

ANNUAL REPORT 2019 - 2020

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DISCLOSURE INDEX

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

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Responsible Bodies Declaration

In accordance with the Financial Management Act 1994, I am pleased to present the Report of Operations for the Tallangatta Health Service for the year ending 30 June 2020.



Ann Eagle
31/08/2020
Board Chair
Tallangatta Health Service

The Annual Report of 2019 – 2020 also meets Standing Directions of the Assistant Treasurer and the Financial Reporting Directions.

Auditor 2019-20
Auditor General, Victoria
Johnsons MME (Agents)

ATTESTATIONS

Data Integrity

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



Denise Parry
31/08/2020
Chief Executive Officer
Tallangatta Health Service

Conflict of Interest

I, Denise Parry, certify that Tallangatta Health Service has put in place appropriate internal controls and processes to ensure that it has complied with the requirements of hospital circular 07/2017 Compliance reporting in health portfolios 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 Tallangatta Health Service and members of the Board, and all declared conflicts have been addressed and are being managed. Conflict of interest is a standard agenda item for declaration and documenting at each executive board meeting.



Denise Parry
31/08/2020
Chief Executive Officer
Tallangatta Health Service

Financial Management Compliance


I, Ann Eagle, on behalf of the Responsible Body, certify that the Tallangatta Health Service has no Material Compliance Deficiency with respect to the applicable Standing Directions under the Financial Management Act 1994 and Instructions.



Ann Eagle
31/08/2020
Board Chair
Tallangatta Health Service

Integrity, Fraud, and Corruption

I, Denise Parry, certify that Tallangatta Health Service has put in place appropriate internal controls and processes to ensure that Integrity, Fraud and Corruption risks have been reviewed and addressed at Tallangatta Health Service during the year.



Denise Parry
31/08/2020
Chief Executive Officer
Tallangatta Health Service

KEY PERSONNEL - As at 30 June 2020

Executive Staff

Chief Executive Officer:

Denise Parry – M(HSM), BECS, RN, RM, GAICD, CHIA

Director of Corporate Services:

Julie Polmear – B Bus (Accounting), MIIA, IPA

Director of Clinical & Aged Services:

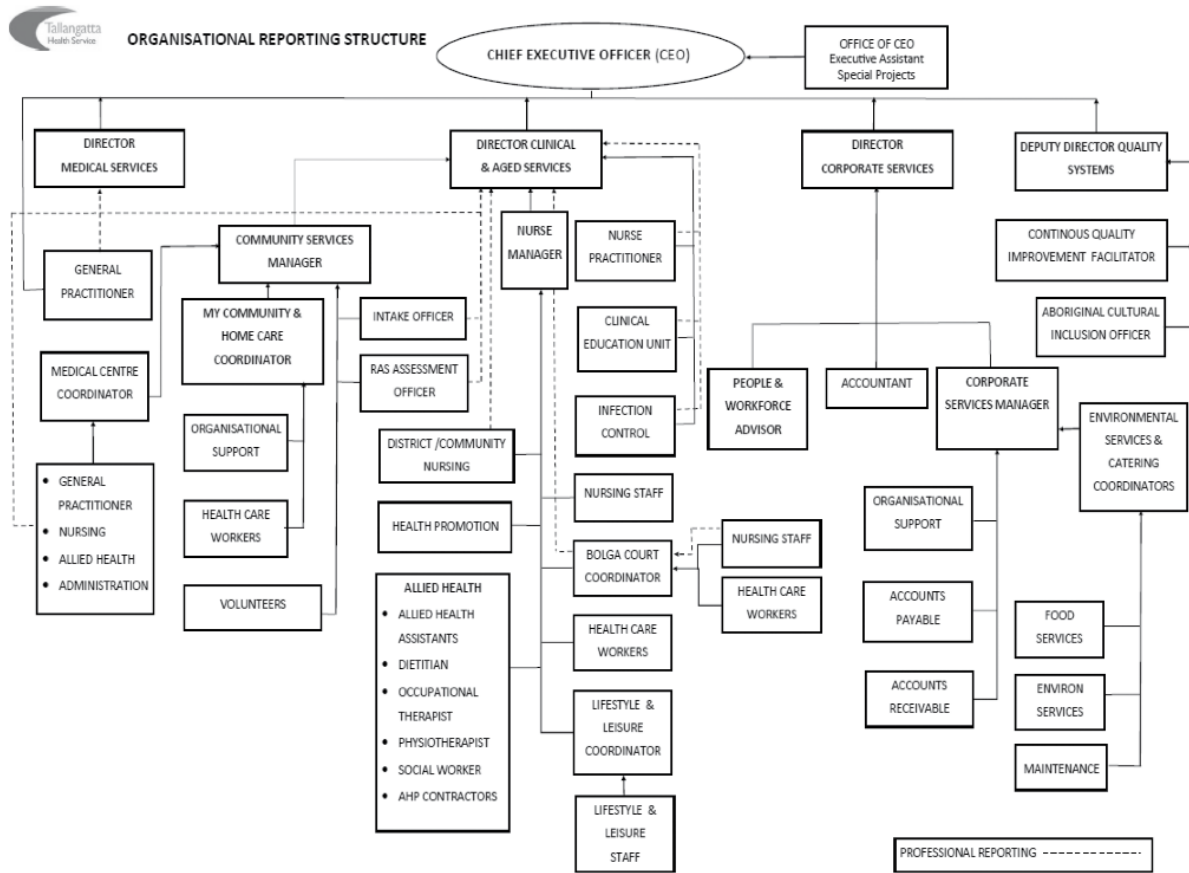
Linda Hudec – B Nurs, Grad Dip Geron

Medical Officers

Director of Medical Services:

Dr Patrick Giddings – OAM, FRACGP, FACMA, FAICD

TALLANGATTA HEALTH SERVICE ORGANISATIONAL CHART



TALLANGATTA HEALTH SERVICE BOARD, OFFICE BEARERS, AND BOARD COMMITTEES as at 30 June 2020

Board Directors 2019-20

Mr Robert Lees (Chair)
Ms Ann Eagle
Ms Kelly Lees
Mr Robert Currie
Ms Amanda Solly
Mr Stephen Hogg
Mr Leonard Peady

Safe Quality Care Assurance Committee

Ms Pauline Ross (Chair - external independent)
Mr Robert Lees
Mr Leonard Peady
Ms Amanda Solly
Dr Nicholas Sharrock (external independent)

Finance & Audit Committee

Mr Stephen Hogg (Chair)
Ms Ann Eagle
Ms Kelly Lees
Ms Narelle Klein (external independent)

Consumer Engagement Advisory Group

Mr Robert Currie
Ms Kelly Lees
Ms Amanda Solly
Ms Wendy Green (external independent)
Ms Maria Berry (external independent)
Ms Karen Fletcher (external independent)

BOARD CHAIR REPORT

On behalf of the Board it is once again a privilege to present Tallangatta Health Service's Annual Report for the year ended 30 June 2020.

What a year we have had. Along with every resident of our catchment area we were called on to firstly cope with, and then manage the emergency situation which arose from the largest regional bushfires in recent history. This we did with the incredible efforts of our Management Team and Staff who through their dedication and enormous work hours managed to continue to provide all essential services as and when required.

We were about to take a deep breath and some of these people actually planned to take some well-earned leave to recharge their batteries and repair their mental health to a normal status, when the Federal Government announced that we were about to enter into a Global Pandemic with the Coronavirus, COVID-19.

This particularly virile virus rapidly spread across the globe. Initially it was thought that it most severely affected the elderly and frail, which by no coincidence, is exactly the group of people this service takes its greatest pride in protecting and providing for their needs. This assessment was quickly amended as the virus raced through countries and communities without any preference for age or frailty and without any available vaccine.

Despite all of this our team of dedicated practitioners achieved all of the strategic priority goals for the year as outlined in our Strategic Direction 2018-2027. A truly amazing effort.

Operationally we have numerous highlights; achievements by our Chief Executive Officer and her operations team. The Board's role is to provide the governance and planning that facilitate these successes, although one that I am particularly proud to achieve is the soon to be installed 99kwh of renewable energy to our facility. This was made possible from a successful management submission and a zero-interest loan provided by the Department of Health and Human Services.

As a result of the limitations imposed by the Federal and State Governments management of the pandemic, we as a Board quickly and successfully transitioned to holding virtual Board and Committee meetings. I would like to thank my fellow Directors for their rapid adoption to these techniques which ensured our important role in Governing the organisation was able to proceed almost seamlessly. No doubt the current Board are looking forward to the time when they can again meet around the Board Table.

Managing a sustainable financial position is a priority for a small rural health service and our net operating position at the end of the year before capital and specific items, and despite the considerable costs associated with providing emergency services is \$4,772. This is not a huge result, but a positive result in a very difficult year.

The Board continues to grow and develop, as Directors retire by rotation after serving the statutory nine years. For the 2020-2021 year the Governor in Council approved the recommendations of our selection committee and reappointed Ann Eagle and Stephen Hogg for 3-year terms, and appointed new Directors Tony Dunn, Michelle McDade, and Amanda Tonks. These appointments will be effective from 1 July 2020, and I would like to take this opportunity to welcome them as Board Directors.

As the Chair I was reliant on a competent team, and I am confident that the current Board has the set of skills and experience needed to ably govern the Tallangatta Health Service. I thank them for volunteering their time for our community and their continued dedication to ensuring a high standard of service delivery.

This has been my last year as Tallangatta Health Service Chair and as a Board Director, as I retired by rotation on the 30th of June 2020 after nine years on the Board, with four of them in this Chair position.

Another retirement I must acknowledge is that of Debbie Cullen, who after almost 10 years of loyal and exemplary service with the executive team retired from the organisation. I personally and on behalf of the 2019-2020 Board wish her and her family every success and enjoyment in her retirement.

Finally, as a Board we thank our doctors, staff, community members and volunteers for their continued efforts in providing the best care for our residents, patients, and clients. We also thank our Leadership Team; our Chief Executive Officer Denise Parry, Director of Corporate Services Julie Polmear, and Director of Clinical and Aged Services Linda Hudec who recently joined as a replacement for Debbie.

As an organisation we rely on the commitment of everyone to do their job, and this year, more than most, has required an amazing commitment to meet the challenges that were presented. I thank everyone sincerely for their contribution.



A handwritten signature in cursive script that reads "Robert A. Lees".

Robert Lees
Board Chair

CHIEF EXECUTIVE OFFICER REPORT

On behalf of the Leadership Team and staff of Tallangatta Health Service it is with pride that I present the Annual Report. This year has been a year like no other with bushfires in our shire followed by COVID-19 across our country and the world. These challenges have not dampened the spirit of our staff to work as a team delivering health services to our community, as best as they can be, with our consumers still at the forefront. In keeping with our culture at Tallangatta Health Service, it really has been an environment of 'Together We Care'.

Over the last year we have strived to enable our vision 'Empowering People for Health' to be realised in day to day operations. Working in health is such an honour, as we make a positive difference to our community's health, to each person's health. What enables this is the dedication of our people, our staff who live our values, and in doing so they provided the best care possible. In a year that has presented us with challenges they have stood together, risen above, and continued to give of themselves to make a positive difference to someone else. From my heart I say thank you, thank you, thank you. Our people have continued to shine. I also have to applaud our community for coming together and supporting each other and our health service in such trying times.

For the Leadership team, meeting the strategic priorities of our Strategic Direction 2018-27 is day to day work, and I am proud to say that our team has achieved all our strategic priority goals for this year which were possible in an environment of bushfires and COVID-19. Our operational highlights include successful reaccreditation of our medical centre, a pilot site of Hear Me project which is a consumer escalation process for concerns about care, detailed site master planning, participation in the aged care quality indicator pilot study, growth plan for Home and Community Care, detailed site plan, completion of our Accessibility and Inclusion Plan, and a Dementia and Memory Support Project. To keep family connections alive, we introduced portable devices across aged care. As a member of Global Green Healthy Hospitals our goal of Leadership in environmental sustainability saw us co-hosting the film 2040 with the Towong Shire. As we look to next year our Energy goal will be realised soon with installation of 99kwhs of renewable energy on our hospital. We have secured State Government funding to improve the resident experience by refurbishment of some areas of Bolga Court, and for Lakeview Nursing

Home to increase the number of single rooms by four. These works will occur once COVID-19 restrictions allow. To improve our service delivery and expand our home care we are becoming a direct provider of Home Care Packages. To support community mental health and wellbeing a community garden will be established with funding from Bushfire Recovery Victoria.

Our 'Together We Care' culture has exemplified how people have worked together. This year our values of integrity, caring, adaptable, respect and excellence have been utilised in our interactions with each other, at times through immense pressures, whilst providing such a caring environment for us all. Our 'Living Our Values' Shining Stars awards are nominated by work colleagues, and over 60 staff (one in three) have been nominated. Our volunteers form a unique and valuable part of our staffing team, each bringing their gifts to share with others and enriching others' lives. A special thanks as always, as they support our consumers, and they shine every time.

Even with the challenges of bushfires and COVID-19, we have strived to engage with consumers during the year which has led to innovation. The use of technology has kept us connected with our consumers, and our residents connected with their families and friends. Our consumer engagement includes consumer representation on our Consumer Engagement Advisory Group, Safe Quality Care Assurance Committee and Disability Plan Working Party. We have consulted through our community services to ensure that the services we are delivering meet consumer needs, which exceedingly have been. Opportunities to enhance our services have been developed through our COVID-19 response resulting in virtual activity groups. Our compliments, complaints, and feedback system provide us with valuable information on what we do well and what we can do better. We thank our consumers for their feedback, as it is an integral part of ensuring best care.

Whilst we strive to provide the best care we also strive to be financially sustainable, and this year we made an operating surplus of \$4,772 during what was financially a 'tough' year.

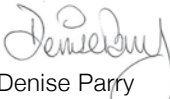
As the Chief Executive Officer, I am supported by a Leadership Team to whom I express sincere gratitude for their dedication to service and for leading our organisation through a year like no other. This year we said goodbye to Debbie Cullen as the Director of Clinical and Aged Services. Debbie significantly contributed to the quality of service delivery, the health outcomes of our community, and as part of our leadership team. She will be deeply missed as part of our team but we all wish her well in her travelling journey and next steps. We welcome Linda Hudec into this role, our leadership team and our work family.

Tallangatta Health Service is part of the wider health network. This year we give special thanks to our health services in the Hume region whose support for us and each other during the bushfires and COVID-19 has been tangibly felt and much appreciated.

Thanks to the Board of Tallangatta Health Service whose governance drives our strategic direction and supports our operational team in achieving our vision. This year we say goodbye to Rob Lees. I thank him immensely not only for his contribution to our community but our health service governance and support in my role.

