



# Bendigo Health Annual Report 2022-2023





## OUR VISION

Excellent Care. Every Person. Every Time.

## OUR VALUES



### CARING

We care for our community



### PASSIONATE

We are passionate about doing our best



### TRUSTWORTHY

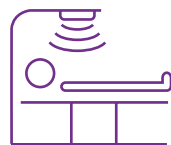
We are open, honest and respectful



We acknowledge the First Peoples of Australia who are the Traditional Custodians of the land and water where we live, work and play. We celebrate that this is the oldest living and continuous culture in the world. We are proud to be sharing the land that we work on and recognise that sovereignty was never ceded.



# OUR CARE AT A GLANCE



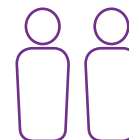
127,980

Service events provided by our Specialist Clinics



61,459

People came to our Emergency Department for treatment



54,112

People admitted to our hospital



16,955

Operations performed



18,323

Ambulance arrivals handled by our Emergency Department



1,658

Admissions of children aged 16 and under to our Children's Ward



1,792

Babies delivered



5,018

Staff employed



772

Bed service

\*Head count includes all contracted staff with an active employment agreement as at 30 June 2023.



# CONTENTS

<b>5</b>	<b>Chair Report</b>
<b>8</b>	<b>Chief Executive Officer Report</b>
<b>12</b>	<b>Board of Directors</b>
<b>14</b>	<b>Executive Directors</b>
<b>15</b>	<b>Organisational Structure</b>
<b>16</b>	<b>Workforce Data</b>
<b>17</b>	<b>Attestations and Declarations</b>
<b>18</b>	<b>Statutory Compliance</b>
<b>34</b>	<b>Statement of Priorities: Part A</b>
<b>46</b>	<b>Statement of Priorities: Part B Performance Priorities</b>
<b>49</b>	<b>Statement of Priorities: Part C Activity and Funding</b>
<b>51</b>	<b>Disclosure Index</b>
<b>53</b>	<b>Financial Report 2022-2023</b>





# CHAIR REPORT

As I reflect on my first year as Chair of the Board, I am filled with pride to lead a health service with both incredible staff and a supportive community. It is evident that the pandemic has left our staff fatigued but it has not dampened their commitment to providing excellent care.

Working through a pandemic in a regional health service brought unique challenges and opportunities, especially the need to collaborate with other public health providers within our region. We have all learned from this experience and I believe the health service is now more solutions focused and resilient than ever. With innovation and our vision of excellence at the core, we are working together to ensure sustainability for our services, today and in the future.

Bendigo Health is the Leading Member of the Loddon Mallee Health Network (LMHN), a formalised partnership between 16 public health services. Together, the LMHN with Bendigo Health, has prioritised connecting our services to ensure the right care is provided in the right place, not necessarily the closest place. The LMHN has also been working hard to integrate our communications and technology services to provide benefit to all services regardless of location.

Hospital is not a place anyone wants to spend more time than they need to and new ways of delivering care are helping more people access services without an inpatient stay. Through the Victorian Government's Better at Home initiative, the LMHN has been delivering programs such as Hospital in the Home, Home Based Cancer Care and Diabetes in Pregnancy Remote Patient Monitoring. Over the last year, there were more than 1200 patients receiving care at home under HITH and Geriatric Evaluation and Monitoring (GEM) programs in the Bendigo region.

## Farewell to Peter Faulkner, CEO

The leadership of retiring CEO Peter Faulkner was key to the advancements made in our region during a time of constant and unprecedented change for the health industry. Peter is highly regarded within the sector. The excellent relationships he has built and his vision as the inaugural Chair of the LMHN has seen our region held up as the exemplar for Health Service Partnerships (HSPs) in Victoria.



## CHAIR REPORT (CONTINUED)

The Board are particularly proud of the reassurance Peter provided during the health service's response to a series of external events including fires, floods and the pandemic. He worked hard to keep staff and the community well informed and safe and is a trusted voice in our community.

Peter's achievements during his six years as CEO are many. He took on the role not long after the service moved into the new hospital and has overseen many capital improvements across the health service, including the new Clinical Services Campus and significant upgrades across the residential care homes run by Bendigo Health.

### Clinical Services Campus

A significant milestone was achieved when the first services moved into the Clinical Services Campus, the former hospital site under refurbishment. Work is ongoing but the BreastScreen team and some allied health disciplines are now operating from their new home.

The Board looks forward to marking the completion of this large project which will be an invaluable asset to the community. The new hydrotherapy pool will be a very welcome upgrade and we are currently fundraising to build a specially designed play space where children experience rehabilitation sessions in a fun outdoor playground setting.

### Clinical Services Plan

Whilst there have been many achievements this last twelve months, there continues to be ongoing pressures on resources and long-term impacts of the pandemic.

The Board has oversight on a challenging budgetary plan for our organisation and we are committed to growing our workforce and delivering the priorities of the Bendigo Health Strategic Plan with the best possible financial discipline.

Proactively planning on how we will evolve existing services in order to best meet the changing health needs of the region will be aided by the recently completed five year Clinical Services Plan. Informed heavily by research and our own people, implementation will start over the next financial year to help our teams manage demands on our services in line with the needs of our community.

### Changes to our Board

This was the last year of service for three of our Board Directors with Bob Cameron stepping away from the role of Chair after six years of dedicated service. Bob was integral to securing funding for a number of capital projects and he left a strong legacy for the Loddon Mallee community.

## CHAIR REPORT (CONTINUED)

We also farewell Board Directors Marilyn Beaumont OAM and Dianne Foggo AM who had each served three terms and made significant contributions to Bendigo Health.

Their support, passion and expertise has been invaluable to Bendigo Health and we wish them all the best.

It was wonderful to begin welcoming volunteers back to our service as restrictions eased. Volunteers add a caring presence throughout the health service and we are indebted to their generosity in giving their time.

The healthcare workforce has been at the frontline of COVID and now the aftermath of the pandemic, with more very unwell people presenting for treatment. The demand for our services has never been greater and our professional and committed staff have continued to show true dedication to our community every day. You are the heart of Bendigo Health. On behalf of the Bendigo Health Board, I would like to say “Thank you”.

A handwritten signature in black ink, appearing to read 'E Piejko'.

**Ewa Piejko,  
Board Chair**



# CHIEF EXECUTIVE OFFICER REPORT

It has been a truly unique year filled with challenges and further adaptation required by our staff across the service. Once again they have responded exceptionally well to everything that was thrown at them and our community should be very proud to have such a dedicated team at their service.

As we adjusted to the increasing levels of demand for our services, our new role in the COVID pandemic response, and provided a health leadership role during the October floods that devastated parts of the region, our staff remained steadfast in their pursuit of Excellent Care. Every Person. Every Time.

With the transition from a State-wide pandemic response to more localised approaches our health service took on a supportive role in the COVID detection and prevention space.

The increasing use and accessibility of Rapid Antigen Tests meant PCR tests and the infrastructure and staff who had been carrying out those tests, were not required by the State Government. In response our COVID Screening Clinic on Stewart Street closed its doors on January 1.

Similarly the fixed vaccination service on Drought Street closed in October as the primary health community took over as the main vaccinator across the country.

A quick look at the data illustrates the power of work done by our COVID teams. Since January 2021, 624,000 PCR tests were administered, in addition to 209,000 vaccinations — an amazing effort by a group of people that included retirees, students and everything in between.

Thank you to all the staff involved in our COVID clinics, I hope your transition back to substantive roles or other positions in our organisation has been a smooth one.

The second half of the year in the public health space was focused on mosquitos. Wet conditions following the spring floods provided ideal conditions for mosquitos and the diseases they carry.

Japanese encephalitis (JE) Murray Valley encephalitis (MVE) and Ross River virus were detected in humans in our region. Sadly, three of these confirmed MVE cases resulted in deaths.

The Loddon Mallee Public Health Unit (LMPHU) worked hard to inform the public the best methods to avoid mosquito bites through extensive community engagement, a number of community forums and a media and advertising campaign.

# CEO REPORT (CONTINUED)

## Solutions to workforce pressures

Supporting and bolstering our workforce has been a focus of the Executive Team over the past twelve months to ensure Bendigo Health remains an attractive place to work and advance your career in healthcare.

Our recruitment team had great success in recruiting 74 international clinicians over the past 12 months with a further 50 international clinicians due to commence in the near future. These clinicians have joined us from the Philippines, Singapore, the UK, Iran, Bangladesh, Ireland, India, New Zealand, Malaysia and South Africa and have all settled in well to their working environment and broader community.

When faced with workforce pressures, our staff have looked within to create efficiencies to maintain the high level of care they provide to the community.

An example of this is the Timely Excellent Care Collaborative (TECC) launched in March to increase the availability of beds in the hospital system and reduce patients' length of stay by 20 per cent. Patients are now discharged earlier and on weekends, others are identified for discharge quicker and some patients are treated at home to free up beds that others require. Since the TECC initiative began, we have reduced overall inpatient hospital length of stay from 8.4 to 6.55 days.

## Heartening flood response

The October floods will live long in the memory of regional Victorians, particularly for residents of Rochester whose recovery continues to this day.

Many health services across the region were impacted by the floods whether it was their physical infrastructure, their workforce, patients, residents and IT services.

Our staff were challenged enormously throughout this period and our health service remained in a Code Yellow for a number of weeks. Many staff were unable to travel to work and patients were also impacted, some unable to travel to our health service for treatment. Ever innovative, our staff found ways to maintain the excellent and timely care our community required.



## CEO REPORT (CONTINUED)

Our IT team was incredible in their support of health services' whose IT infrastructure was destroyed and our acute teams support of the relocation of Rochester aged care residents to our inpatient ward was another example of our staff demonstrating our Caring, Passionate and Trustworthy values.

### Farewell colleagues and friends

It has been strange navigating all these challenges and opportunities knowing this would be my last year at Bendigo Health as I head into retirement. I began working at Bendigo Health in May 2009 as Executive Director of Nursing and Executive Director of Surgical Services before taking on an additional role as Executive Director New Bendigo Hospital in 2015, a role I thoroughly enjoyed but had never expected to hold.

The opportunity to contribute to the build of a new hospital that is such a wonderful asset for our community is something I am extremely grateful for. Most days I reflect on how lucky we are to have world-class facilities to work and receive care in.

Another opportunity afforded to me on becoming permanent CEO in 2017 has allowed myself and the leadership team to leverage the benefits of this great new facility and to focus on finishing what we had started with the securing of funds to redevelop the old hospital buildings into the Clinical Services Campus and bring down the towers.

One of the changes I am most proud of is what we have achieved across the region by formalising our collaboration between public health services with the establishment of the LMHN.

The signing of a joint venture agreement to create the network in our region was pioneering and has enabled us to undertake many initiatives to drive collective benefit to all communities in the Loddon Mallee region.

This collaborative approach helped enormously throughout the pandemic and the floods and will continue to benefit the Loddon Mallee community into the future.

---

“One of the changes I am most proud of is what we have achieved across the region by formalising our collaboration between public health services with the establishment of the Loddon Mallee Health Network.”

---



## CEO REPORT (CONTINUED)

During my time at Bendigo Health, I've experienced the benefits of working within the community you service and noted an extra level of care that comes with this closeness. I have witnessed the dedication and resilience of our staff and their commitment to ensuring their local health service is a great one.

As a member of the Fundraising Advisory Board of the Hospital I saw first hand the generosity of our community and the impact that philanthropic gifts can have. I am immensely proud of the development of a dedicated wellness centre on the hospital site that is completely funded by donations and provides us with a facility only previously available to patients in Melbourne.

I've enjoyed getting to know our volunteers and seeing how connected our community is to our health service. This was highlighted during the pandemic with the support we received and the amazing community response to the public health measures and the high levels of vaccination in our region.

I'm forever grateful for the support of our staff, volunteers and the Executive Team throughout my time at Bendigo Health.

To the Board of Directors, past and present, thank you for your ongoing support and trust in me to do the job our community required.



A handwritten signature in black ink, appearing to read 'Peter Faulkner', written over a light blue horizontal line.

**Peter Faulkner**  
**Chief Executive Officer**

# BOARD OF DIRECTORS

## Dr Ewa Piejko – Board Chair

Dr Ewa Piejko is a General Practitioner at Strathfieldsaye Primary Health in Bendigo and Clinical Director for St Anthony's Family Medical Practice. Dr Piejko has extensive experience in the primary care sector across the Loddon, Mallee and Campaspe region through her work as a GP and her previous roles as Medical Advisor with Murray PHN and Director of General Practice Training for Beyond Medical Training.

In addition to professional appointments, Dr Piejko has been involved with local community organisations. Within Bendigo Health, Dr Piejko is chair of the Primary Care and Population Health Advisory Committee and member of the Finance, Building, Quality Care Council, Audit and Risk, Community Advisory and Visiting Committees.

**Term of appointment expires 30/6/2024.**

## The Hon. Bob Cameron LL.B (Melb) FAICD

Bob was a long serving Victorian Minister from 1999 until 2010 and Bendigo West MP from 1996 to 2010. He was Chair of Bendigo Health from 2015 until April 2022.

Bob has a history of serving and working with community organisations including being a former Board member of the Anne Caudle Centre. He is a lawyer by profession. In 2021-22 he was Chair of the Building Committee and was a member of the Finance, Audit and Risk and Visiting Committees.

**Resigned 7/2/2023**

## Julie Green

Julie is a passionate, professional Company Director, supported by 23 years as a Senior Executive (Operational and CFO roles) reporting to various Boards. She is an experienced change manager in public and private sectors, across diverse industries including professional services, healthcare, transport and infrastructure. Julie was a business advisor for 10 years with chartered firms in the UK and Australia, including Ernst & Young.

Within Bendigo Health, Julie is the Chair of the Audit and Risk Committee and a member of the Quality Care Council, Finance, Building, and Visiting Committees.

**Term of appointment expires 30/6/2025.**

## Marilyn Beaumont OAM

With a general and psychiatric nursing background, Marilyn's career includes holding the position of Executive Director of Women's Health Victoria, a statewide women's health promotion and advocacy service between 1995 and 2010.

She held the position of Australian Nursing Federation (ANF) Federal Secretary between 1987 and 1995, and from 1982 to 1987, she was the ANF South Australian Branch Secretary. Her previous Board work has included Northern Health, Melbourne Health, Commonwealth Health Insurance Commission and Health Employees Superannuation Trust Australia (HESTA). In addition to Bendigo Health, Marilyn's current work includes mentoring young women in executive roles.

Marilyn was inducted onto the Victorian Honour Roll of Women in 2007 and awarded an Order of Australian Medal in 2017 for service to the community, particularly to women's health.

She joined the Board of Bendigo Health in 2015 and is Chair of the Quality Care Council and a member of the Audit and Risk and Visiting Committees.

**Term of appointment expires 30/6/2023.**

## Dr Umair Masood

Dr Masood graduated from medical school in 1998. Since then he has worked as a doctor in the UK and Australia. He has worked in both public and private hospitals. He went on to do his Fellowship in General Practice. Umair has also been involved in medical research throughout his career. He has published a thesis, journal articles and presented at scientific meetings. Dr Masood is currently a senior partner at Neal Street Medical Clinic, which is a GP and Specialist medical clinic in Gisborne. He helped establish the clinic and works full-time as a GP at the clinic. Dr Masood is also involved in the management of the clinic. He is a GP Supervisor and helps mentor GP Registrars and medical students.

Within Bendigo Health, Dr Masood is Deputy Chair of the Quality Care Council and a member of the Visiting Committee.

**Term of appointment expires 30/6/2025.**

## BOARD OF DIRECTORS (CONTINUED)

### Katerina Angelopoulos MAICD, BSW, DipWS

Katerina has extensive background in Public Sector management, health issues planning, human resources and community engagement. Katerina has held a number of board directorships and committee positions and is currently a member of Greater Melbourne Cemeteries Trust and the Australian Government Professional Services Review Determining Authority.

Katerina is passionate about creating health services and settings that are responsive to community need and enabling continuity of care for clients. She has a reputation for both effective advocacy and enabling community engagement in policy and service development.

Within Bendigo Health, Katerina is the Chair of the Community Advisory Committee and a member of the Quality Care Council, and the Primary Care and Population Health Advisory and Visiting Committees.

**Term of appointment expires 30/6/2024.**

### Dr Stan Capp B Comm, M Admin, D Health Sciences, LMFCHSM, FAICD, FCPA

Dr Stan Capp is an experienced senior executive and CEO in health services, health ICT, local government and the education sector. He has also conducted his own successful consulting practice since 2004.

Stan has had over 25 years as a CEO in a range of health care organisations in Australia and internationally, including Southern (now Monash) Health – the largest and most complex health service in Victoria.

Stan has led major health reforms with the creation of Barwon Health, which led him to be an advisor to the Government of Victoria in its Review of Health Care Networks, 2000.

Stan has been engaged in several consulting assignments throughout Victoria with a particular emphasis in assisting rural and regional health services. He also led a major project for the Government of Dubai that provided advice on the transformation of its public health system.

He has a strong interest and experience in delivering high quality health services that are well co-ordinated and responsive to community needs.

Stan is the Chair of the Finance and Building Committees and a member of the Quality Care Council, Audit and Risk and the Visiting Committees.

**Term of appointment expires 30/6/2024.**

### Dianne Foggo AM

Dianne Foggo AM was appointed to the Board in August 2015. She works as a private conciliator and mediator primarily in industrial disputes.

She worked as a teacher in Victoria, SA and the NT. She was President of Australian Education Union (AEU) and a Vice President of the Australian Council of Trade Unions. Dianne was a Commissioner at the Fair Work Commission for 19 years and the Deputy Chancellor of Victoria University.

She is a Life Member of the AEU and the IR Society of Victoria and was awarded an Honorary Doctorate at Victoria University in 2011.

Dianne was awarded an Order of Australia (AM)

in 2015 in recognition of her work in governance and administration in the university sector, the representation of women and industrial relations.

Within Bendigo Health, Dianne is the Chair of the Fundraising Advisory Board and a member of the Audit and Risk and Visiting Committee.

**Term of appointment expires 30/6/2023.**

### Trevor Elliott

Partner/Director – Strategem

Throughout his time in professional practice, Trevor has provided taxation and accounting services to a diverse portfolio of clients, with a focus on providing specialised support to the medical industry.

He is well respected for his efficiency and attention to detail which lends itself to his vast experience as a Business Services advisor where he provides strategic advice to businesses.

Trevor has previously led the Strategem board as Chair and his current role is an opportunity to coach and mentor future leaders.

Trevor is a local resident of Bendigo and has been actively involved with many community organisations, holding roles such as; Director of Access Australia and Director of ARC Justice.

Within Bendigo Health, Trevor is the Deputy Chair of the Fundraising Advisory Board and a member of the Quality Care Council, Finance, Building and the Visiting Committees.

**Term of appointment expires 30/6/2025.**



## BOARD OF DIRECTORS (CONTINUED)

### Board Sub-Committee Membership

#### AUDIT AND RISK

Julie Green (Chair)  
Marilyn Beaumont OAM  
Dr Stan Capp  
Bob Cameron  
Dianne Foggo AM  
Dr Ewa Piejko

#### FINANCE COMMITTEE

Dr Stan Capp (Chair)  
Bob Cameron  
Julie Green  
Trevor Elliott  
Dr Ewa Piejko

#### BUILDING COMMITTEE

Dr Stan Capp (Chair)  
Bob Cameron  
Julie Green  
Trevor Elliott  
Dr Ewa Piejko

#### QUALITY CARE COUNCIL

Marilyn Beaumont (Chair)  
Dr Umair Masood (Deputy Chair)  
Julie Green

Katerina Angelopoulos  
Dr Stan Capp  
Trevor Elliott  
Dr Ewa Piejko

#### COMMUNITY ADVISORY

Katerina Angelopoulos (Chair)  
Dr Ewa Piejko

#### MEDICAL ADVISORY

All Directors

#### FUNDRAISING ADVISORY BOARD

Dianne Foggo (Director)  
Trevor Elliott (Deputy Chair)

#### PRIMARY CARE & POPULATION HEALTH ADVISORY

Dr Ewa Piejko (Chair)  
Katerina Angelopoulos

#### VISITING

All Directors

## EXECUTIVE DIRECTORS

#### Peter Faulkner

Chief Executive Officer (CEO)

#### Diana Badcock

Executive Director (until October 2022)

#### Sally Harris

Chief Allied Health Officer

#### Daryl Kroschel

Chief Medical Officer

#### Stuart Lamshed

Acting Chief Information Officer (from April 2022)

#### Carol-Anne Lever

Chief Nursing and Midwifery Officer

#### Sarah McAdie

Chief Corporate Affairs Officer

#### Andrea Noonan

Chief People Officer

#### Cameron Olsen

Chief Financial Officer

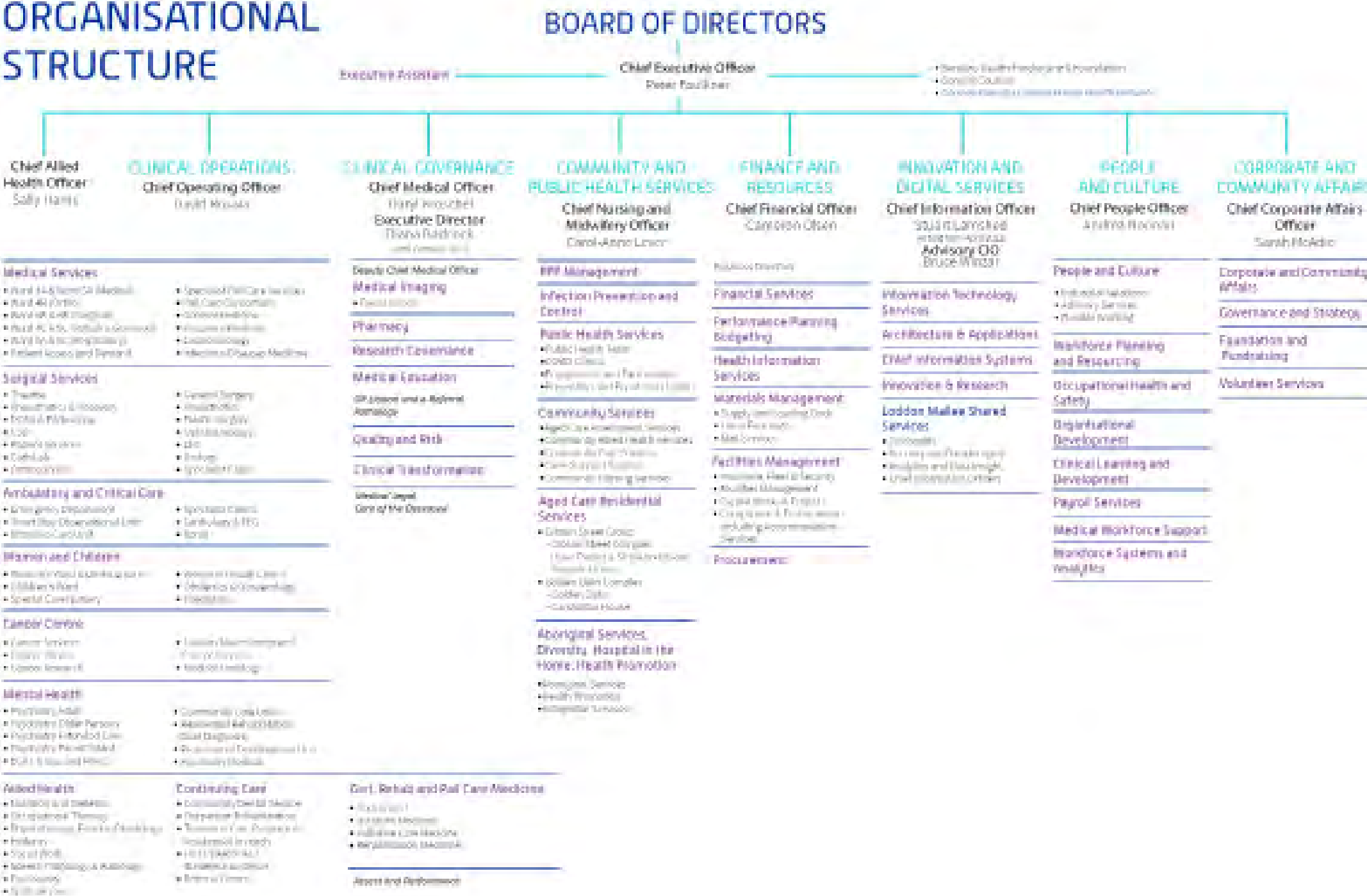
#### David Rosaia

Chief Operating Officer

#### Bruce Winzar

Advisory Chief Information Officer (until October 2022)

# ORGANISATIONAL STRUCTURE



# WORKFORCE DATA

Hospitals Labour Category	JUNE Current Month FTE*		June YTD FTE**	
	2022	2023	2022	2023
Nursing	1,563.90	1,598.09	1,543.72	1,563.00
Administration and Clerical	591.21	585.94	587.87	573.56
Medical Support	244.96	233.41	242.69	237.20
Hotel and Allied Services	60.79	75.35	72.55	71.98
Medical Officers	58.02	56.26	58.68	56.63
Hospital Medical Officers	210.23	230.49	209.71	219.87
Sessional Clinicians	46.95	53.06	42.50	48.27
Ancillary Staff (Allied Health)	355.75	388.92	343.37	374.18
<b>Total</b>	<b>3,131.80</b>	<b>3,221.53</b>	<b>3,101.08</b>	<b>3,144.69</b>

## Application of Employment and Conduct Principles

Bendigo Health is committed to upholding the principles of merit and equity in all aspects of the employment relationship. To this end, we have policies and practices in place to ensure all employment related decisions, including recruitment, promotion, training and retention, are based on merit. Any complaints, allegations or incidents involving discrimination, vilification, bullying or harassment are taken seriously and addressed. All staff are provided with education and training on their rights and responsibilities and are provided with the necessary resources to ensure equal opportunity principles are upheld.

