



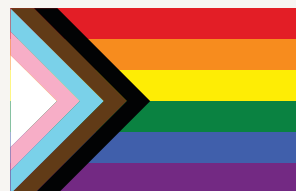
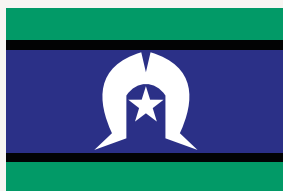
Annual Report 2021





Annual Report 2021





We value the diversity and strength of our people and communities.

Bass Coast Health acknowledges the Bunurong People as the Traditional Custodians; their Elders past and present, and the spirit of their ancestors, of the land on which we live and work and learn. We commit to reconciliation and engaging respectfully with all Aboriginal and Torres Strait Islander peoples in our community.

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Our Mission

Delivering person centred care to improve health, wellbeing, care experience and health outcomes, with our community.

Our Vision

Excellence in care.

Our Values

Wellbeing

Equity

Compassion

Accountability

Respect

Excellence.

About this report

Bass Coast Health reports on its annual performance in this report of operations. This Annual Financial and Performance Report fulfils the statutory reporting requirements to Government by way of an Annual Report. This document is presented at Bass Coast Health's Annual General Meeting, and is available on the Bass Coast Health website with hard copies made available to the community.

Bass Coast Health is established under the *Health Services Act 1988* (Vic).





Relevant Ministers

The relevant Ministers during this reporting period were:

From 1 July 2020 to 26 September 2020

Jenny Mikakos MP

Minister for Health, Minister for Ambulance Services

From 26 September 2020 to 30 June 2021

The Hon Martin Foley MP

Minister for Health, Minister for Ambulance Services, Minister for Equality

From 1 July 2020 to 29 September 2020

The Hon Martin Foley MP

Minister for Mental Health, Minister for Equality

From 29 September 2020 to 30 June 2021

The Hon James Merlino MP

Minister for Mental Health

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Chief Executive and Chair Report

Year in Review

2020–21 was a year of challenges and opportunities, marked most notably by the impacts of the COVID-19 Pandemic. Almost overnight, the way Bass Coast Health provided services changed, and then continued to change, as we developed new ways to keep our patients, staff and our community safe. Testing services were established as part of our local armour; our COVID Roadmap and COVID-Safe Plans were implemented in every work area incorporating the best evidence of the day; our staff facilitated significant workplace change to ensure Bass Coast Health was positioned to respond swiftly and expertly to state-wide events and local outbreaks. We implemented significant state-wide reforms to our practices and processes with strong leadership from the Department of Human Services and our Chief Health Officer. We learned quickly, we evolved constantly, and we responded with agility and intensity.

Importantly, we developed our expertise and efficiency in delivering COVID safe services in collaboration with other community leaders and other health services. Collectively, we responded in whatever way we could, to meet local community need and keep our community safe. The arrival of vaccinations offered hope and with the support of the Gippsland Public Health Unit and Bass Coast Shire Council, Bass Coast Health established a Community Vaccination Centre in the same Town Hall that responded to the 1919 Pandemic. This dedicated effort proactively sought to immunise our community, targeting old and young, local businesses and sectors, and of course, our most vulnerable community members.

Bass Coast Health's success in managing the Pandemic, was the result of extraordinary community support at each and every turn. When supplies such as PPE or Sanitiser were short in the initial weeks, local businesses donated their own. When we experienced staff shortfalls, local community organisations assisted. When our staff were working extreme hours to meet demand, we received baked goods or chocolates, and thousands of wishes of kindness and compassion, to say thank you. When restrictions were imposed, the community responded respectfully and appropriately, understanding that everyone had to play a part in curbing the impact of the Pandemic. The commitment to work together to keep COVID contained, was unwavering. We are extremely grateful for the support from our community which has been unwavering through our toughest moments. This support expressed through media articles, donations, cards and cakes for staff and messaging through our social media channels, has buoyed our efforts and has inspired and motivated our staff.

In amongst the Pandemic, other challenges arose – the most notable being the series of unplanned power outages early in 2021, which provided an important reminder that the infrastructure at Wonthaggi Hospital was ageing and fragile.

Our staff once again rose to the challenge to ensure patient care continued without incident, while our expert facilities team, with the support of the Victorian Health Building Authority, upgraded our Wonthaggi Hospital infrastructure. These outages proved to be practice runs which provided the resilience and preparation we needed when weeks later, Victoria was hit by substantial storms and our Wonthaggi Hospital and Cowes campuses were without mains power for up to 60 hours. Once again, our service delivery continued without incident, and our staff responded calmly.

Despite these challenges, Bass Coast Health continued to deliver on its key strategic goals to expand service capacity and capability and ensure more people received their care locally. Over these twelve months, Bass Coast Health saw 3.5% more patients in our Emergency Department with a 14% increase in sicker and more complex patients.



There was a 12% increase in ambulance arrivals and we admitted 7% more patients to our inpatient wards from the Emergency Department, which means more people received their care locally. We saw a 13% increase in overall acute inpatient separations, patients treated in our Acute Medical Ward, Cancer service and Dialysis units. Our subacute ward had an 8% increase in separations and there was a significant growth in outpatient services with a 38% increase in the numbers of consumers being seen in 2020/21 by specialist medical and allied health staff.

We opened our new, award-winning facility – the L. Rigby Centre – and for the first time in Bass Coast history, offered Chemotherapy and Supportive Therapy, Infusions and Cancer Care in Wonthaggi. The L. Rigby Centre is an outstanding testament to the enormous community collaboration and fundraising, and it showcased the important partnership between Bass Coast Health and one of our important strategic partners, Alfred Health. The efforts to develop these robust metropolitan and tertiary partnerships across many domains, has seen BCH continue to grow and increase the breadth and complexity of services offered. As a result of this collaboration, we now have specialists providing high quality care to BCH in:

- Medical Oncology and Radiation Oncology • General Surgery • Urology • Obstetrics and Gynaecology • Cardiology • Geriatric medicine • Ophthalmology • Plastic and Reconstructive surgery • Nephrology • Ear, Nose and Throat • Orthopaedic surgery • Gastroenterology • Haematology • Endocrinology and • Breast Surgery

The year saw other momentous infrastructure changes – Sleeman ward renovations, a new MRI, a refurbished café, new water filtration systems, new chillers and boilers, the Armitage renovation, just to name a few. The most notable infrastructure project was the launch of the Wonthaggi Hospital Expansion project by The Hon. Martin Foley, Minister for Health. This significant infrastructure project valued at \$115M, not only provided a major economic boost for our region, the growing build has provided a motivating picture for our hard-working staff and community who are keenly anticipating more local service capacity in the years ahead, from this state-of-the-art facility.

Without doubt, the true heroes over this 12-month period, were the Bass Coast Health staff who endured all of the changes and challenges, with compassion and excellence. Our staff have worn layers of PPE for months and months without a whimper. They have moved workplaces multiple times whilst we create hot and cold zones and staff bubbles, all necessary changes to ensure workforce safety. Our staff worked many, many, more hours than rostered, to make sure we could deliver care to whoever needed it. They did not flinch when asked to care for COVID or Suspected COVID patients. They embraced new training, and then retrained, as procedures and processes change, all to ensure safe, high quality care. They did all of this whilst dealing with all the day to day challenges that every person faced during this Pandemic – home schooling, lifestyle restrictions, livelihood challenges, impacts on social networks and mental health. The Bass Coast Health team have been simply extraordinary, and their commitment and dedication to this community, their community, has not once wavered. On behalf of the BCH Board and Executive, we sincerely thank our team of skilled, dedicated and passionate employees for their extraordinary commitment during this extremely challenging year. Our staff are part of this wonderful community – they care for their own neighbours; family members and colleagues, and they want the best health service for their community. We acknowledge their significant effort, the extraordinary change they have endured, their fatigue, and their resilience which sees them resolute in their pursuit of safe, high quality care. We commend them for every day demonstrating our values of well-being, equity, compassion, accountability, respect and excellence in the way they provide care.



We must also pay tribute to our wonderful volunteers have been excellent advocates and ambassadors for the progress we have made this year. It has been very difficult for our volunteers, most of them unable to fulfil their regular roles because of the ongoing disruptions COVID has brought. We appreciate their resilience, their unwavering commitment, and their willingness to adapt to new processes and roles and to stay engaged, as we keep them safe.

We extend our sincere thanks for the extraordinary efforts of the Bass Coast Health Auxiliaries, who have raised significant funding in this COVID year, to equip our facilities and increase our specialist services. The Auxiliaries together raised over \$270,000 over this period, much of which ensured we opened our cancer services with the full suite of contemporary equipment required to provide evidence-based care. These fundraising efforts, along with other community donations of \$467,000 (mostly toward Auxiliary campaigns) have been instrumental in Bass Coast delivering more care, high quality contemporary care, locally.

Finally, we genuinely and wholeheartedly thank our many other partners who helped us fulfil our role as a sub-regional health service:

- the Victorian Government Department of Health
- the Commonwealth Department of Health;
- other Federal and State government agencies including the Victorian Health and Human Services Building Authority;
- our local Federal and State members;
- our Metropolitan health service colleagues, in particular Alfred Health and Monash Health;
- our Regional and Sub-Regional health service colleagues in particular South Gippsland Hospital (SGH), Gippsland Southern Health Service (GSHS), Kooweerup Regional Health Service (KRHS), and the Gippsland Regional Public Health Unit;
- Bass Coast Shire Council;
- Ambulance Victoria;
- our fantastic community organisations – including Lions, Rotary, the Freemasons, Phillip Island Medical and Health Action Group, Men's Sheds;
- local businesses;
- the local media
- and most importantly, all of our patients, clients, residents, families and community members who provide us frank and fearless feedback to improve our care.

In 2020–21, these partnerships helped us deliver on our five key strategic goals and we have taken the opportunity to update you on just some of our achievements against these goals in 2020–21.

Safety and Quality

We delivered safe, high quality, person centred care by:

- Achieving full accreditation for the Diagnostic Imaging Accreditation Scheme
- Achieving mid-term accreditation for the Human Service Standards
- Achieving certification against the NDIS practice standards
- Maintaining accreditation for Aged Care Standards
- Achieving accreditation for the Royal College of General Practitioners and the Rural College of Rural and Remote Medicine to expand our ability to attract trainees
- Achieving mid-term accreditation from the Post Graduate Medical Council of Victoria
- Delivering a Cultural Safety Plan submitted to the Department of Health and establishing a self-determined Indigenous Advisory Group.
- Passing an audit by the Department of Health and Human Services' COVID-19 Public Health Division Infection Prevention Control Outreach Nurses (IPCON)

Service Capability

We grew service capacity and capability including access to meet local and sub-regional needs by:

- Commencement of a Mental Health Nurse practitioner to support inpatient care
- Expanding our Integrated Cancer services
- Expanding our Medical Specialist services
- Refurbishing and expanding Sleeman Ward to accommodate more inpatients
- Establishing an Aboriginal Health Liaison service
- Establishing Community COVID testing capability via testing tents at Wonthaggi and Cowes; adapting and expanding services during peak demand and separating testing from our care facilities.
- Establishing a Community Vaccination Service
- Expanding radiology services through a new MRI service
- Expanding our dialysis service
- Expanding family violence support securing Orange Door at Wonthaggi Hospital

People

We enabled a skilled, motivated workforce that is highly valued by:

- Growing our workforce from 525.26 full-time equivalent (FTE) staff in June 2020 to 558.85 (FTE) staff in June 2021
- Expanding medical specialists appointed to BCH to increase our outpatient clinics at Phillip Island and Wonthaggi

- Delivering an Organisational Development Strategy including coaching, team building and wellbeing training for key leaders increasing the resilience and agility of our workforce
- Appointing BCH's first Aboriginal Health Liaison Officer, hosting an Indigenous Cadet and securing two Indigenous Traineeships in hospital administration.
- Increasing numbers through the Nurse Graduate and Transition year Programs, including introducing Enrolled Endorsed Nurses and providing rotation through clinical areas
- Increasing our junior medical workforce
- Expanding the number of Registered Undergraduate Students of Nursing.
- Expanding the number of students undertaking placements
- Investing in enhanced nursing ratios in our wards and Emergency Department.

Innovation and Technology

We embraced innovation and technology by:

- Establishing a Gippsland-wide Electronic Medical Record within the Emergency Department and Urgent Care Centre
- Supporting the migration of all users/computers/servers into the Gippsland Health Alliance domain, conducting significant monitoring/reporting and employing antivirus infrastructure as key measures to mitigate cyber security attacks to ensure the integrity of BCH data.
- Developing COVID screening systems including QR attestation, continually improving entry set up and processes and installing temperature screening technology to successfully mitigate risk of COVID entering BCH facilities.
- Increasing radiology services available at Wonthaggi Hospital including the installation of an MRI machine and service.
- Increased use of, and access to, telehealth platforms.

Financial Health

We have demonstrated strong financial governance, viability and sustainability by:

- Treating significantly more patients, and sicker patients
- Understanding and capturing all COVID-related expenses to ensure all COVID costs are appropriately funded
- Expending over \$3.5 million in infrastructure funds received from the Federal Department of Health to construct and open the L. Rigby Centre, upgrade the Sleeman Ward and establish an MRI
- Leveraging \$1.051m in community fundraising
- Improving our billing systems through enhancements to MasterCare, a debtor management system specifically for Community Based programs
- Increasing our total revenue from Department of Health over the past 5 years by \$39.325 million.



Future Directions

Bass Coast Health has an exciting future. Over the past year, the Board and Executive reviewed our journey thus far, and following consultation with our staff and community, developed a new and ambitious 5 year Strategic Plan and Clinical Services Plan to take us forward. 2021–22 promises to be as dynamic as the year just passed, as we implement these new plans and we pledge to you, that we will continue to deliver our vision of Excellence in Care, always prioritising safety and quality.

In the next year the Wonthaggi Hospital Expansion will be fully constructed delivering additional theatres, along with Emergency Department and inpatient capacity. We will complete our renovations to Armitage House, and our residential aged care facilities; Kirrak House and Griffith Point Lodge, increasing the amenity and the ability to manage infection control. We will continue to progress planning for the Phillip Island Community Hospital. We will increase our service offerings for women and children. We will continue to pursue more capacity in our catchment, to respond to the Mental Health care needs of the Bass Coast Community and region. We will provide more surgery, bring more medical specialists, and we will continue to grow and support our workforce. We will further develop our Hospital in the Home (HITH) and Geriatric Evaluation and Management (GEM) services. We will also increase our focus on providing virtual health services.

With each new facility and service, we will deepen our response to provide person-centre care that is culturally safe and inclusive of all who seek it.

We are very proud of our achievements over the past year and we feel very privileged to serve this community. Be assured Bass Coast Health is well positioned to carve out another year of growth and achievement, whilst also embracing the extraordinary challenges of our current COVID landscape. We commit to you, our pledge, to be the best health service we can be, for our local community.

Don Paproth, Chair, Board of Directors

Jan Child, Chief Executive Officer

Responsible Bodies Declaration

In accordance with the Financial Management Act 1994, I am pleased to present the report of operations for Bass Coast Health for the year ending 30 June 2021.

Don Paproth, Chair, Board of Directors
Wonthaggi
21 September 2021



Our Service Profile

Acute Services

- 54 registered beds
- 4-day surgery beds
- Clinical services
 - Emergency
 - Haemodialysis
 - Hospital in the Home
 - Maternity
 - Medical
 - Medical Day Unit
 - Phillip Island Urgent Care Centre
 - Operating Suite
 - Palliative Care
 - Short Stay Unit
 - Surgical
 - Integrated Cancer Unit for oncology

Sub-Acute Services

- Armitage House 26 beds
- Sub-acute services include Geriatric Evaluation and Management (GEM), Rehabilitation, Palliative Care

Residential Aged Care

- Kirrak House – 30 beds
- Griffiths Point Lodge – 29 beds.

