BCH
Bass Coast Health

Annual Report 2021–22

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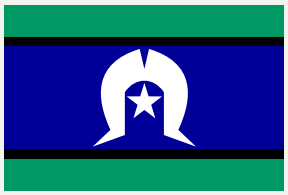
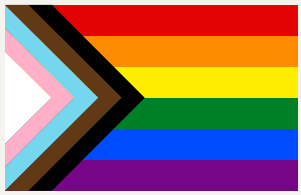


We value the diversity and strength of our people and communities.

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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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 2022.

Don Paproth, Chair, Board of Directors
Wonthaggi
5 September 2022

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 responsible Minister is the Minister for Health:

From 1 July 2021 to 27 June 2022

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

From 27 June 2022 to 30 June 2022

The Hon Mary-Anne Thomas MP
Minister for Health
Minister for Ambulance Services

From 1 July 2021 to 27 June 2022

The Hon James Merlino MP
Minister for Mental Health

From 27 June 2022 to 30 June 2022

The Hon. Gabrielle Williams MP
Minister for Mental Health

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

Contents

Our Service Profile

Acute Services

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

Sub-Acute Services

- 18 beds
- Sub-Acute services include Geriatric Evaluation and Management (GEM), Rehabilitation and Palliative Care

Clinical Support Services

- Breast screening (Gippsland BreastScreen)
- Pathology (Monash Health 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)

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

NB: Some services on hold during COVID-19 pandemic.

Residential Aged Care

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

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

Chief Executive and Chair Report

Year in Review

As much as we would have liked the Pandemic to have taken a back seat in 2021–22, responding to COVID-19 continued to be a focus for Bass Coast Health over the past year. Surges in community numbers placed demand on our COVID-19 services, as well as our other clinical services more broadly. The resilience and dedication of our staff during this time has been remarkable and they are commended for the additional efforts they have made – and continue to make – to keep our services running, while planning and growing new services.

Our testing and vaccination teams were outstanding, working in PPE, in very hot or very cold conditions with long queues, to providing testing and vaccination services that helped contain the spread and severity of COVID-19 in our community. Demand was especially high over the summer holiday season when we not only had our permanent community to serve, but also thousands of holiday-makers. At one point in time, Bass Coast held the enviable title of the highest vaccination rate in Gippsland and the fifth highest in Victoria. We thank Bass Coast Shire Council for the use of Wonthaggi Town Hall as a Community Vaccination Clinic and the Education Department for the use of the former McBride Campus of Wonthaggi Secondary College as a drive-through testing site.

To complement these COVID-19 services, we took a lead role in developing the sub-regional COVID-19 Pathways program that provided support and monitoring to COVID-19 patients recovering at home. Nurses and doctors phoned these patients, monitored their symptoms remotely and delivered much needed anti-viral medication.

In January, we worked through the Pandemic Code Brown called by the Victorian Department of Health, which formally recognised the compounding pressures on our health system and workforce. The Code Brown facilitated coordination, communication and information sharing to support the best use of hospital resources to prioritise resources, redistribute demand across the system and manage workforce shortages.

In May we called our own internal emergency Code Yellow to signal further service pressure arising from unprecedented service demand and staff shortfalls. The Code Yellow saw clinical services re-prioritised with some services such as surgery temporarily suspended and some inpatient services co-located to manage the extraordinary demands. COVID-19 testing and vaccination were transitioned to our extraordinary General Practice Community and to Monash Health Pathology, and we brought BCH testing and vaccination staff back into core services. Our critical services such as the Emergency Department, Maternity, Cancer Services, Inpatient wards and the Urgent Care Centre responded to high numbers of patients who had more complex requirements than ever before, some of them needing life-saving COVID-19 care.

Throughout these extraordinary times, our staff rose to every challenge. Their Code Yellow response and their enduring efforts during the continued pressured environment demonstrated their above and beyond commitment. Many staff stepped out of their usual roles to support other areas because of our workforce shortages. Most staff worked many additional hours, double shifts or weekend and night duty when it was not their usual routine, all the time in PPE, whilst juggling the personal challenges we all had living through this Pandemic. Through all of this, they maintained their focus on providing the best possible care to our local community in these exceptional times. If this Pandemic has proved one thing about Bass Coast Health it is that our staff are skilled, remarkable and special. They are an agile, resilient, compassionate and committed team and we are grateful they have been so committed to the privileged role we have to care for our community.

To ensure that our staff were supported and appreciated during these extraordinary times, we invested in a formal wellbeing program that provided a strong focus on staff health and wellbeing. Our challenge was to ensure our staff remained strong and resilient, and to make sure they could see the positive difference they were making to their community throughout the Pandemic.

In line with our Strategic Goals, Bass Coast Health is proud to have maintained a priority focus on Safety and Quality across all services throughout these challenging times. We continued to expand current services and grow new services. We invested strongly in our people. We found innovative ways to care for our community and we improved our technology and our infrastructure. Last but never least, with extraordinary support from the State Government and the Department of Health, we met our financial challenges.

The 2016–21 strategic goals have continued to sharpen our focus and our energy, and as we enter into a new strategic planning era, it is timely to share and celebrate just a few of Bass Coast Health's achievements in 2021–22.

Safety and Quality

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

- providing Community COVID-19 testing and vaccination capability at Wonthaggi, Cowes and other outreach as required. By the time these teams concluded in May, they had conducted 68,554 COVID-19 tests at Wonthaggi, Cowes and pop-up sites at Bass and San Remo, and administered 46,695 vaccinations
- developing our COVID-19 Pathways team – our nurses and doctors were providing COVID-19 care in the home to up to 80 people
- maintaining accreditation of our much-loved and newly renovated care facilities, Kirrak House, by passing the three yearly accreditation review by the Aged Care Quality and Safety Commission. The assessors found the home met all of the requirements set out in the eight Aged Care Quality and Safety Standards, and were impressed by the resident-centred care and service delivered at Kirrak House. They made special note of staff's exceptional knowledge of residents and their provision of personalised and respectful care.
- achieving mid-term accreditation from the Post Graduate Medical Council of Victoria for the training of our Junior Medical Staff. The BCH culture, training programs and support from BCH staff were contributing factors to this success. We also achieved accreditation with the Royal Australasian College of Physicians for a Geriatric Advanced trainee as a seconded site from Alfred Health
- participating in Safer Care Victoria (SCV) 'A 100,000 Lives initiative' projects – Aged Care Friendly Systems and Postpartum Haemorrhage Collaborative Charter:
  - Age-Friendly Health Systems is a Victoria-wide collaborative designed for health service teams who are committed and ready to accelerate their work in improving outcomes and reducing harm for older people. Age-Friendly Health Systems reliably provide a set of four evidence-based elements of high-quality care, known as the '4Ms' (What Matters, Medication, Mind and Mobility), to all older adults in their system. The 4Ms represent a shift by health systems to focus on the needs of older adults. Around 20 Victorian health services, including Bass Coast Health, are working together to test changes, measure their impact, and share what they learn, scaling improvements across the state. The overall aim of the collaborative is to improve outcomes and experiences for older people in Victoria's health system by reliably assessing and acting upon the 4Ms. Bass Coast Health is implementing the Age-Friendly initiative in its Sub-Acute Services
  - Postpartum Haemorrhage (PPH) Collaborative Charter aims to reduce harm to people giving birth, their partners and health professionals by standardising and improving the response to PPH across participating Victorian health services. By April 2023 the aim is to decrease primary PPH from intended vaginal birth in Victoria by 50 per cent.

Service Capability

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

- expanding our Emergency Department capacity by moving into the newly renovated Armitage House, whilst awaiting the Wonthaggi Hospital Expansion. This enabled a significant increase in the presentation of higher acuity patients presenting to the Emergency Department, with a 19% increase in the number of severely ill patients (Triage Categories 1–3) and a 44% increase in Triage Category 2 (Emergency) patients

- continuing to expand our publicly funded surgeons to bring an even greater range of surgical services to our community. This included expanded Orthopaedic surgery, Ophthalmology, Gynaecology, Gastroenterology, Breast surgery and General surgery
- increasing our publicly funded Specialist Outpatient Clinics to provide more services to our community closer to home. This included more outpatient appointments for cardiology, oncology, radiation and haematology specialists, as well as general endocrinology, nephrology, women's services and geriatrics. These clinics experienced a 37% increase in the number of services performed relative to 2020–21, indicating the growing demand in the community for locally available, high-quality medical specialists
- partnering with Alfred Health to establish a public dermatology service and actively participating in a new melanoma clinical trial to improve surveillance for people at high risk of melanoma
- expanding Cardiology services, including Cardiac outpatient clinics, with the appointment of two specialist cardiac nurses to improve care, support and education for cardiovascular patients and their families, and deliver pilot projects with Safer Care Victoria in collaboration with The Alfred Hospital Cardiology team
- growing our other Acute services with our Acute Ward, Integrated Care Unit and Haemodialysis and Hospital in the Home wards all experiencing growth of between 8 and 13%
- delivering more Meals on Wheels to the community – 51,709 meals for the financial year – which not only supplied nutritious food to our community, but importantly provided social connection.

People

We continued to value our workforce and expand our skillset by:

- growing our workforce from 561.7 full-time equivalent (FTE) staff in June 2021 to 577.7 staff in June 2022
- reviewing our Learning and Development model and expanding the Learning and Development team to support the increased needs of the current and future BCH workforce. This has included defined student and graduate coordinator positions, supporting BCH's largest ever cohort of graduate nurses and highest student placement activity (year-to-date); a clinical support role for the new Transition to Specialty Practice Program, providing support to early career nurses completing training in specialty areas of practice, progressing their careers and developing an 'own-grown' skilled workforce; and new clinical support roles in Occupational Therapy (OT) and Physiotherapy, supporting student learners and our first ever structured graduate year positions in OT and Physiotherapy
- increasing numbers from 19 positions in 2020 to 27 in 2022 and expected 30 positions in 2023 through the Nurse Graduate and Transition Year programs. This included introducing Enrolled Endorsed Nurses and providing rotation through clinical areas. We also expanded the number of Registered Undergraduate Students of Nursing from 15 in 2020–21 to 19 in 2021–2022 and the number of students undertaking placements from 5927 placement days in 2021 to 7042 placement days booked for 2022. Allied Health graduate programs have continued to grow with the addition of 2 EFT of recurrent Physiotherapy Graduate positions. During 2022 the development and introduction of a pilot Transition to Specialty Practice Program has seen 10 enrolments across Emergency, Acute Medical and Surgical, and Perioperative nursing specialties
- increasing our junior medical workforce from 13 to 20, facilitating junior medical support and teaching in areas such as the use of ultrasound techniques, in-house Grand Rounds covering a variety of topics hosted by BCH and Monash Health, and dedicated teaching spaces for Electronic Medical Record

(EMR) training and simulations using phantom limbs and other clinical devices funded by the Emergency Medicine Education and Training (EMET) program. Purpose-built practical and clinical skill laboratories are being developed which will assist BCH in progressing collaborations with other health services across Gippsland to develop a rural training program for Junior Medical Staff (JMS). A key area of focus over the past two years has been providing education and simulation programs to keep JMS trained in responding to the COVID-19 pandemic

- investing in enhanced nursing ratios in our wards and Emergency Department to reduce staff workload and further optimise safety
- bringing back volunteer services which had fluctuated during the Pandemic. Our Volunteer Transport Team took people to medical appointments with COVID-19 Safe protocols in place, the San Remo Opportunity Shop re-opened, fundraising continued and concierge services were introduced at our sites
- recognising our volunteers through our Volunteer Appreciation Afternoon Tea during National Volunteer Week in May. We also acknowledged our wonderful long-serving volunteers, with two awards for 40 years of service presented to Julie Kilgour and Frank Garry
- developing our own COVID-19 Response Team who supported staff and their families who had COVID-19 and provided active staff health advice to keep our staff and families safe. It was through the efforts of this team, and staff who followed our stringent COVID-19 Safe practices, that we had negligible workplace transmission of COVID-19 among our staff
- continuing with our Organisational Support program for staff with a strong investment in team work and wellbeing training, as well as individual leadership and coaching development
- developing expanded staff amenities across all sites to ensure staff have a safe workplace with appropriate densities.

Innovation and Technology

We embraced innovation and technology by:

- building an expanded, state-of-the-art Wonthaggi Hospital and commencing the next phase of the Gippsland-wide Electronic Medical Record into the inpatient areas of the hospital, due to be implemented on 30 August 2022
- strengthening our partnership with the Gippsland Health Alliance (GHA) to deliver Tier 1 ICT service desk functions for all our services as well as operational support, increasing support to end users 7 days a week between 7.00am-11.00pm. Migration to a new Helpdesk system, 'Ivanti', also occurred
- undertaking an ASCOM upgrade to allow newer handsets to function and to support procurement of new clinical handsets as part of the hospital expansion, including improved phone management utilities
- completing significant design and planning work for the development of the new Phillip Island Community Hospital, which will begin construction in November 2022 and be open late 2024
- investing in significant ICT infrastructure including: a network refresh across San Remo and Wonthaggi Hospital which provided new hardware, as well as an ability for oversight from GHA for network issues; replacing dead ports on older switches and addition of new ports for expansion; replacing Uninterrupted Power Supply (UPS) across San Remo and Wonthaggi; replacing ageing hardware and allowance for increased backup battery, ensuring systems can function for at least up to 15 minutes in case of power outages; increasing WAN to assist with performance issues; replacing 140 access points to improve wi-fi connection; installing new servers and data storage across all 3 main sites; and procuring 200 additional desktop devices and 200 new phone handsets
- completely renovating Armitage House to transform this treasured building into a contemporary facility. Armitage House has enabled us to provide a more convenient environment for the provision of emergency services given it's a standalone building and ideal for receiving patients who may have COVID-19 and other infectious conditions. Clinicians have welcomed the additional space and patients

appreciate the private treatment rooms. Sub-Acute services will return to Armitage House once the Wonthaggi Hospital Expansion project is complete
- investing in additional IT software and hardware to improve accessibility of patient and other information including journey boards, meal ordering, asset, contract and task management, visitor and contractor check-in, a patient entertainment system, a real time location system for equipment and staff duress alarms
- converting the old Emergency Department into our valued Learning and Development environment, complete with a Clinical Lab that provides our staff – and students – with a space for the provision of clinical training in simulated medical settings
- relocating our Maternal and Child Health Service to Watt Street to provide a more central and convenient location for mothers and children to access
- completing our new Strategic Plan to guide our coming five years.

