



*Empowering
People for
Health*



ANNUAL REPORT
2022 - 2023

CONTENTS

Table of Contents	1
Disclosure Index	1-2
Responsible Bodies Declaration	2
Attestations	3
Key Personnel	4
Organisational Chart	4
Board Chair Report	5
Chief Executive Officer Report	5-6
Board and Office Bearers	7
Meeting Attendance	8
Our Story	9-11
Disclosures and Statements of Compliance	11-14
Statement of Priorities	15-19
Staff Analysis	22
Activity Data	23-24
Highlights During the Year	24

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.

Legislation	Requirement	Page Reference
Ministerial Directions		
Report of Operations		
Charter and purpose		
FRD 22	Manner of establishment and the relevant Ministers	7,9
FRD 22	Purpose, functions, power and duties	9
FRD 22	Nature and range of services provided	9-11
FRD 22	Activities, programs and achievements for the reporting period	5-6
FRD 22	Significant changes in key initiatives and expectations for the future	5-6
Management and structure		
FRD 22	Organisational structure	4
FRD 22	Workforce data / employment and conduct principles	22
FRD 22	Occupational Health & Safety	12
Financial information		
FRD 22	Summary of the financial results for the year	18-19
FRD 22	Significant changes in financial position during the year	Financial Report
FRD 22	Operational and budgetary objectives and performance against objectives	18-19
FRD 22	Subsequent events	Financial Report
FRD 22	Details of consultancies under \$10,000	13
FRD 22	Details of consultancies over \$10,000	13
FRD 22	Disclosure of ICT expenditure	12

Legislation	Requirement	Page Reference
Legislation		
FRD 22	Application and operation of Freedom of Information Act 1982	11
FRD 22	Compliance with building and maintenance provisions of Building Act 1993	11
FRD 22	Application and operation of Public Interest Disclosure Act 2012	12
FRD 22	Statement on National Competition Policy	11
FRD 22	Application and operation of Carers Recognition Act 2012	11
FRD 22	Summary of the entity's environmental performance	20-21
FRD 22	Additional information available on request	14
Other relevant reporting directives		
FRD 25	Local Jobs First Act 2003 disclosures	11
SD 5.1.4	Financial Management Compliance Attestation	3
SD 5.2.3	Declaration in report of operations	2
Attestations		
	Attestation on Data Integrity	3
	Attestation on managing Conflicts of Interest	3
	Attestation on Integrity, Fraud and Corruption	3
Other reporting requirements		
	Reporting of outcomes from Statement of Priorities 2022-23	15-19
	Occupational Violence reporting	14
	Gender Equality Act 2020	11
	Reporting obligations under the Safe Patient Care Act 2015	12

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 2023.



Michelle McDade

Board Chair

Tallangatta Health Service

30/08/2023

The Annual Report of 2022–2023 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 2022-2023

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



Vicki Pitcher
Accountable Officer
Tallangatta Health Service
30/08/2023

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
30/08/2023

Financial Management Compliance

I, Michelle McDade, 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.



Michelle McDade
Responsible Officer
Tallangatta Health Service
30/08/2023

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
30/08/2023

Health Share Victoria (HSV) Purchasing Policies

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



Vicki Pitcher
Accountable Officer
Tallangatta Health Service
30/08/2023

KEY PERSONNEL - As at 30 June 2023

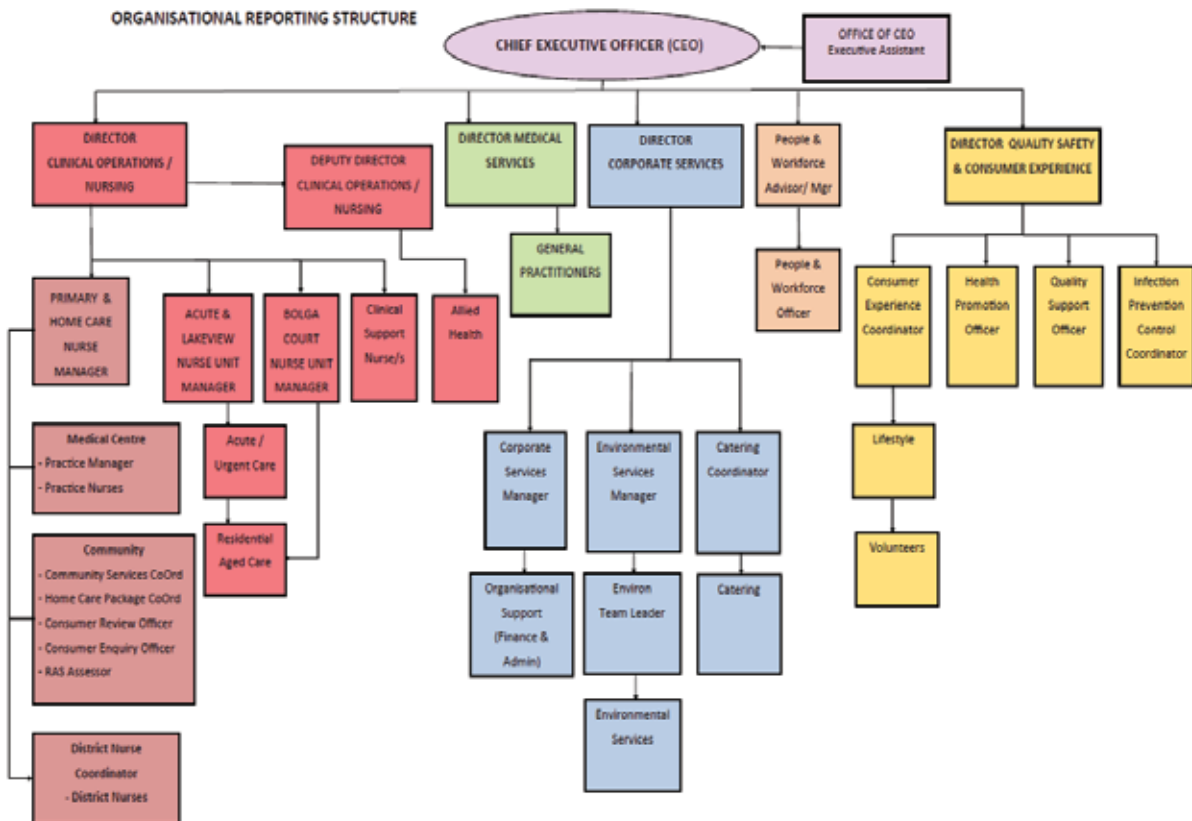
Executive Staff

Chief Executive Officer:	Vicki Pitcher – BA (Psych), Grad Dip Ed, Grad Dip Bus Comp
Director of Clinical Operations & Nursing:	Juliana Sheridan – PhD, MPhil, Hons BCur, DNA, B Nursing January 2023 – July 2023
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
-------------------------------	---

TALLANGATTA HEALTH SERVICE ORGANISATIONAL CHART



BOARD CHAIR REPORT

It has been another challenging year for Tallangatta Health Service.

We have had COVID-19 outbreaks and other disruptions to deal with, but with the combined efforts of our executive team and the rest of the staff and the cooperation of our residents and their families the Health Service has ended the year well.

Our staff have continued to rise to the occasion and the quality of care provided to our consumers has never been better as evidenced by our successful reaccreditation by the Aged Care Commission. I think we can all be proud of the services that we provide and have confidence to promote them to the community.

The Board had the opportunity during the year to meet with our residents for afternoon tea and find out first-hand what they felt about the service and care that they receive. The response was, by and large, extremely positive, and it was an excellent way for the Board members to get that feedback in a relaxed and informal setting.

We have an excellent executive team who work well together and have been of great assistance to the Board at all times. I would like to personally thank them for their candor and forthright advice in dealing with the Board. The free flow of information has allowed the Board to have confidence in its decision making.

My tenure on the Board ended on 30 June 2023 and I would like to thank all those who served with me during the past 8 years. The calibre of the Board members has been second to none and the current Board is no exception. I am confident that they will continue to lead the Health Service in a positive direction into the future. There will of course continue to be challenges, however, with the support and good will of the community that we serve, the Health Service will go from strength to strength.

Finally, I would also like to thank Denise Gigliotti for her support and assistance in her role as executive assistant. Not just getting papers out on time, but also making sure all Board members had their compliance documents completed as required, and the links to the Teams meetings!

I wish you all the best for the future and look forward to seeing the continued success of Tallangatta Health Service, albeit from afar.



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. We have wonderful staff who are dedicated, caring health professionals who continue to deliver service excellence in meeting the needs of our community. To say we've had another difficult year is an understatement, and I'm conscious that this seems true yet again. The COVID-19 pandemic has been declared officially over yet the lasting impacts are seen every day as we maintain vigilance to keep our Residents and consumers safe. Tallangatta Health Service has experienced four COVID-19 outbreaks in Aged Care over the last 12 months. This is despite an ongoing effort from staff to maintain strict infection control protocols, and the additional workload associated with touchpoint cleaning, hand hygiene, social distancing, personal protective equipment (PPE), Rapid Antigen Testing (RAT) and vaccinations. We are ever conscious of the balance between keeping COVID-19

out of Aged Care with the need to maintain normal activity and access to family and friends. We don't take this responsibility lightly and our weekly COVID-19 meeting weighs up the current risks so that we may make the best decisions.

A major focus of the way we care for our Residents is to create a home which reflects individual choice and preference. Our nursing and care staff go the extra mile to listen and respond to their needs. Our Consumer Experience Team design and deliver activities which draw upon the life experiences of our Residents to honour and celebrate their journeys. Tallangatta Health Service continues to implement recommendations from the Aged Care Royal Commission with nursing workforce proving challenging this year, and our recruitment efforts have resulted in several new staff joining the health service.

The Medical Clinic continues to operate with 5 permanent General Practitioners and our dedicated Nurse Practitioner. Our range of allied health services include Diabetes Education, Physiotherapy, Occupational Therapy, Podiatry and Dietetics. Our Community Home Care team delivers District Nursing, Domestic Assistance, Personal Care and Home Maintenance to consumers across a wide geographical area which includes Eskdale, Mitta Mitta, Sandy Creek, Bethanga, Bellbridge and Talgarno. We are now managing a large number of Home Care Packages and continue to provide the Regional Assessment Service. We are in a transition period with Commonwealth Home Support programs which will become Support at Home in 2025.

