

To be a vibrant provider of care



2022-23  
Annual Report

## OUR ROLE

Beaufort and Skipton Health Service is committed to delivering a range of health and community services to improve the health and well-being of the Beaufort and Skipton communities.

## OUR VISION

To be a vibrant provider of care.

## OUR MISSION

To enable all people in our community to be connected, healthy and live well.

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## STRATEGIC GOALS

GOAL  
1

### OUR CONSUMERS

We will engage with our consumers to ensure we deliver services that meet the health and well-being needs of our communities.

GOAL  
2

### OUR QUALITY AND SAFETY

We will deliver safe, high quality, person centred care.

GOAL  
3

### OUR PEOPLE

We will enable a skilled, engaged and motivated workforce.

GOAL  
4

### OUR BUSINESS

We will ensure strong business performance, financial governance and sustainability.

GOAL  
5

### OUR PARTNERS

We will partner to deliver an integrated and connected system.

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## OUR VALUES

TEAMWORK

COMPASSION

ACCOUNTABILITY

RESPECT

EXCELLENCE

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## ESTABLISHMENT OF BEAUFORT AND SKIPTON HEALTH SERVICE

Beaufort and Skipton Health Service was established on 1 October 1996 and incorporates the Ripon Peace Memorial Hospital and the Skipton and District Memorial Hospital. With the opening of Beaufort Primary Care Facility in 1996 and the Community Health Centre in Skipton in 2001, Beaufort and Skipton Health Service plays a key role in the provision of public health services for the needs of a diverse community.

Beaufort and Skipton Health Service serves over 8000 people in the Beaufort, Skipton and the surrounding area.

Our catchment area extends from Derrinalum and Lismore in the South to Lexton and Amphitheatre in the North, and stretches to include Streatham, Linton and Snake Valley. Beaufort and Skipton Health Service covers portions of the Pyrenees, Corangamite, and Golden Plains Shires.

This Annual Report 2022-2023 provides information to all stakeholders about the performance of the Health Service. The report highlights services provided, operational achievements and challenges during the 2022-2023 financial year.

## TRADITIONAL OWNERS

Beaufort and Skipton Health Service acknowledges the Wadawurrung people, as the traditional custodians of the land and their continuing connection to land, water and community. We pay our respects to them and their culture, and to elders both past and present.



Beaufort and Skipton Health Service acknowledges the support of the Victorian and Commonwealth Governments.

## ACKNOWLEDGEMENTS

**Editor:** Narelle Harrison

**Graphic Design:** Digital Outlaw

**Printer:** Sovereign Press



## NATURE AND RANGE OF SERVICES

Beaufort and Skipton Health Service provides programs and services across two campuses. The clinical areas include Urgent care, Acute care, Residential Aged Care (nursing home and hostel), Home Based Services (e.g. District Nursing, Transition Care Program and Home Care Packages), Community Programs (e.g. Health Promotion), Community and Allied Health and Primary Care through the Skipton Medical Practice.

### CLINICAL

- Acute Inpatient Unit
- Infection Control services to support clinicians
- Palliative Care
- Urgent Care
- Bed Based Transition Care Program

### RESIDENTIAL SERVICES INCLUDING RESPITE

- Beaufort Hostel
- Skipton Hostel
- Beaufort Higher Care Needs
- Skipton Higher Care Needs
- Leisure & Lifestyle Team

### COMMUNITY SERVICES

- Chronic Disease Management
- District Nursing
- Community Transport
- Diabetes Education
- Dietetics
- Health Promotion
- Home Care Packages
- Occupational Therapy
- Physiotherapy
- Podiatry
- Exercise Physiologist
- Social Support Groups (Men's Group, Women's Group, Gait and Balance, Strength Training and Beaufort Blokes)
- Social Work (including Mental Health Support)
- Transition Care Program
- Healthy@Home Program

### MEDICAL CLINIC (SKIPTON)

- General Practitioners
- Practice Nurses
- Vaccination Clinic

### VISITING SERVICES

- Maternal & Child Health (Skipton)
- Speech Pathology
- Remedial Massage (Beaufort)
- Drug and Alcohol Counselling (Beaufort)

### SUPPORT SERVICES

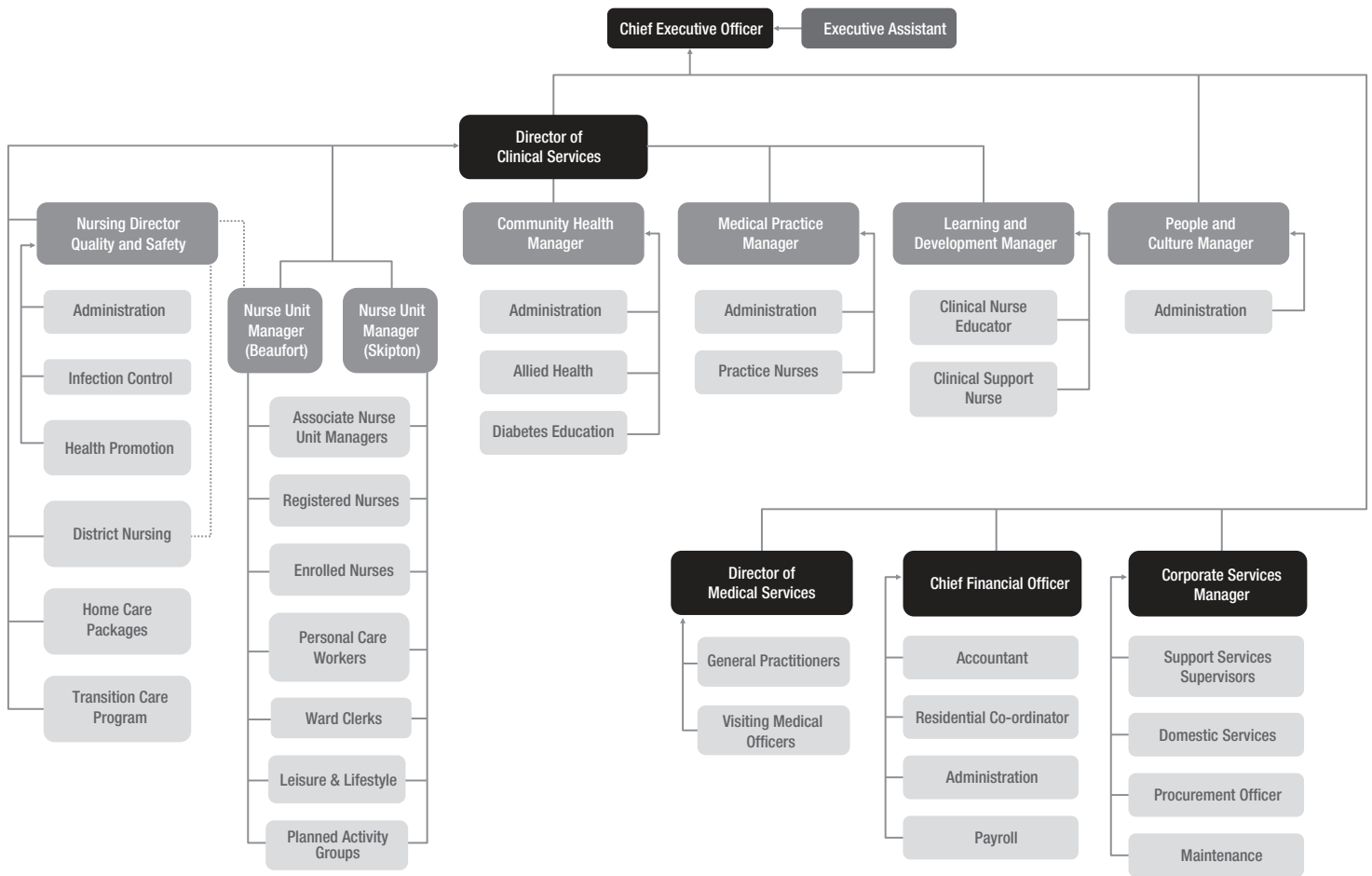
- Accommodation (staff & students)
- Building Projects
- Catering (internal and Meals on Wheels)
- Cleaning, linen & waste
- Finance and Administration
- Maintenance
- Procurement and Contracts Management / Fleet Vehicles

### DEVELOPMENT & IMPROVEMENT

- Accreditation programs
- Consumer feedback
- Community engagement
- Education, Training and Professional Development
- Information & Communication Technology
- Occupational Health & Safety
- Organisational Development
- Quality & Safety
- People & Culture
- Graduate Nurse Program
- Undergraduate clinical placements



# ORGANISATIONAL STRUCTURE



## BOARD CHAIR AND CHIEF EXECUTIVE OFFICERS REPORT

On behalf of the Board of Directors and staff, we are pleased to present the Beaufort and Skipton Health Service Annual Report for 2022-2023.



During the year we have seen the transition of COVID-19 from an emergency response to one where we are now moving towards and managing COVID like any other respiratory infectious disease.

Over the last twelve months we have experienced several COVID-19 outbreaks in both the residential and acute services. This has resulted in continuous refinement of our Outbreak Management Plan with acknowledgement from the Grampians Public Health Unit that our plan is robust and providing our consumers with a comprehensive and rapid response.

All our staff have remained committed to the quality and safety of our service, delivering continuous care with resilience and diligence, often in a constantly changing and challenging environment. We extend our thanks to them all, and to the community for the patience and understanding during various interruptions and visitor restrictions that were required, often on short notice, to ensure the protection of our residents and wider community.

While the broader health sector has seen a marked shift in workforce shortages, Beaufort and Skipton Health Service has seen a steady improvement in recruitment for non-clinical positions.

We are pleased to report that Beaufort and Skipton Health Service have been listed as a finalist in two categories of the 2023 Victorian Training Awards. These are for the Small Employer of the Year and Employer Award for Apprentice and Traineeship Development categories. This is in recognition of the fantastic work our small training and development team does to support our staff in achieving certificate level qualifications.

This past year, significant milestones have been reached across the organisation, some of which will be detailed in this report. This would have not been possible without the commitment, dedication and expertise of the Beaufort and Skipton Health Service Board of Directors, General Practitioners, and staff.

We acknowledge and thank Dr Malcolm Anderson and Dr. Badrika Kahawatta for their ongoing service and commitment at the Skipton Medical Practice. Our Visiting Medical Officers, Dr. Chamika Gamage, Dr. Phil Kyaw and Dr. Pushpa Ravindranayagam also continue to provide medical care for residents and patients at the Beaufort campus, for which we extend our appreciation.

As part of our medical workforce succession planning, we are seeking to recruit a General Practitioner Registrar for our Skipton Medical Clinic and campus.

After twelve months of searching for an Occupational Therapist, we are pleased to advise that this position has been appointed. The Occupational Therapy service is available four days a week and will be a welcome addition to services we provide to our community.

Our condolences go out to the family and colleagues of Joan Williams who passed away during the year. Joan joined Beaufort and Skipton Health Service in 2004 as a Personal Care Worker and was an invaluable and dedicated member of the clinical team at Beaufort. She truly loved all the residents that she cared for in the Beaufort Hostel, and will be fondly remembered for her practical nature, dry sense of humour and exceptional care.

In other significant moments, the Board reluctantly accepted the resignation of Director, Daniel Terry. Daniel joined the Board in 2019 and has been a conscientious and committed Director while working on and with the Board and Executive staff in supporting areas such as, Clinical Governance, Credentialing and Medical Consultative Committees over his tenure of the past four years.

Margaret Way and Nigel Jarvis were all re-appointed to the Board of Directors for three-year terms and we are pleased to welcome Maree White, as a new appointment onto our Board, commencing on 1 July 2023. Maree has an extensive background in Rural and Remote nursing and will be a valuable addition to the Health Service Board of Directors.

The Guthrie Family Trust generously donated funds that assisted with improvements to the furnishings for the benefits of our residents. This enabled the purchase of new dining tables and chairs for both our Beaufort and Skipton residential facilities.

Our gratitude and appreciation for the ongoing support by the Beaufort and Skipton Health Service Foundation Limited is acknowledged. This year the Foundation have provided significant funds to enable the purchase of necessary equipment and furniture for our residents and staff. We thank them for their commitment and look forward to continuing to work together in the year ahead.

Our focus remains on securing funding for elements of our Master Plan through various Capital Works projects.

“

We were advised that our application for the Victorian Health Building Authority, Regional Health Infrastructure Fund (RHIF) Round 2022/23 was successful. Funding of \$220,000.00 was awarded for planning the final stage of the Beaufort Nursing Home accommodation expansion. We thank the Department of Health (including the regional office) for their ongoing support during the last twelve months.

The Beaufort Acute ensuites and procurement storage construction has seen the project pause during the year, due to the escalating costs for construction. The cost increases exceeded the allocated funding, which required the project to be rescope and approval sought for this change.

Significant focus has been given to improving financial performance and maintaining efficient and effective cost control. This has of course been done while never losing sight of any opportunities to invest in the growth of services offered to the community, when possible. A great example of this can be seen in the investment into Home Care Packages.

The Aged Care Reforms has seen significant changes to our Aged Care Services with increased reporting and compliance expectations, which will continue into the future.

A further change has been the transition of the Pyrenees and Corangamite Shires stepping away from providing Commonwealth Home Support Program (CHSP) services to our communities. We are pleased to report that with Commonwealth approval, Beaufort and Skipton Health Service has expanded our Community Services to improve community access to services and care at home.

With so many unprecedented changes and challenges, we acknowledge that staff fatigue and mental health continue to be an ongoing focus and priority. We have remained committed to making readily available any effective services, and supports to care for our staff, patients, and community around this important health care need.

Beaufort and Skipton Health Service is looking forward to continuing to deliver safe and high-quality services to our communities in 2023 – 2024 and beyond.



**David Lenehan**  
Board Chair

Beaufort and Skipton  
Health Service



**Meryn Pease**  
Chief Executive Officer

Beaufort and Skipton  
Health Service

## RESPONSIBLE BODIES DECLARATION AS AT 30 JUNE 2023

In accordance with the Financial Management Act 1994, I am pleased to present the report of operations for Beaufort and Skipton Health Service for the year ending 30 June 2023.



**David Lenehan**  
Board Chair  
Beaufort & Skipton Health Service  
5th October 2022



## OBJECTIVES, FUNCTIONS, POWERS AND DUTIES

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### THE GOVERNING BODY

Beaufort and Skipton Health Service is a public Health Service established under the Health Services Act 1988 (Vic). The Responsible Minister is the Minister for Health.

### RESPONSIBLE MINISTERS

For the reporting period 1 July 2022 to 30 June 2023, Beaufort and Skipton Health Service was accountable, through its Board of Directors to:

The responsible Minister is the Minister for Health:

#### **Minister for Health**

The Hon Mary-Anne Thomas  
1 July 2022 to 30 June 2023

#### **Minister for Ambulance Services**

The Hon Mary-Anne Thomas  
1 July 2022 to 5 December 2022  
The Hon. Gabrielle Williams  
5 December 2022 to 30 June 2023

#### **Minister for Mental Health**

The Hon. Gabrielle Williams  
1 July 2022 to 30 June 2023

#### **Minister for Disability, Ageing and Carers**

The Hon. Colin Brooks  
1 July 2022 to 5 December 2022  
The Hon. Lizzie Blandthorn  
5 December 2022 to 30 June 2023



## 2022-23 YEAR IN REVIEW

We are proud to have achieved significant accomplishments over the last twelve months and these are detailed in our following strategic pillars.

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### OUR CONSUMERS

- The Beaufort and Skipton Health Service People and Culture Committee organised a successful Women's Breast Cancer Awareness High Tea in October 2022, coinciding with Breast Cancer Awareness Month. The event attracted participation from more than 45 members of the community and managed to raise in excess of \$400 for the McGrath Foundation. Joylene Fletcher, a McGrath Breast Cancer Nurse affiliated with Grampians Health, was invited as the guest speaker, and delivered an informative presentation emphasising the significance of self-examinations and routine medical check-ups.
- The biannual Community Needs Survey was conducted with the aim of increasing understanding of the community's health needs, both presently and in the foreseeable future. The community's top priority was determined to be the availability of local health services and the need for access to allied health, dental and mental health services, aged care and in-home support and chronic disease management. We extend our gratitude to the community for providing this invaluable information, which will aid in the development of the Health Service's strategic direction.
- Several 'Cuppa and Chat' sessions were organised in Beaufort and Skipton as a means of facilitating an informal platform for community members to convene and engage in conversations regarding their priorities and feedback. Local residents actively participated in these sessions, sharing their perspectives on the healthcare service, the existing range of services, and offering suggestions for potential future services. The insights gathered from these sessions will prove immensely valuable in guiding future planning endeavours.
- A new Health Service website was developed to provide improved communication and promotion that is more user friendly and provides better functionality for consumers.
- The Health Service has achieved significant progress in the Home Care Package program, facilitating the accessibility of local, in-home aged care services for consumers. This expansion has provided greater flexibility and convenience for consumers, ensuring their needs are comprehensively met.
- There has been a significant amount of work in the transition of the Commonwealth Home Support Services (CHSP) clients from the Pyrenees and Corangamite Shires to Beaufort and Skipton Health Service, so that we can continue to support those living in our community. A coordinator is managing the change in conjunction with the Shires to ensure a smooth and seamless transition for clients. We will be providing meals, social support (groups and individual), personal care, district nursing and allied health services.

## OUR QUALITY AND SAFETY

- This year has proven to be a rewarding one for us as we have actively pursued and obtained regular feedback from our consumers. The opinions of our consumers hold immense importance to us, and we have encouraged participation through initiatives such as our Executive Safety Walk Arounds. This feedback has played a pivotal role in shaping and developing action plans for continuous improvement and change. Throughout the year we have received 58 compliments and have also had the opportunity to improve through 37 complaints. The Care Opinion portal has also provided an additional avenue for consumers to provide their feedback. Additionally, we are pleased that the Beaufort and Skipton Community Health achieved a 100% satisfaction rate in the Victorian Health Experience Survey, where respondents indicated that the services provided had been helpful to their health and wellbeing.
- A response to unplanned weight loss increases in our residential services resulted in a rapid and comprehensive review of our dining experience, resident satisfaction, and food delivery processes to determine opportunities for improvement. This review was conducted with a focus on identifying areas for improvement and implementation of necessary changes. It has been pleasing to see unplanned weight loss results improve as a result of this review.
- In August 2022, our service achieved accreditation on all eight of the National Safety and Quality Health Service (NSQHS) Standards for our acute, urgent care, and allied health areas. This accreditation is a testament to our commitment in providing high-quality care and ensuring the safety of our consumers. Following suit, in May 2023, the Beaufort Hostel and Nursing Home underwent accreditation against the eight Aged Care Quality Standards. These standards were rigorously reviewed by Assessors from the Aged Care Quality & Safety Commission.
- The expansion of staffing in the Quality and Safety unit has been instrumental in supporting organisational improvements while also maintaining compliance with accreditation requirements. This has had the benefit of also enhancing the consumer experience.
- An emphasis has been applied to the implementation of clinical care pathways aimed at identifying and managing sepsis and delirium, with the ultimate goal of improving consumer outcomes.
- The implementation of a focused program aimed at preventing pressure injuries has yielded significant results within the organisation, with a total of more than 150 consecutive days without any incidents of pressure injuries.

## OUR PEOPLE

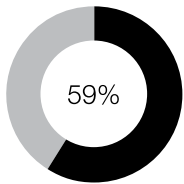
- At our Annual General Meeting, we acknowledged and congratulated nine members of our staff who achieved significant milestones in their service. We extended congratulations to Andrea Flenley (25 years), Patricia Porter and Tracy Walsh (20 Years), Glenda Waldron, Emma Biggin, Trudy Boyer, and Jessica Lang (15 Years) and Pauline Heily and Kasey Court (10 Years). We are immensely grateful to these staff for their contributions over the years.
- The 2023 Gillian Checkley Scholarship was awarded this year to Rebecca Simmonds, recognising her dedication and commitment to her Bachelor of Nursing studies. Rebecca began her employment with the Health Service as a casual Endorsed Enrolled Nurse, before becoming a permanent part-time staff member in 2019. Rebecca has successfully completed her Bachelor of Nursing at Charles Darwin University.



