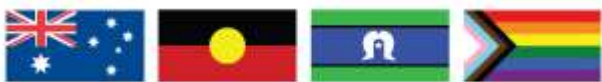


Northeast Health Wangaratta

ANNUAL REPORT

2022-2023





Northeast Health Wangaratta acknowledges the Traditional Custodians of the land on which we work and pays respect to their Elders past, present and emerging.

We respect and celebrate all forms of diversity. We welcome and value people from all walks of life to access our services and join our team.

Cover image

NHW Allied Health professions work across emergency, acute and community settings.

Contents

| | |
|---|-----------|
| Part One: Report of Operations | 1 |
| Report from the Board Chair and Chief Executive Officer | 1 |
| Our Strategic Plan | 3 |
| Nature and range of services provided | 3 |
| Disclosure Index | 4 |
| Responsible Bodies Declaration | 6 |
| Staff | 9 |
| Organisational Structure | 10 |
| Board of Directors | 12 |
| Audit committee | 13 |
| Life Governors | 13 |
| Executive Directors | 14 |
| Statements of compliance | 16 |
| Statement of Priorities | 25 |
| Strategic Priorities 2022-2023 | 25 |
| Statement of Priorities | 30 |
| Part B: Performance Priorities 2022-2023 | 30 |
| Statement of Priorities | 33 |
| Part C: Activity and Funding 2022-2023 | 33 |
| Financial Results | 34 |
| Part Two: Financial Statements | 35 |



Report from the Board Chair and Chief Executive Officer



Alison Maclean
Board Chair elected 27/07/2022



Libby Fifis
Chief Executive Officer

In accordance with the *Financial Management Act 1994*, we are pleased to present the Northeast Health Wangaratta (NHW) Annual Report for the year ended 30 June 2023.

2022-2023 was an exciting time for our health service as we celebrated the 150th year of operation on our Green Street site. Other highlights included the completion of our major redevelopment project, implementation of new models of care and transition of COVID-19 responses back into general services in line with practice across the state.

The highly respected and warmly regarded former Chief Executive Officer of NHW, Margaret Bennett OAM was awarded Life Governorship by the NHW Board of Directors at the 2022 Annual General Meeting.

150th celebrations

The foundation stone for NHW was laid on 25 of January 1871 and the hospital opened on the 5 of January 1872. At the time of opening the hospital accommodated 10 patients within the two-room building. The service transformed over the subsequent decades and enjoyed strong support from the local community and volunteers to evolve to the current day hospital and residential aged care facility, employing more than 1,600 staff and servicing a catchment of more than 90,000 residents.

COVID-19 impacted the scheduling of our celebrations, but on the third attempt we were able to host a community celebration to reflect on our history and our journey to the present day. The theme of our celebration was “*Building on healthy foundations*”. Federal Member for Indi Dr Helen Haines MP was welcomed as our guest speaker and alumni of NHW, and guests enjoyed a collection of historical artefacts, photographs and interactive displays.

Major Redevelopment

The completion of our \$22.9 million redevelopment was a highlight for the whole community, delivering a new 12-bed Intensive Care Unit, redeveloped Emergency Department, eight-bed Short Stay Unit, new Paediatric Ward, new Medical Wing, upgraded Maternity Ward and new birthing suite, along with a new Ambulance Victoria write-up room and new utility, storage and write-up spaces for staff.

Minister for Health, Hon. Mary-Anne Thomas visited our hospital on 16 March 2023 to mark the completion of this project, after five years and exceptional commitment from our staff and contractors. We commend the patience and cooperation of our workforce and the community as we continued as a functional hospital during these substantial works.

Works commenced on the redevelopment of our Central Sterile Services Department (CSSD) and other minor works continue to restore areas that were impacted by construction works.

COVID-19 Planning and Response

NHW continued to play a significant role in supporting the community with the Screening Clinic operating out of Vincent Road until it closed in December 2022. In alignment with the state response, our COVID-19 response measures are being integrated into our general models of care with the benefit of negative-pressure treatment rooms to assist our management of patients with infectious diseases delivered as part of our redevelopment.

Our health service managed regular inpatients with COVID-19 and other respiratory disease, adjusting protective measures for staff and visitors in response to community transmission rates. Our service collaborations between our Infection Prevention and Control team, Infectious Diseases Consultant and Health Service Response Team

continue to respond promptly to COVID-19 and other infectious disease outbreaks.

Improving care

A number of programs support people to receive services in the community and at home. Hospital in the Home (HITH) continues to be a very active program and has expanded to incorporate additional care streams, including people with heart failure under our Hearts@Home program. The Stay Well Stay Home Collaborative supports people to stay well in the community and reduce their likelihood of requiring hospital readmission.

The geriatric evaluation and management service (GEM) provides specialist assessment and management services to older people with complex medical needs. NHW implemented a GEM@Home model of care that provides an alternative to inpatient care, supporting our commitment to holistic care that is delivered to patients in the comfort of their home environment.

Despite the impact of COVID-19 on the delivery of planned surgery, NHW is pleased to have exceeded our targets for planned surgery for the financial year.

NHW is an active member of the Hume Health Service Partnership which has worked collaboratively to support and strengthen relationships between the region's health services to share, develop and expand models of care.

Diversity and Inclusion

NHW was pleased to make progress in a number of areas of Aboriginal Cultural Safety. Staffing was increased to provide a role that is focused on providing support to patients and their families, and another focused on cultural safety at NHW. NHW runs regular face-to-face cultural safety training sessions and actively explores new ways to be more safe and welcoming for Aboriginal and Torres Strait Islander people. NHW introduced cultural baby packs to support ongoing connection to culture and engages with community and other services to strengthen our approach to care and improve outcomes.

The Diversity and Inclusion team continue to explore ways to improve access to employment for people with disability and to create a supportive and inclusive workplace culture that celebrates the diversity of our workforce.

As always, we thank all members of the NHW organisation for their outstanding efforts and contribution. NHW is proud of its team and our service to the community.



Libby Fifis
Chief Executive Officer



Alison Maclean
Board Chair

Our Strategic Plan

Our Vision

Thriving communities in North East Victoria, achieving the best quality of life for everyone.

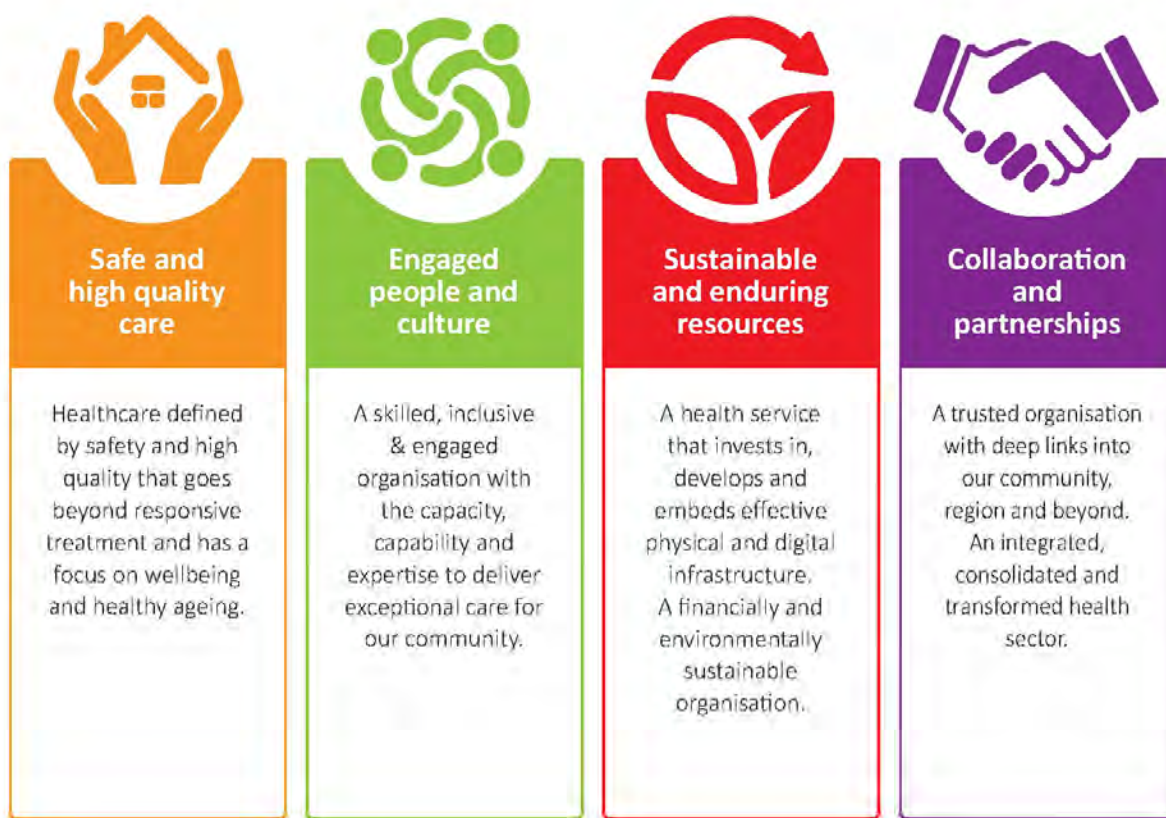
Our Purpose

To be leaders in health, who transform and deliver high quality, safe healthcare for all.

Our Roles

Healthcare provider | Employer | Educator
Innovator | Advocate | Partner & Leader

Our Pillars and Priorities



Nature and range of services provided

NHW is the specialist referral hospital for the Central Hume region of north east Victoria. Our organisation meets the healthcare needs of 29,000+ people in the Rural City of Wangaratta, our primary catchment, with an additional 62,000+ people in our secondary catchment – a total of approximately 91,000 people. Acute inpatient and community services are located in Green Street, Wangaratta, and our Residential Aged Care Facility, Illoura, is located off site in College Street, Wangaratta.

Clinical services provided on the Green Street campus include accident and emergency, critical and intensive care, general surgery, orthopaedics, urology, obstetrics, gynaecology, paediatrics, general medicine, oncology, renal dialysis, rehabilitation, dental, medical imaging, community nursing, allied health and outpatient services. Our staff also provide a range of preventative health programs. The 72-bed facility at Illoura Residential Aged Care provides 66 high-care residential aged care and 6 transition care beds.

Disclosure Index

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

| Legislation | Requirement | Page Reference |
|---------------------------------|---|----------------|
| Ministerial Directions | | |
| Report of Operations | | |
| Charter and purpose | | |
| FRD 22 | Manner of establishment and the relevant Ministers | 17 |
| FRD 22 | Purpose, functions, powers and duties | 3 |
| FRD 22 | Nature and range of services provided | 3 |
| FRD 22 | Activities, programs and achievements for the reporting period | 1 |
| FRD 22 | Significant changes in key initiatives and expectations for the future | 1 |
| Management and structure | | |
| FRD 22 | Organisational structure | 10 |
| FRD 22 | Workforce data/employment and conduct principles | 9 |
| FRD 22 | Occupational Health and Safety | 18 |
| Financial information | | |
| FRD 22 | Summary of the financial results for the year | 34 |
| FRD 22 | Significant changes in financial position during the year | 34 |
| FRD 22 | Operational and budgetary objectives and performance against objectives | 32 |
| FRD 22 | Subsequent events | 119 |
| FRD 22 | Details of consultancies under \$10,000 | 19 |
| FRD 22 | Details of consultancies over \$10,000 | 19 |
| FRD 22 | Disclosure of ICT expenditure | 19 |
| FRD 22 | Application and operation of <i>Freedom of Information Act 1982</i> | 17 |
| FRD 22 | Compliance with building and maintenance provisions of <i>Building Act 1993</i> | 17 |
| FRD 22 | Application and operation of <i>Public Interest Disclosure Act 2012</i> | 17 |
| FRD 22 | Statement on National Competition Policy | 18 |
| FRD 22 | Application and operation of <i>Carers Recognition Act 2012</i> | 18 |
| FRD 22 | Additional information available on request | 25 |
| FRD 24 | Environmental data reporting | 19 |
| FRD 25 | <i>Local Jobs First Act 2003</i> disclosures | 24 |
| SD 5.1.4 | Financial Management Compliance attestation | 6 |
| SD 5.2.3 | Declaration in report of operations | 6 |

| Requirement | Page Reference |
|---|---------------------------|
| Attestations | |
| Attestation on Data Integrity | 6 |
| Attestation on managing Conflicts of Interest | 6 |
| Attestation on Integrity, Fraud and Corruption | 7 |
| Compliance with HealthShare Victoria (HSV) Purchasing Policies | 7 |
| Other reporting requirements | |
| Reporting of outcomes from Statement of Priorities 2022-2023 | 26 |
| <ul style="list-style-type: none"> • Occupational Violence reporting | 18 |
| <ul style="list-style-type: none"> • <i>Gender Equality Act 2020</i> | 24 |
| <ul style="list-style-type: none"> • Reporting obligations under the <i>Safe Patient Care Act 2015</i> | 24 |

Responsible Bodies Declaration

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



Alison Maclean
Board Chair
Northeast Health Wangaratta

31 October 2023

Northeast Health Wangaratta Financial Management Compliance Attestation

I, Alison Maclean, on behalf of the Responsible Body, certify that Northeast Health Wangaratta has no Material Compliance Deficiency with respect to the applicable Standing Directions under the *Financial Management Act 1994* and instructions.



Alison Maclean
Board Chair
Northeast Health Wangaratta

31 October 2023

Data Integrity Declaration

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



Libby Fifis
Chief Executive Officer
Northeast Health Wangaratta

31 October 2023

Conflict of Interest Declaration

I, Libby Fifis, certify that Northeast Health Wangaratta has put in place appropriate internal controls and processes to ensure that it has complied with the requirements of hospital circular 07/2017 Compliance reporting in health portfolio entities (Revised) and has implemented a 'Conflict of Interest' policy consistent with the minimum accountabilities required by the VPSC. Declaration of private interest forms have been completed by all executive staff within Northeast Health Wangaratta 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.



Libby Fifis
Chief Executive Officer
Northeast Health Wangaratta

31 October 2023

Integrity, Fraud and Corruption Declaration

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



Libby Fifis
Chief Executive Officer
Northeast Health Wangaratta

31 October 2023

Compliance with Health Share Victoria (HSV) Purchasing Policies

I, Libby Fifis, certify that Northeast Health Wangaratta 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, except for the following material non-compliance issues:

- The Audit of NHW's compliance with the 2017 Health Share Victoria Purchasing Policies 1-5 identified partial compliance with policy 4 and non-compliance with policies 1-3 and policy 5. Systems and framework development is progressing to address gaps and deficiencies and improve compliance.



