



*Empowering
People for
Health*



ANNUAL REPORT 2021 - 2022

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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 2022.



Ann Eagle
Board Chair
Tallangatta Health Service
23/08/2022

The Annual Report of 2021 – 22 also meets Standing Directions of the Assistant Treasurer and the Financial Reporting Directions.

Tallangatta Health Service acknowledges Aboriginal and Torres Strait Islander people as the Traditional Custodians of the land and acknowledges and pays respect to their Elders, past and present.

Auditor 2021-22

Auditor General, Victoria

Johnsons MME (Agents)

ATTESTATIONS

Conflict of Interest

I, Vicki Pitcher, 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



Vicki Pitcher
Accountable Officer
Tallangatta Health Service
23/08/2022

Data Integrity

I, Vicki Pitcher, 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.



Vicki Pitcher
Accountable Officer
Tallangatta Health Service
23/08/2022

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
Responsible Officer
Tallangatta Health Service
23/08/2022

Integrity, Fraud, and Corruption

I, Vicki Pitcher, 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.



Vicki Pitcher
Accountable Officer
Tallangatta Health Service
23/08/2022

KEY PERSONNEL - As at 30 June 2022

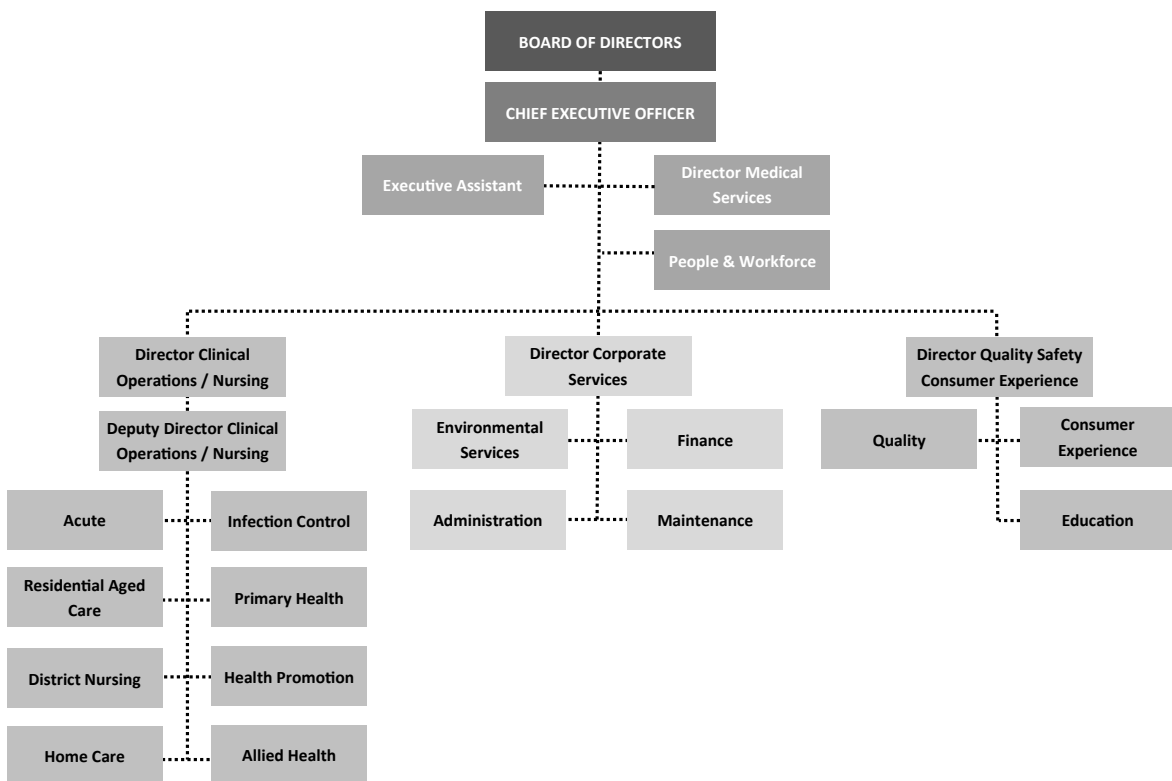
Executive Staff

Chief Executive Officer:	Vicki Pitcher – BA (Psych), Grad Dip Ed, Grad Dip Bus Comp
Director of Clinical Operations & Nursing:	Lynette Lang – RN, BHlthSc(nursing), BEd, MEd, Cert IV TAA, GradCert (CompManuf)
Director Corporate Services:	Paul Foley – B.COM, MBA, Grad Dip IT, CPA, PMP
Director Quality Safety & Consumer Experience:	Adrian Walker – BAppSc(MedRad), MAppSc(MedRad)

Medical Officers

Director of Medical Services:	Dr Patrick Giddings – OAM, FRACGP, FACMA, FAICD
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TALLANGATTA HEALTH SERVICE ORGANISATIONAL CHART



BOARD CHAIR REPORT

To say that the last year has been challenging would be an understatement. The 2021-22 year has tested the resilience of our organisation and I am pleased to say we have all risen to the challenge.

Our staff, residents and other consumers have had to manage the ongoing COVID-19 pandemic and the continual impacts on our services. The Board has been kept updated throughout and we have been impressed by the professionalism and commitment shown by everyone involved. We are acutely aware of the pressures that have been placed on our staff and admire the dedication they have shown to our residents and community.

This year we welcomed a new Chief Executive Officer, Vicki Pitcher. Vicki hit the ground running and has provided calm, clear leadership throughout the organisation. Vicki has been ably supported by her executive team, and the Board thanks them for their work during this difficult time.

On a positive note, the Lakeview bathroom renovations have been completed improving the overall amenity of our facility. A big thankyou goes out to those residents who were relocated during the renovations and the staff who managed their care.

Another major project that has been completed is the Community Garden. Thank you to all the staff and community volunteers who worked on the design and implementation of this wonderful initiative. What has been created is an asset for the whole Tallangatta community. The Board looks forward to seeing the garden flourish over the years to come.

We have also faced financial challenges this year largely due to COVID-19 and thank the Department of Health (Victoria) for their ongoing support.

Finally, I invite any community members who have an interest in our health service to consider joining our Community Engagement Advisory Group (CEAG). CEAG is an important link between the Board and the community, and involvement by community members is essential if it is to operate effectively.



A handwritten signature in black ink, appearing to read 'Ann Eagle'.

Ann Eagle
Board Chair

CHIEF EXECUTIVE OFFICER REPORT

On behalf of the Leadership Team and staff of Tallangatta Health Service, I am proud to present our Annual Report. Just as it takes a village to raise a child, so does it take many dedicated staff to run a small rural health service. We have yet again experienced a very difficult year and still cannot see a future without COVID-19. The impact on our workforce has been huge and I thank each and every staff member for their continued efforts. Their dedication, resilience and compassion to support our residents and community are truly inspirational. Staff health and wellbeing remains an important focus and we recognise they are our greatest asset.

The Tallangatta Health Service vision of 'Empowering people for health' underpins our service delivery in Residential Aged Care, our medical clinic and community programs, and our acute care. We have commenced the roll out of Home Care Packages, enhanced the Leisure and Lifestyle program with the introduction of exciting new technology devices to engage and stimulate residents in Bolga Court and Lakeview, and returned

to community outings for our Planned Activity Group. Several capital projects have been underway including the migration of our telephony, upgrading of electrical switchboards, new solar hot water systems, the development of a community garden and refurbished bathrooms and courtyard in Lakeview.

Tallangatta Health Service has continued to keep our residents safe against COVID-19 despite many peaks in this community and our surrounding districts. We have participated in vaccine roll-out programs for COVID-19 and influenza, and managed infection control protocols such as masks, social distancing, temperature checks and Rapid Antigen Tests. We know that these measures create frustrations for family members wishing to visit loved ones, and we have tried to balance our duty of care against the importance of maintaining contact.

One of the ways we stay true to our Strategic Direction (“our partnering with communities cultivates connections”) is by improving our feedback mechanisms to ensure you have a voice. The launch of Care Opinion has introduced an online system for feedback, complaints and compliments which is increasing our ability to respond to your experiences when accessing healthcare. I encourage everyone to speak up in order that we may continue to improve as we strive for quality and excellence in our service delivery.

Regional partnerships remain strong and we have worked closely with a number of other health services to strengthen the health system in our area. This includes a coordinated COVID-19 approach but also longer-term projects such as Patient Flow, Better at Home, Telehealth and Elective Surgery Reform. An integrated health system across the Hume region offers the best way forward for coordinated care with seamless pathways.

My first year as Chief Executive Officer has seen the organisation continue to grow and I wish to take this opportunity to thank the Executive and Leadership team who have supported me during a challenging period in public health. Lyn Lang, Director of Clinical Operations and Nursing, capably leads clinical teams across several areas at a time when increased workload demands have placed considerable pressures on nursing staff. Adrian Walker, Director of Quality, Safety and Consumer Experience, stays abreast of the compliance and regulatory activities which scaffold the provision of care. Our small rural health service adheres to four sets of accreditation standards to ensure safe and quality care. In November, a new Director of Corporate Services (Paul Foley) joined our organisation and is quickly coming up to speed with the complex financial environment in which we operate. Our financial result this year is in deficit and reflects the challenges of maintaining business as usual in a global pandemic.

Our Board of Directors remains a strong and steady influence and I thank them for their continued support and governance. Their expertise proves invaluable in helping us reach our strategic objectives.

I am very proud to lead this organisation and commit to seeking greater community input to ensure we remain relevant to you, our consumers. I also reiterate my appreciation to our staff, and will continue to look for meaningful ways to thank-you for your efforts.



A handwritten signature in dark ink, appearing to read 'V. Pitcher'.

Vicki Pitcher
Chief Executive Officer

MINISTERS

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

The Honourable Martin Foley MP (from 1 July 2021 to 27 June 2022)

Minister for Health, Minister for Ambulance Services

The Honourable Mary-Anne Thomas MP (from 27 June 2022 to 30 June 2022)

Minister for Mental Health

The Honourable James Merlino MP (from 1 July 2021 to 27 June 2022)

The Honourable Gabrielle Williams MP (from 27 June 2022 to 30 June 2022)

Minister for Disability, Minister for Ageing, Minister for Carers

The Honourable Luke Donnellan MP (from 1 July 2021 to 11 October 2021)

The Honourable James Merlino MP (from 11 October 2021 to 6 December 2021)

The Honourable Anthony Carbines MP (from 6 December 2021 to 27 June 2022)

The Honourable Colin Brooks MP (from 27 June 2022 to 30 June 2022)

TALLANGATTA HEALTH SERVICE BOARD, OFFICE BEARERS, AND BOARD COMMITTEES as at 30 June 2022

Board Directors

Ms Ann Eagle (Chair)

Ms Michelle McDade

Ms Amanda Solly

Ms Susan Petzke

Mr Angus Beath

Ms Robyn Fry

Ms Kelly Lees

Finance & Audit Committee

Ms Kelly Lees (Chair)

Ms Robyn Fry

Clinical Governance Committee

Ms Michelle McDade (Chair)

Ms Amanda Solly

Dr Pat Giddings

Mr Robert Lees (external independent)

Dr Nicholas Sharrock (external independent)

Consumer Engagement Advisory Group

Ms Michelle McDade

Ms Amanda Solly

Mr Robert Currie (external independent)

BOARD & BOARD COMMITTEE MEETING ATTENDANCE

Board

Consists of elected Board Directors and Executive representation

Meeting Attendance	Board Meeting											Total Meetings Attended
	2021					2022						
	Jul	Aug	Sep	Oct	Nov	Jan	Feb	Mar	Apr	May	Jun	
BEATH, Angus*										✓	✓	2/2
DUNN, Anthony*	✓	✓	✓	✓	✓	✓						6/6
EAGLE, Ann	✓	✓	x	✓	✓	✓	✓	✓	✓	✓	✓	10/11
FRY, Robyn	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	11/11
HOGG, Stephen*	✓	✓	✓	✓								4/4
LEES, Kelly	✓	✓	✓	✓	✓	✓	x	✓	✓	x	✓	9/11
McDADE, Michelle	x	✓	✓	✓	✓	✓	✓	✓	✓	x	✓	9/11
PETZKE, Susan*										✓	✓	2/2
SOLLY, Amanda	✓	✓	✓	✓	✓	✓	x	✓	✓	✓	✓	10/11
TONKS, Amanda*	✓	✓	✓	x	✓	x	✓					5/7
* Angus Beath commenced May 2022 * Anthony Dunn resigned January 2022 * Stephen Hogg resigned November 2021 * Susan Petzke commenced May 2022 * Amanda Tonks resigned March 2022 Note: No meeting held December 2021. Leonard Peady resigned July 2021 (did not attend meetings during 2021-22).												