Financial Health

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

- growing our operating base revenue from $54m to $112m per annum since 2016 in a display of continuous improvement, expanded services and pandemic response
- facilitating significant capital investment, with $68m of capital works funding contributing to a $63m net result and a 61% increase in total asset value. Capital funding and capital works for the Wonthaggi Hospital Expansion project represented the majority of 2021–22 capital investment for building works, furniture, fixtures, medical equipment, and information and communication technology equipment. Other capital works completed in the financial year included Armitage House refurbishment, minor works at Kirrak House and Griffiths Point Lodge residential aged care facilities, upgrade of nurse call systems, installation and commissioning of an MRI, and minor works such as the Café 1910 expansion, pandemic proofing to inpatient settings, new clinical equipment and upgrades to critical infrastructure
- recording all COVID-19-related expenses to ensure all COVID-19 services and costs are appropriately funded
- investing in data, activity and performance systems to improve transparency and timeliness of measuring activity-based funding and responding to changes in policy and funding guidelines
- continuing to proactively explore new funding opportunities for the sub-region and for capital works upgrades as we also strengthened our contract management, health information systems and asset management processes to achieve best value for our goods, services and equipment
- appreciating the hard-working volunteers of our Auxiliaries whose fundraising efforts this year enabled the provision of an Echocardiogram for the commencement of Stress Echo clinics in the outpatient setting, a transabdominal ultrasound for supporting obstetric and gynaecology services, the establishment of gardens for the L. Rigby Cancer Centre and other medical equipment such as pulmonary rehabilitation equipment, and an electrocardiogram (ECG) machine and Cardiotocography (CTG) machines for use in maternity.

Acknowledging our partners

None of these achievements would have been possible without the genuine partnership and support we have received from so many. We would like to take this opportunity to recognise our wonderful partners who have helped us serve our community as a dynamic sub-regional health service. Genuine thanks to:

- our Federal, State, and Local governments
- the State Department of Health
- the Commonwealth Department of Health
- the Victorian Health Building Authority
- our local Federal and State members
- other Federal and State government agencies
- 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), Latrobe Regional Health (LRH) and the Gippsland Region Public Health Unit (GRPHU)
- Ambulance Victoria
- Victoria Police
- our amazing community organisations, including Lions, Rotary, Freemasons and Men's Sheds
- local businesses
- the local media
- Care Opinion.

We thank all the community members who donated to our service over the past year. The generosity of these donors, and their commitment to give locally and to grow local services, has been a game changer for BCH. Without you, we would not have had Cancer services, Cardiology services or some of our surgical services. Your pledges to our Capital and Equipment funds have been critical success factors in growing our services. Thank you for investing in your local service.

We pay special tribute to our amazing Volunteers who donated their skill, expertise and so many hours of their time to support what we do. These volunteers include our five wonderful Auxiliaries – the Inverloch Fundraising Auxiliary, the Inverloch Art Show Auxiliary, the Bass Coast Health Ladies Auxiliary, the Phillip Island Health Hub Auxiliary and the San Remo Op Shop – who have enabled Bass Coast Health to do so much more because of their tireless fundraising. We also express our gratitude to those Community Advisory Committee members who have never wavered in providing us with frank and fearless advice, in the truest spirit of collaboration. Your guidance keeps us focused.

Most importantly, we thank all of our patients, clients, residents, families and community members who use our services. You are our most valuable partners. Your collaboration with us as you move through your own health journey, and your feedback about our care, enable us to be a learning organisation, always focused on improving ourselves to provide the best care possible. We thank you for your wisdom, for providing feedback to help us continually improve, and we thank you for your support.

Our Future, together

The year 2022–23 will see the years of planning for the $115 million Wonthaggi Hospital Expansion (WHE) project come to fruition. Throughout this year we have watched construction advance from earthworks through to a striking building that signals the future of healthcare delivery in our sub-region. We look forward to the WHE becoming operational in December, providing our community with a new Emergency Department with 18 additional treatment spaces, a 32-bed paediatric and surgical ward, three new operating theatres and a procedure room, a Central Sterilising and Supply Department, and a new Radiology precinct.

The Wonthaggi Hospital Expansion gave hope to our community and staff during the Pandemic as they watched a building site blossom into a spectacular facility that this community so richly deserves. The new building is future-proofed to provide our community with state-of-the-art equipment and technology that will enable access to a greater range of healthcare services, including more complex surgeries, closer to home.

At Cowes, planning and designing for the new Phillip Island Community Hospital continues. The new facility will be built next to the existing Health Hub and enhance the service offerings so that community members on Phillip Island can also get care closer to home. The Community Hospital is one of 10 community hospitals being delivered by the State Government and will include a day procedure service with two operating theatres, a day treatment centre including Chemotherapy and Dialysis, expanded mental health services, family violence services and dental services. An expanded Urgent Care Centre will be co-located with a new Radiology service so that we can treat more people locally, and where possible, avoid the trip to Wonthaggi. This facility will cater to Phillip Island residents and to the influx of holiday-makers like never before.

We will see further expansion of our public Cardiology, Cancer, Orthopaedic and Gynaecology services.

We will see new Dermatology services, new Respiratory services, new Urology services, new Women's and Children's services, and new surgical procedures that will once again treat more people locally.

We will also roll out Phase 3b of our Electronic Medical Record (EMR) project, bringing this contemporary patient information system to all inpatient areas of the hospital including Acute, Sub-Acute, Maternity, HITH, ITCU, Dialysis and Operating Suite. Access to the EMR will also be provided to all outpatient areas, enabling our clinicians to have fast access to current records to assist with prompt and informed decision-making that will aid patient care.

As we advance every facility and service, we are enacting our promise to provide care that is focused on our patients and is delivered in a way that is culturally safe and inclusive.

We are very proud of how we responded to the challenges of the past year and continued to deliver on our strategic goals. Every day we feel very privileged to serve and we will continue to work in partnership with you, to uphold our WE CARE values, and provide Excellence in Care.

Don Paproth
Chair, Board of Directors

Jan Child
Chief Executive Officer

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:

- Developing a statement of priorities and strategic plan for the operation of BCH and monitor its compliance;
- Developing financial and business plans, strategies and budgets to ensure accountable and efficient provision of health services and long-term financial viability of BCH;
- Establishing and maintaining 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
- Monitoring the performance of BCH.

Don Paproth | Chair

BA, Dip Ed

Don joined the BCH Board in July 2015 and has been the Chair of the Board of Directors for the last seven years. Prior to that he had 48 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 and the Development Council.

Ian Thompson | Deputy Chair

B. Bus (Accounting), Grad. Dip. (Corp. Finance), C.P.A., 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 leading global credit rating agency, Standard & Poor's Rating Services, most recently as a Senior Managing Director and Global Chief Credit Officer. Ian is a member of the Board of Snowdome Foundation, a charity focused on funding research into blood cancer, and an independent member of State Sport Centre Trust's Audit and Risk committee and the Uniting Church's (Vic and Tas Synod) risk management committee. Ian joined the BCH Board in July 2016 and chairs the Finance, Audit and Risk Committee and is a member of the Quality and Clinical Governance Committee and 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, the Quality and Clinical Governance Committee 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 38 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, is the Chair of the Quality and Clinical Governance Committee and was also a member of the Community Advisory Committee until April 2022.

Kate Jungwirth

LLB, B.Com (Accounting), Grad Dip (Intellectual Property Law), Advanced Diploma (Mechanical Engineering)

Kate is an experienced legal practitioner who was appointed to the Bass Coast Health Board in July 2017. Kate has significant expertise in the health and disability sectors having acted as legal counsel for a Victorian public health service, a pharmaceutical company and a not-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 and the Community Advisory Committee.

Simon Jemmett

BHSc; Grad Cert Mgt; Dip Proj Mgt; MAICD

Simon has more than 30 years in health, initially working in the public and private hospital systems before moving to Ambulance Victoria. Simon has an intensive care paramedic background and substantial experience across both the metropolitan and rural sectors in clinical and operational management, education, audit and clinical governance. Simon was the Regional Director Gippsland for Ambulance Victoria for four years, led some of Ambulance Victoria's transformative IT projects and is currently managing Ambulance Victoria's surge workforce in response to the COVID-19 pandemic. Simon is on the Governance Committee for the Emergency Care Clinical Network. Simon joined the BCH Board in July 2017 and is a member of the Quality and Clinical Governance Committee.

Ian Leong

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

Ian has over 45 years in the building, health and consulting industries, having worked in both government and private sectors. Ian has 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 has been a senior executive at a number of major metropolitan health services, with responsibilities for capital redevelopment, future strategy/ health service delivery, patient experience and commercial/support services. Ian joined the BCH Board in August 2018 and is a member of the Finance, Audit and Risk Committee.

Angelo Saridis

Angelo is an experienced executive having held executive roles over the past 10 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 function 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 startups and provided mentoring support to startup founders throughout Gippsland. He lives locally and has a real passion for the Gippsland region. Angelo joined the board in July 2020.

Julia Oxley

MBusMktg, BA, GAICD

Julia Oxley is an experienced public sector executive spanning 12 years in Victorian health, emergency services, water and local government. With deep operations, business management and marketing expertise, Julia has worked in a range of industries over the last 37 years. Passionate about people, performance and the community, Julia utilises her strategic, executive and operational leadership skills in complex services environments to bring about purposeful change, improved operational and financial performance, positive community outcomes and enhanced engagement. Currently working at Monash Health as General Manager Community, she is also an individual member of the Victorian Council of Social Service. Julia joined the board in July 2019.

Tony Gabbert

MBA; PG Dip HSM, B App Science Medical Radiation, Dip Radiography and 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 was the General Manager of Imaging at Monash Health and sat on a number of state-wide working groups. Tony had a background managing multi-site public and private radiology services, including Health IT, and was MBA and Health Service Management qualified with experience in health care operations.

Tony joined the Board in July 2019 and was a member of the Finance, Audit and Risk Committee and the Quality and Clinical Governance Committee.

Tony's wit, attention to detail, intellect and wise counsel, both as an esteemed colleague and as a Board Director, positively shaped BCH's service, and together with his passion for the Bass Coast community were significant contributors to our success.

Bass Coast Health was extremely saddened to bid farewell to Tony Gabbert, when he died peacefully at home on Tuesday 19 October 2021.

Board committees

Finance Audit and Risk Committee

Chairperson:
Ian Thompson

Deputy Chair:
Mim Kershaw

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.

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.

Quality and Clinical Governance Committee

Chairperson:
Mary Whelan

Deputy Chair:
Simon Jemmett

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.

Consumer Representative
Diana Holmberg

Diana Holmberg is a Consumer Representative on the Quality and Clinical Governance Committee. Diana is the Chair of our Community Advisory Committee. After retiring, Diana wanted to give back to the community, drawing on her extensive experience in strategy, governance, information technology and mentoring. Her involvement with local networks and interests enables her to have conversations with the community about their needs and discuss these ideas further with the committee.

Other members:

- Ian Leong
- Ian Thompson
- Julia Oxley
- Kate McCullough
- Tony Gabbert (until his passing)

Remuneration Committee

Chairperson:
Don Paproth

Deputy Chair:
Ian Thompson

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

Other members:

- Mim Kershaw

Development Council

Chairperson:
Angelo Saridis

The Development Council is responsible for the development, implementation and monitoring of BCH's fundraising strategy.

This committee is currently in abeyance.

Community Advisory Committee

Chairperson:
Diana Holmberg

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 2021–22:

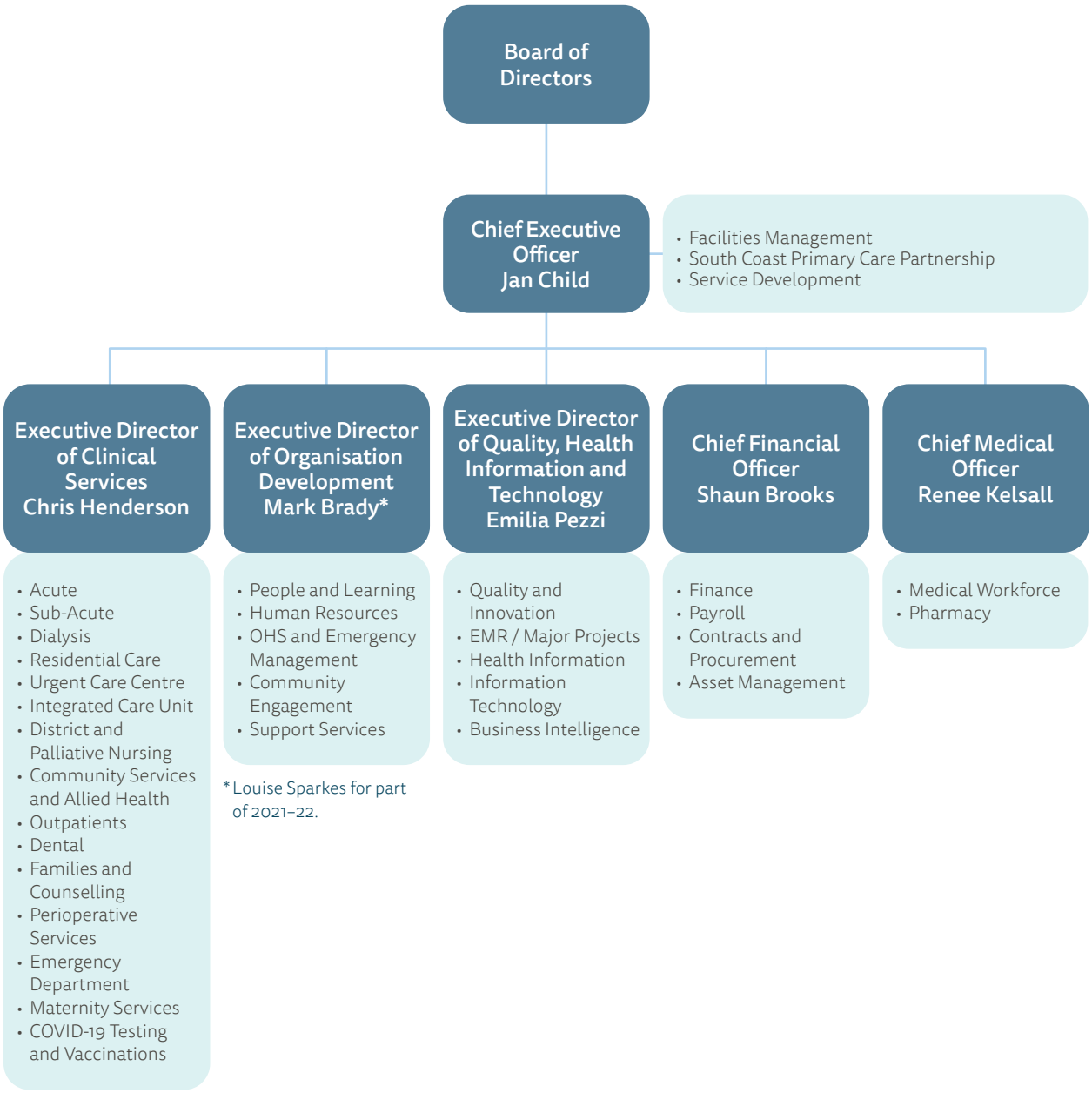
Retirements	
Tony Gabbert	Resigned 11 August 2021
Re-appointments	
Don Paproth	1 July 2021 to 30 June 2024
Mary Whelan	1 July 2021 to 30 June 2024
Ian Leong	1 July 2021 to 30 June 2024
Appointments	
Nil	

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	92%	92%	92%	N/A
Ian Thompson	92%	92%	92%	N/A
Angelo Saridis	92%	92%	92%	100%
Ian Leong	83%	83%	83%	100%*
Julia Oxley	83%	83%	75%	N/A
Kate Jungwirth	92%	92%	92%	80%
Mary Whelan	83%	83%	83%	75%*
Mim Kershaw	83%	83%	83%	N/A
Simon Jemmett	100%	100%	100%	N/A
Independent members				
John Nevins	75%	75%	70%	N/A

*Mary Whelan's last meeting on the CAC was 10.03.22 and Ian Leong commenced from 09.05.22

Organisation Chart



* Louise Sparkes for part of 2021–22.

