 Jul 2022 - 5 Dec 2022
The Honourable Gabrielle Williams MP:	
Minister for Mental Health	1 Jul 2022 - 30 Jun 2023
Minister for Ambulance Services	5 Dec 2022 - 30 Jun 2023
The Honourable Lizzy Blandthorn MP:	
Minister for Disability, Ageing and Carers	5 Dec 2022 - 30 Jun 2023
The Honourable Colin Brooks MP:	
Former Minister for Disability, Ageing and Carers	1 Jul 2022 - 5 Dec 2022
Governing Boards	
J. Papatheohari	1 Jul 2022 - 30 Jun 2023
Dr S. Chaplin	1 Jul 2022 - 30 Jun 2023
B. Gokhale	1 Jul 2022 - 30 Jun 2023
Dr D. O'Brien	1 Jul 2022 - 30 Jun 2023
L. Marta	1 Jul 2022 - 16 Apr 2023
T. Smith	1 Jul 2022 - 15 May 2023
L. Turner	1 Jul 2022 - 30 Jun 2023
A. Mathur	1 Jul 2022 - 30 Jun 2023
Accountable Officers	
J. Kelly (Chief Executive Officer)	1 Jul 2022 - 30 Jun 2023

Remuneration of Responsible Persons

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

Income Band

\$0 - \$9,999

\$70,000 - \$79,999

\$80,000 - \$89,999

\$110,000 - \$119,999

\$230,000 - \$239,999

Total Numbers

Total 2023 No	Total 2022 No
8	9
-	1
-	1
-	1
1	-
9	12
Total 2023 \$'000	Total 2022 \$'000
\$272	\$310

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

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

Benalla Health
Notes to the Financial Statements
for the financial year ended 30 June 2023

Note 8.3 Remuneration of executives

Remuneration of executive officers

Short-term benefits
Post-employment benefits
Other long-term benefits
Total remunerationⁱ

Total number of executives
Total annualised employee equivalentⁱⁱ

Total Remuneration	
2023	2022
\$'000	\$'000
318	283
28	23
11	9
357	315
3	3
3.0	2.3

ⁱ The total number of executive officers includes persons who meet the definition of Key Management Personnel (KMP) of Benalla Healths 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.

Total remuneration payable to executives declined during the year due to the Director of Finance & Corporate Services assuming the role of Chief Executive Officer for seven months of the year, which is reported under Accountable Officers.

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

Short-term employee benefits

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

Post-employment benefits

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

Other long-term benefits

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

Termination benefits

Termination of employment payments, such as severance packages.

Note 8.4 Related Parties

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

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

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

Key management personnel

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

Entity	KMPs	Position Title
Benalla Health	J. Papatheohari	Chair of the Board (to Aug 23)
Benalla Health	Dr S. Chaplin	Board Member
Benalla Health	B. Gokhale	Board Member
Benalla Health	Dr D. O'Brien	Board Member
Benalla Health	L. Marta	Board Member (to Apr 23)
Benalla Health	T. Smith	Board Member (to May 23)
Benalla Health	L. Turner	Board Member
Benalla Health	A Mathur	Board Member
Benalla Health	J. Kelly	Chief Executive Officer
Benalla Health	A. Nitschke	Exec Director of Finance & Corp Services (to Jan 23)
Benalla Health	M. Dissanayake	Exec Director of Finance & Corp Services (from May 23)
Benalla Health	L. Waite	Executive Director of Clinical Services

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 States Annual Financial Report.

	Total 2023 \$'000	Total 2022 \$'000
Compensation - KMPs		
Short-term Employee Benefits ⁱ	558	567
Post-employment Benefits	53	41
Other Long-term Benefits	18	17
Total ⁱⁱ	629	625

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.

Benalla Health
Notes to the Financial Statements
for the financial year ended 30 June 2023

Significant transactions with government related entities

Benalla Health received funding from the Department of Health of \$28.6 m (2022: \$25.27 m) and indirect contributions of \$0.244 m (2022: \$0.262 m). Balances outstanding as at 30 June 2023 are \$0.410 m (2022 \$0.550 m).

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

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

	Total 2023 \$'000	Total 2022 \$'000
L. Marta is a partner in AMCAL Benalla Pharmacy. The health service purchases pharmaceutical supplies from the AMCAL pharmacy on normal commercial terms and conditions.	1	10

Note 8.5 Remuneration of Auditors

Victorian Auditor-General's Office

Audit of the financial statements

Total remuneration of auditors

Total 2023 \$'000	Total 2022 \$'000
21	21
21	21

Note 8.6 Events occurring after the balance sheet date

There are no events occurring after the balance sheet date.

Benalla Health
Notes to the Financial Statements
for the financial year ended 30 June 2023

Note 8.7 Joint arrangements

	Principal Activity	Ownership Interest	
		2023	2022
		%	%
Hume Region Health Alliance	Information Technology Services	5.86	5.79

Benalla Health's interest in the above joint arrangements are detailed below. The amounts are included in the consolidated financial statements under their respective categories:

	2023 \$'000	2022 \$'000
Current assets		
Cash and cash equivalents	732	631
Receivables	83	64
Prepaid expenses	18	14
Total current assets	833	709
Non-current assets		
Property, plant and equipment	29	25
Total non-current assets	29	25
Total assets	862	734
Current liabilities		
Payables	312	140
Monies held in Trust	182	228
Borrowings	4	4
Total current liabilities	498	372
Non-current liabilities		
Borrowings	16	8
Total non-current liabilities	16	8
Total liabilities	514	380
Net assets	348	354
Equity		
Accumulated surplus	348	354
Total equity	348	354

Benalla Health
Notes to the Financial Statements
for the financial year ended 30 June 2023

Benalla Health's interest in revenues and expenses resulting from joint arrangements are detailed below:

	2023 \$'000	2022 \$'000
Revenue and income from transactions		
Operating Activities	389	378
Non Operating Activities	19	2
Capital Purpose Income	13	21
Total revenue and income from transactions	421	401
Expenses from transactions		
Information Technology and Administrative Expense	151	128
Other Expenses from Continuing Operations	234	237
Finance Lease Charges	-	-
Depreciation	14	13
Capital Purpose Expenditure	34	20
Total expenses from transactions	433	398
Net result from transactions	(12)	3

Figures obtained from the unaudited Hume Region Health Alliance Joint Venture annual report.

Contingent liabilities and capital commitments

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

Benalla Health
Notes to the Financial Statements
for the financial year ended 30 June 2023

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 Benalla Health.

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

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

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

Specific restricted purpose reserves

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

General purpose surplus

The general purpose surplus reserve is established to recognise funds provided via surpluses achieved in health service programs. Reserves are used by those programs for future activities.

Note 8.9: Economic dependency

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



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