This year has seen the completion of several capital projects including the upgrading of all electrical switchboards, the arrival of the staff amenities block, the migration of telephony systems from PABX to VOIP, the creation of an isolation wing to manage infectious disease such as COVID-19, new flooring in Bolga Court (kitchen, dining and hallway) and the completion of the Community Garden.

Consumer feedback remains a vital component in keeping us relevant and we welcome every opportunity to hear your views. There are several ways for you to tell us about your experiences including Care Opinion, feedback forms, and Resident Reference Group meetings.

We have many strong partnerships with service providers, health agencies, local Council and businesses as well as the State and Commonwealth Departments of Health. These productive relationships all contribute to building an integrated health system to improve the delivery of care.

As I complete my second year as Chief Executive Officer, I remain very proud of our team, our services and our place in this community. I wish to thank the Executive team for their unwavering support; Paul Foley (Director of Corporate Services), Adrian Walker (Director of Quality, Safety and Consumer Experience) and Juliana Sheridan (Director of Clinical Operations and Nursing). We thank and farewell Lyn Lang, who retired in 2023. Our Health Service provides many different programs and cares for multiple cohorts (primary care, home services, residential aged care and acute patients). This is within a constantly changing environment, funding challenges and ever-increasing compliance requirements. The compliance demands are important and designed to keep people safe. They regulate our delivery of service and ensure quality is provided every step of the way. We maintain our quality by meeting four sets of accreditation standards.

Financially, 2022/23 has been a difficult year for the Health Service. The COVID-19 response has moved to business as usual however additional expenses are still being incurred.



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 thank every staff member for their hard work and dedication.

A handwritten signature in black ink that reads "V. Pitcher".

Vicki Pitcher
Chief Executive Officer

MINISTERS

Minister for Health

The Honourable Mary-Anne Thomas MP (from 1 July 2022 to 30 June 2023)

Minister for Ambulance Services

The Honourable Mary-Anne Thomas MP (from 1 July 2022 to 5 December 2022)

The Honourable Gabrielle Williams MP (from 5 December 2022 to 30 June 2023)

Minister for Mental Health

The Honourable Gabrielle Williams MP (from 1 July 2022 to 30 June 2023)

Minister for Disability, Minister for Ageing, Minister for Carers

The Honourable Colin Brooks MP (from 27 June 2022 to 5 December 2022)

The Honourable Lizzie Blandthorn (from 5 December 2022 to 30 June 2023)

TALLANGATTA HEALTH SERVICE

Board, Office Bearers, and Board Committees

as at 30 June 2023

Board Directors 2022-23

Ms Ann Eagle (Chair)

Ms Michelle McDade

Ms Amanda Solly

Ms Susan Petzke

Mr Angus Beath

Ms Robyn Fry

Ms Kelly Lees

Ms Melissa Buultjens

Mr Steven Hams

Finance & Audit Committee

Ms Kelly Lees (Chair)

Ms Robyn Fry

Ms Susan Petzke

Mr Steven Hams

Clinical Governance Committee

Ms Michelle McDade (Chair)

Ms Amanda Solly

Mr Angus Beath

Dr Pat Giddings

Ms Melissa Buultjens

Mr Robert Lees (external independent)

Dr Nicholas Sharrock (external independent)

Consumer Engagement Advisory Group

Ms Michelle McDade

Mr Angus Beath

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
	2022					2023						
	Jul	Aug	Sep	Oct	Nov	Jan	Feb	Mar	Apr	May	Jun	
BEATH, Angus	✓	✓	✓	✓	✓	x	✓	✓	✓	✓	✓	10
HAMS, Steven	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	11
EAGLE, Ann	✓	✓	✓	✓	✓	✓	✓	✓	✓	x	✓	10
FRY, Robyn	✓	✓	✓	✓	x	✓	✓	✓	x	✓	✓	9
BUULTJENS, Melissa	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	11
LEES, Kelly	✓	✓	✓	✓	✓	x	✓	✓	✓	x	✓	9
McDADE, Michelle	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	x	10
PETZKE, Susan	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	x	10
SOLLY, Amanda	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	11
No Board meeting held in December 2022												

Finance & Audit Committee

Consists of 4 elected Board Directors and Executive representation

Directors (as at 30 June 2023)	Number of meetings held	Total attendances for year
4	4	16

Clinical Governance Committee

Consists of 4 elected Board Directors, 2 nominated community members, and Executive representation

Directors (as at 30 June 2023)	Number of meetings held	Total attendances for year
4	6	20

Community Engagement Advisory Group

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

Directors (as at 30 June 2023)	Number of meetings held	Total attendances for year
2	3	6

OUR STORY

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

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 Standards 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 Victorian Virtual Emergency Department (VVED) 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, and Dietetics.

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 team 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 workforce 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 2022-23.

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 did not have any requests from the general public during the 2022-23 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 2022 the application fee was \$30.60. 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 members (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 & Safety and complies with the Occupational Health & Safety Act 2004. The organisation monitors its compliance through an Occupational Health and Safety Committee who meets regularly to work together to ensure that we provide and maintain a safe and healthy workplace. The Committee comprises trained Health and Safety representatives, staff representatives and management representatives. The Occupational Health and Safety Committee is complemented and proactively supported by the 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 AND SAFETY STATISTICS	2022-23	2021-22	2020-21
The number of reported hazards/incidents for the year per 100 FTE	29.12	47.9	87.4
The number of 'lost time' standard WorkCover claims for the year per 100 FTE	4	1	2
The average cost per WorkCover claim for the year	\$118,655	\$514,321	\$6,656

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 or 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 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) EXPENDITURE

The total ICT expenditure incurred during 2022-23 is \$754,154 (excluding GST) with the details shown below.

Business As Usual (BAU) ICT expenditure		NonBusiness As Usual (nonBAU) 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)
\$743,380	\$10,774	\$1,974	\$8,800

DETAILS OF CONSULTANCIES (UNDER \$10,000)

In 2022-23, there were three consultancies where the total fees payable were less than \$10,000. The total expenditure incurred during 2022-23 in relation to these consultancies is \$11,760 (excl. GST).

Consultant	Purpose Of Consultancy	Start Date	End Date	Total Approved Project Fees (Excl GST)	Expenditure 2022-23 (Excl GST)	Future Expenditure (Excl GST)
JWP Architects	Integrated Primary Care – Assistance to prepare initial project documentation	July 2022	July 2022	\$ 5,800	\$ 5,800	Integrated Primary Care – Assistance to prepare initial project documentation
MYOB	Payroll modification – Implementation of auditor's recommendation	Oct 2022	Nov 2022	\$ 960	\$ 960	N/A
McKenzie Group Consulting	Integrated Primary Care – Concept design & design development	Mar 2023	Sept 2023	\$ 9,000	\$ 5,000	\$ 4,000

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

In 2022-23 there was one consultancy where the total fees payable to the consultant were \$10,000 or greater. The total expenditure incurred during 2022-23 in relation to this consultancy stood at \$19,425 (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 2022-23 (Excl GST)	Future Expenditure (Excl GST)
JWP Architects	Integrated Primary Care – Consulting works for concept design, design development & construction documentation	Feb 2023	Sept 2023	\$160,570	\$19,425	\$141,145

OCCUPATIONAL VIOLENCE

Occupational violence statistics	2022-2023
Workcover accepted claims with an occupational violence cause per 100 FTE	0
Number of accepted Workcover claims with lost time injury with an occupational violence cause per 1,000,000 hours worked.	0
Number of occupational violence incidents reported	20
Number of occupational violence incidents reported per 100 FTE	19.24
Percentage of occupational violence incidents resulting in a staff injury, illness or condition	25%

DEFINITIONS OF OCCUPATIONAL VIOLENCE:

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

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

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

Lost time - is defined as greater than one day.

Injury, illness or condition - this includes all reported harm as a result of the incident, regardless of whether the employee required time off work or submitted a claim.

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 2022-23

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 identifies the Victorian Government's priorities and policy directions in the Victorian Health Priorities Framework 2022-23. Tallangatta Health Service's Statement of Priorities contributes to the achievement of the Government's key priorities in 2022-23 through the articulation of the following specific Actions and Deliverables.

STRATEGIC PRIORITIES FOR 2022-23

DH Strategic Priority	Outcomes
<p><i>Maintain your robust COVID-19 readiness and response, working with the department, Health Service Partnership and Local Public Health Unit (LPHU) to ensure effective responses to changes in demand and community pandemic orders. This includes, but is not limited to, participation in the COVID-19 Streaming Model, the Health Service Winter Response framework and continued support of the COVID-19 vaccine immunisation program and community testing.</i></p>	<ul style="list-style-type: none"> • Participated in regional COVID-19 response and planning meetings • Delivered COVID-19 vaccines to Aged Care residents and staff • Encouraged members of our community to remain vaccinated through newsletters and media articles • Ensured supply of Rapid Antigen Tests and Personal Protective Equipment (PPE) • Provided information to community via multiple channels regarding all facets of COVID-19 • Maintained hand hygiene and infection control measures including social distancing for staff and community • Protected aged care residents with appropriate restrictions • Responded quickly to COVID-19 outbreaks • Kept family members informed • Introduced Concierge role to assist in visitor management
<p><i>Increase the provision of home-based or virtual care, where appropriate and preferred, by the patient, including the Better at Home program</i></p>	<ul style="list-style-type: none"> • Better at Home funding obtained for lower limb osteoarthritis rehabilitation program which has been implemented in multiple outreach locations (Bethanga, Eskdale and Dartmouth) • Increased community engagement via multiple channels including social media and print to deliver health promotion • More General Practitioners available in the clinic • Continued to support Advanced Paramedic Skills project • Telehealth appointments offered
<p><i>Work with Safer Care Victoria (SCV) in areas of clinical improvement to ensure the Victorian health system is safe and delivers best care, including working together on hospital acquired complications, low value care and targeting preventable harm to ensure that limited resources are optimised with compromising clinical care and outcomes</i></p>	<ul style="list-style-type: none"> • Strong collaborative approach maintaining the THS Clinical Governance Framework • Continue to monitor, report and strengthen approach and response to high prevalence, high impact risks (falls, medications, pressure injury etc) as part of whole of organisation approach to providing safe care and towards optimal outcomes. • Introduced and piloted the SCV 4M's Model of Care for Older Persons into District Nursing Service with vision to expand organisation wide.