BCH Executive

Chief Executive Officer | Jan Child

Reg. Nurse, Grad. Dip. Behavioural Science, Master 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 working across metropolitan Melbourne including at Peninsula Health, Alfred Health, the Department of Health and Human Services, alcohol and drug agencies, as well as the community health sector. Jan commenced as CEO of Bass Coast Health in March 2016.

Executive Director Clinical Services Christine Henderson

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 healthcare sector. She has served in various leadership roles within BCH. She was appointed to the role of Executive Director of Clinical Services in January 2021.

Executive Director of Quality, Health Information and Technology | Emilia Pezzi

Bachelor of Health Information Management

Emilia holds a Bachelor of Health Information Management with over 20 years' experience in providing strategic leadership and governance in public and private health services including Peninsula Health, Eastern Health and St Vincent's and Mercy Private Hospital.

She is a member of the Health Information Management Association of Australia and until recently was the Convenor of the Victorian Senior HIM Community of Practice for 7 years.

Emilia was appointed to the role of Executive Director Corporate Services in August 2021.

Chief Financial Officer | Shaun Brooks

B. Commerce, Grad. Dip. Chartered Accounting

Shaun has a Bachelor of Commerce and a Graduate Diploma of Chartered Accounting and has been a member of the BCH Executive team since 2017. Shaun held previous leadership positions in the financial professional services industry and has worked in the Victorian Public Health Sector for close to a decade, with a previous appointment as Deputy Director of Finance at Peninsula Health. Shaun is BCH's Chief Procurement Officer and has responsibility for Supply, Contracts, Payroll, Asset Management, Radiology, Pathology and Finance.

Chief Medical Officer | Dr Renee Kelsall

MBBS (Hons), FRACP, AFRACMA

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 also returned to South Gippsland in 2015, where she was raised, to provide a private Geriatric outpatient service. Renee has completed an Associated Fellowship in medical administration and was appointed as the Chief Medical Officer to Bass Coast Health.

Executive Director of Organisation Development | Mark Brady

Bach. of Business, Grad Dip of Business, is a Member of the Institute of Executive Coaching and Leadership, and is a Graduate of the Australian Institute of Company Directors

Mark is an experienced and highly regarded leader in the public sector, with over 20 years at the senior executive level in local government across a diverse range of portfolios and organisations.

Mark has a Bachelor of Business, a Graduate Diploma of Business, is a Member of the Institute of Executive Coaching and Leadership, and is a Graduate of the Australian Institute of Company Directors. Mark is an accredited executive coach, and Human Synergistics and MBTI practitioner. Mark joined BCH in April 2022.

Deputy Chief Executive Officer / Chief Nurse and Midwifery Officer | Louise Sparkes

Reg Nurse, Grad Cert Emergency Nursing, Master of Nursing

Louise has been part of the Executive team at Bass Coast Health since 2016. 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 held the role of Deputy Chief Executive Officer until March 2021 and has been on a secondment with Latrobe Regional Hospital as the Interim Executive Director Gippsland Health Services Partnerships.

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 is 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 $30.10 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 2021–22, BCH received 56 requests. Access to 45 were granted in full, 4 were granted in part (some exempt material), 2 were denied in full (all material exempt), 2 resulted in no records found and 3 are in progress. Of these requests, 38 were from Lawyers, Government Agencies 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 *Protected Disclosures Act 2012*. 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. Further information is embedded into the PID Policy for BCH Staff access.

Statement of National Competition Policy

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

Carers Recognition Act 2012

Recognition of and engagement with people who are in a caring role is 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

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

Consideration to sustainability was specified for all renovations to existing buildings, construction of new facilities and equipment replacement. Specifically, significant sustainability measures have been implemented in large capital works projects such as Wonthaggi Hospital Expansion project (WHE) and Phillip Island Community Hospital (PICH). Energy saving was considered during the Air Handling Units (AHU's) in the existing Wonthaggi Hospital areas by selecting High Efficiency Electronically Commutated (EC) fans for new AHU's and high efficiency condensing boilers to replace heating hot water boilers.

Bass Coast Health's overall natural gas consumption was significantly down to 12,717,010 MJ, a decrease from 14,140,738 MJ used in 2020–21.

In 2021–22 reduced fuel use and emission reduction was achieved through procurement of hybrid vehicles for fleet upgrades and fuel consumption reduced from 49,342.21 litres in 2020–21 to 42,165 litres in 2021–22.

Consumption of electricity and water on site is higher compared to the previous year. However, increased electricity and water consumption is justified due to use of power and water for WHE project construction activities.

Emission Source	Consumption Units	Consumption	CO^2 (tonnes)
Direct Emissions			
Natural Gas	Mega Joules	12,717,010 MJ	655.31
Fuel	Litres	42,165 L	97.40
Indirect Emissions			
Electricity	Kilowatt Hours	2,389,334 kWh	2,174.29

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 in a statutory authority or subsidiary;
- Details of publications produced by the Health Service 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;
- A general statement on industrial relations within the Health Service and details of time lost through industrial accidents and disputes, which is not otherwise detailed in the report of operations;
- A list of major committees sponsored by the entity, the purposes of each committee and the extent to which the purposes have been achieved.

Local Jobs First Act 2003

Requirement	Result
The number of projects that the Major Projects Skills Guarantee has been applied on	0
The total number of hours completed or to be completed by apprentices, trainees or cadets on these projects	0
The total number of opportunities created for apprentices, trainees and cadets on these projects	0
The number of projects and percentage of 'local content' committed under projects that commenced and/or were completed in the reporting period to which LIDP was required, split by:	
• Metropolitan	0
• Regional	1 Construction Contract with 78% local content committed
• State-wide	0
For projects commenced, a statement of total LIDP commitments (local content, employment and engagement of apprentices, trainees and cadets) committed as a result of these projects	0
For projects completed, a statement of total VIPP Plan or LIDP outcomes (local content, employment and engagement of apprentices/trainees) achieved as a result of these contracts	1 Completed contract in 2021–22 registered with the Industry Capability Network under the Local Jobs First Local Industry Development Plan which achieved 78.6% of local content and employed 11.88 Victorian apprentices
The total number, across all projects commenced or completed by the department, of small and medium sized businesses engaged as either the principal contractor or as part of the supply chain	89

Gender Equality Act 2020

Bass Coast Health has completed a Workplace Gender Audit as per the requirements under the *Gender Equality Act 2020* and submitted results of the audit in accordance with the 1 December 2021 due date. This audit analysed workforce data as at 30 June 2021 along with 2021 Employee Experience data from the People Matter survey. The audit provided us with a better understanding of the state and nature of gender inequality in the workplace and informed the development of the Bass Coast Health Gender Equality Action Plan.

The audit found that Bass Coast Health has a largely female workforce (81%), with females making up 64% of the governance/leadership group and 83% of the clinical workforce.

Bass Coast Health established a Gender Equality Working Group to lead the development of the Gender Equality Action Plan and oversee the implementation of strategies, monitor progress and report on measures. Staff and employee representatives were consulted throughout the development of the action plan to seek input into how we can address workplace gender equality issues and their perspectives on priorities for change and strategies.

The Gender Equality Action plan details the strategies and measures Bass Coast Health will work towards over the next 4 years, aligned to the seven indicators listed in the Act:

- Gender composition of governing body
- Gender composition at all levels of the workforce
- Gendered work segregation
- Recruitment and promotion
- Leave and flexibility
- Workplace sexual harassment
- Equal remuneration for work of equal or comparable value across all levels of the workforce, irrespective of gender.

The action plan was submitted to the Commission for Gender Equality in line with the 20 June 2022 due date.

Bass Coast Health is committed to this work and has been striving to make change through living and role modelling our value of Equity, Strengthening Hospital Response to Family Violence project, implementing a People and Culture Strategy, addressing bullying and harassment, developing a Disability Action Plan, developing leaders to understand differences and lead inclusively and supporting aboriginal cultural safety.

Progress against the Gender Equality Action Plan will be reported every 2 years.

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.

Workforce Data

Full Time Equivalent (FTE) Employees

Bass Coast Health has applied the appropriate employment and conduct principles, and employees have been correctly classified in workforce data collections.

Employee Category	Current Month FTE June		Average Monthly FTE	
	2021	2022	2021	2022
Nursing	240.4	236.7	223.1	234.5
Administration and Clerical	125.9	136.6	115.6	136.2
Medical Support	45.5	45.8	44.3	45.0
Hotel and Allied Services	67.5	80.5	69.9	73.2
Medical Officers	0.0	0.0	0.0	0.0
Hospital Medical Officers	16.6	17.3	17.0	17.1
Sessional Clinicians	10.7	13.7	10.6	11.2
Ancillary Staff (Allied Health)	55.1	47.0	57.0	49.0

Occupational Health and Safety (OHS) Statistics

Occupational Health and Safety Statistics	2021–2022	2020–2021	2019–2020	2018–2019
The number of reported hazards/incidents for the year per 100 FTE	42.65	61.41	58.7	42.4
The number of 'lost time' standard WorkCover claims for the year per 100 FTE	2.47	3.72	1.85	1.32
The average cost per WorkCover claim for the year ('000)	$271,417	$34,411	$163,905	$205,473

Occupational Violence Statistics

Occupational Violence Statistics	2021–2022
Workcover accepted claims with an occupational violence cause per 100 FTE	0
Number of accepted Workcover claims with lost time injury with an occupational violence cause per 1,000,000 hours worked	0
Number of occupational violence incidents reported	123
Number of occupational violence incidents reported per 100 FTE	21.7
Percentage of occupational violence incidents resulting in a staff injury, illness or condition	4.88%

Definitions of occupational violence

- Occupational violence – any incident where an employee is abused, threatened or assaulted in circumstances arising out of, or in the course of their employment.
- Incident – an event or circumstance that could have resulted in, or did result in, harm to an employee. Incidents of all severity rating must be included. Code Grey reporting is not included, however, if an incident occurs during the course of a planned or unplanned Code Grey, the incident must be included.
- Accepted Workcover claims – accepted Workcover claims that were lodged in 2021–2022.
- 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.

Statement of Priorities

Part A: Strategic priorities

In 2021–2022 the Board and Health Service will focus on the following immediate and ongoing priorities as outlined in the letter accompanying the Statement of Priorities. This letter replaces the health service specific priorities historically detailed in Part A.

1. Maintain your robust COVID-19 readiness and response, working with my department to ensure we rapidly respond to outbreaks, if and when they occur, which includes providing testing for your 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.

Progress: Achieved.

- All BCH departments have current COVID-19 Response Plans.
- BCH recently transitioned their COVID-19 Testing sites having performed 69,204 PCR tests and distributing 10,746 RATs.
- BCH has worked with Monash Pathology to establish ongoing testing capability at both Cowes and Wonthaggi.
- BCH has created a COVID-19 Testing Model of Care that would enable us to rapidly respond to any outbreaks.
- BCH recently closed the COVID-19 Vaccination clinic after administering 98,506 vaccinations. Local Government Area residents can now attend their GP or Pharmacist for vaccinations.
- GRPHU currently runs outreach vaccination programs and BCH continues to be supportive of this.

2. Drive improvements in access to emergency services by reducing emergency department four-hour wait times, improving ambulance to health service handover times, and implementing strategies to reduce bed-blockage to enable improved whole of hospital system flow.

Progress: Partially Achieved.

- Achieved. Implementation of Rapid Triage Process (aligned with the Australian College of Emergency Medicine).
- Partially Achieved. Implementation of clear escalation procedure to reduce length of stay.
- Partially Achieved. Implementation of a fast track model of care in ED.
- Not Achieved. Development of a Short Stay Unit Capability Framework.
- Achieved. Offloading suitable ambulance patients with the 'Fit to Sit' Model in our Waiting Room.

3. Actively collaborate on the development and delivery of priorities within your Health Service Partnership, contribute to inclusive and consensus-based decision-making, support optimum utilisation of services, facilities and resources within the Partnership, and be collectively accountable for delivering against Partnership accountabilities as set out in the *Health Service Partnership Policy and Guidelines.*

Progress: Achieved.

The South Gippsland Coast Partnership (SGCP) includes Bass Coast Health, Gippsland Southern Health Service, South Gippsland Hospital and Kooweerup Regional Health Service.

The work undertaken by the SGCP is aligned to the Health Service Partnership (HSP) priorities as described in the *Health Service Partnership Policy and Guidelines July 2021* and includes local priorities important to the communities of the partnership health services. An annual work plan developed by the SGCP and agreed to by the Department of Health reflects local, regional and state-wide priorities.