As we leave this year behind we reflect on the struggles it presented but also on the joyful memories of what we did well, and how we adapted and really lived our values as a team. I also have to applaud our community for coming together and supporting each other and our health service in such trying times.

It is a year worthy of exceptional thanks to all, our staff, volunteers and Board as they contributed to 'Empowering People for Health'.


Denise Parry
Chief Executive Officer



BOARD & SUB-BOARD MEETING ATTENDANCE

Board

Consists of 7 elected Board Directors and Executive representation

Meeting Attendance	Board Meeting										Total Meetings Attended
	2019					2020					
	Jul	Aug	Sep	Oct	Nov	Feb	Mar	Apr	May	Jun	
CURRIE, Robert	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	10/10
EAGLE, Ann	✓	✓	✓	✓	✓	✓	✓	✓	x	✓	9/10
HOGG, Stephen	✓	✓	x	✓	✓	✓	✓	✓	✓	✓	9/10
LEES, Kelly	x	✓	✓	✓	✓	✓	✓	✓	x	✓	8/10
LEES, Robert	✓	✓	✓	x	✓	✓	✓	✓	✓	✓	9/10
PEADY, Leonard	✓	✓	x	x	✓	✓	✓	✓	✓	✓	8/10
SOLLY, Amanda	✓	✓	✓	✓	✓	x	✓	✓	✓	✓	9/10

Note: No meeting scheduled in December. No Meeting held in January due to local Bushfire situation.

Finance & Audit Sub-Committee

Consists of 3 elected Board Directors, 1 nominated community member, and Executive representation.

Directors (as at 30 June 2020)	Number of meetings held	Total attendances for year
3	4	12

Safe Quality Care Assurance Committee

Consists of 3 elected Board Directors, 2 nominated community members, and Executive representation.

Directors (as at 30 June 2020)	Number of meetings held	Total attendances for year
3	4	10

Community Engagement Advisory Group

Consists of 3 elected Board Directors, 3 nominated community members, and Executive representation

Directors (as at 30 June 2020)	Number of meetings held	Total attendances for year
2	2	3

MINISTERS

Jenny Mikakos MP

Minister for Health, Minister for Ambulance Services

Martin Foley MP

Minister for Mental Health

OUR STORY

Tallangatta Health Service (THS) functions under the Health Services Act 1988 (Victoria) and is delegated its functions by the Minister of Health. THS is a small rural health service funded by the Department of Health and Human Services to provide public health services; and also receives aged care funding from the Department of Health (Commonwealth).

Our service operates within a Strategic Direction 2018-27 with a vision of 'Empowering people for health'.

Our strategic priorities are:

Our care is relevant, safe, high quality and responsive;

Our infrastructure is planned for future needs;

Our partnering with communities cultivates connection;

Our workforce is adaptive, skilled and compassionate

Reports of strategic priority progress is provided regularly to the Board outlining our achievements towards our vision and each strategic priority.

WHO WE SERVE

Tallangatta Health Service has been providing local health services to the community of western Towong Shire and surrounding communities for over 100 years. We have an ageing population with emerging growth in the younger age groups. The health service is located next to the picturesque Lake Hume foreshore in Tallangatta.

Tallangatta Health Service works in partnership in the delivery of safe, person centred quality care. Key partners include, but are not limited to:

- Health providers in the area of Upper Hume
- Towong Alliance - Towong Shire, Corryong Health, Walwa Bush Nursing Centre
- Upper Hume Primary Care Partnership
- Murray Primary Health Network

HOW WE SERVE

An important part of our culture of care are values guiding expected behaviours toward all our interactions with people we serve and with whom we work with. Our values are:

- **Integrity**
- **Caring**
- **Adaptable**
- **Respect**
- **Excellence**

Our services are also provided in a best practice framework and are currently accredited under the National Safety and Quality Health Service Standards for acute care, Aged Care Quality Principles for residential aged care, the Home Care Standards for community care and General Practice Standards for the Medical Centre.

SERVICES WE PROVIDE

Our services are located onsite and within the community, consisting onsite of an acute hospital, residential aged care, medical centre and allied health. Our primary care services and community services are delivered in people's homes or within a community setting.

Acute Care

Consists of 15 beds providing:

- General/Sub Acute Care
- Post-Surgical/Medical Care
- Palliative Care
- Rehabilitation Care

Urgent Care

Our urgent care room is available for emergency care 24 hours a day, seven days a week. It generally cares for people after hours providing medical treatment that a General Practitioner would normally provide. Telehealth services between Tallangatta Health Service and Albury Wodonga Health enable a consultation with a medical officer. Any person presenting with higher care needs is transferred to Albury Wodonga Health.

Transition Care Program

Transition Care provides short term care that aims to optimise the functioning and independence of older people after an acute hospital episode. This program operates from our acute hospital.

Residential Aged Care

Bolga Court is a fully accredited 36 bed aged care facility providing permanent residential, ageing in place care, and low-level respite aged care.

Lakeview Nursing Home is a fully accredited 15 bed facility providing high level permanent residential and respite aged care.

Medical Centre

The Medical Centre provides general practitioner and other health professional services to the community, residential aged care, acute hospital and clients of funded services.

Primary Care

A variety of services are provided in primary care. Our medical centre delivers the main services which are Diabetes Education, Women's Health, Men's Health, Podiatry, Mental Health and generalist Counselling services to community groups, schools, clients and residents. Our allied health team provide services to community clients.

Home and Community Care

Home and Community Care services delivered include home maintenance, personal care, home care, domestic care, meals on wheels, allied health, nursing and planned activity groups. These services are provided to eligible clients, as assessed against My Aged Care criteria, or to fee paying clients. The Commonwealth Home Support Program (CHSP), National Disability Insurance Scheme (NDIS), Home and Community Care (HACC), and Veterans Home Care (VHC) are specific programs within this service.

SERVICE SUPPORTS

Workforce - our people

We employ approximately 170 staff across all our services in a culture of Together We Care.

Our health professional workforce is multi-disciplinary with a dedicated nursing and allied health team and General Practitioner medical support. Our nursing division is led by our Director of Clinical and Aged Services and comprises of Nurse Practitioners, Credentialed Diabetes Educator, Registered Nurses, Enrolled Nurses and Personal Care Attendants. Our medical division is led by our Director of Medical Services who provides clinical leadership to our General Practitioner workforce, who support both our Medical Centre and other clinical services. Our allied health team offers a range of professions such as Physiotherapy, Social Work, Occupational Therapy, Exercise Physiology, Dietetics and Allied Health assistants.

Our Corporate Services team led by our Director of Corporate Services is responsible for financial governance and reporting, fire safety, environmental management, human resources, contract management and procurement oversight. Our Corporate Services team work collaboratively with our clinical workplace in supporting safe quality care. This workforce provides a range of services underpinning our operations including Administration, People, Workforce and Culture, Environmental Services, Information Technology, Finance, Maintenance / Grounds and Food Services.

All of our services are delivered within a risk and quality management system supported by our Deputy Director Quality Systems.

Volunteer Program – our community supports

Tallangatta Health Service has a dedicated, passionate group of volunteers who support residents and community clients to be as independent as possible and to live well. They support activities of daily living, leisure and lifestyle, transportation, and outings. Our volunteers are a valued part of our workplace team that we cherish.

DISCLOSURES and STATEMENTS of COMPLIANCE

BUILDING ACT 1993

Tallangatta Health Service works within the building and maintenance provisions of the Building Act 1993.

CARER'S RECOGNITION 2012

The Carers Recognition Act 2012 formally acknowledges the important contribution that people in a care relationship make to our community and the unique knowledge that carers hold of the person in their care. The relevant policies and procedures of Tallangatta Health Service reflect the valuable role of the carer and the importance of their recognition.

ENVIRONMENTAL PERFORMANCE

Tallangatta Health Service has developed an Environmental Sustainability Strategy, including a plan to decrease our office based impacts, to enable promotion of environmental sustainability. Tallangatta Health Service is also Global Green Healthy Hospitals member.

The department's Environmental Data Management System generates a standard public environment report that meets the mandatory and voluntary reporting requirements that Tallangatta Health Service tables monthly at the OHSE meeting.

EX-GRATIA PAYMENTS

There have been no ex-gratia payments made during the reporting period.

FREEDOM OF INFORMATION ACT 1982

The Freedom of Information Act 1982 provides the public with the means to obtain health record information held by the Health Service. Tallangatta Health Service had one request from the general public during the 2019-20 period, which was acceded to.

Further information about Freedom of Information may be found on the Office of the Victorian Information Commissioner website at: <https://ovic.vic.gov.au/> or by accessing the Freedom of Information Act 1982 at: <https://www.legislation.gov.au/Details/C2018C00263>

Freedom of Information (FOI) requests can be made through Tallangatta Health Service by way of an FOI application form. This can be requested by phoning Tallangatta Health Service on 02 6071 5200 or emailing THS@ths.vic.gov.au

Fees and charges are set in accordance to the Freedom of Information (Access Charges) Regulations 2014. As at 1 July 2019 the application fee was \$29.60. Photocopy, Postage, and Supervision charges may also apply for release of information.

LOCAL JOBS FIRST POLICY

Tallangatta Health Service abides by the Local Jobs First Policy. There were no new contracts commenced during the reporting period to which this policy applied.

NATIONAL COMPETITION POLICY

Tallangatta Health Service has ensured in accordance with government policy that competitive neutrality requirements were met as per the Competitive Neutrality Policy Victoria and subsequent reforms.

OCCUPATIONAL HEALTH AND SAFETY ACT 2004

Tallangatta Health Service complies with the Occupational Health & Safety Act 2004. The organisation monitors its compliance through an Occupational Health and Safety Committee who meets regularly to work together to ensure that we provide and maintain a safe and healthy workplace. The committee includes both trained Health and Safety Representatives and management staff. All staff injuries and hazards in the workplace are reported and followed up via the Victorian Health Incident Management System (VHIMS). We support our staff both in the provision of training to reduce risk of injury and, if an injury does occur, a comprehensive return to work program. Each building on our grounds undergoes a hazard and risk inspection as per an annual calendar, with action plans put against any risks identified.

Tallangatta Health Service's approach to managing workers compensation and injury management is early intervention, effective claims management and cooperation, collaboration and consultation between stakeholders, a positive reporting culture, and an effective Occupational Health Safety and Environment committee. In addition, key trend analysis on occupational health and safety events is done each month in the VHIMS reports which promotes diligent and timely coordination of any hazard or event.

OCCUPATIONAL HEALTH AND SAFETY STATISTICS	2019 – 20	2018 – 19
The number of reported hazards/incidents for the year per 100 FTE	4	1
The number of 'lost time' standard WorkCover claims for the year per 100 FTE	5	1
The average cost per WorkCover claim for the year	\$14,080	\$38,000

PUBLIC INTEREST DISCLOSURE ACT 2012

The Public Interest Disclosure Act 2012 (Vic) aims to ensure openness and accountability by encouraging people to make disclosures about improper conduct within the public sector without fear of reprisal, offering them protection when they do so. There have been no public interest disclosures made in relation to Tallangatta Health Service during the reporting period.

SAFE PATIENT CARE ACT 2015

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

DETAILS OF CONSULTANCIES (UNDER \$10,000)

In 2019-20, there was one consultancy where the total fees payable were less than \$10,000. The total expenditure incurred during 2019-20 in relation to these consultancies is \$3,000 (excl. GST).

Consultant	Purpose Of Consultancy	Start Date	End Date	Total Approved Project Fees (Excl GST)	Expenditure 2019-20 (Excl GST)	Future Expenditure (Excl GST)
ADRA Building Services	Mechanical, Hydraulic and Electrical Services Design	May 2019	November 2019	\$3,000	\$3,000	N/A

DETAILS OF CONSULTANCIES (VALUED AT \$10,000 OR GREATER)

In 2019-20 there were two consultancies where the total fees payable to the consultant was \$10,000 or greater. The total expenditure incurred during 2019-20 in relation to these consultancies is \$62,471.96 (excl. GST). Details of individual consultancies can be viewed in the Annual Report located at: www.tallangattahealthservice.com.au

Consultant	Purpose Of Consultancy	Start Date	End Date	Total Approved Project Fees (Excl GST)	Expenditure 2018-19 (Excl GST)	Future Expenditure (Excl GST)
JWP Architects	Lakeview Refurbishment	August 2019		\$44,740	\$29,672	\$15,068
JWP Architects	Strategic Plan/ Detailed Site Plan	August 2019		\$47,100	\$32,800	\$14,300

DETAILS OF INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) EXPENDITURE

The total ICT expenditure incurred during 2019-20 is \$548,019 (excluding GST) with the details shown below.

Business As Usual (BAU) ICT expenditure	Non Business As Usual (non BAU) ICT expenditure		
Total (excluding GST)	(Total=Operational expenditure and Capital Expenditure) (excluding GST) (a) + (b)	Operational expenditure (excluding GST) (a)	Capital expenditure (excluding GST) (b)
\$548,019	\$0	\$0	\$0

OCCUPATIONAL VIOLENCE

Occupational violence statistics	2019 - 2020
1. Workcover accepted claims with an occupational violence cause per 100 FTE	0
2. Number of accepted Workcover claims with lost time injury with an occupational violence cause per 1,000,000 hours worked.	0
3. Number of occupational violence incidents reported	22
4. Number of occupational violence incidents reported per 100 FTE	22.5
5. Percentage of occupational violence incidents resulting in a staff injury, illness or condition	0%

FOR THE PURPOSES OF THE ABOVE STATISTICS THE FOLLOWING DEFINITIONS APPLY:

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

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

Accepted Workcover claims – Accepted Workcover claims that were lodged in 2019-20.

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.

ADDITIONAL INFORMATION AVAILABLE ON REQUEST

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

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

STATEMENT OF PRIORITIES 2019 - 2020

The Statement of Priorities is the key document of accountability between the Department of Health and Human Services and Tallangatta Health Service.

The Purpose of the Statement of Priorities identifies the Victorian Government's priorities and policy directions in the Victorian Health Priorities Framework 2012-22. Tallangatta Health Service's Statement of Priorities contributes to the achievement of the Government's key priorities in 2019-2020 through the articulation of the following specific Actions and Deliverables.

In 2019-20, Tallangatta Health Service were required to respond to bushfires in our Shire and the COVID-19 pandemic, and in doing so were unable to fully achieve six targets as per the Statement of Priorities.