DH Strategic Priority	Outcomes
<p><i>Develop a plan to implement nutrition and quality food standards in 2022-23, implemented by December of 2023</i></p>	<ul style="list-style-type: none"> • Partnered with residents to concentrate on feedback to improve the quality, choice and consistency of the dining experience. • Working with Multi-disciplinary Team, including Dietitian and Speech Pathologist to improve and maintain standards and care for Residential Aged Care. • Focus on care provision relating to dietary requirements to ensure informed choice and processes to mitigate choking risks to ensure safe care provision. • Implementing ChefMax software • Successful external Food Safety Audit completed in June
<p><i>Contribute to enhancing health systems resilience by improving the environmental sustainability, including identifying and implementing projects and/or processes that will contribute to committed emissions reduction targets through reducing or avoiding carbon emissions and/or implementing initiatives that will help the health system to adapt to the impacts of climate change.</i></p>	<p>Ongoing work including:</p> <ul style="list-style-type: none"> • Reduction in single use plastics • Solar panel installations across multiple buildings • Upgrade to hot water systems • Plumbed cooled water into staffrooms to remove plastic water bottles • Introduction of hybrid fleet vehicles
<p><i>Improve health services and Department Asst Management Accountability Framework (AMAF) compliance by collaborating with Health Infrastructure to develop policy and processes to review the effectiveness of asset maintenance and its impact on service delivery.</i></p>	<p>Annual Asset Management Plan completed</p>
<p><i>Strengthen commitments to Aboriginal Victorians by addressing the gap in health outcomes by delivering culturally safe and responsive health care</i></p> <p><i>Establish meaningful partnerships with Aboriginal Community Controlled Health Organisations</i></p> <p><i>Implement strategies and processes to actively increase Aboriginal employment.</i></p> <p><i>Improve patient identification of Aboriginal people presenting for health care, and to address variances in health care and provide equitable access to culturally safe care pathways and environments.</i></p> <p><i>Develop discharge plans for every Aboriginal patient.</i></p>	<ul style="list-style-type: none"> • Completion of Reconciliation Action Plan, endorsed by Reconciliation Australia • Delivered Cultural Awareness training to staff • Established working relationship with local Aboriginal controlled organisation (Mungabareena Aboriginal Corporation) • Established great partnership with the Bushfire Recovery Victoria Aboriginal Liaison Officer • Participated in events such as National Reconciliation Week, National Sorry Day and NAIDOC • Commissioned and displayed artwork by local Indigenous artists

DH Strategic Priority	Outcomes
<p><i>Strengthen cross-service collaboration, including through active participation in health service partnerships (HSP)</i></p> <p><i>Work together with other HSP members on strategic system priorities where there are opportunities to achieve better and more consistent outcomes through collaboration, including the pandemic response, elective surgery recovery and reform, implementation of the Better at Home program and mental health reform.</i></p>	<p>Local partnerships in place:</p> <ul style="list-style-type: none"> • Communities of Practice (Quality) • Regional Morbidity and Mortality Meeting • Border North East Patient Flow Meeting • CEO Forum • Upper Hume Local Partnership • Ovens Murray Mental Health, Alcohol and Drug Alliance • Murray Primary Health Network <p>Strong collaboration with regional COVID-19 response, mental health reform and joint Better@Home funding submissions and program delivery</p>
<p><i>Develop HSP Strategic Service Plans – codesigned by health services and the department that guide a system approach to future service delivery and consider equity, quality and safety and value.</i></p>	<ul style="list-style-type: none"> • Participated in Hume HSP workshops to develop a Shared Strategic Service Plan • Contributing to the development of Regional Credentialing • Improving patient flow by enabling access to acute beds • Working with neighbouring health services to share programs • Participating in roll out of the Victorian Virtual Emergency Department
<p><i>Participate in the Occupational Violence and Aggression (OVA) training that will be implemented across the sector in 2022-23</i></p> <p><i>Support the implementation of the Strengthening Hospital Responses to Family Violence (SHRFV) initiative deliverable including health service alignment to MARAM, the Family Violence Multi-Agency Risk Assessment and Management Framework.</i></p> <p><i>Prioritise wellbeing of healthcare workers and implement local strategies to address key issues.</i></p>	<ul style="list-style-type: none"> • Staff participation in OVA training • Alignment to MARAM framework • Implementation of SHRFV training • Active Staff Health & Wellbeing Committee • Align Work Health program to prevent and reduce workplace injury • Staff recognition program • Staff wellbeing initiatives including free monthly massage program, Donut Van, Coffee Van, Theme days • People Matter Survey run in June

PERFORMANCE PRIORITIES

HIGH QUALITY AND SAFE CARE		
Key performance indicator	Target	2022-23 Result
Infection Prevention and Control		
Compliance with the Hand Hygiene Australia program	85%	90.9%
Percentage of healthcare workers immunised for influenza	92%	96.6%
Patient Experience		
Victorian Healthcare Experience Survey - percentage of positive patient experience responses	95%	N/A*

*Less than 10 responses were received.

STRONG GOVERNANCE, LEADERSHIP AND CULTURE		
Key performance indicator	Target	2022-23 Result
Governance, Leadership, and Culture		
Safety Culture Among Healthcare Workers	62%	71%

EFFECTIVE FINANCIAL MANAGEMENT		
Key performance indicator	Target	2022 - 23 Result
Finance		
Operating result (\$m)	-0.89	0
Average number of days to paying trade creditors	60 days	29 days
Average number of days to receiving patient fee debtors	60 days	17 days
Adjusted current asset ratio (Variance between actual ACAR and target, including performance improvement over time or maintaining actual performance)	0.7 or 3% improvement from health service base target	0.97
Number of days with available cash	14 days	72.4 days
Variance between forecast and actual Net result from transactions (NRFT) for the current financial year ending 30 June	Variance \leq \$250,000	\$1.25M

ACTIVITY AND FUNDING

FUNDING TYPE	2022-23 ACTIVITY ACHIEVEMENT	UNITS
SMALL RURAL		
Small Rural Primary Health & HACC	986	Service Hours
Small Rural Residential Care	16,101	Bed Days

TABLE 6: FINANCIAL INFORMATION

FINANCIAL INFORMATION					
	2023	2022	2021	2020	2019
	\$	\$	\$	\$	\$
OPERATING RESULT*	0	(93,509)	23,873	4,772	354,939
Total Revenue	16,282,364	15,456,926	13,162,035	11,991,891	11,717,621
Total Expenses	(17,452,265)	(15,909,472)	(14,365,755)	(13,229,886)	(12,213,618)
Net result from transactions	(1,169,901)	(452,546)	(1,203,720)	(1,237,995)	(495,997)
Total Other economic flows	(17,440)	71,467	(40,507)	(18,199)	(51,585)
Net result	(1,187,341)	(381,079)	(1,244,227)	(1,256,194)	(547,582)
Total Assets	18,283,396	18,726,757	16,514,450	17,670,336	17,338,092
Total Liabilities	9,937,074	9,444,166	8,249,899	8,297,882	6,709,444
Net Assets/Total Equity	8,346,322	9,282,591	8,264,551	9,372,454	10,628,648

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

A break-even result was achieved for the year which is in line with our Statement of Priorities target. Tallangatta Health Service was grateful to receive financial sustainability funding from the Department of Health during the year which assisted us to achieve our Statement of Priorities target.

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

	2022-23 \$
Net operating result *	0
Capital purpose income	366,704
Specific income	50,096
COVID 19 State Supply Arrangements - Assets received free of charge or for nil consideration under the State Supply	100,152
State supply items consumed up to 30 June 2023	(100,152)
Assets provided free of charge	0
Assets received free of charge	0
Expenditure for capital purpose	23,818
Depreciation and amortisation	(1,610,517)
Impairment of non-financial assets	0
Finance costs (other)	0
Net result from transactions	(1,169,901)

Bankers 2022-23

Westpac Banking Corporation

ANZ Banking Group

Commonwealth Bank

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 2022-23 financial year.

ENVIRONMENTAL IMPACTS & ENERGY USE			
	2022-23	2021-22	2020-21
Total greenhouse gas emissions (tonnes CO2e)			
Total Scope 1 greenhouse gas emissions (tonnes CO2e)	96	33	46
Total Scope 2 greenhouse gas emissions (tonnes CO2e)	468	491	681
Electricity production and consumption			
Electricity (MWh)	550	539	695
Greenhouse gas emissions (tonnes CO2e)	468	491	681
Stationary fuel use			
Liquefied Petroleum Gas (kL)	23	20	29
Diesel Oil in Building (kL)	0.4	0.8	1.1
Greenhouse gas emissions (tonnes CO2e)	39	33	46
Transportation			
Tonnes CO2e Corporate transport			56
Water Consumption			
Potable water (millions of litres)	7.02	5.94	7.65
Waste and Recycling			
Total waste generated (kg)	61,030	57,542	62,790
Total waste to landfill generated (kg)	50,780	40,637	44,491
Sustainable buildings and infrastructure			
Tallangatta Hospital NABERS – Energy Rating	3.5 Stars		

FACTORS INFLUENCING ENVIRONMENTAL IMPACTS			
	2022-23	2021-22	2020-21
Floor space (m2)	5,282	5,282	5,282
Separations	35	30	61
In-Patient Bed Days	750	495	1,281
Aged Care Bed Nights	16,220	15,947	16,437

BENCHMARKS 2022-23			
	2022-23	2021-22	2020-21
Normalised greenhouse gas emissions			
Emissions per unit of floor space (kgCO2e/m2)	107	99	138
Emissions per unit of separations (kgCO2e/separations)	16,094	17,464	11,924
Emissions per occupied bed day (kgCO2e/OBD)	33	32	41