*Note: There were 5018 staff employed, head count includes all contracted staff with an active employment agreement as at 30 June 2023.*



# ATTESTATIONS AND DECLARATIONS

Reporting period from 1 July 2022 to 30 June 2023.

This report is prepared for the Honourable Mary-Anne Thomas, Minister for Health From 1 July 2022 to 30 June 2023 and Minister for Ambulance Services From 1 July 2022 to 5 December 2022; the Honourable Gabrielle Williams, Minister for Ambulance Services From 5 December 2022 to 30 June 2023 and Minister for Mental Health From 1 July 2022 to 30 June 2023; the Honourable Colin Brooks, Minister for Disability Ageing and Carers From 1 July 2022 to 5 December 2022 and the Honourable Lizzie Blandthorn, Minister for Disability Ageing and Carers From 5 December 2022 to 30 June 2023.

## Responsible Bodies Declaration

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



**Ewa Piejko, Board Chair**  
**7 July 2023**

## Financial Management Compliance

I, Ewa Piejko on behalf of Bendigo Health certify that Bendigo Health has no Material Compliance Deficiency with respect to the applicable Standing Directions under the *Financial Management Act 1994* and Instructions.



**Ewa Piejko, Board Chair**  
**7 July 2023**

## Conflict of Interest

I, Ewa Piejko certify that Bendigo Health has put in place appropriate internal controls and processes to ensure that it has complied with the requirements of hospital circular 07/2017. Compliance reporting in health portfolio entities (Revised) and has implemented a 'Conflict of Interest' policy consistent with the minimum accountabilities required by the VPSC. Declaration of private interest forms have been completed by all executive staff within Bendigo Health and members of the Board, and all declared conflicts have been addressed and are being managed. Conflict of interest is a standard agenda item for declaration and documenting at each executive board meeting.



**Ewa Piejko, Board Chair**  
**7 July 2023**

## Integrity, Fraud and Corruption

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



**Ewa Piejko, Board Chair**  
**7 July 2023**

## Data Integrity

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



**Ewa Piejko, Board Chair**  
**7 July 2023**

## Compliance with Health Share Victoria (HSV) Purchasing Policies

### No compliance issues

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



**Ewa Piejko, Board Chair**  
**7 July 2023**

# STATUTORY COMPLIANCE

## Manner of Establishment

Bendigo Health is a health service established in 1995 under the Health Services Act 1988.

## Nature and Range of Services

Bendigo Health provides services in emergency, maternity, women's health and children's, medical imaging, pathology, rehabilitation, community services, residential aged care, mental health care services, community dental, hospice/ palliative care, cancer services, cardiology, renal dialysis, surgical and respiratory services. It is an expanding regional health service facilitated by a helipad, allowing for rapid transfer of patients both in and out of the health service incorporating the Loddon Mallee region, an area the quarter of the size of Victoria.

There are a number of campuses, including Bendigo Hospital, based in Bendigo with services extended to many regional settings including Mildura, Echuca, Swan Hill, Kyneton and Castlemaine.

## Safe Patient Care Act 2015

Bendigo Health has no matters to report in relation to its obligation under Section 40 of the Safe Patient Care Act 2015.

FOI Requests received	2022-2023
Total	709
Access granted in full	344
Access granted in part	210
Access denied in full	0
Applications withdrawn	17
No information available	24
Not proceeded with	12
Released outside the FOI Act	0
Not yet finalised	102

## Freedom of Information

The Freedom of Information (FOI) Act 1982 provides the public with a means of obtaining information held by the organisation. All FOI applications received by Bendigo Health were processed in accordance with the provisions of the FOI Act. The majority of requests were from the general public, however some were for insurance purposes such as TAC and Work Cover claims. Information on how to make a FOI request can be found on the Bendigo Health website at [www.bendigohealth.org.au/FreedomofInformation/](http://www.bendigohealth.org.au/FreedomofInformation/) which includes contact phone number, email address and relevant application forms and costs.

## Carers Recognition Act 2012

Bendigo Health takes all practicable measures to ensure that its employees and agents have an awareness and understanding of the care relationship principals. This also includes taking all practicable measures to ensure that persons who are in care relationships and who are receiving services in relation to the care relationship from the care support organisation have an awareness and understanding of the care relationship principals.

The organisation takes all practicable measure to ensure that the care support organisation and its employees and agents reflect the care relationship principals in developing, providing or evaluating support and assistance for persons in care relationships.

## Building and Maintenance

Bendigo Health complies with the Building Act 1993 under the guidelines for publicly owned buildings issued by the Minister for Finance 1994 in all redeveloped and maintenance issues. The Bendigo Hospital is maintained by a Public Private Partnership (PPP) through Spotless for a period of 25 years.

## STATUTORY COMPLIANCE (CONTINUED)

### Car Parking Fees

Bendigo Health complies with the Department of Health hospital circular on car parking fees and details of car parking fees and concession benefits can be viewed at [www.bendigohealth.org.au/Parking](http://www.bendigohealth.org.au/Parking)

### Local Jobs First Act 2003

In August 2018, the Victorian Parliament reformed the Victorian Industry Participation Policy Act 2003 into the Local Jobs First Act 2003 and the FRD was revised to FRD 25D (April 2019). There were no contracts in 2021-22 to which the Victorian Industry Participation Policy Act (2003) applied.

### Gender Equality Act 2020

The Victorian Gender Equality Act passed through Parliament in February 2020. The Act is a founding reform under Safe and Strong: A Victorian Gender Equality Strategy, and sets out a number of new obligations for the Victorian public sector, universities and local councils to plan, implement strategies and report on gender equality in the workplace. Bendigo Health has focused on strategically compiling data about its workforce on which to make informed decisions determining a plan of action comprising initiatives to address issues specific to the organisation in relation to gender equality.

### Public Interest Disclosure Act 2012

Under the Public Interest Disclosures Act 2012 (Formerly Protected Disclosure Act 2012) Bendigo Health has a protocol, including policy, consistent

with the requirements of the act that supports staff to disclose serious misconduct or corruption within the organisation and public health services in Victoria.

### National Competition Policy

Bendigo Health supports and complies with the Victorian Government's Competitive Neutrality Policy.

### Environmental performance

This annual Environmental Performance report has been compiled by utilities, waste and fuel actual consumption figures from invoiced quantities. The EDMS (Environmental Data Management System) maintained by the VHBA is the repository for all Health Services data and the annual report attached detailing Bendigo Health's environmental footprint for the last 12 months is gleaned directly from the system.

This information is deemed to be true and correct at the time for the compilation of the report.

### Additional information available on request

Details in respect of the items listed above 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

## STATUTORY COMPLIANCE (CONTINUED)

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

In 2022-2023, there were 18 consultancies where the total fees payable to the consultants were less than \$10,000. The total expenditure incurred during 2022-2023 in relation to these consultancies is \$71,867 (excluding GST).

### Details of Consultancies (over \$10,000)

In 2022-23, there were six consultancies 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 \$305,298 (excluding GST). They are listed in the table below.

CONSULTANT	PURPOSE OF CONSULTANCY	Start Date	End Date	Expenditure	
				2022- 2023 [ex. GST]	Future [ex. GST]
Ernst & Young	NWAO Funding Consultation	Mar 23	May 23	\$120	0
Insight Enterprises Australia Pty Ltd	Data Migration Assessment	Nov 22	Feb 23	\$19	0
KPMG	Workshop Facilitation Consultant	May 23	May 23	\$60	0
Open Advisory Pty Ltd	Development of Bendigo Health Service Plan	Jan 23	Jun 23	\$64	0
Smart WFM Pty Limited	Workforce Rostering Review and Report	Dec 22	May 23	\$23	0
The Trustee for the Worklogic Unit Trust	Workplace investigations, review and report	May 23	Jun 23	\$19	0

## STATUTORY COMPLIANCE (CONTINUED)

### Information and Communication Technology (ICT) Expenditure

The total ICT expenditure during 2022-2023 is \$23.13 million (excluding GST) with the details shown below:

Business as Usual (BAU) ICT Expenditure	Non Business as Usual (BAU) ICT Expenditure		
Total (excluding GST)	Total = Operational & Capital Expenditure (ex GST)	Operations Expenditure (ex GST)	Capital Expenditure (ex GST)
\$17.672 million (M)	\$5.458 M	\$0.385 M	\$5.073 M

### Occupational Health and Safety

Occupational Health and Safety Statistics	2022-2023	2021-2022	2020-2021
The number of reported hazards/incidents for the year per 100 FTE	34.332	32.602	38.801
The number of 'lost time' standard WorkCover claims for the year per 100 FTE	0.74	1.19	1.40
The average cost per WorkCover claim for the year ('000)	\$51,916	\$122,666	\$84,555

### Occupational Violence

Occupational violence statistics	2022-2023
Workcover accepted claims with an occupational violence cause per 100 FTE	0.217288
Number of accepted Workcover claims with lost time injury with an occupational violence cause per 1,000,000 hours worked	1.08
Number of occupational violence incidents reported	389
Number of occupational violence incidents reported per 100 FTE	12.08
Percentage of occupational violence incidents resulting in a staff injury, illness or condition	33.93%

For the purpose of the above statistics, the following definitions apply:

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

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

**Accepted Workcover claims** - Accepted Workcover claims that were lodged in 2022-23.

**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.



# STATUTORY COMPLIANCE (CONTINUED)

## Environmental Performance

VHBA EDMS Report Public environment report - Bendigo Health Care Group Organisation Hierarchy - 2022-2023			
ELECTRICITY USE	2022-2023	2021-2022	2021-2020
<b>EL1 Total electricity consumption segmented by source [MWh]</b>			
Purchased	22,891.27	20,021.67	21,120.61
Self-generated			
<b>EL1 Total electricity consumption [MWh]</b>	<b>22,891.27</b>	<b>20,021.67</b>	<b>21,120.61</b>
<b>EL2 On site-electricity generated [MWh] segmented by:</b>			
Consumption behind-the-meter			
Solar Electricity			
<b>Total Consumption behind-the-meter [MWh]</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>EL3 On-site installed generation capacity [kW converted to MW] segmented by:</b>			
Cogeneration Plant	<b>1.60</b>	<b>1.60</b>	<b>1.60</b>
Diesel Generator	8.43	8.43	8.43
Solar System	0.30	0.20	-
<b>EL3 Total On-site installed generation capacity [MW]</b>			
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)	4,303.56	3722.03	3998.1
Certified climate active carbon neutral electricity purchased	0.00	0.00	0.00
<b>EL4 Total electricity offsets [MWh]</b>	<b>4,303.56</b>	<b>3,722.03</b>	<b>3,998.13</b>

# STATUTORY COMPLIANCE (CONTINUED)

## Environmental Performance continued

STATIONARY ENERGY	2022-2023	2021-2022	2021-2020
<b>F1 Total fuels used in buildings and machinery segmented by fuel type [MJ]</b>			
Natural gas	111,885,147.40	129,651,787.20	131,406,379.60
Diesel	961,062.70		
<b>F1 Total fuels used in buildings [MJ]</b>	<b>112,846,210.10</b>	<b>129,651,787.20</b>	<b>131,406,379.60</b>
<b>F2 Greenhouse gas emissions from stationary fuel consumption segmented by fuel type [Tonnes CO2-e]</b>			
Natural gas	5,765.44	6,680.96	6,771.37
Diesel	67.47		
<b>F2 Greenhouse gas emissions from stationary fuel consumption [Tonnes CO2-e]</b>	<b>5,832.91</b>	<b>6,680.96</b>	<b>6,771.37</b>
TRANSPORTATION ENERGY	2022-2023	2021-2022	2020-2021
<b>T1 Total energy used in transportation (vehicle fleet) within the Entity, segmented by fuel type [MJ]</b>			
Non-executive fleet - Gasoline	211,329.00	0.00	5,022,198.00
<b>Petrol</b>	<b>211,329.00</b>	<b>0.00</b>	<b>5,022,198.00</b>
Non-emergency transport (Health service operated) - E10	5,320,694.90		
Non-executive fleet - E10		0.00	
<b>Petrol (E10)</b>	<b>5,320,694.90</b>	<b>0.00</b>	
Non-executive fleet - Diesel	240,462.8	229,237.60	559,213.40
<b>Diesel</b>	<b>240,462.80</b>	<b>229,237.60</b>	<b>559,213.40</b>
<b>Total energy used in transportation (vehicle fleet) [MJ]</b>	<b>5,772,486.70</b>	<b>229,237.60</b>	<b>5,581,411.40</b>
<b>T2 Number and proportion of vehicles in the organisational boundary segmented by engine/fuel type and vehicle category</b>			
<b>T3 Greenhouse gas emissions from transportation (vehicle fleet) segmented by fuel type [tonnes CO2-e]</b>			
Non-executive fleet - Gasoline	14.29	0.00	339.60
<b>Petrol</b>	<b>14.29</b>	<b>0.00</b>	<b>339.60</b>

# STATUTORY COMPLIANCE (CONTINUED)

## Environmental Performance continued

	2022-2023	2021-2022	2020-2021
Non-emergency transport (Health service operated) - E10	324.02		
Non-executive fleet - E10		0.00	
<b>Petrol (E10)</b>	324.02	0.00	
Non-executive fleet -Diesel	16.93	16.14	39.37
<b>Diesel</b>	<b>16.93</b>	<b>16.14</b>	<b>39.37</b>
<b>Total Greenhouse gas emissions from transportation (vehicle fleet) {tonnes CO2-e}</b>	<b>355.24</b>	<b>16.14</b>	<b>378.98</b>
<b>T4 Total distance travelled by commercial air travel (passenger km travelled for business purposes by entity staff on commercial or charter aircraft)</b>			
Total distance travelled by commercial air travel	-	-	-
<b>T(opt1) Total vehicle travel associated with entity operations [1,000 km]</b>			
Total vehicle travel associated with entity operations [1,000 km]	2,304,829.00	-	-
<b>T(opt2) Greenhouse gas emissions from vehicle fleet [tonnes CO2-e per 1,000 km]</b>			
Tonnes CO2-e per 1,000km	-	-	-
<b>TOTAL ENERGY USE</b>	<b>2022-2023</b>	<b>2021-2022</b>	<b>2020-2021</b>
<b>E1 Total energy usage from fuels, including stationary fuels (F1) and transport fuels (T1) [MJ]</b>			
Total energy usage from stationary fuels (F1) [MJ]	112,846,210.10	129,651,787.20	131,406,379.60
Total energy usage from transport (T1) [MJ]	5,772,486.7	229,237.6	5,581,411.4
<b>Total energy usage from fuels, including stationary fuels (F1) and transport fuels (T1) [MJ]</b>	<b>118,618,696.8</b>	<b>12,988,1024.8</b>	<b>136,987,791.10</b>
<b>E2 Total energy usage from electricity [MJ]</b>			
Total energy usage from electricity [MJ]	82,408,589.27	72,078,021.26	76,034,231.97
<b>E3 Total energy usage segmented by renewable and non-renewable sources [MJ]</b>			
Renewable	16,024,884.32	13,399,304.09	14,393,280.02
Non-renewable (E1+E2-E3 Renewable)	185,002,401.76	188,559,741.98	198,628,742.95
<b>E4 Units of Stationary Energy used normalised: (F1+E2)/normaliser</b>			
Energy per unit of Aged Care OBD [MJ/Aged Care OBD]	2,377.59	2,381.84	2,439.67

# STATUTORY COMPLIANCE (CONTINUED)

## Environmental Performance continued

<b>SUSTAINABLE BUILDINGS AND INFRASTRUCTURE</b>	<b>2022-2023</b>	<b>2021-2022</b>	<b>2020-2021</b>
B1 Discuss how environmentally sustainable design (ESD) is incorporated into newly completed entity-owned buildings	Not reported by EDMS	Not reported by EDMS	Not reported by EDMS
B2 Discuss how new entity leases meet the requirement to preference higher-rated office buildings and those with a Green Lease Schedule	Not reported by EDMS	Not reported by EDMS	Not reported by EDMS
B3 NABERS Energy (National Australian Built Environment Rating system) ratings of newly completed/occupied Entity-owned office buildings and substantial tenancy fit-outs (itemised)	Not reported by EDMS	Not reported by EDMS	Not reported by EDMS
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	Not reported by EDMS	Not reported by EDMS	Not reported by EDMS
NABERS Energy			
B5 Environmental performance ratings achieved for Entity-owned assets portfolio segmented by rating scheme and building, facility, or infrastructure type, where these ratings have been conducted	Not reported by EDMS	Not reported by EDMS	Not reported by EDMS
Rating scheme			
<b>SUSTAINABLE PROCUREMENT</b>	<b>2022-2023</b>	<b>2021-2022</b>	<b>2020-2021</b>
<b>WATER USE</b>	<b>2022-2023</b>	<b>2021-2022</b>	<b>2020-2021</b>
<b>W1 Total units of metered water consumed by water source (kl)</b>			
Potable water [kL]	158,193.41	150,785.92	141,723.59
Total units of water consumed [kl]	<b>158,193.41</b>	<b>150,785.92</b>	<b>141,723.59</b>
<b>W2 Units of metered water consumed normalised by FTE, headcount, floor area, or other entity or sector specific quantity</b>			
Water per unit of Aged Care OBD [kL/Aged Care OBD]	1.93	1.78	1.67
Water per unit of floor space [kL/m2]	1.36	1.30	1.22
<b>WASTE AND RECYCLING</b>	<b>2022-2023</b>	<b>2021-2022</b>	<b>2020-2021</b>
<b>WR1 Total units of waste disposed of by waste stream and disposal method [kg]</b>			
<b>Landfill (total)</b>			
General waste	755,652.74	748,794.06	724,857.14

# STATUTORY COMPLIANCE (CONTINUED)

## Environmental Performance continued

	2022-2023	2021-2022	2020-2021
<b>Offsite treatment</b>			
Clinical waste - incinerated	10,413.52	10,133.72	8,318.09
Clinical waste - sharps	12,935.45	11,996.21	11,872.09
Clinical waste - treated	112,811.56	127,047.06	115,127.70
<b>Recycling/recovery (disposal)</b>			
Batteries	1,188.00	2,485.00	1,134.00
Cardboard	70,829.89	44,801.61	12,622.50
Commingled	64,694.08	35,150.00	68,740.32
E-waste	12,302.00	1,560.00	367.00
Fluorescent tubes	198.00	258.00	370.00
Grease traps	-	-	11,232.13
Mattresses	2,376.00	4,920.00	-
Metals	21,976.87	-	-
Mobile phones	250	-	-
Organics (food)	65,930.00	18,850.00	20,610.00
Organics (garden)	4,036.43	4,377.52	-
Other recycling	1,829.00	700.00	-
Packaging plastics/films	72,657.00	23,355.00	11,408.00
Paper (confidential)	26,200.00	24,525.00	32.83
Polystyrene foam	680.48	87.52	-
PVC	1,049.00	1,165.00	1,427
Sterilization wraps	5,030.00	4,080.00	3,520.00
Toner and print cartridges	406.24	-	-
Wood	10,693.00	1,020.00	-
<b>Total units of waste disposed [kg]</b>	<b>1,254,139.26</b>	<b>1,065,305.70</b>	<b>992,051.30</b>



# STATUTORY COMPLIANCE (CONTINUED)

## Environmental Performance continued

WR1 Total units of waste disposed of by waste stream and disposal method [%]	2022-2023	2021-2022	2020-2021
<b>Landfill (total)</b>			
General waste	60.25%	70.29%	73.07%
<b>Offsite treatment</b>			
Clinical waste - incinerated	0.83%	0.95%	0.84%
Clinical waste - sharps	1.03%	1.13%	1.20%
Clinical waste - treated	9.00%	11.93%	11.61%
<b>Recycling/recovery (disposal)</b>			
Batteries	0.09%	0.23%	0.11%
Cardboard	5.65%	4.21%	1.27%
Commingled	5.16%	3.30%	6.93%
E-waste	0.98%	0.15%	0.04%
Fluorescent tubes	0.02%	0.02%	0.04%
Grease traps	-	-	1.13%
Mattresses	0.19%	0.46%	-
Metals	1.75%	-	-
Mobile phones	0.02%	-	-
Organics (food)	5.26%	1.77%	2.08%
Organics (garden)	0.32%	0.41%	-
Other recycling	0.15%	0.07%	0.04%
Packaging plastics/films	5.79%	2.19%	1.15%
Paper (confidential)	2.09%	2.30%	0.00%
Polystyrene foam	0.05%	0.01%	-
PVC	0.08%	0.11%	0.14%

# STATUTORY COMPLIANCE (CONTINUED)

## Environmental Performance continued

	2022-2023	2021-2022	2020-2021
Sterilization wraps	0.40%	0.38%	.05%
Toner and print cartridges	0.03%	-	-
Wood	0.85%	0.10%	-
<b>WR2 Percentage of office sites covered by dedicated collection services for each waste stream</b>	<b>Not reported by EDMS</b>	<b>Not reported by EDMS</b>	<b>Not reported by EDMS</b>
Printer cartridges	Not reported by EDMS	Not reported by EDMS	Not reported by EDMS
Batteries	Not reported by EDMS	Not reported by EDMS	Not reported by EDMS
e-waste	Not reported by EDMS	Not reported by EDMS	Not reported by EDMS
Soft plastics	-	-	-
<b>WR3 Total units of waste disposed normalised by FTE, headcount, floor area, or other entity or sector specific quantity, by disposal method</b>			
Total waste to landfill per PPT [(kg general waste)/PPT]	6.65	5.04	4.04
Total waste to offsite treatment per PPT [(kg offsite treatment)/PPT]	1.20	1.00	0.75
Total waste recycled and reused per PPT [(kg recycled and reused)/PPT]	3.19	1.13	0.73
<b>WR4 Recycling rate [%]</b>			
Weight of recyclable and organic materials [kg]	362,325.9924	167,334.6529	131,876.28
Weight of total waste [kg]	1,254,139.2624	1,065,305.7029	99,2051.3
<b>Recycling rate [%]</b>	<b>28.89%</b>	<b>15.71%</b>	<b>13.29</b>
<b>WR5 Greenhouse gas emissions associated with waste disposal [tonnes CO2-e]</b>			
tonnes CO2-e	1,154.98	1,163.10	1,114.73

# STATUTORY COMPLIANCE (CONTINUED)

## Environmental Performance continued

GREENHOUSE GAS EMISSIONS	2022-2023	2021-2022	2020-2021
<b>G1 Total scope one (direct) greenhouse gas emissions [tonnes CO2e]</b>			
Carbon Dioxide	6,256.00	7,419.00	7,537.00
Methane	14.00	16.00	17.00
Nitrous Oxide	12.00	12.00	-
<b>Total</b>	<b>6,282.00</b>	<b>7,447.00</b>	<b>7,566.00</b>
<b>Scope 1 GHG emissions from stationary fuel (F2 Scope 1) [tonnes CO2-e]</b>	<b>5,832.91</b>	<b>6,680.96</b>	<b>6,771.37</b>
<b>Scope 1 GHG emissions from vehicle fleet (T3 Scope 1) [tonnes CO2-e]</b>	<b>355.24</b>	<b>16.14</b>	<b>378.98</b>
<b>Medical/Refrigerant gases</b>			
<b>Total scope one (direct) greenhouse gas emissions [tonnes CO2e]</b>	<b>6,188.15</b>	<b>6,697.10</b>	<b>7,150.35</b>
<b>G2 Total scope two (indirect electricity) greenhouse gas emissions [tonnes CO2e]</b>			
Electricity	15,725.21	14,620.78	16,471.83
<b>Total scope two (indirect electricity) greenhouse gas emissions [tonnes CO2e]</b>	<b>15,725.21</b>	<b>14,620.78</b>	<b>16,471.83</b>
<b>G3 Total scope three (other indirect) greenhouse gas emissions associated with commercial air travel and waste disposal (tonnes CO2e)</b>			
Commercial air travel	-	-	-
Waste emissions (WR5)	1,154.98	1,163.10	1,114.73
Indirect emissions from Stationary Energy	2,490.23	2,115.97	2,426.22
Indirect emissions from Transport Energy	34.00	0.83	20.09
Paper emissions	-	-	60.22
Any other Scope three emissions	267.96	283.23	233.70
<b>Total scope three greenhouse gas emissions [tonnes CO2e]</b>	<b>3,947.17</b>	<b>5,563.13</b>	<b>3,854.97</b>

# STATUTORY COMPLIANCE (CONTINUED)

## Environmental Performance continued

	2023-2022	2021-2022	2020-2021
<b>G(Opt) Net greenhouse gas emissions (tonnes CO2e)</b>			
<b>Gross greenhouse gas emissions (G1 + G2 + G3) [tonnes CO2e]</b>	<b>25,860.52</b>	<b>24,881.01</b>	<b>27,477.14</b>
Carbon Neutral Electricity	0.00	0.00	0.00
Green Power Electricity	0.00	0.00	0.00
Purchased LGCs	0.00	0.00	0.00
<b>Any Offsets purchased</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Net greenhouse gas emissions [tonnes CO2e]</b>	<b>25,860.52</b>	<b>24,881.01</b>	<b>27,477.14</b>
<b>NORMALISATION FACTORS</b>			
1000km (Corporate)	5,232.00	5,798.00	5,523.00
1000km (Non-emergency)	included above	included above	included above
Aged Care OBD	82,123	84,695	85,028
ED Departures	61,456	63,892	94,579
FTE	2,946	2,903	2,837
LOS	161,878	161,878	162,250
OBD	247,918	247,918	247,278
PPT	298,479	54,137	51,387
Separations	51,450	54,137	51,387
Total/Area M2	116,379.00	116,379.00	116,379.00

NOTE: Indicators are not reported where data is unavailable or an indicator is not relevant to the organisation's operations

## STATUTORY COMPLIANCE [CONTINUED]

### Environmental Performance: additional note

Where data is not available for publication through the current reporting system, Bendigo Health will aim to use alternative sources to gather indicative levels of our environmental performance to address requirements for future annual Report of Operations.