Libby Fifis
Chief Executive Officer
Northeast Health Wangaratta

31 October 2023



Staff

| Labour Category | June current month FTE | | Average monthly FTE | |
|---------------------------|---------------------------|-----------------|------------------------|-----------------|
| | 2022 | 2023 | 2022 | 2023 |
| Nursing | 485.76 | 476.53 | 487.76 | 474.36 |
| Administration/Clerical | 156.29 | 160.62 | 150.87 | 153.61 |
| Medical Support | 80.61 | 84.06 | 80.65 | 81.56 |
| Hotel/Allied | 124.99 | 138.70 | 123.73 | 130.37 |
| Medical | 2.12 | 2.36 | 0.69 | 2.19 |
| Hospital Medical Officers | 66.06 | 74.49 | 63.71 | 68.51 |
| Sessional Clinical | 10.28 | 14.25 | 9.43 | 11.50 |
| Allied Health | 74.84 | 81.34 | 76.09 | 79.27 |
| Grand Total | 1,000.95 | 1,032.35 | 992.93 | 1,001.37 |

Public Sector Values and Employment Principles have been incorporated into Northeast Health Wangaratta's induction and leadership programs. Recruitment and selection training programs promote decisions based on merit and equity. Employees are classified in workforce data collections. Northeast Health Wangaratta is an Equal Opportunity Employer.

Organisational Structure

Board of Directors

Chief Executive Officer

Board Governance
CEO Administration
Marketing & Media
Partnerships

Executive Director Medical Services (DMS)

Dental Service
Medical Education
Medical Staff
 Clinical Directors
 Hospital Medical Officers
 Interns
 Junior Medical Officers
Medical Imaging & Nuclear Medicine
Medical Locums
Medico-Legal (shared with EDQSPE)
Medical Workforce Unit
 Administration
 Heads of Department
Pathology
Pharmacy
Sub-regional Clinical Governance
Visiting Medical Officers

Executive Director Clinical Operations Chief Nursing & Midwifery Officer (CNMO)

Acute Care Coordination
Acute Pain Service
Allied Health Services
 Acute Allied Health
 Allied Health Assistants
 Community Rehabilitation
 Diabetes Education
 Dietetics
 Exercise Physiology
 Inpatient Rehabilitation AH
 Occupational Therapy
 Physiotherapy
 Speech Pathology
 Social Work
 Stomal Therapy
Cancer & Wellness
 Breast & Gynaecological Care Service
 Oncology Unit
 Specialist Cancer Clinics
Community Nursing
 Community Palliative Care
 District Nursing Service (DNS)
 GEM in the Home (GITH)
 Home Care Packages
 Hospital in the Home (HITH)
 Palliative Care
Community Health & Specialist Clinics
 Community Health
 Community Service Intake
 Health Promotion
 Specialist Outpatient Clinics
COVID Response
 Concierge
Health Independence Programs & TCP
 Complex Care Service
 Post Acute Care (PAC)
 Residential In-Reach Service (RIR)
 Subacute Ambulatory Care Service
 Transition Care Program (TCP)
Infection Prevention & Control
 NHW Infection Control
 Regional Infection Control
 Staff Health Clinic
Illoura Residential Aged Care
Maternity Services
Nursing Administration
Pastoral & Spiritual Care
Patient Transport
Peri Operative Services
Regional Infection Control
Wards & Units
 Admission & Day Stay Unit
 Emergency Department
 Dialysis Unit
 Intensive Care Unit
 Medical Ward
 Paediatric Ward
 Surgical Ward
 Thomas Hogan Rehabilitation Centre
Wound Care

Executive Director People & Corporate Operations (CPO)

Accommodation
 Capital Programs
 Communications & Clerical Support
 Emergency Department Reception
 Private Patient Liaison
 Relieving Clerical Team
 Switchboard
 Corporate Risk Management
 Education & Research
 Health Sciences Library
 Research Governance
 Staff Training Programs
 Student & Traineeship Programs
 Tertiary Education Liaison
 Facilities & Maintenance
 People & Culture
 Diversity & Inclusion including
 Aboriginal Health & Disability Support
 Human Resources
 OH&S - Injury Management
 Payroll
 Recruitment
 Staff Wellbeing
 Procurement & Contracts
 Redevelopment
 Support Services
 Environmental Services
 Food Services
 Security Services
 Supply Department
 Sub-regional Corporate Services
 Volunteer & Philanthropic Services

Executive Director Finance & Performance/CFO

Biomedical Engineering
 Chief Information Officer
 Health Information Services &
 Business Intelligence
 Hume Rural Health Alliance
 Information Communication &
 Technology
 Sub-regional Health Information
 Services
 Telehealth
 Director of Finance
 Finance Department

Executive Director Quality, Safety & Patient Experience

Accreditation Programs
 Clinical Audit
 Consumer Experience & Engagement
 Freedom of Information
 Innovation & Improvement
 Medico-Legal (shared with DMS)
 Policy & Guideline Administration
 Risk Management

Board of Directors



Alison Maclean
Board Chair

Currently a Director of 3whitehorses, Alison's career experience has been largely in the government and community sectors. Alison is a highly effective strategist and change agent. Alison brings to the Board skills in corporate governance, partnerships, risk and audit.

Alison is Chair of the Board of Directors and the Remuneration Committee.



Matthew Joyce
Deputy Board Chair
MBA

Matthew is the Managing Director of WCL Management Services, a transport and technology consultancy organisation focusing on major events and project management.

Matthew is Deputy Chair of the Board of Directors, Chair of the Audit & Risk Committee, Chair of the Maternity Refresh & Critical Infrastructure Fund Project Control Group, Deputy Chair of the Remuneration Committee and was Deputy Chair of the Redevelopment Project Control Group.



Martin Hession
Board Director

BSc, former Assoc Mbr of the Inst of Actuaries of London & the Inst of Actuaries of Aust.

Martin has held many senior management and committee portfolios in commercial and land development and real estate since 1977. He has worked with Governments, local authorities, business partners and investors.

Martin was Chair of the Redevelopment Project Control Group and is Deputy Chair of the Finance Committee.



Cheryl Clutterbuck
Board Director

RN, RM, Dip Bus, Adv Dip Bus

Cheryl has held many nursing and nurse management roles extending over a 30 year career. She has been on several Boards and currently holds executive positions in Rotary and CFA. She is also a volunteer in Carevan Albury, Dederang Mount Beauty Football/Netball Club and Red Cross.

Cheryl is Chair of the Clinical Governance Committee and is Deputy Chair of the Consumer Advisory Committee.



Ann Wearne
Board Director
 Adv Mgmt

Ann is a former CEO of Ovens & King Community Health Service and previously held various Director roles in the Department of Health and Human Services. Ann's focus is on clinical, corporate, consumer engagement and financial governance.

Ann is Chair of the Community Advisory Committee and was Chair of the Credentialing and Scope of Practice Committee.



Matthew Sammon
Board Director
 BA Eng (Civil), BA Business (Management)

Matthew is Managing Director of North East Survey Design, an engineering, surveying, town planning and development consulting organisation based in Wangaratta. Matthew has over 25 years' Project Engineering, Contract and Project Management experience and is actively involved in various local and community sporting clubs.

Matthew is Chair of the People & Culture Governance Committee and Deputy Chair of the Maternity Refresh & Critical Infrastructure Fund Project Control Group.



Leo Fogarty*
Board Director
 MBBS FRANZCOG

Leo held a clinical appointment as an obstetrician/gynaecologist at NHW for 35 years, as well as appointments at several smaller regional hospitals, and ran a private medical practice.

He also helped establish maternity governance and clinical audit committees in several local regional health services, and in 2011 was appointed the inaugural Director of Obstetrics for Central Hume.

Leo has a particular interest in evidence-based medicine and clinical review and audit.

**Leave of absence from 1 October 2022 to 30 June 2023*



Ruth Kneebone
Board Director
 BCOM, MBA, former CA

Ruth has a corporate background with many years' experience in Local Government, including responsibility for finance, governance and risk, people and culture, information services, customer services, media and communications. Ruth is currently the chair of the 'Into Our Hands Community Foundation' Board and is involved in various community and sporting clubs.

Ruth is Chair of the Finance Committee and Deputy Chair of the Audit & Risk Committee.



Robynne Cooke

Board Director

RN, BA Nursing, Grad Dip Commerce, Grad Dip Gerontology, Masters Health Services Management, GAICD

Robynne has been a board member on both medical research and foundation boards as a Graduate of the Australian Institute of Company Directors. Robynne's passion is to improve the patient experience across health services.



Sarah Notarianni

Board Director

LLB, BA

Sarah is an experienced personal injuries lawyer who grew up in Wangaratta and has returned to work in the community. She is currently the Regional Office Leader at Maurice Blackburn Lawyers.

** Resigned 7 February 2023*

Audit committee

Northeast Health Wangaratta's Audit & Risk Committee consists of:

Matthew Joyce (Chair)
Ruth Kneebone (Deputy Chair)
Martin Hession
Alison Maclean
Matthew Sammon

Life Governors

| | |
|----------------|-----------|
| P Fiddes | S Leidl |
| S J Oxley | E Dinning |
| C E Cunningham | L Fogarty |
| M Bennett OAM | |

Executive Directors



Chief Executive Officer
Libby Fifis

The Chief Executive Officer is responsible to the Board for the efficient and effective management of Northeast Health Wangaratta. Prime responsibilities include the development and implementation of operational and strategic directives, stakeholder engagement, media and communications, effective governance, culture, wellbeing, maximising access and service efficiency, ensuring quality and safety and minimising and managing risk.



Executive Director People and Corporate Operations/ Chief Procurement Officer
Kim Bennetts 25 July 2022 - 30 June 2023

The Executive Director People and Corporate Operations is responsible for the functions of People and Culture, Education and Research, Volunteers and Philanthropy and Procurement and the effective delivery of corporate and operational support services.

The Chief Procurement Officer (CPO) has visibility and oversight of the non-salary spend profile of the health service. This includes, but is not limited to, consumable supplies including prostheses and pharmaceuticals, capital equipment, information technology supplies and services, engineering, facilities management and support services, and professional and clinical services.

Robyn Gillis Executive Director Corporate Operations / Chief Operating Officer 1 July 2022 - 7 July 2022



Executive Director Clinical Operations/ Chief Nursing and Midwifery Officer
Bernadette Hammond

The Executive Director Clinical Operations/Chief Nursing and Midwifery Officer is responsible for the management of day-to-day operations and has professional responsibility for nursing, midwifery, allied health streams and aged care services across the organisation including Illoura Residential Aged Care Facility.

Other major areas of responsibility include clinical leadership and standards of practice, nursing credentialing and resource management, service and strategic planning and clinical risk management and quality improvements.



Acting Executive Director Medical Services
Dr Gavin Coppinger 15 May 2023 - 30 June 2023

The Executive Director Medical Services is responsible for the recruitment, credentialing and management of Visiting Medical Officers, Staff Specialists and Hospital Medical Officers across all clinical services. The role works with other members of the Executive team to provide clinical governance, strategic planning and resource management for the health service.

Dr Susanty Tay Executive Director Medical Services 1 July 2022 - 15 March 2023



**Executive Director Finance and Performance/
Chief Financial Officer**
Andrew Nitschke 23 January 2023 - 30 June 2023

The Executive Director Finance and Performance is responsible for shaping and delivery of NHW's Finance and Performance strategy. The role provides leadership across financial management, financial systems procedures and controls to deliver financial sustainability and leadership to information technology, Health Information and Biomedical teams.



**Executive Director Quality, Safety and Patient
Experience**
Scott Swanwick 23 January 2023 - 16 June 2023

The Executive Director Quality, Safety and Patient Experience has executive accountability for the organisation's Quality, Safety, Risk and Patient Experience systems. The key function of the role is to strengthen systems, promote healthcare reliability, improve clinical outcomes, enhance value, and minimise patient harm.

The position is responsible for the maintenance of accreditation status and the development and embedding of systems, frameworks, programs and processes that ensure compliance with standards and legislation.

Statements of compliance

Minister for Health in the State of Victoria

Northeast Health Wangaratta was established under the *Health Services Act 1998*. The responsible Minister is the Minister for Health:

The Hon Mary-Anne Thomas MP
Minister for Health
Minister for Ambulance Services

Freedom of Information Act 1982

NHW holds numerous types of documents in order to conduct its business. These documents include, but are not limited to, patient medical records, policies and guidelines, financial records, staff records, training videos, meeting minutes, contracts etc.

As an Agency under the *Freedom of Information (FOI) Act 1982*, requests to access information from NHW may be made by contacting the NHW Freedom of Information Administrator Officer at foi@nhw.org.au or on (03) 5722 5776. Further information on health information may be found in the NHW brochure, "What Happens to Information About me?" found at <https://www.northeasthealth.org.au/patients-visitors/>

A written application or FOI Consent form may then be submitted for consideration by the FOI Administration Officer. If the request is a valid request and the document is not an exempt document under the Act, the request will be processed. An application fee and access charges will be applied (as determined by the FOI Act). The charges for the current year are available from the FOI Administration Officer.

Exempt documents include, but are not limited to, documents containing personal information about other people, internal working papers and documents provided to NHW in confidence.

Total requests processed in 2022-2023225

Requests denied3

Building Act 1993

NHW complies with the provisions of the *Building Act 1993* and the National Construction Code in accordance with the Department of Health Capital Development Guidelines (*Assistant Treasurer Guideline Building Act 1993/Standards for Publicly Owned Buildings 1994/Building Regulations 2005 and Building Code of Australia 2004*).

NHW complies with the Department of Health Fire Risk Management Guidelines by having a five-yearly fire audit conducted on all acute and sub-acute buildings including Illoura (off-site Aged Care Facility) by an independent Fire Safety Engineer. The recommendations are acted upon as illustrated in our Annual Fire Safety Reports sent to the Department of Health in September each year for the Hospital and Illoura campuses.

Public Interest Disclosure

NHW does not tolerate improper conduct, nor the taking of reprisals against those who come forward to disclose this conduct. NHW takes any allegations of misconduct seriously and actively encourages staff to promptly raise complaints and concerns through the appropriate pathways and via the Independent Broad-based Anti-Corruption Commission (IBAC) in accordance with the Independent Broad-based *Anti-Corruption Commission Act 2011*.

NHW has in place a Public Interest Disclosure policy which provides staff with the procedures for disclosures in accordance with the *Public Interest Disclosure Act 2012* by way of handling and notifying any disclosures.

NHW received 1 notification during the 2022-2023 financial year.

To make a disclosure direct to IBAC please visit their website at www.ibac.vic.gov.au

National Competition Policy

NHW applies competitive neutral costing and pricing arrangements to significant business units within its operations. These arrangements are in line with the Government policy and the model principles applicable to the health sector in line with the *Competitive Neutrality Policy Victoria*.

Carers Recognition Act 2012

NHW has appropriate procedures in place to comply with the *Carers Recognition Act 2012* through the provision of ensuring that all staff and volunteers respect and recognise carers, support them as individuals, recognise their commitment and dedication to the people in their care, respect their views and cultural identity and support their social wellbeing.

Occupational Health and Safety

NHW complies with the *Occupational Health and Safety Act 2004* and continues to implement measures to promote health and wellbeing, reduce safety incidents and respond to occupational violence and aggression. NHW has initiated a more robust reporting framework for OVA incidents which is reflected in increased data for 2022-2023.