- International Nurses Day is a significant occasion dedicated to celebrating and acknowledging the remarkable contributions made by nurses. Beaufort and Skipton Health Service extended this recognition to encompass all our healthcare workers, and on the 12 May, we honoured the commitment and hard work of our dedicated teams by sharing in an afternoon tea, where all staff members were presented with gifts of treats and individual cards. These cards were signed by all members of the Leadership team, symbolising collective appreciation for their exceptional efforts. It was an opportunity to show our deep respect and appreciation for the devoted work carried out by our teams.



All Beaufort and Skipton Health Service employees were invited to participate in the 2022 People Matters Survey.

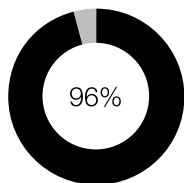


We are pleased to report a participation rate of 59%, An increase of 1% from the 2021 survey.

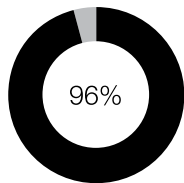
This result, compared to the sector-wide result of 52%, reflects the impact of our dedicated campaign to increase trust and participation.

A People Matter Survey Action Plan was developed from these results to identify areas of focus throughout the year.

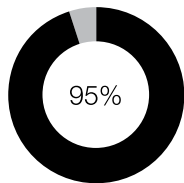
**The five overall highest responses were:**



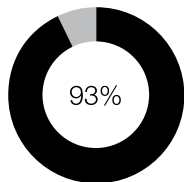
I can make a worthwhile contribution at work



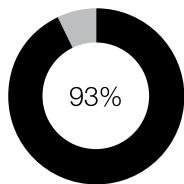
I understand how my job helps my organisation achieve its goals



I achieve something important through my work

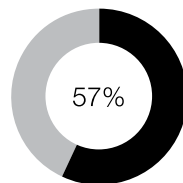


I clearly understand what I am expected to do in this job

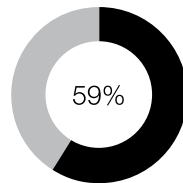


I can use my skills and knowledge

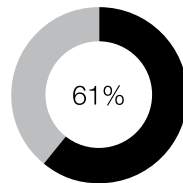
**The five overall lowest responses were:**



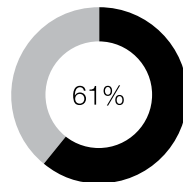
My organisation has made improvements based on the survey results from last year



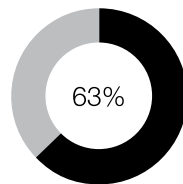
My organisation has effective procedures in place to support employees who may experience stress



I have enough time to do my job effectively



I am satisfied with the way my learning and development needs have been addressed in the last 12 months



In my workplace, there is good communication about psychological safety issues that affect me

## OUR PEOPLE (continued)

- The 'Soup for a Cause' project was introduced by the Beaufort and Skipton Health Service People and Culture Committee during the winter months, to raise funds and make a difference in the lives of others. Staff volunteered to go on a weekly roster to provide lunch time soup that staff purchased for a small fee. Over \$650 in funds was raised and donated to the Ballarat Soup Bus, an organisation that provides after-dark meal service to Ballarat's homeless and less fortunate.
- The Healthy Choices Policy directive (Phase 1) State-wide and health service results, which focussed on healthy food and drink environments, was received. Beaufort and Skipton Health Service was congratulated for meeting the two applicable requirements. The first requirement was to meet the 'Catering Policy 2022', compared with the statewide result of 91%, was met. The second requirement was the 'All Policy Directive Requirements 2022', compared with the statewide result of 88%, was met.
- After being awarded the Huron Studer 'Australian Organisational Excellence Award' in March 2022, Beaufort and Skipton Health Service were invited to present at the 2022 Huron Studer Group "What's Right in Healthcare" National Conference in Sydney. Meryn Pease (Chief Executive Officer), Mary Cushing (Director of Clinical Services) and Erica Smith (People and Culture Manager) presented at the conference on 'Driving Employee Engagement in a Small Rural Health Service' which was well received by attendees.
- Two Enrolled Nurse Graduate Programs were introduced at the Health Service, the first was a six-month Enrolled Nurse Graduate program, aimed at nurturing and developing the skills of new graduate nurses. The second program was in collaboration with East Grampians Health Service and offered a year-long Enrolled Nurse Graduate program, providing an extended opportunity for comprehensive learning.
- In an effort to enhance the capabilities of the Leadership team, Mental Health First Aid Training was undertaken, equipping them with the necessary skills to recognise and provide support for individuals facing mental health crisis.
- To assist our Support Services team, two study days were organised across each campus. These study days covered a wide range of essential topics, including basic first aid, food safety and plating up, food allergens, manual handling, and infection control requirements.
- A study day was organised specifically for Registered Nurses to undergo Advance Life Support training, further enhancing their skills and knowledge. In addition to this a dedicated training day was conducted for Personal Care Workers, with a focus on recognising clinical deterioration and providing refresher skill training. These initiatives emphasise the Health Service's commitment to continuous improvement to delivering high-quality care to consumers.
- Another key initiative undertaken was the participation in the regional Grampians Learning Hub project aimed at implementing a shared eLearning and mandatory training platform. This platform has facilitated ongoing education and training for staff, ensuring they remain up to date with the latest practices and guidelines. Additionally, a contemporary online orientation 'Beaufort and Skipton Health Service Welcome Package' was developed to streamline the onboarding process for new staff members.
- The overarching Diversity and Inclusion Framework was developed to incorporate the Health Service's commitment to gender equality, cultural safety, disability and the culturally and linguistically diverse (CALD) communities. Action Plans are in place for these areas to educate and support staff in understanding diversity and to assist in providing an inclusive workplace.
- This past year saw the roll out of 'AIDET', a communication tool, as part of our consumer engagement strategy. 'AIDET' stands for Acknowledge, Introduce, Duration, Explanation, and Thank you, and aims to enhance communication between staff and consumers. To ensure successful implementation, a comprehensive training program was developed. This program included various methods such as a training video, face-to-face training sessions, cue cards, and role play exercises.
- Beaufort and Skipton Health Service continue to support staff and enable them to undertake training to expand their career opportunities. As a result of the work carried out by our education team, we were delighted to be selected as a finalist in the 2023 Victorian Training Awards in two categories, 'Small Employer of the Year' and 'Employer Award for Apprenticeship and Traineeship Development', with winners to be announced in August.



## OUR PARTNERS

- The Health Service partnered with Grampians Health - Ballarat, East Grampians Health Service, Maryborough District Health Service, and Central Highlands Rural Health to deliver the Victorian Government Better@Home initiative with our local version - Healthy at Home program. The program was commenced in July 2022 with the objective of keeping our most vulnerable consumers, especially those with complex health issues, healthier at home to reduce avoidable hospitalisations and presentations to our Urgent Care Centres. The collaboration enabled the sharing of ideas and development of regional wide processes that succeeded in reducing the frequency of hospitalisations and urgent care presentations for this client group across the region. We managed to exceed our target of eight clients as there were forty-eight clients who had benefited from the program by June 2023.
- Partnership established through the Central Goldfields consortia bid for Primary Health Network (PHN) funding to continue the Chronic Conditions Model of Care services was successful with Maryborough District Health Service identified as the lead organisation.
- Beaufort and Skipton Health Service partnered with the Grampians Rural Health Alliance (GRHA) Electronic Medical Record Business Case to provide an integrated and whole of region medical record with the aim of delivering connection for patients across all organisations in the region.
- The Health Service continued to forge strong partnerships with local Shires through involvement in various activities. The Corangamite Shire extended an invitation to the Health Service to be involved with the Skipton Flood Recovery Committee who identify projects and activities that support the community's recovery from the effects of flood.



## OUR BUSINESS

- The Health Service is fortunate to have bioenergy plants across each campus as a means of reducing energy costs and decreasing greenhouse gas carbon emissions. These systems are used to generate hot water and heating resulting in reducing the use of LP gas. This year a decision was made to transition the plants to burn olive pits as the renewable fuel source. Olive pits being a byproduct of the olive industry have been found to be well suited to use in the bioenergy heat exchangers. This shift has not only enhanced operational efficiencies but has also helped to ensure improvement with the environmental accountability and sustainability of the Health Service.
- The Health Service renewed the Financial Management Improvement Plan this year, with cost saving and revenue generation initiatives across five targeted areas. Significant improvements were made, far exceeding expectations across staff leave utilisation, Home Care Package activity and number of packages supported, apprenticeship initiatives and financial returns on cash reserves held. The Health Service grew aged care funding following implementation of the Australian Government Department of Health and Aged Care's new Australian National Aged Care Classification (AN-ACC) funding model, however fell short of the overall targeted improvement.
- The Health Service has successfully transitioned to the Australian Government Department of Health and Aged Care's new Australian National Aged Care Classification (AN-ACC) funding model, replacing the Aged Care Funding Instrument (ACFI) model for Residential Aged Care Facilities in October 2022. Reform in the Residential Aged Care space continues with requirements for 24/7 Registered Nurses on-site for all residential facilities starting July 2023 and further future changes are flagged for additional Registered Nurse care minutes and increased minimum care time per occupied bed day. The Health Service has met the additional reporting requirements that were also legislated as part of the reform, with Quarterly Reports becoming mandatory for all providers, inclusive of analysis of labour costs and hours and food and nutrition, forming the basis of star ratings for aged care facilities.
- The application submitted to the Victorian Health Building Authority for the 2022-2023 Regional Health Infrastructure Fund (RHIF) was successful. Funding of \$220,000 was allocated for the purpose of conducting detailed design and planning for the Beaufort Nursing Home extension. The aim was to prepare for the potential implementation and construction of the project, should funding be received in 2023-2024. The scope of the project encompasses the conversion of the remaining three double rooms into single rooms with ensuites. Additionally, the construction of three new single rooms with ensuites is also included. Once completed, this will result in all 15 rooms within the Beaufort Nursing Home being transformed into single rooms with ensuites.
- Several information and communication technologies software projects have greatly enhanced our service provision for our consumers including the introduction of the innovative mobile application, 'CareKeeper'. This application serves as a point of care, clinical documentation tool, empowering staff to efficiently document and chart resident observations and notes. Additionally, the 'SoupedUp' software program has been embedded which facilitates electronic meal ordering, streamlining the process and ensuring improvement in meal suitability and delivery. Another important digital tool has been 'Painchek'. This digital pain assessment tool enables the accurate assessment of pain levels of residents. Finally, the year has seen the successful implementation of 'FMI', a comprehensive program designed to enhance overall facilities, asset, and contractor management for the Health Service.
- Four applications were successfully submitted for the grant funding of the "Residential Aged Care Facility, Telehealth equipment and connectivity fund". This funding was available via the Western Victoria Primary Health Network. The allocated funds were used to procure essential equipment and cabling, with the aim of enhancing our connectivity and optimizing the speed of internet and telehealth systems operation.



## BOARD OF DIRECTORS (as at 30 June 2023)

The Beaufort and Skipton Health Service Board of Directors oversees the strategic direction and management of the Health Service and ensures that all services provided are consistent with the Health Service's by-laws, the Health Services Act 1998 and any applicable Victorian and Commonwealth legislation.

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### **Board Chair**

David Lenehan

### **Deputy Chair**

Dr. Margaret Way

### **Members**

David Lenehan

Dr. Margaret Way

Tony Edney

Tanya Barun

Jo Hall

Dr. Daniel Terry  
(resigned on 7 February 2023)

Nigel Jarvis

Lauren Baker

### **Finance Audit and Risk Committee**

Nigel Jarvis (Committee Chair)

Tanya Barun

Lauren Baker

James Hogan  
(Independent Non Board Member)

## EXECUTIVE TEAM (as at 30 June 2023)

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### **Chief Executive Officer**

Meryn Pease *RN, RM, Ba Ap.Sc (Nsg), MHA, GAICD, FACN*

The Chief Executive Officer is accountable to the Board of Directors for the efficient and effective management of Beaufort and Skipton Health Service. Primary responsibilities include executive leadership, development and management of operational policy and strategic priorities agreed with the Board and in accordance with the funding, planning and regulatory framework of the Department of Health.

### **Director of Medical Services**

Dr. Craig Winter *(MB, BS, FACEM, MBA, GMQ)*

The Director Medical Services is responsible for the professional leadership and coordination of the medical workforce. This role is accountable for the maintenance of professional standards of the Health Service medical staff, ensuring best practice guidelines and patient-centred care values are followed.

### **Director of Clinical Services**

Mary Cushing *RN, GradDipAdvNurs(CritCare) DipProjMan*

The Director of Clinical Services is responsible for the professional and strategic leadership and oversight of all clinical services. The role is responsible for operational management of the Acute wards, Urgent Care Centres, Aged Care facilities, Learning and Development, Transition Care Program, Home Care Package program, District Nursing, Community Health, Medical Practice, and Health Promotion.

### **Chief Financial Officer**

Chris Nykoluk *BCom (Acct) CPA*

The Chief Financial Officer is responsible for providing financial management leadership and oversight of the organisational financial position. The position is also responsible for leading the development of effective business improvement initiatives.

### **Corporate Services Manager**

Darren White (resigned – 3 October 2022)

### **Support Services Manager**

Kel Oswin (commenced – 11 November 2022)

The Support Services Manager oversees delivery of a range of support services in a safe and sustainable manner. These include management of Catering and Hospitality services, Environmental/Cleaning services, Contracts and Procurement (including Contractor Management), Information and Communication Technology, Fire and Emergency/Security services, Infrastructure and preventative maintenance programs, Compliance and Project Management, and Fleet Management.



# WORKFORCE

## WORKFORCE DATA

Hospitals Labour Category	June Current Month FTE*		Average Monthly FTE**	
	2022	2023	2022	2023
Nursing	76.48	77.13	75.17	78.19
Admin	16.88	21.66	18.46	20.55
Hotel and Allied Services	22.21	21.44	22.36	22.98
Hospital Medical Officers	-	-	-	-
Ancillary Staff	6.01	4.03	5.57	3.94

Recruitment, selection and employment within Beaufort and Skipton Health Service comply with employment conditions as specified in relevant Industrial Awards and Enterprise Bargaining Agreements.

Policies and procedures are in place to ensure employment related decisions are based on merit, and relevant legislation is complied with. Any complaints, allegations or incidents involving discrimination, vilification, bullying or harassment are taken seriously and addressed.

## OCCUPATIONAL VIOLENCE

Beaufort and Skipton Health Service continue to be actively involved in reducing the risk to employees from Occupational Violence.

Occupational violence statistics	2022-23
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	24
Number of occupational violence incidents reported per 100 FTE	19.18
Percentage of occupational violence incidents resulting in a staff injury, illness or condition	8.33%

### Definitions of occupational violence:

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

## WORKFORCE

### OCCUPATIONAL HEALTH AND SAFETY

The *Occupational Health and Safety Act 2004* was established to secure the health, safety and welfare of employees and other people in the workplace.

Beaufort and Skipton Health Service acknowledges its moral, financial and legal responsibility to effectively manage all its Occupational Health and Safety (OH&S) risks. The Workplace Health, Safety and Wellbeing Framework and policy is in place and provides structure and direction for managing a safe work environment.

Our focus has been on improved reporting of Occupational Health and Safety incidents in the workplace. Staff are encouraged to enter incidents into the Victorian Health Incident Management System (VHIMS). A new Occupational Health and Safety dashboard platform has been designed and implemented to provide increased detailed oversight of incidents. All Incidents are discussed, and appropriate actions are identified at the weekly Clinical Activity Review and Evaluation (CARE) meeting and at the bimonthly Occupational Health and Safety Committee meetings. Oversight of incidents are provided on the Health Service Key Performance Dashboard Report that is reviewed by the Finance Audit and Risk Management Committee and the Board of Directors.

Additional Health and Safety Representatives were identified and have completed the required training. In addition to this, revised Workplace Occupational Health and Safety Inspection Checklists have been developed to capture and report on any identified areas of concern. These items are reported in the Workplace Inspection Action Plan that is reviewed at the Occupational Health and Safety Committee meetings. All Occupational Health and Safety Committee Minutes are reported through the Finance Audit and Risk Management Committee.

The Health Service's Occupational Health and Safety performance against the established measure is summarised below. The number of reported incidents has seen a marked increase from previous year results due to the focus of encouraging staff reporting of OH&S incidents.

Occupational Health and Safety Statistics	2022-23	2021-22	2020-21
The number of reported hazards / incidents for the year per 100 FTE	110.28	71.77	75.89
The number of 'lost time' standard WorkCover claims for the year per 100 FTE	2.67	0.81	4.26
The average cost per WorkCover claim for the year	\$65,397.01	0.00	102,377.75

## FINANCIAL OVERVIEW

### Operational and budgetary objectives and performance against objectives

The Health Service recorded an operating surplus of \$32,920, achieving a better result than the breakeven target for the year. The target financial result is a performance measure as part of the Health Service's Statement of Priorities agreed with the Victorian Department of Health.

Overall revenues increased \$1.458m with the Victorian Department of Health providing \$384,000 one-off funding for winter retention supporting workforce through the pandemic, other targeted funding growth and specific programs and also Financial Sustainability funding of \$483,000.

The Health Service has navigated the funding changes through Residential Aged Care, Home Care Packages and Allied Health funding and has grown the services provided to the community, particularly in Home Care Packages with care plan management supplied to 91 packages – an increase of 22 packages (up 32%).

Financial Sustainability remains a focus for the Health Service and this financial year saw incremental improvement in the cash position. A Financial Management Improvement Plan remains in place and saw good results across the targeted improvement areas. The plan is regularly revised as financial opportunities and strategies are identified.

## Significant changes in financial position during the year

There were no significant changes to the financial position of the Health Service during the year

## FINANCIAL SUMMARY

	2023 \$000	2022 \$000	2021 \$000	2020 \$000	2019 \$000
*Operating Result	33	379	834	598	(1,191)
Total Revenue	19,453	17,995	17,434	16,357	15,939
Total Expenses	(20,478)	(19,020)	(17,117)	(16,431)	(17,149)
<b>Net Result from Transactions</b>	<b>(1,025)</b>	<b>(1,025)</b>	<b>317</b>	<b>(74)</b>	<b>(1,210)</b>
Total Other Economic Flows	(160)	(106)	131	(65)	102
<b>Net Result</b>	<b>(1,185)</b>	<b>(1,131)</b>	<b>447</b>	<b>(139)</b>	<b>(1,108)</b>
Total Assets	31,833	30,918	26,910	25,722	26,505
Total Liabilities	(14,103)	(12,003)	(10,631)	(10,094)	(9,624)
<b>Net Assets / Total Equity</b>	<b>17,730</b>	<b>18,915</b>	<b>16,279</b>	<b>15,628</b>	<b>16,881</b>

\* The Operating result is the result for which the Health Service is monitored in its Statement of Priorities.

## Reconciliation between the Net result from transactions reported in the model to the Operating result as agreed in the Statement of Priorities

	2023 \$000	2022 \$000	2021 \$000	2020 \$000	2019 \$000
<b>*Net Operating Result</b>	33	379	834	598	(1,191)
Capital purpose income	486	93	1,159	791	1,062
Specific income	N/A	N/A	N/A	N/A	N/A
COVID-19 State Supply Arrangements: Assets received free of charge or for nil consideration under the State Supply	78	212	94	11	N/A
State Supply items consumed up to 30 June 2021	(78)	(212)	(94)	(11)	N/A
Assets provided free of charge	N/A	N/A	N/A	N/A	N/A
Assets received free of charge	N/A	328	N/A	N/A	N/A
Expenditure for capital purpose	(80)	(184)	(119)	(23)	(104)
Depreciation and amortisation	(1,461)	(1,639)	(1,556)	(1,440)	(977)
Impairment of non financial assets	N/A	N/A	N/A	N/A	N/A
Finance costs (other)	(3)	(2)	(1)	N/A	N/A
<b>Net result from transactions</b>	<b>(1,025)</b>	<b>(1,025)</b>	<b>(317)</b>	<b>(74)</b>	<b>(1,210)</b>

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



## FINANCIAL OVERVIEW

### CONSULTANCIES

#### Details of consultancies (under \$10,000)

In 2022-2023, there were four consultancies where the total fees payable to the consultants was less than \$10,000. The total expenditure incurred during 2022-2023 in relation to these consultancies is \$18,461 (excl. GST).