Working collaboratively within the partnership model has been key in delivering services as part of the pandemic response. This has included a variety of direct pandemic-related initiatives including the vaccination rollout, contact tracing and supporting patients with COVID-19 through Hospital in the Home (HITH) as well as continuing services such as Maternity and Sub-Acute services by delivering them at partnership health services.

4. 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. Work collaboratively with your Health Service Partnership to:

    a. implement the Better at Home initiative to enhance in-home and virtual models of patient care when it is safe, appropriate and consistent with patient preference.

    b. improve elective surgery performance and ensure that patients who have waited longer than clinically recommended for treatment have their needs addressed as a priority.

Progress: Partially Achieved (Elective surgery performance a key focus for 2022–23).

Working within the Gippsland HSP, the South Gippsland Coast Partnership (SGCP) has been able to build on previous partnership success to respond quickly and locally to the needs of the community during the pandemic. As part of the Better at Home initiative we are able to provide virtual and face-to-face support for patients who have COVID-19 through HITH.

We will continue to build and expand our services under the Better at Home priority, working with the region and within the sub-region to develop services that can be delivered in a person's home either virtually or face-to-face as clinically appropriate and in consideration of patient choice.

We see delivering services in a person's home as a key initiative for future care choices and will continue to develop and implement this as an option.

We are currently implementing GEM at Home (Geriatric Evaluation and Management) as a sub-regional service. This will enable patients to complete their care in their own home.

5. Address critical mental health demand pressures and support the implementation of mental health system reforms to embed integrated mental health and suicide prevention pathways for people with, or at risk of, mental illness or suicide through a whole-of-system approach as an active participant in your Health Service Partnership and through your Partnership's engagement with Regional Mental Health and Wellbeing Boards.

Progress: Partially Achieved (The South Gippsland Coast Partnership – SGCP – has commenced mapping Mental Health Royal Commission recommendations against current service gaps and opportunities).

The SGCP is committed to working together to address long-standing challenges in the delivery of services to people experiencing mental health issues. This important work will incorporate the recommendations of the Mental Health Royal Commission and focus on ensuring we have local solutions for local people.

6. Embed the Aboriginal and Torres Strait Islander Cultural Safety Framework into your organisation and build a continuous quality improvement approach to improving cultural safety, underpinned by Aboriginal self-determination, to ensure delivery of culturally safe care to Aboriginal patients and families, and to provide culturally safe workplaces for Aboriginal employees.

Progress: Partially Achieved.

Bass Coast Health's Cultural Safety Framework is mostly embedded into the organisation.

Bass Coast Health's First Nations Advisory Committee is active and self-determined. The Committee has determined that an updated Reconciliation Action Plan (RAP) and cultural safety training are priorities. Committee members have also been involved in shaping the design and use of new facilities.

Our Aboriginal Health Liaison Officer's (AHLO) role is embedded into the model of care for services across Bass Coast Health.

More Aboriginal and Torres Strait Islander community members are utilising Bass Coast Health services than in previous years. The AHLO is facilitating and supporting increased uptake of our services, particularly Dental and earlier this year, COVID-19 vaccination. The AHLO's access to Bass Coast Health's Electronic Medical Record and initial service design work with Allied Health, Sub-Acute and Emergency Department is increasing engagement one year into this new role.

While only 54% of staff have undertaken cultural safety training, significant engagement and awareness building during Reconciliation Week and NAIDOC Week, delivered with Traditional Owners and regional partners, have boosted opportunities and desire to learn.

Part B: Performance priorities

High quality and safe care

Key performance measure	Target	Result
Infection prevention and control		
Compliance with the Hand Hygiene Australia program	85%	87%
Percentage of healthcare workers immunised for influenza	92%	95%
Patient experience		
Victorian Healthcare Experience Survey – percentage of positive patient experience responses – Quarter 1	95%	Full Compliance*
Victorian Healthcare Experience Survey – percentage of positive patient experience responses – Quarter 2	95%	87%
Victorian Healthcare Experience Survey – percentage of positive patient experience responses – Quarter 3	95%	90%
Maternity and Newborn		
Rate of singleton term infants without birth anomalies with APGAR score <7 to 5 minutes	≤ 1.4%	0.6%
Rate of severe fetal growth restriction (FGR) in singleton pregnancy undelivered by 40 weeks	≤ 28.6%	0%
Continuing Care		
Functional independence gain from an episode of rehabilitation admission to discharge relative to length of stay	≥ 0.645	1

*Insufficient Data

Strong governance, leadership and culture

Key performance measure	Target	Result
Organisational culture		
People matter survey – Percentage of staff with an overall positive response to safety culture survey questions (result is from 2021 survey. The survey for 2022 will be conducted in October 2022)	62%	58%

Timely access to care

Key performance measure	Target	Result
Emergency care		
Percentage of patients transferred from ambulance to emergency department within 40 minutes	90%	63%
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%	71%
Percentage of emergency patients with a length of stay in the emergency department of less than four hours	81%	57%
Number of patients with a length of stay in the emergency department greater than 24 hours	0	7
Mental Health		
Percentage of mental health-related emergency department presentations with a length of stay of less than 4 hours	81%	43%
Specialist clinics		
Percentage of urgent patients referred by a GP or external specialist who attended a first appointment within 30 days	100%	83%
Percentage of routine patients referred by GP or external specialist who attended a first appointment within 365 days	90%	98%

Effective financial management

Key performance measure	Target	Result
Operating result ($m)	$0.00	$0.062
Average number of days to pay trade creditors	60 days	36 days
Average number of days to receive patient fee debtors	60 days	9 days
Adjusted current asset ratio	0.7 or 3% improvement from health service base target	1.05
Actual number of days available cash, measured on the last day of each month	14 days	18 days
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 2021–22

Funding type	Activity Result
Consolidated Activity Funding	
Acute admitted, subacute admitted, emergency services, non-admitted NWAU	10,551
Acute Admitted	
National Bowel Cancer Screening Program NWAU	9
Acute admitted DVA	90
Acute Non-Admitted	
Home Enteral Nutrition NWAU	5
Subacute/Non-Acute, Admitted & Non-admitted	
Palliative Care Non-admitted NWAU	118
Subacute WIES – DVA	38
Aged Care	
Residential Aged Care	15,656
HACC	6,662
Primary Health	
Community Health / Primary Care Programs	11,938

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 2022

Operating result	2022 $000	2021 $000	2020 $000	2019 $000	2018 $000
Total revenue	181,871	115,975	93,313	79,404	75,609
Total expenses	118,204	103,850	88,922	77,606	66,494
Net result from transactions	**63,667**	**12,125**	**4,391**	**1,798**	**9,115**
Total other economic flows	(543)	170	(22)	271	(143)
Net result	**63,124**	**12,295**	**4,369**	**2,069**	**8,972**
Total assets	174,613	108,534	89,939	81,364	75,027
Total liabilities	33,451	31,499	29,738	26,410	24,736
Net assets / Total equity	**141,162**	**77,035**	**60,201**	**54,954**	**50,291**

Reconciliation of Net Result from Transactions and Operating Result

Reconciliation items	2021–22 $000
Net operating result*	**62**
Capital purpose income	68,316
Specific income	N/A
COVID-19 State Supply Arrangements – Assets received free of charge or for nil consideration under the State Supply	1,261
State Supply items consumed up to 30 June 2022	(1,261)
Assets provided free of charge	N/A
Assets received free of charge	428
Expenditure for capital purpose	N/A
Depreciation and amortisation	(5,130)
Impairment of non-financial assets	N/A
Finance costs (other)	(9)
Net result from transactions	**63,667**

*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

Bass Coast Health's financial performance throughout the 2021–22 year, along with achievement of activity-based targets, continued to be adversely impacted by the COVID-19 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 $12.6m to support COVID-19 related costs and cash flow sustainability, enabled Bass Coast Health to report an operating surplus of $0.062m – a favourable result compared to the breakeven target. The reported net result from transactions for the year is a surplus of $63.7m. This result includes capital purpose income of $68.7m and depreciation charges of $5.1m resulting in the operating surplus noted above. The capital purpose income received during the year was predominantly aimed at funding the ongoing capital 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 Position During the Year

Bass Coast Health's total asset base grew by $64m in 2021–22. This was predominantly due to the continued building expansion program 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 2021–22, there were two consultancies where the total fees payable to the consultants were less than $10,000 (excl. GST). The total expenditure incurred during 2021-22 in relation to these consultancies is $12,812 (excl. GST).

Consultancies Over $10,000

In 2021–22, there were six consultants where the total fees payable to the consultants were $10,000 or greater.

The total expenditure incurred during 2021–22 in relation to these consultancies is $445,647 (excl. GST).

Consultant	Purpose of Consultancy	Start Date	End Date	Total approved project fee (exc. GST)	Expenditure 2021–22 (exc. GST)	Future Expenditure 2022–23 (exc. GST)
Brockhurst Consulting*	Development of Workforce Plan	1/06/2022	31/05/2023	$66,000	$24,000	$42,000
Lixivium Consulting	Board Evaluation	1/01/2022	30/06/2022	$23,775	$23,775	$–
AIM Medical	Medical and Other Equipment planning for Wonthaggi Hospital Expansion	1/07/2021	31/03/2023	$179,375	$172,892	$6,483
Digital Hospital Experts	IT Technical Requirements	1/07/2021	31/12/2021	$45,500	$45,500	$–
Ninety Mile Consulting*	Subregional Mental Health Planning	1/01/2022	30/06/2022	$29,980	$29,980	$–
UT Consulting	IT Technical Requirements	1/07/2021	31/03/2023	$185,000	$149,500	$35,500
			Totals	**$529,630**	**$445,647**	**$83,983**

*Sub-regional partnership projects.

Information and Communications Technology (ICT) Expenditure

The total ICT expenditure incurred during 2021–22 is $4,270,374 (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)
$2,332,046	$1,938,329	$861,608	$1,076,721

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
5 September 2022

Data Integrity

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

Jan Child, Chief Executive Officer, Bass Coast Health
5 September 2022

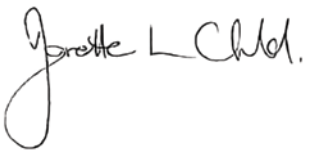
Conflict of Interest

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 and members of the board, and all declared conflicts have been addressed and are being managed. Conflict of interest is a standard agenda item for declaration and documenting at each executive board meeting.

Jan Child, Chief Executive Officer, Bass Coast Health
5 September 2022

Integrity, Fraud and Corruption

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



Jan Child, Chief Executive Officer, Bass Coast Health
5 September 2022

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.

Legislation	Requirement	Page
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FRD 22	Nature and range of services provided	2
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Management and structure		
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Financial Statements – Financial Year Ended 30 June 2022

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 2022 and the financial position of Bass Coast Health at 30 June 2022.

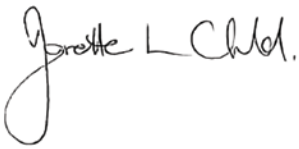
At the time of signing, we are not aware of any circumstance which would render any particulars included in the financial statements to be misleading or inaccurate.

We authorise the attached financial statements for issue on 5 September 2022.

Member of Responsible Body

Don Paproth
Chair
Wonthaggi
5 September 2022

Accountable Officer



Jan Child
Chief Executive Officer
Wonthaggi
5 September 2022

Chief Finance and Accountable Officer

Shaun Brooks
Chief Finance and Accounting Officer
Wonthaggi
5 September 2022

Independent Auditor's Report 2021–22

Independent Auditor's Report

Victorian Auditor-General's Office

To the Board of Bass Coast Health

Opinion	I have audited the financial report of Bass Coast Health (the health service) which comprises the: • balance sheet as at 30 June 2022 • comprehensive operating statement for the year then ended • statement of changes in equity for the year then ended • cash flow statement for the year then ended • notes to the financial statements, including significant accounting policies • board member's, accountable officer's and chief finance & accounting officer's declaration. In my opinion the financial report presents fairly, in all material respects, the financial position of the health service as at 30 June 2022 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 7 of the *Financial Management Act 1994* and applicable Australian Accounting Standards.
Basis for Opinion	I have conducted my audit in accordance with the *Audit Act 1994* which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report. My independence is established by the *Constitution Act 1975.* My staff and I are independent of the health service in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.
Other Information	My opinion on the financial report does not cover the Other Information and accordingly, I do not express any form of assurance conclusion on the Other Information. However, in connection with my audit of the financial report, my responsibility is to read the Other Information and in doing so, consider whether it is materially inconsistent with the financial report or the knowledge I obtained during the audit, or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude there is a material misstatement of the Other Information, I am required to report that fact. I have nothing to report in this regard.
Board's responsibilities for the financial report	The Board of the health service is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the *Financial Management Act 1994*, and for such internal control as the Board determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error. In preparing the financial report, the Board is responsible for assessing the health service's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.