Occupational Health and Safety Incidents per 100 full-time equivalent (FTE)

| Year | Incidents | FTE | FTE/100 | Incident rate |
|-----------|-----------|---------|---------|---------------|
| 2020-2021 | 437 | 975.92 | 9.76 | 44.78 |
| 2021-2022 | 364 | 992.93 | 9.93 | 36.66 |
| 2022-2023 | 354 | 1001.37 | 10.01 | 35.35 |

Occupational Health and Safety Data

| | 2020-2021 | 2021-2022 | 2022-2023 |
|--|-----------|-----------|-----------|
| Number of reported hazards, incidents for the year per 100 FTE | 46.39 | 36.66 | 35.35 |
| Number of 'lost time' standard WorkCover claims for the year per 100 FTE | 1.70 | 1.71 | 2.70 |
| Average cost per WorkCover claim for the year ('000) | \$164 | \$141 | \$58.09 |

Occupational Violence Statistics

| | 2020-2021 | 2021-2022 | 2022-2023 |
|--|-----------|-----------|-----------|
| WorkCover accepted claims with an occupational violence cause per FTE | 0.10 | 0.40 | 0.50 |
| Number of accepted WorkCover claims with lost time injury with an occupational violence cause per 1,000,000 hours worked | 0.61 | 2.34 | 2.92 |
| Number of occupational violence incidents reported | 201 | 248 | 138 |
| Number of occupational violence incidents reported per 100 FTE | 20.60 | 24.98 | 13.78 |
| Percentage of occupational violence incidents resulting in a staff injury, illness or condition | 14% | 17% | 52.17% |

Consultancies

Details of consultancies (under \$10,000)

In 2022-2023, there were 3 consultancies where the total fees payable to the consultants were less than \$10,000. The total expenditure incurred during 2022-2023 in relation to these consultancies is \$18,290 (excl. GST).

Details of consultancies (over \$10,000)

In 2022-2023, there were 5 consultancies where the total fees payable to the consultants were \$10,000 or greater. The total expenditure incurred during 2022-2023 in relation to these consultancies is \$128,393 (excl. GST). Details of these consultancies is detailed in the table below. It is not determined what future expenditure may be required.

| Consultant | Purpose of consultancy | Start date | End date | Total approved project fee 2022-2023 (excl. GST) | Expenditure 2022-2023 (excl. GST) | Future Expenditure (excl. GST) |
|--|------------------------|------------|------------|--|-----------------------------------|--------------------------------|
| Aspex Consulting Pty Ltd | Aged Care Review | 1/02/2023 | 31/05/2023 | \$21,864 | \$21,864 | |
| Costing and Business Solutions Pty Ltd | NWAU funding Review | 1/12/2022 | 31/03/2023 | \$17,600 | \$17,600 | |
| People Management Assist Pty Ltd | Workforce Review | 1/10/2022 | 28/02/2023 | \$21,700 | \$21,700 | |
| Porter Novelli Australia Pty Ltd | Communications Advice | 1/10/2022 | 31/12/2022 | \$10,124 | \$10,124 | |
| PwC Consulting (Australia) Pty Ltd | Strategic Partnerships | 1/07/2022 | 30/06/2023 | \$57,105 | \$57,105 | |
| | | | | | \$128,393 | |

Information and Communication Technology (ICT) expenditure

| 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) |
| \$ 3.900 million | \$ 0.354 million | \$ Nil | \$ 0.354 million |

Social Procurement Activities and Commitments

Social procurement is a consideration in the procurement process at NHW to provide opportunities for people experiencing disadvantage, the sustainability of Victorian regions, environmental sustainability or to support social enterprises. NHW objectives include a commitment to embed sustainable procurement practices to reduce the environmental impact of healthcare provision. NHW is working towards a procurement system that will capture the total number of supplier engagements, contracts and case studies that include social procurement commitments. NHW has engaged 12 social benefit suppliers during 2022-2023, and the total direct spend with social benefit suppliers during this period was \$234,973 (excluding GST).

Environmental performance

NHW released the Environmental Sustainability Plan 2022-2024 which continues our strategic and operational commitment to improve our environmental sustainability, recognising the important link to climate change and human health. Implementing a formal environmental management program and environmental management policy, along with a range of clear strategies provides our organisation with the framework to guide our actions. NHW continues to work towards establishing targets for reducing clinical and general waste streams and data collection to align with government reporting policy.

Examples of initiatives to improve our environmental practice include:

- Initiating a battery recycling program to divert this waste from landfill
- Introduction of biodegradable food containers at our Green Street campus café, diverting approximately 75,000 plastic cutlery and container items from going to landfill each year
- Sustainability measures incorporated into the completion of our redevelopment

| Electricity Use | 2022-2023 | 2021-2022 | 2020-2021 |
|---|-----------------|-----------------|-----------------|
| EL1 Total electricity consumption segmented by source [MWh] | | | |
| Purchased | 5,819.12 | 5,445.47 | 5,205.68 |
| Self-generated | 142.31 | 145.06 | 116.84 |
| Total electricity consumption | 5,961.43 | 5,590.53 | 5,322.52 |
| EL2 On site-electricity generated [MWh] segmented by: | | | |
| Consumption behind-the-meter | | | |
| Solar Electricity | 142.31 | 145.06 | 116.84 |
| Total Consumption behind-the-meter | 142.31 | 145.06 | 116.84 |
| Exports | | | |
| Solar Electricity | 0.22 | 1.17 | 0.00 |
| Total Electricity exported | 0.22 | 1.17 | 0.00 |
| Total On site-electricity generated | 142.53 | 146.23 | 116.84 |
| EL3 On-site installed generation capacity [kW converted to MW] segmented by: | | | |
| Co-generation | 0.00 | 0.00 | 0.00 |
| Diesel Backup Generator | 1.78 | 1.78 | 1.78 |
| Solar System | 0.14 | 0.14 | 0.14 |
| Total On-site installed generation capacity | 1.91 | 1.91 | 1.91 |
| EL4 Total electricity offsets segmented by offset type [MWh] | | | |
| GreenPower | 0.00 | 0.00 | 0.00 |
| LGCs voluntarily retired on entity's behalf | 0.00 | 0.00 | 0.00 |
| RPP (Renewable Power Percentage in the grid) | 1,093.99 | 1,012.31 | 985.44 |
| Total electricity offsets | 1,093.99 | 1,012.31 | 985.44 |

| Stationary Fuel Use | 2022-2023 | 2021-2022 | 2020-2021 |
|--|----------------------|----------------------|----------------------|
| F1 Total fuels used in buildings and machinery segmented by fuel type [MJ] | | | |
| Natural Gas | 24,126,946.50 | 22,584,681.60 | 21,700,371.80 |
| Total fuels used in buildings | 24,126,946.50 | 22,584,681.60 | 21,700,371.80 |
| F2 Greenhouse gas emissions from stationary fuel consumption segmented by fuel type [Tonnes CO₂-e] | | | |
| Natural gas | 1,243.26 | 1,163.79 | 1,118.22 |
| Total Greenhouse gas emissions from stationary fuel consumption | 1,243.26 | 1,163.79 | 1,118.22 |

| Transportation | 2022-2023 | 2021-2022 | 2020-2021 |
|--|---------------|---------------|---------------|
| T1 Total energy used in transportation within the Entity, segmented by vehicle category and fuel type [MJ or MWh] | | | |
| Road vehicles | | | |
| Petrol | 563,472.50 | 728,152.60 | 614,963.70 |
| Petrol (E10) | 1,243.26 | 1,163.79 | 1,118.22 |
| Diesel | 123,219.00 | 60,949.80 | 215,561.80 |
| T2 Number and proportion of vehicles in the organisational boundary segmented by vehicle category and engine/fuel type | | | |
| Road vehicles | | | |
| Passenger vehicles | 35 | | |
| Segmented by engine/fuel type | | | |
| Diesel | 1 | | |
| ULP | 34 | | |
| Goods vehicles | 6 | | |
| Segmented by engine/fuel type | | | |
| Diesel | 2 | | |
| ULP | 4 | | |
| Non-road vehicles | | | |
| Marine vessels | 0 | | |
| Rotary wing aircraft | 0 | | |
| Fixed wing aircraft | 0 | | |
| Other | 1 Trailer | | |
| T3 Greenhouse gas emissions from vehicle fleet segmented by fuel type and vehicle category (t CO₂-e) | | | |
| Petrol | 38.10 | 49.24 | 41.58 |
| Petrol (E10) | 0.06 | 0.00 | 0.09 |
| Diesel | 8.68 | 4.29 | 15.18 |
| T4 Total distance travelled by commercial air travel (passenger km travelled for business purposes by entity staff on commercial or charter aircraft) | | | |
| Total distance travelled by commercial air travel | 0 | | |
| Total Energy Usage | | | |
| | 2022-2023 | 2021-2022 | 2020-2021 |
| E1 Total energy usage from fuels [MJ] | | | |
| Total energy usage from fuels | 24,814,611.80 | 23,373,784.00 | 22,532,421.20 |
| E2 Total energy usage from electricity [MJ] | | | |
| Total energy usage from electricity | 21,461,165.63 | 20,125,907.58 | 19,161,068.52 |
| E3 Total energy usage segmented by renewable and non-renewable sources [MJ] | | | |
| Renewable | 4,450,805.78 | 4,166,528.28 | 3,968,337.88 |
| Non-renewable | 41,824,971.65 | 39,333,163.30 | 37,725,151.84 |
| E4 Units of Stationary Energy normalised by FTE, headcount, floor area or other entity/sector specific quantity (MJ/normalisation) | | | |
| Energy per unit of Aged Care OBD [MJ/Aged Care OBD] | 2,081.36 | 1,944.57 | 1,812.44 |
| Energy per unit of LOS [MJ/LOS] | 831.40 | 848.70 | 823.12 |
| Energy per unit of Separations [MJ/Separations] | 2,210.44 | 2,222.54 | 2,127.76 |

| Water Use | 2022-2023 | 2021-2022 | 2020-2021 |
|---|------------------|------------------|------------------|
| W1 Total units of metered water consumed (kL), segmented by source (where applicable) | | | |
| Potable water | 28,700.00 | 39,851.00 | 39,747.00 |
| Total units of water consumed | 28,700.00 | 39,851.00 | 39,747.00 |
| W2 Units of metered water consumed, normalised by FTE, headcount, floor area, or other entity or sector specific quantity (kL/normalisation) | | | |
| Water per unit of Aged Care OBD [kL/Aged Care OBD] | 1.31 | 1.81 | 1.76 |
| Water per unit of LOS [kL/LOS] | 0.52 | 0.79 | 0.80 |
| Water per unit of Separations [kL/Separations] | 1.39 | 2.07 | 2.07 |
| Water per unit of floor space [kL/m ²] | 0.91 | 1.26 | 1.26 |

| Waste and Recycling | 2022-2023 | 2021-2022 | 2020-2021 |
|--|-------------------|-------------------|-------------------|
| WR1 Total units of waste disposed of by waste stream and disposal method [kg] | | | |
| Landfill (total) | | | |
| General waste | 456,770.50 | 443,494.00 | 469,303.50 |
| Offsite treatment | | | |
| Clinical waste - incinerated | 7,037.32 | 6,204.40 | 8,034.49 |
| Clinical waste - sharps | 8,347.16 | 8,396.72 | 8,785.52 |
| Clinical waste - treated | 109,905.78 | 153,738.89 | 127,107.55 |
| Recycling/recovery (disposal) | | | |
| Batteries | | 146.00 | |
| Cardboard | 95,474.56 | 92,537.79 | 131,175.28 |
| Commingled | 44,198.88 | 49,658.40 | 65,538.08 |
| E-waste | | 450.00 | |
| Paper (confidential) | 2,019.17 | 2,790.72 | 8,536.32 |
| Sterilisation wraps | | 0.00 | |
| Total units of waste disposed [kg] | 723,753.37 | 757,416.92 | 818,480.74 |
| WR1 Total units of waste disposed of by waste stream and disposal method [%] | | | |
| Landfill (total) | | | |
| General waste | 63.11 | 58.55 | 57.34 |
| Offsite treatment | | | |
| Clinical waste - incinerated | 0.97 | 0.82 | 0.98 |
| Clinical waste - sharps | 1.15 | 1.11 | 1.07 |
| Clinical waste - treated | 15.19 | 20.30 | 15.53 |
| Recycling/recovery (disposal) | | | |
| Batteries | | 0.02 | |
| Cardboard | 13.19 | 12.22 | 16.03 |
| Commingled | 6.11 | 6.56 | 8.01 |
| E-waste | | 0.06 | |
| Paper (confidential) | 0.28 | 0.37 | 1.04 |
| Sterilisation wraps | | 0.00 | |

| Waste and Recycling | 2022-2023 | 2021-2022 | 2020-2021 |
|---|-----------------|-----------------|-----------------|
| WR3 Total units of waste disposed, normalised by FTE, headcount, floor area, or other entity or sector specific quantity, by disposal method | | | |
| Total waste to landfill per PPT [(kg general waste)/PPT] | 3.61 | 3.71 | 3.76 |
| Total waste to offsite treatment per PPT [(kg offsite treatment)/PPT] | 0.99 | 1.41 | 1.15 |
| Total waste recycled and reused per PPT [(kg recycled and reused)/PPT] | 1.12 | 1.22 | 1.64 |
| WR4 Recycling rate | | | |
| Weight of recyclable and organic materials [kg] | 141,692.61 | 145,582.91 | 205,249.68 |
| Weight of total waste [kg] | 723,753.37 | 757,416.92 | 818,480.74 |
| Recycling rate [%] | 19.58 | 19.22 | 25.08 |
| Greenhouse Gas Emissions | | | |
| G1 Total scope one (direct) greenhouse gas emissions [tonnes CO₂e] | | | |
| Carbon Dioxide (CO ₂) | 1,286.78 | 1,214.19 | 1,172.01 |
| Methane (CH ₄) | 2.43 | 2.27 | 2.18 |
| Nitrous Oxide (N ₂ O) | 0.90 | 0.85 | 0.88 |
| Other | | | |
| Total | 1,290.10 | 1,217.32 | 1,175.07 |
| GHG emissions from stationary fuel (F2) | 1,243.26 | 1,163.79 | 1,118.22 |
| GHG emissions from vehicle fleet (T3) | 46.84 | 53.53 | 56.86 |
| Total scope one (direct) greenhouse gas emissions | 1,290.10 | 1,217.32 | 1,175.08 |
| G2 Total scope two (indirect electricity) greenhouse gas emissions [tonnes CO₂e] | | | |
| Electricity | 3,997.46 | 3,976.55 | 4,059.88 |
| Total scope two (indirect electricity) greenhouse gas emissions | 3,997.46 | 3,976.55 | 4,059.88 |
| G3 Total scope three (other indirect) greenhouse gas emissions associated with commercial air travel and waste disposal (tonnes CO₂e) | | | |
| Waste emissions | 753.72 | 792.77 | 793.82 |
| Indirect emissions from Stationary Energy | 611.55 | 524.79 | 555.25 |
| Indirect emissions from Transport Energy | 11.83 | 2.84 | 3.00 |
| Paper emissions | | | 24.02 |
| Any other Scope 3 emissions | 48.61 | 74.85 | 65.54 |
| Total scope three greenhouse gas emissions | 1,425.71 | 1,395.26 | 1,441.63 |
| G(Opt) Net greenhouse gas emissions (tonnes CO₂e) | | | |
| Gross greenhouse gas emissions (G1 + G2 + G3) [tonnes CO ₂ e] | 6,713.26 | 6,589.12 | 6,676.58 |
| Net greenhouse gas emissions [tonnes CO₂e] | 6,713.26 | 6,589.12 | 6,676.58 |

| Normalisation Factors | 2022-2023 | 2021-2022 | 2020-2021 |
|---------------------------|-----------|-----------|-----------|
| Aged Care OBD | 21,903 | 21,964 | 22,545 |
| ED Departures | 29,300 | 28,033 | 33,449 |
| FTE | | 1,025 | 986 |
| LOS | 54,833 | 50,325 | 49,642 |
| OBD | 76,736 | 72,289 | 72,187 |
| PPT | 126,660 | 119,539 | 124,840 |
| Separations | 20,624 | 19,217 | 19,204 |
| Total Area m ² | 31,566 | 31,566 | 31,566 |

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

Gender Equality Act 2020

NHW is committed to creating an inclusive environment for our community that values equal opportunity and diversity for patients, workforce, and visitors. Consistent with the *Gender Equality Act 2020*, NHW has developed a Gender Equality Action Plan (GEAP) and completed a Workforce Gender Audit. The process has been embedded to assess the impact of our decisions on gender through gender impact assessments. In 2023, NHW will:

- Promote gender equality through gender impact assessments, a workplace gender audit and consultation
- Continue to implement actions in accordance with the NHW Gender Equality Action Plan 2022-2026
- Monitor and evaluate progress on gender equality activities.