### Social procurement

Bendigo Health endeavours to source sustainably produced supply chain materials from socially and environmentally responsible vendors. We review our procurement practices and use local vendors, co-ordinated between many hospitals to optimise purchasing power.

Bendigo Health also use this purchasing power to favour environmentally responsible, ethical suppliers. Whether it be creating job opportunities or skills-based training in areas of disadvantage, addressing structural and systemic inequalities, or delivering environmental benefits for local communities, social procurement can add value.

Bendigo Health's Social Procurement Framework (SPF) clearly defines social and sustainable procurement as a key value-for-money component, and how it can make a difference to our communities.

### Overall social procurement activities

In 2022-2023, Bendigo Health engaged 66 social benefit suppliers with a total spend with these suppliers of \$6,938,646.

### Social Procurement commitments

In 2022-2023, the total number of suppliers engaged, which are not social benefit suppliers, and have made social procurement commitments in their procurement contracts with the Victorian Government is unknown. The estimate figure is in excess of 250 including Health Share Victoria contracted suppliers.



## STATUTORY COMPLIANCE (CONTINUED)

Social Procurement Framework (SPF) objective	Metric	Unit of measure	2022-2023 [Actual]
Opportunities for Victorian Aboriginal people	Total spend with Victorian Aboriginal businesses	\$ thousands (ex GST)	\$73.6K
	Number of Victorian Aboriginal businesses engaged	Number	2
Opportunities for Victorians with disability	Total spend with Victorian social enterprises led by a mission for people with disability and Australian Disability Enterprises (ADEs)	\$ thousands (ex GST)	\$559K
	Number of Victorian social enterprises led by a mission for people with disability and Australian Disability Enterprises (ADEs) engaged	Number	29
Opportunities for disadvantaged Victorians	Total spend with Victorian social enterprises led by a mission for the disadvantaged (a)	\$ thousands (ex GST)	\$2.2M
	Number of Victorian social enterprises led by a mission for the disadvantaged (a) engaged	Number	28
Sustainable Victorian social enterprises and Aboriginal business sectors	Total spend with Victorian social enterprises (b)	\$ thousands (ex GST)	\$7.150M
	Number of Victorian social enterprises engaged (b)	Number	73

Notes: (a) Victorians that at least fall under one of five disadvantaged cohorts (long-term unemployed people, disengaged people, single parents, migrants and refugees, and workers in transition).

(b) All types of social enterprises verified by Social Traders and listed on the Map for Impact.

## STATUTORY COMPLIANCE (CONTINUED)

### Operational and Financial Performance

Bendigo Health budgeted for an operating result of break-even (as per Statement of Priorities). However the operating result was \$499,000 for the 2022-2023 financial year, slightly ahead of budget.

	2023 \$	2022 \$	2021 \$	2020 \$	2019 \$
<b>OPERATING RESULT*</b>	499	491	313	(2,032)	(334)
Total revenue	765,141	698,549	618,824	543,650	515,310
Total expenses	757,536	706,854	634,725	571,725	545,474
Net result from transactions	7,605	(8,305)	(15,901)	(28,075)	(30,164)
Total other economic flows	(1,633)	2,146	7,202	(1,623)	(54,501)
Net results	5,972	(6,159)	(8,699)	(29,698)	(84,665)
Total assets	1,069,213	979,744	932,317	928,763	896,294
Total liabilities	476,306	476,699	477,374	491,486	409,086
Net assets/total equity	592,907	503,045	454,943	437,277	487,208

\* 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 and to the Statement of Priorities Operating Result

	2022-2023 (\$000)
<b>Net operating result</b>	499
Capital purpose income	68,212
Specific income	-
COVID 19 State Supply Arrangements - Assets received free of charge or for nil consideration under the State Supply	3,597
COVID 19 State Supply Arrangements - State supply items consumed up to 30 June 2023	(3,597)
Assets received free of charge	71
Expenditure for capital purpose	(2,978)
Depreciation and Amortisation	(35,791)
Finance Costs (other)	(22,408)
Net gain/(loss) on Non-Financial Assets	(29)
Net gain/(loss) on Financial Instruments	(904)
Other gains/(losses) from Other Economic Flows	(700)
<b>Net result from transactions</b>	5,972

# STATEMENT OF PRIORITIES

## PART A

### KEEP PEOPLE HEALTHY AND SAFE IN THE COMMUNITY

#### HEALTH SERVICE DELIVERABLE

##### 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.

##### Drive continued improvement of public health outcomes

- Encourage and facilitate partnerships between the LPHU and primary and community care networks to equitably improve public health outcomes throughout the LPHU catchment.
- Support the evaluation of services delivered and outcomes achieved by the LPHU as described by the LPHU Outcomes Framework 2022-2023.

#### DELIVERABLE ACHIEVED

Bendigo Health, via the LMPHU and LMHN, has provided strong regional leadership and stewardship of COVID-19 response activities.

Focus areas for the LMPHU included rapid response to COVID-19 cases and outbreaks, delivery of vaccination and testing services, and provider and community engagement and communications.

In financial year 2022-2023, the LMPHU managed 44,197 COVID-19 cases and 154 outbreaks of COVID-19. This included outbreaks across a range of settings including 106 in residential aged care settings. The LMPHU has provided an additional focus in mitigating the risk in Residential Aged Care Facilities (RACF) through the RACF preparedness program.

While funding ceased for COVID-19 vaccination and testing services in December 2022, LMPHU continued outreach activities until March 2023. In 2022-2023, the LMPHU delivered 5,112 COVID-19 vaccines, 8,517 COVID-19 PCR tests, distributed 86,034 rapid antigen tests and 4,007 P2/N95 masks.

The LMPHU has also supported regional responses to other risks including heightened risk of mosquito-borne diseases following unprecedented flooding in northern Victoria in late 2022. This included extensive vaccine outreach and community engagement activities.

While COVID-19 has been a significant focus in 2022-2023, a further 23 communicable diseases have been integrated into the LMPHU with the intention of the full transition of notifiable communicable diseases by the end of 2023.

The LMPHU welcomed the Prevention and Population Health team and established sub-regional catchments of Loddon, Mallee and Murray. Strong established partnerships were formalised in the formation of the primary care and population health sub-committee of Board and various sub-regional advisory committees. In 2022-2023 the Bendigo Health Board endorsed the Climate Change and Health Framework and presented a Population Health Catchment Plan 2023-2025.

# STATEMENT OF PRIORITIES: PART A (CONTINUED)

## CARE CLOSER TO HOME

### HEALTH SERVICE DELIVERABLE

#### 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.

### DELIVERABLE ONGOING

We continue to promote the range of at Home services provided by Bendigo Health to support our community, prevent admissions and decrease length of stay in hospital. Planning for Bendigo Health Better at Home funded services through to the 2025-2026 financial year is underway.

The regional Better at Home work focuses on growing Remote Patient Monitoring across the region, exploring an expanded regional Subacute at Home model of care, marketing at home services and supporting increased telehealth.

In the region, there has been growth in the percentage of bed days provided at home from 4.8 per cent in 2019-2020 to 6.9 per cent in 2022-2023.

For Bendigo Health, there has been growth in the percentage of bed days provided at home from 5.5 per cent in 2019-2020 to 7.8 per cent in 2022-2023.

The following programs currently operating from Bendigo Health funded for another two years will provide:

- Expansion of Hospital in the Home
- Home Based Cancer Care
- Geriatric Evaluation and Management (GEM) at home and Rehabilitation in the Home
- Diabetes in Pregnancy Remote Patient Monitoring
- Rapid Access Clinics for Diabetes Education for Oncology patients



# STATEMENT OF PRIORITIES: PART A [CONTINUED]

## KEEP IMPROVING CARE

### HEALTH SERVICE DELIVERABLE

#### 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.

#### DELIVERABLE ONGOING

Bendigo Health launched the Excellent Care Framework internally in May.

This framework is a rebuild of an existing clinical governance framework and is:

- built on a foundation of our environment. It is about making sure we have the right infrastructure, technologies, equipment and systems to provide safe, quality care.
- built on a foundation of our people. It is about everyone living our values, working together with strong leadership, and developing expertise to provide safe, quality care.
- about making sure we place patients' health and wellbeing at the centre of everything we do.
- about making sure we provide the right care in the right place at the right time and keep sight of a patient's journey through our health service.
- about providing safe care founded on the best evidence to ensure positive outcomes.

Other achievements include:

- An evaluation of the Serious Clinical Incident Review Team Meetings has been completed with positive findings.
- Statutory Duty of Candour implementation continues to be monitored.
- Significant work is underway to theme incident data and improve the quality of incident reviews.
- The committee restructure is well underway in regard to engagement of executives who will lead the implementation.
- Alignment and oversight of Safer Care Victoria initiatives is improving.



## STATEMENT OF PRIORITIES: PART A (CONTINUED)

### HEALTH SERVICE DELIVERABLE

#### Contribute to a responsive and integrated mental health and wellbeing system

- Continue to transform Area Mental Health and Wellbeing Services that deliver wellbeing supports and are delivered through partnerships between public health services (or public hospitals) and non-government organisations.

### DELIVERABLE ONGOING

Bendigo Health Mental Health Service has partnered with Bendigo Community Health Service to support the delivery of new Infant, Child and Family Health and Wellbeing Hubs for 0-11 year-olds, and their families, carers and supporters. The new referral based service launched in July 2023. As a formal partner, Bendigo Health through the Child and Adolescent Mental Health Service (CAMHS) will deliver mental health assessments, therapeutic intervention and Group Parenting Programs across two sites, including Bendigo Hospital.

### HEALTH SERVICE DELIVERABLE

- Develop/refine services that will be provided across two aged-based streams: infant, child and youth (0-25), and adult and older persons (26+)

### DELIVERABLE ONGOING

A new Mental Health Service Design Advisory Group has been established to lead the review and implementation to align our service across the two age streams. Work has commenced to understand the service usage for our 0-25 consumers, to ensure that future re-alignment meets the needs of the young people in our community.

### HEALTH SERVICE DELIVERABLE

- Provide integrated treatment, care and support to people living with mental illness and substance use or addiction.
- Subject to the passage of the Mental Health and Wellbeing Bill 2022, actively participate in the implementation of new legislative requirements and embed the legislation's rights-based objectives and principles.

### DELIVERABLE ONGOING

A Bendigo Health Mental Health and Wellbeing Act Implementation Lead is working closely with our service and the Department of Health to understand the changes within the new Act, and to support staff, consumers, carers and families to understand the new legislation and access their rights.



## STATEMENT OF PRIORITIES: PART A [CONTINUED]

### HEALTH SERVICE DELIVERABLE

- Work with the department to test ('shadow') and implement activity-based funding models initially for bed-based and adult ambulatory mental health and wellbeing services.
- Continue towards implementation and routine use of the electronic state-wide mental health and well-being record to underpin best practice mental health care and improve the experience of Victorians with lived experience of mental health as they move between providers.

### DELIVERABLE ONGOING

The final report of the Royal Commission into Victoria's Mental Health System recommends the establishment of 50-60 Local Services across Victoria as an integral part of Victoria's reformed mental health and wellbeing system.

Bendigo Health reviewed and met the criteria to bid for the tender of a Local Adult and Older Adult Health and Wellbeing Service and is developing the tender submission.

### HEALTH SERVICE DELIVERABLE

#### Improve Emergency Department access

- Improve access to emergency services by implementing strategies to reduce bed access blockage to facilitate improved whole of system flow, reduce emergency department four-hour wait times, and improve ambulance to health service handover times.

### DELIVERABLE ONGOING

The TECC is an initiative where Bendigo Health has partnered with the Department of Health and other Victorian health services to improve Emergency Department (ED) and hospital access with targeted strategies.

The project goals are to improve ED length of stay for admitted patients by 20 per cent and non-admitted patients by 15 per cent over an 18-month period.

Since the improvement ideas launched in March, the ED admitted length of stay has reduced from 13.76 to 10.36 hours.

Bendigo Health received funding for two eight-week initiatives to test a change idea with the aim to increase bed availability through:

1. An Inpatient Care Coordinator to facilitate more efficient patients transfers to RACFs from acute beds.
2. An additional Registered Nurse to work in the Discharge Lounge to increase utilisation and expand the patient cohort that can access this space.

The TECC ideas have contributed to reducing unnecessary waits and delays for patients who are waiting to be admitted from the ED. During the two month trial, 50 patients were discharged to RACFs and through increased transfers to the Discharge Lounge, the number of bed days saved in total equates to 41.8 days.

### HEALTH SERVICE DELIVERABLE

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

- Develop a plan to implement nutrition and quality of food standards in 2022-23, implemented by December 2023.

## STATEMENT OF PRIORITIES: PART A [CONTINUED]

### DELIVERABLE ONGOING

Bendigo Health has been working in conjunction with Downer, our hospital food service provider, to implement the Nutrition and Quality Food Standards and review the current menu across paediatrics and adults. A Food Service Project Dietitian was employed in 2023 to assist and investigate the need for ongoing food service dietitian input.

Both the adult and paediatric standards include a strong focus on consumer engagement particularly with vulnerable, culturally and ethnically diverse groups. This involves frequent menu review and revision in line with the changing patient populations, a significant increase in choice and variety on the menu – in particular for the texture-modified diets, and an expectation that a food service dietitian will have responsibility to lead menu reviews.

There are six standards in each of the adult and paediatric standards – Choice and Variety, Menu Planning and Consumer Engagement are the key areas where Bendigo Health are currently working on improvements. The gap analysis remains ongoing, with further work to be completed on the paediatric standards.

### HEALTH SERVICE DELIVERABLE

#### 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.

### DELIVERABLE ONGOING

Bendigo Health continues to demonstrate leadership in our region to adapt how our services and infrastructure impact climate change. Our Major Capital Projects under completion have a sustainable focus and other achievements from 2022-2023 include:

- The commissioning of a 98.9KW Solar system on Simpkin House, resulting in annual total use for the site being 179,889 kWh reduced from 295,384 kWh usage from the previous 12 months (reduction of 115,495 kWh).
- An increased focus on minimising waste to landfill by increasing our unique recycling waste streams. Streams of recycling include polystyrene, printer cartridges, masks, bottle tops, light globes, blister packets, gloves, mattresses, fabrics, copper diathermy leads, single use metals instruments, batteries and bulk metals.
- Planned installation of 15 Electronic Vehicle charging stations in the new Havlin Street Car park for Fleet car pool use.
- Ordering of 10 fully electric vehicles for the Fleet car pool (arriving August 2023).

Bendigo Health works with community and key stakeholders, including the City of Greater Bendigo in their goal of net Zero Impact by 2030 to tackle and address Climate Change as one cohesive unit.



## STATEMENT OF PRIORITIES: PART A [CONTINUED]

### HEALTH SERVICE DELIVERABLE

#### 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.

#### DELIVERABLE ONGOING

Asset Management Plan work remains ongoing. To date we have completed and updated a Management Equipment Service proposal and a Real Time Location Sensor asset management protocol. When the Plan is finalised, these will be fully implemented.

## IMPROVE ABORIGINAL HEALTH AND WELLBEING

### HEALTH SERVICE DELIVERABLE

#### Improve Aboriginal cultural safety

- Strengthen commitments to Aboriginal Victorians by addressing the gap in health outcomes by delivering culturally safe and responsive health care.

#### DELIVERABLE ONGOING

Work is progressing towards mandating cultural awareness education for Bendigo Health staff. Aboriginal Services has five permanent staff to cover the service six days a week and after hours. This includes a Koori Mental Health Officer. Patients are both referred and actively visited by staff to offer cultural support and assistance.

A working group has been established to support culturally safe birthing initiatives and a coordinator will be recruited to oversee this work.

Bendigo Health is participating in a Culture Safety in Emergency Department project as part of a state-wide working group with the aim of creating individual cultural safety plans relevant to each hospital's needs.

### HEALTH SERVICE DELIVERABLE

- Establish meaningful partnerships with Aboriginal Community-Controlled Health Organisations.



## STATEMENT OF PRIORITIES: PART A [CONTINUED]

### DELIVERABLE ACHIEVED

Conversations with Community are ongoing as trust and relationships are built and affirmed. A five-year partnership agreement with Djaara is being developed, Memorandum of Understandings with Bendigo District Aboriginal Corporation are being renewed and collaboration with Bendigo Reconciliation Committee and Bendigo NAIDOC Committee is strong.

### HEALTH SERVICE DELIVERABLE

- Implement strategies and processes to actively increase Aboriginal employment.

### DELIVERABLE ONGOING

Bendigo Health is recruiting an Aboriginal Cultural Workforce Mentor to support Aboriginal staff, recruitment and retention, traineeships, placements and support managers to provide a culturally safe work environment.

### HEALTH SERVICE DELIVERABLE

- 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.

### DELIVERABLE ONGOING

Ongoing efforts to encourage staff to ask if patients identify and to appropriately record and enable referral to our liaison service. Guidance material and support videos are available to staff on the Bendigo Health intranet. Aboriginal Services have a daily presence to remind admitting staff.

### HEALTH SERVICE DELIVERABLE

- Develop discharge plans for every Aboriginal patient.

### DELIVERABLE ONGOING

Bendigo Health is partnering with other health services in the Loddon Mallee region to apply for funding that will enable a focused effort on effective discharge planning processes and systems for Aboriginal patients. The Bendigo Health Reconciliation Action Plan deliverables are on track; however, a one-year extension has been requested due to the slow momentum post pandemic which saw early work disabled by restrictions.

## MOVING FROM COMPETITION TO COLLABORATION

### HEALTH SERVICE DELIVERABLE

#### Foster and develop local partnerships

- Strengthen cross-service collaboration, including through active participation in health service partnerships (HSP).

## STATEMENT OF PRIORITIES: PART A [CONTINUED]

### DELIVERABLE ONGOING

Bendigo Health as lead member of the LMHN continues to progress HSP partnership initiatives through genuine collaboration and stakeholder engagement to help achieve optimal outcomes for our consumers and community. An annual partnership assessment is also undertaken.

A well-established governance structure ensures oversight of initiatives and opportunities for sub-regional and local solutions. This ensures we maintain impetus and build on current success, including a review of the LMHN Regional Plan incorporating the Loddon Mallee Shared Services (LMSS) Digital Health Strategy.

A combination of current Joint Venture Agreements (LMHN and LMSS) is planned and underway for the next step towards strengthening collaboration across the region.

### HEALTH SERVICE DELIVERABLE

- 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.

### DELIVERABLE ACHIEVED

Under the project leadership of the Loddon Mallee Planned Surgery project lead, work is continuing on the:

- Pathway Redesign for the following surgical procedures: Laparoscopic Cholecystectomy, Simple breast surgeries, Total Joint Arthroplasty, Laparoscopic Hysterectomy, Transurethral Resection of Prostate
- Scoping of tasks and resources required to implement a regional or subregional elective surgery waiting list in the LMHN
- Support to Bendigo Health, Echuca Regional Health (ERH) and Mildura Base Public Hospital to implement an Alternative Pathway model.

Under the project leadership of the Loddon Mallee Better at Home project, the Redesign team:

- worked with Health Services to optimise use of Telehealth in home-based services
- delivered a suite of marketing resources to promote home-based services, informed by market research and evidence. The resources were provided to all Better at Home Health Services in the region.
- developed a Loddon Mallee Sub-Acute at Home model of care for future implementation. The team will further explore feasibility of the model in 2023-2024.
- provided project management support for the expansion of a sub-regional HITH service for surgical services, based out of ERH.
- provided project management support for the expansion of the Diabetes in Pregnancy Remote Patient Monitoring pilot at Bendigo Health, with the view to expand to additional health services.

The LMHN will respond to HSP deliverables as the requirements are articulated by the Department of Health's Mental Health and Wellbeing Branch, as they arise.



# STATEMENT OF PRIORITIES: PART A [CONTINUED]

## HEALTH SERVICE DELIVERABLE

### Planned Surgery Recovery and Reform Program

- Maintain commitment to deliver goals and objectives of the Planned Surgery Recovery and Reform Program, including initiatives as outlined, agreed and funded through the HSP workplan. Health services are expected to work closely with HSP members and the department throughout the implementation of this strategy, and to collaboratively develop and implement future reform initiatives to improve the long-term sustainability of safe and high quality planned surgical services to Victorians.

## DELIVERABLE ACHIEVED

Surgical pathway redesign to increase throughput:

- 27 laparoscopic cholecystectomy patients successfully completed as day cases, previously all were admitted overnight.
- Work has begun on further procedures which could be completed as day cases.

Active Management of patients on the Elective Surgery Waiting List (ESWL)

- Dashboards being developed to assist active management of patients waiting for surgery
- Review of the longest waiting patients across all surgical specialties has led to 115 patients being removed from the wait list and others having their surgery completed.

Pathways to optimise patients prior to surgery:

- Colorectal Preadmission Clinic commenced in September 2022 to assess and support patients prior to surgery, including managing patient comorbidities and risks. Analysis of first six-months reveals a small decrease in inpatient length of stay.
- Pre-admission clinic for patients undergoing complex head and neck surgery commenced in May 2023, together with a surgical pre-habilitation program to increase physiological reserve for patients.

Sustainable system reform:

- A consultant is engaged to advise LMHN organisations to improve theatre efficiency. Targeted improvement strategies will be provided together with workshops focussing on collaborative and sustainable use of data and metrics to drive ongoing improvements.
- Work has begun to inform future considerations of a LMHN regional planned surgery wait list.

## HEALTH SERVICE DELIVERABLE

### Support mental health and wellbeing

- Support the implementation of recommendations arising from the Royal Commission into Victoria's Mental Health system, by improving compliance with legislative principles supporting self-determination and self-directed care
- Embed consumer, family, carer and supporter lived experience at all levels, in leadership, governance, service design, delivery, and improvement
- Work towards treatment, care and support being person-centred, rights-based, trauma informed, and recovery orientated, respecting the human rights and dignity of consumers, families, carers and supporters.

## STATEMENT OF PRIORITIES: PART A [CONTINUED]

### DELIVERABLE ONGOING

Bendigo Health Mental Health Service has established an Embedding Lived and Living Experience Advisory Group to support service wide integration of living and lived experience expertise and voice to reform activities. The Mental Health Transformation Team now includes a Consumer Advisor and a Family Carer Advisor, who will enable reform activities to better partner with our consumers, families and carers in the design and delivery of our services.

The Hospital Outreach Post-Suicide (HOPE) Program has expanded to support our Echuca and Swan Hill regions, with further outreach support into southern areas of our region planned. The service is also excited to recruit our first Family Carer Peer Support Worker into the HOPE program, as part of achieving the aims of growing our emerging lived experience workforce and better support families and carers of people with mental illness or psychological distress.

## A STRONGER WORKFORCE

### HEALTH SERVICE DELIVERABLE

#### Improve workforce wellbeing

- Participate in the Occupational Violence and Aggression (OVA) training that will be implemented across the sector in 2022-2023.

