

*Empowering
People for
Health*



ANNUAL REPORT 2023 - 2024

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DISCLOSURE INDEX

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

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Responsible Bodies Declaration

In accordance with the *Financial Management Act 1994*, I am pleased to present the report of operations for the Tallangatta Health Service for the year ending 30 June 2024.



Michelle McDade
Board Chair
Tallangatta Health Service
20/09/2024

The Annual Report of 2023–2024 also meets Standing Directions of the Assistant Treasurer and the Financial Reporting Directions.

Auditor 2023-2024

Auditor General, Victoria
Crowe (Agents)

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.

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 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
20/09/2024

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
20/09/2024

Financial Management Compliance

I, Michelle McDade, on behalf of the Responsible Body, certify that 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
20/09/2024

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
20/09/2024

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
20/09/2024

KEY PERSONNEL - As at 30 June 2024

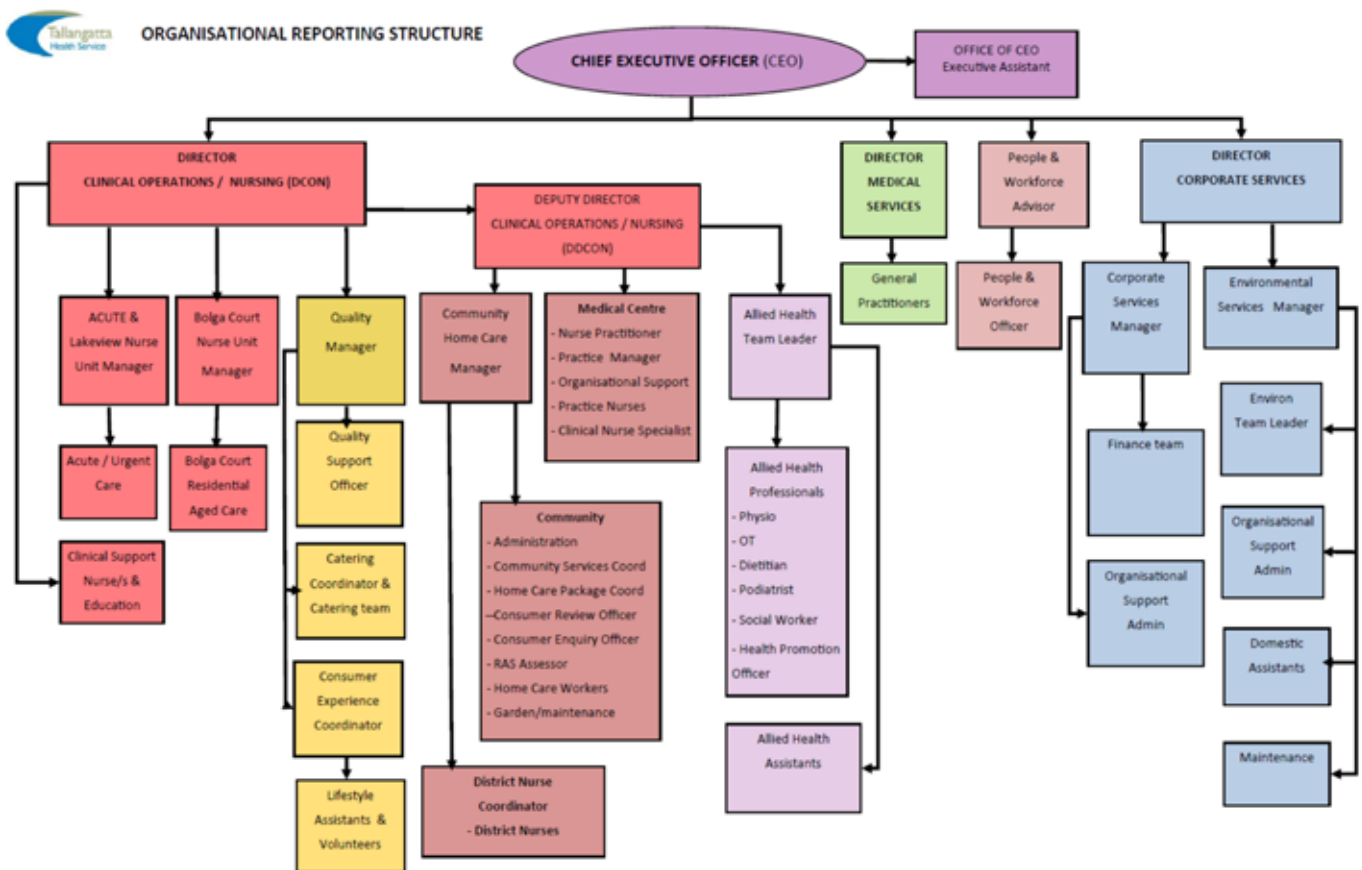
Executive Staff

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
 Director Corporate Services: Paul Foley – B.COM, MBA, Grad Dip IT, CPA, PMP

Medical Officers

Director of Medical Services: Dr Patrick Giddings – OAM, FRACGP, FACMA, FAICD

TALLANGATTA HEALTH SERVICE ORGANISATIONAL CHART



BOARD CHAIR REPORT

As the Board Chair of Tallangatta Health Service, I feel very proud of the services we provide for our community, with care, compassion and high quality every day.

I commenced as Board Chair in July 2023, having served as a Board Director for three years prior to this. I would like to thank all my fellow Board Directors. The strength of collaboration of the Board members has been second to none. As a Board, we are committed to leading the Health Service in a positive direction into the future. There will of course continue to be challenges, with COVID becoming part of business as usual, and funding challenges across the broader health sector. However, with the support and good will of the community that we serve, the Health Service will continue to go from strength to strength.

I want to take this opportunity to thank the executive team and all of the staff at Tallangatta for their dedication to patient care through what has been another challenging year in the health sector.

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 transparency and positivity when dealing with the Board. The free flow of information has allowed the Board to have confidence in its decision making.

We have experienced very pleasing growth with the number of our volunteers, who are an integral part of our business, and provide exceptional support for our patients and community. We are so fortunate to have this band of dedicated individuals supporting Tallangatta Health Service.



A special shout out to Vicki Pitcher, our Chief Executive Officer and Denise Gigliotti, our Board Secretary, for their unwavering support for the Board activities.

I wish you all the best for the coming year and look forward to the continued success of Tallangatta Health Service.

Michelle McDade
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. Being able to provide health care to this rural community is an honour and we strive to ensure our services and programs meet your needs.

Tallangatta Health Service is a small rural health service offering a range of acute, residential and community services. With both State and Commonwealth funding, our services are broad and varied, and seek to keep people living well at home for as long as possible. These services include the only Medical Centre in Tallangatta, Allied Health and Home Care, including District Nursing and Domestic Assistance.

At the appropriate time, we welcome community members into our Residential Aged Care facility where we care for you, and create a homely and safe environment. Our Leisure and Lifestyle team develop suitable activities which cater for individual choice and preference, to engage and stimulate Residents. Our Nursing staff provide clinical care under a strong governance framework to ensure safe outcomes and appropriate treatment. They work closely with our General Practitioners as part of an integrated team. That concept of team sits at the heart of Tallangatta Health Service where our staff support each other and work together to achieve common goals. I am very proud of our staff, who display compassion and professional skill every day as they come to work and get the job done. Many of our staff are also members of this community and that local knowledge is a fundamental cornerstone of our success.

Public health is, and has been, a challenging environment to navigate in recent years. We may be at the back end of the COVID-19, pandemic but it hasn't completely disappeared. We will continue to deal with outbreaks in communities, hospitals and aged care facilities for many years. We also don't know what's around the next corner, but we do know we are well placed to manage these challenges.

I would like to take this opportunity to acknowledge my Executive team, who work so hard to stay abreast of both clinical and corporate changes, updates and advancements. I extend my personal thanks to Paul Foley (Director of Corporate Services) and Juliana Sheridan (Director of Clinical Operations and Nursing) for their dedication and professionalism. Thanks also go to Denise Gigliotti, my Executive Assistant, for her untiring efforts in supporting myself and the Tallangatta Health Service Board of Directors.

Our Board of Directors, ably lead by Chair Michelle McDade, provide support and solid advice and oversight to steer the health service in the right direction. They understand the importance of retaining local knowledge and services delivered by professionals who know their community. They are also passionate advocates striving for quality and excellence.

We welcome community feedback and input to ensure the voice of community members, family and Residents is considered when designing and evaluating services. Care Opinion is available online to submit your story about an interaction with the health service, be it good or bad. We have so much to learn from both positive and negative feedback. You may also fill in a feedback form or ask to speak with a staff member, including myself, at any time. All feedback is reviewed and actioned by an Executive staff member and reported to the Board on a monthly basis.

One of our challenges is the age of our infrastructure. We have buildings and systems (such as electrical, heating and cooling) that would benefit from upgrades or replacement. In 2023 we were able to complete the Bolga Court walkways project which upgraded posts and guttering, replaced the front entrance of the communal module and provided covered walkways to protect Residents and staff from inclement weather. We resurfaced a number of carparks and replaced the Lakeview decking. A new project for the coming year will be creating a sensory garden in the existing Lakeview courtyard. To this end, we have commenced fundraising to bring this dream to reality.

The current fiscal environment remains tight and we look for efficiencies where possible. This has resulted in some great environmental sustainability initiatives such as replacing plastic water bottles with plumbed and cooled water taps into each kitchen and staffroom. We have also added solar installations and are looking to upgrade our electrical infrastructure to enable the reduction in gas hot water. We work with the Hume Rural Health Alliance (HRHA) to progress a number of information technology solutions such as introducing the National eMedication Chart and expanding utilisation of My Health Record.



As a member of the Hume Health Service Partnership, Tallangatta Health Services works closely with neighbouring health services including Albury-Wodonga Health, Corryong Health and Beechworth Health. These partnerships provide a collegial approach to solving common problems and facilitate the development of integrated services across the Hume catchment. One such service is our Better@Home program which delivers exercise classes to assist pre and post rehab in locations such as Bethanga, Dartmouth and Eskdale.

I am now nearing the end of my third year as Chief Executive Officer and remain proud to be associated with such a quality rural Health Service in a truly beautiful part of North East Victoria.