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

In 2022-2023, there was one consultancy where the total fees payable to the consultants were \$10,000 or greater. The total expenditure incurred during 2022-2023 in relation to these consultancies is \$51,205 (excl. GST).

Consultant	Purpose of Consultancy	Start Date	End Date	Total Approved Project Fee (Ex GST)	Expenditure 2018-19 (Ex GST)	Future Expenditure (Ex GST)
Studer Group Australia Pty Ltd	Coaching Services	01/07/2022	30/06/2023	\$51,205	\$51,205	N/A

### INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) EXPENDITURE

The total ICT expenditure incurred during 2021-2022 is \$0.792m (excluding GST) with the details shown below:

Business As Usual (BAU) ICT expenditure	Non-Business as Usual (non-BAU) ICT expenditure		
	Total expenditure	Operational expenditure (excluding GST)	Capital expenditure (excluding GST)
Total (excluding GST)	\$877,841	\$127,012	-
			\$127,012

# LEGISLATION

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## FREEDOM OF INFORMATION ACT 1982

The Freedom of Information Act provides applicants with the opportunity to request information. Exemptions can apply that relate to privacy of patients and third parties. Requests at Beaufort and Skipton Health Service are handled in accordance with the provision of the Freedom of Information Act 1982.

During 2022-2023, five requests were received by the Health Service, which were satisfactorily resolved. All applications must be made in writing to the Chief Executive Officer who is the designated Freedom of Information officer on the 'Freedom of Information Application Form'.

Legislated fees apply as per the list below:

### Application Fees

- Application fee - \$30.60 (non-refundable unless fee is waived)

### Access Charges

- Search charges - \$22.94 per hour or part of an hour
- Supervision charges - \$5 per quarter hour
- Photocopying charges - 20c per black and white A4 page

### Providing access in a form other than photocopying

- The reasonable costs incurred by the agency in providing the copy.

Further information may be found on the FOI website, and in the Freedom of Information (FOI) Act 1982.

## BUILDING ACT 1993

Beaufort and Skipton Health Service complies with the *Building Act 1993* and Standards for Publicly Owned Buildings November 1994, as under FRD22 (Section 5.19). To ensure Beaufort and Skipton Health Service is compliant a Buildings Standards and Condition Assessment Report, a Fire Safety Audit Report and essential safety maintenance measures are maintained. The Five-Year Fire Safety Audit and planned upgrades of fire safety equipment to parts of the facilities have been scheduled.

## PUBLIC INTEREST DISCLOSURE ACT 2012

Alleged improper conduct by the Beaufort and Skipton Health Service, its employees or the Board of Directors is taken very seriously. This can include corrupt conduct, substantial mismanagement of public resources or conduct involving substantial risk to public health or safety.

The *Public Interest Disclosure Act 2012* is designed to protect people who disclose information about serious wrongdoings within the Victorian Public Sector and to provide a framework for the investigation of these matters.

Disclosures of improper conduct by Beaufort and Skipton Health Service or its employees may be made to:

The Public Interest Disclosure Co-Ordinator

Meryn Pease  
bshs@bshs.org.au

or

The Ombudsman Victoria

Level 22, 459 Collins Street, Melbourne, 3000

Tel: 9613 6222 Toll free: 1800 806 314

## NATIONAL COMPETITION POLICY

All competitive neutrality requirements comply with the National Competition Policy and have been made in accordance with Government costing policies for public hospitals. Beaufort and Skipton Health Service complies with the requirements of the policy statement Competitive Neutrality Policy Victoria, and any subsequent reforms.

## CARERS RECOGNITION ACT 2012

Carers are valued and are important members of the community. The Health Service actively promotes recognition of their vital role. Policies have been established to ensure employees understand their obligations in relation to this Act and carry out their duties to reflect the care relationship principles in developing, providing, or evaluating support and assistance for persons in care relationships.

## LEGISLATION

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### SAFE PATIENT CARE ACT 2015

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

### LOCAL JOBS ACT 2003

Beaufort and Skipton Health Service complies with the requirements of the *Local Jobs Act 2003*. There were no reportable disclosures during the 2022 - 2023 reporting period.

### GENDER EQUALITY ACT 2020

As a Victorian Public Sector entity, Beaufort and Skipton Health Service is implementing the recommendations and taking positive action towards achieving the objectives set out in the *Gender Equality Act 2020*.

The Health Service's Gender Equality Action Plan confirms our commitment to driving change and removing barriers so that everyone can reach their full potential by having equal access to rewards, opportunities and resources, regardless of gender, cultural background, age, sexual orientation or other characteristics.

Delivering the Gender Equality Action Plan has seen ongoing consultation and collaboration across our workforce to enable sustainable improvement across all the gender equality indicators including the prevention of violence against women and children. The benefits for gender equality in the Health Service includes the attraction and retention of staff, enhancing the organisational performance, providing a platform for growth and meeting community expectations.

The Workplace Gender Equality Action Plan was submitted to the Commission in June 2022, and we have been working on the actions to enable the cultural change required to improve gender equality within the Health Service. Key themes identified included the need to improve workforce data collection systems and processes to capture and report on gender identities as well as intersectional attributes such as disability, cultural identity (ethnicity and race), religion and sexual orientation.

Overall, the actions are intended to ensure organisational frameworks provide strong governance, support, and leadership for gender equality; to foster and support gender equality; and to facilitate a more diverse workforce.

### INFORMATION PRIVACY ACT 2000 AND HEALTH RECORDS ACT 2001

Policies have been established to ensure that health information of patients, residents and clients remains confidential and secure. All consumers of our service receive a brochure which outlines how their health information will be used and by whom. The Chief Executive is the designated Privacy Officer and manages all enquiries relating to these two Acts. No written requests were received during the reporting period in relation to the Privacy Act.

### EX-GRATIA EXPENSES

Beaufort and Skipton Health Service made no ex-gratia payments during the financial year.

### COMPETITIVE NEUTRALITY

Any negotiations entered into have been in line with the Government's policy on National Competition as outlined in the Guide to Implementing Competitively Neutral Pricing Principles.

### CAR PARKING FEES

Beaufort and Skipton Health Service is not required to comply with the Department of Health hospital circular on car parking fees as it does not operate any fee paying car park spaces.



# ENVIRONMENTAL PERFORMANCE

Beaufort and Skipton Health Service has continued to focus its priority in 2022-2023 on environmental impact management. The Health Service's commitment to sustainability remains evident in the continued application of due diligence, particularly in managing energy consumption.

The establishment of two bio-mass plants and solar panels across both campuses has not only resulted in a significant reduction in CO2 emissions but has also led to a notable cost reduction associated with LPG use. These achievements are particularly impressive considering the notable cost increases experienced throughout 2022-2023 for gas and electricity.

With the recent announcements from the Victorian government regarding the closure of hardwood forests for industry, Beaufort and Skipton Health Service has taken a responsible stance by actively seeking alternative sustainable fuel sources for its bio-mass plants. Initial results have shown that olive pits are an excellent substitute for hardwood chips, further solidifying Health Services commitment to improving environmental management. With these efforts, Beaufort and Skipton Health Service aims to create a greener and more sustainable future for the Health Service.

## ELECTRICITY USAGE

EL1 Total electricity consumption segmented by source [MWh]	2022-23	2021-22	2020-21
Purchased	383.70	423.61	417.16
Self-generated	83.65	84.98	65.60
<b>EL1 Total electricity consumption [MWh]</b>	<b>467.35</b>	<b>508.60</b>	<b>482.76</b>
EL2 On site-electricity generated [MWh] segmented by:			
<b>Consumption behind-the-meter</b>			
Solar Electricity	83.65	84.98	65.60
<b>Total Consumption behind-the-meter [MWh]</b>	<b>83.65</b>	<b>84.98</b>	<b>65.60</b>
<b>Exports</b>			
Solar Electricity	0.00	0.00	0.00
<b>Total Electricity exported [MWh]</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>EL2 Total On site-electricity generated [MWh]</b>	<b>83.65</b>	<b>84.98</b>	<b>65.60</b>
EL3 On-site installed generation capacity [kW converted to MW] segmented by:			
Diesel Generator	0.43	0.43	0.43
Solar System	0.06	0.06	0.06
<b>EL3 Total On-site installed generation capacity [MW]</b>	<b>0.49</b>	<b>0.49</b>	<b>0.49</b>
EL4 Total electricity offsets segmented by offset type [MWh]			
LGCs voluntarily retired on the entity's behalf	0.00	0.00	0.00
GreenPower	0.00	0.00	0.00
RPP (Renewable Power Percentage in the grid)	72.14	78.75	78.97
Certified climate active carbon neutral electricity purchased	0.00	0.00	0.00
<b>EL4 Total electricity offsets [MWh]</b>	<b>72.14</b>	<b>78.75</b>	<b>78.97</b>

## ENVIRONMENTAL PERFORMANCE

### STATIONARY ENERGY

F1 Total fuels used in buildings and machinery segmented by fuel type [MJ]	2022-23	2021-22	2020-21
LPG	2,671,813.20	3,482,897.50	4,095,385.20
Green and air dried wood	496,412.80	-	-
<b>F1 Total fuels used in buildings [MJ]</b>	<b>3,168,226.00</b>	<b>3,482,897.50</b>	<b>4,095,385.20</b>
F2 Greenhouse gas emissions from stationary fuel consumption segmented by fuel type [Tonnes CO2-e]			
LPG	161.91	211.06	248.18
Green and air dried wood	0.60	-	-
<b>F2 Greenhouse gas emissions from stationary fuel consumption [Tonnes CO2-e]</b>	<b>162.51</b>	<b>211.06</b>	<b>248.18</b>

### TRANSPORTATION ENERGY

T1 Total energy used in transportation (vehicle fleet) within the Entity, segmented by fuel type [MJ]	2022-23	2021-22	2020-21
Total energy used in transportation (vehicle fleet) [MJ]	-	-	-
T2 Number and proportion of vehicles in the organisational boundary segmented by engine/fuel type and vehicle category			
-	-	-	-
T3 Greenhouse gas emissions from transportation (vehicle fleet) segmented by fuel type [tonnes CO2-e]			
Total Greenhouse gas emissions from transportation (vehicle fleet) [tonnes CO2-e]	-	-	-

# ENVIRONMENTAL PERFORMANCE

## TOTAL ENERGY USE

E1 Total energy usage from fuels, including stationary fuels (F1) and transport fuels (T1) [MJ]	2022-23	2021-22	2020-21
Total energy usage from stationary fuels (F1) [MJ]	3,168,226.00	3,482,897.50	4,095,385.20
Total energy usage from transport (T1) [MJ]	-	-	-
<b>Total energy usage from fuels, including stationary fuels (F1) and transport fuels (T1) [MJ]</b>	<b>3,168,226.00</b>	<b>3,482,897.50</b>	<b>4,095,385.20</b>
E2 Total energy usage from electricity [MJ]			
Total energy usage from electricity [MJ]	1,682,466.13	1,830,949.93	1,737,943.62
E3 Total energy usage segmented by renewable and non-renewable sources [MJ]			
Renewable	1,057,244.12	589,436.51	520,455.82
Non-renewable (E1 + E2 - E3 Renewable)	3,793,448.01	4,724,410.92	5,312,873.00
E4 Units of Stationary Energy used normalised: (F1+E2)/normaliser			
Energy per unit of Aged Care OBD [MJ/Aged Care OBD]	306.95	361.54	370.61
Energy per unit of LOS [MJ/LOS]	2,098.05	3,206.91	5,487.61
Energy per unit of Separations [MJ/Separations]	22,149.28	26,837.61	44,871.76
Energy per unit of floor space [MJ/m2]	928.01	1,016.62	1,116.00



## ENVIRONMENTAL PERFORMANCE

### SUSTAINABLE BUILDINGS AND INFRASTRUCTURE

	2022-23	2021-22	2020-21
B1 Discuss how environmentally sustainable design (ESD) is incorporated into newly completed entity-owned buildings	N/A	N/A	N/A
B2 Discuss how new entity leases meet the requirement to preference higher-rated office buildings and those with a Green Lease Schedule	N/A	N/A	N/A
B3 NABERS Energy (National Australian Built Environment Rating system) ratings of newly completed/occupied Entity-owned office buildings and substantial tenancy fit-outs (itemised)	N/A	N/A	N/A
B4 Environmental performance ratings (eg. NABERS, Green Star, or ISCAIS rating scheme) of newly completed Entity-owned non-office building or infrastructure projects or upgrades with a value over \$1 million	N/A	N/A	N/A

### GREENHOUSE GAS EMISSIONS

G1 Total scope one (direct) greenhouse gas emissions [tonnes CO2e]	2022-23	2021-22	2020-21
Carbon Dioxide	160.84	209.67	246.54
Methane	0.58	0.70	0.82
Nitrous Oxide	1.08	0.70	0.82
<b>Total</b>	<b>162.51</b>	<b>211.06</b>	<b>248.18</b>
<b>Scope 1 GHG emissions from stationary fuel (F2 Scope 1) [tonnes CO2-e]</b>	<b>162.51</b>	<b>211.06</b>	<b>248.18</b>
<b>Scope 1 GHG emissions from vehicle fleet (T3 Scope 1) [tonnes CO2-e]</b>	-	-	-
<b>Medical/Refrigerant gases</b>	-	-	-
<b>Total scope one (direct) greenhouse gas emissions [tonnes CO2e]</b>	<b>162.51</b>	<b>211.06</b>	<b>248.18</b>
E2 Total energy usage from electricity [MJ]			
Electricity	263.58	309.34	325.34
<b>Total scope two (indirect electricity) greenhouse gas emissions [tonnes CO2e]</b>	<b>263.58</b>	<b>309.34</b>	<b>325.34</b>

# SUSTAINABLE PROCUREMENT

Number of social benefit suppliers engaged during the reporting period: **8**  
 Total amount spent with social benefit suppliers (direct spend) during the reporting period (\$ GST exclusive): **\$68,880**

SPF objective	Outcome	Metric	Unit of measure	2022-23
Opportunities for Victorian Aboriginal people	Purchasing from Victorian Aboriginal businesses	Total spend with Victorian Aboriginal businesses	\$(GST exclusive)	\$1,614
		Number of Victorian Aboriginal businesses engaged	Number	1
Opportunities for Victorians with disability	Objective: Opportunities for Victorians with disability	Total expenditure with Victorian social enterprises (led by a mission for people with disability) and Australian Disability Enterprises	\$(GST exclusive)	\$67,740
		Number of Victorian social enterprises (led by a mission for people with disability) and Australian Disability Enterprises engaged	Number	8
Opportunities for disadvantaged Victorians	Purchasing from Victorian social enterprises	Total spend with Victorian social enterprises led by a mission for the disadvantaged	\$(GST exclusive)	\$41,674
		Number of Victorian social enterprises led by a mission for the disadvantaged engaged	Number	7
Sustainable Victorian social enterprises and Aboriginal business sectors	Purchasing from Victorian social enterprises and Aboriginal businesses	Total spend with other Victorian social enterprises	\$(GST exclusive)	\$67,266
		Number of other Victorian social enterprises engaged	Number	7

## SOCIAL PROCUREMENT

The Department leverages its buying power to deliver social, economic and environmental outcomes benefiting the Victorian community, the economy and the environment — above and beyond the goods, services and construction works procured.

## SOCIAL PROCUREMENT ACHIEVEMENTS

During the financial year the Health Service, within the tenders issued there were social procurement goals including Gender Equality, Family Violence and Environmental Sustainability requirements that were assessed against the applicants' submissions. The requirements led to suppliers committing to implement policies in this space where they had deficiencies.

## ADDITIONAL INFORMATION AVAILABLE ON REQUEST:

### 5.20(d)/5.21 The report of operations should include the below:

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

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

## ATTESTATIONS

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### FINANCIAL MANAGEMENT COMPLIANCE ATTESTATION

I, David Lenehan, on behalf of the Responsible Body, certify that the Beaufort and Skipton Health Service has no Material Compliance Deficiency with respect to the applicable Standing Directions under the *Financial Management Act 1994* and Instructions.



**David Lenehan**  
*Board Chair*  
Beaufort and Skipton Health Service  
5th October 2023

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### HEALTH SHARE VICTORIA (HSV) PURCHASING POLICIES

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



**Meryn Pease**  
*Accountable Officer*  
Beaufort and Skipton Health Service  
5th October 2023



# ATTESTATIONS

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## DATA INTEGRITY COMPLIANCE ATTESTATION

I, Meryn Pease certify that Beaufort and Skipton Health Service has put in place appropriate internal controls and processes to ensure that reported data accurately reflects actual performance. Beaufort and Skipton Health Service has critically reviewed these controls and processes during the year.



**Meryn Pease**  
*Accountable Officer*  
Beaufort and Skipton Health Service  
5th October 2023

## INTEGRITY, FRAUD AND CORRUPTION COMPLIANCE ATTESTATION

I, Meryn Pease certify that Beaufort and Skipton Health Service has put in place appropriate internal controls and processes to ensure that integrity, fraud and corruption risks have been reviewed and addressed at Beaufort and Skipton Health Service during the year.



**Meryn Pease**  
*Accountable Officer*  
Beaufort and Skipton Health Service  
5th October 2023

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## CONFLICT OF INTEREST

I, Meryn Pease, certify that Beaufort and Skipton Health Service has put in place appropriate internal controls and processes to ensure that it has complied with the requirements of hospital circular 07/2017.

Compliance reporting in health portfolio entities (Revised) and has implemented a 'Conflict of Interest' policy consistent with the minimum accountabilities required by the VPSC. Declaration of private interest forms have been completed by all executive staff within Beaufort and Skipton Health Service and members of the board, and all declared conflicts have been addressed and are being managed. Conflict of interest is a standard agenda item for declaration and documenting at each executive board meeting.



**Meryn Pease**  
*Accountable Officer*  
Beaufort and Skipton Health Service  
5th October 2023

# REPORTING AGAINST THE STATEMENT OF PRIORITIES 2022-23.

## PART A: STRATEGIC PRIORITIES

Beaufort and Skipton Health Service contributed to the Department of Health Operational Plan 2022-2023 through the following strategic priorities:

### KEEP PEOPLE HEALTHY AND SAFE IN THE COMMUNITY

#### Maintain COVID-19 readiness:

Maintain a robust COVID-19 readiness and response, working with the department, Health Service Partnership and Local Public Health Unit (LPHU) to ensure effective responses to changes in demand and community pandemic orders. This includes, but is not limited to, participation in the COVID-19 Streaming Model, the Health Service Winter Response framework and continued support of the COVID-19 vaccine immunisation program and community testing.

#### OUTCOMES

- Beaufort and Skipton Health Service offers a comprehensive COVID-19 vaccination booster program for all staff and consumers.
- COVID-19 testing was available to the community in line with Department of Health recommendations. This consisted of both PCR and Rapid test kits available for the community.
- Free RAT test and masks were freely available for vulnerable members of the community, and we continue to have these available for consumers.
- A robust Outbreak Management Plan continues to be regularly updated in line with Public Health Unit guidelines. This was reviewed, in collaboration with the Local Public Health Unit, after any COVID outbreak that occurred at any of our facilities.
- Daily support and assessment were provided to members of the community through the COVID-19 Positive Patient Monitoring program.
- Beaufort and Skipton Health Services worked collaborative, with all health partners in the Grampians region, to ensure that a coordinated and streamlined response to any COVID-19 outbreak or individual infection was managed effectively and efficiently.

### CARE CLOSER TO HOME

#### Delivering more care in the home or virtually:

Increase the provision of home-based or virtual care, where appropriate and preferred, by the patient, including via the Better at Home program.

#### OUTCOMES

- The Healthy@Home program has been initiated to provide support to vulnerable individuals in the community who do not have access to coordinated services. This program has witnessed significant growth, with over fifty active participants, and has proven to yield positive outcomes for all involved. Notably, the program has led to a reduction in hospital admissions and unnecessary general practitioner appointments, while also promoting increased utilization of allied health services to effectively assist these individuals to remain in the comfort of their own homes.
- The expansion of telehealth services across all programs is facilitating convenient access to ongoing and specialised care for consumers within their local communities. This endeavour resulted in implementing a system that enables consumers to conveniently access telehealth services at the Health Service, with the necessary support provided by staff members as required.