Finance & Audit Committee

Consists of 2 elected Board Directors and Executive representation.

Directors (as at 30 June 2022)	Number of meetings held	Total attendances for year
2	4	10*

* Note: Attendances include those of Directors since resigned.

Clinical Governance Committee

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

Directors (as at 30 June 2022)	Number of meetings held	Total attendances for year
2	6	14*

* Note: Attendances include those of Directors since resigned.

Community Engagement Advisory Group

Consists of 2 elected Board Directors, 1 nominated community member, and Executive representation.

Directors (as at 30 June 2022)	Number of meetings held	Total attendances for year
2	3	4

OUR STORY

Tallangatta Health Service functions under the *Health Services Act 1988* (Victoria) and is delegated its functions by the Minister of Health. Tallangatta Health Service is a small rural health service funded by the Department of Health (State) to provide public health services; and 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

Reporting of strategic priority progress is provided regularly to the Board outlining the 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 Hume area
- Towong Alliance - Towong Shire, Corryong Health, Walwa Bush Nursing Centre
- Upper Hume Regional Partnership
- Albury Wodonga Health
- Local Public Health Unit
- Murray Primary Health Network
- Hume Health Service Partnership
- Consumers and community

HOW WE SERVE

An important part of our culture of care are our values which guide expected behaviours toward all our interactions with people we serve and with whom we work. 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 and community care, General Practice Standards for the Medical Centre, and NDIS certification.

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 between Tallangatta Health Service and My Emergency Doctor 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 ward.

Residential Aged Care

Bolga Court is a fully accredited 36 bed aged care facility providing permanent residential, ageing in place care, and 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. These include Diabetes Education, Women's Health, Men's Health, Podiatry, Physiotherapy, Dietetics, Occupational Therapy, and Mental Health services.

Home and Community Care

Home and Community Care services delivered include home maintenance, personal care, home care, domestic care, meals on wheels, allied health, district 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 Care Packages (HCP), Program for Younger People (PYP) and Veterans Home Care (VHC) are specific programs within this service.

SERVICE SUPPORTS

Workforce - our people

We employ approximately 180 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 Operations and Nursing and comprises of Nurse Practitioners, Credentialed Diabetes Educator, Registered Nurses, Infection Prevention Control Coordinator, Educators, Enrolled Nurses, Health Care Workers, and Lifestyle and Leisure Team. 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, Dietetics and Allied Health Assistants.

Our 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 Director Quality Safety and Consumer Experience.

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. Support to our services this year has been disrupted by the pandemic response.

DISCLOSURES and STATEMENTS of COMPLIANCE

BUILDING ACT 1993

Tallangatta Health Service works within the building and maintenance provisions of the *Building Act 1993*, and has completed and submitted all relevant information in regards to Annual Essential Safety Measures Report and Fire Safety Certificates for 2021-22.

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.

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 2021-22 period.

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.org.au

Fees and charges are set in accordance with the Freedom of Information (Access Charges) Regulations 2014. As at 1 July 2021 the application fee was \$30.10. Photocopying, Postage, Access and Supervision charges may also apply for release of information.

GENDER EQUALITY ACT 2020

Tallangatta Health Service completed and submitted their Gender Equality Action Plan. A workplace gender audit in 2021 highlighted the high percentage of female workers (90%) and a pleasing number of female Board Directors (56%). The majority of female staff work part time (67%), with only 6% full time (remaining 27% are casual). This contrasts with 35% of male staff who work full time. Whilst female staff report fair promotion opportunities, the gender pay gap is still evident. 60% of staff agree that Tallangatta Health Service challenges gender stereotypes and 84% agree that gender is not a barrier to success in this organisation.

LOCAL JOBS FIRST ACT 2003

Tallangatta Health Service abides by the Victorian 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 ensures that in accordance with government policy, competitive neutrality requirements were met as per the Competitive Neutrality Policy Victoria and subsequent reforms.

OCCUPATIONAL HEALTH AND SAFETY

Health and Wellbeing is paramount and Tallangatta Health Service has a preventative approach to Occupational Health and Safety and complies with the *Occupational Health and Safety Act 2004*. The organisation monitors its compliance through an Occupational Health Safety and Environment Committee who meets regularly to work together to ensure that we provide and maintain a safe and healthy workplace. The Committee comprises trained Health and Safety representatives, staff representatives and management representatives. The Occupational Health Safety and Environment Committee is complemented and proactively supported by the Staff Health and Wellbeing Committee which focuses on a broad range of initiatives to support the physical and psychological needs of staff.

Tallangatta Health Service's approach to managing workers compensation and injury management is early intervention, collaboration and consultation between stakeholders, a positive reporting culture, and an effective Occupational Health Safety and Environment Committee. Staff injuries and hazards in the workplace are reported and followed up via the Victorian Health Incident Management System (VHIMS). We support our staff through the provision of training to reduce the risk of workplace injury and, if an injury does occur which impacts a staff members' ability to perform their duties, provide a comprehensive return to work program.

In addition to our preventative maintenance program, all Tallangatta Health Service infrastructure undergoes a hazard and risk inspection as per an annual calendar, with action plans placed against any risks identified.

Key trend analysis on Occupational Health and Safety events and resolution is also carried out each month, incorporated into the VHIMS reporting which promotes a diligent and timely coordination of any hazard or event response and governance. Improving awareness, peer support and wellbeing, and hazard reporting, particularly near misses, has been a focus this year.

OCCUPATIONAL HEALTH & SAFETY DATA

OCCUPATIONAL HEALTH AND SAFETY STATISTICS	2021-22	2020-21	2019-20
The number of reported hazards/incidents for the year per 100 FTE	47.9	87.4	59.3
The number of 'lost time' standard WorkCover claims for the year per 100 FTE	1	2	5
The average cost per WorkCover claim for the year	\$613,433	\$6,656	\$14,080

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 2021-22, there were two consultancies where the total fees payable were less than \$10,000. The total expenditure incurred during 2021-22 in relation to these consultancies is \$4,200 (excl. GST).

Consultant	Purpose Of Consultancy	Start Date	End Date	Total Approved Project Fees (Excl GST)	Expenditure 2021-22 (Excl GST)	Future Expenditure (Excl GST)
Omnii Consulting Fire Engineers	Prepare fire safety handbook	January 2022	February 2022	\$3,000	\$3,000	N/A
ADADRA Building Services	Design – Ventilation upgrade	June 2022	June 2022	\$1,200	\$1,200	N/A

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

In 2021-22 there were two consultancies where the total fees payable to the consultant were \$10,000 or greater. The total expenditure incurred during 2021-22 in relation to these consultancies stood at \$46,516 (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 2021-22 (Excl GST)	Future Expenditure (Excl GST)
JWP Architects	Lakeview refurbishment	August 2019	June 2022	\$44,740	\$13,556	N/A
JWP Architects	Bolga Court Walkways – design & scoping	November 2021	June 2022	\$50,000	\$32,960	N/A

DETAILS OF INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) EXPENDITURE

The total ICT expenditure incurred during 2021-22 is \$715,440 (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)
\$715,440	\$36,097	\$16,930	\$19,167

OCCUPATIONAL VIOLENCE

Occupational violence statistics	2021-22
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	12
4. Number of occupational violence incidents reported per 100 FTE	11.51
5. Percentage of occupational violence incidents resulting in a staff injury, illness or condition	0%

DEFINITIONS OF OCCUPATIONAL VIOLENCE:

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

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

Accepted Workcover claims - accepted Workcover claims that were lodged in 2021-22.

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):

- A statement that declarations of pecuniary interests have been duly completed by all relevant officers;
- Details of shares held by a senior officer as nominee or held beneficially in a statutory authority or subsidiary;
- Details of publications produced by the entity about itself, and how these can be obtained;
- Details of changes in prices, fees, charges, rates and levies charged by the 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;
- 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;
- A list of major committees sponsored by the Health Service, the purposes of each committee and the extent to which the purposes have been achieved; and
- Details of all consultancies and contractors including:
 - o consultants/contractors engaged;
 - o services provided;
 - o and expenditure committed for each engagement.

STATEMENT OF PRIORITIES 2021-22

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

The Purpose of the Statement of Priorities is to identify the Victorian Government's priorities and policy directions in the Victorian Health Priorities Framework 2021-22. Tallangatta Health Service's Statement of Priorities contributes to the achievement of the Government's key priorities in 2021-22 through the articulation of the following specific Actions and Deliverables.