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

Vicki Pitcher
Chief Executive Officer

MINISTERS

Minister for Health

The Honourable Mary-Anne Thomas MP (from 1 July 2023 to 30 June 2024)

Minister for Ambulance Services

The Honourable Gabrielle Williams MP (from 1 July 2023 to 2 October 2023)
The Honourable Mary-Anne Thomas MP (from 2 October 2023 to 30 June 2024)

Minister for Mental Health

The Honourable Gabrielle Williams MP (from 1 July 2022 to 2 October 2023)
The Honourable Ingrid Stitt (from 2 October 2023 to 30 June 2024)

Minister for Disability, Minister for Ageing, Minister for Carers

The Honourable Lizzie Blandthorn (from 1 July 2023 to 2 October 2023)

Minister for Disability, Minister for Children

The Honourable Lizzie Blandthorn (from 2 October 2023 to 30 June 2024)

Minister for Ageing

The Honourable Ingrid Stitt (from 2 October 2023 to 30 June 2024)

TALLANGATTA HEALTH SERVICE

Board, Office Bearers, and Board Committees
as at 30 June 2024

Board Directors 2023-24

Ms Michelle McDade (Chair)
Ms Bess Nolan-Cook
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 Melissa Buultjens (Chair)
Mr Angus Beath
Dr Pat Giddings
Ms Michelle McDade
Mr Robert Lees (external independent)
Dr Nicholas Sharrock (external independent)

Consumer Engagement Advisory Group

Jo Wade (external independent; Chair)
Ms Michelle McDade
Mr Angus Beath
Ms Bess Nolan-Cook

BOARD & BOARD COMMITTEE MEETING ATTENDANCE

Board

Consists of elected Board Directors and Executive representation

Meeting Attendance	Board Meeting											Total Meetings Attended
	2023					2024						
	Jul	Aug	Sep	Oct	Nov	Jan	Feb	Mar	Apr	May	Jun	
BEATH, Angus	✓	✗	✓	✓	✓	✓	✓	✓	✓	✓	✓	10/11
BUULTJENS, Melissa	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	11/11
FRY, Robyn	✓	✓	✗	✓	✓	✗	✓	✓	✗	✗	✓	7/11
HAMS, Steven	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	11/11
LEES, Kelly	✗	✓	✗	✓	✓	✓	✓	✗	✓	✗	✓	7/11
McDADE, Michelle	✓	✓	✓	✓	✓	✓	✓	✓	✗	✓	✓	10/11
NOLAN-COOK, Bess	✓	✓	✗	✓	✗	✓	✓	✗	✓	✓	✓	8/11
PETZKE, Susan	✗	✓	✓	✓	✗	✗	✓	✓	✗	✗	✓	6/11
No Board meeting held in December 2023												

Finance & Audit Committee

Consists of 4 elected Board Directors and Executive representation

Directors (as at 30 June 2024)	Number of meetings held	Total attendances for year
4	4	16

Clinical Governance Committee

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

Directors (as at 30 June 2024)	Number of meetings held	Total attendances for year
3	6	14

Community Engagement Advisory Group

Consists of 3 elected Board Directors, 5 nominated community members, and Executive representation

Directors (as at 30 June 2024)	Number of meetings held	Total attendances for year
3	3	5

OUR STORY

Tallangatta Health Service functions under the *Health Services Act 1988* (Victoria) and is delegated its functions by the Minister of Health. Tallangatta Health Service is a small rural health service funded by the (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 Doctor (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, Occupational Therapy, 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 190 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 a Nurse Practitioner, Credentialed Diabetes Educator, Registered Nurses, Infection Prevention Control Coordinator, Clinical 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, Podiatry, 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 workplace in supporting safe quality care. This workforce provides a range of services underpinning our operations including Administration, People, Workforce and Culture, Environmental Services, Information Technology, Finance, Maintenance / Grounds and Food Services.

All of our services are delivered within a risk and quality management framework.

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.

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 2023-24.

Tallangatta Health Service maintains compliance through annual reporting to the Department of Health (DH) Victoria and the Asbestos Register, and participation in the DH Building / Sustainability Survey 2024.

Major works projects during 2023-24 included upgrades to Bolga Court walkways and the eaves of the main hospital building, both to increase resident safety and fire compliance. A certificate of final inspection from the Towong Shire was received for this project, building permit number 2023/245/COA.

Tallangatta Health Service has an internal maintenance request system and a preventative maintenance program. Annual preventative maintenance is completed by contractors to meet compliance.

An annual maintenance schedule is updated as required with all regulatory compliance inspections maintained. Records are kept by the internal maintenance department.

During the 2023-24 period, there were no emergency orders or building orders issued in relation to buildings. No buildings were brought into conformity with building standards during the reporting period.

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.

The Health Service has taken all practical measures to comply with its obligations under the Act. These include:

- promoting the principles of the Act to people in care relationships who receive our services and to the wider community (e.g. distributing printed material about the Act at community events or service points; providing links to state government resource materials on our website; providing digital and/or printed information about the Act to our partner organisations)
- ensuring our staff have an awareness and understanding of the care relationship principles set out in the Act (e.g. developing and implementing a staff awareness strategy about the principles in the Act and what they mean for staff; induction and training programs offered by the organisation include discussion of the Act and the statement of principles therein)
- considering the care relationships principles set out in the Act when setting policies and providing services (e.g. reviewing our employment policies such as flexible working arrangements and leave provisions to ensure that these comply with the statement of principles in the Act; developing a satisfaction survey for distribution at assessment and review meetings between workers, carers and those receiving care).

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 received 7 applications from the general public during the 2023-24 period, and made 7 decisions during the 12 months ended 30 June 2024. All 7 decisions were made within the statutory time periods. A total of 7 Freedom of Information (FOI) access decisions were made where access to documents were granted in full.

During 2023-24, no requests were subject to a complaint / internal review by the Office of the Victorian Information Officer.

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>

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 2023 the application fee was \$31.80. Photocopying, Postage, Access and Supervision charges may also apply for release of information.

GENDER EQUALITY ACT 2020

The THS Gender Equality Action Plan (2021-2025) was completed in line with the *Gender Equality Act 2020*. Our first progress report was submitted in February 2024, which are due every 2 years. Our ongoing obligations include promotion of gender equality, regular workplace gender audits and the conducting of gender impact assessments for new programs or those due for review. Our 2024 Progress Report described progress against the strategies put forward in the Action Plan with the majority of strategies being ongoing or in progress. Key findings in our responses against the Indicators are:

- Gender composition of all levels of the workforce: Gender composition between the two reporting periods has remained relatively stable with a small adjustment in the 2023 reporting period of 89% (down 1%) female and 11% male (up 1%).
 - Gender composition of governing bodies: Male and female representation on Board and Board Sub-committees remains consistently supported by female representation. During the reporting periods, the 2021/22 board was 16% Male v 84% Female with a small adjustment in 2022/23 to 22% v 78%.
 - Equal remuneration for work of equal or comparable value: a reported gender pay gap at THS for the 2021 reporting period of 1.6% (i.e. For every \$100 paid to a man \$98 was paid to a woman) which improved in the 2023 period to be equal.
 - Sexual harassment in the workplace: Reporting of Sexual Harassment incidence or observation, continue to remain very low. There was a reduction in reports of sexual harassment in the recorded Employee Experience Survey (6% in 2022 and 3% in 2023) however no formal complaints were received via other reporting avenues.
 - Recruitment and promotion practices in the workplace: In our 2021 audit, women represented 87% of new recruits and within our 2023 progress audit, this remained steady at 88%. There has been a 1% increase in male recruitment into nursing positions traditionally held by women with this trend predicted to continue given recent recruitment activities. In 2021, of the women we recruited, 7% were employed on a full-time permanent basis, 37.5% on a part-time permanent basis and 37.5% on casual contracts. In 2023, 5% of women recruited were employed on a full-time permanent basis, 52% on a part-time permanent basis and 43% on casual contracts.
 - Availability and utilisation of terms, conditions and practices relating to; family violence leave, flexible working arrangements, working arrangements supporting employees with family or caring responsibilities: Tallangatta Health Service acknowledges and supports the need to address gender inequality in order to reduce family violence and all forms of violence against women. Tallangatta Health Service actively endorses and manages all requests for family leave, and flexible working arrangements with multiple formal arrangements in place for employees.
 - Gendered segregation within the workplace: The Health Care & Social Assistance Industry is positioned as the highest of the top three female dominated industry* and this trend continues at Tallangatta Health Service with 89% of workers identifying as female, even greater than the Industry average of 79%. Gender segregation for each occupational group within Tallangatta Health Service has remained stable between the 2021 and 2023 reporting period. Between the 2021 and 2023 reporting period, there was a positive gender change in female representation within the Manager occupational group, of 63% female compared to 38%.
- *WGEA Reporting Industry Benchmark Report, 2022-2023.

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 Staff Health and Wellbeing Committee which focuses on a broad range of initiatives to support the physical and psychological needs of staff.

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

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

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

OCCUPATIONAL HEALTH AND SAFETY STATISTICS	2021-22	2022-23	2023-24
The number of reported hazards/incidents for the year per 100 FTE	47.9	29.12	21.28
The number of 'lost time' standard WorkCover claims for the year per 100 FTE	1	4	2.66
The average cost per WorkCover claim for the year	\$514,321	\$118,655	\$290,195

PUBLIC INTEREST DISCLOSURE ACT 2012

The *Public Interest Disclosure Act 2012 (Vic)* aims to ensure openness and accountability by encouraging people to make disclosures about improper conduct within the public sector without fear of reprisal, offering them protection when they do so. It provides certain protections for people who make a disclosure, or those who may suffer detrimental action in reprisal for making a disclosure. An essential component of this protection is to ensure that information connected to a protected disclosure, including the identity of a discloser and the contents of that disclosure, is kept confidential. There have been no public interest disclosures made in relation to Tallangatta Health Service under the Act in 2023-24.

The Public Interest Disclosures Policy is available to all staff via our Prompt document management system.

DISCLOSURE OF REVIEW AND STUDY EXPENSES

Tallangatta Health Service did not undertake any reviews or studies during 2023-24.

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 2023-24 is \$919,034 (excluding GST) with the details shown below.

Business As Usual (BAU) ICT expenditure	Non Business As Usual (non BAU) ICT expenditure		
Total (excluding GST)	(Total=Operational expenditure and Capital Expenditure) (excluding GST) (a) + (b)	Operational expenditure (excluding GST) (a)	Capital expenditure (excluding GST) (b)
\$838,912	\$80,122	-	\$80,122

DETAILS OF CONSULTANCIES (UNDER \$10,000)

In 2023-24, there were five consultancies where the total fees payable were less than \$10,000. The total expenditure incurred during 2023-24 in relation to these consultancies is \$29,135 (excl. GST).

Consultant	Purpose Of Consultancy	Start Date	End Date	Total Approved Project Fees (Excl GST)	Expenditure 2023-24 (Excl GST)	Future Expenditure (Excl GST)
Cost Group Australia	Integrated Primary Care – Concept design & design development	Jul 23	Sept 23	\$8,300	\$8,300	N/a
JWP Architects	Feasibility study – Lakeview high care bedroom additions	Dec 2023	Feb 2024	\$6,980	\$6,980	N/a
McKenzie Group Consulting	Integrated Primary Care – Concept design & design development	Mar 2023	Sept 2023	\$9,000	\$4,000	N/a
Total HRM	Human resources consulting	Oct 2023	Nov 2023	\$4,480	\$4,480	N/a
Yonder Landscape Architecture	Landscaping plan for Lakeview garden and courtyard	Dec 2023	Jan 2024	\$5,375	\$5,375	N/a

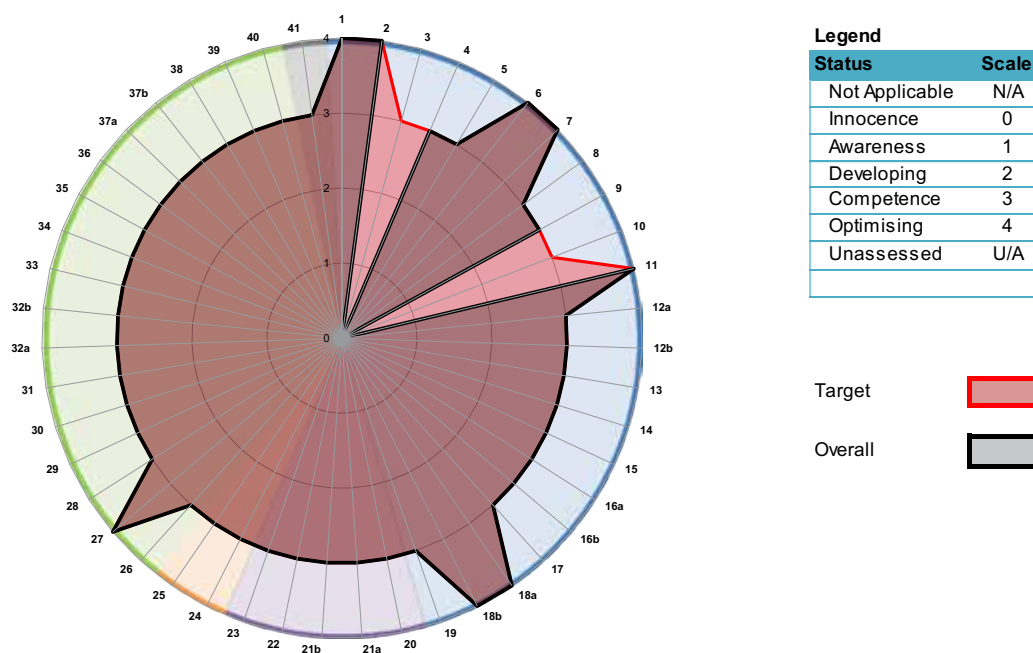
DETAILS OF CONSULTANCIES (VALUED AT \$10,000 OR GREATER)