Local Jobs First Act 2003

NHW acknowledges it is required to apply the Local Jobs First Policy in all projects valued at \$1 million or more for projects in regional Victoria.

To ensure that all requirements are in place that assure compliance to the Local Jobs First Policy requirements, NHW has:

- A NHW procurement team responsible for registration of future projects requiring Industry Capability Network (ICN) registration.
- Local Jobs First Policy requirements and statement incorporated as part of our request for tender documents.
- A nominated Local Jobs First Policy Authorised Administrator to ensure future projects over \$1 million are appropriately captured and compliant with Local Jobs First Policy guidelines and requirements.

Safe Patient Care Act 2015

NHW has in place appropriate policies and procedures to support compliance with the *Safe Patient Care (Nurse to Patient and Midwife to Patient Ratios) Act 2015*. NHW has no matters to report in relation to its obligations under Section 40 of the *Safe Patient Care Act 2015* for the 2022-2023 year.

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 entity;
- Details of any major external reviews carried out by the entity;
- Details of major research and development activities undertaken by the entity;
- Details of overseas visits undertaken including a summary of the objectives and outcomes of each visit;
- Details of major promotional, public relations and marketing activities undertaken by the entity to develop community awareness of the entity and its services;
- Details of assessments and measures undertaken to improve the occupational health and safety of employees;
- A general statement on industrial relations within the entity and details of time lost through industrial accidents and disputes;
- A list of major committees sponsored by the entity, the purpose of each committee and the extent to which the purposes have been achieved; and
- Details of all consultancies and contractors including:
 - (i) Consultants/contractors engaged;
 - (ii) Services provided; and
 - (iii) Expenditure committed to for each engagement

Statement of Priorities

Strategic Priorities 2022-2023

Maintain a robust COVID-19 readiness and response, working with the Department, Health Service Partnership and Local Public Health Unit (LPHU) to ensure efficient responses to changes in demand and community pandemic orders. This includes, but is not limited to, participation in the COVID-19 Streaming Model, the Health Service Winter Response framework, and continued support of the COVID-19 vaccine immunisation program and community testing.

NHW continued throughout 2022-2023 to rapidly respond to COVID-19 outbreaks based on community case and transmission rates and virus strain information. NHW established a Health Service Response Team which guided adjustments to protective measures for staff and visitors, establishment of additional, and improvement to, isolation cubicles and rooms and vaccination clinics. At the direction of the Department of Health, the NHW public Vaccination Clinic closed in June 2022 as the service transitioned to a community-based vaccination model. NHW continued operating a Screening Clinic and home support until its cessation in December 2022, transitioning to community services and towards a 'business as usual' response to the COVID-pandemic.

NHW collaborated with other health service and community partners in our region, including contributing to the development of the Hume Health Service Partnership (HHSP) COVID-19 Response Plan to provide consistency in managing the COVID-19 response. This plan is supported by the HHSP COVID-19 Streaming Escalation Plan and is updated regularly to reflect the changing nature of COVID-19 and advice from the Department.

The COVID Positive Pathways Program supported patients on their discharge from hospital following the development of a service model and 2 lead agencies, Goulburn Valley Health and Albury Wodonga Health. This program provided an important link between the community and shared health services, and is benefited by the strengthened relationships between health services in the region to link patients with appropriate services and social support. The HHSP partnered with the LPHU for support to vulnerable groups and this holistic approach supported the significant demand on our emergency department and acute services. Funding for this program ceased on 30 June 2023.

Increase the provision of home-based or virtual care, where appropriate and preferred, by the patient, including via the Better at Home program.

As part of the HHSP, NHW engaged with the delivery of home and community-based programs designed to support care in the community and keep patients safely in the comfort of their home environment. The Better at Home (B@H) project expanded and consolidated home-based programs with a focus on collaboration and enhancing the opportunities for virtual and home-based care. The B@H project has supported expansion in the number of programs delivered in the last twelve months from eight to twenty-two, with the collaboration and relationships across health service partners a key factor to project success and program delivery. NHW commenced a new GEM@Home program admitting its first patients in April 2023.

NHW promoted the Victorian Virtual Emergency Department (VVED) to the community and the HHSP established a VVED working group, including representatives from the HHSP, Northern Health, Ambulance Victoria and Murray PHN. The Hume region is an early adopter of this service, with the VVED supporting patients to safely remain in their homes and reducing the need for transfers. The HHSP continues to work with the VVED to develop other opportunities to utilise this innovative model of care.

Work with Safer Care Victoria (SCV) in areas of clinical improvement to ensure the Victorian health system is safe and delivers best care, including working together on hospital acquired complications, low value care and targeting preventable harm to ensure that limited resources are optimised without compromising clinical care and outcomes.

In early 2022, NHW partnered with SCV to undertake a Clinical Governance Review. The review identified there is much to be proud of at NHW and recognised the good work of staff and the commitment to service. It also identified opportunities for improvement across the domains of Leadership and Culture, Consumer Partnerships, Workforce, Risk Management and Clinical Practice. In 2022-2023 NHW developed a plan to address these opportunities and continues to work with consumers, staff and SCV as part of our continual improvement program.

NHW continues to focus on clinical improvement for the delivery of safe, best care. Focus groups established to review our response to falls management and pressure injury, review of sub-acute care plans and risk screening are examples of measures to target and reduce preventable harms. Throughout 2022-2023 NHW has been an active participant in the SCV Post-Partum Haemorrhage (PPH) Collaborative and made significant improvements in timely care relating to this clinical situation. NHW also joined the national Pre-Term Birth Collaborative in 2022 making early improvements to clinical outcomes. NHW also joined the SCV Heart Failure and Stay Well, Stay Home collaboratives making early improvements to medication management and self-care strategies for those with heart failure and diabetes. In 2022 NHW appointed its first ICU Liaison Nurse to support more timely intervention of the most unwell or unstable patients at NHW. Palliative Care Liaison Nurses were re-structured and expanded to better support end-of-life care. Speaking Up For Safety training has been initiated for all staff to support a just culture that respects and encourages staff to raise concerns about patient safety. A dedicated Behaviour Support Clinical Nurse Consultant supports the management of patients with complex behaviours to support better patient care and outcomes and decrease the risk of occupational violence and aggression.

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

NHW continues to experience periods of high demand that impact the timely provision of patient care. A revised demand escalation system was implemented to improve response and management of these peaks. The completion of our new emergency department has increased our capacity, provides negative-pressure treatment rooms, two additional resuscitation bays, and a safe assessment room to support acute mental health presentations.

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

NHW has undertaken consumer consultation and feedback to meet updated nutrition and food quality standards by December 2023. This includes considering the needs of aged care residents, paediatric patients, cultural diversity, quality improvement processes, aligning with Australian dietary guidelines, nutritional care and menu planning.

Contribute to enhancing health system resilience by improving environmental sustainability, including identifying and implementing projects and/or processes that will contribute to committed emissions reduction targets through reducing or avoiding carbon emissions and/or implementing initiatives that will help the health system to adapt to the impacts of climate change.

The NHW Environmental Sustainability Plan commits to a principle of continuous improvement through establishing baseline performance data, setting objectives and targets and tracking actions to improve our environmental impact. NHW introduced biodegradable food containers at the Green Street campus which is diverting approximately 75,000 plastic cutlery items from landfill each year.

Improve health service and Department Asset Management Accountability Framework (AMAF) compliance by collaborating with Health Infrastructure to develop policy and processes to review the effectiveness of asset maintenance and its impact on service delivery.

NHW has established an Equipment and Product Evaluation Committee to oversee the trial, evaluation, selection and recommendation of all new or revised for purchase clinical and non-clinical products and equipment for use within the health service. This formalises the review of business cases, exploring opportunities for improved asset efficiency and standardisation, and ensuring procurement aligns with NHW policies and instruments of delegation.

Strengthen commitments to Aboriginal Victorians by addressing the gap in health outcomes by delivering culturally safe and responsive healthcare. Establish meaningful partnership with Aboriginal Community-Controlled health Organisations. Implement strategies and processes to actively increase Aboriginal employment. Improve patient identification of Aboriginal people presenting for health care, and to address variances in health care and provide equitable access to culturally safe care pathways and environments. Develop discharge plans for every Aboriginal patient.

NHW is pleased to have progressed a number of areas of Aboriginal Cultural Safety, including an Aboriginal Health and Development Officer for patient liaison and Aboriginal Liaison Officer for Aboriginal employees. Regular face-to-face cultural safety training sessions continue to investigate new ways to being more safe and welcoming for Aboriginal and Torres Strait Islander people. NHW supports ongoing connection to culture through the introduction of cultural baby packs and planned the establishment of a dedicated Smoking Ceremony garden space. The team continues to connect with community and other services to strengthen the approach to care and improve outcomes.

Strengthen cross-service collaboration, including through active participation in health service partnerships. Work together with other HSP members on strategic system priorities where there are opportunities to achieve better and more consistent outcomes through collaboration, including the pandemic response, elective surgery recovery and reform, implementation of the Better at Home program and mental health reform.

In accordance with the DoH leadership guidelines, NHW is the lead agency for the Central Hume Local Area Partnership comprising of Benalla Health, Yarrawonga Health, Mansfield District Hospital, Alpine Health and Beechworth Health Service. Local Area Partnerships are designed to drive local collaboration at a more operational level, while also supporting the implementation of Health Service Partnership priorities in their local area.

In addition to the Physician in Reach program, the partnership embarked on a project to explore opportunities to strengthen maternity care provision across the Central Hume. In 2023-2024, the partnership will continue this work to assess the feasibility of the establishment of a Central Hume Maternity Care Network comprising six health services including NHW, Benalla Health, Mansfield District Hospital, Yarrawonga Health, Alpine Health and Beechworth Health Service. The partnership also demonstrated its commitment to developing leadership capability within the sub-regional workforce through the delivery of the Clinician to Manager program focusing on supporting clinicians into management positions.

NHW is a participant of the Hume Health Service Partnership (HHSP), bringing together 16 public health service providers from across the Hume and the Murray Primary Health Network. The HHSP agreement includes objectives, responsibilities and principles of the partnership, with an established governance to guide the partnership. The HHSP CEO Council meets monthly and works collaboratively to improve service access, safety quality and coordination and improve the efficiency of the regional service system. 20 committees and working groups operate as part of the HHSP, with active participation and collaboration towards an annual work plan, delivery of shared objectives, partnership submissions and shared decision-making aimed at improving system-level responses and health outcomes across the region.

The HHSP responds to department priorities including the pandemic response, planned surgery reform and Better at Home. Other local priorities agreed by the HHSP include delivery of a HHSP Strategic Service Plan, rollout of the Victorian Virtual Emergency Department, and regional credentialing and scope of practice.

Develop HSP Strategic Service Plans – codesigned by health services and the department – that guide a system approach to future service delivery and consider equity, quality and safety, and value.

The HHSP and Department worked collaboratively on a Strategic Service Plan for the region, with oversight by a Project Control Group including representatives of health services and the Department. Work across the year culminated in formal presentation on progress to date to Board Chairs in June 2023. The proposed strategic directions are expected to be finalised in late 2023.

Participate in the Occupational Violence and Aggression (OVA) training that will be implemented across the sector in 2022-2023. Support the implementation of the Strengthening Hospital Responses to Family Violence (SHRFV) initiative deliverables including health service alignment to MARAM, the Family Violence Multi-Agency Risk Assessment and Management framework. Prioritise wellbeing of healthcare workers and implement local strategies to address key issues.

NHW established a People Matter Group including staff representatives from across the health service to progress responses to the People Matter Survey, engagement with staff on issues that are important to them and wellbeing initiatives. This energetic and committed group has contributed to the development of a set of organisational priorities with the Executive and Leadership. NHW is also participating in the SCV initiative to boost joy and reduce burnout in the workplace. NHW participated in Occupational Violence and Aggression training and actively promoted awareness of family violence as part of the SHRFV initiative.