Volunteer Programs

- Meals on Wheels
- Medical transport driving
- Ward visitors
- Palliative care support
- Administration
- Residential aged care support
- Pastoral care
- Car washing
- Men's Shed (The San Remo Shack)
- Planned Activity Groups
- Auxiliaries (fundraising)
- Advisory groups.

Clinical Support Services

- Breast screening (Gippsland BreastScreen)
- Pathology (Monash Pathology)
- Pharmacy
- Radiology and ultrasonography (I-MED Radiology Network)
- South West Gippsland Community Mental Health Service (Latrobe Regional Hospital)
- Acute/ Aged Persons Mental Health Service (Latrobe Regional Hospital).

Primary and Community Care Programs and Services

- Allied Health Paediatric Service: individual and group
- Antenatal education
- Autism and mental health program
- Best Start
- Breast Care Nurse
- Cancer Support Group
- Cardiac Rehabilitation Program
- Communication Skills Support Group
- Community Rehabilitation Program
- Continence Clinic
- Counselling services: general, family violence, alcohol and other drugs, sexual assault, psychological therapies
- Dental service
- Diabetes Self-Management Group
- Dietetics
- Domiciliary care
- Falls Prevention / Falls and Balance Clinic
- Family Day Care
- Health Promotion
- Home Care Packages (Flexihealth)
- Hospital Admission Risk Program
- Hip and Knee Joint Rehabilitation Group
- Integrated Family Services
- Lactation Services
- Maternal and Child Health
- Meals on Wheels
- Needle and Syringe Program
- Nursing programs: district and palliative care nursing, asthma and respiratory, stop smoking program, stomal therapy, chronic disease management, continence, Residential In-Reach and diabetes education.
- Occupational Therapy, including hand therapy
- Pastoral care
- Power Girls Group (women specific) Cardiac/ Pulmonary Rehabilitation Support
- Physiotherapy, including lymphoedema management, hydrotherapy and Strength Training Group
- Planned Activity Groups: general, men and dementia
- Podiatry and footcare
- Post-Acute Care
- Pregnancy Care Clinic
- Pulmonary Rehabilitation Program
- School Focused Youth Service
- Social Work
- Speech Pathology
- Supported Playgroups
- Transition Care Program in the home
- Trauma and mental health program
- Walking groups (Heart Foundation)
- Weight Wise Group
- Wonthaggi Wheezers (Pulmonary Rehabilitation Support Group).

Medical Specialists

- Cardiology
- General Surgery
- Geriatric Medicine
- Haematology
- Nephrology
- Gynaecology
- Oncology
- Radiation Oncology
- Obstetrics
- Plastic and reconstructive surgery
- Breast surgery
- Urology
- Ophthalmology
- Orthopaedics
- Ear, nose and throat
- Gastroenterology
- Endocrinology
- Dermatology

Corporate Governance

Board of Directors

The Board of Directors (the 'Board') of BCH is accountable to the Minister for Health and Ambulance Services ('the Minister') for its performance. The role of the Board is to steer the entity on behalf of the Minister in accordance with government policy. This governance role broadly involves strategic leadership of the organisation, monitoring performance against agreed objectives and ensuring accountability and compliance.

Functions of the Board include:

- Develop a statement of priorities and strategic plan for the operation of BCH and monitor its compliance;
- Develop financial and business plans, strategies and budgets to ensure accountable and efficient provision of health services and long-term financial viability of BCH;
- Establish and maintain effective systems to ensure that BCH meets the needs of the community, ensuring the views of users and providers of health services are considered; and
- Monitor the performance of BCH.



Chair

DON PAPROTH BA, Dip Ed

Don joined the BCH Board in July 2015 and has been the Chair of the Board of Directors for the last six years. Prior to that he had 49 years of experience in education, working as a secondary teacher, principal, deputy regional director and as the director of major projects in the Gippsland Region with the Department of Education and Early Childhood Development. He was Chair of the Council of the Victorian Institute of Teaching, the body which regulates the teaching profession across the state. Don is a member of the Finance, Audit and Risk and Remuneration Committees, the Development Council and the Wonthaggi Hospital Expansion Project Control Group. He is also on the committee charged with the development of a University presence in the Bass Coast.



Deputy Chair

IAN THOMPSON BBus (Accounting), Grad Dip (Corp Finance), CPA, GAICD.

Ian is a risk professional with more than 30 years' experience in financial markets, having worked in various credit, economic, quality, risk management and governance roles here in Australia and in the UK. Ian spent the bulk of his career with Standard and Poor's Rating Services, most recently as a Senior Managing Director and Global Chief Credit Officer. Ian is a board member of Snowdome Foundation (charity focused on blood cancer) and the Australian College of Critical Care Nurses. Additionally, Ian is an independent member of Audit and Risk Committees of State Sport Centre Trust, Australia College of Optometry and the Uniting Church's (Vic and Tas Synod). Ian joined the BCH Board in July 2016 and has been the Deputy Chair since 2020. Ian Chairs the Finance, Audit and Risk Committee and is also a member of the Quality and Clinical Governance Committee, the Remuneration Committee and the Development Council.



MIM KERSHAW

Mim has more than 31 years' management experience in both private and public listed companies. Mim has experience in setting and achieving budgets, strategic planning, team development and retention, ethical sourcing and Quality Assurance and Quality Control. Mim is a former director of Bass Coast Community Health Service. She joined the BCH Board in July 2014 and is a member of the Development Council and the Remuneration Committee.



MARY WHELAN B. App Sc (Physiotherapy), Grad Dip Man Therapy, Cert App Ergonomics for Injury Mgt, Cert IV Workplace Training.

Mary Whelan is a former clinical physiotherapist with 39 years' experience in public health and private practice. She founded a company to design and develop mobility aides to address the needs of patients and the occupational health and safety of staff in hospitals and aged care facilities. Mary joined the BCH Board in August 2015 and is the Chair of the Quality and Clinical Governance Committee and is also a member of the Community Advisory Committee and the Finance, Audit and Risk Committee.



KATE MCCULLOUGH LLB, BCom (Accounting), Grad Dip (Intellectual Property Law), Advanced Diploma (Mechanical Engineering)

Kate is an experienced legal practitioner who was appointed to the BCH Board in July 2017. Kate has significant expertise in the health, aged care and disability sectors having acted as legal counsel for a Victorian public health service, a pharmaceutical company and a non-for-profit disability service provider. Kate also has experience advising on commercial contracting, tendering and procurement, legislative and regulatory compliance, business acquisitions, sale of assets, intellectual property, privacy and freedom of information matters. Kate is currently the General Counsel at BlueCross and is a member of the Finance, Audit and Risk Committee, Quality & Clinical Governance Committee and the Community Advisory Committee.



SIMON JEMMETT BHSc Grad Cert Mgt, Dip Proj Mgt, MAICD

Simon has more than 30 years' experience in health, initially working in the public and private hospital systems before moving to Ambulance Victoria. Simon has substantial experience across both the metropolitan and rural health sectors in clinical and operational management, education, audit, clinical governance and telecommunications. Simon is the former Regional Director Gippsland for Ambulance Victoria and is now leading some of Ambulance Victoria's transformative technology projects. Simon is also a member of the Governance Committee for the Emergency Care Clinical Network. Simon joined the BCH Board in July 2017 and is a member of the Finance, Audit and Risk Committee, and the Quality and Clinical Governance Committee.



IAN LEONG Bach Bldg (QS) (Hons), Grad Dip Comp Sc, MBA, GAICD

Ian has over 40 years in the industry, working in both government and private sectors. Initially, Ian had significant experience as a property/building consultant, but more recently has managed his own general consultancy firm, providing advice to private and government clients. Ian is currently the Executive Director Redevelopment, Planning and Infrastructure at the Royal Victorian Eye and Ear Hospital, his role having overarching responsibility for capital redevelopment, future strategy/health service delivery and patient experience. Ian joined the BCH Board in August 2018 and is a member of the Finance, Audit and Risk Committee and the Quality and Clinical Governance Committee.



TONY GABBERT MBA; PG Dip HSM, B App Science Medical Radiation, Dip Rad

Fellow of the Fairly Leadership Program (Goulburn Murray Community Leadership) and with Certificates in Executive Healthcare Leadership and Healthcare Change Leadership, Cornell University. Tony Gabbert is the current General Manager of Imaging at Monash Health and has sat on a number of state-wide working groups. Tony has a background managing multi-site public and private radiology services, including Health IT, and is MBA and Health Service Management qualified with experience in health care operations. Tony joined the Board in July 2019 and is a member of the Finance, Audit and Risk Committee and the Quality and Clinical Governance Committee.



JULIA OXLEY MBusMktg, BA, GAICD

Julia Oxley works at Monash Health as General Manager Community and is a member of the Monash Health Executive Committee. With over ten years' experience in the public sector Julia has held executive leadership roles with South East Water and Knox City Council and was CEO and COO of the Emergency Services Telecommunications Authority, leading the Triple Zero call-taking and dispatch service for Victoria. Julia brings a strong commercial lens with 25 years private sector experience in operations, customer service, marketing and business management. A member of the Victorian Council of Social Service, she takes an active interest in social justice and health equity. Julia joined the Board in July 2019 and is a member of the Finance, Audit and Risk Committee and the Quality and Clinical Governance Committee.



ANGELO SARIDIS

Angelo is an experienced executive having held executive roles over the past ten years in Local and State Government, public transport and utilities industries. Angelo brings contemporary skills in technology driven business transformation and innovation, having led organisational transformation programs and sector-wide reform programs across different industries and sectors. Angelo has significant governance experience both as an executive supporting board governance functions but also as a former member of the Ministerial Advisory Committee for Mine Rehabilitation. He is highly involved in the Gippsland innovation ecosystem having founded start-ups and provided mentoring support to start-up founders throughout Gippsland. He lives locally and has a real passion for the Gippsland region. Angelo is a member of the Finance, Audit and Risk Committee, the Quality and Clinical Governance Committee and the Community Advisory Committee.



Board Committees

Finance Audit and Risk Committee



Chairperson: Ian Thompson



Deputy Chair: Mim Kershaw



Independent Member

JOHN NEVINS BACH Economic, Grad; Dip; Public Policy, MAICD

John is an Independent Member of the BCH Finance Audit and Risk Committee. John has worked in Local Government, Public Transport and the Victorian Public Service. Previous roles include being a long-term Chief Executive Officer, General Manager Corporate Services, Chief Financial Officer, Internal Auditor and Economist.

Other Members:

Angelo Saridis
Don Paproth
Ian Leong
Julia Oxley
Kate McCullough
Mary Whelan
Simon Jemmett
Tony Gabbert

The Finance, Audit and Risk Committee is a sub-committee of the Board responsible for oversight, advice and recommendations to the Board regarding:

- financial management, including asset management;
- risk management, including compliance management; and
- internal and external audit

Quality and Clinical Governance Committee



Chairperson: Mary Whelan



Deputy Chair: Simon Jemmett



HILARY KERRISON B.App.Sc.OT

Hilary Kerrison is a Consumer Representative on the Quality and Clinical Governance Committee. Hilary is a member and former Chair of our Community Advisory Committee. Hilary's career focused on workplace-based mediation, rehabilitation and injury prevention including as rehabilitation Advisor for Ambulance Victoria (AV) for Gippsland.

Other Members:

Ian Leong
Ian Thompson
Julia Oxley
Kate McCullough
Tony Gabbert

The Quality and Clinical Governance Committee is a sub-committee of the Board responsible for implementation of a strong quality and clinical governance framework, encompassing the domains of quality and safety:

- Leadership and culture
- Consumer partnerships
- Workforce
- Risk management
- Clinical Practice.

Remuneration Committee



Chairperson: Don Paproth



Deputy Chair: Ian Thompson

Other Members:

Mim Kershaw

The Remuneration Committee is a sub-committee of the Board responsible for facilitating the remuneration and performance processes for the Chief Executive Officer.

Community Advisory Committee



Chairperson: Hilary Kerrison
(01/07/2020 – 31/12/2020)



Chairperson: Diana Holmberg
(01/01/2021 – 01/01/2023)

Other Members:

Angelo Saridis
Kate McCullough
Mary Whelan

Consumer Representatives:

Caroline Talbot
Faye Tuchtan
Gill Scrase
Joyce Ball
Paulette Burt
Terry Shannon
Greg Mead
Neil Beddoe

The primary role of the Community Advisory Committee is to bring the voice of consumers, carers and community members into BCH's decision-making processes, ensuring their involvement in planning, design, delivery and evaluation of healthcare at individual level, as well as program, department and health service level.

Retirements, Re-Appointments and Appointments to the Board of Directors

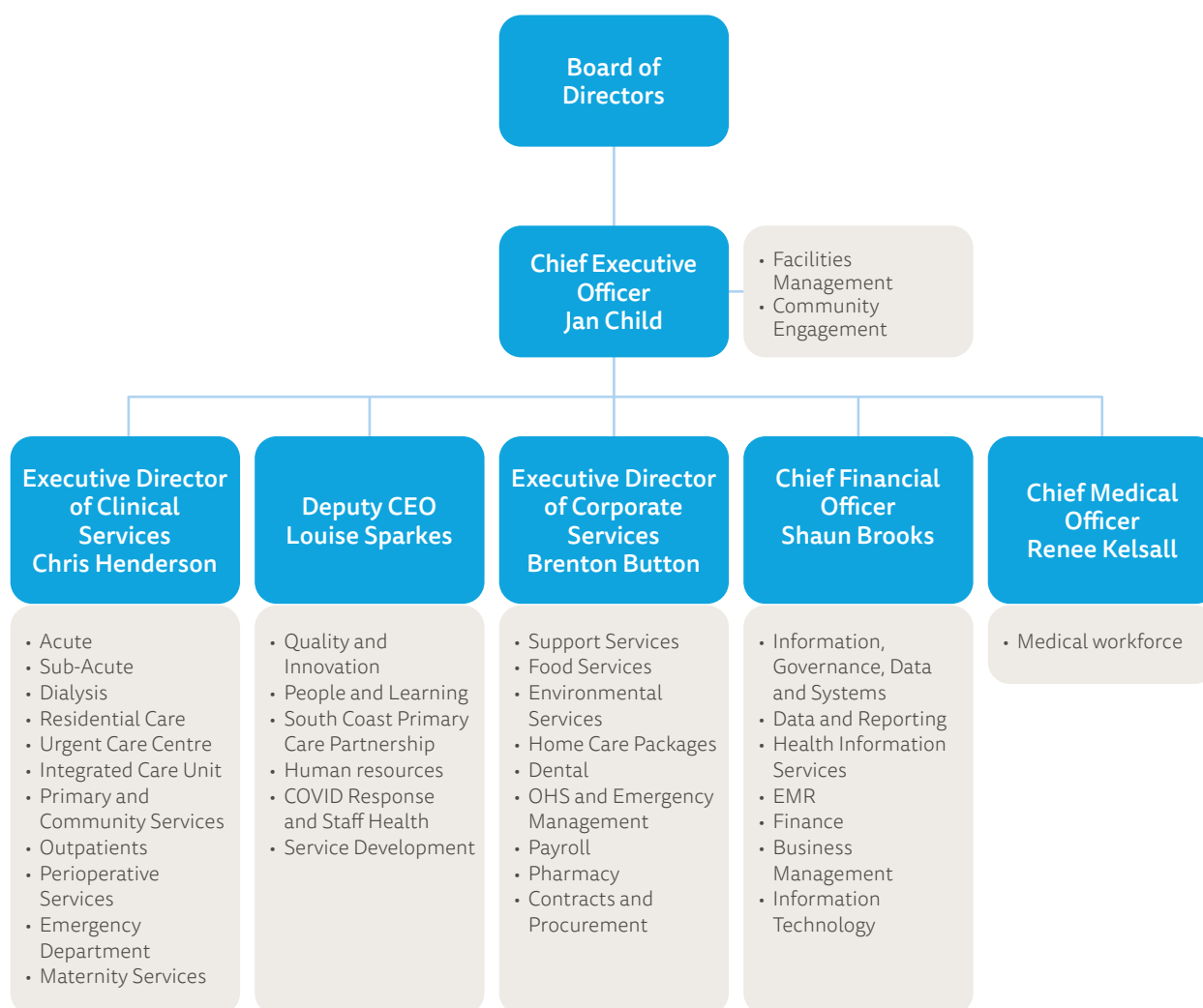
The following occurred in 2020–21:

Retirements	
Nil	
Reappointments	
Kate McCullough	1 July 2020 to 30 June 2023
Simon Jemmett	1 July 2020 to 30 June 2023
Appointments	
Angelo Saridis	1 July 2020 to 30 June 2023
John Nevins Independent Finance, Audit and Risk Committee member	24 September 2020 to 24 September 2023

Board membership and meeting attendance

Board member	Board of Directors	Finance, Audit and Risk Committee	Quality and Clinical Governance Committee	Community Advisory Committee
Donald Paproth	82%	82%	–	–
Ian Thompson	100%	100%	100%	–
Angelo Saridis	100%	100%	–	25%
Ian Leong	100%	91%	83%	–
Julia Oxley	100%	100%	83%	–
Kate McCullough	91%	91%	100%	83%
Mary Whelan	100%	100%	100%	83%
Mim Kershaw	73%	64%	–	–
Simon Jemmett	91%	91%	100%	–
Tony Gabbert	82%	73%	83%	–
Independent members				
John Nevins	–	78%	–	–

Organisation Chart



BCH Executive



Jan Child
Chief Executive Officer
Reg Nurse, Grad Dip Behavioural Science, Masters Public Health, GAICD

Jan is a Registered Nurse with post graduate qualifications in behavioural sciences, health administration and a Masters in Public Health. She is a graduate of the Australian Institute of Company Directors and a surveyor with the Australian Council of Healthcare Services. She has more than 30 years' experience in public health, having trained in rural western Victoria, and then worked across metropolitan Melbourne including at Peninsula Health, Alfred Health, DHHS, alcohol and drug agencies and in the community health sector. Jan was appointed as Chief Executive Officer in September 2016, following a six-month interim role.



Louise Sparkes
Deputy Chief Executive Officer
Reg Nurse, Grad Cert Emergency Nursing, Graduate Certificate in Education, Master of Nursing

Louise has been part of the Executive team at Bass Coast Health since 2016, initially as Executive Director of Access and Emergency before being appointed Executive Director for Acute Services. In 2018 Louise commenced in her current role as Chief Operating Officer providing Executive leadership to all clinical services across the health service. Louise has an extensive background as a Registered Nurse with a number of post graduate qualifications in Emergency Nursing and Nursing Education. Louise brings more than 30 years' experience in health care service provision in tertiary, metropolitan and rural health settings across diverse acute and community services, as well as experience and publications in tertiary nursing education, research and academia. Louise moved into the role of Deputy Chief Executive Officer in January 2021.



Doctor Renee Kelsall
Chief Medical Officer
MBBS (Hons), FRACP, RACMA Candidate

Doctor Renee Kelsall graduated from Monash University with honours in 2007 and obtained her Fellowship in Geriatrics in 2015. Renee worked at Monash Health as a Geriatrician, with roles including Deputy Clinical Lead of InReach, Geriatrician in the Falls and Balance Clinic, falls education across Monash Health, and providing assessments for rehabilitation and aged care. Renee returned to South Gippsland, where she was raised, in 2015 to provide a private Geriatric outpatient service. Renee was appointed as the Chief Medical Officer at Bass Coast Health in February 2020 and has commenced a Fellowship in Medical Administration as well as a Masters in Health Administration at Monash University.



Assoc. Professor Bruce P Waxman OAM

Chief Medical Officer

BMedSc (Hons), MBBS (Hons), FRACS, FRCS, FACS, AFRACMA, MAICD

Bruce is an honours medical graduate of Monash University, trained in general and colorectal surgery and was in consultant surgical practice, both in the public and private sectors for 30 years – 20 years of which as Associate Professor at Monash University. He retired from surgical practice in 2014 and transitioned into medical administration and has been Executive Director of Medical Services and now Chief Medical Officer at BCH since July 2016. Bruce is also an assessor with the Australian Council on Health Care Standards (ACHS) and a surveyor with the Postgraduate Medical Council of Victoria (PMCV). In February 2021 Bruce ended his term as Chief Medical Officer and commenced as Clinical Dean.



Shaun Brooks

Chief Financial Officer / Chief Procurement Officer

B Commerce, Grad Dip Chartered Accounting

Shaun is a Chartered Accountant who has worked in the Victorian public health sector for more than 7 years. He has held leadership positions in the financial professional services industry, with a subsequent appointment as Deputy Director of Finance at Peninsula Health. Shaun brings a broad range of commercial and financial management skills and joined BCH in 2017.



Noni Bourke

Chief of Organisational Support and Development

B App Sc (Speech Pathology), Grad Cert Gerontology, Grad Cert Health Professional Education, Dip Project Management, Masters Health Services Management

Noni has more than 30 years' experience in public health, working initially as a Speech Pathologist and then within quality and safety across acute, sub-acute, aged care and community health services. She has worked in clinical and leadership roles in metropolitan, rural and remote health services. Noni commenced with BCH in 2016 and finished December 2020



Christine Henderson

Executive Director of Clinical Services

Reg Nurse, Grad dip Renal Nursing, Grad Cert Infection Prevention & Control

Chris is a Registered Nurse with post graduate qualifications in infection control and renal nursing. Chris has more than 25 years' experience in the health care sector. She has had various leadership roles within BCH and was appointed to the role of Executive Director of Clinical Services in January 2021.



Brenton Button

Executive Director of Corporate Services

Bachelor of Accounting, Master of Business Administration, Chartered Accountant

Brenton is a Chartered Accountant who has worked in the health sector for more than 20 years. He has had various leadership roles in private healthcare prior to taking on the role as Executive Director of Corporate Services at BCH. He joined BCH in January 2021 and brings a wide range of commercial and financial management skills.

Legislative Compliance

Freedom of Information Act 1982

In accordance with the *Freedom of Information Act 1982*, the public can request access to documents held at BCH via a written application directly to BCH's Principal Freedom of Information (FOI) Officer, or by completing the Freedom of Information Access Request Form available on the BCH website. A valid request must clearly identify what types of documents are being sought and to whom the information is to be released. The valid request must also be accompanied by an application fee. BCH are required to respond to the applicant within 30 days of receiving a valid request.

Requests are to be addressed to:
Principal FOI Officer Bass Coast Health PO Box 120
Wonthaggi Vic. 3995
BCH's Principal Officer is the Chief Executive Officer.

An application fee of \$29.60 applies and other charges may be incurred associated with collating the information levied strictly in accordance with the Freedom of Information (Access Charges) Regulation 2004.

During 2020–21, BCH received 83 requests. Access to 68 were granted in full, 2 had were partially granted, 2 resulted in no records found, 1 application was cancelled and 10 are in progress. Of these requests, 64 were from lawyers, Victoria Police and insurance agencies and the remainder from the general public.

Building Act 1993

BCH is subject to, and complies with, the *Building Act 1993* under the guidelines for publicly owned buildings issued by the Minister for Finance (1994) in all redevelopment and maintenance matters.

Public Interest Disclosures Act 2012

BCH is subject to, and complies with, the *Public Interest Disclosures Act 2012* that replaced the former *Whistleblowers Protection Act 2001*. The *Public Interest Disclosures Act 2012* came into effect with a purpose to facilitate disclosures of improper conduct by public officers, public bodies and to provide the appropriate level of protection for people who make disclosures without fear of reprisal.

Statement on National Competition Policy

BCH is subject to and complies with the National Competition Policy. All procurement activities* are undertaken in an open and fair manner and these principles are embedded in BCH's Procurement Policy.

* On the 16th March 2020, BCH invoked its' Critical Incident Procurement Process (CIPP) in response to the Covid-19 pandemic. The CIPP enables procurement activities to be undertaken to address clinical and infection control emergencies which arise as a direct result of and in response to the pandemic. This enables purchases to be made without delay and the process of obtaining alternative pricing for these transactions may be waived. This is in accordance with Health Purchasing Victoria's Procurement Framework. The CIPP commencement was formalised by BCH Chief Executive Officer giving notice to BCH Board Chair on the 16th March 2020. The CIPP will remain in place for the duration of the State of Emergency in Victoria.

Carers Recognition Act 2012

Recognition of and engagement with people who are in a caring role are an inherent part of the work we undertake at Bass Coast health. Our Comprehensive Care and Communicating for Safety policies include a focus on carers and engagement with carers. In accordance with the *Carers Recognition Act 2012*, BCH takes all practical measures to ensure that employees and volunteers respect and recognise carers, support them as individuals; recognise their efforts and dedication; take into account their views and cultural identity; recognise their social wellbeing; and provide due consideration of the effect of being a carer on matters of employment and education.

Safe Patient Care Act 2015

BCH is subject to the *Safe Patient Care Act 2015* and has no matters to report in relation to its obligations under Section 40 of the Act.

Environmental Performance

Bass Coast Health is committed to reduce the consumption of energy, waste and water through organisation-wide initiatives that target new and existing infrastructure and staff behaviour.

Emission source	Consumption units	Consumption	CO ² (tonnes)
Direct emissions			
Natural Gas	Mega joules	14,140,738 MJ	787.64
Fuel	Litres	49,342.21 L	0.11
Indirect Emissions			
Electricity	Kilowatt Hours	2,114,565 kWh	2,854.66

Initiatives that BCH has undertaken in 2020–21 include a formal waste management review for the Wonthaggi Hospital expansion incorporating strategies to further reduce carbon emissions and energy consumption and an ongoing program for the segregation and collection of waste streams. With the significant COVID response, contaminated waste increased during this financial year. A new waste contract will be negotiated early in the new financial year, which will see reduced waste to landfill.

Consideration to sustainability was specified for all renovations to existing and construction of new facilities with a significant focus on sustainability in the upcoming BCH capital works.

Bass Coast Health's overall electricity consumption was 2,114,565 kWh a decrease from 3,455,701 kWh used in 2019–20, the ongoing result of energy efficiency measures including lighting and building tuning implemented at Wonthaggi Hospital.

Gas consumption, mostly at the Wonthaggi Hospital Campus and Griffith Point Lodge was equivalent to 2019–20 consumption and created 787.64 tonnes of CO₂, an impact that would cost approximately \$12,000 to offset through native revegetation.

In 2020–21 vehicle use was reduced due to COVID impacts of volunteer transport services. Reduced fuel use and emission reduction was achieved through procurement of hybrid vehicles for fleet upgrades.

In 2020–21 Bass Coast Health used 16, 874 kL of water, a 20% decrease compared with the previous year.

Additional Information Available on Request

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

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

Local Jobs Act 2003

Requirement	Result
The number and total value of contracts commenced and/or completed in the financial year to which the VIPP Plan was required.	1 Construction contract with a value of \$1,961,030
The number and percentage of 'local content' committed under contracts that commenced in the reporting period where a VIPP Plan was not required (due to nil or limited contestability) split by:	
• Those that are local by nature	0
• Those that are international by nature	0
The number of small and medium sized businesses engaged as either the principal contractor or as part of the supply chain.	127
The number and percentage of 'local content' committed under contracts that commenced and/or completed in the reporting period to which a VIPP Plan was required, split by projects:	
• That are metropolitan based	0
• Those that are regionally based	1 Contract with 90% local content committed
• Those that are state-wide	0
For contracts commenced, a statement of total VIPP Plan commitments (local content, employment, engagement of apprentices/trainees and skills/technology transfer outcomes) achieved as a result of these contracts.	BCH did not have any contracts with VIPP commitments which commenced in 2020-21
For contracts completed, a statement of total VIPP Plan outcomes (local content, employment, engagement of apprentices/trainees and skills/technology transfer outcomes) achieved as a result of these contracts.	1 Completed construction contract in 2020-21 registered with the Industry Capability Network under the Local Jobs First policy - VIPP, with outcomes which achieved: <ul style="list-style-type: none"> • 91% local content • 14 FTE local jobs plus • 3.8 FTE apprenticeships
The total number of conversations with the Industry Capability Network that correspond with the registration and issue of an Interaction Reference Number.	

Gender Equality Act 2020

Bass Coast Health is working toward the development of a Gender Equality Action Plan. The Plan will be developed by 1 December 2021. The first step in the plan development, is gathering data to inform the plan through a workplace gender audit. This audit assesses the current state of gender equality in our workforce. As per the requirements of the *Gender Equality Act 2020*, BCH have extracted this data from our systems as at June 30, 2021.

The next step is to interpret this data to create strategies and measures to improve gender equity in our workplace. Gender equality is important as it prevents violence against women and girls, is essential for economic prosperity. We know that societies that value women and men as equal are safer and healthier and that gender equality is a human right.¹

Bass Coast Health has a Gender Equality Committee to oversee the project. Broad consultation will be undertaken with staff about what the data tells us and actions we will undertake as part of the plan.

Bass Coast Health is committed to this work and has been striving to make change through our Strengthening Hospital Response to Family Violence project, implementing the Multi-Agency Risk Assessment and Management Framework and participation in local level initiatives such as the Sub-regional Prevention of Men's Violence Against Women with our partner agencies and the Change for Sam community initiative.

Equal Employment Opportunity

BCH actively promotes the principles of Equal Employment Opportunity (EEO) and has established processes to ensure that EEO principles are upheld and applied to all Human Resource (HR) activity including recruitment, promotion and employee education. BCH is committed to ensuring that HR activities are carried out in a fair and equitable manner and that they comply with all EEO legislative requirements.

Orientation and Credentialing

All employees commencing with BCH or returning to duty after a period of leave greater than 12 months, are required to participate in an orientation program ensuring they understand their role and the broader organisation. Credentialing for senior clinical employees is undertaken via the interdisciplinary Senior Appointments Committee.

Employee Assistance Program

BCH acknowledges the importance of supporting employees, volunteers and their immediate families with the provision of a confidential Employee Assistance Program (EAP), providing free access to external counselling and support with experienced and qualified professionals.