In 2023-24 there was one consultancy where the total fees payable to the consultant were \$10,000 or greater. The total expenditure incurred during 2023-24 in relation to this consultancy stood at \$159,502 (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 2023-24 (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	\$159,502	N/a

ASSET MANAGEMENT ACCOUNTABILITY FRAMEWORK (AMAF) MATURITY ASSESSMENT

The following sections summarise Tallangatta Health Service assessment of maturity against the requirements of the Asset Management Accountability Framework (AMAF). The AMAF is a non-prescriptive, devolved accountability model of asset management that requires compliance with 41 mandatory requirements. These requirements can be found on the DTF website (<https://www.dtf.vic.gov.au/infrastructure-investment/asset-management-accountability-framework>). Tallangatta Health Service targets maturity rating is 'competent'. This means that the systems and processes of Tallangatta Health Service are fully in place, consistently applied and systematically meeting the AMAF requirement, and includes a continuous improvement process to expand system performance above AMAF minimum requirements.



Requirements 1 to 19 – Leadership and Accountability

Tallangatta Health Service has met and sometimes exceeded the targeted maturity level under the Leadership and Accountability requirement.

Requirements 3 and 10 are not applicable given that Tallangatta Health Service does not outsource the asset management function.

Requirements 20 to 23 – Planning

Tallangatta Health Service has met the targeted maturity level under the Planning requirement.

Requirements 24 and 25 – Acquisition

Tallangatta Health Service has met the targeted maturity level under the Acquisition requirement.

Requirements 26 to 40 – Operation

Tallangatta Health Service has met and in one occasion exceeded the targeted maturity level under the Operation requirement.

Requirements 41 – Disposal

Tallangatta Health Service has met the targeted maturity level under the Disposal requirement.

OCCUPATIONAL VIOLENCE

Occupational violence statistics	2023-24
1. Workcover accepted claims with an occupational violence cause per 100 FTE	0
2. Number of accepted Workcover claims with lost time injury with an occupational violence cause per 1,000,000 hours worked.	0
3. Number of occupational violence incidents reported	17
4. Number of occupational violence incidents reported per 100 FTE	15.51
5. Percentage of occupational violence incidents resulting in a staff injury, illness or condition	0

DEFINITIONS OF OCCUPATIONAL VIOLENCE:

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

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

Accepted Workcover claims – accepted Workcover claims that were lodged in 2023-24.

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 2023-24

The Statement of Priorities identifies the Victorian Government’s priorities and policy directions in the Victorian Health Priorities Framework 2023-24. Tallangatta Health Service’s Statement of Priorities contributes to the achievement of the Government’s key priorities in 2023-24 through the articulation of the following specific Actions and Deliverables.

STRATEGIC PRIORITIES FOR 2023-24

In 2023-24 Tallangatta Health Service contributed to the achievement of the Victorian Government’s commitments by:

EXCELLENCE IN CLINICAL GOVERNANCE	
We aim for the best patient experience and care outcomes by assuring safe practice, leadership of safety, an engaged and capable workforce, and continuing to improve and innovate care.	
GOAL	
MA5 Support people to access the most appropriate care for their chronic disease and/or associated risk factors	
Health Service Deliverables	Achievements/Outcome
MA5 Training of staff to promote skills that support people’s understanding of how to access appropriate healthcare, management of their own health and make informed decisions about their own healthcare	<p>Status: Ongoing</p> <p>Develop and deliver a comprehensive Clinical Education program with clear training objectives and feedback mechanisms.</p> <p>Improve cultural safety for marginalised groups by increasing the visibility of our commitment (e.g. Aboriginal artwork, social media posts) which in turn creates greater accessibility.</p> <p>Resources in Medical Clinic with specialised skills in diabetes education and women’s health.</p>
MA5 Provide integrated multidisciplinary care to address the physical, social and mental health needs for management and reduction in risk factors for chronic disease	<p>Status: Ongoing</p> <p>Weekly Interdisciplinary Care Team (IDCT) meetings</p> <p>4M’s project to embed new innovative model of care into District Nursing, Acute and Residential Aged Care.</p> <p>Holistic team care model in Medical Clinic with Practice Nurse, Nurse Practitioner, GP and Diabetes Educator working together to achieve patient outcomes.</p>

GOAL	
MA8 Reduce low value care and duplication to achieve better outcomes for people and improved safety and quality	
Health Service Deliverables	Achievements/Outcome
MA8 Adoption of interdisciplinary models of care to promote collaborative ways of working, sharing of resources and responsibilities	<p>Status: Ongoing</p> <p>Weekly Interdisciplinary Care Team (IDCT):</p> <ul style="list-style-type: none"> - Identify stakeholders, establish clear leadership/governance - Define roles & responsibilities - Develop care protocols and guidelines - Assessment and risk stratification - Patient-centred care - Implement electronic health records - Consider social determinants of health - Integrate mental health supports - Care coordination - Preventative services - Patient empowerment
MA8 Incorporate positive leadership and management to provide clear direction and vision for the team, where contributions are valued, and consensus is fostered	<p>Status: Ongoing</p> <p>Monthly Leadership Committee meeting Monthly Care Governance meeting Leadership training program for middle management tier</p>
GOAL	
MA11 Develop strong and effective systems to support early and accurate recognition and management of deterioration of paediatric patients	
Health Service Deliverables	Achievements/Outcome
MA11 Improve paediatric patient outcomes through implementation of the “ViCTOR track and trigger” observation chart and escalation system, whenever children have observations taken.	Status: Not applicable
MA11 Implement staff training on the “ViCTOR track and trigger” tool to enhance identification and prompt response to deteriorating paediatric patient conditions.	Status: Not applicable

WORKING TO ENSURE LONG TERM FINANCIAL SUSTAINABILITY	
Ensure equitable and transparent use of available resources to achieve optimum outcomes.	
GOAL	
MB1 Co-operate with and support Department-led reforms that look towards reducing waste and improving efficiency to address financial sustainability, operational and safety performance, and system management.	
Health Service Deliverables	Achievements/Outcome
MB1 Implementation of cost-saving initiatives: Identify and implement cost-saving measures such as reducing unnecessary procedures, optimising supply chain management, and streamlining administrative processes.	<p>Status: Ongoing</p> <p>Waste management</p> <ul style="list-style-type: none"> - Replace water bottles with filtered water throughout the site to reduce plastics. - Regional Managed Printer Service to reduce paper consumption. - Monitor / report on waste on a monthly basis. <p>Analysis of administrative process</p> <ul style="list-style-type: none"> - Implement new i.PM Patient Administration System (PAS) to streamline admission procedures. - Document finance and administrative processes to identify potential process savings - Redevelopment of Quality department processes to streamline operations and optimise resource utilisation. This includes eliminating redundant tasks and adopting software solutions for audit reporting and replacing manual methods.
MB1 Collaborative partnerships: collaborate with other health service providers, community organisations, the department and stakeholders to explore opportunities for shared services, joint procurement and resource sharing to reduce costs and improve efficiency	<p>Status: Ongoing</p> <p>Continuing to collaborate with the following:</p> <ul style="list-style-type: none"> - Hume Health Service Partnership - Upper Hume Local Area Partnership - Towong Alliance - Shared Services model with other health services for back office functions - Hume Region Quality and Safety Managers.
GOAL	
MB2 Development of a health service financial sustainability plan in partnership with the Department with a goal to achieving long term health service safety and sustainability	
Health Service Deliverables	Achievements/Outcome
MB2 Financial forecasting and risk management: Develop robust financial forecasting models to project future revenue and expenditure, identify financial risks, and implement risk mitigation strategies to ensure long-term sustainability.	<p>Status: Ongoing</p> <p>Prepare and update Budget / Cash forecasts on a monthly basis.</p> <p>Update Financial Sustainability risk register and risk mitigation plans on a monthly basis.</p>

<p>MB2 Revenue diversification strategies: Explore opportunities to diversify revenue streams through partnerships, grants, research funding, and other innovative financing models to reduce dependence on government funding</p>	<p>Status: Ongoing</p> <p>NDIS – supporting 9 participants Home Care Packages – 16 clients during 2023/24 Work with Community Engagement Advisory Group (CEAG) to design and deliver fundraising. Medical Clinic. Private allied health consultations in Podiatry and Physiotherapy.</p>
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IMPROVING ACCESS TO HEALTHCARE AND WELLBEING

Ensure that Aboriginal people have access to a health, wellbeing and care system that is holistic, culturally safe, accessible, and empowering. Ensure that communities in rural and regional areas have equitable health outcomes irrespective of locality.

GOAL

MC1 Address service access issues and equity of health outcomes for rural and regional people including more support for primary, community, home-based and virtual care, and addiction services.

Health Service Deliverables	Achievements/Outcome
<p>MC1 CEO and executive leadership to drive and be accountable for outcomes in cultural safety and Aboriginal self-determination.</p>	<p>Status: Ongoing</p> <p>Member of the Hume Aboriginal Health Initiative Steering Committee Executive sponsor for our Reconciliation Action Plan Maintain and update Diversity, Access and Inclusion Plan</p>
<p>MC1 Effective Aboriginal and Torres Strait Islander client and patient identification, including quality improvement processes to continually improve in this area.</p>	<p>Status: Ongoing</p> <p>Provide ongoing training for all staff on the importance of accurate identification of Aboriginal and Torres Strait Islander clients and patients.</p> <p>Tallangatta Health Service (THS) provides Cultural Awareness modules 1-4 in Kineo (Learning Management System). THS is progressing to include these modules in the mandatory training matrix of the THS education framework. The Cultural Awareness modules cover the history of the Aboriginal people and the impact on their health and well-being, the experiences of an Aboriginal person within the Victorian health system and strategies for establishing culturally safe environments for Aboriginal healthcare workers.</p> <p>Standardised questions are already in place for identifying Aboriginal and Torres Strait Islander clients at the point of entry into the health service.</p> <p>Clear communication materials are available explaining why the identification question is asked and how the information will be used to improve health outcomes.</p> <p>Collaboration with Aboriginal and Torres Strait Islander health organisations and liaison officers to improve identification processes.</p> <p>Conduct cultural safety audits to identify barriers to effective identification and areas where staff may need additional training or resources.</p>