PART A – STRATEGIC PRIORITIES FOR 2019 - 2020

Goals	Strategies	Health Service Deliverables	Outcome
<p>Better Health</p> <p>A system geared to prevention as much as treatment</p> <p>Everyone understands their own health and risks</p> <p>Illness is detected and managed early</p> <p>Healthy neighbourhoods and communities encourage healthy lifestyles</p>	<p>Better Health</p> <p>Reduce State-wide Risks</p> <p>Build Healthy Neighbourhoods</p> <p>Help people to stay healthy</p> <p>Target health gaps</p>	<p>Hold a Health Expo to promote healthy ageing and create awareness of health promotion activities across all age groups.</p>	<p>Not achieved - Activity suspended due to a need to redirect priorities to preparedness for COVID-19 and bushfire response.</p>
		<p>Introduce healthy snack time events at local schools each term to support health eating.</p>	<p>Partly Achieved - Commenced and held at several schools late in 2019. Deferred in 2020 due to bushfires/ COVID-19</p>
		<p>Identify level of drug and alcohol support services required in local community and develop a response plan.</p>	<p>Achieved - Identified agencies and planning as part of bushfire recovery has occurred.</p>
<p>Better Access</p> <p>Care is always being there when people need it</p> <p>Better access to care in the home and community</p> <p>People are connected to the full range of care and support they need</p> <p>Equal access to care</p>	<p>Better Access</p> <p>Plan and invest</p> <p>Unlock innovation</p> <p>Provide easier access</p> <p>Ensure fair access</p>	<p>Develop a plan to grow and enhance our community services to increase access and support people living independently in our community.</p>	<p>Achieved - Growth Strategy developed</p>
		<p>Improve access to health programs by the local community by developing and trialling a social media health promotion strategy.</p>	<p>Achieved - Commenced increased use of Facebook and print media to promote health promotion awareness</p>
<p>Better Care</p> <p>Target zero avoidable harm</p> <p>Healthcare that focusses on outcomes</p> <p>Patients and carers are active partners in care</p> <p>Care fits together around people's needs</p>	<p>Better Care</p> <p>Put Quality First</p> <p>Join up care</p> <p>Partner with patients</p> <p>Strengthen the workforce</p> <p>Embed evidence</p> <p>Ensure equal care</p>	<p>An internal consumer experience survey model will be developed with consumers actively participating from the design phase through to analysis of results.</p>	<p>Partly Achieved - Model has been developed and part of IHI state-wide project but implementation deferred due to COVID-19.</p>
		<p>Dementia care will have a model of care developed appropriate for our service and physical environment to meet the care needs of people living with dementia.</p>	<p>Achieved - Dementia model of care based on Montessori developed.</p>

Specific 2019-20 priorities			
<p>In 2019-20 Tallangatta Health Service will contribute to the achievement of the Government's priorities by:</p>	<p>Supporting the Mental Health System</p> <p>Improve service access to mental health treatment to address the physical and mental health needs of consumers.</p>	<p>Improve current referral pathways to support 80 per cent of identified people in need of mental health support to access mental health care and treatment</p>	<p>Achieved - Referral pathways in place and 100% of people referred have mental health contact.</p>
	<p>Addressing Occupational Violence</p> <p>Foster an organisational wide occupational health and safety risk management approach, including identifying security risks and implementing controls, with a focus on prevention and improved reporting and consultation.</p> <p>Implement the department's security training principles to address identified security risks.</p>	<p>Implement initiatives in the site-specific security assessment action plan to support government security principles</p>	<p>Partly achieved – A number of initiatives in the plan have been realised e.g. site fencing / security to public facing receptions / increased personal alarms. Development work paused during 2020 due to COVID-19.</p>
		<p>Continue to promote and embed a culture to support prevention of Occupational Violence and Aggression (OVA) within our workplace and community</p>	<p>Achieved - Ongoing communication and education on OVA across organisation and to patients / clients / residents</p>
	<p>Addressing Bullying and Harassment</p> <p>Actively promote positive workplace behaviours, encourage reporting and action on all reports.</p> <p>Implement the department's Framework for promoting a positive workplace culture: preventing bullying, harassment and discrimination and Workplace culture and bullying, harassment and discrimination training: guiding principles for Victorian health services.</p>	<p>Review our current system approach in management of bullying and harassment, in line with the department's Framework for promoting a positive workplace culture: preventing bullying, harassment and discrimination, to optimise a positive culture towards others, focusing on caring for every person in a together we care environment</p>	<p>Achieved - System has been reviewed and changes to education opportunities implemented - tool box sessions added / group education / online education options. Together we care promoted through various avenues</p>
		<p>Our employee health and well-being program will target psychological support for staff with targeted initiatives based on staff consultation and collaboration</p>	<p>Achieved – number of initiatives documented on Achievement Plan / desktop icon for resources for staff</p>
	<p>Supporting Vulnerable Patients</p> <p>Partner with patients to develop strategies that build capability within the organisation to address the health needs of communities and consumers at risk of poor access to health care.</p>	<p>Develop a care co-ordination model, that includes assessment and referral services, for targeted chronic disease in our local community</p>	<p>Achieved - outreach model in trial with good success. Evaluation end of 2020.</p>

	<p>Supporting Aboriginal Cultural Safety</p> <p>Improve the health outcomes of Aboriginal and Torres Strait Islander people by establishing culturally safe practices across all parts of the organisation to recognise and respect Aboriginal culture and deliver services that meet the needs, expectations and rights of Aboriginal patients, their families, and Aboriginal staff.</p>	<p>Utilise the Aboriginal Health Cultural Competency Action Plan key areas to strengthen our system approach to meeting culturally safe practice</p>	<p>Achieved - plan updated and Aboriginal Cultural Liaison Officer appointed</p>
	<p>Addressing Family Violence</p> <p>Strengthen responses to family violence in line with the Multiagency Risk Assessment and Risk Management Framework (MARAM) and assist the government in understanding workforce capabilities by championing participation in the census of workforces that intersect with family violence.</p>	<p>Provide education and training to all relevant staff on the Multiagency Risk Assessment and Risk Management Framework (MARAM) framework</p>	<p>Not Achieved – Activity suspended due to a need to redirect priorities to preparedness for COVID-19 and bushfire response.</p>
		<p>Provide leadership for the Tallangatta and Surrounds Family Violence Prevention Committee to achieve its objectives</p>	<p>Achieved - strong community committee in place</p>
	<p>Implementing Disability Action Plans</p> <p>Continue to build upon last year's action by ensuring implementation and embedding of a disability action plan which seeks to reduce barriers, promote inclusion and change attitudes and practices to improve the quality of care and employment opportunities for people with disability.</p>	<p>Implement 100 per cent of our Access and Accessibility Plan initiatives ensuring the consumer voice is active throughout implementation</p>	<p>Not achieved - a number of actions have been achieved for this year but further activity in 2020 was suspended due to a need to redirect priorities to preparedness for bushfire COVID-19 response.</p>
	<p>Supporting Environmental Sustainability</p> <p>Contribute to improving the environmental sustainability of the health system by identifying and implementing projects and/or processes to reduce carbon emissions.</p>	<p>Work towards decreasing our carbon footprint by enacting initiatives as driven by our Environmental Sustainability Strategy and our membership of Global Green Healthy Hospitals – targeting an improvement of 5 per cent in carbon emissions in 2019-20</p>	<p>Achieved – GGHH goals actively worked on/ Environmental strategy initiatives achieved</p>

PART B – PERFORMANCE PRIORITIES

HIGH QUALITY AND SAFE CARE		
Key performance indicator	Target	2019 - 2020 Result
Accreditation		
Compliance with the Aged Care Standards	Full compliance	Full compliance
Infection Prevention and Control		
Compliance with the Hand Hygiene Australia program	83%	87.5%*
Percentage of healthcare workers immunised for influenza	84%	88%
Patient Experience		
Victorian Healthcare Experience Survey - percentage of positive patient experience responses	95%	Full compliance**
Victorian Healthcare Experience Survey – percentage of very positive responses to questions on discharge care	75%	Full Compliance**
Victorian Healthcare Experience Survey – patients perception of cleanliness	70%	Full Compliance**
Adverse Events		
Sentinel events – root cause analysis (RCA) reporting	All RCA reports submitted within 30 business days	Nil Sentinel Events
* Hand Hygiene – Quarter 4 data is not available due to COVID-19. Result is based on available data		
** Note: Less than 42 responses were received for the period due to the relative size of the health service		

STRONG GOVERNANCE, LEADERSHIP, AND CULTURE		
Key performance indicator	Target	2019 - 2020 Result
Organisational culture		
People matter survey – percentage of staff with an overall positive response to safety and culture questions	80%	94%
People matter survey – percentage of staff with a positive response to the question, “I am encouraged by my colleagues to report any patient safety concerns I may have”	80%	97%
People matter survey – percentage of staff with a positive response to the question, “Patient care errors are handled appropriately in my work area”	80%	93%
People matter survey – percentage of staff with a positive response to the question, “My suggestions about patient safety would be acted upon if I expressed them to my manager”	80%	94%
People matter survey – percentage of staff with a positive response to the question, “The culture in my work area makes it easy to learn from the errors of others”	80%	96%
People matter survey – percentage of staff with a positive response to the question, “Management is driving us to be a safety-centred organisation”	80%	97%
People matter survey – percentage of staff with a positive response to the question, “This health service does a good job of training new and existing staff”	80%	92%
People matter survey – percentage of staff with a positive response to the question, “Trainees in my discipline are adequately supervised”	80%	88%
People matter survey – percentage of staff with a positive response to the question, “I would recommend a friend or a relative to be treated as a patient here”	80%	97%

EFFECTIVE FINANCIAL MANAGEMENT		
Key performance indicator	Target	2019 - 2020 Result
Finance		
Operating result (\$m) Check	0.000	\$0.005
Average number of days to paying trade creditors	60 days	54
Average number of days to receiving patient fee debtors	60 days	20
Adjusted current asset ratio	0.7 or 3% improvement from health service base target	1.12
Forecast number of days available cash (based on end of year forecast)	14 days	80.9 days
Number of days with available cash	14 days	80.9 days
Variance between forecast and actual Net result from transactions (NRFT) for the current financial year ending 30 June	Variance ≤ \$250,000	(\$1,238,000)

Information from Victorian Health Service Performance Monitor – Quarter 4

PART C – ACTIVITY AND FUNDING

Bushfires in the Towong Shire followed by COVID-19 has impacted on our activity and revenue. Tallangatta Health Service, whilst operating in a dynamic environment, has been responsive to changes in our service delivery to meet the ongoing needs of our community.

SMALL RURAL		
FUNDING TYPE	2019 - 2020 ACTIVITY ACHIEVEMENT	UNITS
Small Rural Acute	38	Separations
Small Rural Primary Health & HACC		Service Hours
- Initial Needs identification	99	
- Nursing	22	
- Case Coordination	27	
- Counselling/Casework	48	
- Dietetics	43	
- Occupational Therapy	100	
- Physiotherapy	208	
Small Rural Residential Care	17,300 Bed Days	Bed Days

TALLANGATTA HEALTH SERVICE SUMMARY OF FINANCIAL RESULTS FOR YEAR ENDING 30TH JUNE 2020					
	2020 \$	2019 \$	2018 \$	2017 \$	2016 \$
*OPERATING RESULT	4,772	354,939	85,675	59,376	307,774
Total Revenue	11,991,891	11,717,621	10,781,182	10,143,205	10,074,631
Total Expenses	(13,229,886)	(12,213,618)	(11,798,218)	(10,826,248)	(10,442,853)
Net Result from Transactions	(1,237,995)	(495,997)	(1,017,036)	(683,043)	(368,222)
Total Other economic flows	(18,199)	(51,585)	19,950	7,391	(3,020)
Net Result for the Year	(1,256,194)	(547,582)	(997,086)	(675,652)	(371,242)
Total Assets	17,670,336	17,338,092	15,591,755	15,057,615	15,061,516
Total Liabilities	8,297,882	6,709,444	6,150,451	5,278,316	4,681,101
Net Assets/Total Equity	9,372,454	10,628,648	9,441,304	9,779,299	10,380,415
* The Operating result is the result for which the health service is monitored in its Statement of Priorities.					

BANKERS 2019-20 ANZ Banking Group Westpac Banking Corporation

STAFF ANALYSIS

Hospitals labour category	JUNE current month FTE		Average Monthly FTE	
	2019	2020	2019	2020
Nursing	44.24	48.37	44.61	45.61
Administration and Clerical	11.57	16.86	10.12	13.84
Medical Support	4.32	4.16	4.03	4.10
Hotel and Allied Services	30.77	27.89	31.04	29.03
Medical Officers	1.20	1.80	1.20	1.20
Hospital Medical Officers	0	0	0	0
Sessional Clinicians	0	0	0	0
Ancillary Staff (Allied Health)	3.95	4.61	4.43	4.05
TOTAL	96.05	103.69	95.43	97.83

APPLICATION OF EMPLOYMENT AND CONDUCT PRINCIPLES

Tallangatta Health Service is committed to the application of the employment and conduct principles and all employees have been correctly classified in workforce data collections.