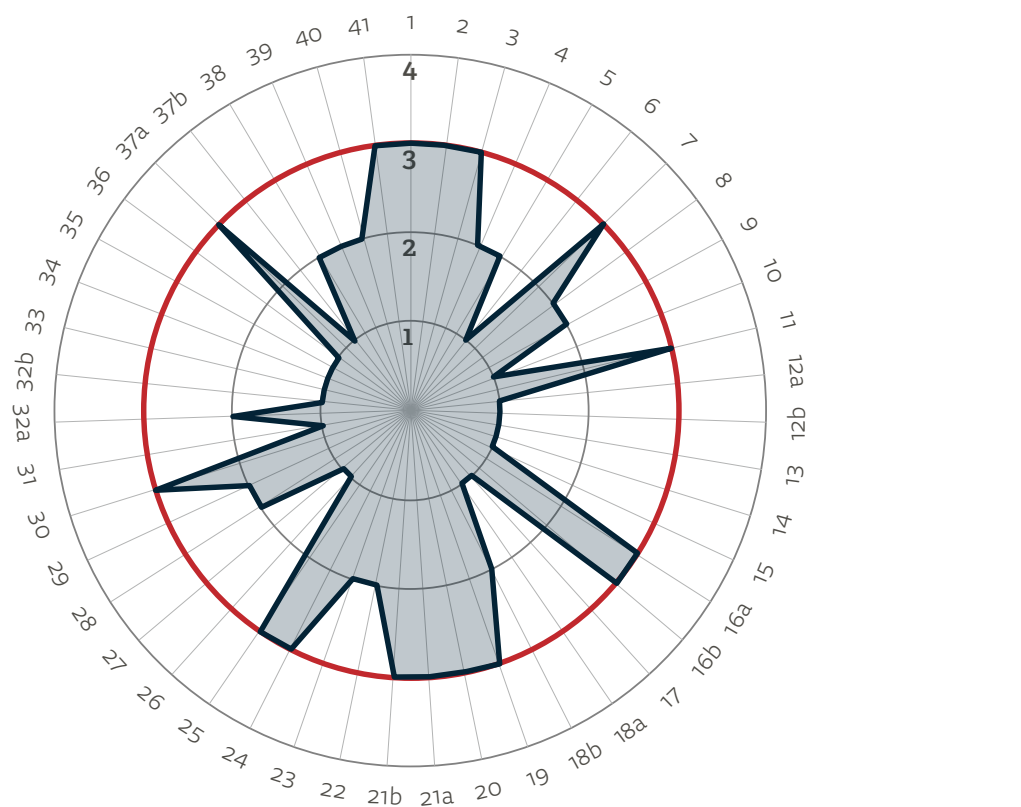
¹ Reference: <https://www.vic.gov.au/benefits-gender-equality> accessed 16-7-2021.

Asset Management Accountability Framework

The following figure summarises BCH’s assessment of maturity against the requirements of the Asset Management Accountability Framework (AMAF). The AMAF is a non-prescriptive, devolved accountability model of asset management that requires compliance with 41 mandatory requirements. These requirements can be found on the DTF website (<https://www.dtf.vic.gov.au/infrastructure-investment/asset-management-accountability-framework>).

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

BCH Asset Management Maturity



Legend

Status	Level
Not applicable	N/A
Innocence	0
Awareness	1
Developing	2
Competence	3
Optimising	4
Unassessed	U/A

	Overall assessment
	Target

Workforce Data

Full Time Equivalent (FTE) Employees

Employee Category	Current Month FTE June		Average Monthly FTE	
	2020	2021	2020	2021
Nursing	212.4	240.4	196.3	223.1
Administration and Clerical	107.6	125.9	95.4	115.6
Medical Support	45.8	45.5	46.2	44.3
Hotel and Allied Services	65.9	67.5	62.6	69.9
Medical Officers	0.0	0.0	0.0	0.0
Hospital Medical Officers	18.8	16.6	16.8	17.0
Sessional Clinicians	9.9	10.7	6.8	10.6
Ancillary Staff (Allied Health)	60.3	55.1	58.6	57.0

Occupational Violence Statistics

Occupational violence statistics	2020-21
Workcover accepted claims with an occupational violence cause per 100 FTE	0.37
Number of accepted Workcover claims with lost time injury with an occupational violence cause per 1,000,000 hours worked	1.82
Number of occupational violence incidents reported	151
Number of occupational violence incidents reported per 100 FTE	28.09
Percentage of occupational violence incidents resulting in staff injury, illness or condition	7%

Definitions of occupational violence

Occupational violence – any incident where an employee is abused, threatened or assaulted in circumstances arising out of, or in the course of their employment.

Incident – an event or circumstance that could have resulted in, or did result in, harm to an employee. Incidents of all severity rating must be included. Code Grey reporting is not included, however, if an incident occurs during the course of a planned or unplanned Code Grey (verbal or physical threat), the incident must be included.

Accepted Workcover claims – accepted Workcover claims that were lodged in 2020-21.

Lost time – is defined as greater than one day.

Injury, illness or condition – this includes all reported harm as a result of the incident, regardless of whether the employee required time off work or submitted a claim.

Occupational Health and Safety (OHS) Statistics

OHS statistics	2020-21	2019-20	2018-19
Number of reported hazards/incidents per 100 FTE staff	27.3	59.4	42.4
Number of 'lost time' standard claims per 100 FTE staff	1.65	1.86	1.32
Average cost per claim (including payments to date and an estimate of outstanding claim costs as advised by WorkSafe)	\$34,411	\$163,905	\$205,473
Circumstances / details of fatalities (where applicable)	Nil	Nil	Nil

Statement of Priorities

Part A: Strategic Priorities

In 2020–21 there were no individual deliverables for BCH due to the COVID-19 pandemic. BCH delivered on the following overarching strategic priorities as directed by the Minister for Health:

1. Maintain robust COVID-19 readiness and response, working with the Department of Health to ensure BCH rapidly responds to outbreaks, if and when they occur, which includes providing testing for the community and staff, where necessary and if required. This includes preparing to participate in, and assist with, the implementation of our COVID-19 vaccine immunisation program rollout, ensuring your local community's confidence in the program.

- Pandemic Plan – local and sub-regional in place
- Active involvement in regional cluster planning
- COVID Review undertaken
- Strong and responsive community testing service in place
- Testing tent established at Phillip Island in addition to Wonthaggi
- Strong (regulatory) focus on vaccination of residents in aged care facilities and Commonwealth funded Aged Care staff and reporting of vaccination rates to State and Commonwealth.
- Successfully managed outbreak in residential age care and avoided infection throughout 2020–21
- COVID Vaccination rollout for Residents in Aged Care Facilities complete
- Health worker vaccination clinics delivered in conjunction with the Gippsland PHU with a high uptake of vaccination in health settings.
- 7,000 community vaccinations were delivered between May and June 2021
- Activated an Incident Control Centre (ICC) during outbreaks and during times of increased level of COVID risk
- COVID-19 Response Roadmap for Bass Coast Health developed in line with DH advice to guide the organisation through different stages of COVID outbreaks. Each stage in the road map describes appropriate responses to manage the current situation.
- COVID safe plans developed for every work area so staff are agile to move in and out of the Roadmap.
- No further outbreaks occurred within the health service despite local cases and community exposure sites.
- Risk to patients, residents and staff reduced
- Community Vaccination Centre in Wonthaggi established. Engagement program focused on building empathy and rapport with staff, profiling local ambassador support for the program and exemplary customer service; troubleshooting challenges with bookings and information.



2. Engage with your community to address the needs of patients, especially our vulnerable Victorians whose care has been delayed due to the pandemic and provide the necessary “catch-up” care to support them to get back on track.

- Responded to lower number in counselling and family support – through promotion of services and direct outreach through agencies
- Vulnerable community able to access services including urgent dental care
- Increased community members received surgery from March 2021 – 30 June 2021
- Prioritised access to emergency dental for vulnerable community members
- Successfully applied for DoH surgical blitz funding to “catch up” those that missed out during earlier in the year.
- Direct Outreach to all Aboriginal and Torres Strait Islander community, employment of Aboriginal Health Liaison Officer led to increased access and take up of to Dental, counselling, and vaccinations
- Expanded residential in-reach program.

3. As providers of care, respond to the recommendations of the Royal Commission into Victoria’s Mental health System and the Royal Commission into Aged Care Quality and Safety.

Mental Health Royal Commission

- Mental Health Nurse Practitioner (LRH) engaged and providing timely local care and enhanced access to acute programs
- BCH set up for telehealth service for acute access within the Emergency Department
- Supported people access the Hospital Post Suicide Outreach Program (HOPE)
- Supported people post hospitalisation in the community
- Engaged with Latrobe Regional Hospital (LRH) in the development of an innovative model of mental health care for the Bass Coast region including trial of a Nurse Practitioner and Telehealth Model.

Aged Care Royal Commission

- Bass Coast Health meets the new reporting requirements and is better able to protect residents.
- Implemented the Serious Incident Response Scheme (SIRS) on 1 April 2021 so that reporting now includes:
 - Unreasonable use of force
 - Unlawful sexual contact or inappropriate sexual conduct
 - Psychological or emotional abuse
 - Unexpected death
 - Stealing or financial coercion by a staff member
 - Neglect
 - Inappropriate physical or chemical restraint
 - Unexplained absence from care.



- Updated policies delivered training, initiated decision aids and a process for staff reporting
- Prepared for the changes through review and update of policy and review of current practices in both Kirrak House and Griffith Point Lodge homes to ensure we meet the requirements within the legislation
- Introduced an Infection Prevention and Control Lead within Kirrak House and Griffith Point Lodge in response to COVID and Royal Commission recommendations to increase resilience to COVID outbreak and safety of residents and staff.

4. Develop and foster your local health partner relationships, which have been strengthened during the pandemic response, to continue delivering collaborative approaches to planning, procurement and service delivery at scale. This extends to prioritising innovative ways to deliver health care through shared expertise and workforce models, virtual care, co-commissioning services and surgical outpatient reform to deliver improved patient care through greater integration.

- Implement the South Coast Partnership Disability Action Plan
- Increased awareness of sub-regional commitment to employment and partnership with people with disability and carers
- Enhanced access to COVID testing within the sub-regional community
- Increased community access to COVID vaccines
- Efficient use of beds and improved patient flow across sub-region
- Implement the Health Care that Counts Framework – employ Gippsland regional position
- Allied Health educator employed across the sub-region
- Latrobe Public Health Unit – establishment and rollout of vaccination program locally
- Implementation of the Multi-Agency Risk Assessment and Management (MARAM) Framework across the sub-region
- During local outbreaks partnered with other health services to deliver COVID testing support the response
- Developed the Sub-regional Daily Operating System as a result of the Gateway Leadership Program.

Part B: Key 2020–21 Health Service Performance Priorities

High quality and safe care

Key performance measure	Target	2020–21 Result
Infection prevention and control		
Compliance with the Hand Hygiene Australia program	83%	92%
Percentage of healthcare workers immunised for influenza	90%	98%
Patient experience		
Victorian Healthcare Experience Survey – percentage of positive patient experience responses	95%	No survey conducted 2020–21
Victorian Healthcare Experience Survey – percentage of very positive responses to questions on discharge care	75%	No survey conducted 2020–21
Maternity and Newborn		
Rate of singleton term infants without birth anomalies with APGAR score	≤ 1.4%	1.0%
Rate of severe foetal growth restriction (FGR) in singleton pregnancy undelivered by 40 weeks	0	0
Continuing Care		
Functional independence gain from an episode of rehabilitation admission to discharge relative to length of stay	≥ 0.645	1.594%

Timely access to care

Key performance measure	Target	2020–21 Result
Emergency care		
Percentage of patients transferred from ambulance to emergency department within 40 minutes	90%	90%
Percentage of Triage Category 1 emergency patients seen immediately	100%	100%
Percentage of Triage Category 1 to 5 emergency patients seen within clinically recommended time	80%	84%
Percentage of emergency patients with a length of stay in the emergency department of less than four hours	81%	80%
Number of patients with a length of stay in the emergency department greater than 24 hours	0	2
Specialist clinics		
Percentage of urgent patients referred by a GP or external specialist who attended a first appointment within 30 days	100%	76.7%
Percentage of routine patients referred by GP or external specialist who attended a first appointment within 365 days	90%	91%

Effective financial management

Key performance measure	Target	2020–21 Result
Operating result (\$m)	\$0.000m	\$0.066m
Average number of days to pay trade creditors	No more than 60 days	43 days
Average number of days to receive patient fee debtors	No more than 60 days	11 days
Public and Private WIES ¹ activity performance to target	100%	96%
Adjusted current asset ratio	0.7 to 3% improvement from health service base target	1.00
Actual number of days available cash, measured on the last day of each month	14 days	Achieved
Variance between forecast and actual Net result from transactions (NRFT) for the current financial year ending 30 June.	Variance ≤ \$250,000	Not Achieved

Part C: State Funding 2020–21

Funding type	Actuals
Acute Admitted	
Acute WIES	5,244
WIES DVA	76
WIES TAC	1
Acute Non-Admitted	
Home Enteral Nutrition	77
Specialist Clinics	12,321
Subacute & Non-Acute Admitted	
Subacute WIES – Rehabilitation Public	233
Subacute WIES – Rehabilitation Private	2
Subacute WIES – GEM Public	145
Subacute WIES – GEM Private	2
Subacute WIES – Palliative Care Public	43
Subacute WIES – Palliative Care Private	0
Subacute WIES – DVA	13
Aged Care	
Residential Aged Care	17,958
HACC	7,234
Primary Health	
Community Health / Primary Care Programs	12,518
Total Funding (\$000)	73,966

Summary of Financial Results

The following table provides a summary of the financial results for the year, with comparative results for the preceding four financial years. Previous years' data is included on the same basis where possible for comparative purposes.

Operating Result for the Year Ending 30 June 2021

Operating result	2021 \$000	2020 \$000	2019 \$000	2018 \$000	2017 \$000
Total revenue	115,975	93,313	79,404	75,609	66,508
Total expenses	103,850	88,922	77,606	66,494	61,459
Net result from transactions	12,125	4,391	1,798	9,115	5,049
Total other economic flows	170	(22)	271	(143)	(4)
Net result	12,295	4,369	2,069	8,972	5,045
Total assets	108,534	89,939	81,445	75,027	58,297
Total liabilities	31,499	29,738	26,491	24,736	20,802
Net assets / Total equity	77,035	60,201	54,954	50,291	37,495

Reconciliation of Net Result from Transactions and Operating Result

Reconciliation items	2020-21 \$000
Net operating result*	66
Capital purpose income	16,612
Specific income	N/A
COVID 19 State Supply Arrangements – Assets received free of charge or for nil consideration under the State Supply	909
State supply items consumed up to 30 June 2020	(909)
Assets provided free of charge	N/A
Assets received free of charge	37
Expenditure for capital purpose	N/A
Depreciation and amortisation	(4,581)
Impairment of non-financial assets	N/A
Finance costs (other)	(9)
Net result from transactions	12,125

*The net operating result is the result which the health service is monitored against in its Statement of Priorities.

Operational and Budgetary Objectives and Factors Affecting Performance

BCH's financial performance throughout the 2020–21 year, along with achievement of activity-based targets, continued to be adversely impacted by COVID-19 coronavirus pandemic. This materially impacted how our services were funded, the cost of delivering our services, assets used to support the service delivery and the movement of other assets and liabilities. Additional operational funding received during the year from the Department of Health, of \$11.9m to support COVID-19 related costs and cash flow sustainability, enabled Bass Coast Health to report an operating surplus of \$0.066m – a favourable result compared to the breakeven target. The reported net result from transactions for the year is a surplus of \$12.1m. This result includes capital purpose income of \$16.6m and depreciation charges of \$4.6m resulting in the operating surplus noted above. The capital purpose income received during the year was predominantly aimed at funding the early works related to the Wonthaggi Hospital Expansion project. Notwithstanding the ongoing impact of COVID-19 on the operations of Bass Coast Health in the future, the health service remains committed to maintaining its financial sustainability, through the ongoing delivery of safer and more expanded services with the ongoing support from DH.

Significant Changes in Financial Positions During the Year

Bass Coast Health's total asset base grew by \$19m in 2020–21. This was predominantly due to building expansion program underway at Wonthaggi Hospital.

Events Subsequent to Balance Date

No matters or circumstances have arisen since the end of the financial year which significantly affected or may affect the operations of Bass Coast Health, the results of the operations or the state of affairs of the Health Service in the future financial years.

Consultancies Disclosure

Consultancies Under \$10,000

In 2020–21, there were two consultancies where the total fees payable to the consultants were less than \$10,000. The total expenditure incurred during 2020–21 in relation to these consultancies is \$9,300 (excl. GST).