GOAL	
MC2 Strengthen programs that support Aboriginal people to access early intervention and prevention services.	
Health Service Deliverables	Achievements/Outcome
MC2 Identify and prioritise the health, wellbeing and service needs of the Aboriginal catchment population and service users – including improved patient identification, discharge planning and outpatient care	Status: Ongoing Education sessions within the health service to highlight the importance of accurate identification and the benefits for Aboriginal and Torres Strait Islander health outcomes. Discharge separation surveys are currently actioned post discharge providing effective post-hospital follow up. Member of the Hume Region Aboriginal Health Initiative Steering Committee.
MC2 Implementation of our Reflect Reconciliation Action Plan with a view to working towards an Innovate Action Plan in coming years.	Status: Ongoing Maintaining ongoing engagement with the Aboriginal and Torres Strait Islander community to ensure health services remain responsive to their needs. Ongoing improvement in brochures and posters to reflect Aboriginal artwork by Tamara Murray showcasing five circles inspired by THS five core values (inclusivity). Transforming spaces – an increase in visual affirmation throughout the Health Service.
A STRONGER WORKFORCE	
There is increased supply of critical roles, which supports safe, high-quality care. Victoria is a world leader in employee experience, with a focus on future roles, capabilities and professional development. The workforce is regenerative and sustainable, bringing a diversity of skills and experience that reflect the people and communities it serves. As a result of a stronger workforce, Victorians receive the right care at the right time closer to home.	
GOAL	
MD1 Improve employee experience across four initial focus areas to assure safe, high quality care: leadership, health and safety, flexibility, and career development and agility.	
Health Service Deliverables	Achievements/Outcome
MD1 Implement and/or evaluate new/expanded programs that uplift workforce flexibility such as a flexibility policy for work arrangements	Status: Ongoing Flexible working arrangements are available for staff, with several in place.
MD1 Implement and/or evaluate new/expanded wellbeing and safety program and its improvement on workforce wellbeing	Status: Ongoing Expand and maintain current staff health and wellbeing program which includes free staff massages on a monthly basis, exercise classes and activities, theme days and staff breakfasts.

GOAL	
MD2 Explore new and contemporary models of care and practice, including future roles and capabilities.	
Health Service Deliverables	Achievements/Outcome
MD2 Pilot, implement or evaluate new and contemporary models of care and practice, including future roles and building capability for multidisciplinary practice	Status: Ongoing Embedding the 4M's innovative model of care into District Nursing and aged care.
MD2 Continual monitoring of the broader healthcare landscape to identify opportunities to modernize skills, capabilities, roles and models of care to meet future health sector needs.	Status: Ongoing Participation in the Hume Health Service Partnership and CEO forums.
MOVING FROM COMPETITION TO COLLABORATION	
Share knowledge, information and resources with partner health and wellbeing services and care providers. This will allow patients to experience one health, wellbeing and care system through connected digital health information, evidence and data flows, enabled by advanced interoperable platforms.	
GOAL	
ME1 Partner with other organisations (for example community health, ACCHO's, PHN's, General Practice, private health) to drive further collaboration and build a more integrated system	
Health Service Deliverables	Achievements/Outcome
ME1 Engage local ACCHO groups in the identification and delivery of initiatives that improve Aboriginal Cultural Safety	Status: Ongoing Continue working with community groups and networks established as part of developing our Reconciliation Action Plan. Participation in the Hume Health Services Partnership Aboriginal Health Working Group initiative. Delivered joint family violence session with staff members from the Mungabareena Aboriginal Corporation.
ME1 Work with the relevant PHN and community health providers to develop integrated service models that will provide earlier care to patients and support patients following hospital discharge.	Status: Ongoing Support the Transition Care Program with Albury Wodonga Health to facilitate care closer to home.

GOAL	
ME2 Engage in integrated planning and service design approaches, whilst assuring consistent and strong clinical governance, with partners to join up the system to deliver seamless and sustainable care pathways and build sector collaboration.	
Health Service Deliverables	Achievements/Outcome
ME2 Undertake joint clinical service plans that agree a joint approach to coordinating the delivery of health services at a regional level as opposed to individual health service planning	Status: Ongoing Participate in the Hume Health Service Partnership joint clinical service planning. Participate in the Hume Region Centralised Procurement and Supply Working group.
ME2 Reviewing specialist workforce requirements at a regional or sub-regional level and developing a shared workforce model, including coordinating efforts to attract and retain workforce at a regional or sub-regional level.	Status: Ongoing Participate in the Hume Rural Generalist Model pilot. Participate in the Regional Credentialing and Scope of Practice initiative. Implement and embed CGov (regional credentialing platform)
CARE CLOSE TO HOME	
Primary and community care is accessible and reduces avoidable escalation in acuity of health conditions. When appropriate, hospital care is delivered in the home, including through digital care and connection, to deliver virtual care, telehealth, and other advanced models of care.	
GOAL	
EB1 Improve pathways through the health system and implement models of care to enable more people to access care closer to, or in their homes	
Health Service Deliverables	Achievements/Outcome
EB1 Implement and/or evaluate new/expanded models of care that address barriers to patients receiving care closer to, or in their home.	Status: Ongoing Implement and embed the Better@Home program across multiple rural locations. Facilitate access to the Victorian Virtual Emergency Department to prevent unnecessary presentations at Emergency Departments.
EB1 Implement new models of care that address barriers and improve coordination across health services and with primary and community care so that patients can more easily receive care closer to, or in their homes.	Status: Ongoing Support the Transition Care Program with Albury Wodonga Health to facilitate care closer to home. Facilitate access to the Victorian Virtual Emergency Department. Better integration between Acute, Primary Health (GP) and Community programs such as District Nursing. Explore the Virtual Admissions Trial.

GOAL	
EB3 Support improved access to services for people managing chronic disease by improving access to home-based and remote service delivery.	
Health Service Deliverables	Achievements/Outcome
EB3 Implement new home-based and virtual remote models of care for patients managing chronic diseases to keep them well in the community.	Status: Ongoing Promote and facilitate access to the Victorian Virtual Emergency Department. Facilitate access to remote monitoring devices such as pulse oximeters.
EB3 Implement and/or evaluate new/expanded models of shared care between health services to enable patients managing chronic diseases to remain well and in the community.	Status: Ongoing Support the Transition Care Program with Albury Wodonga Health to facilitate care closer to home.

PART B: PERFORMANCE PRIORITIES

HIGH QUALITY AND SAFE CARE		
Key performance indicator	Target	2023-24 Result
Infection prevention and control		
Compliance with the Hand Hygiene Australia program	85%	79.1%
Percentage of healthcare workers immunised for influenza	94%	99%
Patient experience		
Percentage of patients who reported positive experiences of their hospital stay	95%	N/A *
Aboriginal Health		
Percentage of Aboriginal admitted patients who left against medical advice	25% reduction in gap based on prior year's annual rate	N/A

*Less than 10 responses were received for the period due to the relative size of the health service

**The data included in this annual report was accurate at the time of publication and is subject to validation by official sources from the Department of Health.

STRONG GOVERNANCE, LEADERSHIP AND CULTURE		
Key performance indicator	Target	2023-24 Result
Organisational Culture		
People Matter Survey – Percentage of staff with an overall positive response to safety culture survey questions	62%	77%

EFFECTIVE FINANCIAL MANAGEMENT		
Key performance indicator	Target	2023-2024 Result
Finance		
Operating result (\$m)	(0.89)	(0.69)
Average number of days to paying trade creditors	60 days	19 days
Average number of days to receiving patient fee debtors	60 days	21 days
Adjusted current asset ratio	0.7 or 3% improvement from health service base target	0.89
Variance between forecast and actual Net result from transactions (NRFT) for the current financial year ending 30 June	Variance ≤ \$250,000	Not Achieved
Number of days with available cash	14 days	11 days

PART C: ACTIVITY AND FUNDING

FUNDING TYPE	2023-24 ACTIVITY ACHIEVEMENT	UNITS
SMALL RURAL		
Small Rural Primary Health & HACC	1,114	Service Hours
Small Rural Residential Care	16,829	Bed Days

*The data included in this annual report was accurate at the time of publication and is subject to validation by official sources from the Department of Health.

TABLE 6: FINANCIAL INFORMATION

FINANCIAL INFORMATION					
	2024	2023	2022	2021	2020
	\$	\$	\$	\$	\$
OPERATING RESULT*	(690,585)	0	(93,509)	23,873	4,772
Total revenue	18,280,544	16,282,364	15,456,926	13,162,035	11,991,891
Total expenses	(19,864,356)	(17,452,265)	(15,909,472)	(14,365,755)	(13,229,886)
Net result from transactions	(1,583,812)	(1,169,901)	(452,546)	(1,203,720)	(1,237,995)
Total other economic flows	77,645	(17,440)	71,467	(40,507)	(18,199)
Net result	(1,506,167)	(1,187,341)	(381,079)	(1,244,227)	(1,256,194)
Total assets	33,683,042	18,283,396	18,726,757	16,514,450	17,670,336
Total liabilities	11,374,817	9,937,074	9,444,166	8,249,899	8,297,882
Net Assets/Total Equity	22,308,225	8,346,322	9,282,591	8,264,551	9,372,454

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

The operating result for the year is a deficit of -\$690,585. This is an improvement over our Statement of Priorities target (-\$0.89m). The deficit is the result of increased nurse agency expenditure caused by difficulties recruiting local nurses and the backfilling of unplanned sick leave.

The improvement in the deficit over the target is due to efficiencies in back office functions.

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

	2023-24 \$
Operating result *	(690,585)
Capital purpose income	626,302
Specific income	79,032
COVID 19 State Supply Arrangements - Assets received free of charge or for nil consideration under the State Supply	93,839
State supply items consumed up to 30 June 2024	(15,478)
Assets provided free of charge	-
Assets received free of charge	-
Expenditure for capital purpose	(154)
Depreciation and amortisation	(1,676,768)
Impairment of non-financial assets	-
Finance costs (other)	-
Net result from transactions	(1,583,812)

Bankers 2023-24

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 2023-24 financial year.