Normalised stationery energy consumption			
Energy per unit of floor space (GJ/m ²)	0.50	0.47	0.50
Energy per separation (GJ/Separations)	75	82	53
Energy per occupied bed day (GJ/OBD)	0.15	0.15	0.18
Normalised water consumption			
Water per unit of floor space (kL/m ²)	1.33	1.12	1.45
Water per separation (kL/Separations)	200	198	125
Water per occupied bed day (KI/OBD)	0.41	0.36	0.43
Waste and recycling			
Waste to landfill per patient treated (kg waste/PPT)	2.99	2.47	2.50
Recycling rate %	17%	30%	29%
Utility expenditure rates			
Electricity (\$000s)	128	122	154
Liquefied Petroleum Gas (\$000s)	12	14	15
Diesel Oil in Building (\$000s)	2	1	1
Potable Water (\$000s)	18	14	18
Normalised utility expenditure rates (Electricity, LPG, Diesel Oil in Buildings and Potable Water)			
Expenditure per unit of floor space m ²)	0.028	0.026	0.033
Expenditure per separation (\$000's/Separations)	4.209	4.571	2.840
Expenditure per occupied bed day (\$000's/OBD)	0.009	0.008	0.010

Environmental Performance

ALL SUPPLIERS		
	Number of suppliers	156
	Total spent with suppliers	\$1,596,528
SOCIAL BENEFIT SUPPLIERS		
	Number of social benefit suppliers	2
	Total spent with social benefit suppliers	\$650
OBJECTIVE: OPPORTUNITIES FOR VICTORIAN ABORIGINAL PEOPLE		
	Outcome: Purchasing from Victorian Aboriginal businesses	
	Number of Victorian Aboriginal businesses engaged	2
	Total expenditure with Victorian Aboriginal businesses (excl. GST)	\$650

STAFF ANALYSIS

Hospitals labour category	JUNE current month FTE		Average Monthly FTE	
	2022	2023	2022	2023
Nursing	47.85	46.65	48.49	46.97
Administration and Clerical	14.17	13.40	15.57	15.93
Medical Support	3.95	5.27	4.81	4.33
Hotel and Allied Services	28.00	28.99	28.96	28.60
Medical Officers	1.81	2.39	1.54	2.33
Hospital Medical Officers	0	0	0	0
Sessional Clinicians	0	0	0	0
Ancillary Staff (Allied Health)	5.05	6.17	4.91	5.80
TOTAL	100.83	102.87	104.28	103.96

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	31	Permanent Care	14 975
Private	6	Respite Care	1 126
DVA	1	Total Bed Days	16 101
TAC	1		
Worksafe	0	Medical Centre	
Total Separations	39	PROGRAM	VISITS
Total Bed Days (excl. TCP)	815	Doctor	10 233
Transition Care Patients (TCP) – Bed Days	471	Nurse Practitioner	2 113
		Practice Nurse	1 921
		Diabetes Educator	457
		Total Visits	14 724

ACTIVITY DATA

Primary Health – Community facing		Brokerage Care	
PROGRAM	HOURS	PROGRAM	HOURS
Case Coordination	0	Domestic Assistance	309
Counselling / Social Work	58	Personal Care / Respite Care	396
Dietetics	0	Nursing	95
Occupational Therapy	0	Property Maintenance	41
Physiotherapy	234	Activity Groups	7
Exercise	418	Meals on Wheels	54 (Meals)
DVA /VHC		Workcover	
PROGRAM	HOURS	PROGRAM	HOURS
Domestic Assistance	312	Domestic Assistance	20
Personal Care	7	Personal Care	0
Nursing	35	Nursing	0
Property/Garden Maintenance	12	Property / Garden Maintenance	0
NDIS		Albury Wodonga Health – Short Term Support (STS) and Hospital in the Home (HITH)	
PROGRAM	HOURS	PROGRAM	HOURS
Domestic Assistance	213	Domestic Assistance / Home Care	47
Personal Activities	469	Personal Care / Respite	21
Nursing	43	Nursing	250
Garden Maintenance	34	Property Maintenance	3
Community Participation Assist.	462	Meals on Wheels	49 (Meals)
Physiotherapy	27		
Exercise Group	62		
CHSP (Commonwealth Home Support Program) / HACC (Home and Community Care) funded Services		Home Care Packages	
PROGRAM	HOURS	PROGRAM	HOURS
Domestic Assistance	2 173	Domestic Assistance	333
Personal Care	430	Personal Care	423
		Nursing	136
Property Maintenance / Garden	928	Property Maintenance	57
Home Modifications	53	Transport	11
Respite	0	Physiotherapy	8
Social Support – Groups	1 352	Meals on Wheels	255 (Meals)
Social Support – Individual	341		
Other Food services	36		
Nursing	959		
HACC Assessment	12		
Meals on Wheels	1 802 (Meals)		
Regional Assessment Service & Intake		TAC	
PROGRAM	CLIENTS	PROGRAM	HOURS
Regional Assessment Service	248	Domestic Assistance/Home Care	4
Primary Intake	232	Nursing	0
		Garden Maintenance	0
		REGISTERED VOLUNTEERS (as at 30 June)	
			HOURS
		x 35 volunteers	54

Highlights During The Year

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

Vaccination program (COVID-19 and Influenza) for Staff and Residents

Outreach programs to deliver rehabilitation for Osteoarthritis

Increased access to General Practitioners in Medical Centre

Single Point of Entry for COVID-19 screening with access to Rapid Antigen Tests

Star Ratings for Aged Care: 5 for Lakeview and 4 for Bolga Court

Successful accreditation for Aged Care and NDIS

4M's model of care for older persons introduced

Implementation of Aged Care Royal Commission requirements

Strategic Priority 2 - Our Infrastructure is planned for future needs

New flooring into Bolga Court

Electrical Switchboard upgrade

Ventilation upgrade to create isolation ward

Commencement of Bolga Court Walkways Project

Medical equipment upgrade for Aged Care

Solar power and electric hot water in Bolga Court

Strategic Priority 3 - Our Partnering with community cultivates connections

Completion of Community Garden Project

Actively engaging with Resident Reference Group

Engagement with consumers through Roadshows and Tallangatta Expo

Reflect Reconciliation Action Plan endorsed

Return of volunteers post COVID-19

Community bus trips

Christmas in July festivities

School and Kindergarten visits to Aged Care

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

Align Work Health Program on site

New Staff Amenities block

Regular Staff Health and Wellbeing Initiatives

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

Increase in nursing student placements including RUSON

Traineeships completed with successful outcomes

EEN to RN transition programs

Independent Auditor's Report

To the Board of Tallangatta Health Service

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

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
12 September 2023



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 2023 and the financial position of Tallangatta Health Service at 30 June 2023.

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 30th of August 2023.



M. McDade

Board Member

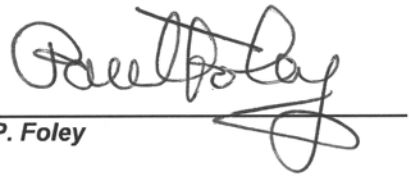
Tallangatta
30 August 2023



V. Pitcher

Accountable Officer

Tallangatta
30 August 2023



P. Foley

Chief Finance & Accounting
Officer

Tallangatta
30 August 2023

TALLANGATTA HEALTH SERVICE
COMPREHENSIVE OPERATING STATEMENT
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

	Note	2023 \$	2022 \$
Revenue and Income from Transactions			
Operating Activities	2.1	16,085,233	15,429,407
Non-Operating Activities	2.1	197,131	27,519
Total Revenue and Income from Transactions		16,282,364	15,456,926
Expenses from Transactions			
Employee Expenses	3.1	(13,237,659)	(12,234,933)
Supplies and Consumables	3.1	(812,009)	(685,547)
Finance Costs	3.1	(18,771)	(8,835)
Depreciation and Amortisation	4.5	(1,610,517)	(1,335,165)
Other Administrative Expenses	3.1	(1,346,297)	(1,204,739)
Other Operating Expenses	3.1	(427,012)	(440,253)
Total Expenses from Transactions		(17,452,265)	(15,909,472)
Net Result from Transactions - Net Operating Balance		(1,169,901)	(452,546)
Other economic flows included in net result			
Net Gain/(Loss) on Sale of Non-Financial Assets	3.2	19,763	6,842
Other Gain/(Loss) from Other Economic Flows	3.2	(37,203)	64,625
Total other economic flows included in net result		(17,440)	71,467
Net Result for the year		(1,187,341)	(381,079)
Other comprehensive income			
Items that will not be reclassified to net result			
Changes in Property, Plant and Equipment Revaluation Surplus	4.1(b)	251,072	1,399,119
Total other comprehensive income		251,072	1,399,119
Comprehensive result for the year		(936,269)	1,018,040

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

TALLANGATTA HEALTH SERVICE

BALANCE SHEET AS AT 30 JUNE 2023

	Note	2023 \$	2022 \$
Current Assets			
Cash and Cash Equivalents	6.2	7,835,829	7,800,523
Receivables	5.1	388,257	331,462
Prepaid Expenses		169,665	162,005
Total Current Assets		8,393,751	8,293,990
Non-Current Assets			
Receivables	5.1	498,015	428,104
Property, Plant and Equipment	4.1	9,165,908	9,927,625
Right of Use Assets	4.2	223,751	76,249
Intangible Assets	4.4	1,971	789
Total Non-Current Assets		9,889,645	10,432,767
TOTAL ASSETS		18,283,396	18,726,757
Current Liabilities			
Payables	5.2	2,155,020	1,358,432
Borrowings	6.1	105,686	69,148
Employee Benefits	3.3	2,184,568	1,966,367
Other Liabilities	5.3	4,864,547	5,600,448
Total Current Liabilities		9,309,821	8,994,395
Non-Current Liabilities			
Borrowings	6.1	176,398	85,186
Employee Benefits	3.3	450,855	364,585
Total Non-Current Liabilities		627,253	449,771
TOTAL LIABILITIES		9,937,074	9,444,166
NET ASSETS		8,346,322	9,282,591
EQUITY			
Property, Plant and Equipment Revaluation Surplus	4.3	13,791,306	13,540,234
Restricted Specific Purpose Reserve	SCE	429,488	410,727
Contributed Capital	SCE	7,420,722	7,420,722
Accumulated Deficit	SCE	(13,295,194)	(12,089,092)
TOTAL EQUITY		8,346,322	9,282,591