RECONCILIATION OF NET RESULT FROM TRANSACTIONS AND OPERATING RESULT		
	2020 \$	2019 \$
NET OPERATING RESULT *	4,772	354,939
Capital and specific items		
Capital purpose income	89,015	256,056
Specific income	0	0
COVID 19 State Supply Arrangements – Assets received free of charge or for nil consideration under the State Supply	0	N/a
State supply items consumed up to 30 June 2020	0	N/a
Assets provided free of charge	0	0
Assets received free of charge	0	0
Expenditure for capital purpose	(30,565)	(1,682)
Depreciation and amortisation	(1,300,786)	(1,104,229)
Impairment of non-financial assets	0	0
Finance costs (other)	(431)	(1,081)
Net result from transactions	(1,237,995)	(495,997)

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

ACTIVITY DATA

Admitted Patients		Brokerage Care	
PATIENTS	ACUTE	PROGRAM	HOURS
Public	31	Domestic Assistance	223
Private	4	Personal Care / Respite Care	378
DVA	7	Nursing	145
TAC	0	Hospital in the Home	0
Worksafe	0	Property Maintenance	15
Total Separations	42	PROGRAM	UNITS
WIES Public	83	Meals on Wheels – delivered	431
WIES Private / DVA	42		
TOTAL WIES (Weighted Inlier Equivalent Separation)	125	CHSP (Commonwealth Home Support Program) / HACC (Home and Community Care) funded Services	
Total Bed Days (excl. TCP)	916	PROGRAM	HOURS
Transition Care Patients (TCP) – Bed Days	369	Domestic Assistance	2 835
		Personal Care	352
		Property Maintenance / Garden	466
		Home Modifications	148
		Respite	149
		Social Support – Groups	3 632
		Social Support – Individual	756
		Meals Other	35
		PROGRAM	UNITS
		Meals on Wheels – delivered	1455
		Packages / NDIS / TAC / VHC	
		PROGRAM	HOURS
		Domestic Assistance	565
		Personal Care	264
		Nursing	0
		Home Modifications	45
		Respite	8
		Social Support – Groups	23
		Social Support – Individual	216
		Meals on Wheels	0
		Meals Other	0
		Therapy Support Exercises	9
		REGISTERED VOLUNTEERS	
		(as at 30 June)	HOURS
			45 1 720

HIGHLIGHTS DURING THE YEAR

Our culture of Together We Care has been strong with our team working together, with dedication and commitment, to enable our services and our quality care to continue throughout bushfires and the COVID-19 Pandemic

Detailed Site Plan

Mungabareena Aboriginal Corporation Memorandum of Understanding

Clinical Care

Pilot Site for Aged Care Clinical Care Quality Indicators

Upgrade of Clinical Documentation Software in Aged Care

Strengthened Clinical Deterioration System

Improved Mortality and Morbidity Review System

Major Quality Activities

Tablet Devices introduced into Aged Care and community care to support connection with families and friends

Aboriginal Cultural Inclusion Officer role

Model of Care for Dementia and Memory Support based on Montessori

Pop up Interactive Cafe in Residential Aged Care

Outreach Medical Clinic to Outlying Rural Areas

Staff Health & Wellbeing

Staff Health and Wellbeing Initiatives broadened including Desktop Icon for Resources

RUOK Day - Random Acts of Kindness

Fire Recovery Network Support opportunities

OHS Improvements

Adaptation of systems in response to Pandemic management

Comprehensive review of Emergency Management Plan post bushfires

OHS Initial Training Course held for nine new HSR's

Consumer Engagement

Consumer Advisor on Safe Quality Care Assurance Committee

Vintage Fashionista Community Event

Co-host with Towong Shire – Screening and Community Forum of Film 2040 in Tallangatta

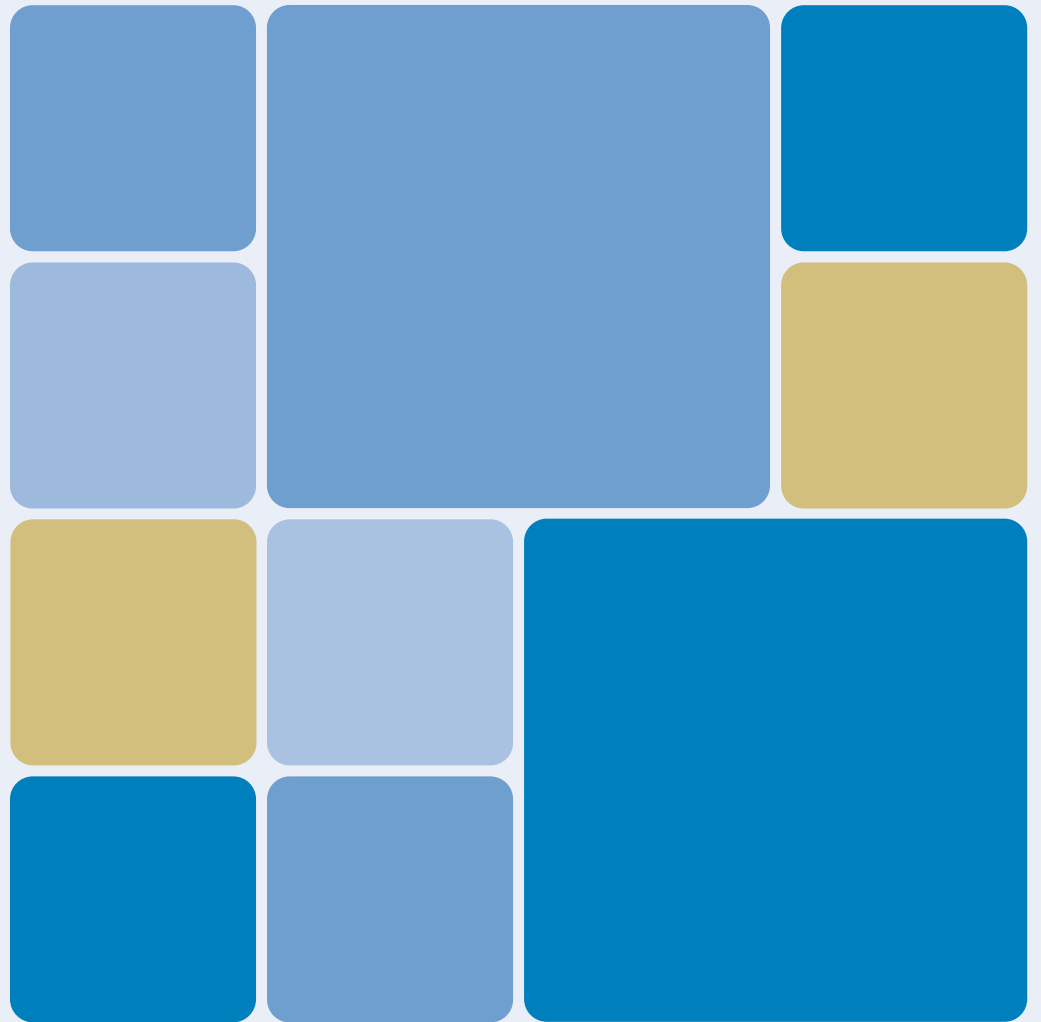
RUOK with Towong Shire and Children of Early Years Learning Centre

Tallangatta & Surrounds Family Violence Committee Activities

16 Days of Activism

Fire Recovery Network

Meals on Wheels contract with Mitta Pub



Empowering People for Health

FINANCIAL REPORT 2019 - 2020

www.tallangattahealthservice.com.au

Independent Auditor's Report

To the Board of Tallangatta Health Service

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

- balance sheet as at 30 June 2020
- comprehensive operating statement for the year then ended
- statement of changes in equity for the year then ended
- cash flow statement for the year then ended
- notes to the financial statements, including significant accounting policies
- board member's, accountable officer's and chief finance & accounting officer's declaration.

In my opinion the financial report presents fairly, in all material respects, the financial position of the health service as at 30 June 2020 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.

Auditor's responsibilities for the audit of the financial report

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

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

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

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



MELBOURNE
8 September 2020

Travis Derricott
as delegate for the Auditor-General of Victoria

TALLANGATTA HEALTH SERVICE


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

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

We further state that, in our opinion, the information set out in the Comprehensive Operating Statement, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and accompanying notes, presents fairly the financial transactions during the year ended 30 June 2020 and the financial position of Tallangatta Health Service at 30 June 2020.

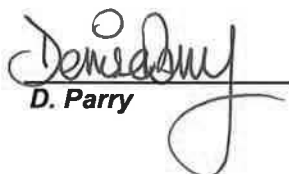
At the time of signing, we are not aware of any circumstances which would render any particulars included in the financial statements to be misleading or inaccurate.

We authorise the attached financial statements for issue on the 31st of August 2020.


A. Eagle

Board Member

Tallangatta
31 August 2020


D. Parry

Accountable Officer

Tallangatta
31 August 2020


J. Polmear

Chief Finance & Accounting
Officer

Tallangatta
31 August 2020

TALLANGATTA HEALTH SERVICE
COMPREHENSIVE OPERATING STATEMENT
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020

	Note	2020 \$	2019 \$
Income from Transactions			
Operating Activities	2.1	11,923,881	11,583,100
Non-Operating Activities	2.1	68,010	134,521
Total Income from Transactions		11,991,891	11,717,621
Expenses from Transactions			
Employee Expenses	3.1	(10,172,201)	(9,353,962)
Supplies and Consumables	3.1	(460,161)	(469,824)
Finance Costs	3.1	(17,737)	(16,629)
Depreciation and Amortisation	4.4	(1,300,786)	(1,104,229)
Other Administrative Expenses	3.1	(867,066)	(859,976)
Other Operating Expenses	3.1	(411,935)	(408,998)
Total Expenses from Transactions		(13,229,886)	(12,213,618)
Net Result from Transactions - Net Operating Balance		(1,237,995)	(495,997)
Other economic flows included in net result			
Net Gain/(Loss) on Sale of Non-Financial Assets	3.2	-	2,516
Net gain/(loss) on financial instruments at fair value	3.2	-	(29,969)
Other Gains/(Losses) from Other Economic Flows	3.2	(18,199)	(24,132)
Total other economic flows included in net result		(18,199)	(51,585)
Net Result for the year		(1,256,194)	(547,582)
Other comprehensive income			
Items that will not be reclassified to net result			
Changes in Property, Plant and Equipment Revaluation Surplus	4.2(b)	-	1,734,926
Total other comprehensive income		-	1,734,926
Comprehensive result for the year		(1,256,194)	1,187,344

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

TALLANGATTA HEALTH SERVICE

BALANCE SHEET AS AT 30 JUNE 2020

	Note	2020 \$	2019 \$
Current Assets			
Cash and Cash Equivalents	6.2	7,516,393	4,677,310
Receivables	5.1	255,454	313,323
Other Financial Assets	4.1	-	1,450,670
Prepayments	5.2	127,192	129,408
Total Current Assets		7,899,039	6,570,711
Non-Current Assets			
Receivables	5.1	239,387	242,947
Property, Plant and Equipment	4.2	9,516,226	10,505,839
Intangible Assets	4.3	15,684	18,595
Total Non-Current Assets		9,771,297	10,767,381
TOTAL ASSETS		17,670,336	17,338,092
Current Liabilities			
Payables	5.3	1,128,735	764,584
Borrowings	6.1	12,504	13,004
Provisions	3.3	1,886,231	1,707,391
Other Liabilities	5.4	4,908,983	4,039,376
Total Current Liabilities		7,936,453	6,524,355
Non-Current Liabilities			
Borrowings	6.1	133,652	10,598
Provisions	3.3	227,777	174,491
Total Non-Current Liabilities		361,429	185,089
TOTAL LIABILITIES		8,297,882	6,709,444
NET ASSETS		9,372,454	10,628,648
EQUITY			
Property, Plant and Equipment Revaluation Surplus	4.2(f)	12,004,791	12,004,791
Restricted Specific Purpose Surplus	SCE	622,475	844,380
Contributed Capital	SCE	7,420,722	7,420,722
Accumulated Deficits	SCE	(10,675,534)	(9,641,245)
TOTAL EQUITY		9,372,454	10,628,648

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

TALLANGATTA HEALTH SERVICE

STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020

	Note	Property, Plant and Equipment Revaluation Surplus \$	Restricted Specific Purpose Reserve \$	Contributed Capital \$	Accumulated Deficits \$	Total \$
Balance at 1 July 2018		10,269,865	505,654	7,420,722	(8,754,937)	9,441,304
Net Result for the year		-	-	-	(547,582)	(547,582)
Other Comprehensive Income for the year		1,734,926	-	-	-	1,734,926
Transfer from/(to) Accumulated Deficits		-	(259,881)	-	259,881	-
Balance at 30 June 2019		12,004,791	245,773	7,420,722	(9,042,638)	10,628,648
Net Result for the year		-	-	-	(1,256,194)	(1,256,194)
Other Comprehensive Income for the year		-	-	-	-	-
Transfer from/(to) Accumulated Deficits		-	376,702	-	(376,702)	-
Balance at 30 June 2020		12,004,791	622,475	7,420,722	(10,675,534)	9,372,454

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

TALLANGATTA HEALTH SERVICE
CASH FLOW STATEMENT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020

	Notes	2020 \$	2019 \$
Cash Flows from Operating Activities			
Operating Grants from Government		9,387,554	8,090,797
Capital Grants from Government		29,246	242,783
Patient and Resident Fees Received		1,660,038	1,631,652
Interest Received		83,190	152,268
Capital Donations and Bequests Received		1,827	19,273
Other Receipts		1,116,783	1,103,611
GST Received from ATO		133,130	88,530
Total Receipts		12,411,768	11,328,914
Employee Expenses Paid		(9,874,718)	(9,111,208)
Payments for Supplies and Consumables		(460,161)	(469,824)
Finance Costs		(17,737)	(16,629)
Cash outflow for leases		(2,034)	-
Other Payments		(1,210,333)	(1,460,991)
Total Payments		(11,564,983)	(11,058,652)
Net Cash Flows from/(used in) Operating Activities	8.1	846,785	270,262
Cash Flows from Investing Activities			
Purchase of Non-Financial Assets		(308,262)	(234,920)
Proceeds from Disposal of Non-Financial Assets		-	11,818
Proceeds from Disposal of Investments		1,450,670	2,517,361
Net Cash Flows from/(used in) Investing Activities		1,142,408	2,294,259
Cash Flows from Financing Activities			
Proceeds from/(Repayment) of Monies held in Trust		726,087	882,213
Proceeds from/(Repayment) of Borrowings		123,803	(3,441)
Net Cash Flows from /(used in) Financing Activities		849,890	878,772
Net Increase/(Decrease) in Cash and Cash Equivalents Held		2,839,083	3,443,293
Cash and Cash Equivalents at Beginning of Financial Year		4,677,310	1,234,017
Cash and Cash Equivalents at End of Year	6.2	7,516,393	4,677,310

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

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TALLANGATTA HEALTH SERVICE
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

Basis of Presentation

These financial statements are presented in Australian dollars and the historical cost convention is used unless a different measurement basis is specifically disclosed in the note associated with the item measured on a different basis.

The accrual basis of accounting has been applied in the preparation of these financial statements whereby assets, liabilities, equity, income and expenses are recognised in the reporting period to which they relate, regardless of when cash is received or paid.

Note 1: Summary of Significant Accounting Policies

These annual financial statements represent the audited general purpose financial statements for Tallangatta Health Service for the year ending 30 June 2020. The purpose of the report is to provide users with information about the Health Services' stewardship of resources entrusted to it.

The Covid 19 global pandemic has seen the Federal and State governments implement a range of measures and restrictions to protect the Australian Community from the spread of Covid 19. These measures and restrictions have adversely impacted the global and Australian economies, and this financial report has been prepared within that context.

Tallangatta Health Service has taken a number of measures to monitor and mitigate the effects of Covid 19 including maintaining social distancing, additional staff hours for cleaning, restrictions on visitors to the facilities.

As at 30 June 2020, the impact of Covid 19 on Tallangatta Health Service operations and finances has not been significant. Management continues to monitor business activity and economic conditions to support this ongoing assessment.

(a) Statement of Compliance

These financial statements are a general purpose financial report which have been prepared in accordance with the Financial Management Act 1994 and applicable AASBs 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, and relevant Standing Directions (SDs) authorised by the Assistant Treasurer.

The Health Service is a not-for profit entity and therefore applies the additional Aus paragraphs applicable to "not-for-profit" entities under the AASBs.