Consultancies Over \$10,000

In 2020–21, there were three consultancies where the total fees payable to the consultants were \$10,000 or greater. The total expenditure incurred during 2020–21 in relation to these consultancies is \$144,750 (excl. GST).

Consultant	Purpose of consultancy	Start Date	End Date	Total approved project fee (ex GST)	Expenditure 2020–21 (ex GST)	Future Expenditure 2021–22 (ex GST)
Health Economics	Financial Services	1/07/2020	30/06/2021	\$ 34,250	\$ 34,250	\$ -
Peter Fitzgerald	Development of Strategic and Clinical Services Plan	1/07/2020	30/06/2021	\$ 65,000	\$ 65,000	\$ -
Digital Hospital Experts	IT Technical Requirements	1/07/2020	30/06/2021	\$ 45,500	\$ 45,500	\$ -

Information and Communications Technology (ICT) Disclosure

The total ICT expenditure incurred during 2020–21 is \$2.609 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)	Total = Operational expenditure and Capital expenditure (excluding GST) (a) + (b)	Operational expenditure (excluding GST) (a)	Capital expenditure (excluding GST) (b)
\$1.730 million	\$0.879 million	\$0.274 million	\$0.605 million

Attestations

Financial Management Compliance

I, Don Paproth, on behalf of the Responsible Body, certify that BCH has no Material Compliance Deficiency with respect to the applicable Standing Directions 2018 under the Financial Management Act 1994 and Instructions



Don Paproth, Chair, Board of Directors Bass Coast Health
21 September 2021

Data Integrity

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



Jan Child, Chief Executive Officer Bass Coast Health
21 September 2021

Conflict of Interest

I, Jan Child, certify that Bass Coast 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 Bass Coast Health 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.



Jan Child, Chief Executive Officer Bass Coast Health
21 September 2021



Integrity, Fraud and Corruption

I, Jan Child, certify that BCH has put in place appropriate internal controls and processes to ensure that integrity, fraud and corruption risks have been reviewed and addressed at BCH during the year.

Jan Child, Chief Executive Officer Bass Coast Health
21 September 2021



Disclosure Index

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

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Financial Statements – Financial Year Ended 30 June 2021

Board Member's, Accountable Officer's and Chief Finance and Accounting Officer's Declaration

The attached financial statements for Bass Coast 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 2020 and the financial position of Bass Coast Health at 30 June 2020.

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 21 September 2021.

Member of Responsible Body



Don Paproth
Chair
Wonthaggi
21 September 2021

Accountable Officer



Jan Child
Chief Executive Officer
Wonthaggi
21 September 2021

Chief Finance and
Accountable Officer



Shaun Brooks
Chief Finance and
Accounting Officer
Wonthaggi
21 September 2021

Independent Auditor's Report 2020–21

VAGO

Victorian Auditor-General's Office

Independent Auditor's Report

To the Board of Bass Coast Health

Opinion	<p>I have audited the financial report of Bass Coast Health (the health service) which comprises the:</p> <ul style="list-style-type: none">• balance sheet as at 30 June 2021• comprehensive operating statement for the year then ended• statement of changes in equity for the year then ended• cash flow statement for the year then ended• notes to the financial statements, including significant accounting policies• board member's, accountable officer's and chief finance & accounting officer's declaration.
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In my opinion the financial report presents fairly, in all material respects, the financial position of the health service as at 30 June 2021 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 7 of the *Financial Management Act 1994* and applicable Australian Accounting Standards.

Basis for Opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the health service in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's <i>APES 110 Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
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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>
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Auditor's responsibilities for the audit of the financial report

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

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

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

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

Dominika Ryan

as delegate for the Auditor-General of Victoria

MELBOURNE
1 October 2021



Start of Financials

Bass Coast Health Comprehensive Operating Statement For the Financial Year Ended 30 June 2021

		Total 2021 \$'000	Total 2020 \$'000
Revenue and income from transactions			
Operating activities	2.1	115,888	93,039
Non-operating activities	2.1	87	274
Total revenue and income from transactions		115,975	93,313
Expenses from transactions			
Employee expenses	3.1	(74,543)	(65,581)
Supplies and consumables	3.1	(14,900)	(10,974)
Finance costs	3.1	(9)	(22)
Depreciation and amortisation	4.2	(4,581)	(4,156)
Other administrative expenses	3.1	(6,495)	(5,248)
Other operating expenses	3.1	(3,322)	(2,941)
Total Expenses from transactions		(103,850)	(88,922)
Net result from transactions - net operating balance		12,125	4,391
Other economic flows included in net result			
Net gain/(loss) on sale of non-financial assets	3.4	40	8
Net gain/(loss) on financial instruments	3.4	(52)	-
Other gain/(loss) from other economic flows	3.4	182	(30)
Total other economic flows included in net result		170	(22)
Net result for the year		12,295	4,369
Other comprehensive income			
Items that will not be reclassified to net result			
Changes in property, plant and equipment revaluation surplus	4.1(b)	1,903	-
Total other comprehensive income		1,903	-
Comprehensive result for the year		14,198	4,369

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

Bass Coast Health Balance Sheet as at 30 June 2021

	Note	Total 2021 \$'000	Total 2020 \$'000
Current assets			
Cash and cash equivalents	6.2	26,968	24,958
Receivables and contract assets	5.1	1,201	1,326
Inventories	4.3	227	226
Prepaid expenses		579	461
Total current assets		28,975	26,971
Non-current assets			
Receivables and contract assets	5.1	2,193	2,394
Property, plant and equipment	4.1 (a)	77,366	60,574
Total non-current assets		79,559	62,968
Total assets		108,534	89,939
Current liabilities			
Payables and contract liabilities	5.2	9,066	5,878
Borrowings	6.1	354	3,104
Employee benefits	3.2	12,362	11,870
Other liabilities	5.3	7,206	6,499
Total current liabilities		28,988	27,351
Non-current liabilities			
Borrowings	6.1	760	660
Employee benefits	3.2	1,751	1,727
Total non-current liabilities		2,511	2,387
Total liabilities		31,499	29,738
Net assets		77,035	60,201
Equity			
Property, plant and equipment revaluation surplus	4.1(f)	26,915	25,012
Restricted specific purpose reserve		293	293
Contributed capital		19,410	16,774
Accumulated surplus/(deficit)		30,417	18,122
Total equity		77,035	60,201

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

**Bass Coast Health
Statement of Changes in Equity
For the Financial Year Ended 30 June 2021**

Total	Property, Plant and Equipment Revaluation Surplus	Restricted Specific Purpose Reserve	Contributed Capital	Accumulated Surplus/(Deficits)	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2019	25,012	293	15,896	13,753	54,954
Net result for the year	-	-	-	4,369	4,369
Return of contributed capital	-	-	878	-	878
Balance at 30 June 2020	25,012	293	16,774	18,122	60,201
Net result for the year	-	-	-	12,295	12,295
Other comprehensive income for the year	1,903	-	-	-	1,903
Return of contributed capital	-	-	2,636	-	2,636
Balance at 30 June 2021	26,915	293	19,410	30,417	77,035

Note

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

**Bass Coast Health
Cash Flow Statement
For the Financial Year Ended 30 June 2021**

	Note	Total 2021 \$'000	Total 2020 \$'000
Cash Flows from operating activities			
Operating grants from government		92,338	79,185
Capital grants from government - State		15,751	6,326
Capital grants from government - Commonwealth		122	-
Patient fees received		3,315	3,525
Donations and bequests received		12	47
Interest and investment income received		-	4
Commercial income received		210	260
Other receipts		2,748	2,309
Total receipts		114,496	91,656
Employee expenses paid		(73,666)	(64,989)
Payments for supplies and consumables		(12,861)	(11,662)
Payments for medical indemnity insurance		(887)	(844)
Payments for repairs and maintenance		(1,215)	(1,075)
Finance Costs		(9)	(22)
GST paid to ATO		(105)	(128)
Cash outflow for leases		(356)	(221)
Other payments		(5,419)	(4,300)
Total payments		(94,518)	(83,241)
Net cash flows from/(used in) operating activities	8.1	19,978	8,415
Cash Flows from investing activities			
Purchase of property, plant and equipment		(19,385)	(10,950)
Capital donations and bequests received		739	721
Other Capital Receipts		87	274
Proceeds from disposal of property, plant and equipment		40	8
Net cash flows from/(used in) investing activities		(18,519)	(9,947)
Cash flows from financing activities			
Advance from government		-	2,840
Repayment of borrowings		(2,677)	(1,557)
Contributed capital from government		2,636	878
Net receipt of monies held in trust		704	702
Net cash flows from/(used in) financing activities		663	2,863
Net increase/(decrease) in cash and cash equivalents held		2,122	1,331
Cash and cash equivalents at beginning of year		24,303	22,972
Cash and cash equivalents at end of year	6.2	26,425	24,303

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



Notes to the Financial Statements

Bass Coast Health Notes to the Financial Statements For the Financial Year Ended 30 June 2021

Note 1: Basis of preparation

Structure

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



Bass Coast Health Notes to the Financial Statements For the Financial Year Ended 30 June 2021

Note 1: Basis of preparation

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

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

Note 1.1: Basis of preparation of the financial statements

These financial statements are general purpose financial statements which have been prepared in accordance with the *Financial Management Act 1994* and applicable Australian Accounting Standards, which include interpretations issued by the Australian Accounting Standards Board (AASB). They are presented in a manner consistent with the requirements of AASB 101 *Presentation of Financial Statements*.

The financial statements also comply with relevant Financial Reporting Directions (FRDs) issued by the Department of Treasury and Finance (DTF), and relevant Standing Directions (SDs) authorised by the Assistant Treasurer.

Bass Coast 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.

Bass Coast Health operates on a fund accounting basis and maintains three funds: Operating, Specific Purpose and Capital Funds.

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

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

The financial statements are in Australian dollars.

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 Bass Coast Health and its controlled entities on 21 September 2021.

Bass Coast Health Notes to the Financial Statements For the Financial Year Ended 30 June 2021

Note 1.2 Impact of COVID-19 pandemic

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

Bass Coast Health introduced a range of measures in both the prior and current year, including:

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

As restrictions eased towards the end of the financial year Bass Coast Health has revised some measures where appropriate including recommencement of elective surgery, reduction of restrictions for visitors and the partial return to onsite work for staff.

Further information on the impacts of the pandemic are disclosed at:

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

Note 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
BCH	Bass Coast Health
DH	Department of Health
DTF	Department of Treasury and Finance
FMA	Financial Management Act 1994
FRD	Financial Reporting Direction
SD	Standing Direction
VAGO	Victorian Auditor General's Office
WIES	Weighted Inlier Equivalent Separation

Note 1.4 Joint arrangements

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

Bass Coast Health has the following joint arrangements:

- Gippsland Health Alliance - Joint Operation

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

Bass Coast Health Notes to the Financial Statements For the Financial Year Ended 30 June 2021

Note 1.5 Key accounting estimates and judgements

Management make estimates and judgements when preparing the financial statements.

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

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

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

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

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



Bass Coast Health Notes to the Financial Statements For the Financial Year Ended 30 June 2021

Note 1.7 Goods and Services Tax (GST)

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

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

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

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

Note 1.8 Reporting Entity

The financial statements include all the controlled activities of Bass Coast Health.

Its principal address is:

235-237 Graham Street
Wonthaggi, Victoria 3995

A description of the nature of Bass Coast 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

Bass Coast Health's overall objective is to provide quality health service that support and enhance the wellbeing of all Victorians. Bass Coast Health is predominantly funded by grant funding for the provision of outputs. Bass Coast 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 increased during the financial year which was partially attributable to the COVID-19 Coronavirus pandemic.

Activity Based Funding decreased as the level of activity agreed in the Statement of Priorities couldn't be delivered due to reductions in the number of patients being treated at various times throughout the financial year.

This was offset by funding provided by the Department of Health to compensate for reductions in revenue and to cover certain direct and indirect COVID-19 related costs.

Funding provided included:

- COVID-19 grants to fund costs associated with pandemic planning and preparation
- Sustainability funding to support cash flow
- Additional elective surgery funding to assist in increasing surgery throughput as restrictions eased during the year

Key judgements and estimates

This section contains the following key judgements and estimates:

Key judgements and estimates	Description
Identifying performance obligations	<p>Bass Coast Health applies significant judgement when reviewing the terms and conditions of funding agreements and contracts to determine whether they contain sufficiently specific and enforceable performance obligations.</p> <p>If this criteria is met, the contract/funding agreement is treated as a contract with a customer, requiring Bass Coast Health to recognise revenue as or when the health service transfers promised goods or services to customers.</p> <p>If this criteria is not met, funding is recognised immediately in the net result from operations.</p>
Determining timing of revenue recognition	<p>Bass Coast 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.</p>
Determining time of capital grant income recognition	<p>Bass Coast 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.</p>



Note 2.1 Revenue and income from transactions

	Total 2021 \$'000	Total 2020 \$'000
Operating activities		
Revenue from contracts with customers		
Government grants (State) - Operating	54,310	53,455
Government grants (Commonwealth) - Operating	10,021	8,150
Patient and resident fees	3,294	3,211
Commercial activities ¹	210	260
Total revenue from contracts with customers	67,835	65,076
Other sources of income		
Government grants (State) - Operating	25,841	16,855
Government grants (State) - Capital	15,751	6,326
Government grants (Commonwealth) - Capital	122	-
Capital donations	739	721
Assets received free of charge or for nominal consideration	946	134
Other revenue from operating activities (including non-capital donations)	4,654	3,927
Total other sources of income	48,053	27,963
Total revenue and income from operating activities	115,888	93,039
Non-operating activities		
Income from other sources		
Capital interest	87	274
Total other sources of income	87	274
Total income from non-operating activities	87	274
Total revenue and income from transactions	115,975	93,313

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

How we recognise revenue and income from transactions

Government operating grants

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

When both these conditions are satisfied, the health service:

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

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

- recognises the asset received in accordance with the recognition requirements of other applicable Accounting Standards (for example, AASB 9, AASB 16, AASB 116 and AASB 138)
- recognises related amounts (being contributions by owners, lease liabilities, financial instruments, provisions, revenue or contract liabilities from a contract with a customer), and
- recognises income immediately in profit or loss as the difference between the initial carrying amount of the asset and the related amount.

Note 2.1 Revenue and income from transactions (continued)

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

Government grant	Performance obligation
Activity Based Funding (ABF) paid as Weighted Inlier Equivalent Separation (WIES) casemix	<p>The performance obligations for ABF are the number and mix of patients admitted to hospital (defined as 'casemix') in accordance with the levels of activity agreed to, with the Department of Health in the annual Statement of Priorities.</p> <p>Revenue is recognised at a point in time, which is when a patient is discharged, in accordance with the WIES activity when an episode of care for an admitted patient is completed.</p> <p>WIES activity is a cost weight that is adjusted for time spent in hospital, and represents a relative measure of resource use for each episode of care in a diagnosis related group.</p>
Commonwealth Home Support Program	<p>The Commonwealth Home Support Program provides funding to Bass Coast Health to enable the delivery of high quality support services to eligible people. Bass Coast Health has activity targets to be satisfied across a number of areas including Nursing, Social and Specialist Support Groups. Revenue is recognised, over time, as and when the services are delivered.</p>

Capital grants

Where Bass Coast 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 Bass Coast 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 over 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 over time as the performance obligation, the provision of facilities, is provided to customers.

Commercial activities

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

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

	2021 \$'000	2020 \$'000
Plant and equipment	37	-
Resources received free of charge under State supply arrangements	909	134
Total fair value of assets and services received free of charge or for nominal consideration	946	134

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 Bass Coast 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, the purchasing of essential personal protective equipment (PPE) and other essential plant and equipment was centralised.