ENVIRONMENTAL IMPACTS & ENERGY USE			
	2023-24	2022-23	2021-22
Total greenhouse gas emissions (tonnes CO2e)			
Total Scope 1 greenhouse gas emissions (tonnes CO2e)	97	92	33
Total Scope 2 greenhouse gas emissions (tonnes CO2e)	382	378	393
Total Scope 3 greenhouse gas emissions (tonnes CO2e)	137	160	109
Net greenhouse gas emissions (tonnes CO2e)	616	630	536
Electricity production and consumption			
Electricity (MWh)	581	550	539
Electricity Generated (MWh)	26	35	9
Greenhouse gas emissions (tonnes CO2e)	459	468	491
Stationary fuel use			
Liquefied Petroleum Gas (kL)	22	23	20
Diesel Oil in Building (kL)	1.4	0.4	0.8
Greenhouse gas emissions (tonnes CO2e)	38	39	33
Transportation			
Vehicle Fleet Total energy used [MJ]	874	770	
Greenhouse gas emissions (tonnes CO2e)	59	52	56
Water Consumption			
Potable water (millions of litres)	7.82	7.02	5.94
Greenhouse gas emissions (tonnes CO2e)	13.12	11.89	11.16
Waste and Recycling			
Total waste generated (kg)	48,483	67,683	57,542
Greenhouse gas emissions (tonnes CO2e)	48.19	71.91	52.83
Sustainable buildings and infrastructure			
Tallangatta Hospital NABERS – Energy Rating	2.5 Stars	3.5 Stars	
FACTORS INFLUENCING ENVIRONMENTAL IMPACTS			
	2023-24	2022-23	2021-22
Floor space (m2)	5,282	5,282	5,282
Separations	43	35	30
In-Patient Bed Days	1,186	750	495
Aged Care Bed Nights	16,828	16,220	15,947

BENCHMARKS 2023-24			
	2023-24	2022-23	2021-22
Normalised greenhouse gas emissions			
Emissions per unit of floor space (kgCO2e/m2)	117	119	101
Emissions per unit of separations (kgCO2e/separations)	14,326	18,000	17,867
Emissions per occupied bed day (kgCO2e/OBD)	34	37	33
Normalised stationery energy consumption			
Energy per unit of floor space (GJ/m2)	0.54	0.52	0.48
Energy per separation (GJ/Separations)	65	78	84
Energy per occupied bed day (GJ/OBD)	0.15	0.16	0.15
Normalised water consumption			
Water per unit of floor space (kL/m2)	1.48	1.33	1.12
Water per separation (kL/Separations)	182	200	198
Water per occupied bed day (kL/OBD)	0.46	0.41	0.36
Waste and recycling			
Waste to landfill per patient treated (kg waste/PPT)	2.05	3.24	2.44
Recycling rate %	24%	18%	29%
Utility expenditure rates			
Electricity (\$000s)	134	128	122
Liquefied Petroleum Gas (\$000s)	14	12	14
Diesel Oil in Building (\$000s)	2	2	1
Potable Water (\$000s)	18	18	14
Normalised utility expenditure rates (Electricity, LPG, Diesel Oil in Buildings and Potable Water)			
Expenditure per unit of floor space m2)	0.033	0.030	0.026
Expenditure per separation (\$000's/Separations)	4.005	4.555	4.571
Expenditure per occupied bed day (\$000's/OBD)	0.010	0.009	0.008

Social Procurement Framework Metrics 2023-24

ALL SUPPLIERS		
	Number of suppliers	328
	Total spent with suppliers	\$4,931,813
SOCIAL BENEFIT SUPPLIERS		
	Number of social benefit suppliers	1
	Total spent with social benefit suppliers	\$2,712
OBJECTIVE: OPPORTUNITIES FOR VICTORIAN ABORIGINAL PEOPLE		
	Outcome: Purchasing from Victorian Aboriginal businesses	
	Number of Victorian Aboriginal businesses engaged	1
	Total expenditure with Victorian Aboriginal businesses (excl. GST)	\$2,712

Tallangatta Health Service is working with other Health Services in the region to identify and source local social procurement opportunities.

STAFF ANALYSIS

Hospitals labour category	JUNE current month FTE		Average Monthly FTE	
	2023	2024	2023	2024
Nursing	46.65	51.67	46.97	47.35
Administration and Clerical	13.40	13.57	15.93	14.57
Medical Support	5.27	4.48	4.33	4.89
Hotel and Allied Services	28.99	32.92	28.60	33.71
Medical Officers	2.39	2.22	2.33	2.16
Hospital Medical Officers	0	0	0	0
Sessional Clinicians	0	0	0	0
Ancillary Staff (Allied Health)	6.17	7.81	5.80	6.96
TOTAL	102.87	112.67	103.96	109.64

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	BED DAYS	PROGRAM	BED DAYS
Public	800	Permanent Care	15 091
Private	343	Respite Care	1 737
DVA	0	Total Bed Days	16 828
TAC	0		
Worksafe	0	Medical Centre	
Total Separations	43	PROGRAM	VISITS
Total Bed Days (excl. TCP)	1 186	Doctor	11 740
Transition Care Patients (TCP)	775	Nurse Practitioner	2 642
		Practice Nurse	1 297
		Diabetes Educator	874
		Total Visits	16 553
CHSP (Commonwealth Home Support Program) / HACC (Home and Community Care) funded Services		Primary Health – Community facing	
PROGRAM	HOURS	PROGRAM	HOURS
Domestic Assistance	2 124	Counselling / Social Work	40
Personal Care	229	Dietetics	6
Property Maintenance / Garden	1 057	Physiotherapy – Primary	343
Home Modifications	129	Physiotherapy – EPC	20
Respite	1	Physiotherapy – Workcover	9
Social Support – Groups	1 977	Physiotherapy – NDIS	101
Social Support – Individual	330	Physiotherapy – DVA	1
Other Food services	0	Physiotherapy – HCP	7
Nursing	1 238	Occupational Therapy - HCP	26
HACC Assessment	270	Exercise Groups – HCP	41
Meals on Wheels	917 (Meals)	Exercise Groups - Primary	609
		Podiatry	288 (Clients)

ACTIVITY DATA

Home Care Packages		Albury Wodonga Health – Short Term Support (STS) and Hospital in the Home (HITH)	
PROGRAM	HOURS	PROGRAM	HOURS
Domestic Assistance	384	Domestic Assistance / Home Care	25
Personal Care	524	Personal Care / Respite	0
Property Maintenance	75	Nursing	208
Transport	43	Property Maintenance	13
Groups	5	Meals on Wheels	0 (Meals)
Physiotherapy	0		
Meals on Wheels	807 (Meals)		
Brokerage Care		Regional Assessment Service & Intake	
PROGRAM	HOURS	PROGRAM	HOURS
Domestic Assistance	219	Primary Intake	168
Personal Care / Respite Care	149	Intake	183
Nursing	6	Regional Assessment Service	
Nursing HITH (Alfred Health)	64	- Assessments	148
Property Maintenance	44	- Reviews	226
Activity Groups	0		
Meals on Wheels	178 (Meals)		
NDIS		DVA /VHC	
PROGRAM	HOURS	PROGRAM	HOURS
Includes Domestic Assistance, House & Garden Maintenance, Personal Care, Participate Community, District Nursing Service	1 746	Domestic Assistance	354
Physiotherapy	0	Personal Care	0
Exercise Group	0	Nursing	130
		Property/Garden Maintenance	34
		REGISTERED VOLUNTEERS (as at 30 June)	
		HOURS	
		4 volunteers	59
COMMUNITY CARE		Services available to TAC and WORKCOVER, but not utilised during this period:	
PROGRAM	HOURS	Domestic Assistance, Personal Care, Nursing, Property / Garden Maintenance	
Service Planning of Care	724		
Service Provision Review	328		

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

Consistent access to General Practitioners in Medical Centre

Increased occupancy in Acute and Aged Care

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

Successful accreditation for Medical Centre, Aged Care and NDIS

4M's Model of Care for Older Persons

Implementation of Aged Care Royal Commission requirements

Strategic Priority 2 - Our Infrastructure is planned for future needs

New Nurse On Call System

Replaced veranda decking in Lakeview

Implementation of National eMedication Charts

Completion of Bolga Court Walkways Project

Single use plastic water bottles replaced with plumbed and filtered water

Migration to Microsoft Office 365, roll out of regional print solution and two factor authentication

New bus purchased for Resident and community outings

Sealing of Car Parks

Strategic Priority 3 - Our Partnering with community cultivates connections

Active member of the RESPOND project

Actively engaging with Resident Reference Group

Engagement with consumers through Roadshows and Tallangatta Expo

Increase in community participation in Consumer Engagement Advisory Group

Extension of Care Opinion Feedback Tool

Community bus trips

Fridge magnet with support information distributed to community members

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

Increased participation and improved outcomes from People Matter Survey

Regular Staff Health and Wellbeing Initiatives

Finalists in 2 categories for the Victorian Rural Health Awards

Increase in nursing student placements

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 2024 • 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 material accounting policy information • 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 2024 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 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
26 September 2024



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 2024 and the financial position of Tallangatta Health Service at 30 June 2024.

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 20th of September 2024.



M. McDade

Board Member

Tallangatta
20 September 2024



V. Pitcher

Accountable Officer

Tallangatta
20 September 2024



P. Foley

Chief Finance & Accounting
Officer

Tallangatta
20 September 2024

TALLANGATTA HEALTH SERVICE
COMPREHENSIVE OPERATING STATEMENT
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

	Note	2024 \$	2023 \$
Revenue and Income from Transactions			
Operating Activities	2.1	17,957,564	16,085,233
Non-Operating Activities	2.1	322,980	197,131
Total Revenue and Income from Transactions		18,280,544	16,282,364
Expenses from Transactions			
Employee Expenses	3.1	(15,167,824)	(13,237,659)
Supplies and Consumables	3.1	(851,478)	(812,009)
Finance Costs	3.1	(18,981)	(18,771)
Depreciation and Amortisation	4.4	(1,676,768)	(1,610,517)
Other Administrative Expenses	3.1	(1,631,833)	(1,346,297)
Other Operating Expenses	3.1	(517,472)	(427,012)
Total Expenses from Transactions		(19,864,356)	(17,452,265)
Net Result from Transactions - Net Operating Balance		(1,583,812)	(1,169,901)
Other economic flows included in net result			
Net Gain/(Loss) on Sale of Non-Financial Assets	3.2	30,382	19,763
Other Gain/(Loss) from Other Economic Flows	3.2	47,263	(37,203)
Total other economic flows included in net result		77,645	(17,440)
Net Result for the year		(1,506,167)	(1,187,341)
Other comprehensive income			
Items that will not be reclassified to net result			
Changes in Property, Plant and Equipment Revaluation Surplus		15,468,070	251,072
Total other comprehensive income		15,468,070	251,072
Comprehensive result for the year		13,961,903	(936,269)

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

TALLANGATTA HEALTH SERVICE

BALANCE SHEET AS AT 30 JUNE 2024

	Note	2024 \$	2023 \$
Current Assets			
Cash and Cash Equivalents	6.2	7,971,589	7,835,829
Receivables	5.1	478,954	388,257
Prepaid Expenses		180,066	169,665
Total Current Assets		8,630,609	8,393,751
Non-Current Assets			
Receivables	5.1	463,321	498,015
Property, Plant and Equipment	4.1	24,144,004	9,165,908
Right of Use Assets	4.2	444,475	223,751
Intangible Assets	4.3	633	1,971
Total Non-Current Assets		25,052,433	9,889,645
TOTAL ASSETS		33,683,042	18,283,396
Current Liabilities			
Payables	5.2	1,318,133	2,155,020
Borrowings	6.1	105,827	105,686
Employee Benefits	3.3	2,282,294	2,184,568
Other Liabilities	5.3	6,744,237	4,864,547
Total Current Liabilities		10,450,491	9,309,821
Non-Current Liabilities			
Borrowings	6.1	379,602	176,398
Employee Benefits	3.3	544,724	450,855
Total Non-Current Liabilities		924,326	627,253
TOTAL LIABILITIES		11,374,817	9,937,074
NET ASSETS		22,308,225	8,346,322
EQUITY			
Property, Plant and Equipment Revaluation Surplus		29,259,376	13,791,306
Restricted Specific Purpose Reserve	SCE	24,780	429,488
Contributed Capital	SCE	7,420,722	7,420,722
Accumulated Deficit	SCE	(14,396,653)	(13,295,194)
TOTAL EQUITY		22,308,225	8,346,322

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 2024

	Note	Property, Plant and Equipment Revaluation Surplus \$	Restricted Specific Purpose Reserve \$	Contributed Capital \$	Accumulated Deficit \$	Total \$
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
Net Result for the year		-	-	-	(1,506,167)	(1,506,167)
Other Comprehensive Income for the year		15,468,070	-	-	-	15,468,070
Transfer from/(to) Accumulated Deficit		-	(404,708)	-	404,708	-
Balance at 30 June 2024		29,259,376	24,780	7,420,722	(14,396,653)	22,308,225