Statement of Priorities

Part B: Performance Priorities 2022-2023

High Quality and Safe Care

| Key performance indicator | Target | 2022-2023 Result |
|--|-------------|------------------|
| Infection prevention and control | | |
| Compliance with the Hand Hygiene Australia program | 85% | 90.8% |
| Percentage of healthcare workers immunized for influenza | 92% | 99% |
| Continuing care | | |
| Functional independence gain from an episode of rehabilitation admission to discharge relative to length of stay | ≥ 0.645 | 0.819 |
| Healthcare associated infections (HAI's) | | |
| Rate of surgical site infections for selected procedures (aggregate) | No outliers | No outliers |
| Rate of central line (catheter) associated blood stream infections (CLABSI) in intensive care units, per 1,000 central line days | 0.0 | 0.0 |
| Patient experience | | |
| Percentage of patients who reported positive experiences of their hospital stay | 95% | 93.7% |
| Maternity and newborn | | |
| Percentage of full-term babies (without congenital anomalies) who are considered in poor condition shortly after birth (APGAR score <7 to 5 minutes) | ≤ 1.4% | 0.6% |
| Percentage of singleton babies with severe fetal growth restriction (FGR) delivered at 40 or more weeks gestation | ≤ 28.6% | 14.3% |
| Unplanned Readmissions | | |
| Unplanned readmissions to any hospital following a hip replacement | < 6% | 3.4% |

Strong Governance, leadership and culture

| Key performance indicator | Target | 2022-2023 Result |
|---|--------|------------------|
| Organisational culture | | |
| People matter survey – Percentage of staff with an overall positive response to safety culture survey questions | 62% | 63% |

Timely access to care

| Key performance indicator | Target | 2022-2023 Result |
|---|--|------------------|
| Elective Surgery | | |
| Percentage of urgency category 1 elective surgery patients admitted within 30 days | 100% | 99.9% |
| Percentage of urgency category 1, 2 and 3 elective surgery patients admitted within clinically recommended time | 94% | 91.1% |
| Number of patients on the elective surgery waiting list | 720 | 729 |
| Number of patients admitted from the elective surgery waiting list | 2,546 | 2,772 |
| Number of patients (in addition to base) admitted from the elective surgery waiting list | 219 | 226 |
| Percentage of patients on the waiting list who have waited longer than clinically recommended time for their respective triage category | 5% or 15% proportional improvement from prior year | 9.3% |
| Number of hospital-initiated postponements per 100 scheduled elective surgery admissions | ≤ 7 | 9.0 |
| Emergency Care | | |
| Percentage of patients transferred from ambulance to emergency department within 40 minutes | 90% | 67% |
| Percentage of Triage Category 1 emergency patients seen immediately | 100% | 100% |
| Percentage of Triage Category 1 to 5 emergency patients seen within clinically recommended time | 80% | 73% |
| Percentage of emergency patients with a length of stay in the emergency department of less than four hours | 81% | 56% |
| Number of patients with a length of stay in the emergency department greater than 24 hours | 0 | 726 |
| Mental health | | |
| Percentage of mental health-related emergency department presentations with a length of stay of less than 4 hours | 81% | 35% |
| Specialist clinics | | |
| Percentage of urgent patients referred by a GP or external specialist who attended a first appointment within 30 days | 100% | 89% |
| Percentage of routine patients referred by GP or external specialist who attended a first appointment within 365 days | 90% | 100% |

Effective financial management

| Key performance indicator | Target | 2022-2023 Result |
|--|---|------------------|
| Operating result | \$0.00 | 0.24 |
| Average number of days to paying trade creditors | 60 days | 28 |
| Average number of days to receiving patient fee debtors | 60 days | 25 |
| Adjusted current asset ratio (%) | 0.7 or 3 improvement from health service base target | 0.72 |
| Variance between forecast and actual Net result from transactions (NRFT) for the current financial year ending 30 June | | 24.85 |
| Actual number of days available cash, measured on the last day of each month | 14 days | 15.1 days |

Statement of Priorities

Part C: Activity and Funding 2022-2023

| Funding type | | 2023-2023 Activity Achievement | | |
|---|--|--------------------------------|----------|--------|
| Consolidated activity funding | | | | |
| Acute admitted, subacute admitted, emergency services, no-admitted NWAU | Service | Activity Type | Activity | NWAU |
| | GRAND TOTAL | | 106,855 | 23,351 |
| | Acute | Separations | 18,695 | 15,133 |
| | Subacute | Separations | 353 | 1,214 |
| | Emergency | Presentations | 29,300 | 4,315 |
| | Non-admitted SUBTOTAL | | 58,507 | 2,689 |
| | Tier2(OP) | Service Events | 34,980 | 1,575 |
| | SACs | Service Events | 12,646 | 585 |
| | CommPalCare | Service Events | 2,265 | 103 |
| | HENs | Service Events | 94 | 6 |
| | HARP | Service Events | 2,309 | 114 |
| | PAC | Service Events | 4,636 | 168 |
| | RIR | Service Events | 1,577 | 138 |
| | Note: Latest Acute figures have ~1000 uncoded separations (~1000 NWAU) | | | |
| | Acute admitted | | | |
| Acute admitted DVA | 130 Separations | 139 NWAU | | |
| Acute admitted TAC | 82 Separations | 86 NWAU | | |
| National Bowel Cancer Screening program NWAU | 21 Separations | 8.6 NWAU | | |
| Acute Non-admitted | | | | |
| Home Enteral Nutrition NWAU 6.22 | | | | |
| Aged Care | | | | |
| Residential Aged Care | 23,070 | | | |
| HACC | 2,023 | | | |
| Primary Health | | | | |
| Community Health /Primary Care Programs | 5,219 | | | |
| Subacute/Non-Acute, Admitted and Non-admitted | | | | |
| Sub-acute DVA (* not included last year) | | | | NWAU |
| | TOTAL | | | 30.45 |
| | 6.03 DVA Palliative Care NWAU | | | 1.77 |
| | 7.03 DVA Rehabilitation NWAU | | | 6.57 |
| | 8.03 DVA GEM NWAU | | | 22.11 |

Financial Results

| | 2023 \$000 | 2022 \$000 | 2021 \$000 | 2020 \$000 | 2019 \$000 |
|-------------------------------------|---------------|---------------|----------------|----------------|----------------|
| OPERATING RESULT* | 237 | (39) | 27 | 873 | (1,293) |
| Total revenue | 253,657 | 218,464 | 186,774 | 169,822 | 154,946 |
| Total expenses | (244,518) | (212,932) | (189,137) | (171,045) | (155,755) |
| Net result from transactions | 9,139 | 5,532 | (2,363) | (1,223) | (809) |
| Total other economic flows | (222) | 993 | 3,309 | (451) | (1,316) |
| Net result | 8,917 | 6,525 | 946 | (1,674) | (2,125) |
| Total assets | 149,444 | 139,923 | 133,682 | 121,140 | 114,949 |
| Total liabilities | 67,846 | 67,242 | 74,120 | 61,267 | 43,451 |
| Net assets/Total equity | 81,598 | 72,681 | 59,562 | 59,873 | 71,498 |

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

| | 2022-2023 \$000 |
|--|--------------------|
| Operating result | 237 |
| Capital purpose income | 16,076 |
| Specific income | 0 |
| COVID 19 State Supply Arrangements | |
| - Assets received free of charge or for nil consideration under the State Supply | 1,728 |
| State supply items consumed up to 30 June 2023 | (1,728) |
| Assets provided free of charge | 0 |
| Assets received free of charge | 0 |
| Expenditure for capital purpose | (280) |
| Depreciation and amortisation | (6,817) |
| Impairment of non-financial assets | 0 |
| Finance costs (other) | (77) |
| Net result from transactions | 9,139 |

Financial Statements

Financial Year ended 30 June 2023

Board member's, accountable officer's, and chief finance & accounting officer's declaration

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

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

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

We authorise the attached financial statements for issue on 25th October, 2023.

Board Director



Alison Maclean

Chair

Wangaratta
25th October, 2023

Accountable Officer



Libby Fifis

Chief Executive Officer

Wangaratta
25th October, 2023

Chief Finance & Accounting Officer



Andrew Nitschke

Chief Finance and Accounting Officer

Wangaratta
25th October, 2023

Independent Auditor's Report

To the Board of Northeast Health Wangaratta

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

**Auditor's
responsibilities
for the audit of
the financial
report**

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

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

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

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

MELBOURNE
30 October 2023



Sanchu Chummar

as delegate for the Auditor-General of Victoria

Northeast Health Wangaratta
Comprehensive Operating Statement
For the Financial Year Ended 30 June 2023

| | | Total 2023 \$'000 | Total 2022 \$'000 |
|--|-----|----------------------------------|----------------------------------|
| Note | | | |
| Revenue and income from transactions | | | |
| Operating activities | 2.1 | 251,823 | 217,610 |
| Non-operating activities | 2.1 | 1,082 | 119 |
| Share of revenue from joint operations | 8.7 | 752 | 736 |
| Total revenue and income from transactions | | 253,657 | 218,465 |
| Expenses from transactions | | | |
| Employee expenses | 3.1 | (172,917) | (151,700) |
| Supplies and consumables | 3.1 | (42,250) | (34,700) |
| Finance costs | 3.1 | (45) | (86) |
| Depreciation and amortisation | 3.1 | (6,817) | (7,759) |
| Other administrative expenses | 3.1 | (10,499) | (7,961) |
| Other operating expenses | 3.1 | (11,051) | (9,965) |
| Other non-operating expenses | 3.1 | (77) | (31) |
| Share of expenditure from joint operations | 8.7 | (862) | (731) |
| Total Expenses from transactions | | (244,518) | (212,933) |
| Net result from transactions - net operating balance | | 9,139 | 5,532 |
| Other economic flows included in net result | | | |
| Net gain/(loss) on sale of non-financial assets | 3.2 | (100) | - |
| Net gain/(loss) on financial instruments | 3.2 | (3) | 26 |
| Other gain/(loss) from other economic flows | 3.2 | (119) | 967 |
| Total other economic flows included in net result | | (222) | 993 |
| Net result for the year | | 8,917 | 6,525 |
| Other comprehensive income | | | |
| Items that will not be reclassified to net result | | | |
| Changes in property, plant and equipment revaluation surplus | 4.3 | - | 6,594 |
| Total other comprehensive income | | - | 6,594 |
| Comprehensive result for the year | | 8,917 | 13,119 |

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

Northeast Health Wangaratta
Balance Sheet
As at 30 June 2023

| | | Total 2023 \$'000 | Total 2022 \$'000 |
|---|-------------|----------------------------------|----------------------------------|
| | Note | | |
| Current assets | | | |
| Cash and cash equivalents | 6.2 | 28,228 | 29,145 |
| Receivables | 5.1 | 2,904 | 2,452 |
| Contract assets | 5.2 | 1,384 | 2,096 |
| Inventories | 4.6 | 1,777 | 1,612 |
| Prepaid expenses | | 1,090 | 937 |
| Share of assets in joint operations | 8.7 | 1,488 | 1,444 |
| Total current assets | | 36,871 | 37,686 |
| Non-current assets | | | |
| Receivables and contract assets | 5.1 | 6,757 | 5,861 |
| Property, plant and equipment | 4.1 (a) | 103,083 | 94,659 |
| Right of use assets | 4.2 (a) | 2,672 | 1,613 |
| Intangible assets | 4.4 | 9 | 40 |
| Share of assets in joint operations | 8.7 | 52 | 64 |
| Total non-current assets | | 112,573 | 102,237 |
| Total assets | | 149,444 | 139,923 |
| Current liabilities | | | |
| Payables | 5.3 | 20,608 | 25,862 |
| Contract liabilities | 5.4 | 2,408 | 1,462 |
| Borrowings | 6.1 | 987 | 723 |
| Employee benefits | 3.3 | 30,558 | 28,422 |
| Other liabilities | 5.5 | 6,693 | 5,435 |
| Share of liabilities in joint operations | 8.7 | 889 | 755 |
| Total current liabilities | | 62,143 | 62,659 |
| Non-current liabilities | | | |
| Payables | 5.3 | - | 71 |
| Borrowings | 6.1 | 2,035 | 1,432 |
| Employee benefits | 3.3 | 3,640 | 3,061 |
| Share of liabilities in joint operations | 8.7 | 28 | 19 |
| Total non-current liabilities | | 5,703 | 4,583 |
| Total liabilities | | 67,846 | 67,242 |
| Net assets | | 81,598 | 72,681 |
| Equity | | | |
| Property, plant and equipment revaluation surplus | 4.3 | 81,466 | 81,466 |
| Contributed capital | SCE | 39,534 | 39,534 |
| Accumulated deficit | SCE | (39,402) | (48,319) |
| Total equity | | 81,598 | 72,681 |

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

Northeast Health Wangaratta
Statement of Changes in Equity
For the Financial Year Ended 30 June 2023

| | Property, Plant and Equipment | | | |
|---|-------------------------------|---------------------|---------------------|---------------|
| | Revaluation Surplus | Contributed Capital | Accumulated Deficit | Total |
| Note | \$'000 | \$'000 | \$'000 | \$'000 |
| Total | 74,872 | 39,534 | (54,844) | 59,562 |
| Balance at 1 July 2021 | | | | |
| Net result for the year | - | - | 6,525 | 6,525 |
| Other comprehensive income for the year | 6,594 | - | - | 6,594 |
| Transfer from/(to) accumulated deficits | - | - | - | - |
| Balance at 30 June 2022 | 81,466 | 39,534 | (48,319) | 72,681 |
| Net result for the year | - | - | 8,917 | 8,917 |
| Other comprehensive income for the year | - | - | - | - |
| Transfer from/(to) accumulated deficits | - | - | - | - |
| Balance at 30 June 2023 | 81,466 | 39,534 | (39,402) | 81,598 |

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

Northeast Health Wangaratta
Cash Flow Statement
For the Financial Year Ended 30 June 2023

| | | Total 2023 \$'000 | Total 2022 \$'000 |
|--|---|----------------------------------|----------------------------------|
| Note | | | |
| Cash Flows from operating activities | | | |
| | | 202,003 | 169,472 |
| | Operating grants from State Government | 12,752 | 10,620 |
| | Operating grants from Commonwealth Government | 8,057 | 2,033 |
| | Capital grants from government - State | - | 39 |
| | Capital grants from government - Commonwealth | 13,591 | 13,201 |
| | Patient fees received | 803 | 474 |
| | Private practice fees received | 301 | 134 |
| | Donations and bequests received | 792 | 626 |
| | GST received from ATO | 1,082 | 119 |
| | Interest and investment income received | 1,227 | 1,122 |
| | Commercial income received | 5,057 | 4,165 |
| | Other receipts | 245,665 | 202,005 |
| Total receipts | | | |
| | | (170,488) | (145,913) |
| | Payments to employees | (43,234) | (32,239) |
| | Payments for supplies and consumables | (2,779) | (2,555) |
| | Payments for medical indemnity insurance | (3,453) | (2,735) |
| | Payments for repairs and maintenance | (45) | (87) |
| | Finance costs | (824) | (827) |
| | GST paid to ATO | (1,959) | (1,836) |
| | Cash outflow for leases | (9,529) | (9,804) |
| | Other payments | (232,311) | (195,996) |
| Total payments | | | |
| Net cash flows from operating activities | | | |
| 8.1 | | 13,354 | 6,009 |
| Cash Flows from investing activities | | | |
| | Purchase of property, plant and equipment | (14,934) | (14,054) |
| | Proceeds from disposal of property, plant and equipment | 99 | 26 |
| | Net cash flows used in investing activities | (14,835) | (14,028) |
| Cash flows from financing activities | | | |
| | Repayment of borrowings | (84) | (111) |
| | Repayment of principal portion of lease liabilities | (586) | (614) |
| | Receipt of accommodation deposits | 4,105 | 1,248 |
| | Repayment of accommodation deposits | (2,871) | (2,164) |
| | Net cash flows from/(used in) financing activities | 564 | (1,641) |
| Net increase/(decrease) in cash and cash equivalents held | | | |
| | | (917) | (9,660) |
| | Cash and cash equivalents at beginning of year | 29,145 | 38,804 |
| 6.2 | Cash and cash equivalents at end of year | 28,228 | 29,145 |

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

Northeast Health Wangaratta
Notes to the Financial Statements
For the Financial Year Ended 30 June 2023

Note 1: Basis of preparation

Structure

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

Northeast Health Wangaratta

Notes to the Financial Statements

For the Financial Year Ended 30 June 2023

Note 1: Basis of preparation

These financial statements represent the audited general purpose financial statements for Northeast Health Wangaratta for the year ended 30 June 2023. The report provides users with information about Northeast Health Wangaratta's stewardship of the resources entrusted to it.