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 2023

	Note	Property, Plant and Equipment Revaluation Surplus \$	Restricted Specific Purpose Reserve \$	Contributed Capital \$	Accumulated Deficit \$	Total \$
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
Net Result for the year		-	-	-	(1,187,341)	(1,187,341)
Other Comprehensive Income for the year		251,072	-	-	-	251,072
Transfer from/(to) Accumulated Deficit		-	18,761	-	(18,761)	-
Balance at 30 June 2023		13,791,306	429,488	7,420,722	(13,295,194)	8,346,322

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

TALLANGATTA HEALTH SERVICE
CASH FLOW STATEMENT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

	Notes	2023 \$	2022 \$
Cash Flows from Operating Activities			
Operating Grants from State Government		8,601,200	7,467,726
Operating Grants from Commonwealth Government		4,704,004	3,853,234
Capital Grants from State Government		120,029	679,895
Patient and Resident Fees Received		1,569,615	1,600,399
Donations and Bequests Received		1,150	-
GST Received from ATO		217,229	179,511
Interest Received		197,131	27,519
Other Receipts Received		1,386,575	1,409,241
Total Receipts		16,796,933	15,217,525
Payments to Employees		(12,937,011)	(12,004,059)
Payments for Supplies and Consumables		(711,857)	(413,786)
Finance Costs		(18,771)	(8,835)
Other Payments		(1,759,188)	(2,257,211)
Total Payments		(15,426,827)	(14,683,891)
Net Cash Flows from/(used in) Operating Activities	8.1	1,370,106	533,634
Cash Flows from Investing Activities			
Purchase of Non-Financial Assets		(799,867)	(1,100,750)
Proceeds from Sale of Non-Financial Assets		73,218	6,842
Net Cash Flows from/(used in) Investing Activities		(726,649)	(1,093,908)
Cash Flows from Financing Activities			
Receipt of Accommodation Deposits		967,000	2,540,000
Repayment of Accommodation Deposits		(1,675,407)	(1,265,575)
Receipt of Other Monies Held in Trust		(27,494)	152,750
Receipt of Borrowings		169,077	32,185
Repayment of Borrowings		(41,327)	(42,184)
Net Cash Flows from /(used in) Financing Activities		(608,151)	1,417,176
Net Increase/(Decrease) in Cash and Cash Equivalents Held		35,306	856,902
Cash and Cash Equivalents at Beginning of Year		7,800,523	6,943,621
Cash and Cash Equivalents at End of Year	6.2	7,835,829	7,800,523

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 2023

Note 1: Basis of Presentation

These annual financial statements represent the audited general purpose financial statements for Tallangatta Health Service for the year ending 30 June 2023. The purpose of the report is to provide users with information about the Tallangatta Health Service's stewardship of resources entrusted to it.

This section explains the basis of preparing the financial statements.

Note 1.1: Basis of preparation of the financial statements

These financial statements are 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 30 August 2023.

Note 1.2: Impact of COVID-19 pandemic

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

Where financial impacts of the pandemic are material to Tallangatta Health Service, they are disclosed in the explanatory notes.

TALLANGATTA HEALTH SERVICE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

Note 1.3: Abbreviations and terminology used in the financial statements

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

Reference	Title
AASB	Australian Accounting Standards Board
AASs	Australian Accounting Standards, which include Interpretations
DH	Department of Health
DTF	Department of Treasury and Finance
FMA	Financial Management Act 1994
FRD	Financial Reporting Direction
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 has the following joint arrangement:

- Hume Rural Health Alliance (joint operation) - refer Note 8.7 for details.

Note 1.5: Key accounting estimates and judgements

Management make estimates and judgements when preparing the financial statements.

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

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

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

- Note 2.1: Revenue and income from transactions
- Note 3.3: Employee benefits in the balance sheet
- Note 4.1: Property, plant and equipment
- Note 4.2: Right-of-use assets
- Note 4.4: Intangible assets
- Note 4.5: Depreciation and amortisation
- Note 4.6: Impairment of assets
- Note 5.1: Receivables
- Note 5.2: Payables
- Note 6.1(a): Lease liabilities
- Note 7.4: Fair value determination

TALLANGATTA HEALTH SERVICE
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

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 beginning on or after 1 January 2023.	Adoption of this standard is not expected to have a material impact.
AASB 2022-6: Amendments to Australian Accounting Standards – Non-Current Liabilities with Covenants	Reporting periods beginning on or after 1 January 2023.	Adoption of this standard is not expected to have a material impact.
AASB 2022-10: Amendments to Australian Accounting standards – Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities	Reporting periods beginning on or after 1 January 2024.	Adoption of this standard is not expected to have a material impact.

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

Note 1.7: Goods and Services Tax (GST)

Income, expenses, assets and liabilities are recognised net of the amount of 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 2023**

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 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 and scaling down the COVID-19 public health response during the year ended 30 June 2023.

Key judgements and estimates

This section contains the following key judgements and estimates:

Key judgements and estimates	Description
Identifying performance obligations	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.
Assets and services received free of charge or for nominal consideration	Tallangatta Health Service applies significant judgement to determine the fair value of assets and services provided free of charge or for nominal value. This judgement is based upon assessment of the value by Health Share Victoria and Monash Health.

Note 2.1: Revenue and Income from Transactions

	Note	Total 2023 \$	Total 2022 \$
Operating			
Revenue from Contracts with Customers			
Government Grants (Commonwealth) - Operating		4,375,506	3,715,996
Patient and Resident Fees		1,612,907	1,562,759
Total Revenue from Contracts with Customers	2.1 (a)	5,988,413	5,278,755
Other Sources of Income			
Government Grants (State) - Operating		8,239,013	7,741,766
Government Grants (State) - Capital		307,108	669,694
Capital Donations		1,150	-
Medical Centre Income		836,340	822,367
Assets Received Free of Charge or for Nominal Consideration	2.2	100,152	271,762
Other Income from Operating Activities		613,057	645,063
Total Other Sources of Income		10,096,820	10,150,652
Total Revenue and Income from Operating Activities		16,085,233	15,429,407
Non-Operating Activities			
Other Interest		197,131	27,519
Total Income from Non-Operating Activities		197,131	27,519
Total Revenue and Income from Transactions		16,282,364	15,456,926

**TALLANGATTA HEALTH SERVICE
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023**

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

Tallangatta Health Service disaggregates revenue by the timing of revenue recognition.

Goods and services transferred to customers:

At a point in time

	Total 2023 \$	Total 2022 \$
	5,988,413	5,278,755

How we recognise revenue and income from operating activities

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 a point in time or over time as and 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.

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 income 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 2023**

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

	Total 2023 \$	Total 2022 \$
Personal Protective Equipment and Other Consumables	100,152	271,762
Total fair value of assets and services received free of charge or for nominal consideration	100,152	271,762

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 of resources

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

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

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

Non-cash contributions from the Department of Health

The 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 2023**

Note 3: The Cost of Delivering Our Services

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

Structure

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

Telling the COVID-19 story

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

Key judgements and estimates

This section contains the following key judgements and estimates:

Key judgements and estimates	Description
Classifying employee benefit liabilities	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: <ul style="list-style-type: none"> ▪an inflation rate of 4.35%, reflecting the future wage and salary levels ▪durations of service and employee departures, which are used to determine the estimated value of long service leave that will be taken in the future, for employees who have not yet reached the vesting period. ▪discounting as determined with reference to market yields on government bonds at the end of the reporting period. All other entitlements are measured at their nominal value.

Note 3.1: Expenses from Transactions

	Note	Total 2023 \$	Total 2022 \$
Salaries and Wages		9,924,015	9,385,894
On-costs		2,488,916	2,151,464
Agency Expenses		647,730	559,197
Workcover Premium		176,998	138,378
Total Employee Expenses		13,237,659	12,234,933
Drug Supplies		12,627	9,193
Medical and Surgical Supplies (including Prostheses)		241,922	264,928
Other Supplies and Consumables		557,460	411,426
Total Supplies and Consumables		812,009	685,547
Finance Costs		18,771	8,835
Total Finance Costs		18,771	8,835
Other Administrative Expenses		1,346,297	1,204,739
Total Other Administrative Expenses		1,346,297	1,204,739
Fuel, Light, Power and Water		174,486	166,223
Repairs and Maintenance		142,621	187,020
Maintenance Contracts		72,311	62,077
Medical Indemnity Insurance		13,908	11,585
Expenditure for Capital Purposes		23,686	13,348
Total Other Operating Expenses		427,012	440,253
Total Operating Expense		15,841,748	14,574,307
Depreciation and Amortisation	4.5	1,610,517	1,335,165
Bad and Doubtful Debt Expense		-	-
Total Other Non-Operating Expenses		-	-
Total Non-Operating Expenses		1,610,517	1,335,165
Total Expenses from Transactions		17,452,265	15,909,472

**TALLANGATTA HEALTH SERVICE
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023**

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
- 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 DH 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

	2023 \$	2022 \$
Net gain on disposal of property plant and equipment	19,763	6,842
Total net gain/(loss) on non-financial assets	19,763	6,842
Net gain/(loss) arising from revaluation of long service liability	(37,203)	64,625
Total other gains/(losses) from other economic flows	(37,203)	64,625
Total gains/(losses) from other economic flows	(17,440)	71,467

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

	2023 \$	2022 \$
Current Employee Benefits and Related On-Costs		
Accrued Days Off		
-Unconditional and expected to be settled wholly within 12 months ⁱ	23,284	25,568
Annual Leave		
-Unconditional and expected to be settled wholly within 12 months ⁱ	945,107	779,375
-Unconditional and expected to be settled wholly after 12 months ⁱⁱ	159,718	131,359
	1,104,825	910,734
Long Service Leave		
-Unconditional and expected to be settled wholly within 12 months ⁱ	160,957	160,759
-Unconditional and expected to be settled wholly after 12 months ⁱⁱ	655,619	655,009
	816,576	815,768
Provisions Related to Employee Benefit On-Costs		
-Unconditional and expected to be settled wholly within 12 months ⁱ	132,675	112,113
-Unconditional and expected to be settled wholly after 12 months ⁱⁱ	107,208	102,184
	239,883	214,297
Total Current Employee Benefits and Related On-Costs	2,184,568	1,966,367
Non-Current Employee Benefits and Related On-Costs		
Conditional Long Service Leave	397,125	321,327
Provisions related to Employee Benefit On-Costs	53,730	43,258
Total Non-Current Employee Benefits and Related On-Costs	450,855	364,585
Total Employee Benefits and Related On-Costs	2,635,423	2,330,952

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 2023**

Note 3: The Cost of Delivering Our Services

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

Structure

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

Telling the COVID-19 story

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

Key judgements and estimates

This section contains the following key judgements and estimates:

Key judgements and estimates	Description
Classifying employee benefit liabilities	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: <ul style="list-style-type: none"> ▪an inflation rate of 4.35%, reflecting the future wage and salary levels ▪durations of service and employee departures, which are used to determine the estimated value of long service leave that will be taken in the future, for employees who have not yet reached the vesting period. ▪discounting as determined with reference to market yields on government bonds at the end of the reporting period. All other entitlements are measured at their nominal value.