(b) Reporting Entity

The financial statements include all the controlled activities of Tallangatta Health Service. Its principal address is:
Barree Street
Tallangatta, Victoria, 3700

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

(c) Basis of Accounting Preparation and Measurement

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

The accounting policies set out below have been applied in preparing the financial statements for the year ended 30 June 2020, and the comparative information presented in these financial statements for the year ended 30 June 2019.

The going concern basis was used to prepare the financial statements (refer to note 8.8 Economic Dependency).

These financial statements are presented in Australian dollars, the functional and presentation currency of the Health Service.

The Health Service operates on a fund accounting basis and maintains three funds: Operating, Specific Purpose and Capital Funds. Capital and Specific Purpose Funds include unspent capital donations and receipts from fund-raising activities conducted solely in respect of these funds.

The financial statements, except for cash flow information, have been prepared using the accrual basis of accounting. Under the accrual basis, items are recognised as assets, liabilities, equity, income or expenses when they satisfy the definitions and recognition criteria for those items, that is they are recognised in the reporting period to which they relate, regardless of when cash is received or paid.

TALLANGATTA HEALTH SERVICE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

Note 1: Summary of Significant Accounting Policies (Cont.)

Judgements, estimates and assumptions are required to be made about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on professional judgements derived from historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

Revisions to accounting estimates are recognised in the period in which the estimate is revised and also in future periods that are affected by the revision. Judgements and assumptions made by management in the application of AABSs that have significant effects on the financial statements and estimates relate to:

- The fair value of land, buildings and plant and equipment (refer to Note 4.2 Property, Plant and Equipment);
- Employee benefit provisions are based on likely tenure of existing staff, patterns of leave claims, future salary movements and future discount rates (refer to Note 3.3 Employee Benefits in the Balance Sheet);

Goods and Services Tax (GST)

Income, expenses and assets 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.

(d) 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, Tallangatta Health Service 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.

Tallangatta Health Service is a Member of the Hume Rural Health Alliance Joint Venture and retains joint control over the arrangement, which it has classified as a joint operation (refer to Note 8.7 Jointly Controlled Operations).

(e) Equity

Contributed Capital

Consistent with the requirements of AASB 1004 Contributions, 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 Tallangatta Health Service.

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

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

Specific Restricted Purpose Surplus

The Specific Restricted Purpose Surplus is established where Tallangatta Health Service has possession or title to the funds but has no discretion to amend or vary the restriction and/or condition underlying the funds received.

**TALLANGATTA HEALTH SERVICE
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020**

Note 2: Funding Delivery of Our Services

Tallangatta Health Service's overall objective is to deliver programs and services that support and enhance the wellbeing of all Victorians. Tallangatta Health Service is predominantly funded by accrual based grant funding for the provision of outputs. Tallangatta Health Service also receives income from the supply of services.

Structure
2.1 Income from Transactions

Note 2.1: Income from Transactions

	Total 2020 \$	Total 2019 \$
Government Grants (State) - Operating	5,589,952	5,195,988
Government Grants (Commonwealth) - Operating	3,514,369	3,481,947
Government Grants (State) - Capital	29,246	242,783
Capital Donations	1,827	19,273
Patient and Resident Fees	1,670,702	1,561,823
Medical Centre Income	668,812	620,318
Other Revenue from Operating Activities (including non-capital donations)	448,973	460,968
Total Income from Operating Activities	11,923,881	11,583,100
Other Interest	68,010	134,521
Total Income from Non-Operating Activities	68,010	134,521
Total Income from Transactions	11,991,891	11,717,621

Government Grants

Income from grants that are enforceable and with sufficiently specific performance obligations are accounted for under AASB 15 as revenue from contracts with customers, with revenue recognised as these performance obligations are met.

Income from grants without any sufficiently specific performance obligations, or that are not enforceable, is recognised when Tallangatta Health Service has an unconditional right to receive the cash, which usually coincides with receipt of cash. On initial recognition of the asset, the Tallangatta Health Service recognises any related contributions by owners, increases in liabilities, decreases in assets, and revenue ('related amounts') in accordance with other Australian Accounting Standards. Related amounts may take the form of:

- a) contributions by owners, in accordance with AASB 1004;
- b) income for not-for-profit entities, in accordance with AASB 1058;
- c) revenue or a contract liability arising from a contract with a customer, in accordance with AASB 15;
- d) a lease liability in accordance with AASB 16;
- e) a financial instrument, in accordance with AASB 9; or
- f) a provision, in accordance with AASB 137 Provisions, Contingent Liabilities and Contingent Assets.

There were no transitional impacts arising as a result of adopting AASB 15 and AASB 1058.

Performance obligations

The types of government grants recognised under AASB15 Revenue from Contracts with Customers includes:

- Commonwealth Funding for Residential Aged Care
- Commonwealth CHSP
- State Small Rural Health and Nursing Home State Support

For Commonwealth Residential Aged Care, revenue is recognised on a daily basis as as the delivery of services to residents is incurred. This performance obligation has been selected as it aligns with the terms and conditions of the funding provided.

For Commonwealth CHSP, revenue is recognised on as the delivery of services under the funding arrangement is incurred. This performance obligation has been selected as it aligns with the terms and conditions of the funding provided.

For State Small Rural Health and Nursing Home State Support Grants, revenue is recognised proportionately over the period of the funding which is usually for a financial year. . This performance obligation has been selected as it aligns with the terms and conditions of the funding provided.

Previous Accounting Policy for 30 June 2019

Grant income arises from transactions in which a party provides goods or assets (or extinguishes a liability) to Tallangatta Health Service without receiving approximately equal value in return. While grants may result in the provision of some goods or services to the transferring party, they do not provide a claim to receive benefits directly of approximately equal value (and are termed 'non-reciprocal' transfers). Receipt and sacrifice of approximately equal value may occur, but only by coincidence.

Some grants are reciprocal in nature (i.e. equal value is given back by the recipient of the grant to the provider). Tallangatta Health Service recognises income when it has satisfied its performance obligations under the terms of the grant.

For non-reciprocal grants, Tallangatta Health Service recognises revenue when the grant is received.

Grants can be received as general purpose grants, which refers to grants which are not subject to conditions regarding their use. Alternatively, they may be received as specific purpose grants, which are paid for a particular purpose and/or have conditions attached regarding their use.

TALLANGATTA HEALTH SERVICE
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

Note 2.1: Income from Transactions (Cont.)

The following are transactions that Tallangatta Health Service has determined to be classified as revenue from contracts with customers in accordance with AASB 15. Due to the modified retrospective transition method chosen in applying AASB 15, comparative information has not been restated to reflect the new requirements.

Patient and Resident Fees

The performance obligations related to patient fees are the provision of health services whilst the patient is admitted to the Acute area of the Health Service. This performance obligation has been selected as it aligns with the time period and delivery of the service to the patient. Revenue is recognised as these performance obligations are met, and is usually invoiced at the completion of the stay of the patient.

Resident fees are recognised as revenue over time as Tallangatta Health Service provides accommodation. This is calculated on a daily basis and invoiced monthly.

Medical Centre Income

The performance obligations related to medical centre income are the provision of health services when an appointment is made to utilise the services of the medical centre. Revenue is recognised as these performance obligations are met, and is usually invoiced at the completion of the appointment.

Voluntary Services: Contributions in the form of services are only recognised when a fair value can be reliably determined, and the services would have been purchased if not donated. Tallangatta Health Service did not receive any volunteer services and does not depend on volunteers to deliver its services.

Performance Obligations and Revenue Recognition Policies

Revenue is measured based on the consideration specified in the contract with the customer. Tallangatta Health Service recognises revenue when it transfers control of a good or service to the customer i.e. revenue is recognised when, or as, the performance obligations for the sale of goods and services to the customer are satisfied.

- Customers obtain control of the supplies and consumables at a point in time when the goods are delivered to and have been accepted at their premises.
- Income from the sale of goods are recognised when the goods are delivered and have been accepted by the customer at their premises
- Revenue from the rendering of services is recognised at a point in time when the performance obligation is satisfied when the service is completed; and over time when the customer simultaneously receives and consumes the services as it is provided.

Consideration received in advance of recognising the associated revenue from the customer is recorded as a contract liability (Note 5.2). Where the performance obligations is satisfied but not yet billed, a contract asset is recorded (Note 5.1).

Other Income

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

Interest Income

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

**TALLANGATTA HEALTH SERVICE
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020**

Note 3: The Cost of Delivering Our Services

This section provides an account of the expenses incurred by Tallangatta Health Service in delivering services and outputs. In Section 2, the funds that enable the provision of services were disclosed and in this note the costs 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

Note 3.1: Expenses from Transactions

	Total 2020 \$	Total 2019 \$
Salaries and Wages	7,818,748	7,132,845
On-costs	1,646,809	1,550,108
Agency Expenses	360,719	352,867
Fee for Service Medical Officer Expenses	203,265	181,533
Workcover Premium	142,660	136,609
Total Employee Expenses	10,172,201	9,353,962
Drug Supplies	10,101	16,144
Medical and Surgical Supplies (including Prostheses)	96,643	106,322
Other Supplies and Consumables	353,417	347,358
Total Supplies and Consumables	460,161	469,824
Finance Costs	17,737	16,629
Total Finance Costs	17,737	16,629
Other Administrative Expenses	867,066	859,976
Total Other Administrative Expenses	867,066	859,976
Fuel, Light, Power and Water	199,416	213,673
Repairs and Maintenance	138,274	150,587
Maintenance Contracts	34,140	32,805
Medical Indemnity Insurance	9,541	10,251
Expenditure for Capital Purposes	30,564	1,682
Total Other Operating Expenses	411,935	408,998
Total Operating Expense	11,929,100	11,109,389
Depreciation and Amortisation (refer Note 4.4)	1,300,786	1,104,229
Total Other Non-Operating Expenses	1,300,786	1,104,229
Total Expenses from Transactions	13,229,886	12,213,618

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

Employee expenses

Employee expenses include:

- wages and salaries (including fringe benefits tax, leave entitlements, termination payments);
- On-costs;
- Agency Expenses;
- Fee for service medical officer expenses;
- workcover 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);
- finance charges in respect of finance 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 and Human Services also makes certain payments on behalf of Tallangatta Health Service. These amounts have been brought to account as grants in determining the operating result for the year by recording them as revenue and also recording the related expense.

Non-operating expenses

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

TALLANGATTA HEALTH SERVICE
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

Note 3.1: Expenses from Transactions (Cont.)

Operating Lease Payments

Operating lease payments up until 30 June 2019 (including contingent rentals) were recognised on a straight line basis over the lease term, except where another systematic basis is more representative of the time pattern of the benefits derived from the use of the leased asset.

From 1 July 2019, the following lease payments are recognised on a straight-line basis:

- Short-term leases – leases with a term less than 12 months; and
- Low value leases – leases with the underlying asset's fair value (when new, regardless of the age of the asset being leased) is no more than \$10,000.

Variable lease payments not included in the measurement of the lease liability (i.e. variable lease payments that do not depend on an index or a rate, initially measured using the index or rate as at the commencement date). These payments are recognised in the period in which the event or condition that triggers those payments occur.

Note 3.2: Other Economic Flows

	2020 \$	2019 \$
<u>Net gain/(loss) on sale of non-financial assets</u>		
Net gain on disposal of property plant and equipment	-	2,516
Total net gain/(loss) on non-financial assets	-	2,516
<u>Net gain/(loss) on financial instruments</u>		
Allowance for impairment losses of contractual receivables	-	(29,969)
Total net gain/(loss) on financial instruments	-	(29,969)
<u>Other gains/(losses) from other economic flows</u>		
Net gain/(loss) arising from revaluation of long service liability	(18,199)	(24,132)
Total other gains/(losses) from other economic flows	(18,199)	(24,132)
Total other gains/(losses) from economic flows	(18,199)	(21,616)

Other economic flows are changes in the volume or value of an asset or liability that do not result from transactions. Other gains/(losses) from other economic flows include the gains or losses from the revaluation of the present value of the long service leave liability due to changes in the bond interest rates.

Net gain/ (loss) on non-financial assets

Any gain or loss on the disposal of non-financial assets is recognised at the date of disposal.

Net gain/(loss) on financial instruments

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

- impairment and reversal of impairment for financial instruments at amortised cost; and
- disposals of financial assets and derecognition of financial liabilities

Note 3.3: Employee Benefits in the Balance Sheet

	2020 \$	2019 \$
Current Provisions		
Employee Benefits ⁱ		
Accrued Days Off		
-Unconditional and expected to be settled wholly within 12 months ⁱⁱ	19,349	12,958
Annual Leave		
-Unconditional and expected to be settled wholly within 12 months ⁱⁱ	661,213	568,179
-Unconditional and expected to be settled wholly after 12 months ⁱⁱⁱ	113,050	95,063
Long Service Leave		
-Unconditional and expected to be settled wholly within 12 months ⁱⁱ	146,653	146,652
-Unconditional and expected to be settled wholly after 12 months ⁱⁱⁱ	769,074	724,273
	1,709,339	1,547,125
Provisions Related to Employee Benefit On-Costs		
-Unconditional and expected to be settled wholly within 12 months ⁱⁱ	85,526	75,386
-Unconditional and expected to be settled wholly after 12 months ⁱⁱⁱ	91,366	84,880
	176,892	160,266
Total Current Provisions	1,886,231	1,707,391
Non-Current Provisions		
Conditional Long Service Leave	206,881	158,483
Provisions related to Employee Benefit On-Costs	20,896	16,008
Total Non-Current Provisions	227,777	174,491
Total Provisions	2,114,008	1,881,882

ⁱ Employee benefits consist of amounts for accrued days off, annual leave and long service leave accrued by employees, not including on-costs.

ⁱⁱ The amounts disclosed are nominal amounts.

ⁱⁱⁱ The amounts disclosed are discounted to present values.

(a) Employee Benefits and Related On-Costs

Current Employee Benefits and Related On-Costs

Unconditional Long Service Leave Entitlements	1,008,224	958,897
Annual Leave Entitlement	858,658	735,536
Accrued Days Off	19,349	12,958
Total Current Employee Benefits and Related On-Costs	1,886,231	1,707,391

Non-Current Employee Benefits and Related On-Costs

Conditional Long Service Leave Entitlements	227,777	174,491
Total Non-Current Employee Benefits and Related On-Costs	227,777	174,491
Total Employee Benefits and Related On-Costs	2,114,008	1,881,882

**TALLANGATTA HEALTH SERVICE
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020**

Note 3.3: Employee Benefits in the Balance Sheet (Cont.)

Employee benefit Recognition

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

Provisions

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

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

Annual leave and accrued days off

Liabilities for annual leave and accrued days off are recognised in the provision for employee benefits as 'current liabilities', because the health service does not have an unconditional right to defer settlements of these liabilities.

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

- Nominal value – if the health service expects to wholly settle within 12 months; or
- Present value – if the health service does not expect to wholly settle within 12 months.