STRATEGIC PRIORITIES FOR 2021-22

DH Strategic Priority	Outcomes
<p><i>Maintain your robust COVID-19 readiness and response, working with my department to ensure we rapidly respond to outbreaks, if and when they occur, which includes providing testing for your community and staff, where necessary and if required. This includes preparing to participate in, and assist with, the implementation of our COVID-19 vaccine immunisation program rollout, ensuring your local community's confidence in the program.</i></p>	<ul style="list-style-type: none"> - Participated in regional COVID-19 response and planning meetings - Delivered COVID-19 vaccines to Aged Care, all staff, and members of our community - Ensured supply of Rapid Antigen Tests and Personal Protective Equipment (PPE) - Provided information to community via multiple channels - Maintained hand hygiene, infection control measures, including social distancing for staff and community - Protected aged care residents with appropriate restrictions - Responded quickly to threats of outbreak - Kept family members informed
<p><i>Actively collaborate on the development and delivery of priorities within your Health Service Partnership, contribute to inclusive and consensus-based decision making, support optimum utilisation of services, facilities and resources within the Partnership, and be collectively accountable for delivering against Partnership accountabilities as set out in the Health Service Partnership Policy and Guidelines.</i></p>	<ul style="list-style-type: none"> - Regularly attended and participated in Hume Health Service Partnership forums and meetings - Contributed to COVID-19 response - Participated in Patient Flow discussion including facilitation of patient transfers as appropriate
<p><i>Engage with your community to address the needs of patients, especially our vulnerable Victorians whose care has been delayed due to the pandemic and provide the necessary "catch-up" care to support them to get back on track. Work collaboratively with your Health Service Partnership to implement the Better at Home initiative to enhance in-home and virtual models of patient care when it is safe, appropriate and consistent with patient preference.</i></p>	<ul style="list-style-type: none"> - Better@Home funding obtained and program delivery being implemented - Increased community engagement via multiple channels including social media and print to deliver health promotion - More General Practitioners in the clinic - Implemented Advanced Paramedic Skills project - Telehealth appointments offered

DH Strategic Priority	Outcomes
<i>Address critical mental health demand pressures and support the implementation of mental health system reforms to embed integrated mental health and suicide prevention pathways for people with, or at risk of, mental illness or suicide through a whole-of-system approach as an active participant in your Health Service Partnership and through your Partnership's engagement with Regional Mental Health and Wellbeing Boards.</i>	<ul style="list-style-type: none"> - Work with Albury Wodonga Health to provide mental health resources as outreach service
<i>Embed the Aboriginal and Torres Strait Islander Cultural Safety Framework into your organisation and build a continuous quality improvement approach to improving cultural safety, underpinned by Aboriginal self-determination, to ensure delivery of culturally safe care to Aboriginal patients and families, and to provide culturally safe workplaces for Aboriginal employees.</i>	<ul style="list-style-type: none"> - Commenced development of a Reconciliation Action Plan - Delivered Cultural Awareness training to staff - Established strong networks with local Aboriginal controlled organisations - Participated in events such as National Reconciliation Week, National Sorry Day and NAIDOC

HIGH QUALITY AND SAFE CARE		
Key performance indicator	Target	2021 - 22 Result
Infection Prevention and Control		
Compliance with the Hand Hygiene Australia program	85%	93%
Percentage of healthcare workers immunised for influenza	92%	57%
Patient Experience		
Victorian Healthcare Experience Survey - percentage of positive patient experience responses	95%	No Surveys conducted in 2021-22

STRONG GOVERNANCE, LEADERSHIP AND CULTURE		
Key performance indicator	Target	2021 - 22 Result
Governance, Leadership, and Culture		
Safety Culture Among Healthcare Workers	62%	*N/A

*Note: The People Matter Survey was not submitted for 2021-2022

EFFECTIVE FINANCIAL MANAGEMENT		
Key performance indicator	Target	2021 - 22 Result
Finance		
Operating result (\$m)	0.000	-0.09
Average number of days to paying trade creditors	60 days	40
Average number of days to receiving patient fee debtors	60 days	18
Adjusted current asset ratio	0.7 or 3% improvement from health service base target	1.02
Number of days with available cash	14 days	61.6 days
Variance between forecast and actual Net result from transactions (NRFT) for the current financial year ending 30 June	Variance ≤ \$250,000	\$0.91M

ACTIVITY AND FUNDING

FUNDING TYPE	2021 - 22 ACTIVITY ACHIEVEMENT	UNITS
SMALL RURAL		
Small Rural Acute	Nil	DVA NWAU Equivalent
Small Rural Primary Health & HACC	608	Service Hours
Small Rural Residential Care	15,992	Bed Days

TABLE 6: FINANCIAL INFORMATION

FINANCIAL INFORMATION					
	2022	2021	2020	2019	2018
	\$	\$	\$	\$	\$
OPERATING RESULT*	(93,509)	23,873	4,772	354,939	85,675
Total Revenue	15,456,926	13,162,035	11,991,891	11,717,621	10,781,182
Total Expenses	(15,909,472)	(14,365,755)	(13,229,886)	(12,213,618)	(11,798,218)
Net result from transactions	(452,546)	(1,203,720)	(1,237,995)	(495,997)	(1,017,036)
Total Other economic flows	71,467	(40,507)	(18,199)	(51,585)	19,950
Net result	(381,079)	(1,244,227)	(1,256,194)	(547,582)	(997,086)
Total Assets	18,726,757	16,514,450	17,670,336	17,338,092	15,591,755
Total Liabilities	9,444,166	8,249,899	8,297,882	6,709,444	6,150,451
Net Assets/Total Equity	9,282,591	8,264,551	9,372,454	10,628,648	9,441,304

* The Operating result is the result for which the health service is monitored in its Statement of Priorities.

TABLE 7: RECONCILIATION OF NET RESULT FROM TRANSACTIONS AND OPERATING RESULT

	2021-22 \$
Net operating result *	(93,509)
Capital purpose income	811,626
Specific income	53,996
COVID 19 State Supply Arrangements - Assets received free of charge or for nil consideration under the State Supply	217,762
State supply items consumed up to 30 June 2021	(147,695)
Assets provided free of charge	0
Assets received free of charge	0
Expenditure for capital purpose	(13,560)
Depreciation and amortisation	(1,335,165)
Impairment of non-financial assets	0
Finance costs (other)	0
Net result from transactions	(452,546)

Bankers 2021-22

Westpac Banking Corporation

ANZ Banking Group

Environmental Performance

Tallangatta Health Service reports on environmental performance on a regular basis to the Department of Health through the department's Environmental Data Management System, and is a member of Global Green Healthy Hospitals. The table below provides Tallangatta Health Service performance for the 2021-22 financial year.

ENVIRONMENTAL IMPACTS & ENERGY USE			
	2019-20	2020-21	2021-22
Energy Use			
Electricity (MWh)	709	695	539
Liquefied Petroleum Gas (kL)	28	29	20
Carbon emissions (thousand tonnes of CO2e)			
Electricity	0.72	0.68	0.49
Liquefied Petroleum Gas	0.04	0.05	0.03
Total emissions	0.77	0.73	0.52
Water use (millions litres)			
Potable water	7.81	7.65	5.94
FACTORS INFLUENCING ENVIRONMENTAL IMPACTS			
	2019-20	2020-21	2021-22
Floor area (m2)	5,282	5,282	5,282
Separations	62	61	30
In-Patient Bed Days	1,686	1,672	1,218
Aged Care Bed Nights	16,941	16,489	15,992
BENCHMARKS 2021-22			
	Average for peer group	Our Value	% above / below ave.
Carbon emissions			
CO2e(t) per m2	0.11	0.10	-9%
CO2e(t) per OBD	0.04	0.03	-25%
CO2e(t) per Seps	1.33	17.50	1,216%
Water use			
kL per m2	0.90	1.12	24%
kL per OBD	0.34	0.36	6%
kL per Seps	11.01	198.00	1,698%
Expenditure Rates			
Total utility spend (\$/m2)	27	26	-4%
Elec (\$/kWh)	0	0.22	22%
Potable Water (\$/kL)	3	2.38	-21%
LPG (\$/kL)	698	742.64	4%
<i>Additional measures (not included in benchmarking chart)</i>			
Total utility spend (\$/Separations)		4,571.00	
Total utility spend (\$/In-Patient Bed Days)		8.29	
Total utility spend (\$/Aged Care Bed Nights)		8.54	

General notes

1. Information in this report is sourced from data provided by retailers and in some cases data manually uploaded by health services into Eden Suite. Data has not been externally validated. All annual values represent a year ending 30 June.
2. Emissions are calculated using the carbon factors for the year in which the emissions were generated. For health services provided with energy (electricity and steam) under the co-generation ESA (energy services agreement) carbon factors provided by the energy retailer are used.
3. Electricity consumption values exclude line losses; some energy retailers include losses in reported values.
4. Occupied bed days (OBD) include both inpatient and aged care data, unless stated otherwise.

STAFF ANALYSIS

Hospitals labour category	JUNE current month FTE		Average Monthly FTE	
	2021	2022	2021	2022
Nursing	45.77	47.85	46.90	48.49
Administration and Clerical	18.42	14.17	15.82	15.57
Medical Support	4.46	3.95	4.62	4.81
Hotel and Allied Services	26.68	28.00	29.35	28.96
Medical Officers	1.90	1.81	1.78	1.54
Hospital Medical Officers	0	0	0	0
Sessional Clinicians	0	0	0	0
Ancillary Staff (Allied Health)	4.90	5.05	4.45	4.91
TOTAL	102.13	100.83	102.92	104.28

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.

ACTIVITY DATA

Admitted Patients		Residential Care	
PATIENTS	ACUTE	PROGRAM	BED DAYS
Public	27	Permanent Care	15 173
Private	2	Respite Care	819
DVA	0	Total Bed Days	15 992
TAC	0		
Worksafe	0	Medical Centre	
Total Separations	30	PROGRAM	VISITS
Total Bed Days (excl. TCP)	459	Doctor	8 527
Transition Care Patients (TCP) – Bed Days	754	Nurse Practitioner	3 469
		Practice Nurse	3 497
		Diabetes Educator	584
		Total Visits	16 077

ACTIVITY DATA

Primary Health		Brokerage Care	
PROGRAM	CONTACTS	PROGRAM	HOURS
Case Coordination	210	Domestic Assistance	320
Counselling / Social Work	288	Personal Care / Respite Care	655
Dietetics	512	Nursing	25
Occupational Therapy	452	Property Maintenance	18
Physiotherapy	4 819	Activity Groups	12
Exercise	285	Meals on Wheels	82 (Meals)
DVA		Workcover	
PROGRAM	HOURS	PROGRAM	HOURS
Domestic Assistance	445	Domestic Assistance	0
Personal Care	31	Personal Care	0
Nursing	38	Nursing	16
Property/Garden Maintenance	19	Property / Garden Maintenance	0
NDIS		Albury Wodonga Health – Short Term Support (STS) and Hospital in the Home (HITH)	
PROGRAM	HOURS	PROGRAM	HOURS
Domestic Assistance	504	Domestic Assistance / Home Care	99
Personal Activities	553	Personal Care / Respite	118
Nursing	36	Nursing	227
Garden Maintenance	6	Meals on Wheels	77 (Meals)
Community Participation Assistance	652	Home Care Packages*	
CHSP (Commonwealth Home Support Program) / HACC (Home and Community Care) funded Services		PROGRAM	CLIENTS
PROGRAM	HOURS	Domestic Assistance	20
Domestic Assistance	2 173	Personal Care	68
Personal Care	446	Nursing	13
Property Maintenance / Garden	399	Meals on Wheels	61 (Meals)
Home Modifications	30	Total Clients = 9	
Respite	0	TAC	
Social Support – Groups	518	PROGRAM	HOURS
Social Support – Groups (Virtual)	0	Domestic Assistance/Home Care	89
Social Support – Individual	636	Nursing	0
Other Food services	60	Garden Maintenance	15
Nursing	1 256	REGISTERED VOLUNTEERS	
HACC Assessment	46	(as at 30 June)	HOURS
Meals on Wheels	1 942 (Meals)	X 1 volunteer	0
Regional Assessment Service & Intake			(due to COVID-19)
PROGRAM	CLIENTS		
Regional Assessment Service	170		
Primary Intake	217		