Note 3.1: Expenses from Transactions

	Note	Total 2023 \$	Total 2022 \$
Salaries and Wages		9,924,015	9,385,894
On-costs		2,488,916	2,151,464
Agency Expenses		647,730	559,197
Workcover Premium		176,998	138,378
Total Employee Expenses		13,237,659	12,234,933
Drug Supplies		12,627	9,193
Medical and Surgical Supplies (including Prostheses)		241,922	264,928
Other Supplies and Consumables		557,460	411,426
Total Supplies and Consumables		812,009	685,547
Finance Costs		18,771	8,835
Total Finance Costs		18,771	8,835
Other Administrative Expenses		1,346,297	1,204,739
Total Other Administrative Expenses		1,346,297	1,204,739
Fuel, Light, Power and Water		174,486	166,223
Repairs and Maintenance		142,621	187,020
Maintenance Contracts		72,311	62,077
Medical Indemnity Insurance		13,908	11,585
Expenditure for Capital Purposes		23,686	13,348
Total Other Operating Expenses		427,012	440,253
Total Operating Expense		15,841,748	14,574,307
Depreciation and Amortisation	4.5	1,610,517	1,335,165
Bad and Doubtful Debt Expense		-	-
Total Other Non-Operating Expenses		-	-
Total Non-Operating Expenses		1,610,517	1,335,165
Total Expenses from Transactions		17,452,265	15,909,472

TALLANGATTA HEALTH SERVICE
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

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
- 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 DH 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

	2023 \$	2022 \$
Net gain on disposal of property plant and equipment	19,763	6,842
Total net gain/(loss) on non-financial assets	19,763	6,842
Net gain/(loss) arising from revaluation of long service liability	(37,203)	64,625
Total other gains/(losses) from other economic flows	(37,203)	64,625
Total gains/(losses) from other economic flows	(17,440)	71,467

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

	2023 \$	2022 \$
Current Employee Benefits and Related On-Costs		
Accrued Days Off		
-Unconditional and expected to be settled wholly within 12 months ⁱ	23,284	25,568
Annual Leave		
-Unconditional and expected to be settled wholly within 12 months ⁱ	945,107	779,375
-Unconditional and expected to be settled wholly after 12 months ⁱⁱ	159,718	131,359
	1,104,825	910,734
Long Service Leave		
-Unconditional and expected to be settled wholly within 12 months ⁱ	160,957	160,759
-Unconditional and expected to be settled wholly after 12 months ⁱⁱ	655,619	655,009
	816,576	815,768
Provisions Related to Employee Benefit On-Costs		
-Unconditional and expected to be settled wholly within 12 months ⁱ	132,675	112,113
-Unconditional and expected to be settled wholly after 12 months ⁱⁱ	107,208	102,184
	239,883	214,297
Total Current Employee Benefits and Related On-Costs	2,184,568	1,966,367
Non-Current Employee Benefits and Related On-Costs		
Conditional Long Service Leave	397,125	321,327
Provisions related to Employee Benefit On-Costs	53,730	43,258
Total Non-Current Employee Benefits and Related On-Costs	450,855	364,585
Total Employee Benefits and Related On-Costs	2,635,423	2,330,952

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 2023

Note 3.3 (a): Employee Benefits and Related On-Costs	2023	2022
	\$	\$
Current Employee Benefits and Related On-Costs		
Unconditional Accrued Days Off	23,284	25,568
Unconditional Annual Leave Entitlements	1,236,299	1,019,112
Unconditional Long Service Leave Entitlements	924,985	921,687
Total Current Employee Benefits and Related On-Costs	2,184,568	1,966,367
Non-Current Employee Benefits and Related On-Costs		
Conditional Long Service Leave Entitlements	450,855	364,585
Total Non-Current Employee Benefits and Related On-Costs	450,855	364,585
Total Employee Benefits and Related On-Costs	2,635,423	2,330,952
Attributable to:		
Employee Benefits	2,341,810	2,073,397
Provision for Related On-Costs	293,613	257,555
Total Employee Benefits and Related On-Costs	2,635,423	2,330,952

Note 3.3 (b): Provision for Related On-Costs Movement Schedule	2023	2022
	\$	\$
Carrying amount at start of year	257,555	201,362
Additional provisions recognised	151,388	161,032
Amounts incurred during the year	(115,330)	(104,839)
Net Gain/(Loss) arising from Revaluation of Long Service Leave Liability	(37,203)	64,625
Carrying amount at end of year	293,613	257,555

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 Tallangatta Health Service expects to wholly settle within 12 months; or
- Present value – if Tallangatta 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 Tallangatta 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 Tallangatta Health Service expects to wholly settle within 12 months; and
- Present value – if Tallangatta 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 2023**

Note 3.4: Superannuation

	Paid Contribution for the		Outstanding Contribution at Year	
	year		End	
	2023	2022	2023	2022
	\$	\$	\$	\$
Defined Contribution Plans				
First State Super	546,748	510,131	-	-
Hesta	261,129	247,331	-	-
Other	300,561	219,160	-	-
Total	1,108,438	976,622	-	-

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

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

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

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 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 2023

Note 4.1: Property, Plant and Equipment

(a) Gross carrying amount and accumulated depreciation

	2023	2022
	\$	\$
Land at Fair Value	872,000	620,928
Land Improvements at Fair Value	491,881	451,912
Less Accumulated Depreciation	(22,153)	-
Total Land at Fair Value	1,341,728	1,072,840
Buildings		
Buildings at Fair Value	8,021,727	7,717,400
Less Accumulated Depreciation	(1,387,377)	-
Total Buildings at Fair Value	6,634,350	7,717,400
Buildings Work in Progress at Cost	382,996	416,111
Total Buildings	7,017,346	8,133,511
Total Land and Buildings	8,359,074	9,206,351
Plant and Equipment at Fair Value	2,775,705	2,577,211
Less Accumulated Depreciation	(2,138,606)	(1,995,668)
Total Plant and Equipment at Fair Value	637,099	581,543
Motor Vehicles at Fair Value	354,738	504,827
Less Accumulated Depreciation	(325,373)	(457,466)
Total Motor Vehicles at Fair Value	29,365	47,361
Medical Equipment at Fair Value	653,603	586,147
Less Accumulated Depreciation	(513,233)	(493,777)
Total Medical Equipment at Fair Value	140,370	92,370
Total Plant, Equipment and Motor Vehicles at Fair Value	806,834	721,274
TOTAL PROPERTY, PLANT AND EQUIPMENT	9,165,908	9,927,625

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

	Note	Land & Land Improvements	Buildings	Plant & Equipment	Motor Vehicles	Medical Equipment	Total
		\$	\$	\$	\$	\$	\$
Balance at 1 July 2021		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
Additions		39,969	324,667	196,307	-	67,456	628,399
Disposals		-	(53,455)	-	-	-	(53,455)
Revaluation Increment	4.3	251,072	-	-	-	-	251,072
Depreciation	4.5	(22,153)	(1,387,377)	(140,751)	(17,996)	(19,456)	(1,587,733)
Balance at 30 June 2023	4.1(a)	1,341,728	7,017,346	637,099	29,365	140,370	9,165,908

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 for the buildings and 30 June 2023 for land. A managerial valuation was undertaken and booked for building at 30 June 2022.

**TALLANGATTA HEALTH SERVICE
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023**

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, Tallangatta 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 2023 indicated an overall:

- increase/decrease in fair value of land of 40.43% (\$251,072), based on application of Valuer-General of Victoria (VGV) indices.
- increase/decrease in fair value of buildings of 5.47% (\$390,727), based on application of Valuer-General of Victoria (VGV) indices.

The cumulative movement was greater than 40% for land since the last independent revaluation, and therefore an interim independent valuation was required as at 30 June 2023 and an adjustment of \$251,072 was recorded. As the cumulative movement was less than 10% for buildings since the last revaluation, a managerial revaluation adjustment was not required as at 30 June 2023.

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

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

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 2023**

Note 4.2: Right-Of-Use Assets

(a) Gross carrying amount and accumulated depreciation	2023 \$	2022 \$
Right of Use - Plant, Equipment, and vehicles		
Plant, Equipment, and vehicles	274,551	101,562
Less Accumulated Depreciation	(50,800)	(25,313)
Total Right of Use - Plant, Equipment, and vehicles at Fair Value	223,751	76,249

(b) Reconciliations of the carrying amounts of each class of asset	Note	2023 \$	2022 \$
Right of Use - Plant, Equipment, and vehicles			
Balance at start of the year		76,249	61,254
Additions		169,077	32,185
Disposals		-	-
Depreciation	4.5	(21,575)	(17,190)
Balance at end of year	4.2 (a)	223,751	76,249

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	2023 \$	2022 \$
Balance at the beginning of the Reporting Period		13,540,234	12,141,115
Revaluation Increment/(Decrement)			
Land	4.1 (b)	251,072	183,607
Buildings	4.1 (b)	-	1,215,512
Balance at the end of the Reporting Period		13,791,306	13,540,234
Represented by:			
Land		1,259,156	1,008,084
Buildings		12,532,150	12,532,150
		13,791,306	13,540,234

**TALLANGATTA HEALTH SERVICE
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023**

Note 4.4: Intangible Assets

(a) Gross carrying amount and accumulated amortisation

	2023 \$	2022 \$
Intangible assets - Hume Alliance joint operation	6,108	15,727
Less Accumulated Amortisation	<u>(4,137)</u>	<u>(14,938)</u>
	<u>1,971</u>	<u>789</u>

(b) Reconciliation of the carrying amounts of intangible assets

	2023 \$	2022 \$
Balance at beginning of year	789	2,064
Additions	2,391	-
Disposals	-	-
Amortisation	<u>(1,209)</u>	<u>(1,275)</u>
Balance at end of year	<u>1,971</u>	<u>789</u>

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

	2023 \$	2022 \$
Depreciation		
Property, Plant and Equipment		
Buildings	1,387,377	1,124,005
Plant and Equipment	140,751	131,850
Motor Vehicles	17,996	24,665
Medical Equipment	19,456	19,844
Land Improvements	22,153	16,336
Total Depreciation - Property, Plant and Equipment	<u>1,587,733</u>	<u>1,316,700</u>
Right-Of-Use-Assets		
Right of use plant, equipment and vehicles	21,575	17,190
Total Depreciation - Right-Of-Use-Assets	<u>21,575</u>	<u>17,190</u>
Total Depreciation	<u>1,609,308</u>	<u>1,333,890</u>
Amortisation		
Software	1,209	1,275
Total Amortisation	<u>1,209</u>	<u>1,275</u>
Total Depreciation and Amortisation	<u>1,610,517</u>	<u>1,335,165</u>

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 and land) that have finite useful lives are depreciated. Depreciation is generally calculated on a straight-line basis at rates that allocate the asset's value, less any estimated residual value over its estimated useful life.