### DELIVERABLE ONGOING

Bendigo Health considers occupational violence and aggression to be one of the most significant risks for staff. Incidents of violence and aggression towards staff at Bendigo Health are monitored via the daily huddle system, including immediate follow-up where a staff member is injured. Bendigo Health offers a range of online and face-to-face training for staff, with completion rates exceeding 70 per cent. Bendigo Health has recently established an Incident Review Committee (IRC). The IRC conducts a detailed review of all incidents where staff and patients are injured. The IRC makes recommendations regarding changes to current systems of work and training models to address areas of concern. Targeted work in this area is ongoing.

### HEALTH SERVICE DELIVERABLE

- 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.

### DELIVERABLE ACHIEVED

Bendigo Health has played a key role as part of the Strengthening Hospital Responses to Family Violence (SHRFV) state-wide leadership team and, as the regional sector lead, we have supported the 60 rural and regional health services across Victoria in implementing the SHRFV initiative.

In May we convened the SHRFV state-wide forum where 120 attendees came together to share good practice around supporting people who experience family violence.



## STATEMENT OF PRIORITIES: PART A (CONTINUED)

We have successfully achieved all funding deliverables. We are continuing the work of embedding a whole of hospital model for responding to family violence and have moved into aligning our practice with the Family Violence Multi-Agency Risk Assessment and Management (MARAM) Framework and meeting the requirements of the Child Information Sharing (CIS) and Family Violence Information Sharing (FVIS) Schemes.

More than 360 Bendigo Health staff completed some form of SHRFV MARAM aligned training in the first three quarters of 2022-2023. We have embedded relevant policy, protocols and processes to support victim survivors, including our staff, and to guide staff with sharing information under CIS and FVIS Schemes.

### HEALTH SERVICE DELIVERABLE

- Prioritise wellbeing of healthcare workers and implement local strategies to address key issues.

### DELIVERABLE ACHIEVED

The 2022 People Matter Survey indicated staff at Bendigo Health are satisfied with the physical work environment and more work is needed to address psychological safety. In 2022 Bendigo Health partnered with Converge International to conduct a formal analysis of the health and wellbeing initiatives offered to staff. This involved surveying staff and running focus groups to obtain the views of individuals working in our organisation. A health and wellbeing committee has been re-established and a defined program of work is underway focussed on the five elements of the Healthy Workplace Program (Healthy Eating, Mental Health and Wellbeing, Physical Activity, Alcohol and Other Drug Use, Reducing rates of Smoking). Bendigo Health has also been selected to work with SCV to improve healthcare worker wellbeing. The project commenced in April and four teams are currently participating in a program of work aimed at improving joy at work and reducing the effects of burnout. The program is being closely monitored and successful elements will be rolled out across the organisation.



# STATEMENT OF PRIORITIES

## PART B: PERFORMANCE PRIORITIES

KEY PERFORMANCE MEASURE	ACTUAL	TARGET
<b>HIGH QUALITY AND SAFE CARE</b>		
<b>Infection Prevention and Control</b>		
Compliance with Hand Hygiene Australia program	86.4%	85%
Percentage of healthcare workers immunised for influenza	99%	92%
<b>Continuing Care</b>		
Functional independence gain from an episode of rehabilitation admission to discharge relative to length of stay	0.666	≥ 0.645
<b>Healthcare associated infections</b>		
Rate of surgical site infections for selected procedures (aggregate)	No outliers	No outliers
Rate of central line (catheter) associated blood stream infections (CLABSI) in intensive care units, per 1,000 central line days	0	Zero
Rate of healthcare-associated S. aureus bloodstream infections per 10,000 bed days	0.4	≤ 0.7
<b>Patient experience</b>		
Percentage of adult patients who reported positive experiences of their hospital stay	92.4%	95%
<b>Maternity and newborn</b>		
Percentage of full-term babies (without congenital anomalies) who are considered in poor condition shortly after birth (APGAR score <7 to 5 minutes)	1.8%	≤ 1.4%
Percentage of singleton babies with severe fetal growth restriction (FGR) delivered at 40 or more weeks gestation	22.7%	≤ 28.6%
<b>Mental Health</b>		
<b>Patient Experience</b>		
Percentage of mental health consumers who rated their overall experience of care with a service in the last 3 months as positive	62.7%	80%
Percentage of mental health consumers reporting they 'usually' or 'always' felt safe using this service	78.7%	90%
Percentage of families/carers reporting a positive experience of the service	46.8%	80%
Percentage of families/carers who report they were 'always' or 'usually' felt their opinions as a carer were respected	68%	90%
Percentage of closed community cases re-referred within six months: CAMHS, adults and aged persons	CAMHS 16% adults 29% aged 12%	< 25%

## STATEMENT OF PRIORITIES: PART B (PERFORMANCE PRIORITIES CONTINUED)

KEY PERFORMANCE MEASURE	ACTUAL	TARGET
<b>Post-Discharge Follow-up</b>		
Percentage of consumers followed up within 7 days of separation – Inpatient (CAMHS)	89%	88%
Percentage of consumers followed up within 7 days of separation – Inpatient (adult)	89%	88%
Percentage of consumers followed up within 7 days of separation - Inpatient (older persons)	94%	88%
<b>Readmission</b>		
Percentage of consumers re-admitted within 28 days of separation - Inpatient (CAMHS)	15%	<14%
Percentage of consumers re-admitted within 28 days of separation - Inpatient (adult)	15%	<14%
Percentage of consumers re-admitted within 28 days of separation - Inpatient (older persons)	6%	<7%
<b>Seclusion</b>		
Rate of seclusion episodes per 1,000 occupied bed days - Inpatient (CAMHS)	n/a	≤ 5
Rate of seclusion episodes per 1,000 occupied bed days - Inpatient (adult)	8	≤ 8
M Rate of seclusion episodes per 1,000 occupied bed days - Inpatient (older persons)	0	≤ 5
<b>Unplanned Readmissions</b>		
Unplanned readmissions to any hospital following a hip replacement	6.90%	<6%
<b>STRONG GOVERNANCE, LEADERSHIP AND CULTURE</b>		
<b>Organisational culture</b>		
People matter survey – Percentage of staff with an overall positive response to safety culture survey questions	68%	62%
<b>TIMELY ACCESS TO CARE</b>		
<b>Elective Surgery</b>		
Percentage of urgency category 1 elective surgery patients admitted within 30 days	100%	100%
Percentage of urgency category 1, 2 and 3 elective surgery patients admitted within clinically recommended time	80.4%	94%
Number of patients on the elective surgery waiting list	1,677	1710
Number of patients admitted from the elective surgery waiting list	5,966	6,830
Number of additional patients admitted from the elective surgery waiting list	0	Health service specific



## STATEMENT OF PRIORITIES: PART B (PERFORMANCE PRIORITIES CONTINUED)

KEY PERFORMANCE MEASURE	ACTUAL	TARGET
Percentage of patients on the waiting list who have waited longer than clinically recommended time for their respective triage category	19.6% this year 21.6% same time last year	5% or 15% proportional improvement from prior year
Number of hospital-initiated postponements per 100 scheduled elective surgery admissions	11.1	≤ 7
<b>Emergency Care</b>		
Percentage of patients transferred from ambulance to emergency department within 40 minutes	60%	90%
Percentage of Triage Category 1 emergency patients seen immediately	100%	100%
Percentage of Triage Category 1 to 5 emergency patients seen within clinically recommended time	58%	80%
Percentage of emergency patients with a length of stay in the emergency department of less than four hours	48%	81%
Number of patients with a length of stay in the emergency department greater than 24 hours	812	0
<b>Mental Health</b>		
Percentage of mental health-related emergency department presentations with a length of stay of less than 4 hours	53%	81%
Percentage of triage episodes requiring an urgent response (triage scale C) where a face-to-face response was provided by the mental health service within 8 hours	90%	80%
<b>Specialist Clinics</b>		
Percentage of urgent patients referred by a GP or external specialist who attended a first appointment within 30 days	71.8%	100%
Percentage of routine patients referred by GP or external specialist who attended a first appointment within 365 days	95%	90%
<b>EFFECTIVE FINANCIAL MANAGEMENT</b>		
Operating result (\$m)	0.5	\$0.00
Average number of days to paying trade creditors	18	60 days
Average number of days to receiving patient fee debtors	49	60 days
Adjusted current asset ratio (Variance between actual ACAR and target, including performance improvement over time or maintaining actual performance)	0.81	0.7 or 3% improvement from health service base target
Variance between forecast and actual Net result from transactions (NRFT) for the current financial year ending 30 June	27.11	Variance ≤ \$250,000
Actual number of days available cash, measured on the last day of each month	15.5	14 days



# STATEMENT OF PRIORITIES

## PART C: HIGH QUALITY AND SAFE CARE

### 2022-2023 ACTIVITY ACHIEVEMENT

#### FUNDING TYPE

#### ACTIVITY

#### Consolidated Activity Funding

Acute admitted, subacute admitted, emergency services, non-admitted NWAU	58,414
--	--------

#### Acute Admitted

National Bowel Cancer Screening Program NWAU	38
--	----

Acute admitted DVA	474
--------------------	-----

Acute admitted TAC	246
--------------------	-----

Other admitted	-
----------------	---

#### Acute Non-Admitted

Emergency Services	-
--------------------	---

Home Enteral Nutrition NWAU	55
-----------------------------	----

Home Renal Dialysis NWAU	577
--------------------------	-----

Specialist Clinics	-
--------------------	---

#### Government Initiatives

Government Initiatives	-
------------------------	---

#### Subacute/Non-Acute, Admitted & Non-Admitted

Palliative Care Non-admitted	-
------------------------------	---

Subacute Non-admitted Other	-
-----------------------------	---

Victorian Artificial Limb Program	-
-----------------------------------	---

Subacute WIES - DVA	116
---------------------	-----

Transition Care - Bed Days	11,607
----------------------------	--------

Transition Care - Home Days	10,993
-----------------------------	--------

Health Independence Program - DVA	-
-----------------------------------	---

## STATEMENT OF PRIORITIES: PART C (HIGH QUALITY AND SAFE CARE CONTINUED)

### 2022-2023 ACTIVITY ACHIEVEMENT

FUNDING TYPE	ACTIVITY
<b>Aged Care</b>	
Aged Care Assessment Service	-
Residential Aged Care	71,119
HACC	9,303
Aged Care Other	-
<b>Mental Health and Drug Services</b>	
Mental Health Ambulatory	89,317
Mental Health Inpatient - Available bed days	21,915
Mental Health Inpatient - Secure Unit	7,305
Mental Health Residential	9,260
Mental Health Service System Capacity	1
Mental Health Subacute	11,688
Mental Health Other	-
Drug Services	2,922
<b>Primary Health</b>	
Community Health / Primary Care Programs	8,144
Community Health Other	-
<b>Other</b>	
Health Workforce	-
Other specified funding	-

# DISCLOSURE INDEX

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

Legislation Requirement		Page Reference
<b>Charter and Purpose</b>		
FRD 22	Manner of establishment and the relevant Ministers	17
FRD 22	Purpose, functions, powers and duties	17
FRD 22	Nature and range of services provided	18
FRD 22	Activities, programs and achievements for the reporting period	5-11
FRD 22	Significant changes in key initiatives and expectations for the future	5-11
<b>Management and structure</b>		
FRD 22	Organisational structure	15
FRD 22	Workforce data/employment and conduct principles	16
FRD 22	Occupational health and safety	21
<b>Financial information</b>		
FRD 22	Summary of the financial results for the year	33
FRD 22	Significant changes in financial position during the year	Financial Report
FRD 22	Subsequent events	Financial Report
FRD 22	Operational and budgetary objectives and performance against objectives	Financial Report
FRD 22	Details of consultancies under \$10,000	20

Legislation Requirement		Page Reference
<b>Financial information continued</b>		
FRD 22	Details of consultancies over \$10,000	20
FRD 22	Disclosure of ICT expenditure	21
<b>Legislation</b>		
FRD 22	Application and operation of Freedom of Information Act 1982	18
FRD 22	Statement on National Competition Policy	19
FRD22	Application and operation of Public Interest Disclosure Act 2012	19
FRD 22	Compliance with building and maintenance provisions of Building Act 1983	18
FRD 22	Application and operation of Carers Recognition Act 2012	18
FRD 22	Additional information available on request	19
FRD 24	Summary of the entity's environmental performance	22-30
<b>Other relevant reporting directives</b>		
FRD 25	Local Jobs First Act 2003 disclosures	19
SD 5.1.4	Financial Management Compliance attestation	17
SD 5.2.3	Declaration in report of operations	17

## DISCLOSURE INDEX (CONTINUED)

Legislation Requirement	Page Reference
<b>Attestations</b>	
Attestation on Data Integrity	17
Attestation on managing Conflicts of Interest	17
Attestation on Integrity, Fraud and Corruption	17
Compliance with Health Share Victoria (HSV) Purchasing Policies	17
<b>Other reporting requirements</b>	
Reporting of outcomes from Statement of Priorities 2022-2023	34-50
Occupational Violence reporting	21
Gender Equality Act 2020	19
Reporting obligations under the Safe Patient Care Act 2015	18
Reporting of compliance regarding Car Parking Fees	19







# Bendigo Health Financial Report 2022-2023

# Independent Auditor's Report

## To the Board of Bendigo Health

**Opinion** I have audited the financial report of Bendigo Health (the health service) which comprises the:

- balance sheet as at 30 June 2023
- comprehensive operating statement for the year then ended
- statement of changes in equity for the year then ended
- cash flow statement for the year then ended
- notes to the financial statements, including significant accounting policies
- board member's, accountable officer's, chief finance & accounting officer's declaration.

In my opinion the financial report presents fairly, in all material respects, the financial position of the health service as at 30 June 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 *Financial Management Act 1994* and applicable Australian Accounting Standards.

**Basis for Opinion** I have conducted my audit in accordance with the *Audit Act 1994* which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report.

My independence is established by the *Constitution Act 1975*. My staff and I are independent of the health service in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

**Board's responsibilities for the financial report** The Board of the health service is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the *Financial Management Act 1994*, and for such internal control as the Board determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Board is responsible for assessing the health service's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.



<b>Auditor's responsibilities for the audit of the financial report</b>	<p>As required by the <i>Audit Act 1994</i>, my responsibility is to express an opinion on the financial report based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.</p> <p>As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:</p> <ul style="list-style-type: none"> <li>• 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.</li> <li>• 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</li> <li>• evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board</li> <li>• 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.</li> <li>• 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.</li> </ul> <p>I communicate with the Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.</p>
---	---



MELBOURNE  
15 September 2023

Dominika Ryan  
*as delegate for the Auditor-General of Victoria*

BENDIGO HEALTH

ABN 26 875 445 912

FINANCIAL STATEMENTS FOR THE YEAR ENDED

30 JUNE 2023

## **Board Member's, Accountable Officer's, Chief Finance & Accounting Officer's Declaration**

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

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

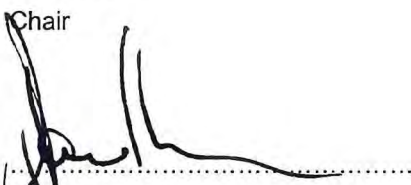
At the time of signing, we are not aware of any circumstance which would render any particulars included in the financial statements to be misleading or inaccurate.

We authorise the attached financial statements for issue on 12 September 2023.



**E I Piejko**

Chair



**P A Faulkner**

Chief Executive Officer



**C L Olsen**

Chief Financial Officer

Dated 12 September 2023

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

	Note	2023 \$'000	2022 \$'000
<b>Revenue and Income from Transactions</b>			
Operating Activities	2.1	762,269	698,254
Non-operating Activities	2.1	2,872	295
<b>Total Revenue and Income from Transactions</b>		<b>765,141</b>	<b>698,549</b>
<b>Expenses from Transactions</b>			
Employee Expenses	3.1	(489,244)	(449,793)
Supplies & Consumables	3.1	(106,086)	(102,109)
Finance Costs	3.1	(22,408)	(21,766)
Depreciation and Amortisation	4.6	(35,791)	(38,273)
Public/Private Partnership Operating Expenses	3.1	(48,091)	(39,370)
Other Administrative Expenses	3.1	(30,643)	(29,524)
Other Operating Expenses	3.1	(25,273)	(26,019)
<b>Total Expenses from Transactions</b>		<b>(757,536)</b>	<b>(706,854)</b>
<b>Net result from Transactions - Net Operating Balance</b>		<b>7,605</b>	<b>(8,305)</b>
<b>Other economic flows included in the net result</b>			
Net Loss on Non-Financial Assets	3.2	(29)	(499)
Net Gain/(Loss) on Financial Instruments at Fair Value	3.2	(904)	(193)
Share of Other Economic Flows from Joint Operation	3.2	190	9
Other Gain/(Loss) from Other Economic Flows	3.2	(890)	2,829
<b>Total other economic flows included in net result</b>		<b>(1,633)</b>	<b>2,146</b>
<b>Net result for the year</b>		<b>5,972</b>	<b>(6,159)</b>
<b>Other economic flows - Other Comprehensive Income</b>			
<b>Items that will not be reclassified to net result</b>			
Changes in Property, Plant and Equipment Revaluation Surplus	4.4	80,023	9,022
<b>Items that may be reclassified subsequently to net result</b>			
Fair Value - Recognition of Hedging Instrument		3,837	45,269
<b>Total Other Comprehensive Income</b>		<b>83,860</b>	<b>54,291</b>
<b>Comprehensive result for the year</b>		<b>89,832</b>	<b>48,132</b>

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



**Bendigo Health  
Balance Sheet  
as at 30 June 2023**

	Note	2023 \$'000	2022 \$'000
<b>Current Assets</b>			
Cash and Cash Equivalents	6.2	82,392	84,456
Receivables	5.1	20,679	29,338
Investments and Other Financial Assets	4.1	30	57
Inventories	4.7	3,892	3,415
Other Assets		55,193	47,586
<b>Total Current Assets</b>		<b>162,186</b>	<b>164,852</b>
<b>Non-Current Assets</b>			
Receivables	5.1	35,978	29,594
Property, Plant & Equipment	4.2(a)	226,242	185,874
Right-of-use Assets	4.3(a)	625,323	577,314
Intangible Assets	4.5	19,484	22,140
<b>Total Non-Current Assets</b>		<b>907,027</b>	<b>814,922</b>
<b>TOTAL ASSETS</b>		<b>1,069,213</b>	<b>979,774</b>
<b>Current Liabilities</b>			
Payables	5.2	48,066	59,417
Borrowings	6.1	6,772	6,981
Employee Benefits	3.3	105,797	94,408
Other Liabilities	5.3	31,933	29,732
<b>Total Current Liabilities</b>		<b>192,568</b>	<b>190,538</b>
<b>Non-Current Liabilities</b>			
Borrowings	6.1	269,092	273,080
Employee Benefits	3.3	14,646	13,081
<b>Total Non-Current Liabilities</b>		<b>283,738</b>	<b>286,161</b>
<b>TOTAL LIABILITIES</b>		<b>476,306</b>	<b>476,699</b>
<b>NET ASSETS</b>		<b>592,907</b>	<b>503,075</b>
<b>EQUITY</b>			
Property, Plant & Equipment Revaluation Surplus	4.4	111,386	31,363
Cash Flow Hedging Reserve	8.10	41,256	37,419
Restricted Specific Purpose Surplus	8.10	5,625	5,625
Contributed Capital	8.10	100,735	100,735
Accumulated Surpluses		333,905	327,933
<b>TOTAL EQUITY</b>		<b>592,907</b>	<b>503,075</b>

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

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

	Property, Plant & Equipment Revaluation Surplus	Cash Flow Hedging Reserve	Restricted Specific Purpose Surplus	Contributed Capital	Accumulated Surpluses	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Balance at 30 June 2021</b>	<b>22,341</b>	<b>(7,850)</b>	<b>5,356</b>	<b>100,735</b>	<b>334,361</b>	<b>454,943</b>
Net Result for the Year	0	0	0	0	(6,159)	(6,159)
Other comprehensive income for the year	9,022	0	0	0	0	9,022
Cash Flow Hedging Reserve	0	45,269	0	0	0	45,269
Transfer to/(from) accumulated surplus	0	0	269	0	(269)	0
<b>Balance at 30 June 2022</b>	<b>31,363</b>	<b>37,419</b>	<b>5,625</b>	<b>100,735</b>	<b>327,933</b>	<b>503,075</b>
Net Result for the Year	0	0	0	0	5,972	5,972
Other comprehensive income for the year	80,023	0	0	0	0	80,023
Cash Flow Hedging Reserve	0	3,837	0	0	0	3,837
<b>Balance at 30 June 2023</b>	<b>111,386</b>	<b>41,256</b>	<b>5,625</b>	<b>100,735</b>	<b>333,905</b>	<b>592,907</b>

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



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

	Note	2023 \$'000	2022 \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Operating Grants from Government - State		512,784	475,177
Operating Grants from Government - Commonwealth		59,327	56,267
Capital Grants from Government - State		6,300	9,314
Capital Grants from Government - Commonwealth		2,303	1,853
Patient and Resident Fees Received		32,566	34,300
Donations and Bequests Received		729	648
GST Received from Australian Tax Office		15,720	12,535
Interest and Investment Income Received		2,899	331
Other Receipts		27,774	31,967
<b>Total Receipts</b>		<b>660,402</b>	<b>622,392</b>
Employee Expenses Paid		(459,310)	(357,582)
Non Salary Labour Costs		(35,701)	(29,219)
Payments for Suppliers & Consumables		(99,477)	(91,534)
Other Payments		(58,211)	(146,121)
<b>Total Payments</b>		<b>(652,699)</b>	<b>(624,456)</b>
<b>NET CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES</b>	8.1	<b>7,703</b>	<b>(2,064)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of Non-Financial Assets		(9,478)	(10,314)
Proceeds from Disposal of Non-Financial Assets		45	191
<b>NET CASH FLOWS USED IN INVESTING ACTIVITIES</b>		<b>(9,433)</b>	<b>(10,123)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayment of Borrowings		(3,599)	(2,434)
Funds from Borrowings		0	979
Receipt of Accommodation Deposits		12,229	11,756
Repayment of Accommodation Deposits		(10,763)	(10,134)
Receipt/(Repayment) of Monies Held in Trust		1,799	(4,074)
<b>NET CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES</b>		<b>(334)</b>	<b>(3,907)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS HELD</b>		<b>(2,064)</b>	<b>(16,094)</b>
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR		84,456	100,550
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	6.2	<b>82,392</b>	<b>84,456</b>

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

## **Bendigo Health**

### **Notes to the Financial Statements for the Financial Year Ended 30 June 2023**

## **Note 1: Basis of preparation**

### **Structure**

- 1.1 Basis of preparation of the financial statements***
- 1.2 Impact of COVID-19 pandemic***
- 1.3 Abbreviations and terminology used in the financial statements***
- 1.4 Jointly Controlled Operation***
- 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***

## **Bendigo Health**

### **Notes to the Financial Statements for the Financial Year Ended 30 June 2023**

---

#### **Note 1: Basis of preparation**

These financial statements represent the audited general purpose financial statements for Bendigo Health for the period ending 30 June 2023. The report provides users with information about Bendigo Health's stewardship of 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.

Bendigo Health is a not-for-profit entity and therefore applies the additional AUS paragraphs applicable to "not-for-profit" Health Services under the AASBs. 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.

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

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

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

These financial statements are presented in Australian dollars.



## Bendigo Health

### Notes to the Financial Statements for the Financial Year Ended 30 June 2023

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

The annual financial statements were authorised for issue by the Board of Bendigo Health on 12 September 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.

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

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

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

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

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

## **Bendigo Health**

### **Notes to the Financial Statements for the Financial Year Ended 30 June 2023**

#### **Note 1.4 Jointly Controlled Operation**

Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

In respect of any interest in joint operations, Bendigo Health recognises in the financial statements:

- its assets, including its share of any assets held jointly;
- any liabilities including its share of liabilities that it had incurred;
- its revenue from the sale of its share of the output from the joint operation;
- its share of the revenue from the sale of the output by the operation; and
- its expenses, including its share of any expenses incurred jointly.

Bendigo Health is a Member of the Loddon Mallee Rural Health Alliance and retains joint control over the arrangement, which it has classified as a joint operation (refer to Note 8.8 Jointly Controlled Operations).