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

Auditor's responsibilities for the audit of the financial report	As required by the *Audit Act 1994,* my responsibility is to express an opinion on the financial report based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report. As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also: • identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. • obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the health service's internal control • evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board • conclude on the appropriateness of the Board's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the health service's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the health service to cease to continue as a going concern. • evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation. I communicate with the Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

MELBOURNE
30 September 2022

Dominika Ryan
as delegate for the Auditor-General of Victoria

Start of Financials

Bass Coast Health
Comprehensive Operating Statement
For the Financial Year Ended 30 June 2022

	Note	Total 2022 $'000	Total 2021 $'000
Revenue and income from transactions			
Operating activities	2.1	181,775	115,888
Non-operating activities	2.1	96	87
Total revenue and income from transactions		**181,871**	**115,975**
Expenses from transactions			
Employee expenses	3.1	(82,169)	(74,543)
Supplies and consumables	3.1	(19,472)	(14,900)
Finance costs	3.1	(9)	(9)
Depreciation and amortisation	3.1	(5,130)	(4,581)
Other administrative expenses	3.1	(8,007)	(6,495)
Other operating expenses	3.1	(3,415)	(3,322)
Other non-operating expenses	3.1	(2)	-
Total Expenses from transactions		**(118,204)**	**(103,850)**
Net result from transactions - net operating balance		**63,667**	**12,125**
Other economic flows included in net result			
Net gain/(loss) on sale of non-financial assets	3.2	-	40
Net gain/(loss) on financial instruments	3.2	-	(52)
Other gain/(loss) from other economic flows	3.2	(543)	182
Total other economic flows included in net result		**(543)**	**170**
Net result for the year		**63,124**	**12,295**
Other comprehensive income			
Items that will not be reclassified to net result			
Changes in property, plant and equipment revaluation surplus	4.3	1,003	1,903
Total other comprehensive income		**1,003**	**1,903**
Comprehensive result for the year		**64,127**	**14,198**

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

Bass Coast Health
Balance Sheet
As at 30 June 2022

	Note	Total 2022 $'000	Total 2021 $'000
Current assets			
Cash and cash equivalents	6.2	30,650	26,968
Receivables and contract assets	5.1	1,479	1,201
Inventories	4.5	274	227
Prepaid expenses		401	579
Total current assets		**32,804**	**28,975**
Non-current assets			
Receivables and contract assets	5.1	2,368	2,193
Property, plant and equipment	4.1 (a)	138,992	76,740
Right of use assets	4.2 (a)	449	626
Total non-current assets		**141,809**	**79,559**
Total assets		**174,613**	**108,534**
Current liabilities			
Payables and contract liabilities	5.2	10,999	9,096
Borrowings	6.1	428	354
Employee benefits	3.3	14,208	12,362
Other liabilities	5.3	5,470	7,176
Total current liabilities		**31,105**	**28,988**
Non-current liabilities			
Borrowings	6.1	341	760
Employee benefits	3.3	2,005	1,751
Total non-current liabilities		**2,346**	**2,511**
Total liabilities		**33,451**	**31,499**
Net assets		**141,162**	**77,035**
Equity			
Property, plant and equipment revaluation surplus	4.3	27,918	26,915
Restricted specific purpose reserve	SCE	293	293
Contributed capital	SCE	19,410	19,410
Accumulated surplus	SCE	93,541	30,417
Total equity		**141,162**	**77,035**

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

Bass Coast Health
Statement of Changes in Equity
For the Financial Year Ended 30 June 2022

Total	Note	Property, Plant and Equipment Revaluation Surplus $'000	Restricted Specific Purpose Reserve $'000	Contributed Capital $'000	Accumulated Surplus $'000	Total $'000
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
Capital contribution		-	-	2,636	-	2,636
Balance at 30 June 2021		**26,915**	**293**	**19,410**	**30,417**	**77,035**
Net result for the year		-	-	-	63,124	63,124
Other comprehensive income for the year		1,003	-	-	-	1,003
Balance at 30 June 2022		**27,918**	**293**	**19,410**	**93,541**	**141,162**

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

Bass Coast Health
Cash Flow Statement
For the Financial Year Ended 30 June 2022

	Note	Total 2022 $'000	Total 2021 $'000
Cash Flows from operating activities			
Operating grants from government		107,009	92,338
Capital grants from government - State		68,162	15,751
Capital grants from government - Commonwealth		-	122
Patient fees received		3,306	3,315
Donations and bequests received		6	12
Interest and investment income received		96	-
Commercial Income Received		263	210
Other receipts		4,775	2,748
Total receipts		**183,617**	**114,496**
Employee expenses paid		(69,175)	(63,878)
Non salary labour costs		(11,147)	(9,788)
Payments for supplies and consumables		(20,843)	(12,861)
Payments for medical indemnity insurance		(820)	(887)
Payments for repairs and maintenance		(1,253)	(1,215)
Finance Costs		(9)	(9)
GST paid to ATO		(79)	(105)
Cash outflow for leases		(505)	(356)
Other payments		(8,835)	(5,419)
Total payments		**(112,666)**	**(94,518)**
Net cash flows from/(used in) operating activities	8.1	**70,951**	**19,978**
Cash Flows from investing activities			
Purchase of property, plant and equipment		(65,774)	(19,385)
Capital donations and bequests received		154	739
Other capital receipts		-	87
Proceeds from disposal of property, plant and equipment		-	40
Net cash flows from/(used in) investing activities		**(65,620)**	**(18,519)**
Cash flows from financing activities			
Repayment of borrowings		(345)	(2,677)
Contributed capital from government		-	2,636
Repayment of accommodation deposits		(1,577)	(896)
Receipt of accommodation deposits		272	1,600
Net receipt of other monies held in trust		1	543
Net cash flows from /(used in) financing activities		**(1,649)**	**1,206**
Net increase/(decrease) in cash and cash equivalents held		**3,682**	**2,665**
Cash and cash equivalents at beginning of year		26,968	24,303
Cash and cash equivalents at end of year	6.2	**30,650**	**26,968**

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

Bass Coast Health
Notes to the Financial Statements
For the Financial Year Ended 30 June 2022

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

These financial statements represent the audited general purpose financial statements for Bass Coast Health for the year ended 30 June 2022. 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.

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.

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.

Note 1.1: Basis of preparation of the financial statements (continued)

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 on 5th September 2022.

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. On 2 August 2020 a state of disaster was added with both operating concurrently. The state of disaster in Victoria concluded on 28 October 2020 whilst the state of emergency in Victoria concluded on 17 December 2021.

The COVID-19 pandemic has created economic uncertainty. Actual economic events and conditions in the future may be materially different from those estimated by the health service at the reporting date. Management recognises it is difficult to reliably estimate with certainty, the potential impact of the pandemic after the reporting date on the health service, its operations, its future results and financial position.

In response to the ongoing COVID-19 pandemic, Bass Coast Health has:

- introduced restrictions on non-essential visitors
- utilised telehealth services
- deferred elective surgery and reduced activity
- performed COVID-19 testing
- established and operated vaccine clinics
- changed infection control practices
- implemented work from home arrangements where appropriate.

Where financial impacts of the pandemic are material to Bass Coast Health, they are disclosed in the explanatory notes. For Bass Coast Health, this includes:

- 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.

Bass Coast Health
Notes to the Financial Statements
For the Financial Year Ended 30 June 2022

Note 1.3 Abbreviations and terminology used in the financial statements
The following table sets out the common abbreviations used throughout the financial statements:

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

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: *Insurance Contracts*	Reporting periods on or after 1 January 2023	Adoption of this standard is not expected to have a material impact.
AASB 2020-1: Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current	Reporting periods on or after 1 January 2022.	Adoption of this standard is not expected to have a material impact.
AASB 2020-3: Amendments to Australian Accounting Standards – Annual Improvements 2018-2020 and Other Amendments	Reporting periods on or after 1 January 2022.	Adoption of this standard is not expected to have a material impact.
AASB 2021-2: Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definitions of Accounting Estimates.	Reporting periods on or after 1 January 2023.	Adoption of this standard is not expected to have a material impact.
AASB 2021-6: Amendments to Australian Accounting Standards – Disclosure of Accounting Policies: Tier 2 and Other Australian Accounting Standards.	Reporting periods on or after 1 January 2023.	Adoption of this standard is not expected to have a material impact.
AASB 2021-7: Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections.	Reporting periods on or after 1 January 2023.	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.

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

Telling the COVID-19 story

Revenue recognised to fund the delivery of our services decreased 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, including:

- increased staffing costs to service vaccination hubs
- pathology testing costs due to COVID-19 tests
- increased personal protective equipment costs
- costs related to the expansion of emergency services

Funding provided included:

- COVID-19 and state repurposing grants
- Additional elective surgery funding
- Local public health unit funding
- Sustainability funding

For the year ended 30 June 2022, the COVID-19 pandemic has impacted Bass Coast Health's ability to satisfy its performance obligations contained within its contracts with customers. Bass Coast Health received indication there would be no obligation to return funds to each relevant funding body where performance obligations had not been met.

This resulted in approximately $8.2m being recognised as income for the year ended 30 June 2022 (2021: $0.9m) which would have otherwise been recognised as a contract liability in the Balance Sheet until subsequent years when underlying perfomance obligations were fulfilled. The impact of contract modifications obtained for Bass Coast Health's most material revenue streams, where applicable, is disclosed within this note.

Key judgements and estimates

This section contains the following key judgements and estimates:

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

Note 2.1 Revenue and income from transactions

		Total 2022 $'000	Total 2021 $'000
Operating activities			
Revenue from contracts with customers			
Government grants (State) - Operating		65,649	54,310
Government grants (Commonwealth) - Operating		11,290	10,021
Patient and resident fees		3,291	3,294
Commercial activities [1]		263	210
Total revenue from contracts with customers	Note 2.1 (a)	**80,493**	**67,835**
Other sources of income			
Government grants (State) - Operating		25,970	25,841
Government grants (State) - Capital		68,162	15,751
Government grants (Commonwealth) - Capital		-	122
Capital donations		154	739
Assets received free of charge or for nominal consideration	Note 2.2	1,689	946
Other revenue from operating activities (including non-capital donations)		5,307	4,654
Total other sources of income		**101,282**	**48,053**
Total revenue and income from operating activities		**181,775**	**115,888**
Non-operating activities			
Income from other sources			
Capital interest		96	87
Total other sources of income		**96**	**87**
Total income from non-operating activities		**96**	**87**
Total revenue and income from transactions		**181,871**	**115,975**

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

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

	Total 2022 $'000	Total 2021 $'000
Bass Coast Health disaggregates revenue by the timing of revenue recognition.		
Goods and services transferred to customers:		
At a point in time	80,493	67,835
Total revenue from contracts with customers	**80,493**	**67,835**

Note 2.1 Revenue and income from transactions (continued)

How we recognise revenue and income from transactions

Government operating grants

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

When both these conditions are satisfied, the health service:

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

If a contract liability is recognised, Bass Coast Health recognises revenue in profit or loss as and when it satifies its obligations under the contract, unless a contract modification is entered into between all parties. A contract modification may be obtained in writing, by oral agreement or implied by customary business practices.

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

- recognises the asset received in accordance with the recognition requirements of other applicable Accounting Standards (for example, AASB 9, AASB 16, AASB 116 and AASB 138)
- recognises related amounts (being contributions by owners, lease liabilities, financial instruments, provisions, revenue or contract liabilities from a contract with a customer), and
  - recognises income immediately in profit or loss as the difference between the initial carrying amount of the asset and the related amount in accordance with AASB 1058.

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

Note 2.1 Revenue and income from transactions (continued)

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

Government grant	Performance obligation
Activity Based Funding (ABF) paid as Weighted Inlier Equivalent Separation (WIES) casemix for acute and sub-acute patients.	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. Revenue is recognised at a point in time, which is when a patient is discharged. 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 (DRG). WIES was superseded by NWAU from 1 July 2021, for acute, sub-acute and state-wide (which includes specified grants, state-wide services and teaching and training. Services not transitioning at this time include mental health and small rural services.
Activity Based Funding (ABF) paid as National Weighted Activity Unit (NWAU)	NWAU funding commenced 1 July 2021 and supersedes WIES for acute, sub-acute and state-wide services (which includes specified grants, state-wide services and teaching and training). Services not transitioning at this time include mental health and small rural services. NWAU is a measure of health service activity expressed as a common unit against which the national efficient price (NEP) is paid. The performance obligations for NWAU are the number and mix of admissions, emergency department presentations and outpatient episodes, and is weighted for clinical complexity. Revenue is recognised at point in time, which is when a patient is discharged.
Commonwealth Residential Aged Care Grants	Funding is provided for the provision of care for aged care residents within facilities at Bass Coast Health. The performance obligations include provision of residentail accommodations and care from nursing staff and personal care workers. Revenue is recognised at the point in time when the service is provided within the residential aged care facility.

Note 2.1 Revenue and income from transactions (continued)

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.

Commercial activities

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

How we recognise revenue and income from non-operating activities

Interest Income

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

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

	Total 2022 $'000	Total 2021 $'000
Plant and equipment	428	37
Assets received free of charge under State supply arrangements	1,261	909
Total fair value of assets and services received free of charge or for nominal consideration	**1,689**	**946**

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

Personal protective equipment

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

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

Voluntary Services

Bass Coast Health receives volunteer services from members of the community in the following areas:

- concierge services, car washing, transport and meals driving, visiting services and other programs.

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

Bass Coast Health greatly values the services contributed by volunteers but it does not depend on volunteers to deliver its services.

Non-cash contributions from the Department of Health

The Department of Health makes some payments on behalf of 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 3: The cost of delivering our services

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

Structure

3.1 Expenses from transactions
3.2 Other economic flows
3.3 Employee benefits in the balance sheet
3.4 Superannuation

Telling the COVID-19 story

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

Additional costs were incurred to deliver the following additional services:

- establish facilities within Bass Coast Health for the treatment of suspected and admitted COVID-19 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 and consumption of personal protective equipment provided as resources free of charge
- assist with COVID-19 case management, contact tracing and outbreak management contributing to an increase in employee costs
- establish vaccination clinics to administer vaccines to staff and the community resulting in an increase in employee costs and consumables, and
- establish COVID-19 testing facilities for staff and the community, resulting in an increase in employee costs and consumables
- implement work from home arrangements resulting in increased ICT infrastructure costs and additional equipment purchases

Key judgements and estimates

This section contains the following key judgements and estimates:

Key judgements and estimates	Description
Classifying employee benefit liabilities	Bass Coast Health applies significant judgment when measuring and classifying its employee benefit liabilities. 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. 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.
Measuring employee benefit liabilities	Bass Coast Health applies significant judgment when measuring its employee benefit liabilities. The health service 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, being the expected future payments to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures, and are discounted at rates determined by reference to market yields on government bonds at the end of the reporting period. All other entitlements are measured at their nominal value.