This section explains the basis of preparing the financial statements.

Note 1.1 Basis of preparation of the financial statements

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

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

Northeast Health Wangaratta is a not-for-profit entity and therefore applies the additional AUS paragraphs applicable to a "not-for-profit" health service 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 presented in Australian dollars.

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

The annual financial statements were authorised for issue by the Board of Northeast Health Wangaratta on 25th October, 2023.

Northeast Health Wangaratta

Notes to the Financial Statements

For the Financial Year Ended 30 June 2023

Note 1.2 Impact of COVID-19 pandemic

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

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

In response to the ongoing COVID-19 pandemic, Northeast Health Wangaratta has:

- introduced restrictions on non-essential visitors
- utilised telehealth services
- deferred elective surgery and reduced activity
- performed COVID-19 testing
- changed infection control practices
- implemented work from home arrangements where appropriate.

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

- Note 2: Funding delivery of our services
- Note 3: The cost of delivering services.

Note 1.3 Abbreviations and terminology used in the financial statements

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

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

Northeast Health Wangaratta

Notes to the Financial Statements

For the Financial Year Ended 30 June 2023

Note 1.4 Joint arrangements

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

Northeast Health Wangaratta has the following joint arrangements:

- Hume Region Health Alliance - Joint Operation

Details of the joint arrangements are set out in Note 8.7.

Note 1.5 Key accounting estimates and judgements

Management make estimates and judgements when preparing the financial statements.

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

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

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

Northeast Health Wangaratta

Notes to the Financial Statements

For the Financial Year Ended 30 June 2023

Note 1.6 Accounting standards issued but not yet effective

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

| Standard | Adoption Date | Impact |
|---|---|--|
| AASB 17: <i>Insurance Contracts</i> | Reporting periods on or after 1 January 2023 | Adoption of this standard is not expected to have a material impact. |
| AASB 2021-1: Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current | Reporting periods on or after 1 January 2023. | Adoption of this standard is not expected to have a material impact. |
| AASB 2021-3: Amendments to Australian Accounting Standards – Annual Improvements 2018-2021 and Other Amendments | Reporting periods on or after 1 January 2023. | Adoption of this standard is not expected to have a material impact. |
| AASB 2022-2: Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definitions of Accounting Estimates. | Reporting periods on or after 1 January 2023. | Adoption of this standard is not expected to have a material impact. |
| AASB 2022-6: Amendments to Australian Accounting Standards – Disclosure of Accounting Policies: Tier 2 and Other Australian Accounting Standards. | Reporting periods on or after 1 January 2023. | Adoption of this standard is not expected to have a material impact. |
| AASB 2022-7: Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections. | Reporting periods on or after 1 January 2023. | Adoption of this standard is not expected to have a material impact. |

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

Note 1.7 Goods and Services Tax (GST)

Income, expenses and assets are recognised net of the amount of GST, except where the GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances the GST 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. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the Balance Sheet.

Cash flows are included in the Cash Flow Statement on a gross basis, except for the GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the ATO. These GST components are disclosed as operating cash flows.

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

Northeast Health Wangaratta

Notes to the Financial Statements

For the Financial Year Ended 30 June 2023

Note 1.8 Reporting Entity

The financial statements include all the activities of Northeast Health Wangaratta.

Its principal address is:

35-47 Green Street
Wangaratta, Victoria 3677

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

Note 2: Funding delivery of our services

Northeast Health Wangaratta's overall objective is to provide quality health service that support and enhance the wellbeing of all Victorians. Northeast Health Wangaratta is predominantly funded by grant funding for the provision of outputs. Northeast Health Wangaratta also receives income from the supply of services.

Structure

2.1 Revenue and income from transactions

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

2.3 Other income

Telling the COVID-19 story

Revenue recognised to fund the delivery of our services during the financial year was not materially impacted by the COVID-19 Coronavirus pandemic and its impact on our economy and the health of our community.

Key judgements and estimates

This section contains the following key judgements and estimates:

| Key judgements and estimates | Description |
|--|---|
| Identifying performance obligations | Northeast Health Wangaratta applies significant judgment when reviewing the terms and conditions of funding agreements and contracts to determine whether they contain sufficiently specific and enforceable performance obligations. If this criteria is met, the contract/funding agreement is treated as a contract with a customer, requiring Northeast Health Wangaratta to recognise revenue as or when the health service transfers promised goods or services to customers. If this criteria is not met, funding is recognised immediately in the net result from operations. |
| Determining timing of revenue recognition | Northeast Health Wangaratta applies significant judgement to determine when a performance obligation has been satisfied and the transaction price that is to be allocated to each performance obligation. A performance obligation is either satisfied at a point in time or over time. |
| Determining time of capital grant income recognition | Northeast Health Wangaratta applies significant judgement to determine when its obligation to construct an asset is satisfied. Costs incurred is used to measure the health service's progress as this is deemed to be the most accurate reflection of the stage of completion. |
| Assets and services received free of charge or for nominal consideration | Northeast Health Wangaratta applies significant judgement to determine the fair value of assets and services provided free of charge or for nominal value. Where a reliable market value exists it is used to calculate the equivalent value of the service being provided. Where no reliable market value exists, the service is not recognised in the financial statements. |

Note 2.1 Revenue and income from transactions

| | Total 2023 \$'000 | Total 2022 \$'000 |
|---|----------------------------------|----------------------------------|
| Operating activities | | |
| Revenue from contracts with customers | | |
| Government grants (State) - Operating | 8,147 | 7,767 |
| Government grants (Commonwealth) - Operating | 11,197 | 9,484 |
| Patient and resident fees | 13,408 | 12,722 |
| Private practice fees | 803 | 474 |
| Commercial activities ¹ | 1,227 | 1,122 |
| Total revenue from contracts with customers | 34,782 | 31,569 |
| Other sources of income | | |
| Government grants (State) - Operating | 193,044 | 164,161 |
| Government grants (Commonwealth) - Operating | 1,555 | 1,137 |
| Government grants (State) - Capital | 14,728 | 13,382 |
| Assets received free of charge or for nominal consideration | 2,029 | 2,565 |
| Other revenue from operating activities (including non-capital donations) | 5,685 | 4,796 |
| Total other sources of income | 217,041 | 186,041 |
| Total revenue and income from operating activities | 251,823 | 217,610 |
| Non-operating activities | | |
| Income from other sources | | |
| Other interest | 1,082 | 119 |
| Total other sources of income | 1,082 | 119 |
| Total income from non-operating activities | 1,082 | 119 |
| Total revenue and income from transactions | 252,905 | 217,729 |

1. Commercial activities represent business activities which Northeast Health Wangaratta enter into to support their operations.

Note 2.1 Revenue and income from transactions (continued)

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

| | Total 2023 \$'000 | Total 2022 \$'000 |
|---|----------------------------------|----------------------------------|
| Northeast Health Wangaratta disaggregates revenue by the timing of revenue recognition. | | |
| Goods and services transferred to customers: | | |
| At a point in time | 18,827 | 14,318 |
| Over time | 15,955 | 17,251 |
| Total revenue from contracts with customers | 34,782 | 31,569 |

How we recognise revenue and income from operating activities

Government operating grants

To recognise revenue, Northeast Health Wangaratta assesses each grant to determine whether there is a contract that is enforceable and has sufficiently specific performance obligations in accordance with AASB 15: Revenue from Contracts with Customers.

When both these conditions are satisfied, the health service:

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

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 Northeast Health Wangaratta Service's goods or services. Northeast Health Wangaratta 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.

How we recognise revenue and income from transactions (continued)

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

| Government grant | Performance obligation |
|---|---|
| Activity Based Funding (ABF) paid as National Weighted Activity Unit (NWAU) | <p>NWAU is a measure of health service activity expressed as a common unit against which the national efficient price (NEP) is paid.</p> <p>The performance obligations for NWAU are the number and mix of admissions, emergency department presentations and outpatient episodes, and is weighted for clinical complexity.</p> <p>Revenue is recognised at point in time, which is when a patient is discharged.</p> <p>Revenue is recognised at point in time, which is when a patient is discharged.</p> |
| Commonwealth Residential Aged Care Grants | <p>Funding is provided for the provision of care for aged care residents within facilities at Northeast Health Wangaratta.</p> <p>The performance obligations include provision of residential accommodations and care from nursing staff and personal care workers.</p> <p>Revenue is recognised at the point in time when the service is provided within the residential aged care facility.</p> |
| Department of Health grants linked to Statement of Priorities | <p>Funding is received from DH that have performance obligations linked to the Statement of Priorities agreed upon between the health service and DH.</p> <p>The performance obligation is a requirement to provide a stipulated number of service contacts or hours of service delivery.</p> <p>Revenue is recognised at a point in time as the services are delivered.</p> |

Capital grants

Where Northeast Health Wangaratta 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 Northeast Health Wangaratta'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 at a point in time, to reflect the period accommodation is provided.

Private practice fees

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

Commercial activities

Revenue from commercial activities includes items such as meal sales and provision of accommodation. Commercial activity revenue is recognised over time, upon provision of the goods or service to the customer.

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

| | Total 2023 \$'000 | Total 2022 \$'000 |
|---|-------------------------|-------------------------|
| Cash donations and gifts | 301 | - |
| Personal protective equipment | 1,728 | 2,565 |
| Total fair value of assets and services received free of charge or for nominal consideration | 2,029 | 2,565 |

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 Northeast Health Wangaratta usually obtained control of the asset) as they do not contain sufficiently specific and enforceable performance obligations. Where sufficiently specific and enforceable performance obligations exist, revenue is recorded as and when the performance obligation is satisfied.

Personal protective equipment

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

Generally, the State Supply Arrangement stipulates that Health Purchasing Victoria (trading as HealthShare Victoria) sources, secures and agrees terms for the purchase of PPE. The purchases are funded by the Department of Health, while Monash Health takes delivery and distributes an allocation of the products to health services. Northeast Health Wangaratta received these resources free of charge and recognised them as income.

Voluntary Services

Northeast Health Wangaratta receives volunteer services from members of the community to support and assist our residents in aged care and patients within the hospital setting.

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

Northeast Health Wangaratta 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 Department of Health makes some payments on behalf of Northeast Health Wangaratta as follows:

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

Note 2.3 Other income

| | Total 2023 \$'000 | Total 2022 \$'000 |
|---|-------------------------|-------------------------|
| Operating | | |
| Salary and wage recoveries | 748 | 712 |
| Recoveries - sale of services | 3,131 | 2,600 |
| Other Revenue | 1,806 | 1,484 |
| Total other income - Operating | 5,685 | 4,796 |
| Non-Operating | | |
| Interest | 1,082 | 119 |
| Total other income - Non Operating | 1,082 | 119 |

How we recognise other income

Recovery Income

Revenue from recovery activities includes items such secondment of staff and provision of support services to other health services. Recovery activity revenue is recognised at a point in time, upon provision of the goods or service to the customer.

Joint Venture Alliance Revenue

Our share of joint venture alliance revenue is recognised in accordance with the Joint Arrangement agreement, with Northeast Health Wangaratta recording our share of revenue.

Other Revenue

Other revenue is recorded as revenue is received.

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.

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 cost associated with provision of services are recorded.

Structure

3.1 Expenses from transactions

3.2 Other economic flows

3.3 Employee benefits in the balance sheet

3.4 Superannuation

Telling the COVID-19 story

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

Key judgements and estimates

This section contains the following key judgements and estimates:

| Key judgements and estimates | Description |
|--|--|
| Classifying employee benefit liabilities | <p>Northeast Health Wangaratta applies significant judgment when measuring and classifying its employee benefit liabilities.</p> <p>Employee benefit liabilities are classified as a current liability if Northeast Health Wangaratta does not have an unconditional right to defer payment beyond 12 months. Annual leave, accrued days off and long service leave entitlements (for staff who have exceeded the minimum vesting period) fall into this category.</p> <p>Employee benefit liabilities are classified as a non-current liability if Northeast Health Wangaratta has a conditional right to defer payment beyond 12 months. Long service leave entitlements (for staff who have not yet exceeded the minimum vesting period) fall into this category.</p> |
| Measuring employee benefit liabilities | <p>Northeast Health Wangaratta applies significant judgment when measuring its employee benefit liabilities.</p> <p>The health service applies judgement to determine when it expects its employee entitlements to be paid.</p> <p>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.</p> <p>Expected future payments incorporate:</p> <ul style="list-style-type: none"> • an inflation rate of 4.35%, reflecting the future wage and salary levels • durations of service and employee departures, which are used to determine the estimated value of long service leave that will be taken in the future, for employees who have not yet reached the vesting period. The estimated rates are between 22% and 86%. • discounting at the rate of 4.063%, as determined with reference to market yields on government bonds at the end of the reporting period. <p>All other entitlements are measured at their nominal value.</p> |

Note 3.1 Expenses from transactions

| | Total 2023 \$'000 | Total 2022 \$'000 |
|--|-------------------------|-------------------------|
| Note | | |
| Salaries and wages | 103,272 | 106,421 |
| On-costs | 29,243 | 26,551 |
| Agency expenses | 25,639 | 928 |
| Fee for service medical officer expenses | 13,317 | 15,312 |
| Workcover premium | 1,446 | 2,488 |
| Total employee expenses | 172,917 | 151,700 |
| Drug supplies | 7,493 | 5,967 |
| Medical and surgical supplies (including Prostheses) | 13,961 | 11,974 |
| Diagnostic and radiology supplies | 8,777 | 6,909 |
| Other supplies and consumables | 12,019 | 9,850 |
| Total supplies and consumables | 42,250 | 34,700 |
| Finance costs | 45 | 86 |
| Total finance costs | 45 | 86 |
| Other administrative expenses | 10,499 | 7,961 |
| Total other administrative expenses | 10,499 | 7,961 |
| Fuel, light, power and water | 1,646 | 1,426 |
| Repairs and maintenance | 2,253 | 1,972 |
| Maintenance contracts | 886 | 763 |
| Medical indemnity insurance | 2,779 | 2,555 |
| Expenses related to short term leases | 1,584 | 1,399 |
| Expenses related to leases of low value assets | 375 | 392 |
| Software Expenses | 1,511 | 1,458 |
| Expenditure for capital purposes | 17 | - |
| Total other operating expenses | 11,051 | 9,965 |
| Total operating expense | 236,762 | 204,412 |
| Depreciation and amortisation | 6,817 | 7,759 |
| Total depreciation and amortisation | 6,817 | 7,759 |
| Bad and doubtful debt expense | 77 | 31 |
| Total other non-operating expenses | 77 | 31 |
| Total non-operating expense | 6,894 | 7,790 |
| Total expenses from transactions | 243,656 | 212,202 |

Note 3.1 Expenses from transactions (continued)

How we recognise expenses from transactions

Expense recognition

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

Employee expenses

Employee expenses include:

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

Supplies and consumables

Supplies and consumable costs 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:

- amortisation of discounts or premiums relating to borrowings
- finance charges in respect of leases which are recognised in accordance with AASB 16 *Leases*.