Highlights During The Year

Strategic Priority 1- Our Care is relevant, safe, high quality, and responsive

Delivery of COVID-19 vaccination for staff (100%) and community

Technology innovation into Residential Aged Care

Increase of General Practitioners in Medical Centre

Introduction of Pain Check Assessment Tool

Implementation of Kitchen Garden program

Single Point of Entry for COVID-19 screening

Strategic Priority 2 - Our Infrastructure is planned for future needs

Replacement of Telephony system

Electrical Switchboard upgrade throughout facility commenced

Solar Panels and Hot Water Systems installed – Bolga Court

Refurbishment of bathrooms and increase in single room accommodation - Lakeview

Refurbishment of soft furnishings in Lakeview

Resurfaced and remodelled Lakeview Courtyard

Strategic Priority 3 - Our Partnering with community cultivates connections

Major progress with Community Garden Project

Actively engaging with Resident Reference Group

Engagement with consumers through Community Voice event and Tallangatta Expo

Commencement of Reconciliation Action Plan

Return of community based social activities post COVID-19

Strategic Priority 4 - Our Workforce is adaptive, skilled and compassionate

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 the COVID-19 Pandemic

Roll out of MARAM (Multi-Agency Risk Assessment and Management) framework

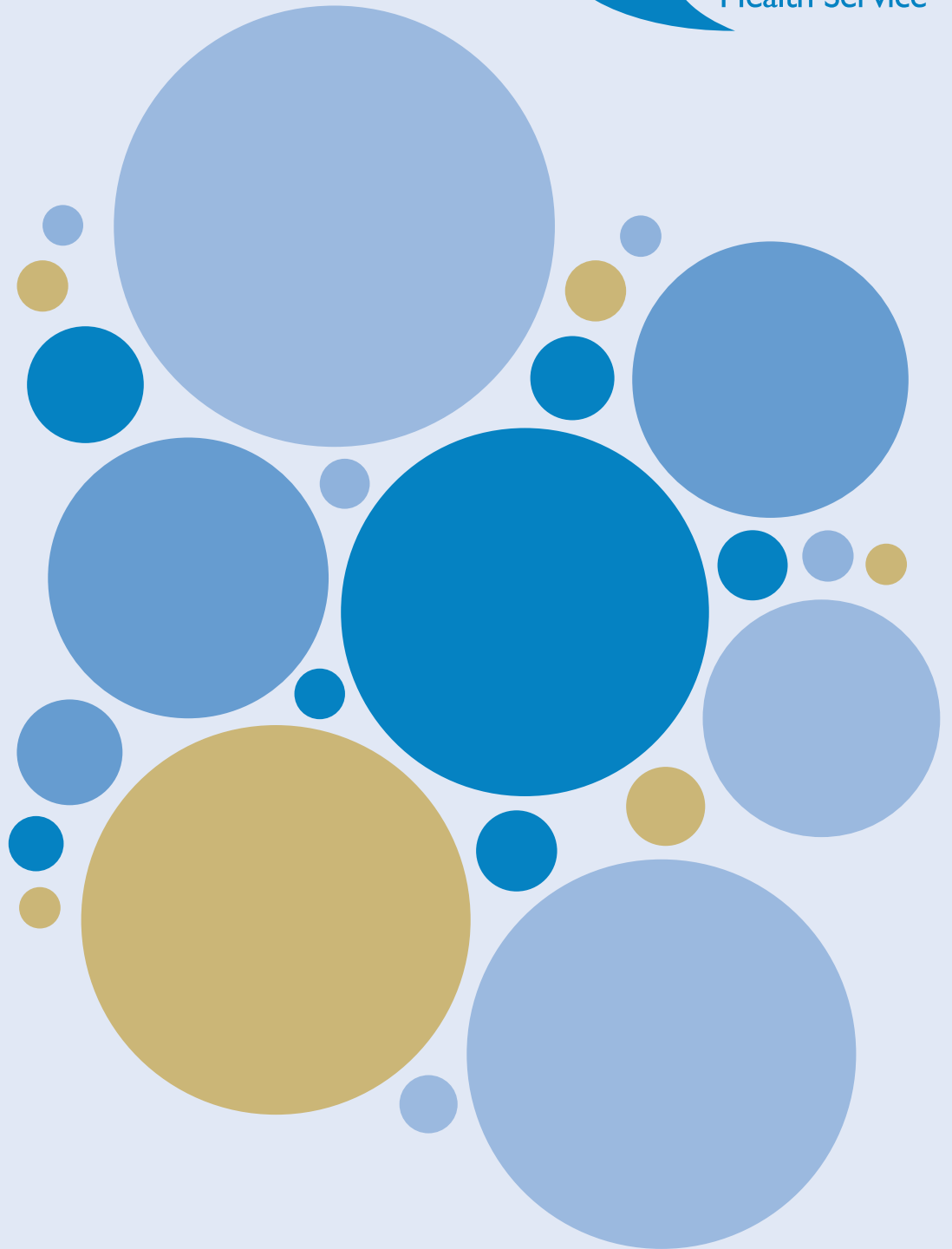
Nursing Transition to Practice program with Albury Wodonga Health

Commencement of Traineeship program

Regular Staff Health and Wellbeing Initiatives

Development of Gender Equality Action Plan

Supported staff throughout COVID-19 Pandemic with access to testing, vaccination, and Personal Protective Equipment



FINANCIAL REPORT 2021 - 2022

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 2022
- comprehensive operating statement for the year then ended
- statement of changes in equity for the year then ended
- cash flow statement for the year then ended
- notes to the financial statements, including significant accounting policies
- board member's, accountable officer's and chief finance & accounting officer's declaration.

In my opinion the financial report presents fairly, in all material respects, the financial position of the health service as at 30 June 2022 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 7 of the *Financial Management Act 1994* and applicable Australian Accounting Standards.

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

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

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

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
19 September 2022

Dominika Ryan
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 Assistant Treasurer under the *Financial Management Act 1994*, applicable Financial Reporting Directions, Australian Accounting Standards including Interpretations and other mandatory professional reporting requirements.

We further state that, in our opinion, the information set out in the Comprehensive Operating Statement, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and accompanying notes, presents fairly the financial transactions during the year ended 30 June 2022 and the financial position of Tallangatta Health Service at 30 June 2022.

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 23rd of August 2022.



A. Eagle

Board Member

Tallangatta
23 August 2022



V. Pitcher

Accountable Officer

Tallangatta
23 August 2022



P. Foley

**Chief Finance & Accounting
Officer**

Tallangatta
23 August 2022

TALLANGATTA HEALTH SERVICE

COMPREHENSIVE OPERATING STATEMENT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

	Note	2022 \$	2021 \$
Revenue and Income from Transactions			
Operating Activities	2.1	15,429,407	13,135,690
Non-Operating Activities	2.1	27,519	26,345
Total Revenue and Income from Transactions		15,456,926	13,162,035
Expenses from Transactions			
Employee Expenses	3.1	(12,234,933)	(10,965,866)
Supplies and Consumables	3.1	(685,547)	(547,747)
Finance Costs	3.1	(8,835)	(11,943)
Depreciation and Amortisation	4.5	(1,335,165)	(1,305,710)
Other Administrative Expenses	3.1	(1,204,739)	(1,083,641)
Other Operating Expenses	3.1	(440,253)	(426,976)
Other Non-Operating Expenses	3.1	-	(23,872)
Total Expenses from Transactions		(15,909,472)	(14,365,755)
Net Result from Transactions - Net Operating Balance		(452,546)	(1,203,720)
Other economic flows included in net result			
Net Gain/(Loss) on Sale of Non-Financial Assets	3.2	6,842	-
Other Gain/(Loss) from Other Economic Flows	3.2	64,625	(40,507)
Total other economic flows included in net result		71,467	(40,507)
Net Result for the year		(381,079)	(1,244,227)
Other comprehensive income			
Items that will not be reclassified to net result			
Changes in Property, Plant and Equipment Revaluation Surplus	4.1(b)	1,399,119	136,324
Total other comprehensive income		1,399,119	136,324
Comprehensive result for the year		1,018,040	(1,107,903)

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

TALLANGATTA HEALTH SERVICE

BALANCE SHEET AS AT 30 JUNE 2022

	Note	2022 \$	2021 \$
Current Assets			
Cash and Cash Equivalents	6.2	7,800,523	6,943,621
Receivables and Contract Assets	5.1	331,462	270,295
Prepaid Expenses		162,005	136,306
Total Current Assets		8,293,990	7,350,222
Non-Current Assets			
Receivables and Contract Assets	5.1	428,104	324,269
Property, Plant and Equipment	4.1	9,927,625	8,776,641
Right of Use Assets	4.2	76,249	61,254
Intangible Assets	4.4	789	2,064
Total Non-Current Assets		10,432,767	9,164,228
TOTAL ASSETS		18,726,757	16,514,450
Current Liabilities			
Payables and Contract Liabilities	5.2	1,358,432	1,708,047
Borrowings	6.1	69,148	50,577
Employee Benefits	3.3	1,966,367	1,883,049
Other Liabilities	5.3	5,600,448	4,173,273
Total Current Liabilities		8,994,395	7,814,946
Non-Current Liabilities			
Borrowings	6.1	85,186	113,756
Employee Benefits	3.3	364,585	321,197
Total Non-Current Liabilities		449,771	434,953
TOTAL LIABILITIES		9,444,166	8,249,899
NET ASSETS		9,282,591	8,264,551
EQUITY			
Revaluation Surplus	4.3	13,540,234	12,141,115
Restricted Specific Purpose Reserve	SCE	410,727	412,599
Contributed Capital	SCE	7,420,722	7,420,722
Accumulated Deficit	SCE	(12,089,092)	(11,709,885)
TOTAL EQUITY		9,282,591	8,264,551

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 2022

	Note	Property, Plant and Equipment Revaluation Surplus \$	Restricted Specific Purpose Reserve \$	Contributed Capital \$	Accumulated Deficit \$	Total \$
Balance at 30 June 2020		12,004,791	622,475	7,420,722	(10,675,534)	9,372,454
Net Result for the year		-	-	-	(1,244,227)	(1,244,227)
Other Comprehensive Income for the year		136,324	-	-	-	136,324
Transfer from/(to) Accumulated Deficit		-	(209,876)	-	209,876	-
Balance at 30 June 2021		12,141,115	412,599	7,420,722	(11,709,885)	8,264,551
Net Result for the year		-	-	-	(381,079)	(381,079)
Other Comprehensive Income for the year		1,399,119	-	-	-	1,399,119
Transfer from/(to) Accumulated Deficit		-	(1,872)	-	1,872	-
Balance at 30 June 2022		13,540,234	410,727	7,420,722	(12,089,092)	9,282,591

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

TALLANGATTA HEALTH SERVICE
CASH FLOW STATEMENT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

	Notes	2022 \$	2021 \$
Cash Flows from Operating Activities			
Operating Grants from State Government		7,467,726	6,563,317
Operating Grants from Commonwealth Government		3,853,234	3,652,430
Capital Grants from Government - State		679,895	29,685
Patient and Resident Fees Received		1,600,399	1,610,182
Donations and Bequests Received		-	9,318
Interest Received		27,519	26,345
Other Receipts Received		1,409,241	1,360,164
GST Received from ATO		179,511	68,068
Total Receipts		15,217,525	13,319,509
Employee Expenses		(12,004,059)	(10,871,957)
Payments for Supplies and Consumables		(413,786)	(495,243)
Finance Costs		(8,835)	(11,943)
Other Payments		(2,257,211)	(1,379,101)
Total Payments		(14,683,891)	(12,758,244)
Net Cash Flows from/(used in) Operating Activities	8.1	533,634	561,265
Cash Flows from Investing Activities			
Purchase of Non-Financial Assets		(1,100,750)	(429,260)
Proceeds from Sale of Non-Financial Assets		6,842	-
Net Cash Flows from/(used in) Investing Activities		(1,093,908)	(429,260)
Cash Flows from Financing Activities			
Receipt of Accommodation Deposits		2,540,000	1,734,010
Repayment of Accommodation Deposits		(1,265,575)	(2,456,964)
Receipt of Other Monies Held in Trust		152,750	-
Receipt of Borrowings		32,185	31,400
Repayment of Borrowings		(42,184)	(13,223)
Net Cash Flows from /(used in) Financing Activities		1,417,176	(704,777)
Net Increase/(Decrease) in Cash and Cash Equivalents Held		856,902	(572,772)
Cash and Cash Equivalents at Beginning of Year		6,943,621	7,516,393
Cash and Cash Equivalents at End of Year	6.2	7,800,523	6,943,621

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

TALLANGATTA HEALTH SERVICE
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

Note 1: Basis of Presentation

Structure

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

These annual financial statements represent the audited general purpose financial statements for Tallangatta Health Service for the year ending 30 June 2022. The purpose of the report is to provide users with information about the Health Services' stewardship of resources entrusted to it.