# REPORTING AGAINST THE STATEMENT OF PRIORITIES 2022-23.

## PART A: STRATEGIC PRIORITIES

---

### KEEP IMPROVING CARE

#### **Improve quality and safety of care:**

Work with Safer Care Victoria (SCV) in areas of clinical improvement to ensure the Victorian health system is safe and delivers best care, including working together on hospital acquired complications, low value care and targeting preventable harm to ensure that limited resources are optimised without compromising clinical care and outcomes.

#### **OUTCOMES**

- Beaufort and Skipton Health Service has implemented a comprehensive Quality Improvement Plan, which effectively monitors and demonstrates proactive measures to address key areas for improvement.
- Monthly reports are prepared for the Board of Directors, containing trended indicated data on various aspects such as hospital acquired complications, adverse events, and consumer feedback.
- The successful management of weight loss and enhancement of resident dining experience were achieved through the implementation of action plans and the establishment of an organisational food focus group. By targeting specific actions, a notable reduction in weight loss was observed, accompanied by a significant increase in overall satisfaction with the dining experience.
- The Health Service actively supported staff in obtaining qualifications to enable them to take on different roles within the organisation. Three Personal Care Workers engaged in traineeships, one gained the Certificate 4 in Community Care and two completed their Endorsed Enrolled Nurse qualification.
- There has been a strong focus on chronic disease management and avoidable presentations to Urgent Care Centres or admissions to hospital, through creation of a GP Primary Care Nurse Clinic at Skipton.

#### **Plan update to nutrition and food quality standards:**

Develop a plan to implement nutrition and quality of food standards in 2022-2023, implemented by December of 2023.

*(NOTE: Report on achievements to 30 June 2023)*

#### **OUTCOMES**

- The establishment of a food focus and healthy eating working group has been initiated with the purpose of aiding in the implementation of nutrition and quality standards related to food.
- Staff refresher education was conducted on the International Dysphagia Diet Standardisation Initiative (IDDSI) Framework.
- A comprehensive plan has been formulated to enhance the processes involved in food preparation and delivery. This plan includes the implementation of “SoupedUp”, a program that offers consumers seasonal menus that are approved by dietitians, with the aim of providing both choice and variety.

# REPORTING AGAINST THE STATEMENT OF PRIORITIES 2022-23.

## PART A: STRATEGIC PRIORITIES

---

### KEEP IMPROVING CARE

#### **Climate Change Commitments:**

Contribute to enhancing health system resilience by improving the environmental sustainability, including identifying and implementing projects and/or processes that will contribute to committed emissions reduction targets through reducing or avoiding carbon emissions and/or implementing initiatives that will help the health system to adapt to the impacts of climate change.

#### **OUTCOMES**

- The Skipton and Beaufort Campuses are supported by solar panel installations and solar assisted hot water systems that are contributing to significant reductions in Co2 emissions annually. This reduction can be equated to 2,500 trees planted annually.
- Biomass Boilers at both sites contribute to around 96 tonne reduction in Co2 emissions annually. This also ensures that annual use of LPG is minimised.
- LPG Gas Log fires have been decommissioned and replaced with energy efficient electric options.

#### **Asset Maintenance and Management:**

Improve health service and Department Asset Management Accountability Framework (AMAF) compliance by collaborating with Health Infrastructure to develop policy and processes to review the effectiveness of asset maintenance and its impact on service delivery.

#### **OUTCOMES**

- Beaufort and Skipton Health Service has this year experienced and managed the planning and implementation of a number of significant building and asset improvements and upgrades. With major building projects on the horizon, the quality and condition of existing infrastructure is an increasingly pressing priority. Extensive research was undertaken to determine what effective tools were available for enhancing and better managing facilities and assets. After trials and testing various facility management systems the FMI software was chosen. This system has proven to be an invaluable assistant, aiding in the identification of maintenance priorities, asset management and essential service compliance. Comprehensive reporting and documentation are now available, better positioning the Health Service to ensure future projects will still be complimented by the existing facilities.
- Essential service compliance and reporting has been migrated from a paper based, tick box exercise to the digital cloud management software of "FMI". This system helps to schedule and track essential service checks and testing. With auto reminders of scheduling and evidenced based reporting, this important area of preventive maintenance management has witnessed significant upgrade.



# REPORTING AGAINST THE STATEMENT OF PRIORITIES 2022-23.

## PART A: STRATEGIC PRIORITIES

---

### IMPROVE ABORIGINAL HEALTH AND WELLBEING

#### **Improve Aboriginal cultural safety:**

- Strengthen commitments to Aboriginal Victorians by addressing the gap in health outcomes by delivering culturally safe and responsive health care.
- Establish meaningful partnerships with Aboriginal Community-Controlled Health Organisations.
- Implement strategies and processes to actively increase Aboriginal employment.
- Improve patient identification of Aboriginal people presenting for health care, and to address variances in health care and provide equitable access to culturally safe care pathways and environments.
- Develop discharge plans for every Aboriginal patient.

#### **OUTCOMES**

- The creation of a welcoming atmosphere has been further amplified by the commissioning of indigenous artworks from the local community and the inclusion of Acknowledgement to Country plaques acknowledging the traditional custodians of the land.
- A partnership has been established with the Grampians Health Ballarat Aboriginal Health Liaison Unit to actively contribute to local engagement strategies and foster the creation of a culturally safe environment within our Health Service.
- Education was provided to staff to enable identification of Aboriginal and Torres Strait Islander consumers through the 'Asking the question' initiative.

# REPORTING AGAINST THE STATEMENT OF PRIORITIES 2022-23.

## PART A: STRATEGIC PRIORITIES

---

### MOVING FROM COMPETITION TO COLLABORATION

#### **Foster and develop local partnerships:**

- Strengthen cross-service collaboration, including through active participation in Health Service Partnerships (HSP).
- Work together with other HSP members on strategic system priorities where there are opportunities to achieve better and more consistent outcomes through collaboration, including the pandemic response, elective surgery recovery and reform, implementation of the Better at Home program and mental health reform.

#### **OUTCOMES**

- Beaufort and Skipton Health Service has been an active member of the Grampians Region Health Service Partnership (GRHSP) and has been involved in all Health Service Partnership workplan projects. Beaufort and Skipton Health Service has contributed to a regional response to multiple local priorities. This has included but is not limited to clinical governance improvements, obstetric support for regional GPOs and regional midwifery services, development of and provision of ongoing support of the Grampians Region Learning Management System (LMS), the development of the Electronic Medical Record business case, the collaborative regional response to the changes in the federally funded Chronic Conditions Care Tender through the PHN. and engages with the region to respond quickly to changing needs including cross-sector collaboration regarding the coming changes to Aged Care in the Home and Community support packages.
- Beaufort and Skipton Health Service has collaborated with GRHSP services to address the strategic system priorities. Development of a COVID Positive Pathways model that is providing support for the region from four COVID Hubs. This agreed model is supported by all Health Services through development of a steering/governance committee as well as a COVID Monitor user working group.
- Beaufort and Skipton Health Service has contributed to the guidance of the elective surgery reform project through participation on the GRHSP Elective Surgery Reform Steering Committee and is working in collaboration with the Better @ Home teams on the delivery of a surgery school to better prepare patients for their surgical journey. The regional Better @ Home Steering Committee has been formed with an agreed term of reference to govern discussion and program decisions that impact across the region and deliver program changes that benefit all.
- Beaufort and Skipton Health Service has actively contributed to the development of four key strategic pillars that support the GRHSP strategic priority areas. The GRHSP will focus on addressing over the coming years priority areas including workforce, quality and safety, corporate services and systems improvement. Identified areas for improvement involve strategies such as workforce retention and wellbeing, a regional approach to aged care in response to the aged care reforms, a potential regional approach to payroll and HR systems, and a regional approach to at-home support. Each member of the GRHSP is actively contributing to the development of responses to these areas.

# REPORTING AGAINST THE STATEMENT OF PRIORITIES 2022-23.

## PART A: STRATEGIC PRIORITIES

---

### MOVING FROM COMPETITION TO COLLABORATION

#### **Planned Surgery Recovery and Reform Program:**

- As a non surgical service, Beaufort and Skipton Health Service has been a supportive partner in the regional elective surgery reform project, working collaboratively across the GRHSP to maximise the throughput of our surgical services in our region to address the targeted number of patients who have exceeded wait times across the region. The changes we are making will have a positive and lasting impact on the way surgical care is delivered across the Grampians Region.
- 

### A STRONGER WORKFORCE

#### **Improve workforce wellbeing:**

- Participate in the Occupational Violence and Aggression (OVA) training that will be implemented across the sector in 2022-2023.
- Support the implementation of the Strengthening Hospital Responses to Family Violence (SHRFV) initiative deliverables including health service alignment to MARAM, the Family Violence Multi-Agency Risk Assessment and Management framework.
- Prioritise wellbeing of healthcare workers and implement local strategies to address key issues.

#### **OUTCOMES**

- Beaufort and Skipton Health Service have been working in collaboration with other Grampians health services within a working group to determine a regional approach to Occupational Violence Training. The working group is actively exploring innovative resources and comprehensive training packages to be implemented throughout the region.
- A 100% of Beaufort and Skipton Health Service staff have completed the Family Violence Multi-Agency Risk Assessment and Management Framework (MARAM) training.
- The Health Service have continued to raise awareness and focus on supporting staff who are experiencing family violence. This has resulted in referrals to Orange Door, access to Family Violence Leave and flexible work hours and providing access to counsellors.
- All members of the Leadership team completed invaluable Mental Health First Aid training to enhance their skills and enable them to provide support to staff who are experiencing mental health issues.
- Our Staff Wellbeing Strategy was updated to support staff with mental health, physical health, social health, financial health, and leadership behaviours. An action plan is attached to this strategy to provide staff with information and support to maintain their overall health and wellbeing.

# REPORTING AGAINST THE STATEMENT OF PRIORITIES 2022-23.

## PART B: PERFORMANCE PRIORITIES

### HIGH QUALITY AND SAFE CARE

KEY PERFORMANCE MEASURE	TARGET	RESULT
<b>Infection prevention and control</b>		
Compliance with the Hand Hygiene Australia program	85%	91.9%
Percentage of healthcare workers immunised for influenza	92%	99%
<b>Patient experience</b>		
Victorian Healthcare Experience Survey – percentage of positive patient experience responses – Quarter 1	95%	*N/A
Victorian Healthcare Experience Survey – percentage of positive patient experience responses – Quarter 2	95%	*N/A
Victorian Healthcare Experience Survey – percentage of positive patient experience responses – Quarter 3	95%	*N/A

\*Less than 10 responses were received for the period due to the relative size of the Health Service

### STRONG GOVERNANCE, LEADERSHIP AND CULTURE

KEY PERFORMANCE MEASURE	TARGET	RESULT
<b>Organisational culture</b>		
People matter survey – Percentage of staff with an overall positive response to safety culture survey questions	62%	77%

### EFFECTIVE FINANCIAL MANAGEMENT

KEY PERFORMANCE MEASURE	TARGET	RESULT
Operating result (\$m)	\$0.00	\$0.03
Average number of days to pay trade creditors	60 days	23
Average number of days to receive patient fee debtors	60 days	61
Adjusted current asset ratio	0.7 or 3% improvement from health service base target	0.94
Actual number of days available cash, measured on the last day of each month	14 days	9.4
Variance between forecast and actual Net result from transactions (NRFT) for the current financial year ending 30 June.	Variance ≤ \$250,000	Achieved

## PART C: ACTIVITY AND FUNDING

FUNDING TYPE	2022-2023 ACTIVITY ACHIEVEMENT	MEASURE
<b>Small Rural</b>		
Small Rural Primary Health & HACC	1,283	Service Hours
Small Rural Residential Care	15,418	Bed days



# DISCLOSURE INDEX

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

Legislation Requirement	Page	Legislation Requirement	Page
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FRD 22	Nature and range of services provided 04	FRD 22	Statement on National Competition Policy 21
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FRD 22	Workforce data/employment and conduct principles 17	SD 5.1.4	Financial Management Compliance attestation 28
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# FINANCIAL REPORT

Beaufort and Skipton Health Service presents its audited general purpose financial statements for the financial year ended 30 June 2023 in the following structure to provide users with the information about Beaufort and Skipton Health Service's stewardship of the resources entrusted to it.

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## Beaufort and Skipton Health Service

### Financial Statements Financial Year ended 30 June 2023

#### *Board member's, accountable officer's, and chief financial officer's declaration*

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

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

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

We authorise the attached financial statements for issue on 5th October 2023.



David Lenehan  
Chair, Board of Directors

Beaufort  
5<sup>th</sup> October 2023



Meryn Pease  
Chief Executive Officer

Beaufort  
5<sup>th</sup> October 2023



Chris Nykoluk  
Chief Financial Officer

Beaufort  
5<sup>th</sup> October 2023



## Independent Auditor's Report

### To the Board of Beaufort and Skipton Health Service

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

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

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

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

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

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

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MELBOURNE  
23 October 2023



Charlotte Jeffries  
*as delegate for the Auditor-General of Victoria*

**Beaufort and Skipton Health Service  
Comprehensive Operating Statement  
For the Financial Year Ended 30 June 2023**

		2023	2022
Revenue and Income from Transactions	Note	\$	\$
Operating Activities	2.1	19,028,186	17,459,673
Non-Operating Activities	2.1	233,118	22,798
Share of Revenue From Joint Operations	8.7	191,370	513,149
<b>Total Revenue and Income from Transactions</b>		<b>19,452,674</b>	<b>17,995,620</b>
<b>Expenses from Transactions</b>			
Employee Expenses	3.1	(14,617,135)	(13,235,765)
Supplies and Consumables	3.1	(2,168,941)	(1,714,145)
Finance Costs	3.1	(2,574)	(1,781)
Depreciation and Amortisation	4.4	(1,461,190)	(1,639,139)
Share of Expenditure From Joint Operations	8.7	(190,171)	(607,015)
Other Operating Expenses	3.1	(2,026,019)	(1,815,822)
Other Non-Operating Expenses	3.1	(12,026)	(6,715)
<b>Total Expenses from Transactions</b>		<b>(20,478,056)</b>	<b>(19,020,381)</b>
<b>Net Result from Transactions - Net Operating Balance</b>		<b>(1,025,382)</b>	<b>(1,024,761)</b>
<b>Other Economic Flows included in Net Result</b>			
Net Gain/(Loss) on Sale of Non-Financial Assets	3.2	41,049	(885)
Net Gain/(Loss) on Financial Instruments at Fair Value	3.2	5,696	(24,505)
Share of Other Economic Flows From Joint Arrangements	8.7	(192,541)	690
Other Gain/(Loss) from Other Economic Flows	3.2	(13,644)	(81,797)
<b>Total Other Economic Flows included in Net Result</b>		<b>(159,440)</b>	<b>(106,497)</b>
<b>Net Result for the Year</b>		<b>(1,184,822)</b>	<b>(1,131,258)</b>
<b>Other Comprehensive Income</b>			
<b>Items that will not be reclassified to Net Result</b>			
Changes in Property, Plant and Equipment Revaluation Surplus	4.1(b)	-	3,766,659
<b>Total Other Comprehensive Income</b>		<b>-</b>	<b>3,766,659</b>
<b>Comprehensive Result for the Year</b>		<b>(1,184,822)</b>	<b>2,635,401</b>

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

**Beaufort and Skipton Health Service**  
**Balance Sheet as at 30 June 2023**

	Note	2023 \$	2022 \$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and Cash Equivalents	6.2	10,026,070	8,105,493
Receivables and Contract Assets	5.1	1,152,081	1,049,207
Other Non-Financial Assets	5.2	102,638	56,437
Share of Assets in Joint Operations	8.7	134,244	269,009
<b>Total Current Assets</b>		<b>11,415,033</b>	<b>9,480,146</b>
<b>Non-Current Assets</b>			
Receivables and Contract Assets	5.1	642,547	602,836
Property, Plant and Equipment	4.1(a)	19,553,470	20,635,785
Right-of-use Assets	4.2(a)	196,045	71,657
Share of Assets in Joint Operations	8.7	26,144	127,314
<b>Total Non-Current Assets</b>		<b>20,418,206</b>	<b>21,437,592</b>
<b>Total Assets</b>		<b>31,833,239</b>	<b>30,917,737</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Payables and Contract Liabilities	5.3	2,575,226	2,211,841
Borrowings	6.1	97,944	31,032
Employee Benefits	3.3	3,393,413	3,079,643
Other Liabilities	5.4	7,433,080	6,087,002
Share of Liabilities in Joint Operations	8.7	79,272	123,866
<b>Total Current Liabilities</b>		<b>13,578,935</b>	<b>11,533,384</b>
<b>Non-Current Liabilities</b>			
Borrowings	6.1	148,546	107,955
Employee Benefits	3.3	376,030	361,847
<b>Total Non-Current Liabilities</b>		<b>524,576</b>	<b>469,802</b>
<b>Total Liabilities</b>		<b>14,103,511</b>	<b>12,003,187</b>
<b>Net Assets</b>		<b>17,729,728</b>	<b>18,914,550</b>
<b>EQUITY</b>			
Property, Plant and Equipment Revaluation Surplus	4.3	18,564,188	18,564,188
Restricted Specific Purpose Reserve		115,909	115,909
Contributed Capital		11,378,023	11,378,023
Accumulated Deficit		(12,328,392)	(11,143,570)
<b>Total Equity</b>		<b>17,729,728</b>	<b>18,914,550</b>

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

**Beaufort and Skipton Health Service**  
**Statement of Changes in Equity**  
**For the Financial Year Ended 30 June 2023**

	Property, Plant & Equipment Revaluation Surplus	Restricted Specific Purpose Reserves	Contributed Capital	Accumulated Deficits	Total
Note	\$	\$	\$	\$	\$
<b>Balance as at 30 June 2021</b>	14,797,529	75,909	11,378,023	(9,972,312)	16,279,149
Net Result for the Year	-	-	-	(1,131,258)	(1,131,258)
Other Comprehensive Income for the Year	3,766,659	-	-	-	3,766,659
Transfer from/(to) accumulated deficits	-	40,000	-	(40,000)	-
<b>Balance as at 30 June 2022</b>	<b>18,564,188</b>	<b>115,909</b>	<b>11,378,023</b>	<b>(11,143,570)</b>	<b>18,914,550</b>
Net Result for the Year	-	-	-	(1,184,822)	(1,184,822)
Other Comprehensive Income for the Year	-	-	-	-	-
Transfer from/(to) accumulated deficits	-	-	-	-	-
<b>Balance as at 30 June 2023</b>	<b>18,564,188</b>	<b>115,909</b>	<b>11,378,023</b>	<b>(12,328,392)</b>	<b>17,729,728</b>

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



**Beaufort and Skipton Health Service**  
**Cash Flow Statement**  
**For the Financial Year Ended 30 June 2023**

	2023	2022
Note	\$	\$
<b>Cash Flows from Operating Activities</b>		
<b>Receipts</b>		
Operating Grants from Government - State	8,937,869	8,019,899
Operating Grants from Government - Commonwealth	5,829,852	5,431,696
Capital Grants from Government - State	249,552	119,603
Capital Grants from Government - Commonwealth	16,000	-
Capital Donations and Bequests Received	57,504	22,197
Patient Fees Received	1,380,933	1,215,431
Interest Received	233,118	22,798
Other Receipts	2,556,947	2,476,446
Other Capital Receipts	16,587	11,216
GST Received From ATO	356,787	361,719
<b>Total Receipts</b>	<b>19,635,149</b>	<b>17,681,005</b>
<b>Payments</b>		
Employee Expenses	(14,250,360)	(12,948,312)
Finance Costs	(2,574)	(1,781)
Payments for Supplies & Consumables	(4,091,327)	(3,201,968)
GST Paid to the ATO	(360,998)	(313,906)
<b>Total Payments</b>	<b>(18,705,259)</b>	<b>(16,465,967)</b>
<b>Net Cash flows from Operating Activities</b>	<b>8.1 929,890</b>	<b>1,215,039</b>
<b>Cash Flows from Investing Activities</b>		
Purchase of Non-Financial Assets	(517,804)	(238,022)
Proceeds from Disposal of Non-Financial Assets	55,589	3,123
<b>Net Cash flows used in Investing Activities</b>	<b>(462,215)</b>	<b>(234,899)</b>
<b>Cash Flows from Financing Activities</b>		
Receipt of Accommodation Deposits	2,980,000	1,595,000
Repayment of Accommodation Deposits	(1,521,035)	(927,897)
Receipt/(Repayment) of Monies Held in Trust	(112,887)	(163,145)
Proceeds from Borrowings	150,507	-
Repayment of Borrowings	(17,581)	(14,038)
Repayment of Principal Portion of Lease Liabilities	(26,102)	(13,154)
<b>Net Cash flows from/(used in) Financing Activities</b>	<b>1,452,902</b>	<b>476,766</b>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>	<b>1,920,577</b>	<b>1,456,906</b>
Cash and Cash Equivalents at Beginning of Financial Year	8,105,493	6,648,587
<b>Cash and Cash Equivalents at End of Financial Year</b>	<b>6.2 10,026,070</b>	<b>8,105,493</b>

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

## Beaufort and Skipton Health Service Notes to the Financial Statements For the Financial Year Ended 30 June 2023

### Note 1: Basis of preparation

#### Structure

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

These financial statements represent the audited general purpose financial statements for Beaufort and Skipton Health Service for the year ended 30 June 2023. The report provides users with information about Beaufort and Skipton Health Service's stewardship of the resources entrusted to it.