Long service leave

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

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

The components of this current LSL liability are measured at:

- Nominal value – if the health service expects to wholly settle within 12 months; and
- Present value – if the health service 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.

On-costs related to employee benefits

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

Note 3.4: Superannuation

	Paid Contribution for the		Outstanding Contribution at Year	
	year		End	
	2020	2019	2020	2019
	\$	\$	\$	\$
Defined Contribution Plans				
First State Super	488,828	459,454	-	-
Hesta	214,343	196,607	-	-
Other	58,100	44,485	-	-
Total	761,271	700,546	-	-

Employees of Tallangatta Health Service are entitled to receive superannuation benefits and it contributes to defined contribution plans.

Defined contribution superannuation plans

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

TALLANGATTA HEALTH SERVICE
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

Note 4: Key Assets to Support Service Delivery

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

- Structure
- 4.1 Investments and other financial assets
 - 4.2 Property, plant and equipment
 - 4.3 Intangible assets
 - 4.4 Depreciation and amortisation

Note 4.1: Investments and Other Financial Assets

	2020	2019
	\$	\$
Current		
Term Deposits > 3 Months	-	1,450,670
Total Investments and Other Financial Assets	<u>-</u>	<u>1,450,670</u>
Represented by:		
Health Service Investments	-	1,450,670
Total Investments and Other Financial Assets	<u>-</u>	<u>1,450,670</u>

Investment Recognition

Investments are recognised and derecognised on trade date where purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value, net of transaction costs.

Tallangatta Health Service 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. Tallangatta Health Service assesses at each balance sheet date whether a financial asset or group of financial assets is impaired.

Tallangatta Health Service's investments must comply with Standing Direction 3.7.2 - Treasury Management, including Central Banking System.

All financial assets, except for those measured at fair value through the Comprehensive Operating Statement are subject to annual review for impairment.

Derecognition of financial assets

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

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

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

Impairment of financial assets

At the end of each reporting period Tallangatta Health Service assesses whether there is objective evidence that a financial asset or group of financial asset is impaired. All financial instrument assets, except those measured at fair value through the Comprehensive Operating Statement, are subject to annual review for impairment.

**TALLANGATTA HEALTH SERVICE
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020**

Note 4.2: Property, Plant and Equipment

Initial Recognition

Items of property, plant and equipment 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. The cost of a leasehold improvement is capitalised as an asset and depreciated over the shorter of the remaining term of the lease or the estimated useful life of the improvements.

The initial cost for non-financial physical assets under a lease (refer to Note 6.1) is measured at amounts equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease.

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.

Land and buildings are recognised initially at cost and subsequently measured at fair value less accumulated depreciation and accumulated impairment loss.

Right-of-use asset acquired by lessees (Under AASB 16 – Leases from 1 July 2019) – Initial measurement

Tallangatta Health Service recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost which comprises the initial amount of the lease liability adjusted for:

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

Subsequent measurement: Property, plant and equipment (PPE) as well as right-of-use assets under leases and service concession assets are subsequently measured at fair value less accumulated depreciation and impairment. 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) and is summarised on the following page by asset category.

Right-of-use asset – Subsequent measurement

Tallangatta Health Service depreciates the right-of-use assets on a straight line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful life of the right-of-use assets are determined on the same basis as property, plant and equipment, other than where the lease term is lower than the otherwise assigned useful life. The right-of-use assets are also subject to revaluation as required by FRD 103I [pending] however as at 30 June 2020 right-of-use assets have not been revalued.

In addition, the right-of-use asset is periodically reduced by impairment losses, if any and adjusted for certain remeasurements of the lease liability.

Revaluations of Non-Current Physical Assets

Non-current physical assets are measured at fair value and are revalued in accordance with FRD 103H *Non-Current Physical Assets*. This revaluation process normally occurs every five years, based upon the asset's Government Purpose Classification, but may occur more frequently if fair value assessments indicate material changes in values. Independent valuers are used to conduct these scheduled revaluations and any interim revaluations are determined in accordance with the requirements of the FRDs. Revaluation increments or decrements arise from differences between an asset's carrying value and fair value.

Revaluation increments are recognised in 'Other Comprehensive Income' and are credited directly to the asset revaluation surplus, 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, 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 surplus in respect of the same class of property, plant and equipment.

Revaluation increases and revaluation decreases 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 surplus is not transferred to accumulated funds on de-recognition of the relevant asset, except where an asset is transferred via contributed capital.

In accordance with FRD 103H *Non-Current Physical Assets*, Tallangatta Health Service's non-current physical assets were assessed to determine whether revaluation of the non-current physical assets was required.

Fair value measurement

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

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

In addition, Tallangatta Health Service determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

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

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

Valuation hierarchy

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

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

Identifying unobservable inputs (level 3) fair value measurements

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

**TALLANGATTA HEALTH SERVICE
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020**

Note 4.2: Property, Plant and Equipment (Cont.)

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.

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

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

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

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

Specialised Land and Specialised Buildings

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

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

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

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

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

An independent valuation of Tallangatta Health Service's specialised land and specialised buildings was performed by the Valuer-General Victoria. The valuation was performed using the market approach adjusted for CSO. The effective date of the valuation is 30 June 2019.

Vehicles

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

Plant and Equipment

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

There were no changes in valuation techniques throughout the period to 30 June 2020.

For all assets measured at fair value, the current use is considered the highest and best use.

**TALLANGATTA HEALTH SERVICE
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020**

Note 4.2: Property, Plant and Equipment (Cont.)

(a) Gross carrying amount and accumulated depreciation	2020	2019
Land	\$	\$
Land at Fair Value	448,000	448,000
Land Improvements at Fair Value	275,457	264,000
Less Accumulated Depreciation	(13,228)	-
Total Land	710,229	712,000
Buildings		
Buildings at Fair Value	9,246,273	9,164,500
Less Accumulated Depreciation	(1,100,776)	-
Building Work in Progress at Cost	90,233	11,411
Total Buildings	8,235,730	9,175,911
Plant and Equipment		
Plant and Equipment at Fair Value	2,106,762	2,015,315
Less Accumulated Depreciation	(1,751,409)	(1,632,857)
Total Plant and Equipment	355,353	382,458
Motor Vehicles		
Motor Vehicles at Fair Value	567,275	567,275
Less Accumulated Depreciation	(467,647)	(438,016)
Total Motor Vehicles	99,628	129,259
Medical Equipment		
Medical Equipment at Fair Value	524,526	514,080
Less Accumulated Depreciation	(453,009)	(431,644)
Total Medical Equipment	71,517	82,436
Right of Use - Plant, Equipment, and vehicles		
Plant, Equipment, and vehicles	50,002	83,363
Less Accumulated Depreciation	(6,233)	(59,588)
Total Right of Use - Plant, Equipment, and vehicles	43,769	23,775
TOTAL PROPERTY, PLANT AND EQUIPMENT	9,516,226	10,505,839

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

	Land	Buildings	Plant & Equipment	Motor Vehicles	Medical Equipment	Right of Use PE and V ¹	Total
	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2018	603,627	8,412,084	416,888	105,222	87,837	27,129	9,652,787
Additions	35,856	13,555	79,706	66,986	18,100	13,498	227,701
Disposals	-	-	-	(9,302)	-	-	(9,302)
Revaluation Increment	84,931	1,649,995	-	-	-	-	1,734,926
Depreciation and Amortisation (Note 4.4)	(12,414)	(899,723)	(114,136)	(33,647)	(23,501)	(16,852)	(1,100,273)
Balance at 1 July 2019	712,000	9,175,911	382,458	129,259	82,436	23,775	10,505,839
Additions	11,457	160,595	95,264	-	10,447	28,863	306,626
Disposals	-	-	-	-	-	-	-
Revaluation Increment	-	-	-	-	-	-	-
Depreciation and Amortisation (Note 4.4)	(13,228)	(1,100,776)	(122,369)	(29,631)	(21,366)	(8,869)	(1,296,239)
Balance at 30 June 2020	710,229	8,235,730	355,353	99,628	71,517	43,769	9,516,226

¹ This was referred to as leased assets in 2019 which is now headed as Right of Use - Plant, Equipment and Vehicles in accordance with AASB 16.

Land and buildings carried at valuation

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

In compliance with FRD 103H, in the year ended 30 June 2020, Tallangatta Health Service's management conducted an annual assessment of the fair value of land and buildings and leased buildings. To facilitate this, management obtained from the Department of Treasury and Finance the Valuer General Victoria indices for the financial year ended 30 June 2020.

The latest indices did not identify that a further revaluation was required in 2020.

The land and building cost indices issued by the Valuer General Victoria for the period 1 July 2019 to 30 June 2020 and used in the fair value assessments above have not been reviewed and updated for the potential impacts of COVID19 on land values and building costs at 30 June 2020. While this creates some uncertainty over the fair value assessments performed, management considers any impact is unlikely to be material to the fair value assessments undertaken.

TALLANGATTA HEALTH SERVICE
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

Note 4.2: Property, Plant and Equipment (Cont.)

(c) Fair value measurement hierarchy for assets

	Carrying amount	Fair value measurement at end of reporting period using:		
		Level 1 ⁽ⁱ⁾	Level 2 ⁽ⁱ⁾	Level 3 ⁽ⁱ⁾
Balance at 30 June 2020				
Land at fair value (ii)				
Non-specialised land	96,000	-	96,000	-
Specialised land	614,229	-	-	614,229
Total of land at fair value	710,229	-	96,000	614,229
Buildings at fair value (ii)				
Non-specialised buildings	144,000	-	144,000	-
Specialised buildings	8,091,730	-	-	8,091,730
Total of buildings at fair value	8,235,730	-	144,000	8,091,730
Plant and equipment at fair value	355,353	-	-	355,353
Motor Vehicles at Fair Value	99,628	-	-	99,628
Medical equipment at fair value	71,517	-	-	71,517
	9,472,457	-	240,000	9,232,457
Balance at 30 June 2019				
Land at fair value				
Non-specialised land	96,000	-	96,000	-
Specialised land	616,000	-	-	616,000
Total of land at fair value	712,000	-	96,000	616,000
Buildings at fair value				
Non-specialised buildings	144,000	-	144,000	-
Specialised buildings	9,031,911	-	-	9,031,911
Total of buildings at fair value	9,175,911	-	144,000	9,031,911
Plant and equipment at fair value	382,458	-	-	382,458
Motor Vehicles at Fair Value	129,259	-	-	129,259
Medical equipment at fair value	82,436	-	-	82,436
Leased assets at fair value	23,775	-	-	23,775
	10,505,839	-	240,000	10,265,839

Note

⁽ⁱ⁾ Classified in accordance with the fair value hierarchy
There have been no transfers between levels during the period (2019: nil).

(d) Reconciliation of Level 3 fair value measurement

	Land	Buildings	Plant and Equipment	Motor Vehicles	Medical Equipment
2020					
Balance at 1 July 2019	616,000	9,031,911	382,458	129,259	82,436
Purchases (sales)	11,457	160,595	95,264	-	10,447
Gains or losses recognised in net result					
- Depreciation	(13,228)	(1,100,776)	(122,369)	(29,631)	(21,366)
Balance at 30 June 2020	614,229	8,091,730	355,353	99,628	71,517
2019					
Balance at 1 July 2018	524,922	8,298,884	416,888	105,222	87,837
Purchases (sales)	-	13,555	79,706	57,684	18,100
Gains or losses recognised in net result					
- Depreciation	(12,414)	(930,523)	(114,136)	(33,647)	(23,501)
Subtotal	512,508	7,381,916	382,458	129,259	82,436
Items recognised in other comprehensive income					
- Revaluation	103,492	1,649,995	-	-	-
Balance at 30 June 2019	616,000	9,031,911	382,458	129,259	82,436

TALLANGATTA HEALTH SERVICE
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

Note 4.2: Property, Plant and Equipment (Cont.)

(e) Fair Value determination

Asset class	Likely valuation approach	Significant inputs (Level 3 only)^(c)
Non-specialised land	Market approach	n.a.
Specialised Land (Crown / Freehold)	Market approach	Community Service Obligations Adjustments ^(a)
Non-specialised buildings	Market approach	n.a.
Specialised buildings	Depreciated replacement cost approach	- Cost per square metre - Useful life
Vehicles	Market approach	n.a.
	Depreciated replacement cost approach	- Cost per unit - Useful life
Plant and equipment	Depreciated replacement cost approach	- Cost per square metre - Useful life

^a A community Service Obligation (CSO) of 20% was applied to the health services specialised land Classified in accordance with the fair value hierarchy.

	Note	2020 \$	2019 \$
(f) Property, Plant and Equipment Revaluation Surplus			
Balance at the beginning of the Reporting Period		12,004,791	10,269,865
Revaluation Increment/(Decrement)			
Land	4.2 (b)	-	84,931
Buildings	4.2 (b)	-	1,649,995
Balance at the end of the Reporting Period		12,004,791	12,004,791
Represented by:			
Land		688,153	688,153
Buildings		11,316,638	11,316,638
		12,004,791	12,004,791

Note 4.3: Intangible Assets

(a) Gross carrying amount and accumulated amortisation

CURRENT	2020 \$	2019 \$
Intangible assets - Hume Alliance joint operation	30,971	28,941
Less Accumulated Amortisation	15,287	10,346
	15,684	18,595

(b) Reconciliation of the carrying amounts of intangible assets

Balance at beginning of year	18,595	15,332
Additions	1,636	7,219
Disposals	-	-
Amortisation	(4,547)	(3,956)
Balance at end of year	15,684	18,595

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

Intangible assets are initially recognised at cost. Subsequently, intangible assets with finite useful lives are carried at cost less accumulated amortisation and accumulated impairment losses. Costs incurred subsequent to initial acquisition are capitalised when it is expected that additional future economic benefits will flow to the Health Service.

Purchased intangible assets are initially recognised at cost. When the recognition criteria in AASB 138 Intangible Assets is met, internally generated intangible assets are recognised at cost. Subsequently, intangible assets with finite useful lives are carried at cost less accumulated amortisation and accumulated impairment losses. Depreciation and amortisation begins when the asset is available for use, that is, when it is in the location and condition necessary for it to be capable of operating in the manner intended by management.

TALLANGATTA HEALTH SERVICE
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

Note 4.4: Depreciation and Amortisation

	2020	2019
	\$	\$
Depreciation		
Buildings	1,100,776	899,723
Plant and Equipment	122,369	114,136
Motor Vehicles	29,631	33,647
Medical Equipment	21,366	23,501
Land Improvements	13,228	12,414
Leased Assets	-	16,852
Right of use plant, equipment and vehicles	8,869	-
Total Depreciation	1,296,239	1,100,273
Amortisation		
Software	4,547	3,956
Total Amortisation	4,547	3,956
Total Depreciation and Amortisation	1,300,786	1,104,229

Depreciation and amortisation recognition

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 shorter of the asset's useful life and the lease term. Where Tallangatta Health Service obtains ownership of the underlying leased asset or if the cost of the right-of-use asset reflects that the entity will exercise a purchase option, the entity depreciates the right-of-use asset over its useful life.