Note 3.1 Expenses from transactions

	Note	Total 2022 $'000	Total 2021 $'000
Salaries and wages		65,073	59,633
On-costs		5,949	5,122
Agency expenses		6,337	4,884
Fee for service medical officer expenses		4,195	3,801
Workcover premium		615	1,103
Total employee expenses		**82,169**	**74,543**
Drug supplies		5,090	2,813
Medical and surgical supplies		4,366	3,767
Diagnostic and radiology supplies		3,606	3,423
Other supplies and consumables		6,410	4,897
Total supplies and consumables		**19,472**	**14,900**
Finance costs		9	9
Total finance costs		**9**	**9**
Other administrative expenses		8,007	6,495
Total other administrative expenses		**8,007**	**6,495**
Fuel, light, power and water		837	864
Repairs and maintenance		790	596
Maintenance contracts		463	619
Medical indemnity insurance		820	887
Expenses related to short term leases and leases of low value assets		505	356
Total other operating expenses		**3,415**	**3,322**
Total operating expense		**113,072**	**99,269**
Depreciation and amortisation	4.4	5,130	4,581
Total depreciation and amortisation		**5,130**	**4,581**
Bad and doubtful debt expense		2	-
Total other non-operating expenses		**2**	**-**
Total non-operating expense		**5,132**	**4,581**
Total expenses from transactions		**118,204**	**103,850**

Note 3.1 Expenses from transactions

How we recognise expenses from transactions

Expense recognition

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

Employee expenses

Employee expenses include:

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

Supplies and consumables

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

Finance costs

Finance costs include:

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

Other operating expenses

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

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

The Department of Health also makes certain payments on behalf of 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 Other economic flows included in net result

	Total 2022 $'000	Total 2021 $'000
Net gain/(loss) on disposal of property plant and equipment	-	40
Total net gain/(loss) on non-financial assets	**-**	**40**
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	(543)	182
Total other gains/(losses) from other economic flows	**(543)**	**182**
Total gains/(losses) from other economic flows	**(543)**	**170**

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;

Net gain/(loss) on non-financial assets

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

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

Note 3.3 Employee benefits in the balance sheet

	Total 2022 $'000	Total 2021 $'000
Current employee benefits and related on-costs		
Accrued days off		
Unconditional and expected to be settled wholly within 12 months [i]	187	174
	187	**174**
Annual leave		
Unconditional and expected to be settled wholly within 12 months [i]	5,283	4,606
Unconditional and expected to be settled wholly after 12 months [ii]	856	799
	6,139	**5,405**
Long service leave		
Unconditional and expected to be settled wholly within 12 months [i]	949	616
Unconditional and expected to be settled wholly after 12 months [ii]	5,371	4,917
	6,320	**5,533**
Provisions related to employee benefit on-costs		
Unconditional and expected to be settled within 12 months [i]	743	607
Unconditional and expected to be settled after 12 months [ii]	819	643
	1,562	**1,250**
Total current employee benefits and related on-costs	**14,208**	**12,362**
Non-current provisions and related on-costs		
Conditional long service leave [ii]	1,765	1,574
Provisions related to employee benefit on-costs [ii]	240	177
Total non-current employee benefits and related on-costs	**2,005**	**1,751**
Total employee benefits and related on-costs	**16,213**	**14,113**

[i] The amounts disclosed are nominal amounts.
[ii] The amounts disclosed are discounted to present values.

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

	Total 2022 $'000	Total 2021 $'000
Current employee benefits and related on-costs		
Unconditional accrued days off	208	194
Unconditional annual leave entitlements	6,844	6,013
Unconditional long service leave entitlements	7,156	6,155
Total current employee benefits and related on-costs	**14,208**	**12,362**
Conditional long service leave entitlements	2,005	1,751
Total non-current employee benefits and related on-costs	**2,005**	**1,751**
Total employee benefits and related on-costs	**16,213**	**14,113**
Attributable to:		
Employee benefits	14,411	12,686
Provision for related on-costs	1,802	1,427
Total employee benefits and related on-costs	**16,213**	**14,113**

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

	Total 2022 $'000	Total 2021 $'000
Carrying amount at start of year	14,113	13,597
Additional provisions recognised	8,420	5,982
Net gain/(loss) arising from revaluation of long service liability	(543)	182
Amounts incurred during the year	(5,777)	(5,648)
Carrying amount at end of year	**16,213**	**14,113**

How we recognise employee benefits

Employee benefit recognition

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

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

Annual leave and accrued days off

Liabilities for annual leave and accrued days off are recognised in the provision for employee benefits as 'current liabilities' because 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.

Provision for on-costs related to employee benefits

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

Note 3.4 Superannuation

	Paid Contribution for the Year		Contribution Outstanding at Year End	
	Total 2022 $'000	Total 2021 $'000	Total 2022 $'000	Total 2021 $'000
Defined benefit plans:[i]				
Aware Super	71	103	3	12
Defined contribution plans:				
Aware Super	2,807	2,534	203	283
Hesta	1,893	1,537	135	183
Other	1,306	942	104	116
Total	**6,077**	**5,116**	**445**	**594**

[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 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 Right-of-use assets
4.3 Revaluation surplus
4.4 Depreciation and amortisation
4.5 Inventories
4.6 Impairment of assets

Telling the COVID-19 story

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

Key judgements and estimates

This section contains the following key judgements and estimates:

Key judgements and estimates	Description
Measuring fair value of property, plant and equipment and investment properties	Bass Coast Health obtains independent valuations for its non-current assets at least once every five years. If an independent valuation has not been undertaken at balance date, the health service estimates possible changes in fair value since the date of the last independent valuation with reference to Valuer-General of Victoria indices. 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.
Estimating useful life and residual value of property, plant and equipment	Bass Coast Health assigns an estimated useful life to each item of property, plant and equipment. This is used to calculate depreciation of the asset. The health service reviews the useful life, residual value and depreciation rates of all assets at the end of each financial year and where necessary, records a change in accounting estimate.
Estimating useful life of right-of-use assets	The useful life of each right-of-use asset is typically the respective lease term, except where the health service is reasonably certain to exercise a purchase option contained within the lease (if any), in which case the useful life reverts to the estimated useful life of the underlying asset. Bass Coast Health applies significant judgement to determine whether or not it is reasonably certain to exercise such purchase options.

Key judgements and estimates (continued)

Key judgements and estimates	Description
Estimating restoration costs at the end of a lease	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, the health service 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.
Estimating the useful life of intangible assets	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.
Identifying indicators of impairment	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, the health service tests the asset for impairment. The health service considers a range of information when performing its assessment, including considering: ▪ If an asset's value has declined more than expected based on normal use ▪ If a significant change in technological, market, economic or legal environment which adversely impacts the way the health service uses an asset ▪ If an asset is obsolete or damaged ▪ If the asset has become idle or if there are plans to discontinue or dispose of the asset before the end of its useful life ▪ If the performance of the asset is or will be worse than initially expected. Where an impairment trigger exists, the health services applies significant judgement and estimate to determine the recoverable amount of the asset.

Note 4.1 Property, plant and equipment

Note 4.1 (a) Gross carrying amount and accumulated depreciation

	Total 2022 $'000	Total 2021 $'000
Land at fair value - Freehold	10,580	9,577
Total land at fair value	**10,580**	**9,577**
Buildings at fair value	48,784	45,354
Less accumulated depreciation	(9,296)	(6,111)
Total buildings at fair value	**39,488**	**39,243**
Works in progress at cost	**76,580**	**17,376**
Total land and buildings	**126,648**	**66,196**
Plant and equipment at fair value	11,675	9,197
Less accumulated depreciation	(6,037)	(5,293)
Total plant and equipment at fair value	**5,638**	**3,904**
Motor vehicles at fair value	1,115	1,115
Less accumulated depreciation	(1,082)	(1,040)
Total motor vehicles at fair value	**33**	**75**
Medical equipment at fair value	9,030	7,826
Less accumulated depreciation	(5,178)	(4,612)
Total medical equipment at fair value	**3,852**	**3,214**
Computer equipment at fair value	2,679	1,883
Less accumulated depreciation	(1,809)	(1,486)
Total computer equipment at fair value	**870**	**397**
Furniture and fittings at fair value	955	955
Less accumulated depreciation	(744)	(688)
Total furniture and fittings at fair value	**211**	**267**
Total plant, equipment, furniture, fittings and vehicles at fair value	**10,604**	**7,857**
Other assets under construction at cost	**1,740**	**2,687**
Total property, plant and equipment	**138,992**	**76,740**

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

	Note	Land $'000	Buildings $'000	Plant & equipment $'000	Motor vehicles $'000	Medical Equipment $'000	Computer Equipment $'000	Furniture & Fittings $'000	Assets under construction $'000	Total $'000
Balance at 1 July 2020		**7,674**	**38,574**	**3,314**	**119**	**2,358**	**252**	**332**	**7,721**	**60,344**
Additions		-	2,296	1,147	-	1,277	375	-	13,826	18,921
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	4.4	-	(3,099)	(569)	(44)	(458)	(230)	(65)	-	(4,465)
Balance at 30 June 2021	4.1 (a)	**9,577**	**39,243**	**3,904**	**75**	**3,214**	**397**	**267**	**20,063**	**76,740**
Additions		-	2,115	1,716	-	1,142	839	-	60,403	66,215
Disposals		-	-	-	-	-	-	-	(435)	(435)
Assets provided free of charge		-	-	428	-	-	-	-	-	428
Revaluation increments/(decrements)		1,003	-	-	-	-	-		-	1,003
Net Transfers between classes			1,314	334	-	63	-	-	(1,711)	-
Depreciation	4.4	-	(3,184)	(744)	(42)	(567)	(366)	(56)	-	(4,959)
Balance at 30 June 2022	4.1 (a)	**10,580**	**39,488**	**5,638**	**33**	**3,852**	**870**	**211**	**78,320**	**138,992**

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

Land and Buildings Carried at Valuation

The Valuer-General Victoria undertook to re-value all of Bass Coast Health's land 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 2022.

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 are subsequently measured at fair value less accumulated depreciation and impairment losses where applicable.

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

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

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

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 buildings 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.

An independent valuation of Bass Coast Health's land was performed by the VGV on 30 June 2022. The valuation, which complies with Australian Valuation Standards, was determined by reference to the amount for which assets could be exchanged between knowledgeable willing parties in an arm's length transaction. The valuation performed at 30 June 2022 indicated an overall:

- increase in fair value of land of 10.47% ($1,003,000)

As the assessment to estimate possible changes in fair value of land, with reference to VGV indices, indicated an estimated change of greater than 40%, Bass Coast Health obtained an interim valuation as at 30 June 2022. The adjustment made to the fair value of land at 30 June 2022 refelcts the result of the independent valuation.

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

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

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

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

Note 4.2 Right-of-use assets

Note 4.2(a) Gross carrying amount and accumulated depreciation

	Total 2022 $'000	Total 2021 $'000
Right of use equipment and vehicles	816	822
Less accumulated depreciation	(367)	(196)
Total right of use equipment and vehicles	**449**	**626**
Total right of use equipment and vehicles	**449**	**626**

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

	Note	Right-of-use Vehicles $'000	Total $'000
Balance at 1 July 2020		**230**	**230**
Additions		512	512
Depreciation	4.4	(116)	(116)
Balance at 30 June 2021	4.2 (a)	**626**	**626**
Disposals		(6)	(6)
Depreciation	4.4	(171)	(171)
Balance at 30 June 2022	4.2 (a)	**449**	**449**

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 the health service.

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

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

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

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

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

Note 4.3 Revaluation Surplus

	Note	Total 2022 $'000	Total 2021 $'000
Balance at the beginning of the reporting period		26,915	25,012
Revaluation increment			
- Land	4.1 (b)	1,003	1,903
Balance at the end of the Reporting Period*		**27,918**	**26,915**
*** Represented by:**			
- Land		8,224	7,221
- Buildings		19,694	19,694
		27,918	**26,915**

Note 4.4 Depreciation

	Total 2022 $'000	Total 2021 $'000
Depreciation		
Buildings	3,184	3,099
Plant and equipment	744	569
Motor vehicles	42	44
Medical equipment	567	458
Computer equipment	366	230
Furniture and fittings	56	65
Total depreciation - property, plant and equipment	**4,959**	**4,465**
Right-of-use assets		
Right of use - vehicles	171	116
Total depreciation - right-of-use assets	**171**	**116**
Total depreciation	**5,130**	**4,581**

How we recognise depreciation

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

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

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

	2022	2021
Buildings		
- Structure shell building fabric	7 to 45 Years	7 to 45 Years
- Site engineering services and central plant	7 to 45 Years	7 to 45 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
Computers and communication	3 to 5 Years	3 to 5 Years
Furniture and fitting	10 to 13 years	10 to 13 years
Motor Vehicles	5 Years	5 Years

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

Note 4.5 Inventories

	Total 2022 $'000	Total 2021 $'000
Pharmacy supplies at cost	120	114
General stores at cost	154	113
Total inventories	**274**	**227**

How we recognise inventories

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

Note 4.6: Impairment of assets

How we recognise impairment

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

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

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

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

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

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

Where it is not possible to estimate the recoverable amount of an individual asset, Bass Coast Health estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Bass Coast Health did not record any impairment losses for the year ended 30 June 2022.

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

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

Key judgements and estimates

This section contains the following key judgements and estimates:

Key judgements and estimates	Description
Estimating the provision for expected credit losses	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 the 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

	Notes	Total 2022 $'000	Total 2021 $'000
Current receivables and contract assets			
Contractual			
Trade receivables		168	146
Patient fees		71	86
Allowance for impairment losses		-	(120)
Accrued revenue		343	248
Amounts receivable from governments and agencies		471	494
Total contractual receivables		**1,053**	**854**
Statutory			
GST receivable		426	347
Total statutory receivables		**426**	**347**
Total current receivables and contract assets		**1,479**	**1,201**
Non-current receivables and contract assets			
Contractual			
Long service leave - Department of Health		2,368	2,193
Total contractual receivables		**2,368**	**2,193**
Total non-current receivables and contract assets		**2,368**	**2,193**
Total receivables and contract assets		**3,847**	**3,394**
(i) Financial assets classified as receivables and contract assets (Note 7.1(a))			
Total receivables and contract assets		3,847	3,394
Provision for impairment		-	120
GST receivable		(426)	(347)
Total financial assets	7.1(a)	**3,421**	**3,167**

Note 5.1 Receivables and contract assets (continued)

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

	Total 2022 $'000	Total 2021 $'000
Balance at the beginning of the year	120	127
Increase in allowance	-	52
Amounts written off during the year	(120)	(59)
Reversal of allowance written off during the year as uncollectable	-	-
Balance at the end of the year	**-**	**120**

How we recognise receivables
Receivables consist of:

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

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

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

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

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 2022 $'000	Total 2021 $'000
Current payables and contract liabilities			
Contractual			
Trade creditors		534	622
Accrued salaries and wages		749	459
Accrued expenses		1,940	4,218
GHA IT Alliance		117	157
Deferred capital grant income	5.2(a)	1,222	1,515
Contract liabilities	5.2(b)	1,566	973
Amounts payable to governments and agencies		4,871	1,152
Total contractual payables		**10,999**	**9,096**
Total payables and contract liabilities		**10,999**	**9,096**
(i) Financial liabilities classified as payables and contract liabilities (Note 7.1(a))			
Total payables and contract liabilities		10,999	9,096
Deferred grant income		(1,222)	(1,515)
Contract liabilities		(1,566)	(973)
Total financial liabilties	7.1(a)	**8,211**	**6,608**

How we recognise payables and contract liabilities
Payables consist of:

- **Contractual payables**, which mostly includes payables in relation to goods and services. These payables are classified as financial instruments and measured at amortised cost. Accounts payable and salaries and wages payable represent liabilities for goods and services provided to Bass Coast Health prior to the end of the financial year that are unpaid.