This section explains the basis of preparing the financial statements.

#### Note 1.1: Basis of preparation of the financial statements

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

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

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

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

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

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

The financial statements are in Australian dollars.

The amounts presented in the financial statements have been rounded to the nearest dollar. 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 Beaufort and Skipton Health Service and its controlled entities on Thursday, 5th October 2023.

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

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

The financial results and financial position of the Health Service during the financial year were not materially impacted by the COVID-19 Coronavirus pandemic and scaling down the COVID-19 public health response during the year ended 30 June 2023.

# Beaufort and Skipton Health Service

## Notes to the Financial Statements

### For the Financial Year Ended 30 June 2023

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

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

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

#### Note 1.4 Joint arrangements

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

Beaufort & Skipton Health Service has an interest in a Jointly Controlled Operation. The Jointly Controlled Operation is Grampians Rural Health Alliance.

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

#### Note 1.5 Key accounting estimates and judgements

Management make estimates and judgements when preparing the financial statements.

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

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

The accounting policies and significant management judgements and estimates used, and any changes thereto, are identified at the beginning of each section where applicable and relate to the following disclosures:

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

#### Note 1.6 Accounting standards issued but not yet effective

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

Standard	Adoption Date	Impact
AASB 17: <i>Insurance Contracts</i>	Reporting periods beginning on or after 1 January 2023.	Adoption of this standard is not expected to have a material impact.
AASB 2020-1: <i>Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current</i>	Reporting periods beginning on or after 1 January 2023.	Adoption of this standard is not expected to have a material impact.
AASB 2022-5: <i>Amendments to Australian Accounting Standards – Lease Liability in a Sale and Leaseback</i>	Reporting periods beginning on or after 1 January 2024.	Adoption of this standard is not expected to have a material impact.
AASB 2022-6: <i>Amendments to Australian Accounting Standards – Non-Current Liabilities with Covenants</i>	Reporting periods beginning on or after 1 January 2023.	Adoption of this standard is not expected to have a material impact.
AASB 2022-8: <i>Amendments to Australian Accounting Standards – Insurance Contracts: Consequential Amendments</i>	Reporting periods beginning on or after January 2023.	Adoption of this standard is not expected to have a material impact.

**Beaufort and Skipton Health Service  
Notes to the Financial Statements  
For the Financial Year Ended 30 June 2023**

<b>Standard</b>	<b>Adoption Date</b>	<b>Impact</b>
AASB 2022-9: <i>Amendments to Australian Accounting Standards – Insurance Contracts in the Public Sector</i>	Reporting periods beginning on or after 1 January 2026.	Adoption of this standard is not expected to have a material impact.
AASB 2022-10: <i>Amendments to Australian Accounting standards – Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities</i>	Reporting periods beginning on or after 1 January 2024.	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 Beaufort and Skipton Health Service in future periods.

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

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

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

Cash flows are included in the Cash Flow Statement on a gross basis, except for the GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the ATO, 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 Beaufort and Skipton Health Service.

Beaufort and Skipton Health Service’s principal address is:

28 Havelock Street  
Beaufort, Victoria 3373

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



# Beaufort and Skipton Health Service

## Notes to the Financial Statements

### For the Financial Year Ended 30 June 2023

#### Note 2: Funding delivery of our services

Beaufort & Skipton Health Service's overall objective is to provide quality health service that delivers person centred care to our patients, residents, community and staff. Beaufort & Skipton Health Service is predominantly funded by grant funding for the provision of outputs. Beaufort & Skipton Health Service also receives income from the supply of services.

#### Structure

- 2.1 Revenue and income from transactions
- 2.2 Fair value of assets and services received free of charge or for nominal consideration

#### Telling the COVID-19 story

Revenue recognised to fund the delivery of our services during the financial year was not materially impacted by the COVID-19 Coronavirus pandemic and scaling down the COVID-19 public health response during the year ended 30 June 2023.

#### Key judgements and estimates

This section contains the following key judgements and estimates:

Key judgements and estimates	Description
Identifying performance obligations	<p>Beaufort and Skipton Health Service applies significant judgment when reviewing the terms and conditions of funding agreements and contracts to determine whether they contain sufficiently specific and enforceable performance obligations.</p> <p>If this criteria is met, the contract/funding agreement is treated as a contract with a customer, requiring Beaufort and Skipton Health Service to recognise revenue as or when the health service transfers promised goods or services to customers.</p> <p>If this criteria is not met, funding is recognised immediately in the net result from operations.</p>
Determining timing of revenue recognition	<p>Beaufort and Skipton Health Service applies significant judgement to determine when a performance obligation has been satisfied and the transaction price that is to be allocated to each performance obligation. A performance obligation is either satisfied at a point in time or over time.</p>
Determining time of capital grant income recognition	<p>Beaufort and Skipton Health Service applies significant judgement to determine when its obligation to construct an asset is satisfied. Costs incurred is used to measure the health service's progress as this is deemed to be the most accurate reflection of the stage of completion.</p>

**Beaufort and Skipton Health Service  
Notes to the Financial Statements  
For the Financial Year Ended 30 June 2023**

**Note 2.1: Revenue and income from transactions**

Note	2023 \$	2022 \$
<b>Operating Activities</b>		
<b>Revenue from contracts with customers</b>		
Government Grants (State) - Operating	195,803	160,958
Government Grants (Commonwealth) - Operating	5,513,261	5,079,704
Patient and resident fees	1,326,749	1,457,512
Commercial activities (i)	401,130	425,992
<b>Total revenue from contracts with customers</b>	<b>7,436,943</b>	<b>7,124,166</b>
<b>Other sources of income</b>		
Government Grants (State) - Operating	9,009,742	7,655,323
Government Grants (Commonwealth) - Operating	79,855	52,750
Government Grants (State) - Capital	221,736	50,003
Government Grants (Commonwealth) - Capital	20,000	-
Other capital purpose income	16,587	11,216
Capital donations	2.1(b) 57,504	22,197
Consumables received free of charge or for nominal consideration	2.1(b) 77,867	212,330
Assets received free of charge or for nominal consideration	2.2(b) -	328,377
Other revenue from operating activities (including non-capital donations)	2,107,952	2,003,311
<b>Total other sources of income</b>	<b>11,591,243</b>	<b>10,335,507</b>
<b>Total revenue and income from operating activities</b>	<b>19,028,186</b>	<b>17,459,673</b>
<b>Non-operating activities</b>		
Other interest	233,118	22,798
<b>Total income from non-operating activities</b>	<b>233,118</b>	<b>22,798</b>
<b>Total revenue and income from transactions</b>	<b>19,261,304</b>	<b>17,482,471</b>

(i) Commercial activities represent business activities which Beaufort and Skipton Health Service enter into to support their operations.

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

	2023 \$	2022 \$
Beaufort and Skipton Health Service disaggregates revenue by the timing of revenue recognition.		
<b>Goods and services transferred to customers:</b>		
At a point in time	401,130	425,992
Over time	7,035,813	6,698,174
<b>Total revenue from contracts with customers</b>	<b>7,436,943</b>	<b>7,124,166</b>

**How we recognise revenue and income from transactions**

**Government operating grants**

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

When both these conditions are satisfied, the health service:

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

If a contract liability is recognised, Beaufort and Skipton Health Service recognises revenue in profit or loss as and when it satisfies 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.

## Beaufort and Skipton Health Service Notes to the Financial Statements For the Financial Year Ended 30 June 2023

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

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

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

This policy applies to each of Beaufort and Skipton Health Service’s revenue streams, with information detailed below relating to Beaufort and Skipton Health Service’s significant revenue streams:

Government grant	Performance obligation
▪ Commonwealth Aged Care Funding	The performance obligations for Commonwealth Aged Care funding are the number and mix of residents in the Aged Care Facilities. Revenue is recognised at a point in time, which is when claims are submitted monthly.
▪ Commonwealth Home Support Programme Grants (CHSP)	The performance obligations for CHSP grants are the number of hours of care provided to eligible people through Allied Health and Therapy Services, Nursing and Social Support Groups to maximise their independence at home and in the community, in accordance with the grant agreement. Revenue is recognised at a point in time when the services are delivered.
▪ Western Victoria Primary Health Network - Chronic Conditions of Care Grant (CCMC)	The performance obligations for CCMC grants are the number of occasions of care provided through Allied Health and Therapy Services to eligible people living with chronic and complex conditions, in accordance with the grant agreement. Revenue is recognised at a point in time following completion of a patient visit to the Allied Health and Therapy Services.
▪ Other one-off grants if funding conditions contain enforceable and sufficiently specific performance obligations.	For other grants with performance obligations the Beaufort and Skipton Health Service exercises judgement over whether the performance obligations have been met, on a grant by grant basis.

### Capital grants

Where Beaufort and Skipton Health Service receives a capital grant, it recognises a liability for the excess of the initial carrying amount of the financial asset received over any related amounts (being contributions by owners, lease liabilities, financial instruments, provisions, revenue or contract liabilities arising from a contract with a customer) recognised under other Australian Accounting Standards.

Income is recognised progressively as the asset is constructed which aligns with Beaufort and Skipton Health Service’s obligation to construct the asset. The progressive percentage of costs incurred is used to recognise income, as this most accurately reflects the stage of completion.

### Patient and resident fees

Patient and resident fees are charges that can be levied on patients for some services they receive. Patient and resident fees are recognised at a point in time when the performance obligation, the provision of services, is satisfied, except where the patient and resident fees relate to accommodation charges. Accommodation charges are calculated daily and are recognised over time, to reflect the period accommodation is provided.

### Commercial activities

Commercial activity revenue is recognised at a point in time, upon provision of the goods or service to the customer.

### Other income

Other income is recognised as revenue when received. Other income includes recoveries for salaries and wages and external services provided, and donations and bequests. If donations are for a special purpose, they may be appropriated to a surplus, such as the specific restricted purpose surplus.

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

#### Interest Income

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

**Beaufort and Skipton Health Service  
Notes to the Financial Statements  
For the Financial Year Ended 30 June 2023**

**Note 2.1(b): Fair value of assets and services received free of charge or for nominal consideration**

	2023 \$	2022 \$
Cash donations and gifts	57,504	22,197
Personal Protective Equipment (PPE) and COVID-19 Rapid Antigen Tests received free of charge under state supply arrangements	77,867	212,330
Assets received free of charge or for nominal consideration	-	328,377
<b>Total fair value of assets and services received free of charge or for nominal consideration</b>	<b>135,371</b>	<b>562,904</b>

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

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

**Contributions**

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

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

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

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

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

The Department of Health makes some payments on behalf of Beaufort and Skipton Health Service as follows:

Supplier	Description
Victorian Managed Insurance Authority	The Department of Health purchases non-medical indemnity insurance for Beaufort and Skipton Health Service which is paid directly to the Victorian Managed Insurance Authority. To record this contribution, such payments are recognised as income with a matching expense in the net result from transactions.
Department of Health	Long Service Leave (LSL) revenue is recognised upon finalisation of movements in LSL liability in line with the long service leave funding arrangements with the Department of Health.



# Beaufort and Skipton Health Service

## Notes to the Financial Statements

### For the Financial Year Ended 30 June 2023

#### Note 3: The cost of delivering our services

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

##### Structure

- 3.1 Expenses from transactions
- 3.2 Other economic flows
- 3.3 Employee benefits and related on-costs
- 3.4 Superannuation

##### Telling the COVID-19 story

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

##### Key judgements and estimates

This section contains the following key judgements and estimates:

Key judgements and estimates	Description
Classifying employee benefit liabilities	<p>Beaufort and Skipton Health Service applies significant judgment when classifying its employee benefit liabilities.</p> <p>Employee benefit liabilities are classified as a current liability if Beaufort and Skipton Health Service does not have an unconditional right to defer payment beyond 12 months. Annual leave, accrued days off and long service leave entitlements (for staff who have exceeded the minimum vesting period) fall into this category.</p> <p>Employee benefit liabilities are classified as a non-current liability if Beaufort and Skipton Health Service has a conditional right to defer payment beyond 12 months. Long service leave entitlements (for staff who have not yet exceeded the minimum vesting period) fall into this category.</p>
Measuring employee benefit liabilities	<p>Beaufort and Skipton Health Service applies significant judgment when measuring its employee benefit liabilities.</p> <p>The health service applies judgement to determine when it expects its employee entitlements to be paid.</p> <p>With reference to historical data, if the health service does not expect entitlements to be paid within 12 months, the entitlement is measured at its present value, being the expected future payments to employees.</p> <p>Expected future payments incorporate:</p> <ul style="list-style-type: none"> <li>• an inflation rate of 4.35%, reflecting the future wage and salary levels</li> <li>• durations of service and employee departures, which are used to determine the estimated value of long service leave that will be taken in the future, for employees who have not yet reached the vesting period. The estimated rates are between 16.10% and 100.00%</li> <li>• discounting at the rate of 4.063%, as determined with reference to market yields on government bonds at the end of the reporting period.</li> </ul> <p>All other entitlements are measured at their nominal value.</p>

**Beaufort and Skipton Health Service  
Notes to the Financial Statements  
For the Financial Year Ended 30 June 2023**

**Note 3.1: Expenses from transactions**

	Note	2023 \$	2022 \$
Salaries and wages		10,707,754	9,972,841
On-costs		2,969,154	2,411,309
Agency expenses		792,362	743,620
Workcover premium		147,865	107,995
<b>Total employee expenses</b>		<b>14,617,135</b>	<b>13,235,765</b>
Drug supplies		50,500	34,327
Medical and surgical supplies		241,473	348,366
Other supplies and consumables		1,876,968	1,331,452
<b>Total supplies and consumables</b>		<b>2,168,941</b>	<b>1,714,145</b>
Finance costs		2,574	1,781
<b>Total finance costs</b>		<b>2,574</b>	<b>1,781</b>
Fuel, light, power and water		222,344	250,760
Repairs and maintenance		135,129	117,809
Maintenance contracts		156,805	127,678
Medical indemnity insurance		20,328	20,318
Other administrative expenses		1,424,047	1,227,088
Expenditure for capital purposes		67,366	72,169
<b>Total other operating expenses</b>		<b>2,026,019</b>	<b>1,815,822</b>
<b>Total operating expenses</b>		<b>18,814,669</b>	<b>16,767,513</b>
Depreciation expense	4.4	1,461,190	1,639,139
<b>Total depreciation</b>		<b>1,461,190</b>	<b>1,639,139</b>
Bad and doubtful debt expense		12,026	6,715
<b>Total other non-operating expenses</b>		<b>12,026</b>	<b>6,715</b>
<b>Total non-operating expenses</b>		<b>1,473,216</b>	<b>1,645,854</b>
<b>Total expenses from transactions</b>		<b>20,287,885</b>	<b>18,413,366</b>

**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
- WorkCover premiums.

**Supplies and consumables**

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

**Finance costs**

Finance costs include:

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

## Beaufort and Skipton Health Service Notes to the Financial Statements For the Financial Year Ended 30 June 2023

### 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; and
- 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 Beaufort and Skipton Health Service. These amounts have been brought to account as grants in determining the operating result for the year by recording them as revenue and also recording the related expense.

### Non-operating expenses

Other non-operating expenses generally represent expenditure for 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

	2023 \$	2022 \$
Net gain/(loss) on disposal of property plant and equipment	41,049	(885)
<b>Total net gain/(loss) on non-financial assets</b>	<b>41,049</b>	<b>(885)</b>
(Allowance for)/reversal of impairment losses of contractual receivables	6,374	(28,189)
Other gains/(losses) from other economic flows	(678)	3,684
<b>Total net gain/(loss) on financial instruments</b>	<b>5,696</b>	<b>(24,505)</b>
Share of net profits/(losses) of joint entities, excluding dividends	(192,541)	690
<b>Total share of other economic flows from joint arrangements</b>	<b>(192,541)</b>	<b>690</b>
Net gain/(loss) arising from revaluation of long service liability	(13,644)	(81,797)
<b>Total other gains/(losses) from other economic flows</b>	<b>(13,644)</b>	<b>(81,797)</b>
<b>Total other gains/(losses) from economic flows</b>	<b>(159,440)</b>	<b>(106,498)</b>

### How we recognise other economic flows

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

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

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

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

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

#### Net gain/(loss) on financial instruments

Net gain/(loss) on financial instruments includes:

- realised and unrealised gains and losses from revaluations of financial instruments at fair value
- impairment and reversal of impairment for financial instruments at amortised cost refer to Note 7.2 Financial risk management objectives and policies
- disposals of financial assets and derecognition of financial liabilities.

**Beaufort and Skipton Health Service  
Notes to the Financial Statements  
For the Financial Year Ended 30 June 2023**

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

	2023 \$	2022 \$
<b>Current employee benefits and related on-costs</b>		
<i>Accrued days off</i>		
- Unconditional and expected to be settled within 12 months (i)	20,202	19,559
<i>Annual leave</i>		
- Unconditional and expected to be settled within 12 months (i)	1,087,692	1,050,917
- Unconditional and expected to be settled after 12 months (ii)	171,660	170,157
<i>Long service leave</i>		
- Unconditional and expected to be settled within 12 months (i)	261,644	294,501
- Unconditional and expected to be settled after 12 months (ii)	1,466,912	1,201,850
	<b>3,008,110</b>	<b>2,736,985</b>
<i>Provisions related to employee benefit on-costs</i>		
- Unconditional and expected to be settled within 12 months (i)	170,538	167,977
- Unconditional and expected to be settled after 12 months (ii)	214,765	174,682
	<b>385,303</b>	<b>342,659</b>
<b>Total current employee benefits and related on-costs</b>	<b>3,393,413</b>	<b>3,079,643</b>
<b>Non-current provisions</b>		
Conditional long service leave (ii)	332,102	320,355
Provisions related to employee benefit on-costs (ii)	43,928	41,493
<b>Total non-current employee benefits and related on-costs</b>	<b>376,030</b>	<b>361,847</b>
<b>Total employee benefits and related on-costs</b>	<b>3,769,443</b>	<b>3,441,490</b>

(i) The amounts disclosed are nominal amounts.

(ii) The amounts disclosed are discounted present values.

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

	2023 \$	2022 \$
<b>Current employee benefits and related on-costs</b>		
Unconditional accrued days off	22,727	22,004
Unconditional annual leave entitlements	1,416,771	1,373,709
Unconditional long service leave entitlements	1,953,915	1,683,930
<b>Total current employee benefits and related on-costs</b>	<b>3,393,413</b>	<b>3,079,643</b>
<b>Non-current employee benefits and related on-costs</b>		
Conditional long service leave	376,030	361,847
<b>Total non-current employee benefits and related on-costs</b>	<b>376,030</b>	<b>361,847</b>
<b>Total employee benefits and related on-costs</b>	<b>3,769,443</b>	<b>3,441,490</b>
<b>Attributable to:</b>		
Employee benefits	3,340,432	3,057,338
Provision for related on-costs	429,011	384,152
<b>Total current employee benefits and related on-costs</b>	<b>3,769,443</b>	<b>3,441,490</b>

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

	2023 \$	2022 \$
<b>Carrying amount at the start of the year</b>	384,152	339,233
Additional provisions recognised	196,231	161,649
Amounts incurred during the year	(151,372)	(116,730)
<b>Carrying amount at the end of the year</b>	<b>429,011</b>	<b>384,152</b>

# Beaufort and Skipton Health Service

## Notes to the Financial Statements

### For the Financial Year Ended 30 June 2023

#### How we recognise employee benefits

##### Employee benefit recognition

Employee benefits are accrued for employees in respect of accrued days off, annual leave and long service leave for services rendered to the reporting date 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 Beaufort & Skipton Health Service does not have an unconditional right to defer settlements of these liabilities.