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

Contributions

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

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

Bass Coast Health recognises income immediately in the profit or loss as the difference between the initial fair value of the asset and the related amounts.

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

Non-cash contributions from the Department of Health

The Department of Health makes some payments on behalf of Bass Coast Health as follows:

Supplier	Description
Victorian Managed Insurance Authority	The Department of Health purchases non-medical indemnity insurance for Bass Coast 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 set out in the relevant Department of Health Hospital Circular.



Note 2.3 Other income

	2021 \$'000	2020 \$'000
Capital interest	87	274
Total other income	87	274

How we recognise other income
Interest Income

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





Note 3: The cost of delivering our services

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

Structure

3.1 Expenses from transactions

3.2 Employee benefits in the balance sheet

3.3 Superannuation

3.4 Other economic flows

Telling the COVID-19 story

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

Additional costs were incurred to:

- establish specific areas within Bass Coast Health for the treatment of suspected and admitted COVID patients resulting in an increase in employee costs and additional equipment purchases
- implement COVID safe practices throughout Bass Coast Health including increased cleaning, increased security, consumption of personal protective equipment provided as resources free of charge
- establish COVID testing clinics resulting in an increase in employee costs and hire of equipment costs
- establish a vaccination clinic to administer vaccines to staff and the community resulting in an increase in employee costs

Key judgements and estimates

This section contains the following key judgements and estimates:

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

Note 3.1 Expenses from transactions

Note	Total 2021 \$'000	Total 2020 \$'000
Salaries and wages	59,633	51,983
On-costs	5,122	4,428
Agency expenses	4,884	3,927
Fee for service medical officer expenses	3,801	4,623
Workcover premium	1,103	620
Total employee expenses	74,543	65,581
Drug supplies	2,813	1,282
Medical and surgical supplies (including Prostheses)	3,767	2,623
Diagnostic and radiology supplies	3,423	2,694
Other supplies and consumables	4,897	4,375
Total supplies and consumables	14,900	10,974
Finance costs	9	22
Total finance costs	9	22
Other administrative expenses	6,495	5,248
Total other administrative expenses	6,495	5,248
Fuel, light, power and water	864	801
Repairs and maintenance	596	690
Maintenance contracts	619	385
Medical indemnity insurance	887	844
Expenses related to short term leases	356	219
Expenses related to leases of low value assets	-	2
Total other operating expenses	3,322	2,941
Total operating expense	99,269	84,766
Depreciation and amortisation	4,581	4,156
Total depreciation and amortisation	4,581	4,156
Total non-operating expense	4,581	4,156
Total expenses from transactions	103,850	88,922



Note 3.1 Expenses from transactions (continued)

How we recognise expenses from transactions

Expense recognition

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

Employee expenses

Employee expenses include:

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

Supplies and consumables

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

Finance costs

Finance costs include:

- interest on bank overdrafts and short-term and long-term borrowings (Interest expense is recognised in the period in which it is incurred)
- amortisation of discounts or premiums relating to borrowings
- amortisation of ancillary costs incurred in connection with the arrangement of borrowings and
- 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 Bass Coast 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 Employee benefits in the balance sheet

	Total 2021 \$'000	Total 2020 \$'000
Current provisions		
<i>Accrued days off</i>		
Unconditional and expected to be settled wholly within 12 months ⁱ	174	167
	174	167
<i>Annual leave</i>		
Unconditional and expected to be settled wholly within 12 months ⁱ	4,606	3,967
Unconditional and expected to be settled wholly after 12 months ⁱⁱ	799	693
	5,405	4,660
<i>Long service leave</i>		
Unconditional and expected to be settled wholly within 12 months ⁱ	616	616
Unconditional and expected to be settled wholly after 12 months ⁱⁱ	4,917	5,226
	5,533	5,842
<i>Provisions related to employee benefit on-costs</i>		
Unconditional and expected to be settled within 12 months ⁱ	607	535
Unconditional and expected to be settled after 12 months ⁱⁱ	643	666
	1,250	1,201
Total current employee benefits	12,362	11,870
Non-current provisions		
Conditional long service leave	1,574	1,553
Provisions related to employee benefit on-costs	177	174
Total non-current employee benefits	1,751	1,727
Total employee benefits	14,113	13,597

ⁱThe amounts disclosed are nominal amounts.

ⁱⁱThe amounts disclosed are discounted to present values.

How we recognise employee benefits

Employee benefit recognition

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

Provisions

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

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

Annual leave and accrued days off

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

On-Costs Related to Employee Benefits

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

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

	Total 2021 \$'000	Total 2020 \$'000
Unconditional accrued days off	194	186
Unconditional annual leave entitlements	6,013	5,185
Unconditional long service leave entitlements	6,155	6,499
Total current employee benefits and related on-costs	12,362	11,870
Conditional long service leave entitlements	1,751	1,727
Total non-current employee benefits and related on-costs	1,751	1,727
Total employee benefits and related on-costs	14,113	13,597
Carrying amount at start of year	13,597	11,576
Additional provisions recognised	6,164	6,332
Amounts incurred during the year	(5,648)	(4,311)
Carrying amount at end of year	14,113	13,597

Note 3.3 Superannuation

	Paid Contribution for the Year		Contribution Outstanding at Year End	
	Total 2021 \$'000	Total 2020 \$'000	Total 2021 \$'000	Total 2020 \$'000
Defined Benefit Plans:ⁱ				
First State Super	103	105	12	14
Defined Contribution Plans:				
First State Super	2,534	2,340	283	311
Hesta	1,537	1,353	183	172
Other	942	581	116	93
Total	5,116	4,379	594	590

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 Bass Coast 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 Bass Coast Health to the superannuation plans in respect of the services of current Bass Coast 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.

Bass Coast 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 Bass Coast Health.

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

Defined contribution superannuation plans

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

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

Note 3.4 Other economic flows

	Total 2021 \$'000	Total 2020 \$'000
Net gain/(loss) on disposal of property plant and equipment	40	8
Total net gain/(loss) on non-financial assets	40	8
Allowance for impairment losses of contractual receivables	(52)	-
Total net gain/(loss) on financial instruments	(52)	-
Net gain/(loss) arising from revaluation of long service liability	182	(30)
Total other gains/(losses) from other economic flows	182	(30)
Total gains/(losses) from other economic flows	170	(22)

How we recognise other economic flows

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

- the revaluation of the present value of the long service leave liability due to changes in the bond interest rates and
- reclassified amounts relating to equity instruments from the reserves to retained surplus/(deficit) due to a disposal or derecognition of the financial instrument. This does not include reclassification between equity accounts due to machinery of government changes or 'other transfers' of assets.

Net gain/(loss) on non-financial assets

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

- net gain/(loss) on disposal of non-financial assets
- any gain or loss on the disposal of non-financial assets is recognised at the date of disposal.

Net gain/ (loss) on financial instruments

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

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

Note 4: Key assets to support service delivery

Bass Coast 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 Bass Coast Health to be utilised for delivery of those outputs.

Structure

- 4.1 Property, plant & equipment
- 4.2 Depreciation and amortisation
- 4.3 Inventories

Telling the COVID-19 story

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

Key judgements and estimates

This section contains the following key judgements and estimates:

Key judgements and estimates	Description
Measuring fair value of property, plant and equipment and investment properties	<p>Bass Coast Health obtains independent valuations for its non-current assets at least once every five years.</p> <p>If an independent valuation has not been undertaken at balance date, Bass Coast Health estimates possible changes in fair value since the date of the last independent valuation with reference to Valuer-General of Victoria indices.</p> <p>Managerial adjustments are recorded if the assessment concludes a material change in fair value has occurred. Where exceptionally large movements are identified, an interim independent valuation is undertaken.</p>
Estimating useful life and residual value of property, plant and equipment	<p>Bass Coast Health assigns an estimated useful life to each item of property, plant and equipment, whilst also estimating the residual value of the asset, if any, at the end of the useful life. This is used to calculate depreciation of the asset.</p> <p>Bass Coast Health reviews the useful life, residual value and depreciation rates of all assets at the end of each financial year and where necessary, records a change in accounting estimate.</p>
Estimating useful life of right-of-use assets	<p>The useful life of each right-of-use asset is typically the respective lease term, except where Bass Coast Health 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>Bass Coast Health applies significant judgement to determine whether or not it is reasonably certain to exercise such purchase options.</p>
Estimating restoration costs at the end of a lease	<p>Where a lease agreement requires Bass Coast Health to restore a right-of-use asset to its original condition at the end of a lease, Bass Coast Health estimates the present value of such restoration costs. This cost is included in the measurement of the right-of-use asset, which is depreciated over the relevant lease term.</p>
Estimating the useful life of intangible assets	<p>Bass Coast Health assigns an estimated useful life to each intangible asset with a finite useful life, which is used to calculate amortisation of the asset.</p>
Identifying indicators of impairment	<p>At the end of each year, Bass Coast 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, Bass Coast Health tests the asset for impairment.</p> <p>Bass Coast Health 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 Bass Coast Health 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, Bass Coast Health applies significant judgement and estimate to determine the recoverable amount of the asset.</p>

Note 4.1 (a) Gross carrying amount and accumulated depreciation

	Total 2021 \$'000	Total 2020 \$'000
Land at fair value - Freehold	9,577	7,674
Total land at fair value	9,577	7,674
Buildings at cost	6,406	2,639
Less accumulated depreciation	(131)	(8)
Total buildings at cost value	6,275	2,631
Buildings at fair value	38,948	38,948
Less accumulated depreciation	(5,980)	(3,005)
Total buildings at fair value	32,968	35,943
Works in progress at fair value	20,063	7,721
Total land and buildings	68,883	53,969
Plant and equipment at fair value	9,197	8,075
Less accumulated depreciation	(5,293)	(4,761)
Total plant and equipment at fair value	3,904	3,314
Motor vehicles at fair value	1,115	1,388
Less accumulated depreciation	(1,040)	(1,269)
Total motor vehicles at fair value	75	119
Medical equipment at fair value	7,826	6,511
Less accumulated depreciation	(4,612)	(4,153)
Total medical equipment at fair value	3,214	2,358
Computer equipment at fair value	1,883	1,508
Less accumulated depreciation	(1,486)	(1,256)
Total computer equipment at fair value	397	252
Furniture and fittings at fair value	955	955
Less accumulated depreciation	(688)	(623)
Total furniture and fittings at fair value	267	332
Right of use plant, equipment, furniture, fittings and vehicles at fair value	822	316
Less accumulated depreciation	(196)	(86)
Total right of use plant, equipment, furniture, fittings and vehicles at fair value	626	230
Total plant, equipment, furniture, fittings and vehicles at fair value	8,483	6,605
Total property, plant and equipment	77,366	60,574

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

Total	Note	Land \$'000	Buildings \$'000	Plant & equipment \$'000	Motor vehicles \$'000	Medical Equipment \$'000	Computer Equipment \$'000	Furniture & Fittings \$'000	Right of use - PPE, F&V \$'000	Assets under construction \$'000	Total \$'000
Balance at 1 July 2019		7,674	38,948	2,206	151	2,070	303	402	155	1,717	53,626
Additions		-	934	1,509	23	651	117	-	161	7,709	11,104
Disposals		-	-	-	-	-	-	-	-	-	-
Net Transfers between classes		-	1,705	-	-	-	-	-	-	(1,705)	-
Depreciation	4.2	-	(3,013)	(401)	(55)	(363)	(168)	(69)	(86)	-	(4,156)
Balance at 30 June 2020	4.1 (a)	7,674	38,574	3,314	119	2,358	252	333	230	7,721	60,574
Additions		-	2,296	1,147	-	1,277	375	-	512	13,826	19,433
Disposals		-	-	-	-	-	-	-	-	-	-
Assets provided free of charge		-	-	-	-	37	-	-	-	-	37
Revaluation increments/(decrements)		1,903	-	-	-	-	-	-	-	-	1,903
Net Transfers between classes		-	1,472	12	-	-	-	-	-	(1,484)	-
Depreciation	4.2	-	(3,099)	(569)	(44)	(458)	(230)	(65)	(116)	-	(4,581)
Balance at 30 June 2021	4.1 (a)	9,577	39,243	3,904	75	3,214	397	267	626	20,063	77,366

Land and Buildings and Leased Assets Carried at Valuation

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

How we recognise property, plant and equipment

Property, plant and equipment are tangible items that are used by Bass Coast 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 (excluding right-of-use assets) are subsequently measured at fair value less accumulated depreciation and impairment losses where applicable.

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

Further information regarding fair value measurement is disclosed below.

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, Bass Coast 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 (VGV) indices.

An adjustment is recognised if the assessment concludes that the fair value of land and buildings has changed by 10% or more since the last revaluation (whether that be the most recent independent valuation or managerial valuation). Any estimated change in fair value of less than 10% is deemed immaterial to the financial statements and no adjustment is recorded. Where the assessment indicates there has been an exceptionally material movement in the fair value of land and buildings since the last independent valuation, being equal to or in excess of 40%, Bass Coast Health would obtain an interim independent valuation prior to the next scheduled independent valuation.

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

- increase in fair value of land of 24.8% (\$1,903,000)

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

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

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

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

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

Impairment

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

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

How we recognise right-of-use assets

Where Bass Coast 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. Bass Coast Health presents its right-of-use assets as part of property, plant and equipment as if the asset was owned by Bass Coast Health.

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

Class of right-of-use asset	Lease term
Leased plant, equipment, furniture, fittings and vehicles	2 to 5 years

Presentation of right-of-use assets

Bass Coast Health presents right-of-use assets as 'property plant equipment' unless they meet the definition of investment property, in which case they are disclosed as 'investment property' in the balance sheet.

Initial recognition

When a contract is entered into, Bass Coast 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.

Subsequent measurement

Right-of-use assets are subsequently measured at cost less accumulated depreciation and accumulated impairment losses where applicable. Right-of-use assets are also adjusted for certain remeasurements of the lease liability (for example, when a variable lease payment based on an index or rate becomes effective).

Impairment

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

Bass Coast Health performed an impairment assessment and noted there were no indications of its right-of-use assets being impaired at balance date.

Note 4.1 (c) Fair value measurement hierarchy for assets

	Note	Total Carrying Amount 30 June 2021 \$'000	Fair value measurement at end of reporting period using:		
			Level 1 ⁱ \$'000	Level 2 ⁱ \$'000	Level 3 ⁱ \$'000
Specialised land		9,577	-	-	9,577
Total land at fair value	4.1 (a)	9,577	-	-	9,577
Specialised buildings		32,968	-	-	32,968
Total buildings at fair value	4.1 (a)	32,968	-	-	32,968
Plant and equipment at fair value	4.1 (a)	3,904	-	-	3,904
Motor vehicles at fair value	4.1 (a)	75	-	75	-
Medical equipment at Fair Value	4.1 (a)	3,214	-	-	3,214
Computer equipment at fair value	4.1 (a)	397	-	-	397
Furniture and fittings at fair value	4.1 (a)	267	-	-	267
Right of use PPE, furniture & fittings and vehicles	4.1 (a)	626	-	626	-
Total plant, equipment, furniture, fittings and vehicles at fair value		8,483	-	701	7,782
Total property, plant and equipment at fair value		51,028	-	701	50,327

	Note	Total Carrying Amount 30 June 2020 \$'000	Fair value measurement at end of reporting period using:		
			Level 1 ⁱ \$'000	Level 2 ⁱ \$'000	Level 3 ⁱ \$'000
Specialised land		7,674	-	-	7,674
Total land at fair value	4.1 (a)	7,674	-	-	7,674
Specialised buildings		35,943	-	-	35,943
Total buildings at fair value	4.1 (a)	35,943	-	-	35,943
Plant and equipment at fair value	4.1 (a)	3,314	-	-	3,314
Motor vehicles at fair value	4.1 (a)	119	-	119	-
Medical equipment at Fair Value	4.1 (a)	2,358	-	-	2,358
Computer equipment at fair value	4.1 (a)	252	-	-	252
Furniture and fittings at fair value	4.1 (a)	332	-	-	332
Right of use PPE, furniture & fittings and vehicles	4.1 (a)	230	-	230	-
Total plant, equipment, furniture, fittings and vehicles at fair value		6,605	-	349	6,256
Total Property, Plant and Equipment		50,222	-	349	49,873

i Classified in accordance with the fair value hierarchy.