#### **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 4.2: Property, plant and equipment
- Note 4.3: Right-of-use assets
- Note 4.5: Intangible assets
- Note 4.6: Depreciation and amortisation
- Note 4.8: Impairment of assets



## Bendigo Health

### Notes to the Financial Statements for the Financial Year Ended 30 June 2023

- Note 5.1: Receivables
- Note 5.2: Payables
- Note 5.3: Other liabilities
- Note 6.1(a): Lease liabilities
- Note 6.1(b): PPP 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 Bendigo Health and their potential impact when adopted in future periods is outlined below:

Standard	Adoption Date	Impact
AASB 17: <i>Insurance Contracts</i>	Reporting periods beginning on or after 1 January 2023.	Adoption of this standard is not expected to have a material impact.
AASB 2020-1: <i>Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current</i>	Reporting periods beginning on or after 1 January 2023.	Adoption of this standard is not expected to have a material impact.
AASB 2022-5: <i>Amendments to Australian Accounting Standards – Lease Liability in a Sale and Leaseback</i>	Reporting periods beginning on or after 1 January 2024.	Adoption of this standard is not expected to have a material impact.
AASB 2022-6: <i>Amendments to Australian Accounting Standards – Non-Current Liabilities with Covenants</i>	Reporting periods beginning on or after 1 January 2023.	Adoption of this standard is not expected to have a material impact.
AASB 2022-8: <i>Amendments to Australian Accounting Standards – Insurance Contracts: Consequential Amendments</i>	Reporting periods beginning on or after January 2023.	Adoption of this standard is not expected to have a material impact.
AASB 2022-9: <i>Amendments to Australian Accounting Standards – Insurance Contracts in the Public Sector</i>	Reporting periods beginning on or after 1 January 2026.	Adoption of this standard is not expected to have a material impact.
AASB 2022-10: <i>Amendments to Australian Accounting standards – Fair Value Measurement of Non-Financial Assets of 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.

## **Bendigo Health**

### **Notes to the Financial Statements for the Financial Year Ended 30 June 2023**

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

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

Income, expenses, assets and liabilities are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the Australian Taxation Office (ATO). In this case the GST payable is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. 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 presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the ATO, are presented as operating cash flow.

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 the *Bendigo Health*.

Its principal address is:  
100 Barnard Street  
Bendigo, Victoria, 3550

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



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

**Note: 2 Funding Delivery of Our Services**

Bendigo Health's overall objective is to deliver programs and services that support and enhance the wellbeing of all Victorians.

Bendigo Health is predominantly funded by accrual based grant funding for the provision of outputs. The hospital also receives income from the supply of services.

**Structure**

**2.1 Revenue and income from transactions**

**Telling the COVID-19 story**

Revenue and income recognised to fund the delivery of our services increased during the financial year which was attributable to the COVID-19 Coronavirus pandemic. Whilst the COVID-19 public health response during the year ended 30 June 2023 was scaled down, this was offset by additional funding provided under Victoria's COVID-19 Catch-Up Plan, which aims to address Victoria's COVID-19 case load and restore surgical capacity and activity.

Additional funding was also provided to:

- COVID-19 grants to fund COVID safe plans across Bendigo Health facilities
- Connect COVID-19 patients with the right level of care
- Fund the acquisition of assets, to provide continued support for patients in recovery from COVID-19
- Target outbreak management in high-risk aged care and health settings via local public health units and multidisciplinary mobile teams
- Vaccinate Victorians against COVID-19.

**Key judgements and estimates**

This section contains the following key judgements and estimates:

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

**Bendigo Health**  
**Notes to the Financial Statements for the Financial Year Ended 30 June 2023**

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

		<b>2023</b>	<b>2022</b>
		<b>\$'000</b>	<b>\$'000</b>
<b>Operating Activities</b>			
<b>Revenue from contracts with customers</b>			
Government Grants (State) - Operating		303,009	336,937
Government Grants (Commonwealth) - Operating		59,095	56,268
Patient and Resident Fees		20,717	18,576
Private Practice Fees		3,122	3,252
Commercial Activities <sup>1</sup>		19,253	17,805
<b>Total revenue from contracts with customers</b>	2.1(a)	<b>405,196</b>	<b>432,838</b>
<b>Other sources of income</b>			
Government Grants (State) - Operating		261,432	188,705
Government Grants (State) - Capital		68,107	49,090
Government Grants (Commonwealth) - Capital		2,302	1,853
Other Capital Purpose Income		86	0
Assets received free of charge or for nominal consideration	2.1(b)	3,668	6,880
Other Revenue from Operating Activities (including non-capital donations)		21,478	18,888
<b>Total other sources of income</b>		<b>357,073</b>	<b>265,416</b>
<b>Total Revenue and Income from Operating Activities</b>		<b>762,269</b>	<b>698,254</b>
<b>Non-operating activities</b>			
<b>Other sources of income</b>			
Interest		2,872	295
<b>Total other sources of income</b>		<b>2,872</b>	<b>295</b>
<b>Total Income from Non-Operating Activities</b>		<b>2,872</b>	<b>295</b>
<b>Total Revenue and Income from Transactions</b>		<b>765,141</b>	<b>698,549</b>

1: Commercial activities represent business activities which Bendigo Health enters into to support their operations.

**Bendigo Health**  
**Notes to the Financial Statements for the Financial Year Ended 30 June 2023**

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

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

Government grant	Performance obligation
Activity Based Funding (ABF) paid as Weighted Inlier Equivalent Separation (WIES) casemix	<p>The performance obligations for ABF are the number and mix of patients admitted to hospital (defined as 'casemix') in accordance with the levels of activity agreed to, with the Department of Health in the annual Statement of Priorities.</p> <p>Revenue is recognised at a point in time, which is when a patient is discharged, in accordance with the WIES activity when an episode of care for an admitted patient is completed.</p> <p>WIES activity is a cost weight that is adjusted for time spent in hospital, and represents a relative measure of resource use for each episode of care in a diagnosis related group (DRG).</p> <p>WIES was superseded by NWAU from 1 July 2021, for acute, sub-acute and state-wide (which includes specified grants, state-wide services and teaching and training). Services not transitioning at this time include mental health and small rural services.</p>
Activity Based Funding (ABF) paid as National Weighted Activity Unit (NWAU)	<p>NWAU funding commenced 1 July 2021 and supersedes WIES for acute, sub-acute and state-wide services (which includes specified grants, state-wide services and teaching and training). Services not transitioning at this time include mental health and small rural services.</p> <p>NWAU is a measure of health service activity expressed as a common unit against which the national efficient price (NEP) is paid.</p> <p>The performance obligations for NWAU are the number and mix of admissions, emergency department presentations and outpatient episodes, and is weighted for clinical complexity.</p> <p>Revenue is recognised at point in time, which is when a patient is discharged.</p>
Acute specialist Clinics (Weighted Ambulatory service events)	<p>The performance obligation for Acute Specialist Clinics are the number of service events defined as an interaction between one or more healthcare providers with non-admitted patients. A weighting based on the type of clinician and nature of the service provided determines funding levels for each service event. Revenue is recognised in accordance with Weighted Ambulatory Service Events at agreed activity levels per the annual Statement of Priorities, and on completion of the service event.</p>



## **Bendigo Health**

### **Notes to the Financial Statements for the Financial Year Ended 30 June 2023**

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

##### **Capital Grants**

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

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

##### **Patient and Resident Fees**

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

##### **Private Practice Fees**

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

##### **Commercial Activities**

Revenue from commercial activities such as car park and property rental income are recognised on an accrual basis.

#### **How we recognise revenue and income from Non-Operating Income**

##### **Dividend Income**

Dividend income is recognised when the right to receive payment is established. Dividends represent the income arising from Bendigo Health and its controlled entities' investments in financial assets.

##### **Interest Income**

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

**Bendigo Health****Notes to the Financial Statements for the Financial Year Ended 30 June 2023****Note 2.1(b): Fair Value of Assets received free of charge or for nominal consideration**

	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
Plant and equipment	71	1,277
Personal Protective Equipment	3,597	5,603
<b>Total Fair Value of Assets received free of charge or for nominal consideration</b>	<b>3,668</b>	<b>6,880</b>

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

Donations and bequests are generally recognised as income upon receipt (which is when Bendigo Health usually obtained control of the asset) as they do not contain sufficiently specific and enforceable performance obligations. Where sufficiently specific and enforceable performance obligations exist, revenue is recorded as and when the performance obligation is satisfied.

**Personal Protective Equipment**

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

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

**Contributions of resources**

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

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

## Bendigo Health

### Notes to the Financial Statements for the Financial Year Ended 30 June 2023

#### Voluntary Services

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

- Aboriginal service
- Aged residential care
- Administration
- Patient companionship on our wards
- Concierge and orienteering
- Inpatient and outpatient clinics

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

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

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

Supplier	Description
Victorian Managed Insurance Authority	The Department of Health purchases non-medical indemnity insurance for Bendigo Health which is paid directly to the Victorian Managed Insurance Authority. To record this contribution, such payments are recognised as income with a matching expense in the net result from transactions.
Department of Health	Long Service Leave (LSL) revenue is recognised upon finalisation of movements in LSL liability in line with the long service leave funding arrangements set out in the relevant Department of Health Hospital Circular.
Public Private Partnership (PPP) Consortium	<p>The Department of Health purchases lease arrangements and services which are paid directly to the Public Private Partnership Consortium. To record this contribution, such payments are recognised as income with a matching depreciation and interest expense in the net result from transactions, in accordance with the nature and timing of the monthly or quarterly payment.</p> <p>Such PPP's are not accounted for as a Service Concession Arrangement as the public service criterion is not satisfied.</p>



**Bendigo Health**  
**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 Bendigo Health in delivering services and outputs. In Note 2, the funds that enable the provision of services were disclosed and in this note the cost associated with provision of services are recorded.

**Structure**

- 3.1 Expenses from Transactions
- 3.2 Other Economic Flows
- 3.3 Employee Benefits in the Balance Sheet
- 3.4 Superannuation

**Telling the COVID-19 story**

Expenses incurred to deliver our services increased during the financial year which was partially attributable to the COVID-19 Coronavirus pandemic. Specifically, additional costs were incurred to deliver additional services under Victoria's COVID Catch-Up Plan aimed at addressing Victoria's COVID-19 case load and restoring surgical capacity and activity.

This includes costs associated with:

- Continued support for patients in recovery from COVID-19
- Implement COVID safe practices throughout Bendigo Health including increased cleaning, increased security, consumption of personal protective equipment provided as resources free of charge, and various modifications to facilities to comply with distancing and isolation requirements
- Targeted outbreak management in high-risk aged care and health settings via local public health units and multidisciplinary mobile teams
- Vaccination of Victorians against COVID-19.

**Key judgements and estimates**

This section contains the following key judgements and estimates:

Key judgements and estimates	Description
Classifying employee benefit liabilities	<p>Bendigo Health applies significant judgment when classifying its employee benefit liabilities.</p> <p>Employee benefit liabilities are classified as a current liability if Bendigo Health does not have an unconditional right to defer payment beyond 12 months. Annual leave, accrued days off and long service leave entitlements (for staff who have exceeded the minimum vesting period) fall into this category.</p> <p>Employee benefit liabilities are classified as a non-current liability if Bendigo Health has a conditional right to defer payment beyond 12 months. Long service leave entitlements (for staff who have not yet exceeded the minimum vesting period) fall into this category.</p>
Measuring employee benefit liabilities	<p>Bendigo Health applies significant judgment when measuring its employee benefit liabilities. Bendigo Health applies judgement to determine when it expects its employee entitlements to be paid.</p> <p>With reference to historical data, if Bendigo Health 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 24.6% and 86.91%</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>

**Bendigo Health****Notes to the Financial Statements for the Financial Year Ended 30 June 2023****Note 3.1: Expenses from Transactions**

	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
Salaries and Wages	352,493	340,141
On-costs	95,560	77,877
Agency Expenses	29,085	21,534
Fee for Service Medical Officer Expenses	8,571	7,685
Workcover Premium	3,535	2,556
<b>Total Employee Expenses</b>	<b>489,244</b>	<b>449,793</b>
Drug Supplies	26,932	24,031
Medical and Surgical Supplies (including Prostheses)	31,415	28,900
Diagnostic and Radiology Supplies	7,168	14,001
Other Supplies and Consumables	40,571	35,177
<b>Total Supplies and Consumables</b>	<b>106,086</b>	<b>102,109</b>
Finance Costs	1,087	46
Finance Costs - PPP Arrangements	21,321	21,720
<b>Total Finance Costs</b>	<b>22,408</b>	<b>21,766</b>
Public Private Partnership Operating Expenses	48,091	39,370
<b>Total PPP Operating Expenses</b>	<b>48,091</b>	<b>39,370</b>
Other Administrative Expenses	30,643	29,524
<b>Total Other Administrative Expenses</b>	<b>30,643</b>	<b>29,524</b>
Fuel, Light, Power and Water	6,201	6,031
Repairs and Maintenance	1,616	1,963
Maintenance Contracts	7,421	9,249
Medical Indemnity Insurance	7,057	6,227
Expenses related to short term leases	519	1,087
Expenses related to leases of low value assets	351	335
Expenditure for Capital Purposes	2,108	1,127
<b>Total Other Operating Expenses</b>	<b>25,273</b>	<b>26,019</b>
<b>Total Operating Expenses</b>	<b>721,745</b>	<b>668,581</b>
Depreciation and Amortisation (refer Note 4.6)	35,791	38,273
<b>Total Other Non-Operating Expenses</b>	<b>35,791</b>	<b>38,273</b>
<b>Total Non-Operating Expenses</b>	<b>35,791</b>	<b>38,273</b>
<b>Total Expenses from Transactions</b>	<b>757,536</b>	<b>706,854</b>



**Note 3.1: Expenses from Transactions (continued)**

**How we recognise expenses from transactions**

**Expense recognition**

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

**Employee expenses**

Employee expenses include:

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

**Supplies and consumables**

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

**Finance Costs**

Finance costs include:

- interest on bank overdrafts and short-term and long-term borrowings (Interest expense is recognised in the period in which it is incurred);
- amortisation of discounts or premiums relating to borrowings;
- amortisation of ancillary costs incurred in connection with the arrangement of borrowings; and
- finance charges in respect of leases which are recognised in accordance with AASB 16 *Leases*.

**Other operating expenses**

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

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

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

**Non-operating expenses**

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

**Bendigo Health**  
**Notes to the Financial Statements for the Financial Year Ended 30 June 2023**

**Note 3.2: Other economic flows included in net result**

	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
<u>Net loss on non-financial assets</u>		
Net loss on disposal of property plant and equipment	(29)	(499)
<b>Total net gain/(loss) on non-financial assets</b>	<b>(29)</b>	<b>(499)</b>
<u>Net gain/(loss) on financial instruments at fair value</u>		
Allowance for impairment losses of contractual receivables	(905)	(307)
Net gain/(loss) on financial instruments	1	114
<b>Total net gain/(loss) on financial instruments at fair value</b>	<b>(904)</b>	<b>(193)</b>
<u>Share of other economic flows from Joint Operations</u>		
Share of net profits/(losses) of joint entities, excluding dividends	190	9
<b>Total Share of other economic flows from Joint Operations</b>	<b>190</b>	<b>9</b>
<u>Other gains/(losses) from other economic flows</u>		
Net gain/(loss) arising from revaluation of long service liability	(890)	2,829
<b>Total other gains/(losses) from other economic flows</b>	<b>(890)</b>	<b>2,829</b>
<b>Total other gains/(losses) from economic flows</b>	<b>(1,633)</b>	<b>2,146</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 and
- reclassified amounts relating to equity instruments from the reserves to retained surplus/(deficit) due to a disposal or derecognition of the financial instrument. This does not include reclassification between equity accounts due to machinery of government changes or 'other transfers' of assets.

**Net loss on non-financial assets**

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

- Revaluation gains/ (losses) of non-financial physical assets (Refer to Note 4.2 Property plant and equipment.)
- 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 at fair value**

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

- realised and unrealised gains and losses from revaluations of financial instruments at fair value;
- impairment and reversal of impairment for financial instruments at amortised cost refer to Note 4.1 Investments and other financial assets; and
- disposals of financial assets and derecognition of financial liabilities.
- Allowance for impairment losses of contractual receivables.

**Bendigo Health****Notes to the Financial Statements for the Financial Year Ended 30 June 2023****Note 3.3: Employee Benefits and related on-costs****Current Employee Benefits and Related On-costs**

## Long Service Leave

- Unconditional and expected to be settled wholly within 12 months<sup>i</sup>
- Unconditional and expected to be settled wholly after 12 months<sup>ii</sup>

## Annual Leave

- Unconditional and expected to be settled wholly within 12 months<sup>i</sup>
- Unconditional and expected to be settled wholly after 12 months<sup>ii</sup>

## Accrued Days Off

- Unconditional and expected to be settled wholly within 12 months<sup>i</sup>
- Unconditional and expected to be settled wholly after 12 months<sup>ii</sup>

## Employee Termination Benefits

- Unconditional and expected to be settled wholly within 12 months<sup>i</sup>
- Unconditional and expected to be settled wholly after 12 months<sup>ii</sup>

**Provisions related to Employee Benefit On-Costs**

- Unconditional and expected to be settled within 12 months<sup>i</sup>
- Unconditional and expected to be settled after 12 months<sup>ii</sup>

**Total Current Employee Benefits and Related On-costs****Non-Current Employee Benefits and Related On-costs**

## Conditional Long Service Leave

## Provisions related to Employee Benefit On-Costs

**Total Non-Current Employee Benefits and Related On-costs****Total Employee Benefits and Related On-costs**

	<b>2023 \$'000</b>	<b>2022 \$'000</b>
	6,936	5,772
	46,687	42,279
	33,192	30,244
	5,279	4,893
	763	809
	121	131
	637	274
	0	0
	<b>93,615</b>	<b>84,402</b>
	5,136	4,181
	7,046	5,825
	<b>12,182</b>	<b>10,006</b>
	<b>105,797</b>	<b>94,408</b>
	12,883	11,611
	1,763	1,470
	<b>14,646</b>	<b>13,081</b>
	<b>120,443</b>	<b>107,489</b>

i The amounts disclosed are nominal amounts.

ii The amounts disclosed are discounted to present values.



**Bendigo Health**  
**Notes to the Financial Statements for the Financial Year Ended 30 June 2023**

**Note 3.3(a): Employee Benefits and Related On-costs**

**Current Employee Benefits and Related On-Costs**

Unconditional Long Service Leave Entitlements
Annual Leave Entitlements
Accrued Days Off
Employee Termination Benefits

2023 \$'000	2022 \$'000
60,874	53,925
43,291	39,161
995	1,048
637	274
14,646	13,081
<b>120,443</b>	<b>107,489</b>

**Non-Current Employee Benefits and Related On-Costs**

Conditional Long Service Leave Entitlements
---

**Total Employee Benefits and Related On-Costs**

**Attributable to:**

Employee Benefits
Provision for related on-costs

**Total Employee Benefits and Related On-Costs**

106,498	96,013
13,945	11,476
<b>120,443</b>	<b>107,489</b>

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

**Carrying amounts at start of year**

Additional provisions recognised
Amounts incurred during the year

**Carrying amounts at end of year**

2023 \$'000	2022 \$'000
11,476	11,792
7,697	4,287
(5,228)	(4,603)
<b>13,945</b>	<b>11,476</b>

**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 Bendigo Health does not have an unconditional right to defer settlements of these liabilities.

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

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

**Long Service Leave (LSL)**

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 Bendigo Health does not expect to settle the liability within 12 months because it will not have the unconditional right to defer the settlement of the entitlement should an employee take leave within 12 months. An unconditional right arises after a qualifying period.

The components of this current LSL liability are measured at:

- Nominal value – if Bendigo Health expects to wholly settle within 12 months; or
- Present value – if Bendigo Health does not expect to wholly settle 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**

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

**Bendigo Health**  
**Notes to the Financial Statements for the Financial Year Ended 30 June 2023**

**Note 3.4: Superannuation**

	Paid Contributions for the Year		Contribution Outstanding at Year End	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
<b>Defined Benefit Plans:<sup>i</sup></b>				
Aware Super Pty Ltd	342	373	0	0
Government Superannuation Office	266	194	0	0
<b>Defined contributions plans:</b>				
Aware Super Pty Ltd	16,777	15,209	0	0
HESTA Administration	12,704	10,738	0	0
Other	10,456	8,527	0	0
<b>Total</b>	<b>40,545</b>	<b>35,041</b>	<b>0</b>	<b>0</b>

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

**How we recognise superannuation**

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

**Defined benefit superannuation plans**

The defined benefit plan provides benefits based on years of service and final average salary. The amount charged to the Comprehensive Operating Statement in respect of defined benefit superannuation plans represents the contributions made by Bendigo Health to the superannuation plans in respect of the services of current Bendigo Health staff during the reporting period. Superannuation contributions are made to the plans based on the relevant rules of each plan and are based upon actuarial advice.

Bendigo Health does not recognise any unfunded defined benefit liability in respect of the plans because the hospital has no legal or constructive obligation to pay future benefits relating to its employees; its only obligation is to pay superannuation contributions as they fall due.

The DTF discloses the State's defined benefits liabilities in its disclosure for administered items. However superannuation contributions paid or payable for the reporting period are included as part of employee benefits in the Comprehensive Operating Statement of Bendigo Health.

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

**Defined contribution superannuation plans**

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

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



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

**Note 4: Key Assets to Support Service Delivery**

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

**Structure**

- 4.1 Investments and Other Financial Assets
- 4.2 Property, Plant & Equipment
- 4.3 Right-of-use Assets
- 4.4 Revaluation Surplus
- 4.5 Intangible Assets
- 4.6 Depreciation and Amortisation
- 4.7 Inventories
- 4.8 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>Bendigo Health assigns an estimated useful life to each item of property, plant and equipment. This is used to calculate depreciation of the asset.</p> <p>Bendigo Health reviews the useful life, residual value and depreciation rates of all assets at the end of each financial year and where necessary, records a change in accounting estimate.</p>
Estimating useful life of right-of-use assets	<p>The useful life of each right-of-use asset is typically the respective lease term, except where Bendigo Health is reasonably certain to exercise a purchase option contained within the lease (if any), in which case the useful life reverts to the estimated useful life of the underlying asset.</p> <p>Bendigo Health applies significant judgement to determine whether or not it is reasonably certain to exercise such purchase options.</p>
Estimating restoration costs at the end of a lease	<p>Where a lease agreement requires Bendigo Health to restore a right-of-use asset to its original condition at the end of a lease, Bendigo Health estimates the present value of such restoration costs. This cost is included in the measurement of the right-of-use asset, which is depreciated over the relevant lease term.</p>
Estimating the useful life of intangible assets	<p>Bendigo Health assigns an estimated useful life to each intangible asset with a finite useful life, which is used to calculate amortisation of the asset.</p>
Identifying indicators of impairment	<p>At the end of each year, Bendigo Health assesses impairment by evaluating the conditions and events specific to Bendigo Health that may be indicative of impairment triggers. Where an indication exists, Bendigo Health tests the asset for impairment.</p> <p>Bendigo Health considers a range of information when performing its assessment, including considering:</p> <ul style="list-style-type: none"> <li>▪ If an asset's value has declined more than expected based on normal use</li> <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, Bendigo Health applies significant judgement and estimate to determine the recoverable amount of the asset.</p>

**Bendigo Health**  
**Notes to the Financial Statements for the Financial Year Ended 30 June 2023**

**Note 4.1: Investments and Other Financial Assets**

**CURRENT**

**Financial Assets at Fair Value through profit or loss**

Australian listed shares

**Total Current**

**Represented by:**

Shares

**Total Investments and Other Financial Assets**

Operating Fund		Total	
2023	2022	2023	2022
\$'000	\$'000	\$'000	\$'000
30	57	30	57
<b>30</b>	<b>57</b>	<b>30</b>	<b>57</b>
30	57	30	57
<b>30</b>	<b>57</b>	<b>30</b>	<b>57</b>

**How we recognise investments and other financial assets**

Bendigo Health's investments and other financial assets are made in accordance with Standing Direction 3.7.2 - Treasury Management, including the Central Banking System.

Bendigo Health manages its investments and other financial assets in accordance with an investment policy approved by the Board.

Investments are recognised when Bendigo Health enters into a contract to either purchase or sell the investment (i.e. when it becomes a party to the contractual provisions to the investment). Investments are initially measured at fair value, net of transaction costs.

Bendigo Health classifies its other financial assets between current and non-current assets based on the Board's intention at balance date with respect to the timing of disposal of each asset.