Amortisation

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

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

	2020	2019
Buildings	25 to 50 years	25 to 50 years
Plant & Equipment	5 to 20 years	5 to 20 years
Medical Equipment	5 to 10 years	5 to 10 years
Computers & Communications	3 to 7 years	3 to 7 years
Furniture & Fittings	10 to 20 years	10 to 20 years
Motor Vehicles	7 years	7 years
Leasehold Improvements	20 years	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.

TALLANGATTA HEALTH SERVICE
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

Note 5: Other Assets and Liabilities

This section sets out those assets and liabilities that arose from the health service's operations.

Structure

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

Note 5.1: Receivables and Contract Assets

	2020	2019
	\$	\$
CURRENT		
Contractual		
Inter Hospital Debtors	83,485	11,662
Trade Debtors	99,680	171,750
Patient Fees	29,499	54,270
Accrued Revenue	18,501	13,035
Accrued Investment Income	-	15,180
Less Allowance for impairment losses of contractual receivables		
Patient Fees	-	(29,969)
	<u>231,165</u>	<u>235,928</u>
Statutory		
Accrued Revenue - Department of Health & Human Services	-	30,621
GST Receivable	<u>24,289</u>	<u>46,774</u>
	<u>24,289</u>	<u>77,395</u>
TOTAL CURRENT RECEIVABLES	<u>255,454</u>	<u>313,323</u>
NON CURRENT		
Statutory		
Long Service Leave - Department of Health & Human Services	<u>239,387</u>	<u>242,947</u>
TOTAL NON-CURRENT RECEIVABLES	<u>239,387</u>	<u>242,947</u>
TOTAL RECEIVABLES	<u>494,841</u>	<u>556,270</u>
(a) Movement in the Allowance for impairment losses of contractual receivables		
Balance at beginning of year	29,969	29,969
Increase/(decrease) in Allowance recognised in net result	<u>(29,969)</u>	<u>-</u>
Balance at end of year	<u>-</u>	<u>29,969</u>

Receivables recognition

Receivables consist of:

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

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

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

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

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

Impairment losses of contractual receivables

Refer to Note 7.1 (c) Contractual receivables at amortised costs for Tallangatta Health Service's contractual impairment losses.

Note 5.2: Prepayments

	2020	2019
	\$	\$
CURRENT		
Prepayments	<u>127,192</u>	<u>129,408</u>
Total Prepayments	<u>127,192</u>	<u>129,408</u>

Prepayments represent payments in advance of receipt of goods or services or that part of expenditure made in one accounting period covering a term extending beyond that period.

TALLANGATTA HEALTH SERVICE
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

Note 5.3: Payables and Contract Liabilities

	Note	2020 \$	2019 \$
CURRENT			
Contractual			
Trade Creditors		393,636	386,424
Accrued Salaries and Wages		253,723	170,167
Accrued Expenses		67,302	42,971
Contract Liabilities - income received in advance	5.3 (a)	276,812	133,292
		<u>991,473</u>	<u>732,854</u>
Statutory			
Department of Health and Human Services		137,262	31,730
		<u>137,262</u>	<u>31,730</u>
TOTAL PAYABLES		<u>1,128,735</u>	<u>764,584</u>

Payables

Payables consist of:

- contractual payables, classified as financial instruments and measured at amortised cost. Accounts payable and salaries and wages payable represent liabilities for goods and services provided to Tallangatta Health Service 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 Nett 30 days.

(a) Contract Liabilities

	2020 \$
Opening balance brought forward from 30 June 2019 adjusted for AASB 15	133,292
Add: Payments received for performance obligations yet to be completed during the period	254,923
Less: Revenue recognised in the reporting period for the completion of a performance obligation	(111,403)
Total Current Contract Liabilities	<u>276,812</u>

Contract liabilities include consideration received in advance from the Commonwealth in respect of Residential Aged Care and CHSP services and Primary Health Network funds. The amounts are transferred to revenue when the services are provided.

Maturity analysis of payables

Please refer to Note 7.1(b) for the ageing analysis of payables.

Note 5.4: Other Liabilities

	2020 \$	2019 \$
CURRENT		
Monies Held in Trust - Refundable Accommodation Deposits	4,908,983	4,039,376
Total	<u>4,908,983</u>	<u>4,039,376</u>
Monies Held in Trust is represented by the following assets:		
Cash Assets	4,908,983	4,039,376
Total	<u>4,908,983</u>	<u>4,039,376</u>

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

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

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

**TALLANGATTA HEALTH SERVICE
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020**

Note 6: How We Finance Our Operations

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

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

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

Note 6.1: Borrowings

	2020 \$	2019 \$
CURRENT		
Lease Liability ⁽ⁱ⁾	12,504	13,004
Total Current	<u>12,504</u>	<u>13,004</u>
NON-CURRENT		
Lease Liability ⁽ⁱ⁾	31,431	10,598
Advances from Government ⁽ⁱⁱ⁾	102,221	-
Total Non-Current	<u>133,652</u>	<u>10,598</u>
TOTAL BORROWINGS	<u><u>146,156</u></u>	<u><u>23,602</u></u>

⁽ⁱ⁾ Secured by the assets leased. Leases are effectively secured as the rights to the leased assets revert to the lessor in the event of default.

⁽ⁱⁱ⁾ These are unsecured loans which bear no interest.

Maturity analysis of borrowings

Please refer to Note 7.1(b) for the ageing analysis of borrowings.

(b) Defaults and breaches

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

(c) Lease Liabilities

Repayments in relation to leases are payable as follows:

	2020 \$	2019 \$
Not later than one year	13,000	13,922
Later than 1 year and not later than 5 years	31,536	11,199
Minimum lease payments	44,536	25,121
Less future finance charges	601	1,519
TOTAL	<u>43,935</u>	<u>23,602</u>
Included in the financial statements as:		
Current borrowings - lease liability	12,504	13,004
Non-current borrowings - lease liability	31,431	10,598
TOTAL	<u>43,935</u>	<u>23,602</u>

Leases

A lease is a right to use an asset for an agreed period of time in exchange for payment. 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.

Tallangatta Health Service's leasing activities

Tallangatta Health Service has entered into leases related to motor vehicles and with plant and equipment as part of its investment in Hume Region Health Alliance.

For any new contracts entered into on or after 1 July 2019, Tallangatta Health Service considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'. To apply this definition Tallangatta Health Service assesses whether the contract meets three key evaluations which are whether:

- 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 Tallangatta Health Service and for which the supplier does not have substantive substitution rights;
- Tallangatta Health Service has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract and the Health Service has the right to direct the use of the identified asset throughout the period of use; and
- Tallangatta Health Service has the right to take decisions in respect of 'how and for what purpose' the asset is used throughout the period of use.

This policy is applied to contracts entered into, or changed, on or after 1 July 2019.

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.

**TALLANGATTA HEALTH SERVICE
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020**

Note 6.1: Borrowings (Cont.)

Recognition and measurement of leases as a lessee (under AASB 16 from 1 July 2019)

Lease Liability – 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 Tallangatta Health Services incremental borrowing rate.

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.

Lease Liability – subsequent measurement

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

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

Short-term leases and leases of low value assets

Tallangatta Health Service has elected to account for short-term leases and leases of low value assets using the practical expedients. Instead of recognising a right of use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight line basis over the lease term.

Presentation of right-of-use assets and lease liabilities

Tallangatta Health Service presents right-of-use assets as 'property plant equipment' in the balance sheet. Lease liabilities are presented as 'borrowings' in the balance sheet.

Recognition and measurement of leases (under AASB 117 until 30 June 2019)

In the comparative period, leases of property, plant and equipment were classified as either finance lease or operating leases.

Tallangatta Health Service determined whether an arrangement was or contained a lease based on the substance of the arrangement and required an assessment of whether fulfilment of the arrangement is dependent on the use of the specific asset(s); and the arrangement conveyed a right to use the asset(s).

Leases of property, plant and equipment where Tallangatta Health Service as a lessee had substantially all of the risks and rewards of ownership were classified as finance leases. finance leases were initially recognised as assets and liabilities at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payment, each determined at the inception of the lease. The leased asset is accounted for as a non-financial physical asset and depreciated over the shorter of the estimated useful life of the asset or the term of the lease. Minimum finance lease payments were apportioned between the reduction of the outstanding lease liability and the periodic finance expense, which is calculated using the interest rate implicit in the lease and charged directly to the consolidated comprehensive operating statement.

Contingent rentals associated with finance leases were recognised as an expense in the period in which they are incurred.

Assets held under other leases were classified as operating leases and were not recognised in Tallangatta Health Services balance sheet. Operating lease payments were recognised as an operating expense in the Statement of Comprehensive

Note 6.2: Cash and Cash Equivalents

	2020	2019
	\$	\$
Cash on Hand	1,050	1,050
Cash at Bank	707,495	1,112,150
Cash at Bank - CBS (excluding monies held in trust)	1,898,865	975,404
Cash at Bank - CBS (monies held in trust)	4,908,983	2,588,706
Total Cash and Cash Equivalents	7,516,393	4,677,310

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 and are subject to insignificant risk of changes in value.

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

Note 6.3: Commitments for Expenditure

	2020	2019
	\$	\$
Capital Expenditure Commitments	-	-
Non-cancellable Short Term and Low Value Lease Commitments		
Operating leases relate to computers with lease terms of three to five years and photocopiers with lease terms of 5 years:		
Not longer than one year	1,589	19,470
Longer than one year but not longer than five years	-	1,589
Total Non-cancellable Operating Lease Commitments	1,589	21,059
Total Commitments for Expenditure	1,589	21,059

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

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.

TALLANGATTA HEALTH SERVICE
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

Note 6.4: Non-Cash Financing and Investing Activities

	2020	2019
	\$	\$
Acquisition of plant and equipment by means of Leases	30,195	-

Note 7: Risks, Contingencies & Valuation Uncertainties

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

- Structure
7.1 Financial instruments
7.2 Contingent assets and contingent liabilities

Note 7.1: Financial Instruments

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

(a) Categorisation of Financial Instruments

	Financial Assets at Amortised Cost		Financial Liabilities at Amortised Cost		Carrying Amount	
	2020	2019	2020	2019	2020	2019
	\$	\$	\$	\$	\$	\$
Contractual Financial Assets						
Cash and Cash Equivalents	7,516,393	4,677,310	-	-	7,516,393	4,677,310
Receivables						
- Trade Debtors	183,165	183,412	-	-	183,165	183,412
- Other Receivables	48,000	52,516	-	-	48,000	52,516
Other Financial Assets - Term Deposit	-	1,450,670	-	-	-	1,450,670
Total Financial Assets	7,747,558	6,363,908	-	-	7,747,558	6,363,908
Financial Liabilities						
Payables	-	-	714,661	732,854	714,661	732,854
Borrowings	-	-	146,156	23,602	146,156	23,602
Other Liabilities	-	-	4,908,983	4,039,376	4,908,983	4,039,376
Total Financial Liabilities	-	-	5,769,800	4,795,832	5,769,800	4,795,832

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

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 net result:

- the assets are held by Tallangatta Health Service to collect the contractual cash flows, and
- the assets' contractual terms give rise to cash flows that are solely payments of principal and interests.

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.

Tallangatta Health Service recognises the following assets in this category:

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

Financial liabilities at amortised cost 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.

Tallangatta Health Service 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.

Derecognition of financial liabilities:

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

TALLANGATTA HEALTH SERVICE
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

Note 7.1: Financial Instruments (Cont.)

(b) Maturity Analysis of Financial Liabilities as at 30 June

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

	Carrying Amount	Nominal Amount	Maturity Dates				Over 5 Years
			Less than 1 Month	1-3 Months	3 Months - 1 Year	1-5 Years	
	\$	\$	\$	\$	\$	\$	\$
2020							
<i>At amortised cost</i>							
Payables	714,661	714,661	646,428	985	67,248	-	-
Borrowings	146,156	146,156	1,126	2,252	9,126	133,652	-
Other Financial Liabilities - Accommodation Bonds	4,908,983	4,908,983	-	4,908,983	-	-	-
Total Financial Liabilities	5,769,800	5,769,800	647,554	4,912,220	76,374	133,652	-
2019							
<i>At amortised cost</i>							
Payables	732,854	732,854	685,682	15,369	31,803	-	-
Borrowings	23,602	23,602	1,126	2,252	9,626	10,598	-
Other Financial Liabilities - Accommodation Bonds	4,039,376	4,039,376	-	4,039,376	-	-	-
Total Financial Liabilities	4,795,832	4,795,832	686,808	4,056,997	41,429	10,598	-

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

(c) Contractual receivables at amortised cost

	Current	Less than 1 Month	1-3 Months	3 Months - 1 Year	1-5 Years	Total
2019						
Expected loss rate	0%	0%	0%	64%	0%	
Gross carrying amount of contractual receivables	171,472	17,819	29,589	47,017	-	265,897
Loss allowance	-	-	-	29,969	-	29,969
2020						
Expected loss rate	0%	0%	0%	0%	0%	
Gross carrying amount of contractual receivables	189,071	3,455	17,260	21,379	-	231,165
Loss allowance	-	-	-	-	-	-

Impairment of financial assets under AASB 9 Financial Instruments

Tallangatta Health Service records the allowance for expected credit loss for the relevant financial instruments, in accordance with AASB 9 Financial Instruments 'Expected Credit Loss' approach. Subject to AASB 9 Financial Instruments, impairment assessment includes Tallangatta Health Service's contractual receivables and statutory receivables.

Contractual receivables at amortised cost

Tallangatta Health Service 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. Tallangatta Health Service 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. These factors have been assessed in light of COVID19 and there is no expectation that the expected credit loss applied will be materially different.

On this basis, Tallangatta Health Service determines the opening loss allowance on initial application date of AASB 9 and the closing loss allowance at end of the financial year as disclosed above.

Reconciliation of the movement in the loss allowance for contractual receivables

	2020	2019
Balance at beginning of the year	29,969	-
Opening retained earnings adjustment on adoption of AASB 9	-	-
Opening Loss Allowance	29,969	-
Increase in provision recognised in the net result	-	29,969
Reversal of unused provision recognised in the net result	(29,969)	-
Balance at end of the year	-	29,969

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.

In prior years, a provision for doubtful debts is recognised when there is objective evidence that the debts may not be collected and bad debts are written off when identified. A provision is made for estimated irrecoverable amounts from the sale of goods when there is objective evidence that an individual receivable is impaired. Bad debts considered as written off by mutual consent.