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

Note 1.1: Basis of preparation of the financial statements

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

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

Tallangatta Health Service is a not-for profit entity and therefore applies the additional Aus paragraphs applicable to "not-for-profit" entities under the Australian Accounting Standards. Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Apart from the changes in accounting policies, standards and interpretations as noted below, material accounting policies adopted in the preparation of these financial statements are the same as those adopted in the previous period.

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

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

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

The annual financial statements were authorised for issue by the Board of Tallangatta Health Service on 23 August 2022.

TALLANGATTA HEALTH SERVICE
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

Note 1.2: Impact of COVID-19 pandemic

In March 2020 a state of emergency was declared in Victoria due to the global coronavirus pandemic, known as COVID-19. On 2 August 2020 a state of disaster was added with both operating concurrently.

The state of disaster in Victoria concluded on 28 October 2020 and the state of emergency concluded on 15 December 2021.

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

In response to the ongoing COVID-19 pandemic, Tallangatta Health Service has:

- introduced restrictions on non-essential visitors
- utilised telehealth service
- implemented reduced visitor hours
- performed COVID-19 testing
- implemented work from home arrangements where appropriate.

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

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

Note 1.3: Abbreviations and terminology used in the financial statements

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

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

Note 1.4: Joint arrangements

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

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).

Note 1.5: Key accounting estimates and judgements

Management make estimates and judgements when preparing the financial statements.

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

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

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

TALLANGATTA HEALTH SERVICE
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

Note 1.6: Accounting standards issued but not yet effective

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

Standard	Adoption Date	Impact
AASB 2020-1: Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current	Reporting periods on or after 1 January 2022.	Adoption of this standard is not expected to have a material impact.
AASB 2020-3: Amendments to Australian Accounting Standards – Annual Improvements 2018-2020 and Other Amendments	Reporting periods on or after 1 January 2022.	Adoption of this standard is not expected to have a material impact.
AASB 2021-2: Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definitions of Accounting Estimates	Reporting periods on or after 1 January 2023.	Adoption of this standard is not expected to have a material impact.
AASB 2021-5: Amendments to Australian Accounting Standards – Deferred Tax related to Assets and Liabilities arising from a Single Transaction	Reporting periods on or after 1 January 2023.	Adoption of this standard is not expected to have a material impact.
AASB 2021-6: Amendments to Australian Accounting Standards – Disclosure of Accounting Policies: Tier 2 and Other Australian Accounting Standards	Reporting periods on or after 1 January 2023.	Adoption of this standard is not expected to have a material impact.
AASB 2021-7: Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections	Reporting periods on or after 1 January 2023.	Adoption of this standard is not expected to have a material impact.

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

Note 1.7: Goods and Services Tax (GST)

Income, expenses and assets are recognised net of the amount of associated GST, except where 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 in the Balance Sheet are stated inclusive of the 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 in the Cash Flow Statement on a gross basis except for the GST components of cash flows arising from investing and/or financing activities which are recoverable from, or payable to the ATO, which are disclosed as operating cash flows.

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

Note 1.8: Reporting Entity

The financial statements include all the controlled activities of 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.

**TALLANGATTA HEALTH SERVICE
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022**

Note 2: Funding Delivery of Our Services

Tallangatta Health Service's overall objective is to provide quality health service 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 Revenue and Income from Transactions

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

Telling the COVID-19 story

Revenue recognised to fund the delivery of our services during the financial year was not materially impacted by the COVID-19 Coronavirus pandemic.

Key judgements and estimates

This section contains the following key judgements and estimates:

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

Note 2.1: Revenue and Income from Transactions

	Note	Total 2022 \$	Total 2021 \$
Operating			
Revenue from Contracts with Customers			
Government Grants (Commonwealth) - Operating		3,715,996	3,652,430
Patient and Resident Fees		1,562,759	1,657,169
Total Revenue from Contracts with Customers	2.1 (a)	5,278,755	5,309,599
Other Sources of Income			
Government Grants (State) - Operating		7,741,766	6,398,038
Government Grants (State) - Capital		669,694	29,685
Capital Donations		-	8,671
Medical Centre Income		822,367	801,060
Assets Received Free of Charge or for Nominal Consideration	2.2	271,762	100,679
Other Income from Operating Activities		645,063	487,958
Total Other Sources of Income		10,150,652	7,826,091
Total Revenue and Income from Operating Activities		15,429,407	13,135,690
Non-Operating Activities			
Other Interest		27,519	26,345
Total Income from Non-Operating Activities		27,519	26,345
Total Revenue and Income from Transactions		15,456,926	13,162,035

**TALLANGATTA HEALTH SERVICE
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022**

Note 2.1 (a): Timing of Revenue from Contracts with Customers

Total 2022 \$	Total 2021 \$
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Tallangatta Health Service disaggregates revenue by the timing of revenue recognition.

Goods and services transferred to customers:

At a point in time

5,278,755	5,309,599
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How we recognise revenue and income from transactions

Government operating grants

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

When both these conditions are satisfied, the health service:

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

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

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

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

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

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

Government Grant	Performance Obligation
Small Rural Health and Nursing Home State Support	The performance obligation for this grant is the provision of acute and residential aged care services. Revenue is recognised proportionately over the period of the funding which is usually for a financial year.
Commonwealth Funding for Residential Aged Care	The performance obligation for this grant is the provision of residential aged care services. Revenue is recognised on a daily basis as the delivery of services to residents is incurred.
Commonwealth CHSP	The Commonwealth Home Support Program provides entry level support for older people who need help to stay at home. Tallangatta Health Service is required to perform a set number of unit deliveries. Revenue is recognised on as the delivery of services under the funding arrangement is incurred

Capital grants

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

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

Patient and resident fees

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

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.

How we recognise revenue and income from non-operating activities

Interest Income

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

**TALLANGATTA HEALTH SERVICE
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022**

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

	Total 2022 \$	Total 2021 \$
Plant and Equipment	-	48,175
Personal Protective Equipment and Other Consumables	271,762	52,504
Total fair value of assets and services received free of charge or for nominal consideration	271,762	100,679

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

Donations and bequests

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

Personal protective equipment

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

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

Contributions

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

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

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

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

Voluntary Services

Contributions by volunteers, in the form of services, are only recognised when fair value can be reliably measured, and the services would have been purchased if they had not been donated. Tallangatta Health Service has considered the services provided by volunteers and has determined the value of volunteer services cannot be readily determined and therefore it has not recorded any income related to volunteer services.

Non-cash contributions from the Department of Health

The DH makes some payments on behalf of Tallangatta Health Service as follows:

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

**TALLANGATTA HEALTH SERVICE
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022**

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 and Related On-Costs
- 3.4 Superannuation

Telling the COVID-19 story

Expenses incurred to deliver services during the financial year were not materially impacted by the COVID-19 Coronavirus pandemic.

Key judgements and estimates

This section contains the following key judgements and estimates:

Key judgements and estimates	Description
Classifying employee benefit liabilities	Tallangatta Health Service applies significant judgment when classifying its employee benefit liabilities. Employee benefit liabilities are classified as a current liability if the Health Service does not have an unconditional right to defer payment beyond 12 months. Annual leave, accrued days off and long service leave entitlements (for staff who have exceeded the minimum vesting period) fall into this category. Employee benefit liabilities are classified as a non-current liability if the Health Service has a conditional right to defer payment beyond 12 months. Long service leave entitlements (for staff who have not yet exceeded the minimum vesting period) fall into this category.
Measuring employee benefit liabilities	Tallangatta Health Service applies significant judgment when measuring its employee benefit liabilities. The health service applies judgement to determine when it expects its employee entitlements to be paid. With reference to historical data, if the health service does not expect entitlements to be paid within 12 months, the entitlement is measured at its present value, being the expected future payments to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures, and are discounted at rates determined by reference to market yields on government bonds at the end of the reporting period. All other entitlements are measured at their nominal value.

Note 3.1: Expenses from Transactions

	Total 2022 \$	Total 2021 \$
Note		
Salaries and Wages	9,385,894	8,848,032
On-costs	2,151,464	1,795,088
Agency Expenses	559,197	228,065
Fee for Service Medical Officer Expenses	-	-
Workcover Premium	138,378	94,681
Total Employee Expenses	12,234,933	10,965,866
Drug Supplies	9,193	11,975
Medical and Surgical Supplies (including Prostheses)	264,928	144,076
Other Supplies and Consumables	411,426	391,696
Total Supplies and Consumables	685,547	547,747
Finance Costs	8,835	11,943
Total Finance Costs	8,835	11,943
Other Administrative Expenses	1,204,739	1,083,641
Total Other Administrative Expenses	1,204,739	1,083,641
Fuel, Light, Power and Water	166,223	197,493
Repairs and Maintenance	187,020	149,503
Maintenance Contracts	62,077	50,061
Medical Indemnity Insurance	11,585	9,900
Expenditure for Capital Purposes	13,348	20,019
Total Other Operating Expenses	440,253	426,976
Total Operating Expense	14,574,307	13,036,173
Depreciation and Amortisation	4.5	1,335,165
Bad and Doubtful Debt Expense	-	23,872
Total Other Non-Operating Expenses	-	23,872
Total Non-Operating Expenses	1,335,165	1,329,582
Total Expenses from Transactions	15,909,472	14,365,755

**TALLANGATTA HEALTH SERVICE
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022**

Note 3.1: Expenses from Transactions (Cont.)

How we recognise expenses from transactions

Expense recognition

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

Employee expenses

Employee expenses include:

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

Supplies and consumables

Supplies and 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 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.