**Bendigo Health**  
**Notes to the Financial Statements for the Financial Year Ended 30 June 2023**

**Note 4.2: Property, Plant & Equipment**

**(a) Gross carrying amount and accumulated depreciation**

	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Land</b>		
Land at Fair Value	39,711	39,711
<b>Total Land</b>	<b>39,711</b>	<b>39,711</b>
<b>Buildings</b>		
Buildings at Fair Value	111,583	116,268
Less Accumulated Depreciation	0	(16,378)
<b>Total Buildings</b>	<b>111,583</b>	<b>99,890</b>
<b>Landscaping and Grounds</b>		
Landscaping and Grounds at Fair Value	2,776	2,723
Less Accumulated Depreciation	(324)	(241)
<b>Total Landscaping &amp; Grounds</b>	<b>2,452</b>	<b>2,482</b>
<b>Plant and Machinery</b>		
Plant and Machinery at Fair Value	6,436	5,455
Less Accumulated Depreciation	(4,208)	(3,924)
<b>Total Plant and Machinery</b>	<b>2,228</b>	<b>1,531</b>
<b>Medical Equipment</b>		
Medical Equipment at Fair Value	47,038	45,856
Less Accumulated Depreciation	(34,462)	(30,282)
<b>Total Medical Equipment</b>	<b>12,576</b>	<b>15,574</b>
<b>Computers and Communication Equipment</b>		
Computers and Communication Equipment at Fair Value	30,707	30,475
Less Accumulated Depreciation	(27,563)	(27,425)
<b>Total Computers and Communications Equipment</b>	<b>3,144</b>	<b>3,050</b>
<b>Furniture and Fittings</b>		
Furniture and Fittings at Fair Value	847	834
Less Accumulated Depreciation	(631)	(600)
<b>Total Furniture and Fittings</b>	<b>216</b>	<b>234</b>
<b>Motor Vehicles</b>		
Motor Vehicles at Fair Value	4,795	4,813
Less Accumulated Depreciation	(3,168)	(2,918)
<b>Total Motor Vehicles</b>	<b>1,627</b>	<b>1,895</b>
<b>Non-Medical Equipment</b>		
Non-Medical Equipment at Fair Value	2,567	2,536
Less Accumulated Depreciation	(2,250)	(2,189)
<b>Total Non-Medical Equipment</b>	<b>317</b>	<b>347</b>
<b>Work In Progress</b>		
Work In Progress at Cost	52,388	21,160
<b>Total Work In Progress</b>	<b>52,388</b>	<b>21,160</b>
<b>Total Property, Plant and Equipment</b>	<b>226,242</b>	<b>185,874</b>



**Bendigo Health**  
**Notes to the Financial Statements for the Financial Year Ended 30 June 2023**

**Note 4.2 (b): Property, Plant & Equipment (continued)**

**How we recognise property, plant and equipment**

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

**Initial Recognition**

Items of property, plant and equipment (excluding right-of-use assets) are measured initially at cost and subsequently revalued at fair value less accumulated depreciation and impairment loss. Where an asset is acquired for no or nominal cost, the cost is its fair value at the date of acquisition. Assets transferred as part of a merger/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 (PPE) are subsequently measured at fair value less accumulated depreciation and impairment losses where applicable. Fair value is determined with regard 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, Bendigo Health perform a managerial assessment to estimate possible changes in fair value of land and buildings since the date of the last independent valuation with reference to Valuer-General of Victoria (VGV) Indices.

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

**Bendigo Health**  
**Notes to the Financial Statements for the Financial Year Ended 30 June 2023**

**Note 4.2 (b): Property, Plant & Equipment (continued)**

An independent valuation of Bendigo Health's property was performed by the VGV on 30 June 2019. The valuation, which complies with Australian Valuation Standards, was determined by reference to the amount for which assets could be exchanged between knowledgeable willing parties in an arm's length transaction. 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 buildings, excluding Right of Use Buildings of 14.41% (\$14,053,196)

As the cumulative movement was greater than 10% but less than 40% for buildings since the last revaluation a managerial revaluation adjustment was required as at 30 June 2023.

As the cumulative movement was less than 10% for land 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.

**Bendigo Health**  
Notes to the Financial Statements for the Financial Year Ended 30 June 2023  
**Note 4.2: Property, Plant & Equipment (Continued)**

(b) Reconciliations of the carrying amounts of each class of asset.

	Land	Buildings	Landscaping and Grounds	Plant and Machinery	Medical Equipment	Computers and Communications Equipment	Furniture and Fittings	Motor Vehicles	Non-Medical Equipment	Work In Progress	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Balance at 30 June 2021</b>	<b>30,689</b>	<b>105,097</b>	<b>2,562</b>	<b>1,667</b>	<b>18,277</b>	<b>4,077</b>	<b>242</b>	<b>2,347</b>	<b>385</b>	<b>1,504</b>	<b>166,847</b>
Additions	0	1,245	0	82	1,305	1,330	22	0	47	20,021	24,052
Disposals	0	0	0	0	(557)	0	0	(132)	0	0	(689)
Revaluation Increments / (Decrements)	9,022	0	0	0	0	0	0	0	0	0	9,022
Jointly controlled Non-Current Assets (refer Note 8.8)	0	0	0	0	0	(33)	0	0	0	0	(33)
Assets Received Free of Charge	0	0	0	0	1,278	0	0	0	0	0	1,278
Net Transfers between Classes	0	84	0	0	6	281	0	0	(6)	(365)	0
Depreciation (refer note 4.6)	0	(6,536)	(80)	(218)	(4,735)	(2,605)	(30)	(320)	(79)	0	(14,603)
<b>Balance at 30 June 2022</b>	<b>39,711</b>	<b>99,890</b>	<b>2,482</b>	<b>1,531</b>	<b>15,574</b>	<b>3,050</b>	<b>234</b>	<b>1,895</b>	<b>347</b>	<b>21,160</b>	<b>185,874</b>
Additions	0	2,057	0	725	1,352	880	13	0	37	33,357	38,421
Disposals	0	0	0	0	(30)	(5)	0	(5)	0	0	(40)
Revaluation Increments / (Decrements)	0	14,053	0	0	0	0	0	0	0	0	14,053
Jointly controlled Non-Current Assets (refer Note 8.8)	0	0	0	0	0	(5)	0	0	0	0	(5)
Assets Received Free of Charge	0	0	0	0	0	0	0	0	0	0	0
Net Transfers between Classes	0	1,337	53	264	0	475	0	0	0	(2,129)	0
Depreciation (refer note 4.6)	0	(5,754)	(83)	(292)	(4,320)	(1,251)	(31)	(263)	(67)	0	(12,061)
<b>Balance at 30 June 2023</b>	<b>39,711</b>	<b>111,583</b>	<b>2,452</b>	<b>2,228</b>	<b>12,576</b>	<b>3,144</b>	<b>216</b>	<b>1,627</b>	<b>317</b>	<b>52,388</b>	<b>226,242</b>

**Bendigo Health****Notes to the Financial Statements for the Financial Year Ended 30 June 2023****Note 4.3: Right-of-use Assets****4.3(a) Gross carrying amount and accumulated depreciation**

	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
Right of Use Buildings at fair value	38,340	35,708
Less Accumulated Depreciation	(7,006)	(5,142)
<b>Total Right-of-use Buildings at Fair Value</b>	<b>31,334</b>	<b>30,566</b>
Right of Use Plant and Equipment at Fair Value	1,326	1,315
Less Accumulated Depreciation	(615)	(505)
<b>Total Right of Use Plant and Equipment at Fair Value</b>	<b>711</b>	<b>810</b>
<b>Leased Assets Contracted under VicFleet</b>		
<b>Motor Vehicles</b>		
Motor Vehicles at Fair Value	519	320
Less Accumulated Depreciation	(112)	(50)
<b>Total Leased Assets Contracted under VicFleet</b>	<b>407</b>	<b>270</b>
<b>Right of Use PPP Assets</b>		
Leased Buildings at Fair Value	576,409	582,813
Less Accumulated Depreciation	0	(54,280)
	<b>576,409</b>	<b>528,533</b>
Leased Equipment at Fair Value	22,140	21,868
Less Accumulated Depreciation	(5,678)	(4,733)
	<b>16,462</b>	<b>17,135</b>
<b>Total Right-of-use PPP Assets</b>	<b>592,871</b>	<b>545,668</b>
<b>Total Right-of-use Assets</b>	<b>625,323</b>	<b>577,314</b>



**Bendigo Health**  
**Notes to the Financial Statements for the Financial Year Ended 30 June 2023**

**4.3(b) Reconciliations of the carrying amounts of each class of asset**

	Right of Use Buildings \$'000	Right of Use Plant and Equipment \$'000	Right of Use PPP Assets \$'000	Leased Assets \$'000	Total \$'000
<b>Balance at 30 June 2021</b>	<b>31,608</b>	<b>964</b>	<b>564,580</b>	<b>129</b>	<b>597,281</b>
Additions	778	22	69	178	1,047
Disposals	0	0	0	0	0
Revaluation Increments / (Decrements)	0	0	0	0	0
Depreciation (refer note 4.6)	(1,820)	(176)	(18,981)	(37)	(21,014)
<b>Balance at 30 June 2022</b>	<b>30,566</b>	<b>810</b>	<b>545,668</b>	<b>270</b>	<b>577,314</b>
Additions	2,631	11	271	200	3,113
Disposals	0	0	0	0	0
Revaluation Increments / (Decrements)	0	0	65,970	0	65,970
Depreciation (refer note 4.6)	(1,863)	(110)	(19,038)	(63)	(21,074)
<b>Balance at 30 June 2023</b>	<b>31,334</b>	<b>711</b>	<b>592,871</b>	<b>407</b>	<b>625,323</b>

**Bendigo Health**  
**Notes to the Financial Statements for the Financial Year Ended 30 June 2023**

**4.3(b) Reconciliations of the carrying amounts of each class of asset (continued)**

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

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

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

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

Class of right-of-use asset	Lease term
Leased buildings	2 to 30 years
Leased plant, equipment, furniture, fittings and vehicles	3 to 25 years

**Initial recognition**

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

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

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

Bendigo Health 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 Bendigo Health'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.

**Bendigo Health**  
**Notes to the Financial Statements for the Financial Year Ended 30 June 2023**

**4.3(b) Reconciliations of the carrying amounts of each class of asset (continued)**

**Revaluation**

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

Where an independent valuation has not been undertaken at balance date, Bendigo Health perform a managerial assessment to estimate possible changes in fair value of 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 the right-of-use 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 the right-of-use buildings since the last independent valuation, being equal to or in excess of 40%, Bendigo Health would obtain an interim independent valuation prior to the next scheduled independent valuation.

An independent valuation of Bendigo Health's right-of-use buildings PPP was performed by the VGV on 30 June 2019. The valuation, which complies with Australian Valuation Standards, was determined by reference to the amount for which assets could be exchanged between knowledgeable willing parties in an arm's length transaction. As an independent valuation was not undertaken on 30 June 2023, a managerial assessment was performed at 30 June 2023, which included an overall:

- Increase in fair value right-of-use buildings PPP of 12.92% (\$65,969,603)

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.

**Bendigo Health****Notes to the Financial Statements for the Financial Year Ended 30 June 2023****Note 4.4: Revaluation Surplus**

		<b>2023</b>	<b>2022</b>
		<b>\$'000</b>	<b>\$'000</b>
Balance at the beginning of the reporting period		31,363	22,341
<b>Revaluation Increment</b>			
- Land	4.2(b)	0	9,022
- Landscaping and Grounds	4.2(b)	0	0
- Buildings	4.2(b)	14,053	0
- Right-of-Use PPP Building	4.3(b)	65,970	0
<b>Balance at the end of the reporting period*</b>		<b>111,386</b>	<b>31,363</b>
<b>* Represented by:</b>			
- Land		29,609	29,609
- Buildings		14,053	0
- Right-of-Use PPP Building		65,970	
- Landscaping and Grounds		1,754	1,754
		<b>111,386</b>	<b>31,363</b>



**Bendigo Health****Notes to the Financial Statements for the Financial Year Ended 30 June 2023****Note 4.5: Intangible Assets****Note 4.5(a): Gross carrying amount and accumulated amortisation**

	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
Intangible produced assets - software	26,556	26,556
Less accumulated amortisation	(7,072)	(4,416)
<b>Total intangible produced assets - software</b>	<b>19,484</b>	<b>22,140</b>

**Note 4.5(b): Reconciliations of the carrying amounts of each class of asset**

	<b>Note</b>	<b>Software \$'000</b>	<b>Total \$'000</b>
<b>Balance at 30 June 2021</b>		<b>24,796</b>	<b>24,796</b>
Additions		-	-
Disposals		-	-
Revaluation increments/(decrements)		-	-
Net Transfers between classes		-	-
Depreciation	4.6	(2,656)	(2,656)
<b>Balance at 30 June 2022</b>	<b>4.5(a)</b>	<b>22,140</b>	<b>22,140</b>
Additions		-	-
Disposals		-	-
Revaluation increments/(decrements)		-	-
Net Transfers between classes		-	-
Depreciation	4.6	(2,656)	(2,656)
<b>Balance at 30 June 2023</b>	<b>4.5(a)</b>	<b>19,484</b>	<b>19,484</b>

**How we recognise intangible assets**

Intangible assets represent identifiable non-monetary assets without physical substance such as computer software and car park revenue recognition rights.

**Initial recognition**

Purchased intangible assets are initially recognised at cost.

An internally generated intangible asset arising from development (or from the development phase of an internal project) is also recognised at cost if, and only if, all of the following are demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale
- an intention to complete the intangible asset and use or sell it
- the ability to use or sell the intangible asset
- the intangible asset will generate probable future economic benefits
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

Expenditure on research activities is recognised as an expense in the period on which it is incurred.

**Subsequent measurement**

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

**Bendigo Health****Notes to the Financial Statements for the Financial Year Ended 30 June 2023****Note 4.6: Depreciation and Amortisation**

	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Depreciation</b>		
<b>Property, Plant and Equipment</b>		
Buildings	5,754	6,536
Landscaping and Grounds	83	80
Plant and Machinery	292	218
Medical Equipment	4,320	4,735
Computers and Communication	1,251	2,605
Furniture and Fittings	31	30
Motor Vehicles	263	320
Non-Medical Equipment	67	79
<b>Total Depreciation - Property, Plant and Equipment</b>	<b>12,061</b>	<b>14,603</b>
<b>Right of Use Assets</b>		
Right of Use Buildings	1,863	1,820
Right of Use Plant and Equipment	110	176
Right of Use Motor Vehicles	63	37
Right of Use PPP Assets	19,038	18,981
<b>Total Depreciation - Right of Use Assets</b>	<b>21,074</b>	<b>21,014</b>
<b>Total Depreciation</b>	<b>33,135</b>	<b>35,617</b>
<b>Amortisation</b>		
Software	2,656	2,656
<b>Total amortisation</b>	<b>2,656</b>	<b>2,656</b>
<b>Total depreciation and amortisation</b>	<b>35,791</b>	<b>38,273</b>

## Bendigo Health

### Notes to the Financial Statements for the Financial Year Ended 30 June 2023

#### How we recognise Depreciation

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

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

#### How we recognise Amortisation

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

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

<b>Non-public private partnership (PPP) assets</b>	<b>2023</b>	<b>2022</b>
Buildings		
- Structure Shell Building Fabric	2 to 58 years	2 to 58 years
- Site Engineering Services and Central Plant	2 to 52 years	2 to 52 years
Central Plant		
- Fit Out	25 years	25 years
- Trunk Reticulated Building Systems	30 years	30 years
Landscaping and Grounds	24 to 80 years	24 to 80 years
Plant and Machinery	4 to 20 years	4 to 20 years
Medical Equipment	3 to 20 years	3 to 20 years
Computers and Communication	1 to 20 years	1 to 20 years
Furniture and Fitting	4 to 20 years	4 to 20 years
Motor Vehicles	4 to 8 years	4 to 8 years
Software	10 years	10 years
Non Medical Equipment	2 to 20 years	2 to 20 years
<b>Public private partnership (PPP) assets</b>	<b>2023</b>	<b>2022</b>
Buildings	22 to 58 years	22 to 58 years
Equipment	3 to 20 years	3 to 20 years

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



**Bendigo Health**  
**Notes to the Financial Statements for the Financial Year Ended 30 June 2023**

**Note 4.7: Inventories**

**Inventories**

Pharmaceuticals - at cost
Medical and Surgical Lines - at cost
Other - at cost
<b>Total Inventories</b>

<b>2023</b>	<b>2022</b>
<b>\$'000</b>	<b>\$'000</b>
1,096	1,082
2,327	1,879
469	454
<b>3,892</b>	<b>3,415</b>

**How we recognise Inventories**

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

**Note 4.8: Impairment of Assets**

**How we recognise Impairment**

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

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

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

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

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

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

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

Bendigo Health did not record any impairment losses for the year ended 30 June 2023.



**Bendigo Health**  
**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 Bendigo Health's operations.

**Structure**

5.1 Receivables

5.2 Payables

5.3 Other Liabilities

**Telling the COVID-19 story**

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

**Key judgements and estimates**

This section contains the following key judgements and estimates:

Key judgements and estimates	Description
Estimating the provision for expected credit losses	Bendigo Health uses a simplified approach to account for the expected credit loss provision. A provision matrix is used, which considers historical experience, external indicators and forward-looking information to determine expected credit loss rates.
Classifying a sub-lease arrangement as either an operating lease or finance lease	<p>Bendigo Health applies significant judgement to determine if a sub-lease arrangement, where the health service is a lessor, meets the definition of an operating lease or finance lease.</p> <p>Bendigo Health considers a range of scenarios when classifying a sub-lease. A sub-lease typically meets the definition of a finance lease if:</p> <ul style="list-style-type: none"> <li>▪ The lease transfers ownership of the asset to the lessee at the end of the term</li> <li>▪ The lessee has an option to purchase the asset for a price that is significantly below fair value at the end of the lease term</li> <li>▪ The lease term is for the majority of the asset's useful life</li> <li>▪ The present value of lease payments amount to the approximate fair value of the leased asset and</li> <li>▪ The leased asset is of a specialised nature that only the lessee can use without significant modification.</li> </ul> <p>All other sub-lease arrangements are classified as an operating lease.</p>
Measuring deferred capital grant income	<p>Where Bendigo Health has received funding to construct an identifiable non-financial asset, such funding is recognised as deferred capital grant income until the underlying asset is constructed.</p> <p>Bendigo Health applies significant judgement when measuring the deferred capital grant income balance, which references the estimated the stage of completion at the end of each financial year.</p>
Measuring contract liabilities	Bendigo Health applies significant judgement to measure its progress towards satisfying a performance obligation as detailed in Note 2. Where a performance obligation is yet to be satisfied, Bendigo Health assigns funds to the outstanding obligation and records this as a contract liability until the promised good or service is transferred to the customer.
Recognition of other provisions	Other provisions include Bendigo Health's obligation to restore leased assets to their original condition at the end of a lease term. Bendigo Health applies significant judgement and estimate to determine the present value of such restoration costs.

**Bendigo Health**
**Notes to the Financial Statements for the Financial Year Ended 30 June 2023**
**Note 5.1: Receivables**

	Notes	2023 \$'000	2022 \$'000
<b>CURRENT RECEIVABLES</b>			
<b>Contractual</b>			
Trade Debtors		3,193	6,884
Debtors - Department of Health		0	12,613
Patient Fees		4,982	3,727
Allowance for impairment losses	5.1(a)	(499)	(477)
Trade Debtors - Joint Venture		338	79
Accrued Revenue - Other		9,487	4,027
<b>Sub-total Contractual Receivables</b>		<b>17,501</b>	<b>26,853</b>
<b>Statutory</b>			
GST Receivable		3,178	2,485
<b>Sub-total Statutory Receivables</b>		<b>3,178</b>	<b>2,485</b>
<b>Total Current Receivables</b>		<b>20,679</b>	<b>29,338</b>
<b>NON CURRENT</b>			
<b>Contractual</b>			
Long Service Leave - Department of Health		35,978	29,594
<b>Sub-total Contractual Receivables</b>		<b>35,978</b>	<b>29,594</b>
<b>Total Non-Current Receivables</b>		<b>35,978</b>	<b>29,594</b>
<b>Total Receivables</b>		<b>56,657</b>	<b>58,932</b>
<i>(i) Financial assets classified as receivables</i>			
Total receivables		56,657	58,932
GST receivable		(3,178)	(2,485)
Total financial assets	7.1(a)	<b>53,479</b>	<b>56,447</b>
<b>Note 5.1(a) Movement in the allowance for impairment losses of contractual receivables</b>			
		<b>2023 \$'000</b>	<b>2022 \$'000</b>
Balance at beginning of year		(477)	(421)
Amounts written off during the year		882	307
Increase in allowance recognised in net result		(904)	(363)
<b>Balance at end of year</b>		<b>(499)</b>	<b>(477)</b>

**Bendigo Health**  
**Notes to the Financial Statements for the Financial Year Ended 30 June 2023**

**How we recognise receivables**

Receivables consist of:

- **Contractual receivables**, which mostly includes debtors in relation to goods and services and accrued investment income. 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. Bendigo Health 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; and
- **Statutory receivables**, which mostly includes amounts owing from the Victorian Government and 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. Bendigo Health 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*.

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

**Impairment losses of contractual receivables**

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

**Bendigo Health**  
**Notes to the Financial Statements for the Financial Year Ended 30 June 2023**

**Note 5.2: Payables**

**CURRENT PAYABLES**

**Contractual**

		2023 \$'000	2022 \$'000
Accrued Expenses		8,119	5,947
Accrued Salaries and Wages		14,229	19,187
Contract Liabilities	5.2(b)	4,142	15,740
Salary Packaging		0	32
Trade Creditors		21,576	18,511
		<b>48,066</b>	<b>59,417</b>
<b>Total Payables</b>		<b>48,066</b>	<b>59,417</b>

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

Total payables and contract liabilities		48,066	59,417
Contract Liabilities		(4,142)	(15,740)
Total financial liabilities classified as payables	7.1(a)	<b>43,924</b>	<b>43,677</b>

**How we recognise payables**

Payables consist of:

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

- **Statutory payables**, that 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 60 days.



**Bendigo Health****Notes to the Financial Statements for the Financial Year Ended 30 June 2023****Note 5.2(a): Deferred Capital Grant Revenue****Opening balance of deferred grant income**

Grant consideration for capital works received during the year

Deferred grant revenue recognised as revenue due to completion of capital works

**Closing balance of deferred grant income**

<b>2023</b>	<b>2022</b>
<b>\$'000</b>	<b>\$'000</b>
0	5,218
9,850	0
(9,850)	(5,218)
<b>0</b>	<b>0</b>

**How we recognise deferred capital grant revenue**

Grant consideration was received from State and Commonwealth Government Agencies for various capital projects. Capital grant revenue is recognised progressively as the asset is constructed, since this is the time when Bendigo Health satisfies its obligations under the transfer by controlling the asset as and when it is constructed. The progressive percentage costs incurred is used to recognise income because this most closely reflects the progress to completion as costs are incurred as the works are done. (see note 2.1) As a result, Bendigo Health has deferred recognition of a portion of the grant consideration received as a liability for the outstanding obligations.

**Maturity analysis of payables**

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

**Note 5.2(b): Contract Liabilities****Balance at beginning of year**

Payments received for performance obligations not yet fulfilled

Revenue recognised for the completion of a performance obligation

**Balance at end of year**

<b>2023</b>	<b>2022</b>
<b>\$'000</b>	<b>\$'000</b>
15,495	10,961
142,853	96,659
(154,206)	(92,125)
<b>4,142</b>	<b>15,495</b>

**How we recognise contract liabilities**

Contract liabilities include consideration received in advance from customers for various services or projects before a related performance obligation is satisfied.

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

**Bendigo Health****Notes to the Financial Statements for the Financial Year Ended 30 June 2023****Note 5.3: Other Liabilities****Current Monies Held In Trust**

Refundable Accommodation Deposits (RADs)
Community Packages
Local Loddon Leadership Group
Loddon Mallee Leadership Group
Loddon Mallee Regional Palliative Care Consortium
Loddon Mallee Regional Palliative Care Consultancy
Patient Monies Held in Trust
Loddon Mallee Integrated Cancer Services
Mallee Health Partnership
Murray Health Partnership
<b>Total Current Monies Held In Trust</b>

<b>2023</b>	<b>2022</b>
<b>\$'000</b>	<b>\$'000</b>
24,848	24,360
1,851	0
1,075	747
402	695
1,354	1,130
70	76
238	293
961	1,211
496	496
568	568
<b>31,863</b>	<b>29,576</b>
<b>70</b>	<b>156</b>
<b>31,933</b>	<b>29,732</b>
<b>31,933</b>	<b>29,732</b>

**Other Liabilities****Total Current Other Liabilities****Total Other Liabilities****\* Total Monies Held in Trust****Represented by the following assets:**

Cash Assets (refer to note 6.2)

**Total**

31,863	29,566
<b>31,863</b>	<b>29,566</b>

**How we recognise other liabilities****Accommodation Deposits (Refundable Accommodation Deposit)/Accommodation Bond Liabilities**

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

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

**Interest Rate Swap Derivative - cash flow hedge**

Bendigo Health is party to a derivative financial instrument in order to hedge exposure to fluctuations in interest rate changes.

As required in the operating deed for the Bendigo Health public private partnership, Bendigo Health became responsible for the interest rate swap contract during the 2018-19 financial year in which it entered into an Interest Rate Swap (IRS) contract to fix the interest payable under the Quarterly Service Payments. The IRS is effective for the period of 3 June 2019 to 1 October 2041.

Bendigo Health has economic exposure to AUD bank bill swap rate BBSY indexed cash flow interest rate risk embedded in the Floating Rate Component (FRC) debt payments to Exemplar Health.

The objective of interest rate hedging is to mitigate the variability in AUD cash flows due to changes in BBSY benchmark interest rates associated with FRC payments to Exemplar Health.