Depending on the expectation of the timing of settlement, liabilities for annual leave and accrued days off are measured at:

- Nominal value – if Beaufort & Skipton Health Service expects to wholly settle within 12 months; or
- Present value – if Beaufort & Skipton Health Service does not expect to wholly settle within 12 months.

##### Long service leave

The liability for long service leave (LSL) is recognised in the provision for employee benefits.

Unconditional LSL is disclosed in the notes to the financial statements as a current liability even where Beaufort & Skipton Health Service does not expect to settle the liability within 12 months because it will not have the unconditional right to defer the settlement of the entitlement should an employee take leave within 12 months. An unconditional right arises after a qualifying period.

The components of this current LSL liability are measured at:

- Nominal value – if Beaufort & Skipton Health Service expects to settle wholly within 12 months; or
- Present value – if Beaufort & Skipton Health Service does not expect to settle wholly within 12 months

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

##### Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date or when an employee decides to accept an offer of benefits in exchange for the termination of employment.

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

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

## Note 3.4: Superannuation

	Paid Contribution for the Year		Contribution Outstanding at Year End	
	2023 \$	2022 \$	2023 \$	2022 \$
<b>Defined contribution plans:</b>				
Aware Super	908,834	782,550	-	-
Hesta	297,392	247,846	-	-
Other	230,467	132,620	-	-
<b>Total</b>	<b>1,436,693</b>	<b>1,163,016</b>	<b>-</b>	<b>-</b>

#### How we recognise superannuation

Employees of Beaufort & Skipton Health Service are entitled to receive superannuation benefits and Beaufort and Skipton Health Service contributes to defined contribution plans.

##### 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 Beaufort and Skipton Health Service are disclosed above.



## Beaufort and Skipton Health Service Notes to the Financial Statements For the Financial Year Ended 30 June 2023

### Note 4: Key assets to support service delivery

Beaufort & Skipton Health Service controls infrastructure and other investments that are utilised in fulfilling its objectives and conducting its activities. They represent the key resources that have been entrusted to Beaufort & Skipton Health Service to be utilised for delivery of those outputs.

#### Structure

- 4.1 Property, plant & equipment
- 4.2 Right-of-use assets
- 4.3 Revaluation surplus
- 4.4 Depreciation
- 4.5 Impairment of assets

#### Telling the COVID-19 story

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

#### Key judgements and estimates

This section contains the following key judgements and estimates:

Key judgements and estimates	Description
Estimating useful life of property, plant and equipment	<p>Beaufort and Skipton Health Service assigns an estimated useful life to each item of property, plant and equipment. This is used to calculate depreciation of the asset.</p> <p>The health service reviews the useful life and depreciation rates of all assets at the end of each financial year and where necessary, records a change in accounting estimate.</p>
Estimating useful life of right-of-use assets	<p>The useful life of each right-of-use asset is typically the respective lease term, except where the health service is reasonably certain to exercise a purchase option contained within the lease (if any), in which case the useful life reverts to the estimated useful life of the underlying asset.</p> <p>Beaufort and Skipton Health Service applies significant judgement to determine whether or not it is reasonably certain to exercise such purchase options.</p>
Identifying indicators of impairment	<p>At the end of each year, Beaufort and Skipton Health Service assesses impairment by evaluating the conditions and events specific to the health service that may be indicative of impairment triggers. Where an indication exists, the health service tests the asset for impairment.</p> <p>The health service considers a range of information when performing its assessment, including considering:</p> <ul style="list-style-type: none"> <li>▪ If a significant change in technological, market, economic or legal environment which adversely impacts the way the health service uses an asset</li> <li>▪ If an asset is obsolete or damaged</li> <li>▪ If the asset has become idle or if there are plans to discontinue or dispose of the asset before the end of its useful life</li> <li>▪ If the performance of the asset is or will be worse than initially expected.</li> </ul> <p>Where an impairment trigger exists, the health services applies significant judgement and estimate to determine the recoverable amount of the asset.</p>

**Beaufort and Skipton Health Service  
Notes to the Financial Statements  
For the Financial Year Ended 30 June 2023**

**Note 4.1: Property, plant and equipment**

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

	2023 \$	2022 \$
Land at fair value - Freehold	1,900,000	1,900,000
<b>Total land at fair value</b>	<b>1,900,000</b>	<b>1,900,000</b>
Buildings at fair value	17,441,773	17,429,054
Less accumulated depreciation	(1,178,116)	-
<b>Total buildings at fair value</b>	<b>16,263,657</b>	<b>17,429,054</b>
Works in progress at cost	261,740	94,346
<b>Total land and buildings</b>	<b>18,425,397</b>	<b>19,423,400</b>
Plant and equipment at fair value	2,290,981	2,147,046
Less accumulated depreciation	(1,415,516)	(1,240,728)
<b>Total plant and equipment at fair value</b>	<b>875,465</b>	<b>906,318</b>
Medical equipment at fair value	430,206	405,708
Less accumulated depreciation	(249,480)	(199,167)
<b>Total medical equipment at fair value</b>	<b>180,726</b>	<b>206,541</b>
Motor vehicles at fair value	185,244	319,528
Less accumulated depreciation	(113,362)	(220,002)
<b>Total motor vehicles at fair value</b>	<b>71,882</b>	<b>99,526</b>
<b>Total plant and equipment and vehicles at fair value</b>	<b>1,128,073</b>	<b>1,212,385</b>
<b>Total property, plant and equipment</b>	<b>19,553,470</b>	<b>20,635,785</b>

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

	Land	Buildings	Work in Progress	Plant and Equipment	Medical Equipment	Motor Vehicles	Total
	\$	\$	\$	\$	\$	\$	\$
<b>Balance at 1 July 2021</b>	<b>1,069,172</b>	<b>15,838,534</b>	<b>97,134</b>	<b>594,396</b>	<b>206,181</b>	<b>127,169</b>	<b>17,932,586</b>
Additions	-	-	328,418	181,157	56,825	-	566,400
Disposals	-	-	-	-	(4,008)	-	(4,008)
Revaluation increments/(decrements)	830,828	2,935,831	-	-	-	-	3,766,659
Net transfers between classes	-	4,826	(331,206)	326,380	-	-	-
Depreciation (refer Note 4.4)	-	(1,350,137)	-	(195,616)	(52,456)	(27,644)	(1,625,853)
<b>Balance at 30 June 2022</b>	<b>1,900,000</b>	<b>17,429,054</b>	<b>94,346</b>	<b>906,318</b>	<b>206,541</b>	<b>99,526</b>	<b>20,635,785</b>
Additions	-	12,719	213,058	117,022	24,497	-	367,296
Disposals	-	-	(12,660)	(1,880)	-	-	(14,540)
Revaluation increments/(decrements)	-	-	-	-	-	-	-
Net transfers between classes	-	-	(33,004)	33,004	-	-	-
Depreciation (refer Note 4.4)	-	(1,178,116)	-	(178,999)	(50,312)	(27,644)	(1,435,071)
<b>Balance at 30 June 2023</b>	<b>1,900,000</b>	<b>16,263,657</b>	<b>261,740</b>	<b>875,465</b>	<b>180,726</b>	<b>71,882</b>	<b>19,553,470</b>

### Land and Buildings and Leased Assets Carried at Valuation

The Valuer-General Victoria undertook to re-value all of Beaufort and Skipton Health Service's land and buildings to determine their fair value. The valuation, which conforms to Australian Valuation Standards, was determined by reference to the amounts for which assets could be exchanged between knowledgeable willing parties in an arm's length transaction. The valuation was based on independent assessments. The effective date of the valuation was 30 June 2022 for Land and 30 June 2019 for Buildings.

## How we recognise property, plant and equipment

Property, plant and equipment are tangible items that are used by Beaufort and Skipton Health Service in the supply of goods or services, for rental to others, or for administration purposes, and are expected to be used during more than one financial year.

### Initial recognition

Items of property, plant and equipment (excluding right-of-use assets) are initially measured at cost. Where an asset is acquired for no or nominal cost, being far below the fair value of the asset, the deemed cost is its fair value at the date of acquisition. Assets transferred as part of an amalgamation/machinery of government change are transferred at their carrying amounts.

The cost of constructed non-financial physical assets includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overheads.

### Subsequent measurement

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

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

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

### 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, Beaufort and Skipton Health Service perform a managerial assessment to estimate possible changes in fair value of land and buildings since the date of the last independent valuation with reference to Valuer-General of Victoria (VGV) indices.

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

An independent valuation of Beaufort and Skipton Health Service's land was performed by the VGV on 30 June 2022, and independent valuation of Beaufort and Skipton Health Service's building property was performed by the VGV on 30 June 2019. The valuations, which comply with Australian Valuation Standards, was determined by reference to the amount for which assets could be exchanged between knowledgeable willing parties in an arm's length transaction. As an independent valuation was not undertaken on 30 June 2023, a managerial assessment was performed at 30 June 2023, which indicated an overall:

- increase in fair value of land of 0% (\$Nil)
- increase in fair value of buildings of 5% (\$812,811).

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

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

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

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

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

## Beaufort and Skipton Health Service Notes to the Financial Statements For the Financial Year Ended 30 June 2023

### Note 4.2: Right-of-use assets

#### Note 4.2(a): Gross carrying amount and accumulated depreciation

	2023	2022
	\$	\$
Right-of-use motor vehicles at fair value	242,856	92,350
Less accumulated depreciation	(46,811)	(20,692)
<b>Total right-of-use motor vehicles at fair value</b>	<b>196,045</b>	<b>71,658</b>

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

	Right-of-use Motor Vehicles
	\$
<b>Balance at 1 July 2021</b>	<b>84,944</b>
Additions	-
Disposals	-
Depreciation (refer Note 4.4)	(13,286)
<b>Balance at 30 June 2022</b>	<b>71,658</b>
Additions	150,506
Disposals	-
Depreciation (refer Note 4.4)	(26,119)
<b>Balance at 30 June 2023</b>	<b>196,045</b>

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

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

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

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

Class of right-of-use asset	Lease term
Leased vehicles	3 years

#### Initial recognition

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

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

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

Beaufort and Skipton Health Service's motor vehicle lease agreements contain purchase options which the health service is not reasonably certain to exercise at the completion of the lease.

Beaufort and Skipton Health Service holds lease agreements which contain significantly below-market terms and conditions, which are principally to enable the health service to further its objectives. The health service has applied temporary relief and continues to measure those right-of-use asset at cost. Refer to Note 6.1 for further information regarding the nature and terms of the concessional lease, and Beaufort and Skipton Health Service's dependency on such lease arrangements.

#### 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.



**Beaufort and Skipton Health Service  
Notes to the Financial Statements  
For the Financial Year Ended 30 June 2023**

**Note 4.3: Revaluation surplus**

	2023 \$	2022 \$
<b>Property, plant and equipment revaluation surplus</b>		
Balance at the beginning of the reporting period	18,564,188	14,797,529
<b>Revaluation Increment</b>		
- Land (refer Note 4.1(b))	-	830,828
- Buildings	-	2,935,831
<b>Balance at the end of the reporting period*</b>	<b>18,564,188</b>	<b>18,564,188</b>
<b>* Represented by:</b>		
- Land	1,616,900	1,616,900
- Buildings	16,947,288	16,947,288
	<b>18,564,188</b>	<b>18,564,188</b>

**Note 4.4: Depreciation**

	2023 \$	2022 \$
Buildings	1,178,116	1,350,137
Plant and equipment	178,999	195,616
Medical equipment	50,312	52,456
Motor vehicles	27,644	27,644
<b>Total depreciation – property, plant and equipment</b>	<b>1,435,071</b>	<b>1,625,853</b>
<b>Right-of-use assets</b>		
Right-of-use motor vehicles	26,119	13,287
<b>Total depreciation – right-of-use assets</b>	<b>26,119</b>	<b>13,287</b>
<b>Total depreciation</b>	<b>1,461,190</b>	<b>1,639,140</b>

**How we recognise depreciation**

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

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

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

	2023	2022
Buildings		
- Structure Shell Building Fabric	7 to 40 years	7 to 40 years
- Site Engineering Services	7 to 30 years	7 to 30 years
- Fitout	7 to 15 years	7 to 15 years
- Trunk Reticulated Building Systems	7 to 20 years	7 to 20 years
Plant and Equipment	3 to 20 years	3 to 20 years
Medical Equipment	5 to 10 years	5 to 10 years
Motor Vehicles	5 to 7 years	5 to 7 years

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

## **Beaufort and Skipton Health Service Notes to the Financial Statements For the Financial Year Ended 30 June 2023**

### **Note 4.5: Impairment of assets**

#### **How we recognise impairment**

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

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

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

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

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

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

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

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

# Beaufort and Skipton Health Service

## Notes to the Financial Statements

### For the Financial Year Ended 30 June 2023

#### Note 5: Other assets and liabilities

This section sets out those assets and liabilities that arose from Beaufort & Skipton Health Service's operations.

##### Structure

- 5.1 Receivables and contract assets
- 5.2 Other assets
- 5.3 Payables and contract liabilities
- 5.4 Other liabilities

##### Telling the COVID-19 story

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

##### Key judgements and estimates

This section contains the following key judgements and estimates:

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

**Beaufort and Skipton Health Service  
Notes to the Financial Statements  
For the Financial Year Ended 30 June 2023**

**Note 5.1: Receivables and contract assets**

<b>Current receivables and contract assets</b>	<b>Note</b>	<b>2023</b>	<b>2022</b>
		<b>\$</b>	<b>\$</b>
<b>Contractual</b>			
Trade debtors		367,228	528,256
Patient fees		460,914	354,073
Contract assets - state government	5.1(b)	-	-
Contract assets - commonwealth government	5.1(b)	362,400	251,689
Accrued revenue		4,000	2,316
Allowance for impairment losses	5.1(a)	(78,118)	(115,387)
<b>Total contractual receivables</b>		<b>1,116,424</b>	<b>1,020,948</b>
<b>Statutory</b>			
GST receivable		35,657	28,259
<b>Total statutory receivables</b>		<b>35,657</b>	<b>28,259</b>
<b>Total current receivables and contract assets</b>		<b>1,152,081</b>	<b>1,049,207</b>
<b>Non-current receivables</b>			
Long service leave - Department of Health		642,547	602,836
<b>Total non-current receivables</b>		<b>642,547</b>	<b>602,836</b>
<b>Total receivables and contract assets</b>		<b>1,794,628</b>	<b>1,652,043</b>
<i>(i) Financial assets classified as receivables and contract assets (Note 7.1(a))</i>			
Total receivables and contract assets		1,794,628	1,652,043
GST receivable		(35,657)	(28,259)
<b>Total financial assets</b>	7.1(a)	<b>1,758,971</b>	<b>1,623,784</b>

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

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
<b>Balance at the beginning of year</b>	(115,387)	(113,489)
Increase in allowance	(78,118)	(115,387)
Amounts written off during the year	30,895	26,291
Reversal of allowance written off during the year as uncollectable	84,492	87,198
<b>Balance at the end of year</b>	<b>(78,118)</b>	<b>(115,387)</b>

**How we recognise receivables**

Receivables consist of:

- **Contractual receivables**, which mostly includes debtors in relation to goods and services. These receivables are classified as financial instruments and categorised as 'financial assets at amortised costs'. They are initially recognised at fair value plus any directly attributable transaction costs. Beaufort & Skipton Health Service holds the contractual receivables with the objective to collect the contractual cash flows and therefore subsequently measured at amortised cost using the effective interest method, less any impairment.
- **Statutory receivables**, includes Goods and Services Tax (GST) input tax credits 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. Beaufort & Skipton 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*.

Beaufort & Skipton Health Service 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 7.2(c) for Beaufort and Skipton Health Service's contractual impairment losses.

**Beaufort and Skipton Health Service**  
**Notes to the Financial Statements**  
**For the Financial Year Ended 30 June 2023**

**Note 5.1(b): Contract assets**

	2023 \$	2022 \$
<b>Balance at the beginning of year</b>	251,689	208,825
Add: Additional costs incurred that are recoverable from the customer	7,660,205	7,219,339
Less: Transfer to trade receivable or cash at bank	(7,547,655)	(7,167,031)
Less: impairment allowance	(1,839)	(9,443)
<b>Total contract assets</b>	<b>362,400</b>	<b>251,689</b>
<b>* Represented by:</b>		
- Current assets	362,400	251,689
	<b>362,400</b>	<b>251,689</b>

**How we recognise contract assets**

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

**Note 5.2: Other non-financial assets**

	2023 \$	2022 \$
<b>Current</b>		
Prepayments	102,638	56,437
<b>Total other non-financial assets</b>	<b>102,638</b>	<b>56,437</b>

Other non-financial assets include prepayments which represent payments in advance of receipt of goods or services or that part of expenditure made in prior to 30 June 2023 and covering a term extending beyond that period.

**Note 5.3: Payables and contract liabilities**

	Note	2023 \$	2022 \$
<b>Current payables and contract liabilities</b>			
<b>Contractual</b>			
Trade creditors		51,407	72,334
Accrued salaries and wages		504,046	451,580
Accrued expenses		276,637	183,742
Department of Health		0	348,817
Deferred capital grant income	5.3(a)	99,620	71,804
Contract liabilities	5.3(b)	1,643,516	1,083,564
<b>Total contractual payables</b>		<b>2,575,226</b>	<b>2,211,841</b>
<b>Total current payables and contract liabilities</b>		<b>2,575,226</b>	<b>2,211,841</b>
<i>(i) Financial liabilities classified as payables and contract liabilities (Note 7.1(d))</i>			
Total payables and contract liabilities		2,575,226	2,211,841
Deferred capital grant income		(99,620)	(71,804)
Contract liabilities		(1,643,516)	(1,083,564)
<b>Total financial liabilities</b>	7.1(a)	<b>832,090</b>	<b>1,056,473</b>

**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 salary and wages payable represent liabilities for goods and services provided to Beaufort and Skipton Health Service prior to the end of the financial year that are unpaid.
- **Statutory payables**, which mostly includes amount payable to the Victorian Government and 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.



**Beaufort and Skipton Health Service  
Notes to the Financial Statements  
For the Financial Year Ended 30 June 2023**

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

	2023 \$	2022 \$
Opening balance of deferred grant income	71,804	2,204
Grant consideration for capital works received during the year	269,553	85,936
Deferred grant income recognised as revenue due to completion of capital works	(241,737)	(16,336)
<b>Closing balance of deferred capital grant income</b>	<b>99,620</b>	<b>71,804</b>

**How we recognise deferred capital grant income**

Grant consideration was received from the Victorian Department of Health for the Refurbishment of Beaufort Nursing Home, Sensory Gardens at the Beaufort and Skipton Sites and the Skipton Bioenergy project. Grant income is recognised progressively as the asset is constructed, since this is the time when Beaufort and Skipton Health Service satisfies its obligations. The progressive percentage costs incurred is used to recognise income because this most closely reflects the percentage of completion of the building works. As a result, Beaufort and Skipton Health Service has deferred recognition of a portion of the grant consideration received as a liability for the outstanding obligations.

Beaufort and Skipton Health Service expects to recognise all of the remaining deferred capital grant income for capital works by 30 June, 2024.

**Note 5.3(b) Contract liabilities**

	2023 \$	2022 \$
Opening balance of contract liabilities	1,083,564	667,889
Payments received for performance obligations not yet fulfilled	7,996,895	7,539,842
Revenue recognised for the completion of a performance obligation	(7,436,943)	(7,124,167)
<b>Total contract liabilities</b>	<b>1,643,516</b>	<b>1,083,564</b>

**How we recognise contract liabilities**

Contract liabilities relate to consideration received in advance from customers in respect of the Victorian Department of Health and the Commonwealth Department of Health and Aged Care.

The balance of contract liabilities was significantly higher than the previous reporting period due to extension of funding agreements paid in advance for future performance obligations.