Note 3.2: Other Economic Flows

2022
\$

2021
\$

Net gain on disposal of property plant and equipment

6,842

-

Total net gain/(loss) on non-financial assets

6,842

-

Net gain/(loss) arising from revaluation of long service liability

64,625

(40,507)

Total other gains/(losses) from other economic flows

64,625

(40,507)

Total gains/(losses) from other economic flows

71,467

(40,507)

How we recognise other economic flows

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

Note 3.3: Employee Benefits and Related On-Costs

2022
\$

2021
\$

Current Provisions

Accrued Days Off

-Unconditional and expected to be settled wholly within 12 months ⁱ

25,568

20,466

Annual Leave

-Unconditional and expected to be settled wholly within 12 months ⁱ

779,375

698,284

-Unconditional and expected to be settled wholly after 12 months ⁱⁱ

131,359

123,933

Long Service Leave

-Unconditional and expected to be settled wholly within 12 months ⁱ

160,759

131,844

-Unconditional and expected to be settled wholly after 12 months ⁱⁱ

655,009

735,406

1,752,070

1,709,933

Provisions Related to Employee Benefit On-Costs

-Unconditional and expected to be settled wholly within 12 months ⁱ

112,113

87,678

-Unconditional and expected to be settled wholly after 12 months ⁱⁱ

102,184

85,438

214,297

173,116

Total Current Employee Benefits and Related On-Costs

1,966,367

1,883,049

Non-Current Provisions

Conditional Long Service Leave

321,327

292,951

Provisions related to Employee Benefit On-Costs

43,258

28,246

Total Non-Current Employee Benefits and Related On-Costs

364,585

321,197

Total Employee Benefits and Related On-Costs

2,330,952

2,204,246

ⁱ The amounts disclosed are nominal amounts.

ⁱⁱ The amounts disclosed are discounted to present values.

TALLANGATTA HEALTH SERVICE
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

Note 3.3 (a): Employee Benefits and Related On-Costs	2022	2021
	\$	\$
Current Employee Benefits and Related On-Costs		
Unconditional Long Service Leave Entitlements	921,686	950,745
Unconditional Annual Leave Entitlements	1,019,112	911,838
Unconditional Accrued Days Off	25,568	20,466
Total Current Employee Benefits and Related On-Costs	1,966,366	1,883,049
Non-Current Employee Benefits and Related On-Costs		
Conditional Long Service Leave Entitlements	364,585	321,197
Total Non-Current Employee Benefits and Related On-Costs	364,585	321,197
Total Employee Benefits and Related On-Costs	2,330,951	2,204,246
Attributable to:		
Employee Benefits	2,073,396	2,002,884
Provision for Related On-Costs	257,555	201,362
	2,330,951	2,204,246

Note 3.3 (b): Provision for Related On-Costs Movement Schedule	2022	2021
	\$	\$
Carrying amount at start of year	201,362	197,788
Additional provisions recognised	161,032	102,618
Amounts incurred during the year	(104,839)	(99,044)
Net Gain/(Loss) arising from Revaluation of Long Service Leave Liability	64,625	(40,507)
Carrying amount at end of year	257,555	201,362

How we recognise employee benefits

Employee benefit Recognition

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

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

Annual leave and accrued days off

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

Provision for 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.

TALLANGATTA HEALTH SERVICE
 NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

Note 3.4: Superannuation

	Paid Contribution for the year		Outstanding Contribution at Year End	
	2022 \$	2021 \$	2022 \$	2021 \$
Defined Contribution Plans				
First State Super	510,131	505,758	-	-
Hesta	247,331	224,392	-	-
Other	219,160	146,248	-	-
Total	976,622	876,398	-	-

How we recognise superannuation

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.

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

**TALLANGATTA HEALTH SERVICE
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022**

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 Property, plant and equipment

4.2 Right-of-use assets

4.3 Revaluation Surplus

4.4 Intangible assets

4.5 Depreciation and amortisation

4.6 Impairment of Assets

Telling the COVID-19 story

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

Key judgements and estimates

This section contains the following key judgements and estimates:

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

**TALLANGATTA HEALTH SERVICE
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022**

Note 4.1: Property, Plant and Equipment

(a) Gross carrying amount and accumulated depreciation

	2022	2021
	\$	\$
Land at Fair Value	620,928	517,440
Land Improvements at Fair Value	451,912	342,377
Less Accumulated Depreciation	-	(508)
Total Land at Fair Value	1,072,840	859,309
Buildings		
Buildings at Fair Value	7,717,400	9,478,089
Less Accumulated Depreciation	-	(2,203,752)
Total Buildings at Fair Value	7,717,400	7,274,337
Buildings Work in Progress at Cost	416,111	86,231
Total Buildings	8,133,511	7,360,568
Plant and Equipment		
Plant and Equipment at Fair Value	2,577,211	2,285,032
Less Accumulated Depreciation	(1,995,668)	(1,864,002)
Total Plant and Equipment at Fair Value	581,543	421,030
Motor Vehicles		
Motor Vehicles at Fair Value	504,827	567,275
Less Accumulated Depreciation	(457,466)	(495,249)
Total Motor Vehicles at Fair Value	47,361	72,026
Medical Equipment		
Medical Equipment at Fair Value	586,147	537,641
Less Accumulated Depreciation	(493,777)	(473,933)
Total Medical Equipment at Fair Value	92,370	63,708
TOTAL PROPERTY, PLANT AND EQUIPMENT	9,927,625	8,776,641

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

	Note	Land	Buildings	Plant & Equipment	Motor Vehicles	Medical Equipment	Total
		\$	\$	\$	\$	\$	\$
Balance at 1 July 2020		710,229	8,235,730	355,353	99,628	71,517	9,472,457
Additions		26,000	227,815	178,804	-	13,114	445,733
Disposals		-	-	-	-	-	-
Revaluation Increment	4.3	136,324	-	-	-	-	136,324
Depreciation	4.5	(13,244)	(1,102,977)	(113,127)	(27,602)	(20,923)	(1,277,873)
Balance at 1 July 2021	4.1 (a)	859,309	7,360,568	421,030	72,026	63,708	8,776,641
Additions		46,260	681,436	292,363	-	48,506	1,068,565
Disposals		-	-	-	-	-	-
Revaluation Increment	4.3	183,607	1,215,512	-	-	-	1,399,119
Depreciation	4.5	(16,336)	(1,124,005)	(131,850)	(24,665)	(19,844)	(1,316,700)
Balance at 30 June 2022	4.1(a)	1,072,840	8,133,511	581,543	47,361	92,370	9,927,625

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.

**TALLANGATTA HEALTH SERVICE
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022**

Note 4.1: Property, Plant and Equipment (Cont.)

How we recognise Property, Plant and Equipment

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

Initial Recognition

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

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

Subsequent measurement

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

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

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

Revaluation

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

Where an independent valuation has not been undertaken at balance date, the Health Service perform a managerial assessment to estimate possible changes in fair value of land and buildings since the date of the last independent valuation with reference to Valuer-General of Victoria (VGV) indices.

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

A full revaluation of Tallangatta Health Service's land and buildings was performed by the Valuer-General of Victoria (VGV) in May 2019. The valuation, which complies with 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 managerial assessment performed at 30 June 2022 indicated an overall:

- increase/decrease in fair value of land of 18.4% (\$183,607)
- increase/decrease in fair value of buildings of 14.1% (\$1,215,512).

As the cumulative movement was greater than 10% but less than 40% for land and buildings since the last revaluation a managerial revaluation adjustment was required as at 30 June 2022.

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

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

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

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

**TALLANGATTA HEALTH SERVICE
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022**

Note 4.2: Right-Of-Use Assets

(a) Gross carrying amount and accumulated depreciation	2022 \$	2021 \$
Right of Use - Plant, Equipment, and vehicles		
Plant, Equipment, and vehicles	101,562	73,007
Less Accumulated Depreciation	(25,313)	(11,753)
Total Right of Use - Plant, Equipment, and vehicles at Fair Value	76,249	61,254

(b) Reconciliations of the carrying amounts of each class of asset	Note	2022 \$	2021 \$
Balance at start of the year		61,254	43,769
Additions		32,185	31,702
Disposals		-	-
Depreciation	4.5	(17,190)	(14,217)
Balance at end of year	4.2 (a)	76,249	61,254

How we recognise right-of-use assets

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

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

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

Class of right-of-use asset	Lease term
Leased equipment and vehicles	3 to 5 years

Initial recognition

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

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

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

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

Subsequent measurement

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

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

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

Note 4.3: Revaluation Surplus

	Note	2022 \$	2021 \$
Balance at the beginning of the Reporting Period		12,141,115	12,004,791
Revaluation Increment/(Decrement)			
Land	4.1 (b)	183,607	136,324
Buildings	4.1 (b)	1,215,512	-
Balance at the end of the Reporting Period		13,540,234	12,141,115
Represented by:			
Land		1,008,084	824,477
Buildings		12,532,150	11,316,638
		13,540,234	12,141,115

**TALLANGATTA HEALTH SERVICE
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022**

Note 4.4: Intangible Assets

(a) Gross carrying amount and accumulated amortisation

	2022 \$	2021 \$
Intangible assets - Hume Alliance joint operation	15,727	15,727
Less Accumulated Amortisation	<u>(14,938)</u>	<u>(13,663)</u>
	789	2,064

(b) Reconciliation of the carrying amounts of intangible assets

	2022	2021
Balance at beginning of year	2,064	15,684
Additions	-	-
Disposals	-	-
Amortisation	<u>(1,275)</u>	<u>(13,620)</u>
Balance at end of year	789	2,064

Note

How we recognise intangible assets

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

Initial recognition

Purchased intangible assets are initially recognised at cost.

Subsequent measurement

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

Note 4.5: Depreciation and Amortisation

	2022 \$	2021 \$
Depreciation		
Property, Plant and Equipment		
Buildings	1,124,005	1,102,977
Plant and Equipment	131,850	113,127
Motor Vehicles	24,665	27,602
Medical Equipment	19,844	20,923
Land Improvements	16,336	13,244
Total Depreciation - Property, Plant and Equipment	<u>1,316,700</u>	<u>1,277,873</u>
Right-Of-Use-Assets		
Right of use plant, equipment and vehicles	17,190	14,217
Total Depreciation - Right-Of-Use-Assets	<u>17,190</u>	<u>14,217</u>
Total Depreciation	1,333,890	1,292,090
Amortisation		
Software	1,275	13,620
Total Amortisation	<u>1,275</u>	<u>13,620</u>
Total Depreciation and Amortisation	1,335,165	1,305,710

How we recognise depreciation

Depreciation

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

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

How we recognise amortisation

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

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

	2022	2021
Buildings		
Structure shell and building fabric	25 to 50 years	25 to 50 years
Site engineering services and central plant	20 to 30 years	20 to 30 years
Central Plant		
Fit out	20 to 30 years	20 to 30 years
Trunk reticulated building system	30 to 40 years	30 to 40 years
Plant & Equipment		
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
Intangible Assets	3 to 4 years	3 to 4 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 2022**

Note 4.6: Impairment of Assets

How we recognise Impairment

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

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

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

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

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

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

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

Tallangatta Health Service did not record any impairment losses for the year ended 30 June 2022.