Bendigo Health has transacted to pay fixed and receive floating BBSY interest rate with Treasury Corporation of Victoria (TCV) to fix the effective interest rate on its FRC payments. The rate fixed in the Interest Rate Swap is 2.054% compared to the variable BBSY rate of 4.38% as at the end of the reporting period.

The swap contracts require settlement of net interest receivable or payable every 90 days. The settlement dates coincide with the dates on which interest is payable on the underlying debt.

For the purpose of this hedge relationship, BBSY cash flow exposures on FRC is an eligible hedged item under the requirements of *AASB 9 Financial Instruments*.

**Bendigo Health**  
**Notes to the Financial Statements for the Financial Year Ended 30 June 2023**

**Derivatives and hedging activities**

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. Bendigo Health only has the one hedging instrument, being an interest rate swap.

The full fair value of the hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months; it is only classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Bendigo Health designates derivatives as a cash flow hedge and the swap hedges interest rate risk associated with the cash flows of the PPP lease liability that has highly probable forecast transactions.

Hedges that meet all the qualifying criteria for hedge accounting are accounted for, as described below:

**Cash flow hedges**

The effective portion of changes in the fair value of the derivative that is designated and qualify as a cash flow hedge is recognised in the cash flow hedge reserve within equity. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss, within other gains/(losses). The cash flow hedge reserve is adjusted to the lower of the cumulative gain or loss on the hedging instrument and the cumulative change in fair value of the hedged item.

The gain or loss relating to the effective portion of the interest rate swaps hedging variable rate borrowings is recognised in profit or loss within finance cost at the same time as the interest expense on the hedged borrowings.

**Fair value measurement of derivative instruments**

*(i) Valuation techniques used to determine fair values*

Interest Rate Swap – the present value of the estimated future cash flows based on observable swap yield curves.

The fair value estimate is included as 'recurring fair value measurements' in level 2 of the fair value hierarchy as described in note 7.4.



**Bendigo Health**  
**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 Bendigo Health during its operations, along with interest expenses (the cost of borrowings) and other information related to financing activities of the hospital.

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



**Bendigo Health**  
**Notes to the Financial Statements for the Financial Year Ended 30 June 2023**

**Note 6.1: Borrowings**

**Current Borrowings**

DH Loan<sup>1</sup>

Lease Liability - PPP<sup>2</sup>

Lease Liability<sup>2</sup>

**Total Current Borrowings**

**Non-Current Borrowings**

Lease Liability - PPP<sup>2</sup>

Lease Liability<sup>2</sup>

**Total Non Current Borrowings**

**Total Borrowings**

	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
	0	800
6.1(b)	4,987	4,568
6.1(a)	1,785	1,613
	<b>6,772</b>	<b>6,981</b>
6.1(b)	236,771	241,758
6.1(a)	32,321	31,322
	<b>269,092</b>	<b>273,080</b>
	<b>275,864</b>	<b>280,061</b>

(1) DH unsecured loan which bears no interest.

(2) Lease secured by assets leased. Leases are effectively secured as the rights to the leased assets revert to the lessor in the event of default. Note that the obligation of fulfilling PPP interest and principal payments over the PPP term rests with the Department of Health. Bendigo Health records on behalf of the Department of Health according to the information provided.

**How we recognise borrowings**

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

**Initial recognition**

All borrowings are initially recognised at fair value of the consideration received, less directly attributable transaction costs. The measurement basis subsequent to initial recognition, borrowings are measured at amortised cost with any difference between the initial recognised amount and the redemption value is recognised in the net result over the period of the borrowings using the effective interest method.

**Subsequent measurement**

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

**Maturity analysis**

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

**Defaults and breaches**

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

**Note 6.1(a) Lease liabilities**

Bendigo Health's lease liabilities are summarised below:

Total undiscounted lease liabilities

Less unexpired finance expenses

**Net lease liabilities**

<b>2023</b>	<b>2022</b>
<b>\$'000</b>	<b>\$'000</b>
46,361	45,299
(12,255)	(12,364)
<b>34,106</b>	<b>32,935</b>

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

Not longer than one year

Later than 1 year and not later than 5 years

Later than 5 years

**Minimum future lease liability**

- Less unexpired finance expenses

**Present value of lease liability**

<b>2023</b>	<b>2022</b>
<b>\$'000</b>	<b>\$'000</b>
2,853	2,641
9,621	9,209
33,887	33,449
<b>46,361</b>	<b>45,299</b>
(12,255)	(12,364)
<b>34,106</b>	<b>32,935</b>
1,785	1,613
32,321	31,322
<b>34,106</b>	<b>32,935</b>

**\* Represented by:**

Current liabilities

Non-Current liabilities

**Bendigo Health**  
**Notes to the Financial Statements for the Financial Year Ended 30 June 2023**

**How we recognise lease liabilities**

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

To apply this definition, Bendigo Health ensures the contract meets the following criteria:

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

Bendigo Health's lease arrangements consist of the following:

Type of asset leased	Lease term
Leased buildings	2 to 30 years
Leased plant, equipment, furniture, fittings and vehicles	3 to 25 years

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

Type of payment	Description of payment	Type of leases captured
Low value lease payments	Leases where the underlying asset's fair value, when new, is no more than \$10,000	PC's and Photocopiers

**Separation of lease and non-lease components**

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

**Initial measurement**

The lease liability is initially measured at the present value of the lease payments unpaid at the commencement date, discounted using the interest rate implicit in the lease if that rate is readily determinable or Bendigo Health's incremental borrowing rate. Our lease liability has been discounted by rates of between 1.6% to 3.3%.

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

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

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

- Leased Buildings
- Leased plant, equipment, furniture, fittings and vehicles

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).

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

During the current financial year, the financial effect of revising lease terms to reflect the effect of exercising extension and termination options was an increase in recognised lease liabilities and right-of-use assets of \$219,083.

**Subsequent measurement**

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



**Bendigo Health**  
**Notes to the Financial Statements for the Financial Year Ended 30 June 2023**

**Note 6.1(b) PPP Lease Liabilities**

Bendigo Health's PPP lease liabilities are summarised below:

	2023 \$'000	2022 \$'000
Total undiscounted PPP lease liabilities	499,675	526,212
Less unexpired finance expenses	(257,917)	(279,886)
<b>Net PPP lease liabilities</b>	<b>241,758</b>	<b>246,326</b>

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

	2023 \$'000	2022 \$'000
Not longer than one year	26,592	26,538
Later than 1 year and not later than 5 years	107,757	107,421
Later than 5 years	365,326	392,253
<b>Minimum future PPP lease liability</b>	<b>499,675</b>	<b>526,212</b>
- Less unexpired finance expenses	(241,903)	(152,460)
- Floating Rate Component (FRC) adjustment (i)	(16,014)	(127,426)
<b>Present value of PPP lease liability</b>	<b>241,758</b>	<b>246,326</b>
<b>* Represented by:</b>		
Current liabilities	4,987	4,568
Non-Current liabilities	236,771	241,758
	<b>241,758</b>	<b>246,326</b>

(i) Contingent lease payments/receipts adjust the minimum finance lease payments made for differences between the prevailing Bank Bill Rate and a fixed interest rate of 5.098% for the period May 2019 to April 2040 multiplied by the principal loan amount outstanding over that period. The forecast contingent lease receipts above have been calculated based on forward interest rates applying hedge accounting at a swap rate of 2.054% as at 30 June 2019 as provided by TCY.

**How we recognise commissioned public private partnerships (PPP)**

The Bendigo Hospital facility was built through a Public Private Partnership arrangement between of State of Victoria and Exemplar Health. Bendigo Health occupies the facility through a sublease agreement with Exemplar Health. Bendigo Health, on behalf of the State of Victoria, agreed to record and report the State's obligations and associated accounting transactions as provided by the Department of Health.

In relation to the PPP arrangement, although Bendigo Health has assumed the financial assets and liabilities in its accounts, the payments to the private provider are being made directly by the Department of Health on a monthly basis, hence there is no cash flow impact on Bendigo Health. Bendigo Health will record the non-cash entries in its accounts in accordance with a financial model that has been developed by the Department of Health.

**Note 6.2: Cash and Cash Equivalents**

	2023 \$'000	2022 \$'000
Cash on hand (excluding Monies held in trust)	15	10
Cash at bank (excluding Monies held in trust)	2,193	773
Cash at bank - CBS (excluding Monies held in trust)	46,008	52,727
Cash for Joint Operation	2,199	1,254
Cash for Joint Operation - CBS	114	116
<b>Total cash held for operations</b>	<b>50,529</b>	<b>54,880</b>
Cash on hand (Monies held in trust)	4	10
Cash at bank (Monies held in trust)	31,859	29,566
<b>Total cash held as monies in trust</b>	<b>31,863</b>	<b>29,576</b>
<b>Total Cash and Cash Equivalents</b>	<b>82,392</b>	<b>84,456</b>

7.1(a)

**How we recognise cash and cash equivalents**

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

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

**Bendigo Health**  
**Notes to the Financial Statements for the Financial Year Ended 30 June 2023**

**Note 6.3: Commitments for Expenditure**

	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Operating Expenditure Commitments</b>		
Not later than one year	2,979	2,845
Later than 1 year and not later than 5 years	10,283	9,880
Later than 5 years	37,276	36,794
<b>Total Operating Expenditure Commitments</b>	<b>50,538</b>	<b>49,519</b>
<b>Non-cancellable Short Term and low value lease commitments</b>		
Not later than one year	91	309
Later than 1 year and not later than 5 years	0	0
Later than 5 years	0	0
<b>Total Non-cancellable Lease Commitments</b>	<b>91</b>	<b>309</b>
<b>Public Private Partnership Commitments (commissioned)</b>		
Not later than one year	58,572	53,441
Later than 1 year and not later than 5 years	284,391	259,254
Later than 5 years	1,168,151	1,180,670
<b>Total Public Private Partnership Commitments</b>	<b>1,511,114</b>	<b>1,493,365</b>
<b>Total Commitments for Expenditure (inclusive of GST)</b>	<b>1,561,743</b>	<b>1,543,193</b>
Less GST recoverable from the Australian Tax Office	(141,977)	(140,290)
<b>Total Commitments for Expenditure (exclusive of GST)</b>	<b>1,419,766</b>	<b>1,402,903</b>

The PPP expenditure commitments for Food Volume Adjustments are not included in expenditure commitments calculation as they are contingent on future food volumes supplied to Bendigo Health.

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

**How we disclose our commitments**

Our commitments relate to expenditure, Public Private Partnerships (PPP) and short term and low value leases.

**Expenditure Commitments**

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

Bendigo Health has entered into commercial leases on certain medical equipment, computer equipment and property where it is not in the interest of the Health Service to purchase these assets. These leases have an average life of between 1 and 20 years with renewal terms included in the contracts. Renewals are at the option of Bendigo Health. There are no restrictions placed upon the lessee by entering into these leases.

**Short term and low value leases**

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

**Service concession arrangements**

Bendigo Health is party to a service concession arrangement (SCA), which is an arrangement entered into with private sector participants to design and construct or upgrade assets used to provide public services. These arrangements are typically complex and usually include the provision of operational and maintenance services for a specified period of time. These arrangements are also referred to as public private partnerships (PPP).

With these arrangements, Bendigo Health or another party pay the operator over the period of the arrangement subject to specified performance criteria being met. At the date of commitment to the principal provisions of the arrangement, these estimated periodic payments are allocated between a component related to the design and construction or upgrading of the asset and components related to the ongoing operation and maintenance of the asset. The former component is accounted for as a lease payment in accordance with the lease policy. The remaining components are accounted for as commitments for operating costs which are expensed in the comprehensive operating statement as they are incurred.

Pursuant to the requirements of the Operating Deed signed by the State and Bendigo Health in 2017, the Department of Health agrees to meet all payments (including leasing and operating) for which the State is liable and which are associated with the project. Bendigo Health has agreed to record and report all of the obligations of the state reflecting Bendigo Health's position as the government agency that controls the assets. Pursuant to the agreement for the project, the state has contributed to the constructions costs of the project to Exemplar Health during the construction phase. The Department of Health made capital contributions to Bendigo Health to fund these payments.

Bendigo Health recognises a leased asset and corresponding lease liability in respect of the arrangement in accordance with the State's stated accounting policy for such arrangements.

Quarterly service payments will be made to Exemplar Health. Each payment includes an allowance for the remaining capital cost of the facility, the facilities maintenance and ancillary services to be delivered by Exemplar Health over the 25 year operating phase, interest rate service payments and equity return.

Pass through payments in relation to Bendigo Health utilities, medical and laboratory gases and waste disposal services are not included in PPP commitments as they are contingent on future amounts utilised in operating the hospital.

Bendigo Health has a PPP arrangement with Exemplar Health. The PPP arrangement is for a period of 25 years, which commenced in January 2017.



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

**Note 7: Risks, Contingencies & Valuation Uncertainties**

Bendigo Health is exposed to risk from its activities and outside factors. In addition, it is often necessary to make judgements and estimates associated with recognition and measurement of items in the financial statements. This section sets out financial instrument specific information, (including exposures to financial risks) as well as those items that are contingent in nature or require a higher level of judgement to be applied, which for Bendigo Health 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, Bendigo Health has assumed the current use is its highest and best use. Accordingly, characteristics of the health service's assets are considered, including condition, location and any restrictions on the use and disposal of such assets.</p> <p>Bendigo Health 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 Bendigo Health'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 Bendigo Health'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. Bendigo Health does not this use approach to measure fair value.</li> </ul> <p>Bendigo Health selects a valuation technique which is considered most appropriate, and for which there is sufficient data available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. Subsequently, Bendigo Health 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. Bendigo Health 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. Bendigo Health categorises non-specialised land and right-of-use concessionary land in this level.</li> <li>▪ Level 3, where inputs are unobservable. Bendigo Health categorises specialised land, non-specialised buildings, specialised buildings, plant, equipment, furniture, fittings, vehicles, right-of-use buildings and right-of-use plant, equipment, furniture and fittings in this level.</li> </ul>

**Bendigo Health**  
**Notes to the Financial Statements for the Financial Year Ended 30 June 2023**

**Note 7.1: Financial Instruments**

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

**Note 7.1(a) Categorisation of Financial Instruments**

		Financial Assets at Amortised Cost \$'000	Financial Assets at Fair Value Through Profit & Loss \$'000	Financial Liabilities at Amortised Cost \$'000	Total \$'000
<b>2023</b>	<b>Note</b>				
<b>Contractual Financial Assets</b>					
Cash and cash equivalents	6.2	82,392	0	0	82,392
Receivables	5.1	53,479	0	0	53,479
Investments and Other Financial Assets	4.1	0	30	0	30
<b>Total Financial Assets <sup>(i)</sup></b>		<b>135,871</b>	<b>30</b>	<b>0</b>	<b>135,901</b>
<b>Financial Liabilities</b>					
Payables	5.2	0	0	43,924	43,924
Borrowings	6.1	0	0	275,864	275,864
Other Financial Liabilities - Other	5.3	0	0	31,933	31,933
<b>Total Financial Liabilities <sup>(i)</sup></b>		<b>0</b>	<b>0</b>	<b>351,721</b>	<b>351,721</b>
<b>2022</b>					
	<b>Note</b>				
<b>Contractual Financial Assets</b>					
Cash and cash equivalents	6.2	84,456	0	0	84,456
Receivables	5.1	56,447	0	0	56,447
Investments and Other Financial Assets	4.1	0	57	0	57
<b>Total Financial Assets <sup>(i)</sup></b>		<b>140,903</b>	<b>57</b>	<b>0</b>	<b>140,960</b>
<b>Financial Liabilities</b>					
Payables	5.2	0	0	43,677	43,677
Borrowings	6.1	0	0	280,061	280,061
Other Financial Liabilities - Other	5.3	0	0	29,732	29,732
<b>Total Financial Liabilities <sup>(i)</sup></b>		<b>0</b>	<b>0</b>	<b>353,470</b>	<b>353,470</b>

(i) The carrying amount excludes statutory receivables (i.e. GST 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 Bendigo Health becomes party to the contractual provisions to the instrument. For financial assets, this is at the date Bendigo Health commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

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

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

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



## **Bendigo Health**

### **Notes to the Financial Statements for the Financial Year Ended 30 June 2023**

#### **Financial assets at amortised cost**

Financial assets are measured at amortised costs if both of the following criteria are met and the assets are not designated as fair value through profit & loss:

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

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

Bendigo Health recognises the following assets in this category:

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

#### **Financial assets at fair value through profit & loss**

Equity instruments that are held for trading as well as derivative instruments are classified as fair value through profit & loss. Other financial assets are required to be measured at fair value through profit & loss unless they are measured at amortised cost or fair value through other comprehensive income as explained above.

However, as an exception to those rules above, Bendigo Health may, at initial recognition, irrevocably designate financial assets as measured at fair value through profit & loss if doing so eliminates or significantly reduces a measurement or recognition inconsistency ('accounting mismatch') that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Bendigo Health recognises listed equity securities as mandatorily measured at fair value through profit & loss.

#### **Categories of financial liabilities**

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

#### **Financial liabilities at amortised cost**

Financial liabilities are initially recognised on the date they are originated. They are initially measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial instruments are measured at amortised cost with any difference between the initial recognised amount and the redemption value being recognised in profit and loss over the period of the interest bearing liability, using the effective interest rate method. Bendigo Health recognises the following liabilities in this category:

- payables (excluding statutory payables); and
- borrowings (including lease liabilities).

#### **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.
- Bendigo Health retains the right to receive cash flows from the asset, but has assumed an obligation
- Bendigo Health has transferred its rights to receive cash flows from the asset and either:
  - has transferred substantially all the risks and rewards of the asset or
  - has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

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

#### **Derecognition of financial liabilities**

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

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

#### **Reclassification of financial instruments**

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

A financial liability reclassification is not permitted.

#### **Hedging instruments – interest rate swap**

Where all relevant criteria are met, hedge accounting is applied to remove the accounting mismatch between the hedging instrument and the hedged item. This will effectively result in recognising interest expense at a fixed interest rate for the hedged floating rate lease liability.

**Bendigo Health****Notes to the Financial Statements for the Financial Year Ended 30 June 2023****Hedge ineffectiveness**

Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument.

Bendigo Health entered into an interest rate swap that have similar critical terms as the hedged item, such as reference rate, reset dates, payment dates, maturities and notional amount. Bendigo Health does not hedge 100% of its loans, therefore the hedged item is identified as a proportion of the outstanding loans up to the notional amount of the swaps. As all critical terms matched during the year, the economic relationship was 100% effective.

Hedge ineffectiveness for interest rate swaps is assessed by performing a qualitative assessment of effectiveness. If changes in circumstances affect the terms of the hedged item such that the critical terms no longer match exactly with the critical terms of the hedging instrument, Bendigo Health uses the hypothetical derivative method to assess effectiveness.

Hedge ineffectiveness may occur due to:

- the credit value/debit value adjustment on the interest rate swaps which is not matched by the lease liability, and
- differences in critical terms between the interest rate swaps and loans.

The ineffectiveness during 2023 in relation to the interest rate swap was \$0 (2022: \$0).



## **Bendigo Health**

### **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, Bendigo Health's financial risk management program seeks to manage the risks and the associated volatility of its financial performance.

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

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

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

#### **Note 7.2 (a): Credit risk**

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

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

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

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

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

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

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

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

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

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

Credit loss allowance is classified as other economic flows in the net result. Contractual receivables are written off when there is no reasonable expectation of recovery and impairment losses are classified as a transaction expense. Subsequent recoveries of amounts previously written off are credited against the same line item.

**Bendigo Health****Notes to the Financial Statements for the Financial Year Ended 30 June 2023****Contractual receivables at amortised cost**

Bendigo Health applies AASB 9 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. Bendigo Health has grouped contractual receivables on shared credit risk characteristics and days past due and select the expected credit loss rate based on past history, existing market conditions, as well as forward-looking estimates at the end of the financial year.

On this basis, Bendigo Health determines the opening loss allowance on initial application date of AASB 9 and the closing loss allowance at end of the financial year as follows:

<b>2023</b>	<b>Current</b>	<b>Less than 1 month</b>	<b>1-3 months</b>	<b>3 months -1 year</b>	<b>1-5 years</b>	<b>Total</b>
<b>Trade Debtors</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Expected loss rate</b>	1%	1%	5%	10%	50%	
Gross carrying amount of contractual receivables	3,515	891	1,334	2,072	363	<b>8,175</b>
<b>Loss allowance</b>	<b>35</b>	<b>9</b>	<b>67</b>	<b>207</b>	<b>181</b>	<b>499</b>
<b>2022</b>	<b>Current</b>	<b>Less than 1 month</b>	<b>1-3 months</b>	<b>3 months -1 year</b>	<b>1-5 years</b>	<b>Total</b>
<b>Trade Debtors</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Expected loss rate</b>	1%	1%	5%	10%	50%	
Gross carrying amount of contractual receivables	7,300	870	996	967	497	<b>10,630</b>
<b>Loss allowance</b>	<b>73</b>	<b>9</b>	<b>50</b>	<b>97</b>	<b>248</b>	<b>477</b>

**Statutory receivables**

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

The statutory receivables are considered to have low credit risk, taking into account the counterparty's credit rating, risk of default and capacity to meet contractual cash flow obligations in the near term. As the result, the loss allowance recognised for these financial assets during the period was limited to 12 months expected losses.

**Bendigo Health**  
**Notes to the Financial Statements for the Financial Year Ended 30 June 2023**

**Note 7.2 (b): Liquidity risk**

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

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

- close monitoring of its short-term and long-term borrowings by senior management, including monthly reviews on current and future borrowing levels and requirements
- maintaining an adequate level of uncommitted funds that can be drawn at short notice to meet its short-term obligations
- holding 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.

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

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

	Note	Carrying Amount \$'000	Nominal Amount \$'000	Maturity Dates			
				Less than 1 Month \$'000	1-3 Months	3 months - 1 Year \$'000	1+ Years
2023							
Financial Liabilities							
At amortised cost							
Payables	5.2	43,924	43,924	43,924	0	0	0
Borrowings	6.1	275,864	275,864	0	1,607	5,165	269,092
Other Financial Liabilities (i)							
- Accommodation Deposits	5.3	24,848	24,848	1,341	2,250	6,129	15,128
- Other	5.3	7,085	7,085	7,085	0	0	0
Total Financial Liabilities		351,721	351,721	52,350	3,857	11,294	284,220
2022							
Financial Liabilities							
At amortised cost							
Payables	5.2	43,677	43,677	43,677	0	0	0
Borrowings	6.1	280,061	280,061	0	1,464	5,517	273,080
Other Financial Liabilities (i)							
- Accommodation Deposits	5.3	24,360	24,360	387	407	23,566	0
- Other	5.3	5,372	5,372	5,372	0	0	0
Total Financial Liabilities		353,470	353,470	49,436	1,871	29,083	273,080

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

**Note 7.2 (c): Market risk**

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

**Sensitivity disclosure analysis and assumptions**

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

- a change in interest rates of 1% up or down and
- a change in the top ASX 200 index



## Bendigo Health

### Notes to the Financial Statements for the Financial Year Ended 30 June 2023

#### 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. Bendigo Health does not hold any interest-bearing financial instruments that are measured at fair value, and therefore has no exposure to fair value interest rate risk.

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

#### Foreign currency risk

All foreign currency transactions during the financial year are brought to account using the exchange rate in effect at the date of the transaction. Foreign monetary items existing at the end of the reporting period are translated at the closing rate at the date of the end of the reporting period.

Bendigo Health has minimal exposure to foreign currency risk.

#### Equity risk

Bendigo Health is exposed to equity price risk through its investments in listed and unlisted shares and managed investment schemes. Such investments are allocated and traded to match the health service's investment objectives.

Bendigo Health's sensitivity to equity price risk is set out below.

		(15%)	15%
	Carrying Amount \$'000	Net Result \$'000	Net Result \$'000
<b>2023</b>			
Contractual financial assets			
Investments and other financial assets	30	(5)	5
<b>Total impact</b>		<b>(5)</b>	<b>5</b>
<b>2022</b>			
Contractual financial assets			
Investments and other financial assets	57	(9)	9
<b>Total impact</b>		<b>(9)</b>	<b>9</b>

#### Note 7.3 Contingent assets and contingent liabilities

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

#### How we measure and disclose contingent assets and contingent liabilities

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

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

#### Contingent liabilities

Contingent liabilities are:

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

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



**Bendigo Health**  
**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:

- Financial assets and liabilities at fair value through net result
- Financial assets and liabilities at fair value through other comprehensive income
- Property, plant and equipment
- Right-of-use assets

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

**Valuation hierarchy**

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

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

Bendigo Health determines whether transfers have occurred between levels in the hierarchy by re-assessing 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.

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

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

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

Unobservable inputs 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.