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

**Maturity analysis of payables**

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

**Note 5.4: Other liabilities**

	Note	2023 \$	2022 \$
<b>Current monies held in trust*</b>			
- Refundable Accommodation Deposits and Bonds		7,351,237	5,892,272
- Patient Monies Held in Trust		81,843	194,730
<b>Total Other Liabilities</b>		<b>7,433,080</b>	<b>6,087,002</b>
<b>*Monies held in trust represented by:</b>			
Cash assets	6.2	7,433,080	6,087,002
		<b>7,433,080</b>	<b>6,087,002</b>

**How we recognise other liabilities**

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

RADs/accommodation bonds are non-interest-bearing deposits made by some aged care residents to Beaufort and Skipton Health Service upon admission. These deposits are liabilities which fall due and payable when the resident leaves the home. As there is no unconditional right to defer payment for 12 months, these liabilities are recorded as current liabilities.

RAD/accommodation bond liabilities are recorded at an amount equal to the proceeds received, net of retention and any other amounts deducted from the RAD/accommodation bond in accordance with the *Aged Care Act 1997*.

# Beaufort and Skipton Health Service

## Notes to the Financial Statements

### For the Financial Year Ended 30 June 2023

#### Note 6: How we finance our operations

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

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

#### Structure

- 6.1 Borrowings
- 6.2 Cash and cash equivalents
- 6.3 Commitments for expenditure

#### Telling the COVID-19 story

Our finance and borrowing arrangements were not materially impacted by the COVID-19 Coronavirus pandemic and scaling down of the COVID-19 public health response during the year ended 30 June 2023.

#### Key judgements and estimates

This section contains the following key judgements and estimates:

Key judgements and estimates	Description
Determining if a contract is or contains a lease	<p>Beaufort and Skipton Health Service applies significant judgement to determine if a contract is or contains a lease by considering if the health service:</p> <ul style="list-style-type: none"> <li>▪ has the right-to-use an identified asset</li> <li>▪ has the right to obtain substantially all economic benefits from the use of the leased asset, and</li> <li>▪ can decide how and for what purpose the asset is used throughout the lease.</li> </ul>
Determining if a lease meets the short-term or low value asset lease exemption	<p>Beaufort and Skipton Health Service applies significant judgement when determining if a lease meets the short-term or low value lease exemption criteria.</p> <p>The health service estimates the fair value of leased assets when new. Where the estimated fair value is less than \$10,000, the health service applies the low-value lease exemption.</p> <p>The health service also estimates the lease term with reference to remaining lease term and period that the lease remains enforceable. Where the enforceable lease period is less than 12 months the health service applies the short-term lease exemption.</p>
Discount rate applied to future lease payments	<p>Beaufort and Skipton Health Service discounts its lease payments using the interest rate implicit in the lease. If this rate cannot be readily determined, which is generally the case for the health service's lease arrangements, Beaufort and Skipton Health Service uses its incremental borrowing rate, which is the amount the health service would have to pay to borrow funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.</p> <p>For leased vehicles, the implicit interest rate is between 1.25% and 2.25%.</p>
Assessing the lease term	<p>The lease term represents the non-cancellable period of a lease, combined with periods covered by an option to extend or terminate the lease if Beaufort and Skipton Health Service is reasonably certain to exercise such options.</p> <p>Beaufort and Skipton Health Service determines the likelihood of exercising such options on a lease-by-lease basis through consideration of various factors including:</p> <ul style="list-style-type: none"> <li>▪ If there are significant penalties to terminate (or not extend), the health service is typically reasonably certain to extend (or not terminate) the lease.</li> <li>▪ If any leasehold improvements are expected to have a significant remaining value, the health service is typically reasonably certain to extend (or not terminate) the lease.</li> <li>▪ The health service considers historical lease durations and the costs and business disruption to replace such leased assets.</li> </ul>

**Beaufort and Skipton Health Service  
Notes to the Financial Statements  
For the Financial Year Ended 30 June 2023**

**Note 6.1: Borrowings**

	Note	2023 \$	2022 \$
<b>Current borrowings</b>			
Lease liability (i)	6.1(a)	80,063	13,451
Victorian Department of Health loan (ii)		17,881	17,581
<b>Total current borrowings</b>		<b>97,944</b>	<b>31,032</b>
<b>Non-current borrowings</b>			
Lease liability (i)	6.1(a)	116,333	58,539
Victorian Department of Health loan (ii)		32,213	49,416
<b>Total non-current borrowings</b>		<b>148,546</b>	<b>107,955</b>
<b>Total borrowings</b>	7.1(a)	<b>246,490</b>	<b>138,987</b>

(i) Secured by the assets leased.

(ii) This is an unsecured loan which bears no interest.

**How we recognise borrowings**

Borrowings refer to interest bearing liabilities mainly raised from advances from the Department of Health 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 Beaufort and Skipton Health Service 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 of borrowings**

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 the loan.

## Beaufort and Skipton Health Service Notes to the Financial Statements For the Financial Year Ended 30 June 2023

### Note 6.1(a): Lease liabilities

Beaufort and Skipton Health Service's lease liabilities are summarised below:

	2023 \$	2022 \$
Total undiscounted lease liabilities	200,319	74,018
Less unexpired finance expenses	(3,923)	(2,028)
<b>Net lease liabilities</b>	<b>196,396</b>	<b>71,990</b>

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

	2023 \$	2022 \$
Not longer than one year	80,063	13,451
Longer than one year but not longer than five years	120,256	60,567
<b>Minimum future lease liability</b>	<b>200,319</b>	<b>74,018</b>
Less unexpired finance expenses	(3,923)	(2,028)
<b>Present value of lease liability</b>	<b>196,396</b>	<b>71,990</b>
<b>* Represented by:</b>		
- Current liabilities	77,917	11,969
- Non-current liabilities	118,479	60,021
	<b>196,396</b>	<b>71,990</b>

### How we recognise lease liabilities

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

To apply this definition, Beaufort and Skipton Health Service ensures the contract meets the following criteria:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to Beaufort and Skipton Health Service and for which the supplier does not have substantive substitution rights
- Beaufort and Skipton Health Service has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract and Beaufort and Skipton Health Service has the right to direct the use of the identified asset throughout the period of use, and
- Beaufort and Skipton Health Service has the right to take decisions in respect of 'how and for what purpose' the asset is used throughout the period of use.

Beaufort and Skipton Health Service's lease arrangements consist of the following:

Type of asset leased	Lease term
Leased vehicles	3 years

### 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.

## Beaufort and Skipton Health Service Notes to the Financial Statements For the Financial Year Ended 30 June 2023

### 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 Beaufort and Skipton Health Services incremental borrowing rate. Our lease liability has been discounted by 1.68%.

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.

The following types of lease arrangements, contain extension and termination options:

- Vehicle Leases include extension and termination options up to the maximum lease terms under the Victorian Government Standard Motor Vehicle Policy.

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).

Potential future cash outflows have not been included in the lease liability because it is not reasonably certain that the leases will be extended (or not terminated).

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

During the current financial year, extension and termination options were not exercised and there was no financial effect to the health service.

### Subsequent measurement

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

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



**Beaufort and Skipton Health Service**  
**Notes to the Financial Statements**  
**For the Financial Year Ended 30 June 2023**

**Note 6.2: Cash and cash equivalents**

	Notes	2023 \$	2022 \$
Cash on hand (excluding monies held in trust)		780	780
Cash at bank (excluding monies held in trust)		296,148	628,203
Cash at bank - CBS (excluding monies held in trust)		2,296,062	1,389,509
<b>Total cash held for operations</b>		<b>2,592,990</b>	<b>2,018,492</b>
Cash on hand (monies held in trust)		2,366	4,881
Cash at bank - CBS (monies held in trust)		7,430,714	6,082,121
<b>Total cash held as monies in trust</b>		<b>7,433,080</b>	<b>6,087,002</b>
<b>Total cash and cash equivalents</b>	7.1(a)	<b>10,026,070</b>	<b>8,105,493</b>

**How we recognise cash and cash equivalents**

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

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**

	2023 \$	2022 \$
<b>Capital expenditure commitments</b>		
Less than one year	455,074	357,686
<b>Total capital expenditure commitments</b>	<b>455,074</b>	<b>357,686</b>
<b>Operating expenditure commitments</b>		
Less than one year	47,565	45,673
<b>Total operating expenditure commitments</b>	<b>47,565</b>	<b>45,673</b>
<b>Total commitments for expenditure (inclusive of GST)</b>	<b>502,639</b>	<b>403,359</b>
Less GST recoverable from the Australian Tax Office	(45,694)	(36,548)
<b>Total commitments for expenditure (exclusive of GST)</b>	<b>456,945</b>	<b>366,811</b>

**How we disclose our commitments**

Our commitments relate to expenditure.

**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 GST payable. In addition, where it is considered appropriate and provides additional relevant information to users, the net present values of significant individual projects are stated. These future expenditure cease to be disclosed as commitments once the related liabilities are recognised on the Balance Sheet.

There are no restrictions placed upon the lessee by entering into these leases.

Refer to Note 6.1 for further information.

## Beaufort and Skipton Health Service Notes to the Financial Statements For the Financial Year Ended 30 June 2023

### Note 7: Risks, contingencies and valuation uncertainties

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

#### Structure

- 7.1 Financial instruments
- 7.2 Financial risk management objectives and policies
- 7.3 Contingent assets and contingent liabilities
- 7.4 Fair value determination

#### Key judgements and estimates

This section contains the following key judgements and estimates:

Key judgements and estimates	Description
Measuring fair value of non-financial assets	<p>Fair value is measured with reference to highest and best use, that is, the use of the asset by a market participant that is physically possible, legally permissible, financially feasible, and which results in the highest value, or to sell it to another market participant that would use the same asset in its highest and best use.</p> <p>In determining the highest and best use, Beaufort and Skipton Health Service has assumed the current use is its highest and best use. Accordingly, characteristics of the health service's assets are considered, including condition, location and any restrictions on the use and disposal of such assets.</p> <p>Beaufort and Skipton Health Service uses a range of valuation techniques to estimate fair value, which include the following:</p> <ul style="list-style-type: none"> <li>▪ Market approach, which uses prices and other relevant information generated by market transactions involving identical or comparable assets and liabilities. The fair value of Beaufort and Skipton Health Service's [specialised land, non-specialised land, non-specialised buildings, investment properties and cultural assets] are measured using this approach.</li> <li>▪ Cost approach, which reflects the amount that would be required to replace the service capacity of the asset (referred to as current replacement cost). The fair value of Beaufort and Skipton Health Service's [specialised buildings, furniture, fittings, plant, equipment and vehicles] are measured using this approach.</li> <li>▪ Income approach, which converts future cash flows or income and expenses to a single undiscounted amount. Beaufort and Skipton Health Service does not this use approach to measure fair value.</li> </ul> <p>The health service selects a valuation technique which is considered most appropriate, and for which there is sufficient data available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.</p> <p>Subsequently, the health service applies significant judgement to categorise and disclose such assets within a fair value hierarchy, which includes:</p> <ul style="list-style-type: none"> <li>▪ Level 1, using quoted prices (unadjusted) in active markets for identical assets that the health service can access at measurement date. Beaufort and Skipton Health Service does not categorise any fair values within this level.</li> <li>▪ Level 2, inputs other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly. Beaufort and Skipton Health Service categorises non-specialised land and non-specialised buildings in this level.</li> <li>▪ Level 3, where inputs are unobservable. Beaufort and Skipton Health Service categorises specialised land, specialised buildings, plant, equipment, vehicles, right-of-use motor vehicles in this level.</li> </ul>

**Beaufort and Skipton Health Service**  
**Notes to the Financial Statements**  
**For the Financial Year Ended 30 June 2023**

**Note 7.1: Financial instruments**

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

**Note 7.1(a): Categorisation of financial instruments**

30 June 2023		Financial Assets at Amortised Cost	Financial Liabilities at Amortised Cost	Total
	Note	\$	\$	\$
<b>Contractual financial assets</b>				
Cash and cash equivalents	6.2	10,026,070	-	10,026,070
Receivables and contract assets	5.1	1,758,971	-	1,758,971
<b>Total financial assets (i)</b>		<b>11,785,041</b>	<b>-</b>	<b>11,785,041</b>
<b>Financial liabilities</b>				
Payables	5.3	-	832,090	832,090
Borrowings	6.1	-	246,490	246,490
Refundable Accommodation Deposits and Bonds	5.4	-	7,351,237	7,351,237
Patient Monies Held in Trust	5.4	-	81,843	81,843
<b>Total financial liabilities (i)</b>		<b>-</b>	<b>8,511,660</b>	<b>8,511,660</b>

30 June 2022		Financial Assets at Amortised Cost	Financial Liabilities at Amortised Cost	Total
	Note	\$	\$	\$
<b>Contractual financial assets</b>				
Cash and cash equivalents	6.2	8,105,493	-	8,105,493
Receivables and contract assets	5.1	1,623,784	-	1,623,784
<b>Total financial assets (i)</b>		<b>9,729,277</b>	<b>-</b>	<b>9,729,277</b>
<b>Financial liabilities</b>				
Payables	5.3	-	1,056,473	1,056,473
Borrowings	6.1	-	138,988	138,988
Refundable Accommodation Deposits and Bonds	5.4	-	5,892,272	5,892,272
Patient Monies Held in Trust	5.4	-	194,730	194,730
<b>Total financial liabilities (i)</b>		<b>-</b>	<b>7,282,463</b>	<b>7,282,463</b>

(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 Beaufort and Skipton Health Service becomes party to the contractual provisions to the instrument. For financial assets, this is at the date Beaufort and Skipton Health Service commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

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

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

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

**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 Beaufort & Skipton Health Service 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 subsequently measured at amortised cost using the effective interest method less any impairment.

## Beaufort and Skipton Health Service Notes to the Financial Statements For the Financial Year Ended 30 June 2023

Beaufort and Skipton Health Service recognises the following assets in this category:

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

### Categories of financial liabilities

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

### 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. Beaufort & Skipton Health Service recognises the following liabilities in this category:

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

### Offsetting financial instruments

Financial instrument assets and liabilities are offset and the net amount presented in the consolidated balance sheet when, and only when, Beaufort and Skipton Health Service has a legal right to offset the amounts and intend either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Some master netting arrangements do not result in an offset of balance sheet assets and liabilities. Where Beaufort and Skipton Health Service does not have a legally enforceable right to offset recognised amounts, because the right to offset is enforceable only on the occurrence of future events such as default, insolvency or bankruptcy, they are reported on a gross basis.

### 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
- Beaufort and Skipton Health Service retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through' arrangement, or
- Beaufort and Skipton Health Service has transferred its rights to receive cash flows from the asset and either:
  - has transferred substantially all the risks and rewards of the asset, or
  - has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

Where Beaufort and Skipton Health Service has neither transferred nor retained substantially all the risks and rewards or transferred control, the asset is recognised to the extent of Beaufort and Skipton Health Service's continuing involvement in the asset.

### Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised as an 'other economic flow' in the comprehensive operating statement.

### Reclassification of financial instruments

A financial asset is required to be reclassified between fair value between amortised cost, fair value through net result and fair value through other comprehensive income when, and only when, Beaufort and Skipton Health Service's business model for managing its financial assets has changed such that its previous model would no longer apply.

A financial liability reclassification is not permitted.

# Beaufort and Skipton Health Service

## Notes to the Financial Statements

### For the Financial Year Ended 30 June 2023

#### Note 7.2: Financial risk management objectives and policies

As a whole, Beaufort and Skipton Health Service's financial risk management program seeks to manage the risks and the associated volatility of its financial performance.

Details of the significant accounting policies and methods adopted, included the criteria for recognition, the basis of measurement, and the basis on which income and expenses are recognised, with respect to each class of financial asset, financial liability and equity instrument above are disclosed throughout the financial statements.

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

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

#### Note 7.2 (a) Credit risk

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

Credit risk associated with Beaufort and Skipton Health Service's contractual financial assets is minimal because the main debtor is the Victorian Government. For debtors other than the Government, the health service is exposed to credit risk associated with patient and other debtors.

In addition, Beaufort and Skipton Health Service does not engage in hedging for its contractual financial assets and mainly obtains contractual financial assets that are on fixed interest, except for cash and deposits, which are mainly cash at bank. As with the policy for debtors, Beaufort and Skipton Health Service's policy is to only deal with banks with high credit ratings.

Provision of impairment for contractual financial assets is recognised when there is objective evidence that Beaufort and Skipton Health Service will not be able to collect a receivable. Objective evidence includes financial difficulties of the debtor, default payments, debtors that are more than 60 days overdue, and changes in debtor credit ratings.

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

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

There has been no material change to Beaufort and Skipton Health Service's credit risk profile in 2022-23.

#### Impairment of financial assets under AASB 9 *Financial Instruments*

Beaufort & Skipton Health Service records the allowance for expected credit loss for the relevant financial instruments in accordance with AASB 9's "Expected Credit Loss" approach. Subject to AASB 9, impairment assessment include Beaufort & Skipton Health Service's contractual receivables, statutory 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. While cash and cash equivalents are also subject to the impairment requirements of AASB 9, the identified impairment loss would be immaterial.

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.



## Beaufort and Skipton Health Service Notes to the Financial Statements For the Financial Year Ended 30 June 2023

### Contractual receivables at amortised cost

Beaufort and Skipton Health Service applies AASB 9's simplified approach for all contractual receivables to measure expected credit losses using a lifetime expected loss allowance based on the assumptions about risk of default and expected loss rates. Beaufort and Skipton Health Service has grouped contractual receivables on shared credit risk characteristics and days past due and select the expected credit loss rate based on Beaufort and Skipton Health Service's past history, existing market conditions, as well as forward looking estimates at the end of the financial year.

On this basis, Beaufort and Skipton Health Service determines the closing loss allowance at the end of the financial year as follows:

30 June 2023	Note	Current	Less than 1 month	1-3 months	3 months - 1 year	1 - 5 years	Total
<b>Expected loss rate</b>		1.4%	1.7%	2.0%	8.0%	19.6%	
Gross carrying amount of contractual receivables	5.1	540,609	47,843	32,735	125,248	248,470	994,905
<b>Loss allowance</b>		<b>7,396</b>	<b>792</b>	<b>656</b>	<b>9,963</b>	<b>59,311</b>	<b>78,118</b>
30 June 2022	Note	Current	Less than 1 month	1-3 months	3 months - 1 year	1 - 5 years	Total
<b>Expected loss rate</b>		6.5%	6.8%	7.2%	14.0%	31.2%	
Gross carrying amount of contractual receivables	5.1	462,096	169,111	23,315	227,217	129,333	1,011,072
<b>Loss allowance</b>		<b>30,041</b>	<b>11,527</b>	<b>1,678</b>	<b>31,798</b>	<b>40,342</b>	<b>115,386</b>

### Statutory receivables and debt investments at amortised cost

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

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

### Note 7.2 (b) Liquidity risk

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

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

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

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

## Beaufort and Skipton Health Service Notes to the Financial Statements For the Financial Year Ended 30 June 2023

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

30 June 2023	Note	Carrying Amount \$	Nominal Amount \$	Maturity Dates			
				Less than 1 Month \$	1-3 Months \$	3 months - 1 Year \$	1-5 Years \$
Payables (i)	5.3	832,090	832,090	832,090	-	-	-
Borrowings	6.1	246,490	246,490	2,918	8,778	86,248	148,546
Other Financial Liabilities							
- Refundable Accommodation Deposits (ii)	5.4	7,351,237	7,351,237	-	441,074	1,970,132	4,940,031
- Other	5.4	81,843	81,843	-	-	81,843	-
<b>Total Financial Liabilities</b>		<b>8,511,660</b>	<b>8,511,660</b>	<b>835,008</b>	<b>449,852</b>	<b>2,138,223</b>	<b>5,088,577</b>

30 June 2022	Note	Carrying Amount \$	Nominal Amount \$	Maturity Dates			
				Less than 1 Month \$	1-3 Months \$	3 months - 1 Year \$	1-5 Years \$
Payables (i)	5.3	1,056,473	1,056,473	1,056,473	-	-	-
Borrowings	6.1	138,988	138,988	1,109	3,341	23,629	110,909
Other Financial Liabilities							
- Refundable Accommodation Deposits (ii)	5.4	5,892,272	5,892,272	-	353,536	1,579,129	3,959,607
- Other	5.4	194,730	194,730	-	-	194,730	-
<b>Total Financial Liabilities</b>		<b>7,282,463</b>	<b>7,282,463</b>	<b>1,057,582</b>	<b>356,877</b>	<b>1,797,488</b>	<b>4,070,515</b>

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

(ii) Maturity dates between 1-5 years are based upon historical redemption rates.