Other operating expenses

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

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

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

Non-operating expenses

Other non-operating expenses generally represent expenditure 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

| | Total 2023 \$'000 | Total 2022 \$'000 |
|--|-------------------------|-------------------------|
| Net gain/(loss) on disposal of property plant and equipment | (100) | - |
| Total net gain/(loss) on non-financial assets | (100) | - |
| Net gain/(loss) on disposal of financial instruments | - | 26 |
| Other gains/(losses) from other economic flows | (3) | - |
| Total net gain/(loss) on financial instruments | (3) | 26 |
| Net gain/(loss) arising from revaluation of long service liability | (119) | 967 |
| Total other gains/(losses) from other economic flows | (119) | 967 |
| Total gains/(losses) from other economic flows | (222) | 993 |

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.

Net gain/(loss) on non-financial assets

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

- net gain/(loss) on disposal of non-financial assets, recognised at the date of disposal.

Net gain/(loss) on financial instruments

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

- realised and unrealised gains and losses from revaluations of financial instruments at fair value
- impairment and reversal of impairment for financial instruments at amortised cost (refer to Note 7.1 Investments and other financial assets).

Note 3.3 Employee benefits and related on-costs

Current employee benefits and related on-costs

Accrued days off

Unconditional and expected to be settled wholly within 12 months ⁱ

| Total 2023 \$'000 | Total 2022 \$'000 |
|-------------------------|-------------------------|
| 331 | 340 |
| 331 | 340 |

Annual leave

Unconditional and expected to be settled wholly within 12 months ⁱ

Unconditional and expected to be settled wholly after 12 months ⁱⁱ

| | |
|---------------|---------------|
| 11,589 | 4,008 |
| 1,842 | 6,799 |
| 13,431 | 10,807 |

Long service leave

Unconditional and expected to be settled wholly within 12 months ⁱ

Unconditional and expected to be settled wholly after 12 months ⁱⁱ

| | |
|---------------|---------------|
| 1,927 | 1,938 |
| 11,403 | 10,949 |
| 13,330 | 12,887 |

Provisions related to employee benefit on-costs

Unconditional and expected to be settled within 12 months ⁱ

Unconditional and expected to be settled after 12 months ⁱⁱ

| | |
|--------------|--------------|
| 1,689 | 1,269 |
| 1,777 | 3,119 |
| 3,466 | 4,388 |

Total current employee benefits and related on-costs

| | |
|---------------|---------------|
| 30,558 | 28,422 |
|---------------|---------------|

Non-current provisions and related on-costs

Conditional long service leave ⁱⁱ

Provisions related to employee benefit on-costs ⁱⁱ

Total non-current employee benefits and related on-costs

| | |
|--------------|--------------|
| 3,204 | 2,674 |
| 436 | 387 |
| 3,640 | 3,061 |

Total employee benefits and related on-costs

| | |
|---------------|---------------|
| 34,198 | 31,483 |
|---------------|---------------|

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

| | Total 2023 \$'000 | Total 2022 \$'000 |
|---|-------------------------|-------------------------|
| Current employee benefits and related on-costs | | |
| Unconditional accrued days off | 331 | 340 |
| Unconditional annual leave entitlements | 15,106 | 13,379 |
| Unconditional long service leave entitlements | 15,121 | 14,703 |
| Total current employee benefits and related on-costs | 30,558 | 28,422 |
| Non-current employee benefits and related on-costs | | |
| Conditional long service leave entitlements | 3,640 | 3,061 |
| Total non-current employee benefits and related on-costs | 3,640 | 3,061 |
| Total employee benefits and related on-costs | 34,198 | 31,483 |
| Attributable to: | | |
| Employee benefits | 30,296 | 26,708 |
| Provision for related on-costs | 3,902 | 4,775 |
| Total employee benefits and related on-costs | 34,198 | 31,483 |

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

| | Total 2023 \$'000 | Total 2022 \$'000 |
|--|-------------------------|-------------------------|
| Carrying amount at start of year | 4,775 | 4,404 |
| Additional provisions recognised | 1,235 | 377 |
| Net gain/(loss) arising from revaluation of long service liability | 13 | (153) |
| Amounts incurred during the year | (2,121) | 147 |
| Carrying amount at end of year | 3,902 | 4,775 |

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.

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

Annual leave and accrued days off

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

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

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

Conditional LSL is measured at present value and is disclosed as a non-current liability. Any gain or loss following 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.

Provision for on-costs related to employee benefits

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

Note 3.4 Superannuation

| | Paid Contribution for the Year | | Contribution Outstanding at Year End | |
|---|--------------------------------|-------------------------|--------------------------------------|-------------------------|
| | Total 2023 \$'000 | Total 2022 \$'000 | Total 2023 \$'000 | Total 2022 \$'000 |
| Defined benefit plans:ⁱ | | | | |
| Aware Super | 408 | 165 | 10 | 13 |
| Defined contribution plans: | | | | |
| Aware Super | 6,281 | 6,047 | 495 | 474 |
| Hesta | 3,745 | 3,370 | 276 | 275 |
| Hostplus Super | 547 | 523 | 42 | 38 |
| Australian Super | 525 | 377 | 44 | 36 |
| Rest Super | 320 | 258 | 25 | 23 |
| UniSuper | 161 | 93 | 14 | 13 |
| Other | 1,221 | 1,068 | 83 | 91 |
| Total | 13,208 | 11,901 | 989 | 963 |

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

How we recognise superannuation

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

Defined benefit superannuation plans

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

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

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

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

Defined contribution superannuation plans

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

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

Note 4: Key assets to support service delivery

Northeast Health Wangaratta 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 Northeast Health Wangaratta to be utilised for delivery of those outputs.

Structure

4.1 Property, plant & equipment

4.2 Right-of-use assets

4.3 Revaluation surplus

4.4 Intangible assets

4.5 Depreciation and amortisation

4.6 Impairment of assets

Telling the COVID-19 story

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

Key judgements and estimates

This section contains the following key judgements and estimates:

| Key judgements and estimates | Description |
|---|---|
| Estimating useful life of property, plant and equipment | Northeast Health Wangaratta 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 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 | <p>The useful life of each right-of-use asset is typically the respective lease term, except where the health service is reasonably certain to exercise a purchase option contained within the lease (if any), in which case the useful life reverts to the estimated useful life of the underlying asset.</p> <p>Northeast Health Wangaratta applies significant judgement to determine whether or not it is reasonably certain to exercise such purchase options.</p> |

Key judgements and estimates (continued)

| Key judgements and estimates | Description |
|---|--|
| Estimating the useful life of intangible assets | Northeast Health Wangaratta 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 | <p>At the end of each year, Northeast Health Wangaratta 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.</p> <p>The health service considers a range of information when performing its assessment, including considering:</p> <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. <p>Where an impairment trigger exists, the health service applies significant judgement and estimate to determine the recoverable amount of the asset.</p> |

Note 4.1 Property, plant and equipment

Note 4.1 (a) Gross carrying amount and accumulated depreciation

| | Total 2023 \$'000 | Total 2022 \$'000 |
|---|-------------------------|-------------------------|
| Land at fair value - Crown | 1,778 | 1,778 |
| Land at fair value - Freehold | 3,726 | 3,726 |
| Total land at fair value | 5,504 | 5,504 |
| Buildings at fair value | 82,805 | 62,627 |
| Less accumulated depreciation | (4,559) | - |
| Total buildings at fair value | 78,246 | 62,627 |
| Works in progress at cost | 5,045 | 17,275 |
| Total land and buildings | 88,795 | 85,406 |
| Plant and equipment at fair value | 15,145 | 10,764 |
| Less accumulated depreciation | (6,814) | (5,929) |
| Total plant and equipment at fair value | 8,331 | 4,835 |
| Motor vehicles at fair value | 850 | 1,294 |
| Less accumulated depreciation | (850) | (1,144) |
| Total motor vehicles at fair value | - | 150 |
| Medical equipment at fair value | 13,583 | 11,448 |
| Less accumulated depreciation | (8,228) | (7,884) |
| Total medical equipment at fair value | 5,355 | 3,564 |
| Computer equipment at fair value | 1,154 | 1,122 |
| Less accumulated depreciation | (694) | (605) |
| Total computer equipment at fair value | 460 | 517 |
| Furniture and fittings at fair value | 925 | 925 |
| Less accumulated depreciation | (783) | (738) |
| Total furniture and fittings at fair value | 142 | 187 |
| Total plant, equipment, furniture, fittings and vehicles at fair value | 14,288 | 9,253 |
| Total property, plant and equipment | 103,083 | 94,659 |

Note 4.1 (b) Reconciliations of the carrying amount by class of asset

| | Note | Land \$'000 | Buildings \$'000 | Works in progress \$'000 | Plant & equipment \$'000 | Motor vehicles \$'000 | Medical Equipment \$'000 | Computer Equipment \$'000 |
|-------------------------------------|----------------|----------------|---------------------|--------------------------------|--------------------------------|--------------------------|--------------------------------|---------------------------------|
| Balance at 1 July 2021 | | 4,850 | 62,050 | 4,047 | 5,010 | 220 | 3,897 | 608 |
| Additions | | - | 99 | 13,228 | 390 | - | 317 | - |
| Revaluation increments/(decrements) | 4.3 | 654 | 5,940 | - | - | - | - | - |
| Depreciation | 4.5 | - | (5,462) | - | (564) | (70) | (650) | (91) |
| Balance at 30 June 2022 | 4.1 (a) | 5,504 | 62,627 | 17,275 | 4,835 | 150 | 3,564 | 517 |
| Additions | | - | 7,948 | - | 4,387 | - | 2,535 | 32 |
| Disposals | | - | - | - | (5) | (88) | (20) | - |
| Net Transfers between classes | | - | 12,230 | (12,230) | - | - | - | - |
| Depreciation | 4.5 | - | (4,559) | - | (886) | (62) | (724) | (89) |
| Balance at 30 June 2023 | 4.1 (a) | 5,504 | 78,246 | 5,045 | 8,331 | - | 5,355 | 460 |

| | Note | Furniture & Fittings \$'000 | Total \$'000 |
|-------------------------------------|----------------|-----------------------------------|-----------------|
| Balance at 1 July 2021 | | 238 | 80,920 |
| Additions | | 20 | 14,054 |
| Revaluation increments/(decrements) | 4.3 | - | 6,594 |
| Depreciation | 4.5 | (71) | (6,908) |
| Balance at 30 June 2022 | 4.1 (a) | 187 | 94,659 |
| Additions | | - | 14,902 |
| Disposals | | - | (113) |
| Net Transfers between classes | | - | - |
| Depreciation | 4.5 | (45) | (6,365) |
| Balance at 30 June 2023 | 4.1 (a) | 142 | 103,083 |

Land and Buildings Carried at Valuation

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

How we recognise property, plant and equipment

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

Initial recognition

Items of property, plant and equipment (excluding right-of-use assets) are initially measured 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 an amalgamation/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, Northeast Health Wangaratta 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%, Northeast Health Wangaratta would obtain an interim independent valuation prior to the next scheduled independent valuation.

An independent valuation of Northeast Health Wangaratta's property, plant and equipment was performed by the VGV on 30 June 2019 followed by a managerial assessment at 30 June 2022. The valuation, which complies with Australian Valuation Standards, was determined by reference to the amount for which assets could be exchanged between knowledgeable willing parties in an arm's length transaction. As an independent valuation was not undertaken on 30 June 2023, a managerial assessment performed at 30 June 2023 which indicated an overall:

- decrease in fair value of land of 0.78% (\$0.043M)
- increase in fair value of buildings of 4.88% (\$4.07M)

As the cumulative movement was less than 10% for land and buildings since the last revaluation a managerial revaluation adjustment was not required as at 30 June 2023.

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

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

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

The revaluation surplus 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.

Note 4.2 Right-of-use assets

Note 4.2(a) Gross carrying amount and accumulated depreciation

| | Total 2023 \$'000 | Total 2022 \$'000 |
|--|----------------------------------|----------------------------------|
| Right-of-use land at fair value | 698 | 510 |
| Less accumulated depreciation | (150) | (60) |
| Total right of use land at fair value | 548 | 450 |
| Right-of-use buildings at fair value | 239 | - |
| Less accumulated depreciation | (32) | - |
| Total right of use buildings at fair value | 207 | - |
| Total right of use land and buildings | 755 | 450 |
| Right of use motor vehicles at fair value | 377 | 285 |
| Less accumulated depreciation | (150) | (111) |
| Total right of use equipment and vehicles at fair value | 227 | 174 |
| Right of use medical equipment at fair value | 3,321 | 2,663 |
| Less accumulated depreciation | (1,808) | (1,807) |
| Total right of use equipment and vehicles at fair value | 1,513 | 856 |
| Right of use computer equipment at fair value | 451 | 451 |
| Less accumulated depreciation | (274) | (318) |
| Total right of use equipment and vehicles at fair value | 177 | 133 |
| Total right of use equipment and vehicles at fair value | 1,917 | 1,163 |
| Total right of use assets | 2,672 | 1,613 |

Note 4.2 (b) Reconciliations of the carrying amount by class of asset

| | Note | Right of Use Land \$'000 | Right of Use Buildings \$'000 | Right of Use Medical Equipment \$'000 | Right of Use Computer Equipment \$'000 | Right of Use Motor vehicles \$'000 | Total \$'000 |
|--------------------------------|----------------|--------------------------------|-------------------------------------|--|---|--|-----------------|
| Balance at 1 July 2021 | | 544 | - | 832 | 299 | 219 | 1,894 |
| Additions | | - | - | 573 | - | - | 573 |
| Lease Adjustment | | (63) | - | - | - | - | (63) |
| Depreciation | 4.5 | (31) | - | (549) | (166) | (46) | (792) |
| Balance at 30 June 2022 | 4.2 (a) | 450 | - | 856 | 133 | 174 | 1,613 |
| Additions | | 40 | 238 | 1,019 | 133 | 104 | 1,534 |
| Disposals | | - | - | - | - | (8) | (8) |
| Net Transfers between classes | | 98 | - | (98) | - | - | - |
| Depreciation | 4.5 | (40) | (31) | (264) | (89) | (43) | (467) |
| Balance at 30 June 2023 | 4.2 (a) | 548 | 207 | 1,513 | 177 | 227 | 2,672 |

How we recognise right-of-use assets

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

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

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

| Class of right-of-use asset | Lease term |
|-----------------------------|--------------|
| Leased land | 17 years |
| Lease Buildings | 2 years |
| Leased medical equipment | 3 to 5 years |
| Leased computer equipment | 3 to 5 years |
| Leased vehicles | 1 to 3 years |

Initial recognition

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

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

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

Northeast Health Wangaratta has no lease agreements that contain purchase option at the completion of the lease.