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

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.

	2023	2022
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 2023**

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 2023.

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

5.2 Payables

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	Tallangatta 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 Tallangatta 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. Tallangatta 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	Tallangatta 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 2023**

Note 5.1: Receivables

	2023	2022
	\$	\$
Current		
Contractual		
Inter Hospital Debtors	70,677	28,708
Trade Debtors	161,706	140,853
Patient Fees	27,746	7,894
Accrued Revenue	49,021	25,581
Amounts Receivable from Governments and Agencies	48,813	79,301
Total contractual receivables	357,963	282,337
Statutory		
GST Receivable	30,294	49,125
Total statutory receivables	30,294	49,125
Total current receivables	388,257	331,462
Non-Current		
Contractual		
Long Service Leave - Department of Health	498,015	428,104
Total non-current receivables	498,015	428,104
Total receivables	886,272	759,566
<i>(i) Financial assets classified as receivables (Note 7.1(a))</i>		
Total receivables	886,272	759,566
GST receivable	(30,294)	(49,125)
Total financial assets classified as receivables	855,978	710,441
(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	-	-

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.

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 2023**

Note 5.2: Payables

	Note	2023 \$	2022 \$
Current			
Contractual			
Trade Creditors		451,617	251,649
Accrued Salaries and Wages		370,824	337,444
Accrued Expenses		68,781	48,570
Deferred Capital Grant Income	5.2(a)	466,790	187,079
Amounts Payable to Governments and Agencies		797,008	533,690
TOTAL PAYABLES		2,155,020	1,358,432
<i>(i) Financial liabilities classified as payables (Note 7.1(a))</i>			
Total payables		2,155,020	1,358,432
Deferred Capital Grant Income		(466,790)	(187,079)
Total Financial Liabilities classified as payables	7.1(a)	<u>1,688,230</u>	<u>1,171,353</u>

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

	2023 \$	2022 \$
Opening Balance of Deferred Capital Grant Income	187,079	176,878
Grant consideration for capital works received during the year	449,750	654,057
Deferred capital grant income recognised as income due to completion of capital works	(170,039)	(643,856)
Closing balance of deferred capital grant income	466,790	187,079

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	4,739,291	5,447,698
Other Monies	125,256	152,750
Total current monies held in trust	4,864,547	5,600,448
Monies Held in Trust is represented by the following assets:		
Cash Assets	4,864,547	5,600,448
Total	4,864,547	5,600,448

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 2023**

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 and scaling down of the COVID-19 public health response during the year ended 30 June 2023.

Key judgements and estimates

This section contains the following key judgements and estimates:

Key judgements and estimates	Description
Determining if a contract is or contains a lease	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. For leased plant, equipment, furniture, fittings and vehicles, the implicit interest rate is between 3% and 5%.
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. Tallangatta 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. ▪ Tallangatta 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 2023**

Note 6.1: Borrowings

	2023 \$	2022 \$
Current		
Lease Liability ⁽ⁱ⁾	84,992	48,454
Advances from Government ⁽ⁱⁱ⁾	20,694	20,694
Total Current	<u>105,686</u>	<u>69,148</u>
Non-current		
Lease Liability ⁽ⁱ⁾	139,117	27,996
Advances from Government ⁽ⁱⁱ⁾	37,281	57,190
Total Non-Current	<u>176,398</u>	<u>85,186</u>
TOTAL BORROWINGS	<u><u>282,084</u></u>	<u><u>154,334</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.

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'.

Defaults and breaches

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

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.

Note 6.1(a) Lease Liabilities

Tallangatta Health Service's lease liabilities are summarised below:

	2023 \$	2022 \$
Not later than one year	87,038	32,113
Later than 1 year but not longer than 5 years	141,333	45,613
Minimum lease payments	228,371	77,726
Less unexpired finance expenses	4,262	1,276
TOTAL	<u>224,109</u>	<u>76,450</u>
Represented by:		
Current liabilities	84,992	48,454
Non-current liabilities	139,117	27,996
TOTAL	<u>224,109</u>	<u>76,450</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) 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 2023**

Initial measurement

The lease liability is initially measured at the present value of the lease payments unpaid at the commencement date, discounted using the interest rate implicit in the lease if that rate is readily determinable or 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 the substance of fixed payments.

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

Note 6.2: Cash and Cash Equivalents

	Note	2023 \$	2022 \$
Cash on Hand (excluding monies held in trust)		600	600
Cash at Bank (excluding monies held in trust)		503,596	1,940,109
Cash at Bank - CBS (excluding monies held in trust)		2,592,342	412,116
Total cash held for operations		3,096,538	2,352,825
Cash at Bank - CBS (monies held in trust)		4,739,291	5,447,698
Total cash held as monies in trust		4,739,291	5,447,698
Total Cash and Cash Equivalents	7.1 (a)	7,835,829	7,800,523

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

	2023 \$	2022 \$
Capital Expenditure Commitments	810,671	255,627

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

	2023 \$	2022 \$
Acquisition of plant and equipment by means of Leases	169,077	32,098

**TALLANGATTA HEALTH SERVICE
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023**

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 and non-specialised buildings] 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 this use 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 (for example, taxes, fines and penalties). Such financial assets and financial liabilities do not meet the definition of financial instruments in AASB 132 *Financial Instruments: Presentation*.

(a) Categorisation of Financial Instruments

	Note	Financial Assets at Amortised Cost		Financial Liabilities at Amortised Cost		Carrying Amount	
		2023 \$	2022 \$	2023 \$	2022 \$	2023 \$	2022 \$
Contractual Financial Assets							
Cash and Cash Equivalents	6.2	7,835,829	7,800,523	-	-	7,835,829	7,800,523
Receivables and contract assets	5.1	855,978	710,441	-	-	855,978	710,441
Total Financial Assets¹		8,691,807	8,510,964	-	-	8,691,807	8,510,964
Financial Liabilities							
Payables	5.2	-	-	1,688,230	1,171,353	1,688,230	1,171,353
Borrowings	6.1	-	-	282,084	154,334	282,084	154,334
Other Liabilities	5.3	-	-	4,864,547	5,600,448	4,864,547	5,600,448
Total Financial Liabilities¹		-	-	6,834,861	6,926,135	6,834,861	6,926,135

¹ 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 2023

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

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

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 2023**

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. Objective evidence includes financial difficulties of the debtor, default payments, debtors that are more than 60 days overdue, and changes in debtor credit ratings.

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 ratings.

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

Except as otherwise detailed in the following table, the carrying amount of contractual financial assets recorded in the financial statements, net of any allowances for losses, represents. 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 2022-23.

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.

The 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:

	Note	Current	Less than 1 Month	1-3 Months	3 Months - 1 Year	1-5 Years	Total
2022							
Expected loss rate		0%	0%	0%	0%	0%	
Gross carrying amount of contractual receivables	5.1	699,457	7,005	1,907	2,072	-	710,441
Loss allowance		-	-	-	-	-	-
2023							
Expected loss rate		0%	0%	0%	0%	0%	
Gross carrying amount of contractual receivables	5.1	800,040	11,744	22,043	22,151	-	855,978
Loss allowance		-	-	-	-	-	-

Statutory receivables

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 2023

(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.

	Note	Carrying Amount \$	Nominal Amount \$	Maturity Dates				
				Less than 1 Month \$	1-3 Months \$	3 Months - 1 Year \$	1-5 Years \$	Over 5 Years \$
2023								
<i>At amortised cost</i>								
Payables	5.2	1,688,230	1,688,230	1,683,731	2,399	2,100	-	-
Borrowings	6.1	282,084	282,084	3,752	7,504	94,430	176,398	-
Other Financial Liabilities								
- Refundable Accommodation Dep	5.3	4,739,291	4,739,291	-	4,739,291	-	-	-
Total Financial Liabilities		6,709,605	6,709,605	1,687,483	4,749,194	96,530	176,398	-
2022								
<i>At amortised cost</i>								
Payables	5.2	1,171,353	1,171,353	1,131,236	40,117	-	-	-
Borrowings	6.1	154,334	154,334	4,027	8,054	57,067	85,186	-
Other Financial Liabilities								
- Refundable Accommodation Dep	5.3	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	-

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. 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

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.