### Note 7.2 (c) Market risk

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

#### Sensitivity disclosure analysis and assumptions

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

- a change in interest rates of 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. Beaufort and Skipton Health Service does not hold any interest-bearing financial instruments that are measured at fair value, and therefore has no exposure to fair value interest rate risk.

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Beaufort and Skipton Health Service has minimal exposure to cash flow interest rate risks through cash and deposits.

### Note 7.3: Contingent assets and contingent liabilities

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

## Beaufort and Skipton Health Service Notes to the Financial Statements For the Financial Year Ended 30 June 2023

### 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.

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

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

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

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

Unobservable inputs shall be 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.

**Beaufort and Skipton Health Service**  
**Notes to the Financial Statements**  
**For the Financial Year Ended 30 June 2023**

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

Note	Carrying amount 30 June 2023 \$	Fair value measurement at end of reporting period using:		
		Level 1 <i>i</i> \$	Level 2 <i>i</i> \$	Level 3 <i>i</i> \$
<b>Land at fair value</b>				
	585,000	-	585,000	-
	1,315,000	-	-	1,315,000
<b>Total of land at fair value</b>	<b>1,900,000</b>	<b>-</b>	<b>585,000</b>	<b>1,315,000</b>
<b>Buildings at fair value</b>				
	447,503	-	447,503	-
	15,816,154	-	-	15,816,154
<b>Total of buildings at fair value</b>	<b>16,263,657</b>	<b>-</b>	<b>447,503</b>	<b>15,816,154</b>
<b>Plant, equipment and vehicles at fair value</b>				
- Motor vehicles at fair value	71,882	-	-	71,882
- Medical equipment at fair value	180,726	-	-	180,726
- Plant and equipment at fair value	875,465	-	-	875,465
<b>Total of plant, equipment and vehicles at fair value</b>	<b>1,128,073</b>	<b>-</b>	<b>-</b>	<b>1,128,073</b>
<b>Right-of-use motor vehicles at fair value</b>				
- Right-of-use motor vehicles at fair value	196,045	-	-	196,045
<b>Total of right-of-use motor vehicles at fair value</b>	<b>196,045</b>	<b>-</b>	<b>-</b>	<b>196,045</b>
<b>Total non-financial physical assets at fair value</b>	<b>19,487,775</b>	<b>-</b>	<b>1,032,503</b>	<b>18,455,272</b>

Note	Carrying amount 30 June 2022 \$	Fair value measurement at end of reporting period using:		
		Level 1 <i>i</i> \$	Level 2 <i>i</i> \$	Level 3 <i>i</i> \$
<b>Land at fair value</b>				
	585,000	-	585,000	-
	1,315,000	-	-	1,315,000
<b>Total of land at fair value</b>	<b>1,900,000</b>	<b>-</b>	<b>585,000</b>	<b>1,315,000</b>
<b>Buildings at fair value</b>				
	479,468	-	479,468	-
	16,949,586	-	-	16,949,586
<b>Total of buildings at fair value</b>	<b>17,429,054</b>	<b>-</b>	<b>479,468</b>	<b>16,949,586</b>
<b>Plant, equipment and vehicles at fair value</b>				
- Motor vehicles at fair value	99,525	-	-	99,525
- Medical equipment at fair value	206,541	-	-	206,541
- Plant and equipment at fair value	906,318	-	-	906,318
<b>Total of plant, equipment and vehicles at fair value</b>	<b>1,212,384</b>	<b>-</b>	<b>-</b>	<b>1,212,384</b>
<b>Right-of-use motor vehicles at fair value</b>				
- Right-of-use motor vehicles at fair value	71,658	-	-	71,658
<b>Total of right-of-use motor vehicles at fair value</b>	<b>71,658</b>	<b>-</b>	<b>-</b>	<b>71,658</b>
<b>Total non-financial physical assets at fair value</b>	<b>20,613,096</b>	<b>-</b>	<b>1,064,468</b>	<b>19,548,628</b>

(i) Classified in accordance with the fair value hierarchy.

## Beaufort and Skipton Health Service Notes to the Financial Statements For the Financial Year Ended 30 June 2023

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

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

### Non-specialised land, non-specialised buildings

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

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

### Specialised land and specialised buildings

Specialised land includes Crown 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, Beaufort & Skipton Health Service 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 and specialised buildings 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 Beaufort & Skipton Health Service, the depreciated replacement cost method is used for the majority of specialised buildings, adjusting for the associated depreciation. As depreciation adjustments are considered as significant and unobservable inputs in nature, specialised buildings are classified as Level 3 for fair value measurements.

An independent valuation of Beaufort & Skipton Health Service's specialised land was performed by the Valuer-General Victoria. The effective date of the valuation is 30 June 2022.

An independent valuation of Beaufort & Skipton Health Service's specialised buildings was performed by the Valuer-General Victoria. The effective date of the valuation is 30 June 2019.

### Vehicles

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

### Plant and equipment

Plant and equipment (including medical equipment, computers and communication equipment and furniture and fittings) 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 2023.

**Beaufort and Skipton Health Service**  
**Notes to the Financial Statements**  
**For the Financial Year Ended 30 June 2023**

**Reconciliation of level 3 fair value measurement**

Note	Land \$	Buildings \$	Plant, Equipment and Vehicles \$	Right-of-use Motor Vehicles \$
<b>Balance at 1 July 2021</b>	<b>743,262</b>	<b>15,409,624</b>	<b>927,747</b>	<b>84,944</b>
Additions/(Disposals)	-	4,826	233,974	-
<i>Gains or (losses) recognised in net result</i>				
- Depreciation	-	(1,317,137)	(275,716)	(13,286)
Reclassification in/(out) level 3	-	-	326,380	-
<i>Items recognised in other comprehensive income</i>				
- Revaluation	571,738	2,852,273	-	-
<b>Balance at 30 June 2022</b>	<b>1,315,000</b>	<b>16,949,586</b>	<b>1,212,384</b>	<b>71,658</b>
Additions/(Disposals)	-	12,719	172,644	150,506
<i>Gains or (losses) recognised in net result</i>				
- Depreciation	-	(1,146,151)	(256,955)	(26,119)
Reclassification in/(out) level 3	-	-	-	-
<i>Items recognised in other comprehensive income</i>				
- Revaluation	-	-	-	-
<b>Balance at 30 June 2023</b>	<b>1,315,000</b>	<b>15,816,154</b>	<b>1,128,073</b>	<b>196,045</b>

(i) Classified in accordance with the fair value hierarchy, see Note 7.4.

**Fair value determination of level 3 fair value measurement**

Asset class	Likely valuation approach	Significant inputs (Level 3 only)
Non-specialised land	Market approach	N/A
Specialised land	Market approach	Community Service Obligation adjustments (i)
Non-specialised buildings	Market approach	N/A
Specialised buildings	Current replacement cost approach	Cost per square metre Useful life
Plant and equipment	Current replacement cost approach	Cost per unit Useful life
Motor vehicles	Market approach Current replacement cost approach	N/A Cost per unit

(i) A community service obligation (CSO) of 10% and 25% was applied to Beaufort and Skipton Health Service's specialised land in Beaufort and Skipton respectively.



**Beaufort and Skipton Health Service  
Notes to the Financial Statements  
For the Financial Year Ended 30 June 2023**

**Note 8: Other Disclosures**

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

**Structure**

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

**Note 8.1: Reconciliation of net result for the year to net cash inflow/(outflow) from operating activities**

	2023	2022
	\$	\$
<b>Net result for the year</b>	<b>(1,184,822)</b>	<b>(1,131,258)</b>
<b>Non-cash movements</b>		
Depreciation	1,461,190	1,639,139
Grampians Rural Health Alliance Jointly Controlled Operation	191,342	93,176
Assets received free of charge	-	(328,377)
(Gain)/Loss on revaluation of long service leave liability	13,644	81,797
Loss allowance for receivables	(37,269)	1,897
Net (gain)/loss on disposal of non-financial assets	(41,049)	885
Gain/(Loss) from investing and financing activities	678	(3,683)
<b>Movements in Assets and Liabilities</b>		
(Increase) in receivables and contract assets	(105,316)	(204,386)
(Increase)/Decrease in prepaid expenses	(46,202)	66,524
Increase/(Decrease) in payables and contract liabilities	363,385	692,730
Increase in provisions	314,309	306,595
<b>Net cash inflow from operating activities</b>	<b>929,890</b>	<b>1,215,039</b>

## Beaufort and Skipton Health Service Notes to the Financial Statements For the Financial Year Ended 30 June 2023

### Note 8.2: Responsible persons disclosures

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

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

	Period
<b>Responsible Ministers</b>	
The Honourable Mary-Anne Thomas MP:	
Minister for Health	1 Jul 2022 - 30 Jun 2023
Minister for Health Infrastructure	5 Dec 2022 - 30 Jun 2023
Minister for medical Research	5 Dec 2022 - 30 Jun 2023
Former Minister for Ambulance Services	1 Jul 2022 - 5 Dec 2022
The Honourable Gabrielle Williams MP:	
Minister for Mental Health	1 Jul 2022 - 30 Jun 2023
Minister for Ambulance Services	5 Dec 2022 - 30 Jun 2023
The Honourable Lizzy Blandthorn MP:	
Minister for Disability, Ageing and Carers	5 Dec 2022 - 30 Jun 2023
The Honourable Colin Brooks MP:	
Former Minister for Disability, Ageing and Carers	1 Jul 2022 - 5 Dec 2022
<b>Governing Board</b>	
Mr David Lenehan (Chair of the Board)	1 Jul 2022 - 30 Jun 2023
Mr Tony Edney	1 Jul 2022 - 30 Jun 2023
Ms Tanya Barun	1 Jul 2022 - 30 Jun 2023
Ms Jo Hall	1 Jul 2022 - 30 Jun 2023
Mr Nigel Jarvis	1 Jul 2022 - 30 Jun 2023
Dr Margaret Way	1 Jul 2022 - 30 Jun 2023
Ms Lauren Baker	1 Jul 2022 - 30 Jun 2023
Dr Daniel Terry	1 Jul 2022 - 7 Feb 2023
<b>Accountable Officer</b>	
Mrs Meryn Pease (Chief Executive Officer)	1 Jul 2022 - 30 Jun 2023

### Remuneration of Responsible Persons

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

Income Band	2023 No.	2022 No.
\$0 - \$9,999	8	9
\$240,000 - \$249,999	1	1
<b>Total Numbers</b>	<b>9</b>	<b>10</b>
	<b>2023</b>	<b>2022</b>
	\$	\$
<b>Total remuneration received or due and receivable by Responsible Persons from the reporting entity amounted to:</b>	<b>298,919</b>	<b>304,383</b>

Amounts relating to the Governing Board Members and Accountable Officer of Beaufort and Skipton Health Service's controlled entities are disclosed in their own financial statements. Amounts relating to Responsible Ministers are reported within the States' Financial Report.

**Beaufort and Skipton Health Service  
Notes to the Financial Statements  
For the Financial Year Ended 30 June 2023**

**Note 8.3: Remuneration of executives**

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

	2023	2022
	\$	\$
<b>Remuneration of Executive Officers (including Key Management Personnel Disclosed in Note 8.4)</b>		
Short term benefits	578,300	568,321
Post-employment benefits	58,454	51,644
Other long-term benefits	12,790	22,882
Terminations benefits	6,114	-
<b>Total Remuneration (i)</b>	<b>655,658</b>	<b>642,847</b>
<b>Total Number of Executives</b>	<b>5</b>	<b>4</b>
<b>Total Annualised Employee Equivalent (ii)</b>	<b>3.09</b>	<b>3.22</b>

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

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

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

**Short-term employee benefits**

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

**Post-employment benefits**

Pensions and other retirement benefits paid or payable on a discrete basis when employment has ceased.

**Other long-term benefits**

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

**Termination benefits**

Termination of employment payments, such as severance packages.

## Beaufort and Skipton Health Service Notes to the Financial Statements For the Financial Year Ended 30 June 2023

### Note 8.4: Related parties

Beaufort & Skipton Health Service is a wholly owned and controlled entity of the State of Victoria. Related parties of the health service include:

- All key management personnel and their close family member and personal business interests
- Cabinet ministers and their close family members, and
- Jointly controlled operations – A member of the Grampians Rural Health Alliance Information Technology Joint Venture Alliance, and
- All hospitals and public sector entities that are controlled and consolidated into the whole of state consolidated financial statements.

KMPs are those people with the authority and responsibility for planning, directing and controlling the activities of Beaufort & Skipton Health Service and its controlled entities, directly or indirectly.

#### Key management personnel

The Board of Directors and the Executive Directors of Beaufort & Skipton Health Service are deemed to be KMPs. This includes the following:

	Period
<b>Governing Board</b>	
Mr David Lenehan (Chair of the Board)	1 Jul 2022 - 30 Jun 2023
Mr Tony Edney	1 Jul 2022 - 30 Jun 2023
Ms Tanya Barun	1 Jul 2022 - 30 Jun 2023
Ms Jo Hall	1 Jul 2022 - 30 Jun 2023
Mr Nigel Jarvis	1 Jul 2022 - 30 Jun 2023
Dr Margaret Way	1 Jul 2022 - 30 Jun 2023
Ms Lauren Baker	1 Jul 2022 - 30 Jun 2023
Dr Daniel Terry	1 Jul 2022 - 7 Feb 2023
<b>Executive Directors</b>	
Mrs M Pease - Chief Executive Officer	1 Jul 2022 - 30 Jun 2023
Dr C Winter - Director of Medical Services	1 Jul 2022 - 30 Jun 2023
Mrs M Cushing - Director of Clinical Services	1 Jul 2022 - 30 Jun 2023
Mr C Nykoluk - Chief Financial Officer	1 Jul 2022 - 30 Jun 2023
Mr Kel Oswin - Support Services Manager	14 Nov 2022 - 30 Jun 2023
Mr D White - Corporate Services Manager	1 Jul 2022 - 3 Oct 2022

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

	2023	2022
	\$	\$
<b>Compensation - KMPs</b>		
Short term employee benefits (i)	846,455	844,315
Post-employment benefits	90,150	74,069
Other long-term benefits	11,859	28,844
Terminations benefits	6,114	-
<b>Total Compensation (ii)</b>	<b>954,578</b>	<b>947,229</b>

(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.

## Beaufort and Skipton Health Service Notes to the Financial Statements For the Financial Year Ended 30 June 2023

### Significant transactions with government-related entities

Beaufort & Skipton Health Service received funding from the Department of Health of \$9,067,467 (2022:\$8,157,461) and indirect contributions of \$82,373 (2022: \$50,938).

Expenses incurred by Beaufort & Skipton Health Service in delivering Services and outputs are in accordance with Health Purchasing 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 Minister for Finance require the Beaufort & Skipton Health Service to hold cash (in excess of working capital) in accordance with the State's centralised banking arrangements. All borrowings are required to be sourced from Treasury Corporation Victoria unless an exemption has been approved by the Minister for Health and Human Services and the Treasurer.

### Transactions with key management personnel 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 Victorian Government Procurement Board requirements.

Outside of normal citizen type transactions with the Beaufort & Skipton Health Service, there were no related party transactions that involved key management personnel, their close family members and their personal business interests. No provision has been required, nor any expense recognised, for impairment of receivables from related parties. There were no related party transactions with Cabinet Ministers required to be disclosed in 2023 (2022: None).

There were no related party transactions required to be disclosed for the Beaufort & Skipton Service Board of Directors and Executive Officers in 2023 (2022: None).

### Note 8.5: Remuneration of auditors

	2023	2022
	\$	\$
Victorian Auditor-General's Office		
Audit of the financial statements	24,860	20,900
<b>Total remuneration of auditors</b>	<b>24,860</b>	<b>20,900</b>

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

There are no events occurring after the Balance Sheet date.

**Beaufort and Skipton Health Service**  
**Notes to the Financial Statements**  
**For the Financial Year Ended 30 June 2023**

**Note 8.7: Jointly controlled operations**

Joint arrangement	Principal activity	Ownership Interest	
		2023	2022
Grampians Rural Health Alliance	In June 2008, the Department of Health issued circular number 17/2008, which outlines government requirements for the operation of rural health Information and Communication Technology (ICT) alliances. The policy outlines the accepted governance model for the operation of the ICT alliances.  The policy requires public hospitals, public health services and multipurpose services which are declared or established under the Health Services Act 1988, to enter into the alliance for the region in which they operate, in accordance with a Joint Operation Agreement. Consistent with this policy, the Grampians Rural Health Alliance came into effect on 9th of December 2008.	1.72%	5.86%

Beaufort and Skipton Health Services interest in assets and liabilities of the above joint arrangements are detailed below. The amounts are included in the consolidated financial statements under their respective categories:

	2023	2022
	\$	\$
<b>Current assets</b>		
Cash and cash equivalents	82,461	150,619
Receivables	44,858	70,336
Other current assets	6,925	48,054
<b>Total current assets</b>	<b>134,244</b>	<b>269,009</b>
<b>Non-current assets</b>		
Property, plant and equipment	26,144	127,314
<b>Total non-current assets</b>	<b>26,144</b>	<b>127,314</b>
<b>Total assets</b>	<b>160,388</b>	<b>396,323</b>
<b>Current liabilities</b>		
Payables	42,292	57,062
Other current liabilities	36,980	66,804
<b>Total current liabilities</b>	<b>79,272</b>	<b>123,866</b>
<b>Total liabilities</b>	<b>79,272</b>	<b>123,866</b>
<b>Net Assets</b>	<b>81,116</b>	<b>272,457</b>
<b>Equity</b>		
Accumulated surpluses	81,116	272,457
<b>Total equity</b>	<b>81,116</b>	<b>272,457</b>

\* Figures obtained from the unaudited GRHA annual report.



## Beaufort and Skipton Health Service Notes to the Financial Statements For the Financial Year Ended 30 June 2023

Beaufort and Skipton Health Services interest in revenues and expenses resulting from joint arrangements are detailed below. The amounts are included in the consolidated financial statements under their respective categories:

	2023 \$	2022 \$
<b>Revenue</b>		
Operating activities	189,833	504,045
Non-operating activities	1,537	9,104
<b>Total revenue from income and transactions</b>	<b>191,370</b>	<b>513,149</b>
<b>Expenses from transactions</b>		
Operating expenses	(174,375)	(482,309)
Non-operating activities	(15,796)	(124,706)
<b>Total expenses from transactions</b>	<b>(190,171)</b>	<b>(607,015)</b>
<b>Other economic flows included in the net result</b>		
Change in equity share of joint operation	(192,541)	690
<b>Total other economic flows included in the net result</b>	<b>(192,541)</b>	<b>690</b>
<b>Comprehensive result for the year</b>	<b>(191,342)</b>	<b>(93,176)</b>

\* Figures obtained from the unaudited GRHA annual report.

### Contingent Liabilities and Capital Commitments

There are no known contingent liabilities or capital commitments held by the jointly controlled operation 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 Beaufort and Skipton Health Service.

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

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

### Specific restricted purpose reserves

The specific restricted purpose reserve is established where Beaufort and Skipton Health Service 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

Beaufort & Skipton Health Service is dependent on the Department of Health for the majority of its revenue used to operate the health service. At the date of this report, the Board of Directors believes the Department of Health will continue to support Beaufort & Skipton Health Service.





**Beaufort & Skipton**  
Health Service



## **BEAUFORT CAMPUS**

28 Havelock Street, Beaufort Victoria 3373

**P:** +61 3 5349 1600

***Incorporating:***

Beaufort Hospital, Delama, Ripon Peace and  
Beaufort and Skipton Community Health

## **SKIPTON CAMPUS**

2 Blake Street, Skipton Victoria 3361

**P:** +61 3 5340 1100

***Incorporating:***

Skipton Hospital, Brigadoon, Mackinnon,  
Skipton Medical Practice and  
Beaufort and Skipton Community Health