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

		Land	Buildings	Plant & Equipmen	Medical Equipment	Computer Equipment	Furniture & Fittings
	Note	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Total							
Balance at 1 July 2019	4.1 (b)	7,674	38,948	2,206	2,070	303	402
Additions/(Disposals)	4.1 (b)	-	934	1,509	651	117	-
Net Transfers between classes	4.1 (b)	-	1,705	-	-	-	-
Gains/(Losses) recognised in net result							
- Depreciation and amortisation	4.2	-	(3,013)	(401)	(363)	(168)	(69)
Items recognised in other comprehensive income							
- Revaluation		-	-	-	-	-	-
Balance at 30 June 2020	4.1 (c)	7,674	38,574	3,314	2,358	252	333
Additions/(Disposals)	4.1 (b)	-	2,296	1,147	1,277	375	-
Assets provided free of charge		-	-	-	37	-	-
Net Transfers between classes	4.1 (b)	-	1,472	12	-	-	-
Gains/(Losses) recognised in net result							
- Depreciation and Amortisation	4.2	-	(3,099)	(569)	(458)	(230)	(65)
Items recognised in other comprehensive income							
- Revaluation		1,903	-	-	-	-	-
Balance at 30 June 2021	4.1 (c)	9,577	39,243	3,904	3,214	397	267

¹ Classified in accordance with the fair value hierarchy, refer Note 4.1(c).

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

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

ⁱ A community service obligation (CSO) of 20% was applied to Bass Coast Health specialised land.

How we measure fair value

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

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

In addition, Bass Coast 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.

The Valuer-General Victoria (VGV) is Bass Coast Health's independent valuation agency.

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

Valuation hierarchy

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

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

Identifying unobservable inputs (level 3) fair value measurements

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

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

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

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

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

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

Non-specialised land, non-specialised buildings and cultural assets

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

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

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

Specialised land and specialised buildings

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

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

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

The CSO adjustment 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 Bass Coast 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 Bass Coast Health's specialised land and specialised buildings was performed by the Valuer-General Victoria. The effective date of the valuation is 30 June 2019.

Vehicles

Bass Coast 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 Bass Coast Health who set relevant depreciation rates during use to reflect the consumption of the vehicles. As a result, the fair value of vehicles does not differ materially from the carrying amount (depreciated cost).

Furniture, fittings, plant and equipment

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

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

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

Note	Total	Total
	2021 \$'000	2020 \$'000
	25,012	25,012
	26,915	25,012
4.1 (b)	1,903	-
	26,915	25,012
	7,221	5,318
	19,694	19,694
	26,915	25,012

* Represented by:

- Land
- Buildings

Note 4.2 Depreciation and amortisation

Depreciation

Buildings
Plant and equipment
Motor vehicles
Medical equipment
Computer equipment
Furniture and fittings
Right of use assets
- Right of use plant, equipment and vehicles
Total depreciation

Total	Total
2021	2020
\$'000	\$'000
3,099	3,013
569	401
44	55
458	363
230	168
65	69
116	86
4,581	4,156

How we recognise depreciation

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

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

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

	2021	2020
Buildings		
- Structure shell building fabric	7 to 45 Years	7 to 45 Years
- Site engineering services and central plant	7 to 25 Years	7 to 25 Years
Central Plant		
- Fit out	7 Years	7 Years
- Trunk reticulated building system	7 to 25 years	7 to 25 years
Plant and equipment	5 to 10 years	5 to 10 years
Medical equipment	5 to 20 years	5 to 20 years
Computer equipment	3 to 5 years	3 to 5 years
Motor vehicles	5 years	5 years
Leasehold improvements	5 to 10 years	5 to 10 years

As part of the building valuation, building values are separated into components and each component assessed for its useful life which is represented above.



Note 4.3 Inventories

Pharmacy supplies at cost
General stores at cost
Total inventories

	Total 2021 \$'000	Total 2020 \$'000
Pharmacy supplies at cost	114	90
General stores at cost	113	136
Total inventories	227	226

How we recognise inventories

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





Note 5: Other assets and liabilities

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

Structure

5.1 Receivables and contract assets

5.2 Payables and contract liabilities

5.3 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	Bass Coast 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 deferred capital grant income	Where Bass Coast Health has received funding to construct an identifiable non-financial asset, such funding is recognised as deferred capital grant income until the underlying asset is constructed. Bass Coast Health applies significant judgement when measuring the deferred capital grant income balance, which references the estimated stage of completion at the end of each financial year.
Measuring contract liabilities	Bass Coast 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 and contract assets

Note	Total 2021 \$'000	Total 2020 \$'000
Current receivables and contract assets		
Contractual		
Trade debtors	146	414
Patient fees	86	107
Accrued revenue	248	177
Amounts receivable from governments and agencies	405	423
GHA IT Alliance	89	90
Provision for impairment	(120)	(127)
Total contractual receivables	854	1,084
Statutory		
GST receivable	347	242
Total statutory receivables	347	242
Total current receivables and contract assets	1,201	1,326
Non-current receivables and contract assets		
Contractual		
Long service leave - Department of Health	2,193	2,394
Total contractual receivables	2,193	2,394
Total non-current receivables and contract assets	2,193	2,394
Total receivables and contract assets	3,394	3,720
<i>(i) Financial assets classified as receivables and contract assets (Note 7.1(a))</i>		
Total receivables and contract assets	3,394	3,720
Provision for impairment	120	127
GST receivable	(347)	(242)
Total financial assets	7.1(a) 3,167	3,605

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

	Total 2021 \$'000	Total 2020 \$'000
Balance at the beginning of the year	127	155
Increase in allowance	52	-
Amounts written off during the year	(59)	(28)
Reversal of allowance written off during the year as uncollectable	-	-
Balance at the end of the year	120	127

How we recognise receivables

Receivables consist of:

- **Contractual receivables**, which mostly includes amounts owing from the Victorian Government and debtors in relation to goods and services. These receivables are classified as financial instruments and categorised as 'financial assets at amortised costs'. They are initially recognised at fair value plus any directly attributable transaction costs. The health service holds the contractual receivables with the objective to collect the contractual cash flows and therefore they are subsequently measured at amortised cost using the effective interest method, less any impairment.
- **Statutory receivables**, which mostly includes 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.

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

Impairment losses of contractual receivables

Refer to Note 7.1 (a) for Bass Coast Health's contractual impairment losses.

Note 5.2 Payables and contract liabilities

	Note	Total 2021 \$'000	Total 2020 \$'000
Current payables and contract liabilities			
Contractual			
Trade creditors		622	315
Accrued salaries and wages		459	280
Accrued expenses		4,218	3,394
GHA IT Alliance		157	244
Deferred grant income	5.2(a)	1,515	491
Contract liabilities	5.2(b)	973	955
Amounts payable to governments and agencies		1,122	199
Total contractual payables		9,066	5,878
Total current payables and contract liabilities		9,066	5,878
Total payables and contract liabilities		9,066	5,878

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

Total payables and contract liabilities		9,066	5,878
Deferred grant income		(1,515)	(491)
Contract liabilities		(973)	(955)
Total financial liabilities	7.1(a)	6,578	4,432

How we recognise payables and contract liabilities

Payables consist of:

- **Contractual payables**, which mostly includes amounts payable to the Victorian Government and 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 Bass Coast Health prior to the end of the financial year that are unpaid.

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

Note 5.2 (a) Deferred grant income

	Total 2021 \$'000	Total 2020 \$'000
Opening balance of deferred grant income	491	-
Grant consideration for capital works received during the year	1,024	491
Deferred grant revenue recognised as revenue due to completion of capital works	-	-
Closing balance of deferred grant income	1,515	491

How we recognise deferred capital grant revenue

Grant consideration was received from the Department of Health to support infrastructure works at Bass Coast Health. Capital grant revenue is recognised progressively as the asset is constructed, since this is the time when Bass Coast Health satisfies its obligations. The progressive percentage of costs incurred is used to recognise income because this most closely reflects the percentage of completion of the building works. As a result, Bass Coast Health has deferred recognition of a portion of the grant consideration received as a liability for the outstanding obligations.

Bass Coast Health expects to recognise all of the remaining deferred capital revenue for capital works by 30 June 2022.

Note 5.2 (b) Contract liabilities

	Total 2021 \$'000	Total 2020 \$'000
Opening balance of contract liabilities	955	-
Adjustment for initial adoption of AASB 15	-	955
Payments received for performance obligations not yet fulfilled	914	-
Revenue recognised for the completion of a performance obligation	(896)	-
Total contract liabilities	973	955

* Represented by:

- Current contract liabilities	973	955
	973	955

How we recognise contract liabilities

Contract liabilities include consideration received in advance from customers in respect of goods and services to be provided. The balance of contract liabilities has not moved significantly than the previous reporting period.

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

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

Maturity analysis of payables

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



Note 5.3 Other liabilities

Note	Total 2021 \$'000	Total 2020 \$'000
Current monies held in trust		
Patient monies	54	47
Refundable accommodation deposits	6,567	5,863
Other monies	585	589
Total current monies held in trust	7,206	6,499
Total other liabilities	7,206	6,499
* Represented by:		
Cash assets	6.2 7,206	6,499
	7,206	6,499

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 Bass Coast 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.



Note 6: How we finance our operations

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

Structure

6.1 Borrowings

6.2 Cash and cash equivalents

6.3 Commitments for expenditure

Telling the COVID-19 story

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

Key judgements and estimates

This section contains the following key judgements and estimates:

Key judgements and estimates	Description
Determining if a contract is or contains a lease	<p>Bass Coast 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>Bass Coast Health applies significant judgement when determining if a lease meets the short-term or low value lease exemption criteria.</p> <p>Bass Coast Health estimates the fair value of leased assets when new. Where the estimated fair value is less than \$10,000, Bass Coast Health applies the low-value lease exemption.</p> <p>Bass Coast Health 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>Bass Coast 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, Bass Coast 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>
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 Bass Coast Health is reasonably certain to exercise such options.</p> <p>Bass Coast 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

Current borrowings

Lease liability ⁽ⁱ⁾	
Advance from government	
Loans from government ⁽ⁱⁱ⁾	
Total current borrowings	

Non-current borrowings

Lease liability ⁽ⁱ⁾	
Loans from government ⁽ⁱⁱ⁾	
Total non-current borrowings	

Total borrowings

- (i) Secured by the assets leased.
(ii) These are secured loans which bear no interest.

	Total 2021 \$'000	Total 2020 \$'000
	191	101
	-	2,840
	163	163
Total current borrowings	354	3,104
	435	176
	325	484
Total non-current borrowings	760	660
Total borrowings	1,114	3,764

How we recognise borrowings

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

Initial recognition

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

Subsequent measurement

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

Maturity analysis

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

Defaults and breaches

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

Note 6.1 (a) Lease liabilities

Bass Coast Health's lease liabilities are summarised below:

	Total 2021 \$'000	Total 2020 \$'000
Total undiscounted lease liabilities	644	284
Less unexpired finance expenses	(18)	(7)
Net lease liabilities	626	277

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

	Total 2021 \$'000	Total 2020 \$'000
Not longer than one year	201	105
Longer than one year but not longer than five years	443	179
Minimum future lease liability	644	284
Less unexpired finance expenses	(18)	(7)
Present value of lease liability	626	277

*** Represented by:**

- Current liabilities
- Non-current liabilities

TOTAL

191	101
435	176
626	277

How we recognise lease liabilities

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

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

Bass Coast Health's lease arrangements consist of the following:

Type of asset leased	Lease term
Leased plant, equipment, furniture, fittings and vehicles	2 to 5 years

All leases are recognised on the balance sheet, with the exception of low value leases (less than \$10,000AUD) and short term leases of less than 12 months. The following short term lease payments are recognised in profit or loss:

Type of payment	Description of payment	Types of leases captured
Short-term lease payments	Leases with a term less than 12 months	Short-term property rentals for staff accommodation

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 Bass Coast Health's incremental borrowing rate. Our lease liability has been discounted by rates of between 1% to 3%.

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

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

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

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

Subsequent measurement

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in-substance fixed payments. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right of use asset is already reduced to zero.

Note 6.2 Cash and Cash Equivalents

	Total 2021 \$'000	Total 2020 \$'000
Cash on hand (excluding monies held in trust)	2	4
Cash at bank (excluding monies held in trust)	769	1,325
Cash at bank - CBS (excluding monies held in trust)	18,448	16,475
Total cash held for operations	19,219	17,804
Cash at bank (monies held in trust)	54	47
Cash at bank - CBS (monies held in trust)	7,152	6,452
Total cash held as monies in trust	7,206	6,499
Total cash and cash equivalents (Health Service Operations)	26,425	24,303
Cash at Bank (GHA IT Alliance)	543	655
Total cash and cash equivalents	26,968	24,958

How we recognise cash and cash equivalents

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

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

Note 6.3 Commitments for expenditure

	2021 \$'000	2020 \$'000
Capital expenditure commitments		
Less than one year	550	138
Longer than one year but not longer than five years	-	-
Five years or more	-	-
Total capital expenditure commitments	550	138
Non-cancellable short term and low value lease commitments		
Less than one year	182	125
Longer than one year but not longer than five years	-	-
Five years or more	-	-
Total non-cancellable short term and low value lease commitments	182	125
Operating expenditure commitments		
Less than 1 year	33	131
Longer than 1 year but not longer than 5 years	-	33
5 years or more	-	-
Total operating expenditure commitments	33	164
Total commitments for expenditure (exclusive of GST)	765	427
Less GST recoverable from Australian Tax Office	(70)	(39)
Total commitments for expenditure (exclusive of GST)	695	388

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

How we disclose our commitments

Our commitments relate to expenditure and short term and low value leases.

Expenditure commitments

Commitments for future expenditure include operating and capital commitments arising from contracts. These commitments are disclosed at their nominal value and are inclusive of the GST payable. In addition, where it is considered appropriate and provides additional relevant information to users, the net present values of significant projects are stated. These future expenditures cease to be disclosed as commitments once the related liabilities are recognised on the Balance Sheet.

Short term and low value leases

Bass Coast Health discloses short term and low value lease commitments which are excluded from the measurement of right-of-use assets and lease liabilities. Refer to Note 6.1 for further information.