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

**TALLANGATTA HEALTH SERVICE
CASH FLOW STATEMENT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024**

	Notes	2024 \$	2023 \$
Cash Flows from Operating Activities			
Operating Grants from State Government		7,414,493	8,601,200
Operating Grants from Commonwealth Government		6,519,200	4,704,004
Capital Grants from State Government		(397,851)	120,029
Patient and Resident Fees Received		1,695,271	1,569,615
Donations and Bequests Received		2,700	1,150
GST Received from ATO		191,735	217,229
Interest Received		322,980	197,131
Other Receipts Received		1,697,428	1,386,575
Total Receipts		17,445,956	16,796,933
Payments to Employees		(14,835,485)	(12,937,011)
Payments for Supplies and Consumables		(757,639)	(711,857)
Finance Costs		(18,981)	(18,771)
Other Payments		(2,405,328)	(1,759,188)
Total Payments		(18,017,433)	(15,426,827)
Net Cash Flows from/(used in) Operating Activities	8.1	(571,477)	1,370,106
Cash Flows from Investing Activities			
Purchase of Non-Financial Assets		(1,406,180)	(799,867)
Proceeds from Sale of Non-Financial Assets		30,382	73,218
Net Cash Flows from/(used in) Investing Activities		(1,375,798)	(726,649)
Cash Flows from Financing Activities			
Receipt of Accommodation Deposits		2,591,205	967,000
Repayment of Accommodation Deposits		(670,001)	(1,675,407)
Receipt of Other Monies Held in Trust		(41,514)	(27,494)
Receipt of Borrowings		224,039	169,077
Repayment of Borrowings		(20,694)	(41,327)
Net Cash Flows from /(used in) Financing Activities		2,083,035	(608,151)
Net Increase/(Decrease) in Cash and Cash Equivalents Held		135,760	35,306
Cash and Cash Equivalents at Beginning of Year		7,835,829	7,800,523
Cash and Cash Equivalents at End of Year	6.2	7,971,589	7,835,829

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 2024

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 2024. 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 20 September 2024.

Note 1.2: 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 1.3: 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 1.4: Material 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 material estimates are recognised in the period in which the estimate is revised and also in future periods that are affected by the revision.

TALLANGATTA HEALTH SERVICE
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

Note 1.4: Material accounting estimates and judgements (continued)

The accounting policies and material 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 4.3: Intangible assets
- Note 4.4: Depreciation and amortisation
- Note 4.5: Impairment of assets
- Note 5.1: Receivables
- Note 5.2: Payables
- Note 6.1(a): Lease liabilities
- Note 7.4: Fair value determination

Note 1.5: 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 2022-5: Amendments to Australian Accounting Standards – Lease Liability in a Sale and Leaseback	Reporting periods beginning on or after 1 January 2024.	Adoption of this standard is not expected to have a material impact.
AASB 2022-9: Amendments to Australian Accounting Standards – Insurance Contracts in the Public Sector	Reporting periods beginning on or after 1 January 2024.	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.	No assessment for AASB 2022-10 was made for the financial year.

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 1.6: 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 contingent liabilities are presented on a gross basis.

Note 1.7: 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 2024**

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

Material judgements and estimates

This section contains the following key judgements and estimates:

Material judgements and estimates	Description
Identifying performance obligations	Tallangatta Health Service applies material 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 criterion 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 criterion is not met, funding is recognised immediately in the net result from operations.
Determining timing of revenue recognition	Tallangatta Health Service applies material 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 material 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 material 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 2024 \$	Total 2023 \$
Operating			
Revenue from Contracts with Customers			
Government Grants (Commonwealth) - Operating		6,917,849	4,375,506
Patient and Resident Fees		1,771,302	1,612,907
Total Revenue from Contracts with Customers	2.1 (a)	8,689,151	5,988,413
Other Sources of Income			
Government Grants (State) - Operating		7,386,077	8,239,013
Government Grants (State) - Capital		31,553	307,108
Capital Donations		2,700	1,150
Medical Centre Income		890,577	836,340
Assets Received Free of Charge or for Nominal Consideration	2.2	93,839	100,152
Other Income from Operating Activities		863,667	613,057
Total Other Sources of Income		9,268,413	10,096,820
Total Revenue and Income from Operating Activities		17,957,564	16,085,233
Non-Operating Activities			
Other Interest		322,980	197,131
Total Income from Non-Operating Activities		322,980	197,131
Total Revenue and Income from Transactions		18,280,544	16,282,364

**TALLANGATTA HEALTH SERVICE
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024**

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 2024 \$	Total 2023 \$
8,689,151	5,988,413

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 material 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 2024**

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

	Total 2024 \$	Total 2023 \$
Personal Protective Equipment and Other Consumables	93,839	100,152
Total fair value of assets and services received free of charge or for nominal consideration	93,839	100,152

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

Under the State Supply Arrangement, Health Share Victoria supplies personal protective equipment to Tallangatta Health Service for nil consideration.

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.
Victorian Health Building Authority	The Department of Health made payments to the Victorian Health Building Authority to fund capital works projects during the year ended 30 June 2024, on behalf of Tallangatta Health Service.
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 2024**

Note 3: The Cost of Delivering Our Services

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

Structure

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

Material judgements and estimates

This section contains the following key judgements and estimates:

Material judgements and estimates	Description
Classifying employee benefit liabilities	Tallangatta Health Service applies material 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 material 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: • an inflation rate of 4.445%, 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, with estimated retention rate between 30.24% and 100%. • discounting rate of 4.455% 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 2024 \$	Total 2023 \$
Salaries and Wages		10,267,042	9,924,015
On-costs		2,568,195	2,488,916
Agency Expenses		2,019,258	647,730
Workcover Premium		313,329	176,998
Total Employee Expenses		15,167,824	13,237,659
Drug Supplies		18,410	12,627
Medical and Surgical Supplies (including Prostheses)		179,933	241,922
Other Supplies and Consumables		653,135	557,460
Total Supplies and Consumables		851,478	812,009
Finance Costs		18,981	18,771
Total Finance Costs		18,981	18,771
Other Administrative Expenses		1,631,833	1,346,297
Total Other Administrative Expenses		1,631,833	1,346,297
Fuel, Light, Power and Water		195,365	174,486
Repairs and Maintenance		206,347	142,621
Maintenance Contracts		80,338	72,311
Medical Indemnity Insurance		16,877	13,908
Expenditure for Capital Purposes		18,545	23,686
Total Other Operating Expenses		517,472	427,012
Total Operating Expense		18,187,588	15,841,748
Depreciation and Amortisation	4.4	1,676,768	1,610,517
Bad and Doubtful Debt Expense		-	-
Total Other Non-Operating Expenses		-	-
Total Non-Operating Expenses		1,676,768	1,610,517
Total Expenses from Transactions		19,864,356	17,452,265

**TALLANGATTA HEALTH SERVICE
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024**

Note 3.1: Expenses from Transactions (Cont.)

How we recognise expenses from transactions

Expense recognition

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

Employee expenses

Employee expenses include:

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

Supplies and consumables

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

Finance costs

Finance costs include:

- interest on bank overdrafts and short-term and long-term borrowings (Interest expense is recognised in the period in which it is incurred);
- finance charges in respect of finance leases which are recognised in accordance with AASB 16 *Leases*.

Other operating expenses

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

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

The DH also makes certain payments on behalf of Tallangatta Health Service. These amounts have been brought to account in determining the operating result for the year, by recording them as revenue and recording a corresponding 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

	2024	2023
	\$	\$
Net gain on disposal of property plant and equipment	30,382	19,763
Total net gain/(loss) on non-financial assets	30,382	19,763
Net gain/(loss) arising from revaluation of long service liability	47,263	(37,203)
Total other gains/(losses) from other economic flows	47,263	(37,203)
Total gains/(losses) from other economic flows	77,645	(17,440)

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.

TALLANGATTA HEALTH SERVICE
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

Note 3.3: Employee Benefits and Related On-Costs

	2024	2023
	\$	\$
Current Employee Benefits and Related On-Costs		
Accrued Days Off		
-Unconditional and expected to be settled wholly within 12 months ⁱ	34,700	23,284
Annual Leave		
-Unconditional and expected to be settled wholly within 12 months ⁱ	1,067,815	945,107
-Unconditional and expected to be settled wholly after 12 months ⁱⁱ	169,055	159,718
	<u>1,236,870</u>	<u>1,104,825</u>
Long Service Leave		
-Unconditional and expected to be settled wholly within 12 months ⁱ	157,924	160,957
-Unconditional and expected to be settled wholly after 12 months ⁱⁱ	592,236	655,619
	<u>750,160</u>	<u>816,576</u>
Provisions Related to Employee Benefit On-Costs		
-Unconditional and expected to be settled wholly within 12 months ⁱ	158,374	132,675
-Unconditional and expected to be settled wholly after 12 months ⁱⁱ	102,190	107,208
	<u>260,564</u>	<u>239,883</u>
Total Current Employee Benefits and Related On-Costs	<u>2,282,294</u>	<u>2,184,568</u>
Non-Current Employee Benefits and Related On-Costs		
Conditional Long Service Leave	479,646	397,125
Provisions related to Employee Benefit On-Costs	65,078	53,730
Total Non-Current Employee Benefits and Related On-Costs	<u>544,724</u>	<u>450,855</u>
Total Employee Benefits and Related On-Costs	<u>2,827,018</u>	<u>2,635,423</u>

ⁱ The amounts disclosed are nominal amounts.

ⁱⁱ The amounts disclosed are discounted to present values.

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

	2024	2023
	\$	\$
Current Employee Benefits and Related On-Costs		
Unconditional Accrued Days Off	34,700	23,284
Unconditional Annual Leave Entitlements	1,396,426	1,236,299
Unconditional Long Service Leave Entitlements	851,168	924,985
Total Current Employee Benefits and Related On-Costs	<u>2,282,294</u>	<u>2,184,568</u>
Non-Current Employee Benefits and Related On-Costs		
Conditional Long Service Leave Entitlements	544,724	450,855
Total Non-Current Employee Benefits and Related On-Costs	<u>544,724</u>	<u>450,855</u>
Total Employee Benefits and Related On-Costs	<u>2,827,018</u>	<u>2,635,423</u>
Attributable to:		
Employee Benefits	2,501,376	2,341,810
Provision for Related On-Costs	325,642	293,613
Total Employee Benefits and Related On-Costs	<u>2,827,018</u>	<u>2,635,423</u>

Note 3.3 (b): Provision for Related On-Costs Movement Schedule

	2024	2023
	\$	\$
Carrying amount at start of year	293,613	257,555
Additional provisions recognised	135,032	151,388
Amounts incurred during the year	(103,003)	(115,330)
Net Gain/(Loss) arising from Revaluation of Long Service Leave Liability	47,263	(37,203)
Carrying amount at end of year	<u>325,642</u>	<u>293,613</u>

**TALLANGATTA HEALTH SERVICE
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024**

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 sick leave 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 health services do not have an unconditional right to defer settlement 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.

Note 3.4: Superannuation

	Paid Contribution for the year		Outstanding Contribution at Year End	
	2024 \$	2023 \$	2024 \$	2023 \$
Defined Contribution Plans				
First State Super	530,639	546,748	-	-
Hesta	265,214	261,129	-	-
Other	387,954	300,561	-	-
Total	1,183,807	1,108,438	-	-

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

A 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.