Note 5: Other Assets and Liabilities

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

Structure

5.1 Receivables and contract assets

5.2 Payables and contract liabilities

5.3 Other liabilities

Telling the COVID-19 story

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

Key judgements and estimates

This section contains the following key judgements and estimates:

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

TALLANGATTA HEALTH SERVICE
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

Note 5.1: Receivables and Contract Assets

	2022	2021
	\$	\$
Current		
Contractual		
Inter Hospital Debtors	28,708	8,049
Trade Debtors	140,853	103,323
Patient Fees	7,894	47,117
Accrued Revenue	25,581	23,998
Accrued Revenue - Department of Health	79,301	50,930
Total contractual receivables	282,337	233,417
Statutory		
GST Receivable	49,125	36,878
Total statutory receivables	49,125	36,878
Total current receivables and contract assets	331,462	270,295
Non-Current		
Contractual		
Long Service Leave - Department of Health	428,104	324,269
Total non-current receivables and contract assets	428,104	324,269
Total receivables and contract assets	759,566	594,564
<i>(i) Financial assets classified as receivables and contract assets (Note 7.1(a))</i>		
Total receivables and contract assets	759,566	594,564
GST receivable	(49,125)	(36,878)
Total financial assets	<u>710,441</u>	<u>557,686</u>
(a) Movement in the Allowance for impairment losses of contractual receivables		
Balance at beginning of year	-	-
Increase/(decrease) in Allowance recognised in net result	-	-
Balance at end of year	<u>-</u>	<u>-</u>

How we recognise receivables

Receivables consist of:

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

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

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

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

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 7.2 (a) for Tallangatta Health Service's contractual impairment losses.

**TALLANGATTA HEALTH SERVICE
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022**

Note 5.2: Payables and Contract Liabilities

	2022	2021
Note	\$	\$
Current		
Contractual		
Trade Creditors	251,649	657,875
Accrued Salaries and Wages	337,444	297,901
Accrued Expenses	48,570	37,106
Deferred Capital Grant Income	187,079	176,878
Amounts payable to governments and agencies	533,690	538,287
TOTAL PAYABLES	1,358,432	1,708,047
<i>(i) Financial liabilities classified as payables and contract liabilities (Note 7.1(a))</i>		
Total payables and contract liabilities	1,358,432	1,708,047
Deferred Capital Grant Income	(187,079)	(176,878)
Total Financial Liabilities	1,171,353	1,531,169

How we recognise payables and contract liabilities

Payables consist of:

- contractual payables, which mostly includes payables in relation to goods and services. These payables are classified as financial instruments and measured at amortised cost. Accounts payable and salaries and wages payable represent liabilities for goods and services provided to Tallangatta Health Service prior to the end of the financial year that are unpaid.
- statutory payables, which most includes amount payable to the Victorian Government and Goods and Services Tax (GST) payable. Statutory payables are recognised and measured similarly to contractual payables, but are not classified as financial instruments and not included in the category of financial liabilities at amortised cost, because they do not arise from contracts.

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

Note 5.2 (a): Deferred Capital Grant Income

	2022	2021
	\$	\$
Opening Balance of Deferred Capital Grant Income	176,878	-
Grant consideration for capital works received during the year	654,057	250,335
Deferred capital grant income recognised as income due to completion of capital works	(643,856)	(73,457)
Closing balance of deferred capital grant income	187,079	176,878

How we recognise deferred capital grant revenue

Grant consideration was received from Department of Health and Human Services to support the construction of a number of capital assets during the year. Capital grant revenue is recognised progressively as the asset is constructed, since this is the time when Tallangatta Health Service satisfies its obligations. The progressive percentage of costs incurred is used to recognise income because this most closely reflects the percentage of completion of the building works. As a result, Tallangatta Health Service has deferred recognition of a portion of the grant consideration received as a liability for the outstanding obligations.

Tallangatta Health Service expects to recognise all of the remaining deferred capital grant revenue for capital works by the end of the 2023 financial year.

Maturity analysis of payables

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

Note 5.3: Other Liabilities

Current monies held in trust		
Refundable Accommodation Deposits	5,447,698	4,173,273
Other Monies	152,750	-
Total current monies held in trust	5,600,448	4,173,273
Monies Held in Trust is represented by the following assets:		
Cash Assets	5,600,448	4,173,273
Total	5,600,448	4,173,273

How we recognise other liabilities

Refundable Accommodation Deposit (RAD)/Accommodation Bond liabilities

RADs/accommodation bonds are non-interest-bearing deposits made by some aged care residents to 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 2022**

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

Telling the COVID-19 story

Our finance and borrowing arrangements were not materially impacted by the COVID-19 Coronavirus pandemic.

Key judgements and estimates

This section contains the following key judgements and estimates:

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

**TALLANGATTA HEALTH SERVICE
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022**

Note 6.1: Borrowings

	2022 \$	2021 \$
Current		
Lease Liability ⁽ⁱ⁾	48,454	29,883
Advances from Government ⁽ⁱⁱ⁾	20,694	20,694
Total Current	<u>69,148</u>	<u>50,577</u>
Non-current		
Lease Liability ⁽ⁱ⁾	27,996	31,609
Advances from Government ⁽ⁱⁱ⁾	57,190	82,147
Total Non-Current	<u>85,186</u>	<u>113,756</u>
TOTAL BORROWINGS	<u><u>154,334</u></u>	<u><u>164,333</u></u>

⁽ⁱ⁾ Secured by the assets leased.

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

How we recognise borrowings

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

Initial recognition

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

Subsequent measurement

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

Maturity analysis of borrowings

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

Defaults and breaches

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

(a) Lease Liabilities

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

	2022 \$	2021 \$
Not later than one year	32,113	29,883
Later than 1 year but not longer than 5 years	45,613	32,709
Minimum lease payments	77,726	62,592
Less unexpired finance expenses	1,276	1,100
TOTAL	<u>76,450</u>	<u>61,492</u>
Included in the financial statements as:		
Current liabilities	48,454	29,883
Non-current liabilities	27,996	31,609
TOTAL	<u>76,450</u>	<u>61,492</u>

How we recognise lease liabilities

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

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

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to 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 Tallangatta 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.

Tallangatta Health Service's lease arrangements consist of leased equipment and vehicles with a lease term of 3 to 5 years.

All leases are recognised on the balance sheet, with the exception of low value leases (less than \$10,000 AUD) and short term leases of less than 12 months. There are no low value, short term and variable lease payments recognised in profit or loss.

Separation of lease and non-lease components

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

**TALLANGATTA HEALTH SERVICE
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022**

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. Our lease liability has been discounted by rates of between 1.5% to 3.0%.

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.

Subsequent measurement

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

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

Note 6.2: Cash and Cash Equivalents

	Note	2022 \$	2021 \$
Cash on Hand		600	1,050
Cash at Bank		1,940,109	792,419
Cash at Bank - CBS (excluding monies held in trust)		412,116	1,976,879
Total cash held for operations		2,352,825	2,770,348
Cash at Bank - CBS (monies held in trust)		5,447,698	4,173,273
Total cash held as monies in trust		5,447,698	4,173,273
Total Cash and Cash Equivalents	7.1 (a)	7,800,523	6,943,621

How we recognise cash and cash equivalents

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

	2022 \$	2021 \$
Capital Expenditure Commitments	255,627	232,219

How we disclose our commitments

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

Expenditure commitments

Commitments for future expenditure include operating and capital commitments arising from contracts. These commitments are disclosed 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.

Short term and low value leases

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

Note 6.4: Non-Cash Financing and Investing Activities

	2022 \$	2021 \$
Acquisition of plant and equipment by means of Leases	32,098	31,400

**TALLANGATTA HEALTH SERVICE
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022**

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 Financial risk management objectives and policies

7.3 Contingent assets and contingent liabilities

7.4 Fair Value Determination

Key judgements and estimates

This section contains the following key judgements and estimates:

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

Note 7.1: Financial Instruments

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

	Note	Financial Assets at Amortised Cost		Financial Liabilities at Amortised Cost		Carrying Amount	
		2022	2021	2022	2021	2022	2021
		\$	\$	\$	\$	\$	\$
Contractual Financial Assets							
Cash and Cash Equivalents	6.2	7,800,523	6,943,621	-	-	7,800,523	6,943,621
Receivables and contract assets	5.1	710,441	557,686	-	-	710,441	557,686
Total Financial Assets		8,510,964	7,501,307	-	-	8,510,964	7,501,307
Financial Liabilities							
Payables	5.2	-	-	1,171,353	1,531,169	1,171,353	1,531,169
Borrowings	6.1	-	-	154,334	164,333	154,334	164,333
Other Liabilities	5.3	-	-	5,600,448	4,173,273	5,600,448	4,173,273
Total Financial Liabilities		-	-	6,926,135	5,868,775	6,926,135	5,868,775

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

TALLANGATTA HEALTH SERVICE NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

How we categorise financial instruments

Categories of financial assets

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

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

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

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

Financial assets at amortised cost

Financial assets are measured at amortised 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 interest on the principal amount outstanding on specific dates.

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

Tallangatta Health Service recognises the following assets in this category:

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

Categories of financial liabilities

Financial liabilities are recognised when Tallangatta Health Service becomes a party to the contractual provisions to the instrument. Financial instruments are initially measured at fair value plus transaction costs.

Financial liabilities at amortised cost

Financial liabilities are measured at amortised cost using the effective interest method, where they are not held at fair value through net result.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest expense in net result over the relevant period. The effective interest is the internal rate of return of the financial asset or liability. That is, it is the rate that exactly discounts the estimated future cash flows through the expected life of the instrument to the net carrying amount at initial recognition.

Tallangatta Health Service recognises the following liabilities in this category:

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

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
- Tallangatta 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
- Tallangatta Health Service has transferred its rights to receive cash flows from the asset and either:
 - has transferred substantially all the risks and rewards of the asset or
 - has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

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

Derecognition of financial liabilities:

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

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

Reclassification of financial instruments

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

A financial liability reclassification is not permitted.

**TALLANGATTA HEALTH SERVICE
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022**

Note 7.2: Financial risk management objectives and policies

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

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

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

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

(a) Credit risk

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

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

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

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

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

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

There has been no material change to Tallangatta Health Service's credit risk profile in 2021-22.

Impairment of financial assets under AASB 9

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.

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

Contractual receivables at amortised cost

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

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

	Current	Less than 1 Month	1-3 Months	3 Months - 1 Year	1-5 Years	Total
2021						
Expected loss rate	0%	0%	0%	0%	0%	
Gross carrying amount of contractual receivables	479,279	36,689	38,684	3,034	-	557,686
Loss allowance	-	-	-	-	-	-
2022						
Expected loss rate	0%	0%	0%	0%	0%	
Gross carrying amount of contractual receivables	699,457	7,005	1,907	2,072	-	710,441
Loss allowance	-	-	-	-	-	-

Statutory receivables and debt investments 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.

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

TALLANGATTA HEALTH SERVICE
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

(b) Liquidity risk

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

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

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

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

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				
			Less than 1 Month	1-3 Months	3 Months - 1 Year	1-5 Years	Over 5 Years
	\$	\$	\$	\$	\$	\$	\$
2022							
<i>At amortised cost</i>							
Payables	1,171,353	1,171,353	1,131,236	40,117	-	-	-
Borrowings	154,334	154,334	4,027	8,054	57,067	85,186	-
Other Financial Liabilities							
- Accommodation Bonds	5,447,698	5,447,698	-	5,447,698	-	-	-
Total Financial Liabilities	6,773,385	6,773,385	1,135,263	5,495,869	57,067	85,186	-
2021							
<i>At amortised cost</i>							
Payables	1,531,169	1,531,169	1,435,106	96,063	-	-	-
Borrowings	164,333	164,333	1,106	2,212	26,565	113,756	-
Other Financial Liabilities							
- Accommodation Bonds	4,173,273	4,173,273	-	4,173,273	-	-	-
Total Financial Liabilities	5,868,775	5,868,775	1,436,212	4,271,548	26,565	113,756	-

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

(c) Market risk

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

Sensitivity disclosure analysis and assumptions

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

- a change in interest rates of 3% up or down and

Interest rate risk

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

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

**TALLANGATTA HEALTH SERVICE
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022**

Note 7.3: Contingent Assets and Contingent Liabilities

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

How we measure and disclose contingent assets and contingent liabilities

Contingent assets and contingent liabilities are not recognised in the balance sheet, but are disclosed 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.