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 2023**

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

	Note	Carrying	Fair value measurement at end of reporting		
		amount at 30 June 2023	Level 1 ⁽ⁱ⁾	Level 2 ⁽ⁱ⁾	Level 3 ⁽ⁱ⁾
Non-specialised land and land improvements		159,000	-	159,000	-
Specialised land and land improvements		1,182,728	-	-	1,182,728
Total of land at fair value	4.1 (a)	1,341,728	-	159,000	1,182,728
Non-specialised buildings		144,000	-	144,000	-
Specialised buildings		6,873,346	-	-	6,873,346
Total of buildings at fair value	4.1 (a)	7,017,346	-	144,000	6,873,346
Plant and equipment	4.1 (a)	637,099	-	-	637,099
Motor Vehicles	4.1 (a)	29,365	-	-	29,365
Medical equipment	4.1 (a)	140,370	-	-	140,370
Total plant, equipment and vehicles at fair value		806,834	-	-	806,834
Right-of-use plant, equipment and vehicles	4.2 (a)	223,751	-	-	223,751
Total Non-Financial Physical Assets at Fair Value		9,389,659	-	303,000	9,086,659

	Note	Carrying	Fair value measurement at end of reporting		
		amount at 30 June 2022	Level 1 ⁽ⁱ⁾	Level 2 ⁽ⁱ⁾	Level 3 ⁽ⁱ⁾
Non-specialised land and land improvements		96,000	-	96,000	-
Specialised land and land improvements		976,840	-	-	976,840
Total of land at fair value	4.1 (a)	1,072,840	-	96,000	976,840
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	4.1 (a)	581,543	-	-	581,543
Motor Vehicles	4.1 (a)	47,361	-	-	47,361
Medical equipment	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 Physical Assets at Fair Value		10,003,874	-	240,000	9,763,874

⁽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.

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 for the buildings and 30 June 2023 for land. A managerial valuation was undertaken and booked for building at 30 June 2022.

**TALLANGATTA HEALTH SERVICE
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023**

Specialised Land and Specialised Buildings

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

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

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

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

For Tallangatta Health Service, the current 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 effective date of the valuation is 30 June 2019 for buildings and 30 June 2023 for land. A managerial valuation for buildings was undertaken and booked at 30 June 2022.

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 2023.

Reconciliation of Level 3 fair value measurement

	Note	Land & Land Improvements	Buildings	Plant, Equipment and Vehicles	Right-of-use Plant, Equipment and Vehicles
Balance at 1 July 2021		763,309	7,216,568	556,764	61,254
Additions/Disposals		46,260	681,436	340,869	32,185
Gains or losses recognised in net result					
- Depreciation and amortisation		(16,336)	(1,124,005)	(176,359)	(17,190)
Subtotal		793,233	6,773,999	721,274	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	721,274	76,249
Additions/Disposals		39,969	271,212	263,763	169,077
Gains or losses recognised in net result					
- Depreciation and amortisation		(22,153)	(1,387,377)	(178,203)	(21,575)
Subtotal		994,656	6,873,346	806,834	223,751
Items recognised in other comprehensive income					
- Revaluation		188,072	-	-	-
Balance at 30 June 2023	4.1(b), 4.2(b)	1,182,728	6,873,346	806,834	223,751

Fair Value determination of level 3 fair value measurement

Asset class	Likely valuation approach	Significant inputs (Level 3 only)
Specialised Land (Crown / Freehold)	Market approach	Community Service Obligations Adjustments ^(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 2023**

Note 8: Other Disclosures

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

Structure

- 8.1 Reconciliation of net result for the year to net cash 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

Note 8.1: Reconciliation of Net Result for the Year to Net Cash Inflow / (Outflow) from Operating Activities	2023	2022
	\$	\$
Net Result for the Year	(1,187,341)	(381,079)
Non-Cash Movements		
Net (Gain)/Loss on Disposal of Non-Financial Assets	(19,763)	(6,842)
Depreciation and Amortisation of Non-Current Assets	1,610,517	1,335,165
(Gain)/Loss on Revaluation of Long Service Leave Liability	37,203	(64,625)
Movements in Assets and Liabilities:		
(Increase)/Decrease in Receivables and Contract Assets	(126,706)	(165,002)
(Increase)/Decrease in Prepayments	(7,660)	(25,699)
Increase/(Decrease) in Payables and Contract Liabilities	796,588	(349,615)
Increase/(Decrease) in Employee Benefits	267,268	191,331
NET CASH INFLOW FROM OPERATING ACTIVITIES	<u>1,370,106</u>	<u>533,634</u>

**TALLANGATTA HEALTH SERVICE
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023**

Note 8.2: Responsible Persons Disclosures

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

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

	Period
Responsible Minister	
The Honourable Mary-Anne Thomas MP: Minister for Health Former Minister for Ambulance Services	1 Jul 2022 - 30 June 2023 1 Jul 2022 - 5 Dec 2022
The Honourable Gabrielle Williams MP: Minister for Mental Health Minister for Ambulance Services	1 Jul 2022 - 30 June 2023 5 Dec 2022 - 30 June 2023
The Honourable Lizzy Blandthorn MP: Minister for Disability, Ageing and Carers	5 Dec 2022 - 30 June 2023
The Honourable Colin Brooks MP: Former Minister for Disability, Ageing and Carers	1 Jul 2022 - 5 Dec 2022
Governing Boards	
A. Eagle	1 Jul 2022 - 30 Jun 2023
K. Lees	1 Jul 2022 - 30 Jun 2023
A. Solly	1 Jul 2022 - 30 Jun 2023
M. McDade	1 Jul 2022 - 30 Jun 2023
R. Fry	1 Jul 2022 - 30 Jun 2023
A.Beath	1 Jul 2022 - 30 Jun 2023
S. Petzke	1 Jul 2022 - 30 Jun 2023
S. Hams	1 Jul 2022 - 30 Jun 2023
M. Bultjens	
Accountable Officer	
V. Pitcher (Chief Executive Officer)	1 Jul 2022 - 30 Jun 2023

Remuneration of Responsible Persons

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

	2023 No.	2022 No.
\$0 - \$9,999	9	10
\$120,000 - \$120,999	-	1
\$130,000 - \$130,999	-	1
\$170,000 - \$179,999	1	-
Total numbers	<u>10</u>	<u>12</u>
	<u>\$</u>	<u>\$</u>
Total Remuneration received or due and receivable by Responsible Persons from the reporting entity amounted to:	<u>213,936</u>	<u>268,245</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 2023**

Note 8.3: 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 2023 \$	Total Remuneration 2022 \$
Short-term benefits	492,855	473,649
Post-employment benefits	43,984	39,016
Other long-term benefits	9,976	8,704
Total Remuneration (i)	546,815	521,369
Total number of Executives	4	4
Total Annualised Employee Equivalent (ii)	3.06	3.00

Notes

(i) The total number of executive officers includes persons who meet the definition of Key Management Personnel (KMP) of Tallangatta Health Service under AASB 124 Related Party Disclosures and are also reported within 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. This includes the following:

Entity	KMPs	Position Title
Tallangatta Health Service	A. Eagle	Chair of the Board
Tallangatta Health Service	K. Lees	Board Member
Tallangatta Health Service	A. Solly	Board Member
Tallangatta Health Service	M. McDade	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	S. Hams	Board Member
Tallangatta Health Service	M. Buultjens	Board Member
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 (resign as Director in Jan 2023)
Tallangatta Health Service	J. Sheridan	Director of Clinical Operations and Nursing
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 2023**

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.

	2023	2022
	\$	\$
Compensation - KMP's		
Short term employee benefits	683,240	716,736
Post-employment benefits	63,685	61,554
Other long-term benefits	13,826	11,325
Total (i)	760,751	789,615

(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 \$8.618 million (2022: \$8.088 million) and indirect contributions of \$76,210 (2022: \$37,911). Balances outstanding relating to Long Service Leave funded by the DH \$498,105 (2022: \$428,104).

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 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 2023(2022: 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 2023 (2022: none).

Note 8.5: Remuneration of Auditors

	2023	2022
	\$	\$
Victorian Auditor-General's Office		
Audit of the financial statements	24,080	18,350

Note 8.6: Events Occurring after the Balance Sheet Date

There are no events occurring after the Balance Sheet date.

**TALLANGATTA HEALTH SERVICE
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023**

Note 8.7: Jointly Controlled Operations

	Principal Activity	Ownership Interest	
		2023	2022
Interest in Jointly Controlled Operations			
Hume Rural Health Alliance (HRHA)	Information Technology	%	%
		4.04%	3.89%
The Health Service interest in assets employed in the above jointly controlled operations and assets is detailed below. The amounts are included in the financial statements under their respective asset categories:			
		2023	2022
		\$	\$
Current Assets			
Cash and Cash Equivalents		503,596	367,954
Receivables		57,497	34,490
Prepayments		12,580	7,964
Total Current Assets		573,673	410,408
Non-Current Assets			
Property, Plant and Equipment		17,875	8,950
Intangible Assets		1,971	789
Total Non-Current Assets		19,846	9,739
Total Assets		593,519	420,147
Current Liabilities			
Payables		214,985	61,609
Borrowings		2,409	1,102
Other Liabilities		125,256	152,750
Total Current Liabilities		342,650	215,461
Non-Current Liabilities			
Borrowings		10,762	3,721
Total Non-Current Liabilities		10,762	3,721
Total Liabilities		353,412	219,182
Net Assets		240,107	200,965
Equity			
Accumulated Surpluses/(Deficits)		240,107	200,965
Total Equity		240,107	200,965

The Health Service interest in revenues and expenses resulting from jointly controlled operations and assets are detailed below. The amounts are included in the financial statements under their respective categories:

Revenue and Income from Transactions			
Operating Activities		276,691	267,736
Non-Operating Activities		13,380	1,073
Total Revenue and Income from Transactions		290,071	268,809
Expenses from Transactions			
Operating Expenses		298,626	267,084
Total Expenses from Transactions		298,626	267,084
Net Result from Transactions		(8,555)	1,725
Other Economic Flows included in the Net Result			
Net Gain/(Loss) on Sale of Non-Financial Assets		-	24
Revaluation of Long Service Leave		-	-
Total Other Economic Flows included in the Net Result		-	24
Comprehensive Result for the Year		(8,555)	1,749

Contingent Liabilities and Capital Commitments

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

Note 8.8: Equity

Contributed capital

Contributions by owners (that is, contributed capital and its repayment) are treated as equity transactions and, therefore, do not form part of the income and expenses of the Tallangatta Health Service.

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

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

Restricted specific purpose reserves

The specific restricted purpose reserve is established where Tallangatta Health Service has possession or title to the funds but has no discretion to amend or vary the restriction and/or condition underlying the funds received.

Note 8.9: Economic Dependency

Tallangatta Health Service is dependent on the DH for the majority of its revenue used to operate the entity. At the date of this report, the Board of Directors believes the DH will continue to support Tallangatta Health Service.