**Bendigo Health****Notes to the Financial Statements for the Financial Year Ended 30 June 2023****Note 7.4(a): Fair value determination of investments and other financial assets**

		Fair value measurement at end of reporting period using:		
Balance at 30 June 2023	Carrying amount \$'000	Level 1 <sup>(1)</sup> \$'000	Level 2 <sup>(1)</sup> \$'000	Level 3 <sup>(1)</sup> \$'000
Australian listed shares	30	30	0	0
Total Financial Assets at Fair Value through profit or loss	30	30	0	0
Total investments and other financial assets at fair value	30	30	0	0

<sup>(i)</sup> Classified in accordance with the fair value hierarchy.

	Fair value measurement at end of reporting period using:			
Balance at 30 June 2022	Carrying amount \$'000	Level 1 <sup>(i)</sup> \$'000	Level 2 <sup>(i)</sup> \$'000	Level 3 <sup>(i)</sup> \$'000
Australian listed shares	57	57	0	0
<b>Total Financial Assets at Fair Value through profit or loss</b>	<b>57</b>	<b>57</b>	<b>0</b>	<b>0</b>
<b>Total investments and other financial assets at fair value</b>	<b>57</b>	<b>57</b>	<b>0</b>	<b>0</b>

<sup>(i)</sup> Classified in accordance with the fair value hierarchy.

**How we measure fair value of investments and other financial assets****Australian Listed Shares**

Bendigo Health's Australian listed shares are valued using quoted (unadjusted) market prices in active markets. Adjustments are made to the valuations when necessary to recognise differences in the instrument's terms.

Bendigo Health classifies these debt securities as Level 1.

**Bendigo Health**  
**Notes to the Financial Statements for the Financial Year Ended 30 June 2023**

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

Balance at 30 June 2023	Note	Fair value measurement at end of reporting period using:			
		Carrying amount \$'000	Level 1 <sup>(i)</sup> \$'000	Level 2 <sup>(i)</sup> \$'000	Level 3 <sup>(i)</sup> \$'000
<b>Land at fair value</b>					
Non-specialised land		11,104	0	11,104	0
Specialised land		28,607	0	0	28,607
<b>Total of Land at fair value</b>	<b>4.2(a)</b>	<b>39,711</b>	<b>0</b>	<b>11,104</b>	<b>28,607</b>
<b>Buildings at fair value</b>					
Non-specialised buildings		3,744	0	3,744	0
Specialised buildings		107,839	0	0	107,839
<b>Total of Buildings at fair value</b>	<b>4.2(a)</b>	<b>111,583</b>	<b>0</b>	<b>3,744</b>	<b>107,839</b>
<b>Landscaping and Grounds at fair value</b>					
Specialised Landscaping and Grounds		2,452	0	0	2,452
<b>Total of Landscaping and Grounds at fair value</b>	<b>4.2(a)</b>	<b>2,452</b>	<b>0</b>	<b>0</b>	<b>2,452</b>
<b>Plant and Machinery at fair value</b>					
Plant and Machinery		2,228	0	0	2,228
<b>Total of Plant and Machinery at fair value</b>	<b>4.2(a)</b>	<b>2,228</b>	<b>0</b>	<b>0</b>	<b>2,228</b>
<b>Medical Equipment at fair value</b>					
Medical Equipment		12,576	0	0	12,576
<b>Total Medical Equipment at fair value</b>	<b>4.2(a)</b>	<b>12,576</b>	<b>0</b>	<b>0</b>	<b>12,576</b>
<b>Computers and Communication Equipment at fair value</b>					
Computers and Communication Equipment at fair value		3,144	0	0	3,144
<b>Total Computers and Communication Equipment at fair value</b>	<b>4.2(a)</b>	<b>3,144</b>	<b>0</b>	<b>0</b>	<b>3,144</b>
<b>Furniture and Fittings at fair value</b>					
Furniture and Fittings		216	0	0	216
<b>Total Furniture and Fittings at fair value</b>	<b>4.2(a)</b>	<b>216</b>	<b>0</b>	<b>0</b>	<b>216</b>
<b>Motor Vehicles at fair value</b>					
Motor Vehicles	<b>4.2(a)</b>	1,627	0	0	1,627
<b>Total Motor Vehicles at fair value</b>		<b>1,627</b>	<b>0</b>	<b>0</b>	<b>1,627</b>
<b>Non-Medical Equipment at fair value</b>					
Non-Medical Equipment		317	0	0	317
<b>Total Non-Medical Equipment at fair value</b>	<b>4.2(a)</b>	<b>317</b>	<b>0</b>	<b>0</b>	<b>317</b>
<b>PPP Assets</b>					
PPP Assets		592,871	0	0	592,871
<b>Total PPP Assets at fair value</b>	<b>4.3(a)</b>	<b>592,871</b>	<b>0</b>	<b>0</b>	<b>592,871</b>
		<b>766,725</b>	<b>0</b>	<b>14,848</b>	<b>751,877</b>

<sup>(i)</sup> Classified in accordance with the fair value hierarchy.  
There have been no transfers between levels during the period.

**Bendigo Health**  
**Notes to the Financial Statements for the Financial Year Ended 30 June 2023**  
**Note 7.4(b): Fair value determination of non-financial physical assets**

Balance at 30 June 2022	Note	Fair value measurement at end of reporting period using:			
		Carrying amount \$'000	Level 1 <sup>(i)</sup> \$'000	Level 2 <sup>(i)</sup> \$'000	Level 3 <sup>(i)</sup> \$'000
<b>Land at fair value</b>					
Non-specialised land		11,104	0	11,104	0
Specialised land		28,607	0	0	28,607
<b>Total of Land at fair value</b>	<b>4.2(a)</b>	<b>39,711</b>	<b>0</b>	<b>11,104</b>	<b>28,607</b>
<b>Buildings at fair value</b>					
Non-specialised buildings		3,408	0	3,408	0
Specialised buildings		96,482	0	0	96,482
<b>Total of Buildings at fair value</b>	<b>4.2(a)</b>	<b>99,890</b>	<b>0</b>	<b>3,408</b>	<b>96,482</b>
<b>Landscaping and Grounds at fair value</b>					
Specialised Landscaping and Grounds		2,482	0	0	2,482
<b>Total of Landscaping and Grounds at fair value</b>	<b>4.2(a)</b>	<b>2,482</b>	<b>0</b>	<b>0</b>	<b>2,482</b>
<b>Plant and Machinery at fair value</b>					
Plant and Machinery		1,531	0	0	1,531
<b>Total of Plant and Machinery at fair value</b>	<b>4.2(a)</b>	<b>1,531</b>	<b>0</b>	<b>0</b>	<b>1,531</b>
<b>Medical Equipment at fair value</b>					
Medical Equipment		15,574	0	0	15,574
<b>Total Medical Equipment at fair value</b>	<b>4.2(a)</b>	<b>15,574</b>	<b>0</b>	<b>0</b>	<b>15,574</b>
<b>Computers and Communication Equipment at fair value</b>					
Computers and Communication Equipment at fair value		3,050	0	0	3,050
<b>Total Computers and Communication Equipment at fair value</b>	<b>4.2(a)</b>	<b>3,050</b>	<b>0</b>	<b>0</b>	<b>3,050</b>
<b>Furniture and Fittings at fair value</b>					
Furniture and Fittings		234	0	0	234
<b>Total Furniture and Fittings at fair value</b>	<b>4.2(a)</b>	<b>234</b>	<b>0</b>	<b>0</b>	<b>234</b>
<b>Motor Vehicles at fair value</b>					
Motor Vehicles		1,895	0	0	1,895
<b>Total Motor Vehicles at fair value</b>	<b>4.2(a)</b>	<b>1,895</b>	<b>0</b>	<b>0</b>	<b>1,895</b>
<b>Non-Medical Equipment at fair value</b>					
Non-Medical Equipment		347	0	0	347
<b>Total Non-Medical Equipment at fair value</b>	<b>4.2(a)</b>	<b>347</b>	<b>0</b>	<b>0</b>	<b>347</b>
<b>PPP Assets</b>					
PPP Assets		545,668	0	0	545,668
<b>Total PPP Assets at fair value</b>	<b>4.3(a)</b>	<b>545,668</b>	<b>0</b>	<b>0</b>	<b>545,668</b>
		<b>710,382</b>	<b>0</b>	<b>14,512</b>	<b>695,870</b>

<sup>(i)</sup> Classified in accordance with the fair value hierarchy.  
There have been no transfers between levels during the period.



## **Bendigo Health**

### **Notes to the Financial Statements for the Financial Year Ended 30 June 2023**

#### **Note 7.4(b): Fair value determination of non-financial physical assets (Continued)**

##### **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 paragraph AASB 13 *Fair Value Measurement* paragraph 29, Bendigo Health has assumed the current use of a non-financial physical asset is its highest and best use unless market or other factors suggest that a different use by market participants would maximise the value of the asset.

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

##### **Non-Specialised Land and 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, an independent valuation was performed by the Valuer-General Victoria to determine the fair value using the market approach. Valuation of the assets was determined by analysing comparable sales and allowing for share, size, topography, location and other relevant factors specific to the asset being valued. An appropriate rate per square metre has been applied to the subject asset. The effective date of the valuation is 30 June 2022 for non-specialised land. For non-specialised buildings, a managerial valuation occurred, with an effective date of the valuation being 30 June 2023.

**Bendigo Health**  
**Notes to the Financial Statements for the Financial Year Ended 30 June 2023**

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

**Specialised Land and Specialised Buildings**

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

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

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

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

For Bendigo Health, the depreciated replacement cost method is used for the majority of specialised buildings, adjusting for the associated depreciation. As depreciation adjustments are considered as significant and unobservable inputs in nature, specialised buildings are classified as Level 3 for fair value measurements.

An independent valuation of Bendigo Health's specialised land and specialised buildings was performed by the Valuer-General Victoria. The valuation of specialised land was performed using the market approach adjusted for CSO. A managerial valuation of specialised buildings was performed using depreciated replacement cost method. The effective date of the valuation is 30 June 2023.

**Vehicles**

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

**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.

**Bendigo Health**  
**Notes to the Financial Statements for the Financial Year Ended 30 June 2023**  
**Note 7.4(b): Fair value determination of non-financial physical assets (Continued)**  
**Reconciliation of Level 3 Fair Value Measurement<sup>i</sup>**

	Land \$ '000	Buildings \$ '000	Landscaping and Grounds \$ '000	Plant and Machinery \$ '000	Medical Equipment \$ '000	Computers and Communication Equipment \$ '000	Furniture and Fittings \$ '000	Motor Vehicles \$ '000	Non Medical Equipment \$ '000	PPP Assets \$ '000
<b>Balance at 30 June 2021</b>	<b>22,326</b>	<b>101,597</b>	<b>2,562</b>	<b>1,667</b>	<b>18,277</b>	<b>4,077</b>	<b>242</b>	<b>2,347</b>	<b>385</b>	<b>564,580</b>
Additions/(Disposals)	0	1,329	0	82	748	1,578	22	(132)	47	69
Assets Received Free of Charge	0	0	0	0	1,278	0	0	0	0	0
Net Transfers between Classes	0	0	0	0	6	0	0	0	(6)	0
Gains or losses recognised in net result	0	(6,444)	(80)	(218)	(4,735)	(2,605)	(30)	(320)	(79)	(18,981)
- Depreciation	0	0	0	0	0	0	0	0	0	0
- Revaluation	0	0	0	0	0	0	0	0	0	0
Items recognised in Other Comprehensive Income	6,281	0	0	0	0	0	0	0	0	0
- Revaluation	6,281	0	0	0	0	0	0	0	0	0
<b>Balance at 30 June 2022</b>	<b>28,607</b>	<b>96,482</b>	<b>2,482</b>	<b>1,531</b>	<b>15,574</b>	<b>3,050</b>	<b>234</b>	<b>1,895</b>	<b>347</b>	<b>545,668</b>
Additions/(Disposals)	0	2,057	0	725	1,322	870	13	(5)	37	271
Assets Received Free of Charge	0	0	0	0	0	0	0	0	0	0
Net Transfers between Classes	0	0	53	264	0	475	0	0	0	0
Gains or losses recognised in net result	0	(4,324)	(83)	(292)	(4,320)	(1,251)	(31)	(263)	(67)	(19,038)
- Depreciation	0	0	0	0	0	0	0	0	0	0
- Revaluation	0	0	0	0	0	0	0	0	0	0
Items recognised in Other Comprehensive Income	0	13,624	0	0	0	0	0	0	0	65,970
- Revaluation	0	13,624	0	0	0	0	0	0	0	65,970
<b>Balance at 30 June 2023</b>	<b>28,607</b>	<b>107,839</b>	<b>2,452</b>	<b>2,228</b>	<b>12,576</b>	<b>3,144</b>	<b>216</b>	<b>1,627</b>	<b>317</b>	<b>592,871</b>

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



**Bendigo Health**  
**Notes to the Financial Statements for the Financial Year Ended 30 June 2023**

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

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

Asset Class	Valuation approach	Significant inputs (Level 3 only)
Specialised Land	Market Approach	Community Service Obligation (CSO) Adjustment (b)
Specialised Buildings	Depreciated Replacement Cost	Useful Life of Specialised Buildings
Non-Specialised Land and Non-Specialised Buildings	Market Approach	Not Applicable
Landscaping and Grounds	Depreciated Replacement Cost	Useful Life of Landscaping & Grounds
Plant and Machinery	Depreciated Replacement Cost	Useful Life of PPE
Medical Equipment	Depreciated Replacement Cost	Useful Life of Medical Equipment
Computers and Communication Equipment	Depreciated Replacement Cost	Useful Life of Computers & Communication Assets
Furniture and Fittings	Depreciated Replacement Cost	Useful Life of Furniture & Fittings
Motor Vehicles	Depreciated Replacement Cost	Useful Life of Motor Vehicles
Non-Medical Equipment	Depreciated Replacement Cost	Useful Life of Non-Medical Equipment
PPP Assets	Depreciated Replacement Cost	Useful Life of PPP Assets

a) AASB 13 Fair Value Measurement provides an exemption for not for profit public sector entities from disclosing the sensitivity analysis relating to 'unrealised gains/(losses) on

non-financial assets' if the assets are held primarily for their current service potential rather than to generate net cash inflows.

b) CSO adjustment of 20% was applied to reduce the market approach value for Bendigo Health's specialised land.

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



**Bendigo Health**  
**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 Ex-gratia Payments
- 8.7 Events Occurring after the Balance Sheet Date
- 8.8 Jointly Controlled Operations
- 8.9 Economic Dependency
- 8.10 Equity

**Bendigo Health****Notes to the Financial Statements for the Financial Year Ended 30 June 2023****Note 8.1: Reconciliation of Net Result for the Year to Net Cash Flow from Operating Activities**

	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Net Result for the Year</b>	5,972	(6,159)
<b>Non-cash movements:</b>		
Depreciation	35,791	38,273
Assets Received Free of Charge	(71)	(1,225)
Capital Expenditure transferred from WIP	613	27
Net Non-cash payments paid by DHHS Construction Costs	(31,145)	(14,834)
PPP - Net Non-cash Payments Paid by DH	(2,922)	(4,378)
Allowance for impairment losses of contractual receivables	22	59
Movement in Value of Shares	(27)	(18)
Other economic flows - Swap Interest Revenue	0	114
Loss on JV Operations	(190)	(9)
<b>Movements included in investing and financing activities:</b>		
Net Loss from Sale of Plant and Equipment	29	499
<b>Movements in assets and liabilities:</b>		
Change in Operating Assets & Liabilities		
(Increase)/Decrease in Trade and Other Receivables	2,275	(20,902)
(Increase)/Decrease in Other Assets	(3,770)	(9,310)
(Increase)/Decrease in Inventories	(477)	48
Increase/(Decrease) in Trade and Other Payables	(11,351)	6,806
Increase/(Decrease) in Employee Benefits	12,954	8,945
<b>Net Cash Inflow/(Outflow) From Operating Activities</b>	<b>7,703</b>	<b>(2,064)</b>

**Bendigo Health**  
**Notes to the Financial Statements for the Financial Year Ended 30 June 2023**

**Note 8.2: Responsible Persons Disclosures**

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

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

	<b>Period</b>
<b>Responsible Ministers:</b>	
The Honourable Mary-Anne Thomas MP:	
Minister for Health	01/07/2022 - 30/06/2023
Minister for Health Infrastructure	05/12/2022 - 30/06/2023
Minister for Medical Research	05/12/2022 - 30/06/2023
Former Minister for Ambulance Services	01/07/2022 - 05/12/2022
The Honourable Gabrielle Williams MP:	
Minister for Mental Health	01/07/2022 - 30/06/2023
Minister for Ambulance Services	05/12/2022 - 30/06/2023
The Honourable Lizzy Blandthorn MP:	
Minister for Disability, Ageing and Carers	05/12/2022 - 30/06/2023
The Honourable Colin Brooks MP:	
Former Minister for Disability, Ageing and Carers	01/07/2022 - 05/12/2022
<b>Governing Boards</b>	
Dr E Piejko	Chair
Ms M Beaumont OAM	Director
Mr T Elliott	Director
Ms D Foggo AM	Director
Dr U Masood	Director
Ms K Angelopoulos	Director
Mrs J Green	Director
Dr S Capp	Director
<b>Accountable Officers</b>	
Mr P Faulkner	Chief Executive
	01/07/2022 - 30/06/2023

**Remuneration of Responsible Persons**

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

	<b>2023</b>	<b>2022</b>
<b>Income Band</b>	<b>No.</b>	<b>No.</b>
\$20,000-\$29,999	7	7
\$30,000-\$39,999	0	1
\$50,000-\$59,999	0	1
\$60,000-\$69,999	1	0
\$450,000-\$459,999	1	0
\$460,000-\$469,999	0	1
<b>Total Numbers</b>	<b>9</b>	<b>10</b>
	<b>2023</b>	<b>2022</b>
	<b>(\$'000)</b>	<b>(\$'000)</b>
<b>Total remuneration received or due and receivable by Responsible Persons from the reporting entity amounted to:</b>	<b>\$709</b>	<b>\$746</b>

Amounts relating to the Governing Board Members and Accountable Officer are disclosed in Bendigo Health's financial statements.

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

**Note 8.3: Remuneration of Executives**

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

Remuneration of Executive Officers	Total Remuneration	
	2023 (\$'000)	2022 (\$'000)
Short term employee benefits	2,450	2,053
Post-employment benefits	233	185
Other long-term benefits	61	51
<b>Total Remuneration</b>	<b>\$2,744</b>	<b>\$2,289</b>
<b>Total number of executives</b>	<b>10</b>	<b>10</b>
<b>Total Annualised Employee Equivalent<sup>1</sup></b>	<b>8</b>	<b>7</b>

<sup>1</sup> Annualised employee equivalent is based on working 38 ordinary hours per week over the reporting period.

Total remuneration payable to executives during the year included additional executive officers and a number of executives who received bonus payments during the year. These bonus payments depend on the terms of individual employment contracts.

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

**Short-term employee benefits** include amounts such as wages, salaries, 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** include pensions and other retirement benefits (such as superannuation guarantee contributions) paid or payable on a discrete basis when employment has ceased.

**Other long-term benefits** include long service leave, other long-service benefit or deferred compensation.

**Termination benefits** include termination of employment payments, such as severance packages.

**Other factors**

Several factors affected total remuneration payable to executives over the year. A number of employment contracts were completed during the year and negotiated and a number of executives received bonus payments during the year. These bonus payments depend on the terms of individual employment contracts.



**Bendigo Health**  
**Notes to the Financial Statements for the Financial Year Ended 30 June 2023**  
**Note 8.4: Related parties**

Bendigo Health is a wholly owned and controlled entity of the State of Victoria. Related parties of the hospital include:

- All key management personnel (KMP) and their close family members;
- Cabinet ministers (where applicable) and their close family members;
- Jointly Controlled Operation - A member of the Loddon Mallee Rural Health Alliance.

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

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

All related party transactions have been entered into on an arm's length basis.

The compensation detailed below is reported in \$'000 and 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 (\$'000)	2022 (\$'000)
<b>Compensation - KMPs</b>		
Short-term Employee Benefits	650	669
Post-employment benefits	49	67
Other long-term benefits	10	10
<b>Total<sup>1</sup></b>	<b>\$709</b>	<b>\$746</b>

<sup>1</sup> KMPs are also reported in Note 8.2 Responsible Persons

**Significant Transactions with Government Related Entities**

Bendigo Health received funding from the Department of Health of \$638m (2022: \$569m).

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

**Transactions with KMPs and other related parties**

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

Outside of normal citizen type transactions with Bendigo Health, there were no related party transactions that involved key management personnel, their close family members and their personal business interests. No provision has been required, nor any expense recognised, for impairment of receivables from related parties.

There were no related party transactions with Cabinet Ministers required to be disclosed in 2023 (2022: none).

There were no related party transactions required to be disclosed for the Bendigo Health Board of Directors, Chief Executive Officer and Executive Directors in 2023 (2022: none).

**Bendigo Health**  
**Notes to the Financial Statements for the Financial Year Ended 30 June 2023**

**Note 8.5: Remuneration of auditors**

**Victorian Auditor-General's Office**

Audit of the financial statements

2023 \$'000	2022 \$'000
66	70
<b>66</b>	<b>70</b>

**Note 8.6: Ex-gratia Payments**

Bendigo Health has made the following ex gratia expenses:

Notice in lieu of termination

Negotiated departure

**Total ex-gratia expenses**

2023 \$'000	2022 \$'000
0	35
253	54
<b>253</b>	<b>89</b>

Includes ex-gratia for both individual items and in aggregate that are greater than or equal to \$5,000.

All Ex gratia items noted above have been disclosed within employee expenses.

**Note 8.7: Events occurring after the Balance Sheet date**

There are no events occurring after the Balance Sheet date.

**Bendigo Health****Notes to the Financial Statements for the Financial Year Ended 30 June 2023****Note 8.8: Joint Arrangement**

Name of entity	Principal Activity	Ownership Interest	
		2023	2022
Loddon Mallee Rural Health Alliance	Information Technology	16.42%	17.23%

Bendigo Health's interest in the above jointly controlled operations and assets is detailed below.  
The amounts are included in the financial statements under their respective asset categories:

	2023 \$'000	2022 \$'000
<b>CURRENT ASSETS</b>		
Cash and Cash Equivalents	2,313	1,370
Receivables	338	94
Other	475	420
<b>Total Current Assets</b>	<b>3,126</b>	<b>1,884</b>
<b>NON CURRENT ASSETS</b>		
Property, Plant and Equipment	136	142
<b>Total Non Current Assets</b>	<b>136</b>	<b>142</b>
<b>Total Assets</b>	<b>3,262</b>	<b>2,026</b>
<b>CURRENT LIABILITIES</b>		
Payables	1,095	700
Deferred Grant Revenue	692	41
<b>Total Current Liabilities</b>	<b>1,787</b>	<b>741</b>
<b>Total Liabilities</b>	<b>1,787</b>	<b>741</b>
<b>Net Assets</b>	<b>1,475</b>	<b>1,285</b>

Bendigo Health interest in revenues and expenses resulting from jointly controlled operations and assets is detailed below:

	2023 \$'000	2022 \$'000
<b>REVENUES</b>		
Operating Activities	2,645	2,136
Capital Purpose Income	43	33
<b>Total Revenue</b>	<b>2,688</b>	<b>2,169</b>
<b>EXPENSES</b>		
Other Expenses from Continuing Operations	2,401	2,065
Expenditure using Capital Purpose Income	37	34
<b>Total Expenses</b>	<b>2,438</b>	<b>2,099</b>
<b>Net Result</b>	<b>250</b>	<b>70</b>

**CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS**

There are no known contingent liabilities or capital commitments held by the jointly controlled operations at balance date.

**Bendigo Health**  
**Notes to the Financial Statements for the Financial Year Ended 30 June 2023**

**Note 8.9: Economic dependency**

Bendigo Health is dependent on the Department of Health for the majority of its revenue used to operate the entity. At the date of this report, the Board of Directors believes the DH will continue to support Bendigo Health.

**Note 8.10: 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 Bendigo Health.

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

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

**Financial assets at fair value through comprehensive income revaluation reserve**

The financial assets at fair value through other comprehensive income revaluation reserve arises on the revaluation of financial assets (such as equity instruments) measured at fair value through other comprehensive income. Where such a financial asset is sold, that portion of the reserve which relates to that financial asset may be transferred to accumulated surplus/deficit.

**Specific restricted purpose reserves**

The Specific Restricted Purpose Surplus is established where Bendigo Health has possession or title to the funds but has no discretion to amend or vary the restriction and/or condition underlying the funds received.

**Hedging Reserve**

The hedging reserve includes the cash flow hedge reserve and the costs of hedging reserve, see note 5.3 for details. The cash flow hedge reserve is used to recognise the effective portion of gains or losses on derivatives that are designated and qualify as cash flow hedges, as described in note 7.1 (financial instruments note). Amounts are subsequently reclassified to profit or loss as appropriate.





100 Barnard Street Bendigo VIC 3550  
[access via Mercy Street]  
PO Box 126, Bendigo VIC 3552  
03 5454 6000  
[www.bendigohealth.org.au](http://www.bendigohealth.org.au)  
ABN: 26 875 445 912