- **Statutory payables** comprises Goods and Services Tax (GST) payable. Statutory payables are recognised and measured similarly to contractual payables, but are not classified as financial instruments and not included in the category of financial liabilities at amortised cost, because they do not arise from contracts.

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

Note 5.2 (a) Deferred capital grant income

	Total 2022 $'000	Total 2021 $'000
Opening balance of deferred grant income	1,515	491
Grant consideration for capital works received during the year	175	1,024
Deferred grant revenue recognised as revenue due to completion of capital works	(468)	-
Closing balance of deferred grant income	**1,222**	**1,515**

How we recognise deferred capital grant revenue

Grant consideration was received from the Department of Health to support the construction of major infrastructure. 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 grant revenue for capital works by 30 June 2023.

Note 5.2 (b) Contract liabilities

	Total 2022 $'000	Total 2021 $'000
Opening balance of contract liabilities	973	955
Grant consideration for sufficiently specific performance obligations received during the year	3,066	3,067
Revenue recognised for the completion of a performance obligation	(2,473)	(3,049)
Total contract liabilities	**1,566**	**973**
*** Represented by:**		
- Current contract liabilities	1,566	973
	1,566	**973**

How we recognise contract liabilities

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

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

Maturity analysis of payables

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

Note 5.3 Other liabilities

	Notes	Total 2022 $'000	Total 2021 $'000
Current monies held it trust			
Patient monies		12	54
Refundable accommodation deposits		5,263	6,567
Other monies		195	555
Total current monies held in trust		**5,470**	**7,176**
Total other liabilities		**5,470**	**7,176**
*** Represented by:**			
- Cash assets	6.2	5,470	7,176
		5,470	**7,176**

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.

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

Structure

6.1 Borrowings
6.2 Cash and cash equivalents
6.3 Commitments for expenditure
6.4 Non-cash financing and investing activities

Telling the COVID-19 story

Our finance and borrowing arrangements were not materially impacted by the COVID-19 Coronavirus pandemic 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	Bass Coast Health applies significant judgement to determine if a contract is or contains a lease by considering if the health service: • 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	Bass Coast Health applies significant judgement when determining if a lease meets the short-term or low value lease exemption criteria. The health service estimates the fair value of leased assets when new. Where the estimated fair value is less than $10,000, the health service applies the low-value lease exemption. The health service also estimates the lease term with reference to remaining lease term and period that the lease remains enforceable. Where the enforceable lease period is less than 12 months the health service applies the short-term lease exemption.
Discount rate applied to future lease payments	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.
Assessing the lease term	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. Bass Coast Health determines the likelihood of exercising such options on a lease-by-lease basis through consideration of various factors including: • 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

	Note	Total 2022 $'000	Total 2021 $'000
Current borrowings			
Lease liability [(i)]	6.1 (a)	265	191
Advances from government (ii)		163	163
Total current borrowings		**428**	**354**
Non-current borrowings			
Lease liability [(i)]	6.1 (a)	186	435
Advances from government (ii)		155	325
Total non-current borrowings		**341**	**760**
Total borrowings		**769**	**1,114**

[i] Secured by the assets leased.
[ii] These are unsecured loans which bear no interest.

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

Initial recognition

All borrowings are initially recognised at fair value of the consideration received, less directly attributable transaction costs. The measurement basis subsequent to initial recognition depends on whether Bass Coast Health has categorised its liability as 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 2022 $'000	Total 2021 $'000
Total undiscounted lease liabilities	457	644
Less unexpired finance expenses	(6)	(18)
Net lease liabilities	**451**	**626**

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

	Total 2022 $'000	Total 2021 $'000
Not longer than one year	269	201
Longer than one year but not longer than five years	188	443
Minimum future lease liability	**457**	**644**
Less unexpired finance expenses	(6)	(18)
Present value of lease liability	**451**	**626**
*** Represented by:**		
- Current liabilities	265	191
- Non-current liabilities	186	435
	451	**626**

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 equipment and vehicles	2 to 3 years

Note 6.1 (a) Lease liabilities (continued)

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 Healths incremental borrowing rate. Our lease liability has been discounted by rates of between 3% to 5%.

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

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

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

	Note	Total 2022 $'000	Total 2021 $'000
Cash on hand (excluding monies held in trust)		3	2
Cash at bank (excluding monies held in trust)		1,590	769
Cash at bank - CBS (excluding monies held in trust)		23,257	18,478
Total cash held for operations		**24,850**	**19,249**
Cash at bank (monies held in trust)		12	54
Cash at bank - CBS (monies held in trust)		5,458	7,122
Total cash held as monies in trust		**5,470**	**7,176**
Total cash and cash equivalents (Health Service Operations)		**30,320**	**26,425**
Cash at Bank (GHA IT Alliance)		330	543
Total cash and cash equivalents (Health Service Operations)	7.1 (a)	**30,650**	**26,968**

How we recognise cash and cash equivalents

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

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

Note 6.3 Commitments for expenditure

	Total 2022 $'000	Total 2021 $'000
Capital expenditure commitments		
Less than one year	3,789	550
Longer than one year but not longer than five years	-	-
Five years or more	-	-
Total capital expenditure commitments	**3,789**	**550**
Operating expenditure commitments		
Less than one year	-	33
Longer than one year but not longer than five years	-	-
Five years or more	-	-
Total capital expenditure commitments	**-**	**33**
Non-cancellable short term and low value lease commitments		
Less than one year	250	182
Longer than one year but not longer than five years	-	-
Five years or more	-	-
Total non-cancellable short term and low value lease commitments	**250**	**182**
Total commitments for expenditure (exclusive of GST)	**4,039**	**765**
Less GST recoverable from Australian Tax Office	(367)	(70)
Total commitments for expenditure (exclusive of GST)	**3,672**	**695**

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.

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
7.4 Fair value determination

Key judgements and estimates

This section contains the following key judgements and estimates:

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

Key judgements and estimates (continued)

Key judgements and estimates	Description
Measuring fair value of non-financial assets	Bass Coast Health uses a range of valuation techniques to estimate fair value, which include the following: ▪ Market approach, which uses prices and other relevant information generated by market transactions involving identical or comparable assets and liabilities. The fair value of Bass Coast Health's [specialised land, non-specialised land, non-specialised buildings, investment properties and cultural assets] are measured using this approach. ▪ Cost approach, which reflects the amount that would be required to replace the service capacity of the asset (referred to as current replacement cost). The fair value of Bass Coast Health's [specialised buildings, furniture, fittings, plant, equipment and vehicles] are measured using this approach. The health service selects a valuation technique which is considered most appropriate, and for which there is sufficient data available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. Subsequently, the health service applies significant judgement to categorise and disclose such assets within a fair value hierarchy, which includes: ▪ Level 1, using quoted prices (unadjusted) in active markets for identical assets that the health service can access at measurement date. Bass Coast Health does not categorise any fair values within this level. ▪ Level 2, inputs other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly. Bass Coast Health categorises non-specialised land and right-of-use concessionary land in this level. ▪ Level 3, where inputs are unobservable. Bass Coast Health categorises specialised land, non-specialised buildings, specialised buildings, plant, equipment, furniture, fittings, vehicles, right-of-use buildings and right-of-use plant, equipment, furniture and fittings in this level.

Note 7.1: Financial instruments

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

Total 30 June 2022	Note	Financial Assets at Amortised Cost $'000	Financial Liabilities at Amortised Cost $'000	Total $'000
Contractual Financial Assets				
Cash and Cash Equivalents	6.2	30,650	-	30,650
Receivables and contract assets	5.1	3,421	-	3,421
Total Financial Assets [i]		**34,071**	**-**	**34,071**
Financial Liabilities				
Payables	5.2	-	8,211	8,211
Borrowings	6.1	-	769	769
Other Financial Liabilities - Refundable Accommodation Deposits	5.3	-	5,263	5,263
Other Financial Liabilities - Patient monies held in trust	5.3	-	12	12
Other Financial Liabilities - Other monies held in trust	5.3	-	195	195
Total Financial Liabilities [i]		**-**	**14,450**	**14,450**

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

Total 30 June 2021	Note	Financial Assets at Amortised Cost $'000	Financial Liabilities at Amortised Cost $'000	Total $'000
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 Assets [i]		**30,135**	**-**	**30,135**
Financial Liabilities				
Payables	5.2	-	6,608	6,608
Borrowings	6.1	-	1,114	1,114
Other Financial Liabilities - Refundable Accommodation Deposits	5.3	-	6,567	6,567
Other Financial Liabilities - Patient monies held in trust	5.3	-	54	54
Other Financial Liabilities - Other monies held in trust	5.3	-	555	555
Total Financial Liabilities [i]		**-**	**14,898**	**14,898**

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

How we categorise financial instruments

Categories of financial assets

Financial assets are recognised when 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.

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

Financial assets at amortised cost

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

- the assets are held by 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 measured at amortised cost using the effective interest method less any impairment.

Bass Coast Health recognises the following assets in this category:

- cash and deposits
- receivables (excluding statutory receivables)

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

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.

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

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired or
- 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 and interest rate 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 2021-22.

Note 7.2 (a) Credit risk (continued)

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.

Note 7.2 (a) Contractual receivables at amortised cost

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.

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

Note 7.2 (b) Liquidity risk

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

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:

- maintaining an adequate level of uncommitted funds that can be drawn at short notice to meet its short-term obligations
- 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 7.2 (b) Payables and borrowings maturity analysis

				Maturity Dates				
Total		**Carrying Amount**	**Nominal Amount**	**Less than 1 Month**	**1-3 Months**	**3 months - 1 Year**	**1-5 Years**	**Over 5 years**
30 June 2022	**Note**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Payables	**5.2**	8,211	8,211	8,211	-	-	-	-
Borrowings	**6.1**	769	769	15	45	368	341	-
Other Financial Liabilities - Refundable Accommodation Deposits	**5.3**	5,263	5,263	-	-	5,263	-	-
Other Financial Liabilities - Patient monies held in trust	**5.3**	12	12	-	12	-	-	-
Other Financial Liabilities - Other monies held in trust	**5.3**	195	195	-	-	195	-	-
Total Financial Liabilities		**14,450**	**14,450**	**8,226**	**57**	**5,826**	**341**	**-**

				Maturity Dates				
Total		**Carrying Amount**	**Nominal Amount**	**Less than 1 Month**	**1-3 Months**	**3 months - 1 Year**	**1-5 Years**	**Over 5 years**
30 June 2021	**Note**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Financial Liabilities at amortised cost								
Payables	**5.2**	6,608	6,608	5,313	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 - Other monies held in trust	**5.3**	555	555	-	-	555	-	-
Total Financial Liabilities		**14,898**	**14,898**	**5,327**	**99**	**8,556**	**916**	**-**

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

Note 7.2 (c) Market risk

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

Sensitivity disclosure analysis and assumptions

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

- a change in interest rates of 1% up or down

Interest rate risk

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

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

Note 7.3: Contingent assets and contingent liabilities

At 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 7.4: Fair Value Determination

How we measure fair value

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

The following assets and liabilities are carried at fair value:

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

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

Valuation hierarchy

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

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

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. There have been no transfers between levels during the period.

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

Identifying unobservable inputs (level 3) fair value measurements

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

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

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

	Note	Total carrying amount 30 June 2022 $'000	Fair value measurement at end of reporting period using: Level 1 [i] $'000	Level 2 [i] $'000	Level 3 [i] $'000
Specialised land		10,580	-	6,080	4,500
Total land at fair value	4.1 (a)	**10,580**	**-**	**6,080**	**4,500**
Non-specialised buildings		-	-	-	-
Specialised buildings		39,488	-	-	39,488
Total buildings at fair value	4.1 (a)	**39,488**	**-**	**-**	**39,488**
Plant and equipment at fair value	4.1 (a)	5,638	-	-	5,638
Motor vehicles at fair value	4.1 (a)	33	-	33	-
Medical equipment at Fair Value	4.1 (a)	3,852	-	-	3,852
Computer equipment at fair value	4.1 (a)	870	-	-	870
Furniture and fittings at fair value	4.1 (a)	211	-	-	211
Total plant, equipment, furniture, fittings and vehicles at fair value		**10,604**	**-**	**33**	**10,571**
Right of use vehicles	4.2 (a)	449	-	449	-
Total right-of-use assets at fair value		**449**	**-**	**449**	**-**
Total property, plant and equipment at fair value		**61,121**	**-**	**6,562**	**54,559**

		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		39,243	-	-	39,243
Total buildings at fair value	4.1 (a)	**39,243**	**-**	**-**	**39,243**
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
Total plant, equipment, furniture, fittings and vehicles at fair value		**7,857**	**-**	**75**	**7,782**
Right of use vehicles	4.2 (a)	626	-	626	-
Total right-of-use assets at fair value		**626**	**-**	**626**	**-**
Total Property, Plant and Equipment		**57,303**	**-**	**701**	**56,602**

[i] Classified in accordance with the fair value hierarchy.

How we measure fair value of non-financial physical assets

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

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

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 highest and best use unless market or other factors suggest that a different use by market participants would maximise the value of the asset.

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

Non-specialised land & non-specialised buildings

Non-specialised land, non-specialised buildings, investment properties 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 and investment properties, 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 2022.

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 2022.