Note 7: Risks, contingencies and valuation uncertainties

Bass Coast 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



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 Bass Coast 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

		Financial Assets at Amortised Cost \$'000	Financial Liabilities at Amortised Cost \$'000	Total \$'000
Total	Note			
30 June 2021				
Contractual Financial Assets				
Cash and Cash Equivalents	6.2	26,968	-	26,968
Receivables and contract assets	5.1	3,167	-	3,167
Total Financial Assetsⁱ		30,135	-	30,135
Financial Liabilities				
Payables	5.2	-	6,578	6,578
Borrowings	6.1	-	1,114	1,114
Other Financial Liabilities - Refundable Accommodation	5.3	-	6,567	6,567
Deposits				
Other Financial Liabilities - Patient monies held in trust	5.3	-	54	54
Other Financial Liabilities	5.3	-	585	585
Total Financial Liabilitiesⁱ		-	14,898	14,898
Total	Note			
30 June 2020				
Contractual Financial Assets				
Cash and Cash Equivalents	6.2	24,958	-	24,958
Receivables and contract assets	5.1	3,605	-	3,605
Total Financial Assetsⁱ		28,563	-	28,563
Financial Liabilities				
Payables	5.2	-	4,432	4,432
Borrowings	6.1	-	3,764	3,764
Other Financial Liabilities - Refundable Accommodation	5.3	-	5,863	5,863
Deposits				
Other Financial Liabilities - Patient monies held in trust	5.3	-	47	47
Other Financial Liabilities	5.3	-	589	589
Total Financial Liabilitiesⁱ		-	14,695	14,695

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

Note 7.1: Financial instruments (continued)

How we categorise financial instruments

Categories of financial assets

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

Bass Coast Health recognises the following assets in this category:

- cash and deposits
- receivables (excluding statutory receivables)

Categories of financial liabilities

Financial liabilities are recognised when Bass Coast 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.

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

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

Bass Coast 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. Bass Coast Health's exposure to credit risk arises from the potential default of a counter party on their contractual obligations resulting in financial loss to Bass Coast Health. Credit risk is measured at fair value and is monitored on a regular basis.

Credit risk associated with Bass Coast 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, Bass Coast 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, Bass Coast 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 Bass Coast 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 Bass Coast Health's maximum exposure to credit risk without taking account of the value of any collateral obtained.

There has been no material change to Bass Coast Health's credit risk profile in 2020-21.

Impairment of financial assets under AASB 9

Bass Coast 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

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

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

	Note	Current	Less than 1 month	1-3 months	3 months - 1 year	1-5 years	Total
30 June 2021							
Expected loss rate		0.0%	0.0%	0.0%	92.7%	100.0%	
Gross carrying amount of contractual receivables (\$'000s)	5.1	483	9	167	293	2,215	3,167
Loss allowance		-	-	-	98	22	120
30 June 2020							
Expected loss rate		0.0%	0.0%	10.0%	25.0%	80.0%	
Gross carrying amount of contractual receivables (\$'000s)	5.1	654	25	31	415	2,480	3,605
Loss allowance		-	-	3	55	69	127

Statutory receivables and debt investments at amortised cost

Bass Coast 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.

Bass Coast Health also has investments in Centralised Banking System (CBS).

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: Financial risk management objectives and policies (continued)

Note 7.2 (b) Liquidity risk

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

Bass Coast 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.

Bass Coast 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.

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

	Note	Maturity Dates						
		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
Total 30 June 2021								
Payables	5.2	6,578	6,578	5,283	16	1,122	157	-
Borrowings	6.1	1,114	1,114	14	29	312	759	-
Other Financial Liabilities - Refundable Accommodation Deposits	5.3	6,567	6,567	-	-	6,567	-	-
Other Financial Liabilities - Patient monies held in trust	5.3	54	54	-	54	-	-	-
Other Financial Liabilities	5.3	585	585	-	-	585	-	-
Total Financial Liabilities		14,898	14,898	5,297	99	8,586	916	-
Total 30 June 2020								
Payables	5.2	4,432	4,432	4,188	-	244	-	-
Borrowings	6.1	3,764	3,764	20	11	3,073	660	-
Other Financial Liabilities - Refundable Accommodation Deposits	5.3	5,863	5,863	-	-	5,863	-	-
Other Financial Liabilities - Patient monies held in trust	5.3	47	47	-	47	-	-	-
Other Financial Liabilities	5.3	589	589	-	-	589	-	-
Total Financial Liabilities		14,695	14,695	4,208	58	9,769	660	-

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

Note 7.3: Contingent assets and contingent liabilities

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

How we measure and disclose contingent assets and contingent liabilities

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

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

Contingent assets

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

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

Contingent liabilities

Contingent liabilities are:

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

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



Note 8: Other disclosures

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

Structure

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

8.2 Responsible persons disclosure

8.3 Remuneration of executives

8.4 Related parties

8.5 Remuneration of auditors

8.6 Events occurring after the balance sheet date

8.7 Jointly controlled operations

8.8 Equity

8.9 Economic dependency



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

	Note	Total 2021 \$'000	Total 2020 \$'000
Net result for the year	OS	12,295	4,369
Non-cash movements:			
(Gain)/Loss on sale or disposal of non-financial assets	3.4	(40)	(8)
Depreciation and amortisation of non-current assets	4.2	4,581	4,156
Bad and doubtful debt expense	5.1 (a)	(7)	(28)
Share of net results in associates	8.7	(100)	(131)
Assets Received Free of Charge		(37)	-
Movements included in Investing and Financing Activities:			
Less cash inflow/outflow from capital donations and interest		(826)	(995)
Movements in Assets and Liabilities:			
(Increase)/Decrease in receivables and contract assets	5.1	332	12
(Increase)/Decrease in prepaid expenses		(12)	(41)
Increase/(Decrease) in payables and contract liabilities	5.2	3,275	(1,135)
Increase/(Decrease) in other liabilities		2	260
(Increase)/Decrease in inventories		(1)	(65)
(Increase)/Decrease in employee benefits		516	2,021
Net cash inflow from operating activities		19,978	8,415

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.

	Period
The Honourable Martin Foley: Minister for Mental Health Minister for Health Minister for Ambulance Services Minister for the Coordination of Health and Human Services: COVID-19	1 Jul 2020 - 29 Sep 2020 26 Sep 2020 - 30 Jun 2021 26 Sep 2020 - 30 Jun 2021 26 Sep 2020 - 30 Jun 2021
The Honourable Jenny Mikakos: Minister for Health Minister for Ambulance Services Minister for the Coordination of Health and Human Services: COVID-19	1 Jul 2020 - 26 Sep 2020 1 Jul 2020 - 26 Sep 2020 1 Jul 2020 - 26 Sep 2020
The Honourable Luke Donnellan: Minister for Child Protection Minister for Disability, Ageing and Carers	1 Jul 2020 - 30 Jun 2021 1 Jul 2020 - 30 Jun 2021
The Honourable James Merlino: Minister for Mental Health	29 Sep 2020 - 30 Jun 2021

Governing Boards

Tony Gabbert	01/07/2020 - 30/06/2021
Simon Jemmett	01/07/2020 - 30/06/2021
Mim Kershaw	01/07/2020 - 30/06/2021
Ian Leong	01/07/2020 - 30/06/2021
Kate McCullough	01/07/2020 - 30/06/2021
Julia Oxley	01/07/2020 - 30/06/2021
Don Paproth	01/07/2020 - 30/06/2021
Angelo Saridis	01/07/2020 - 30/06/2021
Ian Thompson	01/07/2020 - 30/06/2021
Mary Whelan	01/07/2020 - 30/06/2021

Accountable Officers

Jan Child (Chief Executive Officer)	01/07/2020 - 30/06/2021
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Remuneration of Responsible Persons

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

Income Band	Total 2021 No.	Total 2020 No.
\$0 - \$9,999	1	1
\$10,000 - \$19,999	8	9
\$20,000 - \$29,999	1	1
\$340,000 - \$349,999	-	1
\$370,000 - \$379,999	1	-
Total Numbers	11	12

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

2021 \$'000	2020 \$'000
509	503

Amounts relating to the Governing Board Members and Accountable Officer of Bass Coast Health's controlled entities are disclosed in their own financial statements. Amounts relating to Responsible Ministers are reported within the Department of Parliamentary Services' Financial Report.

Note 8.3 Remuneration of executives

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

Remuneration of executive officers

Short-term Benefits
Post-employment Benefits
Other Long-term Benefits
Total remunerationⁱ

Total Number of executives
Total annualised employee equivalentⁱⁱ

Total Remuneration	
2021	2020
\$'000	\$'000
1,044	895
99	85
44	41
1,187	1,021
6	5
4.4	3.7

ⁱ The total number of executive officers includes persons who meet the definition of Key Management Personnel (KMP) of Bass Coast Health 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 during the year included additional executive officers and a number of executives who received bonus payments during the year. These bonus payments depend on the terms of individual employment contracts.

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

Bass Coast 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 Gippsland 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 Bass Coast Health and its controlled entities, directly or indirectly.

Key management personnel

The Board of Directors and the Executive Directors of Bass Coast Health are deemed to be KMPs. This includes the following:

Entity	KMPs	Period	Position Title
Bass Coast Health	Don Paproth	01/07/2020 - 30/06/2021	Chair of the Board
Bass Coast Health	Tony Gabbert	01/07/2020 - 30/06/2021	Board Member
Bass Coast Health	Simon Jemmett	01/07/2020 - 30/06/2021	Board Member
Bass Coast Health	Mim Kershaw	01/07/2020 - 30/06/2021	Board Member
Bass Coast Health	Ian Leong	01/07/2020 - 30/06/2021	Board Member
Bass Coast Health	Kate McCullough	01/07/2020 - 30/06/2021	Board Member
Bass Coast Health	Julia Oxley	01/07/2020 - 30/06/2021	Board Member
Bass Coast Health	Angelo Saridis	01/07/2020 - 30/06/2021	Board Member
Bass Coast Health	Ian Thompson	01/07/2020 - 30/06/2021	Board Member
Bass Coast Health	Mary Whelan	01/07/2020 - 30/06/2021	Board Member
Bass Coast Health	Jan Child	01/07/2020 - 30/06/2021	Chief Executive Officer
Bass Coast Health	Noni Bourke	01/07/2020 - 17/12/2020	Chief of Organisational Support and Development
Bass Coast Health	Shaun Brooks	01/07/2020 - 30/06/2021	Chief Financial Officer
Bass Coast Health	Brenton Button	06/01/2021 - 30/06/2021	Executive Director of Corporate Services
Bass Coast Health	Christine Henderson	04/01/2021 - 30/06/2021	Executive Director of Clinical Services
Bass Coast Health	Renee Kelsall	01/07/2020 - 30/06/2021	Chief Medical Officer
Bass Coast Health	Louise Sparkes	01/07/2020 - 30/06/2021	Deputy Chief Executive Officer

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

Compensation - KMPs

Short-term Employee Benefitsⁱ
Post-employment Benefits
Other Long-term Benefits
Totalⁱⁱ

Total 2021 \$'000	Total 2020 \$'000
1,498	1,344
142	128
55	51
1,695	1,523

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 Disclosures or Note 8.3 Remuneration of Executives.

Note 8.4: Related Parties (continued)

Significant transactions with government related entities

Bass Coast Health received funding from the Department of Health of \$83.2 m (2020: \$69.4 m) and indirect contributions of \$14.8 m (2020: \$6.1 m). Balances outstanding at year end are \$2.4 m (2020 \$2.6 m).

Bass Coast Health made payments to Ambulance Victoria of \$1.8 m (2020: \$1.7 m)

Expenses incurred by Bass Coast 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 Bass Coast Health to hold cash (in excess of working capital) in accordance with the State's centralised banking arrangements. All borrowings are required to be sourced from Treasury Corporation Victorian 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 Bass Coast Health, there were no related party transactions that involved key management personnel, their close family members and their personal business interests. No provision has been required, nor any expense recognised, for impairment of receivables from related parties. There were no related party transactions with Cabinet Ministers required to be disclosed in 2021 (2020: none).

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

Note 8.5: Remuneration of Auditors

Victorian Auditor-General's Office

Audit of the financial statements

Total remuneration of auditors

Total 2021 \$'000	Total 2020 \$'000
47	47
47	47

Note 8.6: Events Occurring after the Balance Sheet Date

No matters or circumstances have arisen since the end of the financial year which significantly affected or may affect the operations of Bass Coast Health, the results of the operations or the state of affairs of the Health Service in the future financial years.

Note 8.7 Joint arrangements

Principal Activity	Ownership Interest	
	2021 %	2020 %
Gippsland Health Alliance Information Technology Services	10.82	10.69

Bass Coast Health's interest in assets and liabilities of the above joint arrangement are detailed below. The amounts are included in the consolidated financial statements under their respective categories:

	2021 \$'000 *	2020 \$'000 *
Current assets		
Cash and cash equivalents	543	655
Receivables	89	90
Prepaid expenses	470	364
Total current assets	1,102	1,109
Non-current assets		
Property, plant and equipment	136	89
Total non-current assets	136	89
Total assets	1,238	1,198
Current liabilities		
Payables	141	75
Borrowings	20	18
Other current liabilities	16	169
Total current liabilities	177	262
Non-current liabilities		
Borrowings	55	30
Total non-current liabilities	55	30
Total liabilities	232	292
Net assets	1,006	906
Equity		
Accumulated surplus	1,006	906
Total equity	1,006	906

Bass Coast Health's interest in revenues and expenses resulting from the joint arrangement are detailed below. The amounts are included in the consolidated financial statements under their respective categories:

	2021 \$'000 *	2020 \$'000 *
Revenue		
Grants	2,111	1,949
Total revenue	2,111	1,949
Expenses		
Other Expenses from Continuing Operations	1,974	1,795
Depreciation	37	23
Total expenses	2,011	1,818
Net result	100	131

* Figures obtained from the unaudited Gippsland Health Alliance Joint Venture annual report.

Contingent liabilities and capital commitments

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



Note 8.8: Equity

Contributed capital

Contributions by owners (that is, contributed capital and its repayment) are treated as equity transactions and, therefore, do not form part of the income and expenses of the Bass Coast 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 Bass Coast 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.

Note 8.9: Economic Dependency

Bass Coast Health is wholly dependent on the continued financial support of the State Government and in particular, the Department of Health.

The Department of Health has provided confirmation that it will continue to provide Bass Coast Health adequate cash flow support to meet its current and future obligations as and when they fall due for a period up to 30 September 2022. On that basis, the financial statements have been prepared on a going concern basis.

Throughout 2020-21, Bass Coast Health was in regular discussion with Department of Health Officers regarding ongoing concern issues including budget performance and cash flow management, and made the necessary arrangements to address these issues.

Bass Coast Health's forecast viability indicators for the period to September 2022, particularly indicators for net operating result, cash flow from operations and days of available cash, are key reasons for requiring continued cash flow support from the Department of Health in the short term.



BCH Site Map

Main Site

1. Wonthaggi Hospital
235 Graham Street, Wonthaggi Vic. 3995
Phone: 03 5671 3333

Satellite Sites

2. San Remo
1 Back Beach Road, San Remo Vic. 3925
Phone: 03 5671 9200
3. Phillip Island Health Hub
50-54 Church Street, Cowes Vic. 3922
Phone: 03 5951 2100

Outreach Sites

4. Grantville
Grantville Transaction Centre
Cnr. Bass Highway & Pier Road, Grantville Vic. 3984
Phone: 03 5671 3333
5. Corinella
Corinella & District Community Centre
48 Smythe Street, Corinella Vic. 3984
Phone: 03 5671 3333

Residential Aged Care Facilities

6. Kirrak House
Baillieu Street, Wonthaggi Vic. 3995
Phone: 03 5671 3250
7. Griffiths Point Lodge
Davis Point Road,
San Remo Vic. 3925
Phone: 03 5678 5311

Maternal and Child Health Sites

8. Wonthaggi
Wonthaggi Hospital
235 Graham Street, Wonthaggi Vic. 3995
Phone: 03 5671 4275
9. Inverloch
16 A'Beckett Street, Inverloch Vic. 3996
Phone: 03 5671 3136
10. San Remo
San Remo Kindergarten
23 Back Beach Road, San Remo Vic. 3925
Phone: 03 5951 2302
11. Cowes
Phillip Island Early Learning Centre
161 Settlement Road, Cowes Vic. 3922
Phone: 03 5952 2938