**TALLANGATTA HEALTH SERVICE
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024**

Note 4: Material 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 Intangible assets

4.4 Depreciation and amortisation

4.5 Impairment of Assets

Material judgements and estimates

This section contains the following key judgements and estimates:

Material 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 material 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 material 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 2024**

Note 4.1: Property, Plant and Equipment

(a) Gross carrying amount and accumulated depreciation	2024	2023
	\$	\$
Land at Fair Value	746,000	872,000
Land Improvements at Fair Value	962,000	491,881
Less Accumulated Depreciation	-	(22,153)
	<u>962,000</u>	<u>469,728</u>
Total Land at Fair Value	<u>1,708,000</u>	<u>1,341,728</u>
Buildings		
Buildings at Fair Value	21,178,000	8,021,727
Less Accumulated Depreciation	-	(1,387,377)
Total Buildings at Fair Value	<u>21,178,000</u>	<u>6,634,350</u>
Buildings Work in Progress at Cost	-	382,996
Total Buildings	<u>21,178,000</u>	<u>7,017,346</u>
Total Land and Buildings	<u>22,886,000</u>	<u>8,359,074</u>
Plant and Equipment at Fair Value	3,341,291	2,775,705
Less Accumulated Depreciation	(2,265,393)	(2,138,606)
Total Plant and Equipment at Fair Value	<u>1,075,898</u>	<u>637,099</u>
Motor Vehicles at Fair Value	187,183	354,738
Less Accumulated Depreciation	(181,598)	(325,373)
Total Motor Vehicles at Fair Value	<u>5,585</u>	<u>29,365</u>
Medical Equipment at Fair Value	712,022	653,603
Less Accumulated Depreciation	(535,501)	(513,233)
Total Medical Equipment at Fair Value	<u>176,521</u>	<u>140,370</u>
Total Plant, Equipment and Motor Vehicles at Fair Value	<u>1,258,004</u>	<u>806,834</u>
TOTAL PROPERTY, PLANT AND EQUIPMENT	<u><u>24,144,004</u></u>	<u><u>9,165,908</u></u>

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

Note	Land	Buildings	Plant & Equipment	Motor Vehicles	Medical Equipment	Total
	\$	\$	\$	\$	\$	\$
Balance at 1 July 2022	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	251,072	-	-	-	-	251,072
Depreciation	(22,153)	(1,387,377)	(140,751)	(17,996)	(19,456)	(1,587,733)
Balance at 30 June 2023	<u>1,341,728</u>	<u>7,017,346</u>	<u>637,099</u>	<u>29,365</u>	<u>140,370</u>	<u>9,165,908</u>
Additions	60,789	427,333	595,294	(11,870)	58,420	1,129,966
Disposals	-	-	-	-	-	-
Revaluation Increment	329,029	15,139,040	-	-	-	15,468,069
Depreciation	(23,546)	(1,405,719)	(156,495)	(11,910)	(22,269)	(1,619,939)
Balance at 30 June 2024	<u>1,708,000</u>	<u>21,178,000</u>	<u>1,075,898</u>	<u>5,585</u>	<u>176,521</u>	<u>24,144,004</u>

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 Accounting 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 2024.

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.

An independent valuation of Tallangatta Health Service's property, plant and equipment was performed by the VGV on 30 June 2024. The valuation, which complies with Australian Accounting Standards, was determined with reference to the amount for which an orderly transaction to sell the asset or transfer the liability would take place between market participants at the measurement date, under current market conditions.

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 2024**

Note 4.2: Right-Of-Use Assets

(a) Gross carrying amount and accumulated depreciation	2024	2023
	\$	\$
Right of Use - Plant, Equipment, and vehicles		
Plant, Equipment, and vehicles	528,705	274,551
Less Accumulated Depreciation	(84,230)	(50,800)
Total Right of Use - Plant, Equipment, and vehicles at Fair Value	444,475	223,751
	<hr/>	<hr/>
	<hr/>	<hr/>
(b) Reconciliations of the carrying amounts of each class of asset	Note	
Right of Use - Plant, Equipment, and vehicles		
Balance at start of the year		
Additions	223,751	76,249
Disposals	276,066	169,077
Depreciation	-	-
Depreciation	4.5	(21,575)
Balance at end of year	4.2 (a)	223,751
		<hr/>
		<hr/>

How we recognise right-of-use assets

Initial recognition

When a contract is entered into, Tallangatta Health Service assesses if the contract contains or is 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 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 presents its right-of-use assets as part of property, plant and equipment as if the asset was owned by the health

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: Intangible Assets

(a) Gross carrying amount and accumulated amortisation

	2024	2023
	\$	\$
Intangible assets - Hume Alliance joint operation	2,371	6,108
Less Accumulated Amortisation	(1,738)	(4,137)
	633	1,971
	<hr/>	<hr/>
	<hr/>	<hr/>

(b) Reconciliation of the carrying amounts of intangible assets

	Note		
Balance at beginning of year		1,971	789
Additions		149	2,391
Disposals		-	-
Amortisation	4.4	(1,487)	(1,209)
Balance at end of year	4.4 (a)	633	1,971
		<hr/>	<hr/>
		<hr/>	<hr/>

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.

**TALLANGATTA HEALTH SERVICE
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024**

Note 4.4: Depreciation and Amortisation

	2024 \$	2023 \$
Depreciation		
Property, Plant and Equipment		
Buildings	1,405,719	1,387,377
Plant and Equipment	156,495	140,751
Motor Vehicles	11,910	17,996
Medical Equipment	22,269	19,456
Land Improvements	23,546	22,153
Total Depreciation - Property, Plant and Equipment	<u>1,619,939</u>	<u>1,587,733</u>
Right-Of-Use-Assets		
Right of use plant, equipment and vehicles	55,342	21,575
Total Depreciation - Right-Of-Use-Assets	<u>55,342</u>	<u>21,575</u>
Total Depreciation	<u><u>1,675,281</u></u>	<u><u>1,609,308</u></u>
Amortisation		
Software	1,487	1,209
Total Amortisation	<u>1,487</u>	<u>1,209</u>
Total Depreciation and Amortisation	<u><u>1,676,768</u></u>	<u><u>1,610,517</u></u>

How we recognise depreciation

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

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

How we recognise amortisation

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

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

	2024	2023
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	5 to 20 years	5 to 20 years
Medical Equipment	5 to 10 years	5 to 10 years
Computers & Communications	3 to 7 years	3 to 7 years
Furniture & Fittings	10 to 20 years	10 to 20 years
Motor Vehicles	7 years	7 years
Leasehold Improvements	20 years	20 years
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.

Note 4.5: 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 2024 (30 June 2023: Nil).

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

Material judgements and estimates

This section contains the following key judgements and estimates:

Material 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 material 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 material 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.

Note 5.1: Receivables

	2024	2023
	\$	\$
Current		
Contractual		
Inter Hospital Debtors	52,136	70,677
Trade Debtors	237,063	161,706
Patient Fees	113,364	27,746
Accrued Revenue	39,434	49,021
Amounts Receivable from Governments and Agencies	-	48,813
Total contractual receivables	441,997	357,963
Statutory		
GST Receivable	36,957	30,294
Total statutory receivables	36,957	30,294
Total current receivables	478,954	388,257
Non-Current		
Contractual		
Long Service Leave - Department of Health	463,321	498,015
Total non-current receivables	463,321	498,015
Total receivables	942,275	886,272
<i>(i) Financial assets classified as receivables (Note 7.1(a))</i>		
Total receivables	942,275	886,272
GST receivable	(36,957)	(30,294)
Total financial assets classified as receivables	905,318	855,978

Note 5.1(a): Movement in the allowance of 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, including debtors that relate to goods and services. These receivables are classified as financial instruments and are 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, including 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 the nominal amounts 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 2024**

Note 5.2: Payables

	2024	2023
	\$	\$
Current Contractual		
Trade Creditors	388,284	451,617
Accrued Salaries and Wages	464,305	370,824
Accrued Expenses	84,890	68,781
Deferred Capital Grant Income	37,386	466,790
Amounts Payable to Governments and Agencies	343,268	797,008
TOTAL PAYABLES	1,318,133	2,155,020

(i) Financial liabilities classified as payables (Note 7.1(a))

Total payables	1,318,133	2,155,020
Deferred Capital Grant Income	(37,386)	(466,790)
Total Financial Liabilities classified as payables	1,280,747	1,688,230

How we recognise payables and contract liabilities

Payables consist of:

- contractual payables, including payables that relate to the purchase of 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, including 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

	2024	2023
	\$	\$
Opening Balance of Deferred Capital Grant Income	466,790	187,079
Grant consideration for capital works received during the year	(259,365)	449,750
Deferred capital grant income recognised as income due to completion of capital works	(170,039)	(170,039)
Closing balance of deferred capital grant income	37,386	466,790

How we recognise deferred capital grant income

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 income 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 income for capital works by the end of the 2024 financial year.

Maturity analysis of payables

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

Note 5.3: Other Liabilities

	2024	2023
	\$	\$
Current monies held in trust		
Refundable Accommodation Deposits	6,660,495	4,739,291
Other Monies	83,742	125,256
Total current monies held in trust	6,744,237	4,864,547
Monies Held in Trust is represented by the following assets:		
Cash Assets	6,744,237	4,864,547
Total	6,744,237	4,864,547

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.

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

Material judgements and estimates

This section contains the following key judgements and estimates:

Material judgements and estimates	Description
Determining if a contract is or contains a lease	The Health Service applies material 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 material 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 2024

Note 6.1: Borrowings

	2024	2023
	\$	\$
Current		
Lease Liability ⁽ⁱ⁾	85,133	84,992
Advances from Government ⁽ⁱⁱ⁾	20,694	20,694
Total Current	<u>105,827</u>	<u>105,686</u>
Non-current		
Lease Liability ⁽ⁱ⁾	360,548	139,117
Advances from Government ⁽ⁱⁱ⁾	19,054	37,281
Total Non-Current	<u>379,602</u>	<u>176,398</u>
TOTAL BORROWINGS	<u><u>485,429</u></u>	<u><u>282,084</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:

	2024	2023
	\$	\$
Not later than one year	89,266	87,038
Later than 1 year but not longer than 5 years	378,091	141,333
Minimum lease payments	467,357	228,371
Less unexpired finance expenses	21,676	4,262
TOTAL	<u>445,681</u>	<u>224,109</u>
Represented by:		
Current liabilities	85,133	84,992
Non-current liabilities	360,548	139,117
TOTAL	<u>445,681</u>	<u>224,109</u>

How we recognise lease liabilities

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

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

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

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

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

**TALLANGATTA HEALTH SERVICE
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024**

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	2024 \$	2023 \$
Cash on Hand (excluding monies held in trust)		200	600
Cash at Bank (excluding monies held in trust)		497,234	503,596
Cash at Bank - CBS (excluding monies held in trust)		813,660	2,592,342
Total cash held for operations		1,311,094	3,096,538
Cash at Bank - CBS (monies held in trust)		6,660,495	4,739,291
Total cash held as monies in trust		6,660,495	4,739,291
Total Cash and Cash Equivalents	7.1 (a)	7,971,589	7,835,829

How we recognise cash and cash equivalents

Cash and cash equivalents recognised on the balance sheet comprise cash on hand and in banks, deposits at call and highly liquid investments (with an original maturity date of three months or less).