Vehicles

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

Furniture, fittings, plant and equipment

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

There were no changes in valuation techniques throughout the period to 30 June 2022

7.4(b) Reconciliation of level 3 fair value measurement

Total	Note	Land $'000	Buildings $'000	Plant & Equipment $'000	Medical Equipment $'000	Computer Equipment $'000	Furniture & Fittings $'000
Balance at 1 July 2020		**7,674**	**38,574**	**3,314**	**2,358**	**252**	**332**
Additions/(Disposals)		-	2,296	1,147	1,277	375	-
Assets provided free of charge		-	-	-	37	-	-
Net Transfers between classes		-	1,472	12	-	-	-
Gains/(Losses) recognised in net result							
- Depreciation and amortisation		-	(3,099)	(569)	(458)	(230)	(65)
- Impairment loss		-	-	-	-	-	-
Items recognised in other comprehensive income		-	-				
- Revaluation		1,903	-	-	-	-	
Balance at 30 June 2021	7.4 (a)	**9,577**	**39,243**	**3,904**	**3,214**	**397**	**267**
Additions/(Disposals)		-	2,115	1,716	1,142	839	-
Assets provided free of charge		-	-	428	-	-	-
Net Transfers between classes		(6,080)	1,314	334	63	-	-
Gains/(Losses) recognised in net result							
- Depreciation and Amortisation		-	(3,184)	(744)	(567)	(366)	(56)
- Impairment loss		-	-				
Items recognised in other comprehensive income							
- Revaluation		1,003	-	-	-	-	-
Balance at 30 June 2022	7.4 (a)	**4,500**	**39,488**	**5,638**	**3,852**	**870**	**211**

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

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

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

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

Note 8: Other disclosures

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

Structure

8.1 Reconciliation of net result for the year to net cash flow from operating activities
8.2 Responsible persons disclosure
8.3 Remuneration of executives
8.4 Related parties
8.5 Remuneration of auditors
8.6 Events occurring after the balance sheet date
8.7 Jointly controlled operations
8.8 Equity
8.9 Economic dependency

Telling the COVID-19 story

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

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

	Note	Total 2022 $'000	Total 2021 $'000
Net result for the year		63,124	12,295
Non-cash movements:			
(Gain)/Loss on sale or disposal of non-financial assets	3.2	-	(40)
Depreciation and amortisation of non-current assets	4.4	5,130	4,581
Assets and services received free of charge	2.2	(428)	(37)
Bad and doubtful debt expense	3.1	(120)	(7)
Share of net results in associates	8.7	-	(100)
Capital donations and interest received		(154)	(826)
Movements in Assets and Liabilities:			
(Increase)/Decrease in receivables and contract assets		(333)	332
(Increase)/Decrease in inventories		(47)	(1)
(Increase)/Decrease in prepaid expenses		178	(12)
Increase/(Decrease) in payables and contract liabilities		1,903	3,275
Increase/(Decrease) in employee benefits		2,100	516
Increase/(Decrease) in other liabilities		(402)	2
Net cash inflow from operating activities		**70,951**	**19,978**

Note 8.2 Responsible persons

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

	Period
The Honourable Martin Foley:	
Minister for Health	1 Jul 2021 - 27 Jun 2022
Minister for Ambulance Services	1 Jul 2021 - 27 Jun 2022
The Honourable Anthony Carbines:	
Minister for Child Protection and Family Services	1 Jul 2021 - 27 Jun 2022
Minister for Disability, Ageing and Carers	6 Dec 2021 - 27 Jun 2022
The Honourable James Merlino:	
Minister for Mental Health	1 Jul 2021 - 27 Jun 2022
Minister for Disability, Ageing and Carers	11 Oct 2021 - 6 Dec 2021
The Honourable Gabrielle Williams:	
Minister for Mental Health	27 Jun 2022 - 30 Jun 2022
The Honourable Mary-Anne Thomas:	
Minister for Health	27 Jun 2022 - 30 Jun 2022
Minister for Ambulance Services	27 Jun 2022 - 30 Jun 2022
The Honourable Colin Brooks:	
Minister for Child Protection and Family Services	27 Jun 2022 - 30 Jun 2022
Minister for Disability, Ageing and Carers	27 Jun 2022 - 30 Jun 2022
The Honourable Luke Donnellan:	
Minister for Disability, Ageing and Carers	1 Jul 2021 - 11 Oct 2021
Governing Boards	
Tony Gabbert	1 Jul 2021 - 11 Aug 2021
Simon Jemmett	1 Jul 2021 - 30 Jun 2022
Kate Jungwirth (previously McCullough)	1 Jul 2021 - 30 Jun 2022
Mim Kershaw	1 Jul 2021 - 30 Jun 2022
Ian Leong	1 Jul 2021 - 30 Jun 2022
Julia Oxley	1 Jul 2021 - 30 Jun 2022
Don Paproth	1 Jul 2021 - 30 Jun 2022
Angelo Saridis	1 Jul 2021 - 30 Jun 2022
Ian Thompson	1 Jul 2021 - 30 Jun 2022
Mary Whelan	1 Jul 2021 - 30 Jun 2022
Accountable Officers	
Jan Child (Chief Executive Officer)	1 Jul 2021 - 30 Jun 2022

Note 8.2 Responsible persons (continued)

Remuneration of Responsible Persons

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

Income Band	Total 2022 No	Total 2021 No
$0 - $9,999	2	1
$10,000 - $19,999	7	8
$20,000 - $29,999	1	1
$370,000 - $379,999	-	1
$380,000 - $389,999	1	-
Total Numbers	**11**	**11**

	Total 2022 $'000	Total 2021 $'000
Total remuneration received or due and receivable by Responsible Persons from the reporting entity amounted to:	**$512**	**$509**

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 State's Annual Financial Report.

Note 8.3 Remuneration of executives

Remuneration of executive officers (including Key Management Personnel disclosed in Note 8.4)	Total Remuneration	
	2022 $'000	2021 $'000
Short-term benefits	1,219	1,044
Post-employment benefits	122	99
Other long-term benefits	52	44
Total remuneration [i]	**1,393**	**1,187**
Total number of executives	7	6
Total annualised employee equivalent [ii]	5.2	4.4

i The total number of executive officers includes persons who meet the definition of Key Management Personnel (KMP) of Bass Coast Health's 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 were lower due to two executives departing and only being replaced partway through the current financial year.

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, directly or indirectly.

Key management personnel

The Board of Directors, Chief Executive Officer and the Executive Directors of Bass Coast Health's are deemed to be KMPs.

Entity	KMPs	Position Title
Bass Coast Health	Don Paproth	Board Chair
Bass Coast Health	Simon Jemmett	Board Member
Bass Coast Health	Kate Jungwirth	Board Member
Bass Coast Health	Mim Kershaw	Board Member
Bass Coast Health	Ian Leong	Board Member
Bass Coast Health	Julia Oxley	Board Member
Bass Coast Health	Angelo Saridis	Board Member
Bass Coast Health	Ian Thompson	Board Member
Bass Coast Health	Mary Whelan	Board Member
Bass Coast Health	Jan Child	Chief Executive Officer
Bass Coast Health	Mark Brady	Executive Director
Bass Coast Health	Shaun Brooks	Chief Financial Officer
Bass Coast Health	Brenton Button	Executive Director of Corporate Services
Bass Coast Health	Christine Henderson	Executive Director of Clinical Services
Bass Coast Health	Renee Kelsall	Chief Medical Officer
Bass Coast Health	Emilia Pezzi	Executive Director
Bass Coast Health	Louise Sparkes	Deputy CEO

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

Compensation - KMPs	Total 2022 $'000	Total 2021 $'000
Short-term Employee Benefits [i]	1,673	1,498
Post-employment Benefits	167	142
Other Long-term Benefits	63	55
Total [ii]	**1,903**	**1,695**

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

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

Note 8.4: Related Parties (continued)

Significant transactions with government related entities

Bass Coast Health received funding from the Department of Health of $100.5m (2021: $83.2m) and indirect contributions of $58.3m (2021: $14.8m). Balances outstanding as recallable as at 30 June 2022 are $2.5 m (2021 $2.4m).

Bass Coast Health made payments to Ambulance Victoria of $2.3m (2021: $1.8m)

Expenses incurred by the 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 the Bass Coast Health to hold cash (in excess of working capital) in accordance with the State of Victoria's centralised banking arrangements. All borrowings are required to be sourced from Treasury Corporation Victoria unless an exemption has been approved by the Minister for Health and the Treasurer.

Transactions with KMPs and other related parties

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

Outside of normal citizen type transactions with Bass Coast Health, there were no related party transactions that involved key management personnel, their close family members or their personal business interests. No provision has been required, nor any expense recognised, for impairment of receivables from related parties. There were no related party transactions with Cabinet Ministers required to be disclosed in 2022 (2021: 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 2022 (2021: none).

Note 8.5: Remuneration of Auditors

	Total 2022 $'000	Total 2021 $'000
Victorian Auditor-General's Office		
Audit of the financial statements	47	47
Total remuneration of auditors	**47**	**47**

Note 8.6: Events occurring after the balance sheet date

There are no events occurring after balance sheet date.

Note 8.7 Joint arrangements

	Principal Activity	Ownership Interest 2022 %	Ownership Interest 2021 %
Gippsland Health Alliance	Information Technology Services	10.49	10.82

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

	2022 $'000	2021 $'000
Current assets		
Cash and cash equivalents	330	543
Receivables	259	89
Prepaid expenses	282	470
Total current assets	**871**	**1,102**
Non-current assets		
Property, plant and equipment	114	136
Total non-current assets	**114**	**136**
Total assets	**985**	**1,238**
Current liabilities		
Payables	86	141
Other Liabilities	31	16
Lease Liability	23	20
Total current liabilities	**140**	**177**
Non-current liabilities		
Lease Liability	47	55
Total non-current liabilities	**47**	**55**
Total liabilities	**187**	**232**
Net assets	**798**	**1,006**
Equity		
Accumulated surplus	798	1,006
Total equity	**798**	**1,006**

Note 8.7 Joint arrangements (continued)

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

	2022 $'000	2021 $'000
Revenue		
Operating Activities	2,249	2,111
Total revenue	**2,249**	**2,111**
Expenses		
Other Expenses from Continuing Operations	2,413	1,974
Depreciation	44	37
Total expenses	**2,457**	**2,011**
Net result	**(208)**	**100**

Contingent liabilities and capital commitments

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

Note 8.8: Equity

Contributed capital

Contributions by owners (that is, contributed capital and its repayment) are treated as equity transactions and, therefore, do not form part of the income and expenses of the 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 October 2023. On that basis, the financial statements have been prepared on a going concern basis.

Site Map

Main Site

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

Satellite Sites

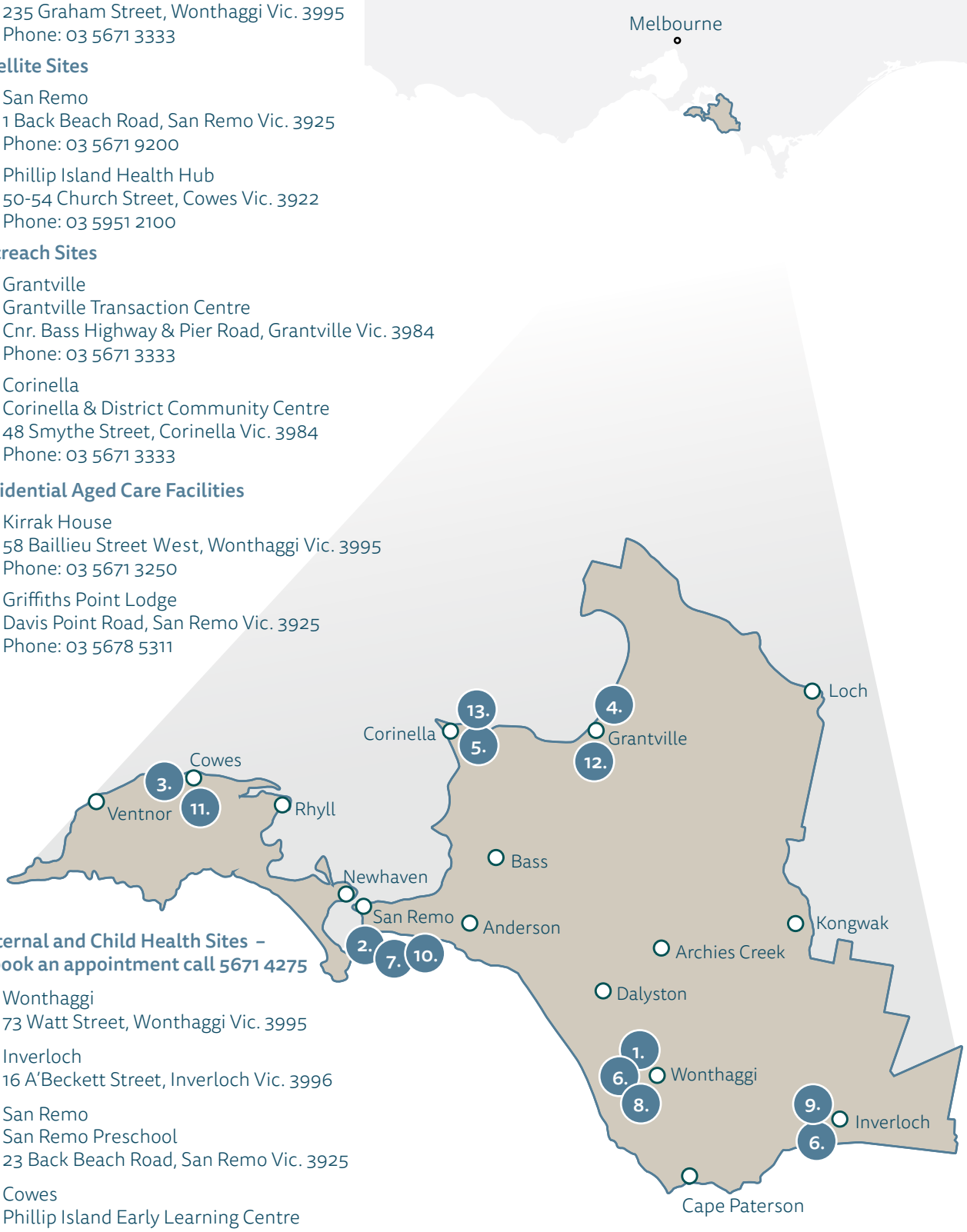
2. San Remo
   1 Back Beach Road, San Remo Vic. 3925
   Phone: 03 5671 9200
3. Phillip Island Health Hub
   50-54 Church Street, Cowes Vic. 3922
   Phone: 03 5951 2100

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
   58 Baillieu Street West, 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 – to book an appointment call 5671 4275

8. Wonthaggi
   73 Watt Street, Wonthaggi Vic. 3995
9. Inverloch
   16 A'Beckett Street, Inverloch Vic. 3996
10. San Remo
    San Remo Preschool
    23 Back Beach Road, San Remo Vic. 3925
11. Cowes
    Phillip Island Early Learning Centre
    161 Settlement Road, Cowes Vic. 3922
12. Grantville
    Grantville Transaction Centre
    Cnr. Bass Highway and Pier Road, Grantville Vic. 3984
13. Corinella
    Bass Valley Children's Centre
    60 Corinella Road, Corinella Vic. 3984