Contingent assets

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

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

Contingent liabilities

Contingent liabilities are:

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

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

Note 7.4: Fair Value Determination

How we measure fair value

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

The following assets and liabilities are carried at fair value:

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

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

Valuation hierarchy

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

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

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

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

Identifying unobservable inputs (level 3) fair value measurements

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

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

**TALLANGATTA HEALTH SERVICE
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022**

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

Balance at 30 June 2022	Note	Carrying amount	Fair value measurement at end of reporting period using:		
			Level 1 ⁽ⁱ⁾	Level 2 ⁽ⁱ⁾	Level 3 ⁽ⁱ⁾
Land at fair value					
Non-specialised land		96,000	-	96,000	-
Specialised land		976,840	-	-	976,840
Total of land at fair value	4.1 (a)	1,072,840	-	96,000	976,840
Buildings at fair value					
Non-specialised buildings		144,000	-	144,000	-
Specialised buildings		7,989,511	-	-	7,989,511
Total of buildings at fair value	4.1 (a)	8,133,511	-	144,000	7,989,511
Plant and equipment at fair value	4.1 (a)	581,543	-	-	581,543
Motor Vehicles at Fair Value	4.1 (a)	47,361	-	-	47,361
Medical equipment at fair value	4.1 (a)	92,370	-	-	92,370
Total plant, equipment and vehicles at fair value		721,274	-	-	721,274
Right-of-use plant, equipment and vehicles	4.2 (a)	76,249	-	-	76,249
Total Non-Financial Assets at Fair Value		10,003,874	-	240,000	9,763,874

Balance at 30 June 2021	Note	Carrying amount	Fair value measurement at end of reporting period using:		
			Level 1 ⁽ⁱ⁾	Level 2 ⁽ⁱ⁾	Level 3 ⁽ⁱ⁾
Land at fair value					
Non-specialised land		96,000	-	96,000	-
Specialised land		763,309	-	-	763,309
Total of land at fair value	4.1 (a)	859,309	-	96,000	763,309
Buildings at fair value					
Non-specialised buildings		144,000	-	144,000	-
Specialised buildings		7,216,568	-	-	7,216,568
Total of buildings at fair value	4.1 (a)	7,360,568	-	144,000	7,216,568
Plant and equipment at fair value	4.1 (a)	421,030	-	-	421,030
Motor Vehicles at Fair Value	4.1 (a)	72,026	-	-	72,026
Medical equipment at fair value	4.1 (a)	63,708	-	-	63,708
Total plant, equipment and vehicles at fair value		556,764	-	-	556,764
Right-of-use plant, equipment and vehicles	4.2 (a)	61,254	-	-	61,254
Total Non-Financial Assets at Fair Value		8,837,895	-	240,000	8,597,895

Note

⁽ⁱ⁾ Classified in accordance with the fair value hierarchy

How we measure fair value of non-financial physical assets

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

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

In accordance with AASB 13 *Fair Value Measurement* paragraph 29, 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.

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

Non-Specialised Land and Non-Specialised Buildings

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

For non-specialised land 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.

**TALLANGATTA HEALTH SERVICE
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022**

Specialised Land and Specialised Buildings

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

During the reporting period, 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 assets.

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 2022.

Reconciliation of Level 3 fair value measurement

	Note	Land	Buildings	Plant and Equipment	Motor Vehicles	Medical Equipment	Right-of-use Plant, Equipment and Vehicles
2022							
Balance at 1 July 2021		763,309	7,216,568	421,030	72,026	63,708	61,254
Additions/Disposals		46,260	681,436	292,363	-	48,506	32,185
Gains or losses recognised in net result							
- Depreciation		(16,336)	(1,124,005)	(131,850)	(24,665)	(19,844)	(17,190)
Subtotal		793,233	6,773,999	581,543	47,361	92,370	76,249
Items recognised in other comprehensive income							
- Revaluation		183,607	1,215,512	-	-	-	-
Balance at 30 June 2022	4.1(b), 4.2(b)	976,840	7,989,511	581,543	47,361	92,370	76,249
2021							
Balance at 1 July 2020		614,229	8,091,730	355,353	99,628	71,517	43,769
Additions/Disposals		26,000	227,815	178,804	-	13,114	31,702
Gains or losses recognised in net result							
- Depreciation		(13,244)	(1,102,977)	(113,127)	(27,602)	(20,923)	(14,217)
Items recognised in other comprehensive income							
- Revaluation		136,324	-	-	-	-	-
Balance at 30 June 2021	4.1(b), 4.2(b)	763,309	7,216,568	421,030	72,026	63,708	61,254

Fair Value determination of level 3 fair value measurement

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

^a A community Service Obligation (CSO) of 20% was applied to the health services specialised land.

**TALLANGATTA HEALTH SERVICE
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022**

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 executives

8.4 Related parties

8.5 Remuneration of auditors

8.6 Events occurring after the balance sheet date

8.7 Jointly controlled operations

8.8 Equity

8.9 Economic dependency

Telling the COVID-19 story

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

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

	2022	2021
	\$	\$
Net Result for the Year	(381,079)	(1,244,227)
Non-Cash Movements		
Depreciation and Amortisation	1,335,165	1,305,710
Assets received free of charge	-	(48,175)
Loss/(Gain) on Revaluation of Long Service Leave Liability	(64,625)	40,507
Movements in Assets and Liabilities:		
(Increase)/Decrease in Prepayments	(25,699)	(9,114)
(Increase)/Decrease in Receivables and Contract Assets	(165,002)	(99,723)
Increase/(Decrease) in Payables and Contract Liabilities	(349,615)	579,312
Increase/(Decrease) in Employee Benefits	191,331	49,731
Increase/(Decrease) in Other Liabilities	-	(12,756)
NET CASH INFLOW FROM OPERATING ACTIVITIES	533,634	561,265

**TALLANGATTA HEALTH SERVICE
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022**

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 Martin Foley:	
Minister for Health	1 Jul 2021 - 27 Jun 2022
Minister for Ambulance Services	1 Jul 2021 - 27 Jun 2022
The Honourable Anthony Carbines:	
Minister for Child Protection and Family Services	1 Jul 2021 - 27 Jun 2022
Minister for Disability, Ageing and Carers	1 Jul 2021 - 27 Jun 2022
The Honourable James Merlino:	
Minister for Mental Health	1 Jul 2021 - 27 Jun 2022
The Honourable Mary-Anne Thomas:	
Minister for Health	28 Jun 2022 - 30 Jun 2022
Minister for Ambulance Services	28 Jun 2022 - 30 Jun 2022
The Honourable Colin Brooks:	
Minister for Child Protection and Family Services	28 Jun 2022 - 30 Jun 2022
Minister for Disability, Ageing and Carers	28 Jun 2022 - 30 Jun 2022
The Honourable Gabrielle Williams:	
Minister for Mental Health	28 Jun 2022 - 30 Jun 2022
Governing Boards	
A. Eagle	1 Jul 2021 - 30 Jun 2022
K. Lees	1 Jul 2021 - 30 Jun 2022
S. Hogg	1 Jul 2021 - 30 Nov 2021
A. Solly	1 Jul 2021 - 30 Jun 2022
A. Dunn	1 Jul 2021 - 4 Jan 2022
M. McDade	1 Jul 2021 - 30 Jun 2022
A. Tonks	1 Jul 2021 - 31 Mar 2022
R. Fry	1 Jul 2021 - 30 Jun 2022
A. Beath	24 May 2022 - 30 Jun 2022
S. Petzke	23 May 2022 - 30 Jun 2022
Accountable Officer	
D. Parry (Chief Executive Officer)	1 Jul 2021 - 20 Sep 2021
V. Pitcher (Chief Executive Officer)	20 Sep 2021 - 30 Jun 2022

Remuneration of Responsible Persons

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

	2022 No.	2021 No.
\$0 - \$9,999	10	9
\$120,000 - \$120,999	1	-
\$130,000 - \$130,999	1	-
\$200,000 - \$209,999	-	1
Total numbers	<u>12</u>	<u>10</u>
	<u>\$</u>	<u>\$</u>
Total Remuneration received or due and receivable by Responsible Persons from the reporting entity amounted to:	<u>268,245</u>	<u>270,687</u>

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

**TALLANGATTA HEALTH SERVICE
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022**

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 2022 \$	Total Remuneration 2021 \$
Short-term benefits	473,649	446,440
Post-employment benefits	39,016	32,201
Other long-term benefits	8,704	7,318
Total Remuneration (i)	521,369	485,959
Total number of Executives	4	6
Total Annualised Employee Equivalent (ii)	3.00	2.70

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 Note 8.4 Related parties.

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

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

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

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

Post-employment benefits include pensions and other retirement benefits (such as superannuation guarantee contributions) paid or payable on a discrete basis when employment has ceased.

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

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

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 KMP 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, the Chief Executive Officer and Executive Officers of Tallangatta Health Service are deemed to be KMPs.

Entity	KMPs	Position Title
Tallangatta Health Service	A. Eagle	Chair of the Board
Tallangatta Health Service	K. Lees	Board Member
Tallangatta Health Service	S. Hogg	Board Member
Tallangatta Health Service	A. Solly	Board Member
Tallangatta Health Service	A. Dunn	Board Member
Tallangatta Health Service	M. McDade	Chair of Clinical Governance meeting
Tallangatta Health Service	A. Tonks	Board Member
Tallangatta Health Service	R. Fry	Board Member
Tallangatta Health Service	A. Beath	Board Member
Tallangatta Health Service	S. Petzke	Board Member
Tallangatta Health Service	D. Parry	Chief Executive Officer
Tallangatta Health Service	V. Pitcher	Chief Executive Officer
Tallangatta Health Service	P. Foley	Director of Corporate Services
Tallangatta Health Service	L. Lang	Director of Clinical Operations and Nursing
Tallangatta Health Service	F. Ramjaun	Interim Director of Corporate Services
Tallangatta Health Service	A. Walker	Director of Quality, Safety and Consumer Experience

**TALLANGATTA HEALTH SERVICE
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022**

Note 8.4: Related Parties (Cont.)

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

	2022	2021
	\$	\$
Compensation		
Short term employee benefits	716,736	692,050
Post-employment benefits	61,554	53,028
Other long-term benefits	11,325	11,568
Total (i)	789,615	756,646

(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 DH of \$8.088 million (2021: \$6.575 million) and indirect contributions of \$37,911 (2021: \$30,506). Balances outstanding relating to Long Service Leave funded by the DH \$428,104 (2021: \$324,629).

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

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

The Standing Directions of the Assistant Treasurer require 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 2022 (2021: none).

There were no related party transactions required to be disclosed for the Tallangatta Health Service Board of Directors, Chief Executive Officer and Executive Directors in 2022 (2021: none).

Note 8.5: Remuneration of Auditors

	2022	2021
	\$	\$
Victorian Auditor-General's Office		
Audit of the financial statements	18,350	17,900

Note 8.6: Events Occurring after the Balance Sheet Date

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

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