Statutory receivables at amortised cost

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

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.

TALLANGATTA HEALTH SERVICE
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

Note 7.2: Contingent Assets and Contingent Liabilities

Contingent Liabilities

Non-Quantifiable

Tallangatta Health Service has no contingent Assets or Liabilities at 30 June 2020 (2019 \$nil).

Contingent assets and contingent liabilities are not recognised in the balance sheet, but are disclosed by way of note and, if quantifiable, are measured at nominal value. Contingent assets and contingent liabilities are presented inclusive of GST receivable or payable respectively.

**TALLANGATTA HEALTH SERVICE
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020**

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 inflow / (outflow) from operating activities
- 8.2 Responsible persons disclosure
- 8.3 Remuneration of executive officers
- 8.4 Related parties
- 8.5 Remuneration of auditors
- 8.6 Events occurring after the balance sheet date
- 8.7 Jointly controlled operations
- 8.8 Economic dependency
- 8.9 Changes in Accounting Policy
- 8.10 AASBs issued that are not yet effective

Note 8.1: Reconciliation of Net Result for the Year to Net Cash Inflow / (Outflow) from Operating Activities

	2020 \$	2019 \$
Net Result for the Year	(1,256,194)	(547,582)
Non-Cash Movements		
Depreciation and Amortisation	1,300,786	1,104,229
Impairment of Financial Assets	(29,969)	29,969
Revaluation of Long Service Leave	18,199	24,132
Discount (interest) / expense on loan	(1,249)	-
Movements included in Investing and Financing activities		
Net (Gain)/Loss on Disposal of Non-Financial Physical Assets	-	(2,516)
Movements in Assets and Liabilities:		
Change in Operating Assets & Liabilities		
(Increase)/Decrease in Prepayments	2,216	(55,482)
(Increase)/Decrease in Receivables	91,398	61,423
Increase/(Decrease) in Payables	364,151	(515,033)
Increase/(Decrease) in Employee Benefits	213,927	212,756
Increase/(Decrease) in Other Liabilities	143,520	(41,634)
NET CASH INFLOW FROM OPERATING ACTIVITIES	846,785	270,262

Note 8.2: Responsible Persons Disclosures

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

	Period
Responsible Minister	
The Honourable Jenny Mikakos, Minister for Health and Minister for Ambulance Services	01/07/2019 - 30/06/2020
The Honourable Martin Foley, Minister for Mental Health	01/07/2019 - 30/06/2020
The Honourable Luke Donnellan, Minister for Child Protection, Minister for Disability, Ageing and Carers	01/07/2019 - 30/06/2020
Governing Boards	
R. Lees	01/07/2019 - 30/06/2020
A. Eagle	01/07/2019 - 30/06/2020
R. Currie	01/07/2019 - 30/06/2020
K. Lees	01/07/2019 - 30/06/2020
S. Hogg	01/07/2019 - 30/06/2020
L. Peady	01/07/2019 - 30/06/2020
A. Solly	01/07/2019 - 30/06/2020
Accountable Officer	
D. Parry (Chief Executive Officer)	01/07/2019 - 30/06/2020

Remuneration of Responsible Persons

The number of Responsible persons are shown in their relevant income bands;

	2020 No.	2019 No.
\$0 - \$9,999	7	7
\$170,000 - \$179,999	-	1
\$200,000 - \$209,999	1	-
Total numbers	8	8
Total Remuneration received or due and receivable by Responsible Persons from the reporting entity amounted to:	\$ 233,441	\$ 209,961

Amounts relating to Responsible Ministers are reported within the Department of Parliamentary Services' Financial Report

**TALLANGATTA HEALTH SERVICE
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020**

Note 8.3: Remuneration of Executive Officers

Remuneration of Executives

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

Remuneration of Executive Officers (including Key Management Personnel disclosed in Note 8.4)	Total Remuneration 2020 \$	Total Remuneration 2019 \$
Short-term benefits	322,832	291,488
Post-employment benefits	25,677	22,388
Other long-term benefits	7,371	6,647
Total Remuneration (i)	355,880	320,523
Total number of Executives	3	3
Total Annualised Employee Equivalent (ii)	2.10	2.00

Notes

(i) The total number of executive officers includes persons who meet the definition of Key Management Personnel (KMP) of Tallangatta Health Service under AASB 124 Related Party Disclosures and are also reported within the related parties note disclosure (Note 8.4).

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

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

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

Short-term employee benefits 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 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.

**TALLANGATTA HEALTH SERVICE
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020**

Note 8.4: Related Parties

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

- all key management personnel and their close family members;
- Cabinet ministers (where applicable) and their close family members;
- Jointly Controlled Operation – A member of the Hume Rural Health Alliance; and
- all hospitals and public sector entities that are controlled and consolidated into the whole of state consolidated financial statements.

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

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

Entity	KMPs	Position Title
Tallangatta Health Service	R. Lees	Chair of the Board
Tallangatta Health Service	A. Eagle	Board Member
Tallangatta Health Service	R. Currie	Board Member
Tallangatta Health Service	K. Lees	Board Member
Tallangatta Health Service	S. Hogg	Board Member
Tallangatta Health Service	L. Peady	Board Member
Tallangatta Health Service	A. Solly	Board Member
Tallangatta Health Service	D. Parry	Chief Executive Officer

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

	2020	2019
	\$	\$
Compensation		
Short term employee benefits	211,065	189,967
Post-employment benefits	18,090	16,128
Other long-term benefits	4,286	3,866
Total (i)	233,441	209,961

(i) KMPs are also reported in Note 8.2 Responsible Persons or Note 8.3 Remuneration of Executives.

Significant Transactions with Government-Related Entities

Tallangatta Health Service received funding from the Department of Health and Human Services of \$5.852 million (2019: \$4.899 million) and indirect contributions of \$10,125 (2019: \$9,749). Balances outstanding relating to Long Service Leave funded by DHHS \$239,387, (2019: \$242,947).

Expenses incurred by Tallangatta Health Service in delivering services and outputs are in accordance with Health Purchasing Victoria requirements. Goods and services including procurement, diagnostics, patient meals and multi-site operational support are provided by other Victorian Health Service Providers on commercial terms.

Professional medical indemnity insurance and other insurance products are obtained from the Victorian Managed Insurance Authority.

The Standing Directions of the Assistant Treasurer require Tallangatta Health Service to hold cash (in excess of working capital) in accordance with the State's centralised banking arrangements. All borrowings are required to be sourced from Treasury Corporation Victorian unless an exemption has been approved by the Minister for Health and Human Services 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 Victorian Government Procurement Board requirements.

Outside of normal citizen type transactions with Tallangatta Health Service, there were no related party transactions that involved key management personnel, their close family members and their personal business interests. No provision has been required, nor any expense recognised, for impairment of receivables from related parties. There were no related party transactions with Cabinet Ministers required to be disclosed in 2020.

Note 8.5: Remuneration of Auditors

	2020	2019
	\$	\$
Victorian Auditor-General's Office		
Audit of the financial statements	18,800	17,450

**TALLANGATTA HEALTH SERVICE
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020**

Note 8.6: Events Occurring after the Balance Sheet Date

The COVID-19 pandemic has created unprecedented economic uncertainty. Actual economic events and conditions in the future may be materially different from those estimated by the Tallangatta Health Service at the reporting date. As responses by government continue to evolve, management recognises that it is difficult to reliably estimate with any degree of certainty the potential impact of the pandemic after the reporting date on Tallangatta Health Service, its operations, its future results and financial position. The state of emergency in Victoria was extended on 16 August 2020 until 13 September 2020 and the state of disaster still in place.

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

Note 8.7: Jointly Controlled Operations

Interest in Jointly Controlled Operations	Principal Activity	Ownership Interest	
		2020	2019
Hume Rural Health Alliance (HRHA)	Information Technology	%	%
		3.43%	3.23%

The Health Service interest in assets employed in the above jointly controlled operations and assets is detailed below. The amounts are included in the financial statements under their respective asset categories:

	2020	2019
Current Assets	\$	\$
Cash and Cash Equivalents	303,355	216,810
Receivables	29,208	40,610
Prepayments	3,920	7,894
Total Current Assets	336,483	265,314
Non-Current Assets		
Property, Plant and Equipment	21,299	34,805
Intangible Assets	15,684	18,595
Total Non-Current Assets	36,983	53,400
Total Assets	373,466	318,714
Current Liabilities		
Payables	146,079	114,963
Borrowings	5,715	13,004
Total Current Liabilities	151,794	127,967
Non-Current Liabilities		
Borrowings	8,585	10,598
Total Non-Current Liabilities	8,585	10,598
Total Liabilities	160,379	138,565
Net Assets	213,087	180,149
Equity		
Accumulated Surpluses/(Deficits)	213,087	180,149
Total Equity	213,087	180,149

The Health Service interest in revenues and expenses resulting from jointly controlled operations and assets is detailed below:

Revenues		
Grants	170,535	177,699
Other Income	-	3,003
Interest Income	1,629	-
Total Revenue	172,164	180,702
Expenses		
Employee Benefits	66,632	56,443
Other Administration Expenses	141,041	193,835
Expenditure using Capital Funds	30,564	1,682
Depreciation and Amortisation	19,711	26,909
Finance Charges	431	1,081
Total Expenses	258,379	279,950
Net Result	(86,215)	(99,248)

Contingent Liabilities and Capital Commitments

There are no known contingent liabilities or capital commitments held by the jointly controlled operations at balance date.

Note 8.8: Economic Dependency

Tallangatta Health Service is dependent on the Department of Health and Human Services for the majority of its revenue used to operate the entity. At the date of this report, the Board of Directors has no reason to believe the Department of Health and Human Services will not continue to support Tallangatta Health Service.

**TALLANGATTA HEALTH SERVICE
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020**

Note 8.9: Changes in Accounting Policy

Leases

This note explains the impact of the adoption of AASB 16 Leases on Tallangatta Health Service's financial statements.

Tallangatta Health Service has applied AASB 16 with a date of initial application of 1 July 2019. Tallangatta Health Service has elected to apply AASB 16 using the modified retrospective approach, as per the transitional provisions of AASB 16 for all leases for which it is a lessee. The cumulative effect of initial application is recognised in retained earnings as at 1 July 2019. Accordingly, the comparative information presented is not restated and is reported under AASB 117 and related interpretations.

Previously, Tallangatta Health Service determined at contract inception whether an arrangement is or contains a lease under AASB 117 and Interpretation 4 – 'Determining whether an arrangement contains a Lease'. Under AASB 16, Tallangatta Health Service assesses whether a contract is or contains a lease based on the definition of a lease as explained in note 6.1.

On transition to AASB 16, Tallangatta Health Service has elected to apply the practical expedient to grandfather the assessment of which transactions are leases. It applied AASB 16 only to contracts that were previously identified as leases. Contracts that were not identified as leases under AASB 117 and Interpretation 4 were not reassessed for whether there is a lease. Therefore, the definition of a lease under AASB 16 was applied to contracts entered into or changed on or after 1 July 2019.

Leases classified as operating leases under AASB 117

As a lessee, Tallangatta Health Service previously classified leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to Tallangatta Health Service. Under AASB 16, Tallangatta Health Service recognises right-of-use assets and lease liabilities for all leases except where exemption is availed in respect of short-term and low value leases.

On adoption of AASB 16, Tallangatta Health Service had no leases which were required to be recognised as lease liabilities in relation to leases which had previously been classified as operating leases under the principles of AASB 117 Leases.

For leases that were classified as finance leases under AASB 117, the carrying amount of the right-of-use asset and lease liability at 1 July 2019 are determined as the carrying amount of the lease asset and lease liability under AASB 117 immediately before that date.

Revenue from Contracts with Customers

In accordance with FRD 121 requirements, Tallangatta Health Service has applied the transitional provision of AASB 15, under modified retrospective method with the cumulative effect of initially applying this standard against the opening retained earnings at 1 July 2019. Under this transition method, Tallangatta Health Service applied this standard retrospectively only to contracts that are not 'completed contracts' at the date of initial application. Tallangatta Health Service has not applied the fair value measurement requirements for right-of-use assets arising from leases with significantly below-market terms and conditions principally to enable the entity to further its objectives as allowed under temporary option under AASB 16 and as mandated by FRD 122.

Comparative information has not been restated.

The adoption of AASB 15 did not have an impact on Other comprehensive income and the Statement of Cash flows for the financial year.

Income of Not-for-Profit Entities

In accordance with FRD 122 requirements, Tallangatta Health Service has applied the transitional provision of AASB 1058, under modified retrospective method with the cumulative effect of initially applying this standard against the opening retained earnings at 1 July 2019. Under this transition method, Tallangatta Health Service applied this standard retrospectively only to contracts and transactions that are not completed contracts at the date of initial application.

Comparative information has not been restated.

Note 2.1.2 – Grants includes details about the transitional application of AASB 1058 and how the standard has been applied to revenue transactions.

The adoption of AASB 1058 did not have an impact on Other comprehensive income and the Statement of Cash flows for the financial year.

There has been no impact on Balance Sheet due to the adoption of AASB 15, AASB 1058 and AASB 16.

**TALLANGATTA HEALTH SERVICE
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020**

Note 8.10: AASBs Issued That Are Not Yet Effective

Certain new accounting standards have been published that are not mandatory for 30 June 2020 reporting period. Department of Treasury and Finance assesses the impact of all these new standards and advises Tallangatta Health Service of their applicability and early adoption where applicable.

As at 30 June 2020, the following standards and interpretations had been issued by AASB but were not yet effective. They become effective for the first financial statements for reporting periods commencing after the stated operative dates as detailed in the table below. Tallangatta Health Service has not and does not intend to adopt these standards early.

Standard / Interpretation	STATEMENT	Applicable for annual reporting periods beginning on	Impact on public sector entity financial statements
AASB 2018-7 Amendments to Australian Accounting Standards – Definition of Material	This Standard principally amends AASB 101 Presentation of Financial Statements and AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors. The amendments refine and clarify the definition of material in AASB 101 and its application by improving the wording and aligning the definition across AASB Standards and other publications. The amendments also include some supporting requirements in AASB 101 in the definition to give it more prominence and clarify the explanation accompanying the definition of material.	1 Jan 2021	The standard is not expected to have a significant impact on the public sector.
AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current	This Standard amends AASB 101 to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current. A liability is classified as non-current if an entity has the right at the end of the reporting period to defer settlement of the liability for at least 12 months after the reporting period. The meaning of settlement of a liability is also clarified.	1 Jan 2022 However, ED 301 has been issued with the intention to defer application to 1 January 2023.	The standard is not expected to have a significant impact on the public sector.