Cash and cash equivalents are held for the purpose of meeting short term cash commitments rather than for investment purposes and 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

	2024 \$	2023 \$
Capital Expenditure Commitments	-	810,671

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 material 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

	2024 \$	2023 \$
Acquisition of motor vehicles by means of Leases	276,066	169,077

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

Material judgements and estimates

This section contains the following material judgements and estimates:

Material judgements and estimates	Description
Measuring fair value of non-financial assets	<p>Fair value is measured with reference to highest and best use, that is, the use of the asset by a market participant that is physically possible, legally permissible, financially feasible, and which results in the highest value, or to sell it to another market participant that would use the same asset in its highest and best use.</p> <p>In determining the highest and best use, Tallangatta Health Service has assumed the current use is its highest and best use. Accordingly, characteristics of the health service's assets are considered, including condition, location and any restrictions on the use and disposal of such assets.</p> <p>Tallangatta Health Service uses a range of valuation techniques to estimate fair value, which include the following:</p> <ul style="list-style-type: none"> ▪ Market approach, which uses prices and other relevant information generated by market transactions involving identical or comparable assets and liabilities. The fair value of Tallangatta Health Service's [specialised land, non-specialised land, non-specialised buildings and investment properties] 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 material 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	
		2024	2023	2024	2023	2024	2023
		\$	\$	\$	\$	\$	\$
Contractual Financial Assets							
Cash and Cash Equivalents	6.2	7,971,589	7,835,829	-	-	7,971,589	7,835,829
Receivables and contract assets	5.1	905,318	855,978	-	-	905,318	855,978
Total Financial Assets¹		8,876,907	8,691,807	-	-	8,876,907	8,691,807
Financial Liabilities							
Payables	5.2	-	-	1,280,747	1,688,230	1,280,747	1,688,230
Borrowings	6.1	-	-	485,429	282,084	485,429	282,084
Other Liabilities	5.3	-	-	6,744,237	4,864,547	6,744,237	4,864,547
Total Financial Liabilities¹		-	-	8,510,413	6,834,861	8,510,413	6,834,861

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 2024**

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 material 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.

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

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

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

(a) Credit risk

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

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

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

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

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

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

There has been no material change to Tallangatta Health Service's credit risk profile in 2023-24.

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, the 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
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		-	-	-	-	-	-
2024							
Expected loss rate		0%	0%	0%	0%	0%	
Gross carrying amount of contractual receivables	5.1	852,565	26,397	23,377	2,979	-	905,318
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, considering 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 2024**

(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 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
		\$	\$	\$	\$	\$	\$	\$
2024								
<i>At amortised cost</i>								
Payables	5.2	1,280,747	1,280,747	1,276,248	2,399	2,100	-	-
Borrowings	6.1	485,429	485,429	3,752	7,504	94,571	379,602	-
Other Financial Liabilities								
- Refundable Accommodation Dep	5.3	6,660,495	6,660,495	-	6,660,495	-	-	-
Total Financial Liabilities		8,426,671	8,426,671	1,280,000	6,670,398	96,671	379,602	-
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	-

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 material to the fair value measurement is directly or indirectly observable; and
- Level 3 – valuation techniques for which the lowest level input that is material 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 material 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 material 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 2024**

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

	Note	Carrying amount at 30	Fair value measurement at end of reporting period using:		
		June 2024	Level 1 ⁽ⁱ⁾	Level 2 ⁽ⁱ⁾	Level 3 ⁽ⁱ⁾
Non-specialised land		150,000	-	150,000	-
Specialised land		1,558,000	-	-	1,558,000
Total of land at fair value	4.1 (a)	1,708,000	-	150,000	1,558,000
Non-specialised buildings		248,000	-	248,000	-
Specialised buildings		20,930,000	-	-	20,930,000
Total of buildings at fair value	4.1 (a)	21,178,000	-	248,000	20,930,000
Plant and equipment	4.1 (a)	1,075,898	-	-	1,075,898
Motor Vehicles	4.1 (a)	5,585	-	-	5,585
Medical equipment	4.1 (a)	176,521	-	-	176,521
Total plant, equipment and vehicles at fair value		1,258,004	-	-	1,258,004
Right-of-use plant, equipment and vehicles	4.2 (a)	444,475	-	-	444,475
Total Non-Financial Physical Assets at Fair Value		24,588,479	-	398,000	24,190,479

	Note	Carrying amount at 30	Fair value measurement at end of reporting period using:		
		June 2023	Level 1 ⁽ⁱ⁾	Level 2 ⁽ⁱ⁾	Level 3 ⁽ⁱ⁾
Non-specialised land		159,000	-	159,000	-
Specialised land		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

⁽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 considers 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 consider 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 considered 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 2024.

**TALLANGATTA HEALTH SERVICE
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024**

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 reflects 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 considers the use of the asset that is physically possible, legally permissible and financially feasible. As adjustments of CSO are considered as significant unobservable inputs, specialised land would be classified as Level 3 assets.

For Tallangatta Health Service, the 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 2024.

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 2024.

Reconciliation of Level 3 fair value measurement

	Note	Land	Buildings	Plant, Equipment and Vehicles	Right-of-use Plant, Equipment and Vehicles
Balance at 1 July 2022		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
Additions/Disposals		60,789	427,333	641,844	276,066
Gains or losses recognised in net result					
- Depreciation and amortisation		(23,546)	(1,509,719)	(190,674)	(55,342)
Subtotal		1,219,971	5,790,960	1,258,004	444,475
Items recognised in other comprehensive income					
- Revaluation		338,029	15,139,040	-	-
Balance at 30 June 2024	4.1(b), 4.2(b)	1,558,000	20,930,000	1,258,004	444,475

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 2024**

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	2024	2023
	\$	\$
Net Result for the Year	(1,506,167)	(1,187,341)
Non-Cash Movements		
Net (Gain)/Loss on Disposal of Non-Financial Assets	(30,382)	(19,763)
Depreciation and Amortisation of Non-Current Assets	1,676,768	1,610,517
(Gain)/Loss on Revaluation of Long Service Leave Liability	(47,263)	37,203
Movements in Assets and Liabilities:		
(Increase)/Decrease in Receivables and Contract Assets	(56,003)	(126,706)
(Increase)/Decrease in Prepayments	(10,401)	(7,660)
Increase/(Decrease) in Payables and Contract Liabilities	(836,887)	796,588
Increase/(Decrease) in Employee Benefits	238,858	267,268
NET CASH INFLOW FROM OPERATING ACTIVITIES	<u>(571,477)</u>	<u>1,370,106</u>

**TALLANGATTA HEALTH SERVICE
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024**

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 2024 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 2023 Victorian election commenced at 6pm on Tuesday the 1st of November and new ministers were sworn in on the 5th of December.

Responsible Minister	Period	
	From	To
The Honourable Mary-Anne Thomas MP:		
Minister for Health	1/07/2023	30/06/2024
Minister for Health Infrastructure	1/07/2023	30/06/2024
Former Minister for Medical Research	1/07/2023	2/10/2023
Minister for Ambulance Services	2/10/2023	30/06/2024
The Honourable Gabrielle Williams MP:		
Former Minister for Mental Health	1/07/2023	2/10/2023
Former Minister for Ambulance Services	1/07/2023	2/10/2023
The Honourable Ingrid Stitt MP:		
Minister for Mental Health	2/10/2023	30/06/2024
Minister for Ageing	2/10/2023	30/06/2024
The Honourable Lizzy Blandthorn MP:		
Former Minister for Disability, Ageing and Carers	1/07/2023	2/10/2023
Minister for Children	2/10/2023	30/06/2024
Minister for Disability	2/10/2023	30/06/2024
Governing Boards		
M. McDade (Chair)	1/07/2023	30/06/2024
K. Lees	1/07/2023	30/06/2024
B. Nolan-Cook	1/07/2023	30/06/2024
M. Buultjens	1/07/2023	30/06/2024
R. Fry	1/07/2023	30/06/2024
A. Beath	1/07/2023	30/06/2024
S. Petzke	1/07/2023	30/06/2024
S. Hams	1/07/2023	30/06/2024
Accountable Officer		
V. Pitcher (Chief Executive Officer)	1/07/2023	30/06/2024

Remuneration of Responsible Persons

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

	2024 No.	2023 No.
\$0 - \$9,999	8	9
\$170,000 - \$179,999	1	1
Total numbers	9	10
Total Remuneration received or due and receivable by Responsible Persons from the reporting entity amounted to:	\$ 212,223	\$ 213,936

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 2024**

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 2024 \$	Total Remuneration 2023 \$
Short-term benefits	451,301	492,855
Post-employment benefits	40,310	43,984
Other long-term benefits	7,378	9,976
Total Remuneration (i)	498,989	546,815
Total number of Executives	3	4
Total Annualised Employee Equivalent (ii)	3.00	3.06

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	M. McDade	Chair of the Board
Tallangatta Health Service	K. Lees	Board Member
Tallangatta Health Service	B. Nolan-Cook	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	J. Sheridan	Director of Clinical Operations and Nursing
Tallangatta Health Service	A. Walker	Director of Quality, Safety and Consumer Experience (Resigned in Jan 2024)

**TALLANGATTA HEALTH SERVICE
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024**

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.

	2024	2023
	\$	\$
Compensation - KMP's		
Short term employee benefits	638,912	683,240
Post-employment benefits	60,947	63,685
Other long-term benefits	11,353	13,826
Total (i)	711,212	760,751

(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 \$7.418 million (2023: \$8.618 million) and indirect contributions of \$79,549 (2023: \$76,210). Balances outstanding relating to Long Service Leave funded by the DH \$463,321 (2023: \$498,105).

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 2024 (2023: 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 2024 (2023: none).

Note 8.5: Remuneration of Auditors

	2024	2023
	\$	\$
Victorian Auditor-General's Office		
Audit of the financial statements	24,760	24,080

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 2024**

Note 8.7: Jointly Controlled Operations

Interest in Jointly Controlled Operations Hume Rural Health Alliance (HRHA)	Principal Activity Information Technology	Ownership Interest	
		2024 %	2023 %
		4.34%	4.04%

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:

	2024 \$	2023 \$
Current Assets		
Cash and Cash Equivalents	497,234	503,596
Receivables	101,433	57,497
Prepayments	13,332	12,580
Total Current Assets	611,999	573,673
Non-Current Assets		
Property, Plant and Equipment	23,384	17,875
Intangible Assets	633	1,971
Total Non-Current Assets	24,017	19,846
Total Assets	636,016	593,519
Current Liabilities		
Payables	262,777	214,985
Borrowings	2,501	2,409
Other Liabilities	83,742	125,256
Total Current Liabilities	349,020	342,650
Non-Current Liabilities		
Borrowings	9,491	10,762
Total Non-Current Liabilities	9,491	10,762
Total Liabilities	358,511	353,412
Net Assets	277,505	240,107
Equity		
Accumulated Surpluses/(Deficits)	277,505	240,107
Total Equity	277,505	240,107

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	298,828	276,691
Non-Operating Activities	56,082	13,380
Total Revenue and Income from Transactions	354,910	290,071
Expenses from Transactions		
Operating Expenses	344,092	298,626
Total Expenses from Transactions	344,092	298,626
Net Result from Transactions	10,818	(8,555)
Other Economic Flows included in the Net Result		
Net Gain/(Loss) on Sale of Non-Financial Assets	-	-
Revaluation of Long Service Leave	-	-
Total Other Economic Flows included in the Net Result	-	-
Comprehensive Result for the Year	10,818	(8,555)

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 a public health service governed and managed in accordance with the Health Services Act 1988 and its results form part of the Victorian General Government consolidated financial position. THS provides essential services and is predominately dependent on the continued financial support of the State Government, particularly the Department of Health, and the Commonwealth funding via the National Health Reform Agreement (NHRA). The State of Victoria plans to continue Health Service operations and on that basis, the financial statements have been prepared on a going concern basis.