Subsequent measurement

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

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

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

Note 4.3 Revaluation surplus

| | Total 2023 \$'000 | Total 2022 \$'000 |
|--|----------------------------------|----------------------------------|
| Balance at the beginning of the reporting period | 81,466 | 74,872 |
| Revaluation increment | | |
| - Land | 4.1 (b) - | 654 |
| - Buildings | 4.1 (b) - | 5,940 |
| Balance at the end of the Reporting Period* | 81,466 | 81,466 |
| * Represented by: | | |
| - Land | 2,988 | 2,988 |
| - Buildings | 78,478 | 78,478 |
| | 81,466 | 81,466 |

Note 4.4 Intangible assets

Note 4.4 (a) Intangible assets - Gross carrying amount and accumulated amortisation

| | Total 2023 \$'000 | Total 2022 \$'000 |
|---|----------------------------------|----------------------------------|
| Intangible assets - software | 1,169 | 1,169 |
| Less accumulated amortisation | (1,160) | (1,129) |
| Total intangible assets - software | 9 | 40 |
| Total intangible assets | 9 | 40 |

Note 4.4 (b) Intangible assets - Reconciliations of the carrying amount by class of asset

| | Note | Software \$'000 | Total \$'000 |
|--------------------------------|----------------|----------------------------|-------------------------|
| Balance at 1 July 2021 | | 99 | 99 |
| Amortisation | 4.5 | (59) | (59) |
| Balance at 30 June 2022 | 4.4 (a) | 40 | 40 |
| Amortisation | 4.5 | (31) | (31) |
| Balance at 30 June 2023 | 4.4 (a) | 9 | 9 |

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.

Northeast Health Wangaratta has no internally generated intangible assets.

Subsequent measurement

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

Note 4.5 Depreciation and amortisation

Depreciation

| |
|---|
| Buildings |
| Plant and equipment |
| Motor vehicles |
| Medical equipment |
| Computer equipment |
| Furniture and fittings |
| Total depreciation - property, plant and equipment |

| Total 2023 \$'000 | Total 2022 \$'000 |
|-------------------------|-------------------------|
| 4,559 | 5,462 |
| 886 | 564 |
| 16 | 70 |
| 724 | 650 |
| 89 | 91 |
| 45 | 71 |
| 6,319 | 6,908 |

Right-of-use assets

| |
|---|
| Right of use - land |
| Right of use - buildings |
| Right of use - medical equipment |
| Right of use - computers and communications |
| Right of use - motor vehicles |
| Total depreciation - right-of-use assets |

| | |
|------------|------------|
| 40 | 31 |
| 31 | - |
| 264 | 549 |
| 89 | 166 |
| 43 | 46 |
| 467 | 792 |

Amortisation

| |
|----------|
| Software |
|----------|

| | |
|----|----|
| 31 | 59 |
|----|----|

Total amortisation

| | |
|-----------|-----------|
| 31 | 59 |
|-----------|-----------|

Total depreciation and amortisation

| | |
|--------------|--------------|
| 6,817 | 7,759 |
|--------------|--------------|

How we recognise depreciation

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

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

How we recognise amortisation

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

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

| |
|---|
| Buildings |
| - Structure shell building fabric |
| - Site engineering services and central plant |
| Central Plant |
| - Fit Out |
| - Trunk reticulated building system |
| Plant and equipment |
| Medical equipment |
| Computers and communication |
| Furniture and fitting |
| Motor Vehicles |
| Leased Assets |
| Intangible Assets |

| 2023 | 2022 |
|---------------|---------------|
| 50 years | 50 years |
| 40 years | 40 years |
| 25 years | 25 years |
| 30 years | 30 years |
| 5 to 25 years | 5 to 25 years |
| 4 to 15 years | 4 to 15 years |
| 3 to 5 years | 3 to 5 years |
| 5 to 20 years | 5 to 20 years |
| 4 years | 4 years |
| 2 to 4 years | 2 to 4 years |
| 3 to 5 years | 3 to 5 years |

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

Note 4.6 Inventories

| | Total 2023 \$'000 | Total 2022 \$'000 |
|---|----------------------------------|----------------------------------|
| Medical and surgical consumables at cost | 1,228 | 1,128 |
| Pharmacy supplies at cost | 397 | 353 |
| Engineering stores at cost | 52 | 57 |
| Housekeeping and Food & Catering Supplies at cost | 36 | 47 |
| Administration supplies at cost | 64 | 27 |
| Total inventories | 1,777 | 1,612 |

How we recognise inventories

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

Note 4.6 Impairment of assets

How we recognise impairment

At the end of each reporting period, Northeast Health Wangaratta 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 Northeast Health Wangaratta 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, Northeast Health Wangaratta 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, Northeast Health Wangaratta estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Northeast Health Wangaratta did not record any impairment losses in property, plant and equipment for the year ended 30 June 2023.

Note 5: Other assets and liabilities

This section sets out those assets and liabilities that arose from Northeast Health Wangaratta's operations.

Structure

5.1 Receivables

5.2 Contract Assets

5.3 Payables and contract liabilities

5.4 Contract liabilities

5.5 Other liabilities

Telling the COVID-19 story

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

Key judgements and estimates

This section contains the following key judgements and estimates:

| Key judgements and estimates | Description |
|---|--|
| Estimating the provision for expected credit losses | Northeast Health Wangaratta 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 contract liabilities | Northeast Health Wangaratta applies significant judgement to measure its progress towards satisfying a performance obligation as detailed in Note 2. Where a performance obligation is yet to be satisfied, the health service assigns funds to the outstanding obligation and records this as a contract liability until the promised good or service is transferred to the customer. |

Note 5.1 Receivables

| | Total 2023 \$'000 | Total 2022 \$'000 |
|---|-------------------------|-------------------------|
| Notes | | |
| Current receivables | | |
| Contractual | | |
| Inter hospital debtors | 157 | 158 |
| Trade receivables | 1,095 | 491 |
| Patient fees | 874 | 1,057 |
| Allowance for impairment losses - Patient fees | 5.1 (a) (49) | (49) |
| Allowance for impairment losses - Trade Debtors | 5.1 (a) (17) | (17) |
| Total contractual receivables | 2,060 | 1,640 |
| Statutory | | |
| Net GST receivable | 844 | 812 |
| Total statutory receivables | 844 | 812 |
| Total current receivables | 2,904 | 2,452 |
| Non-current receivables | | |
| Contractual | | |
| Other Receivables | 83 | 76 |
| Long service leave - Department of Health | 6,674 | 5,785 |
| Total contractual receivables | 6,757 | 5,861 |
| Total non-current receivables | 6,757 | 5,861 |
| Total receivables | 9,661 | 8,313 |
| <i>(i) Financial assets classified as receivables (Note 7.1(a))</i> | | |
| Total receivables | 9,661 | 8,313 |
| GST receivable | (844) | (812) |
| Total financial assets classified as receivables | 7.1(a) 8,817 | 7,501 |

Note 5.1 (a) Movement in the allowance for impairment losses of contractual receivables

| | Total 2023 \$'000 | Total 2022 \$'000 |
|---------------------------------------|-------------------------|-------------------------|
| Balance at the beginning of the year | 66 | 66 |
| Increase in allowance | 77 | 31 |
| Amounts written off during the year | (77) | (31) |
| Balance at the end of the year | 66 | 66 |

How we recognise receivables

Receivables consist of:

- **Contractual receivables**, which mostly includes debtors in relation to goods and services. These receivables are classified as financial instruments and categorised as 'financial assets at amortised costs'. They are initially recognised at fair value plus any directly attributable transaction costs. The health service holds the contractual receivables with the objective to collect the contractual cash flows and therefore they are subsequently measured at amortised cost using the effective interest method, less any impairment.
- **Statutory receivables** includes Goods and Services Tax (GST) input tax credits that are recoverable. Statutory receivables do not arise from contracts and are recognised and measured similarly to contractual receivables (except for impairment), but are not classified as financial instruments for disclosure purposes. The health service applies AASB 9 for initial measurement of the statutory receivables and as a result statutory receivables are initially recognised at fair value plus any directly attributable transaction cost.

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

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

Impairment losses of contractual receivables

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

Note 5.2 Contract assets

| | Total 2023 \$'000 | Total 2022 \$'000 |
|---|-------------------------|-------------------------|
| Balance at the beginning of the year | 2,096 | 1,358 |
| Add: Additional costs incurred that are recoverable from the customer | 1,384 | 1,786 |
| Less: Transfer to trade receivable or cash at bank | (2,096) | (1,048) |
| Less: impairment allowance | - | - |
| Total contract assets | 1,384 | 2,096 |
| * Represented by: | | |
| - Current assets | 1,384 | 2,096 |
| | 1,384 | 2,096 |

How we recognise contract assets

Contract assets relate to the Northeast Health Wangaratta's right to consideration in exchange for goods transferred to customers for works completed, but not yet billed at the reporting date. The contract assets are transferred to receivables when the rights become unconditional, at this time an invoice is issued. Contract assets are expected to be recovered early next year.

Note 5.3 Payables

| | Total 2023 \$'000 | Total 2022 \$'000 |
|---|-------------------------|-------------------------|
| Note | | |
| Current payables | | |
| Contractual | | |
| Trade creditors | 665 | 1,629 |
| Accrued salaries and wages | 3,301 | 3,499 |
| Accrued expenses | 6,346 | 4,065 |
| Deferred grant income | 9,425 | 16,096 |
| Amounts payable to governments and agencies | 786 | 519 |
| Total contractual payables | 20,523 | 25,808 |
| Statutory | | |
| GST Payables | 85 | 54 |
| Total statutory payables | 85 | 54 |
| Total current payables | 20,608 | 25,862 |
| Non-current payables | | |
| Trade Creditors | - | 71 |
| Total non-current payables and contract liabilities | - | 71 |
| Total payables and contract liabilities | 20,608 | 25,933 |
| <i>(i) Financial liabilities classified as payables (Note 7.1(a))</i> | | |
| Total payables and contract liabilities | 20,608 | 25,933 |
| Deferred grant income | (9,425) | (16,096) |
| GST Payable | (85) | (54) |
| Total financial liabilities classified as payables | 11,098 | 9,784 |

How we recognise payables

Payables consist of:

- Contractual payables, which mostly includes payables in relation to goods and services. These payables are classified as financial instruments and measured at amortised cost. Accounts payable and salaries and wages payable represent liabilities for goods and services provided to Northeast Health Wangaratta prior to the end of the financial year that are unpaid.
- **Statutory payables** comprises 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 Net 30 days.

Note 5.3 (a) Deferred grant income

| | Total 2023 \$'000 | Total 2022 \$'000 |
|---|-------------------------|-------------------------|
| Opening balance of deferred grant income | 16,096 | 27,446 |
| Grant consideration for capital works received during the year | 4,272 | 1,163 |
| Deferred grant revenue recognised as revenue due to completion of capital works | (10,943) | (12,513) |
| Closing balance of deferred grant income | 9,425 | 16,096 |

How we recognise deferred capital grant revenue

Grant consideration was received from the Department of Health to support the construction of NHW Infrastructure, engineering infrastructure, ICT software/equipment and medical equipment. Capital grant revenue is recognised progressively as the asset is constructed, since this is the time when Northeast Health Wangaratta 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, Northeast Health Wangaratta has deferred recognition of a portion of the grant consideration received as a liability for the outstanding obligations.

Northeast Health Wangaratta expects to recognise all of the remaining deferred capital grant revenue for capital works by 30 June 2024.

Note 5.4 Contract liabilities

| | Total 2023 \$'000 | Total 2022 \$'000 |
|--|----------------------------------|----------------------------------|
| Opening balance of contract liabilities | 1,462 | 1,654 |
| Grant consideration for sufficiently specific performance obligations received during the year | 2,408 | 1,449 |
| Revenue recognised for the completion of a performance obligation | (1,462) | (1,641) |
| Total contract liabilities | 2,408 | 1,462 |
| * Represented by: | | |
| - Current contract liabilities | 2,408 | 1,462 |
| | 2,408 | 1,462 |

How we recognise contract liabilities

Contract liabilities include consideration received in advance from customers in respect of activity based services. The balance of contract liabilities increased this year due to reintroduction of specific activity based recalls, the majority of which were deferred in the first year of Covid operations.

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

Maturity analysis of payables

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

Note 5.5 Other liabilities

| | Total 2023 \$'000 | Total 2022 \$'000 |
|---|----------------------------------|----------------------------------|
| Notes | | |
| Current monies held in trust | | |
| Patient monies | 12 | 25 |
| Refundable accommodation deposits | 6,655 | 5,421 |
| Other monies | 26 | (11) |
| Total current monies held in trust | 6,693 | 5,435 |
| Total other liabilities | 6,693 | 5,435 |
| * Represented by: | | |
| - Cash assets | 6.2 6,667 | 5,446 |
| | 6,667 | 5,446 |

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 Northeast Health Wangaratta 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*.

Other monies in trust are held by the Hume Rural Health Alliance in relation to a Patient Administration System to be utilised by Health Services in the Hume Region.

Note 6: How we finance our operations

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

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

Structure

6.1 Borrowings

6.2 Cash and cash equivalents

6.3 Commitments for expenditure

6.4 Non-cash financing and investing activities

Telling the COVID-19 story

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

Key judgements and estimates

This section contains the following key judgements and estimates:

| Key judgements and estimates | Description |
|--|--|
| Determining if a contract is or contains a lease | <p>Northeast Health Wangaratta applies significant judgement to determine if a contract is or contains a lease by considering if the health service:</p> <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 | <p>Northeast Health Wangaratta applies significant judgement when determining if a lease meets the short-term or low value lease exemption criteria.</p> <p>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.</p> <p>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.</p> |
| Discount rate applied to future lease payments | <p>Northeast Health Wangaratta 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, Northeast Health Wangaratta 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.</p> <p>For leased plant, equipment, furniture, fittings and vehicles, the implicit interest rate is between 1.27% and 3.30%.</p> |
| Assessing the lease term | <p>The lease term represents the non-cancellable period of a lease, combined with periods covered by an option to extend or terminate the lease if Northeast Health Wangaratta is reasonably certain to exercise such options.</p> <p>Northeast Health Wangaratta determines the likelihood of exercising such options on a lease-by-lease basis through consideration of various factors including:</p> <ul style="list-style-type: none"> • If there are significant penalties to terminate (or not extend), the health service is typically reasonably certain to extend (or not terminate) the lease. • If any leasehold improvements are expected to have a significant remaining value, the health service is typically reasonably certain to extend (or not terminate) the lease. • The health service considers historical lease durations and the costs and business disruption to replace such leased assets. |

Note 6.1 Borrowings

| | | Total 2023 \$'000 | Total 2022 \$'000 |
|--|---------|-------------------------|-------------------------|
| Note | | | |
| Current borrowings | | | |
| Lease liability ⁽ⁱ⁾ | 6.1 (a) | 902 | 638 |
| Advances from government ⁽ⁱⁱ⁾ | | 85 | 85 |
| Total current borrowings | | 987 | 723 |
| Non-current borrowings | | | |
| Lease liability ⁽ⁱ⁾ | 6.1 (a) | 1,810 | 1,126 |
| Advances from government ⁽ⁱⁱ⁾ | | 225 | 306 |
| Total non-current borrowings | | 2,035 | 1,432 |
| Total borrowings | | 3,022 | 2,155 |

ⁱ Secured by the assets leased.

ⁱⁱ These are secured 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 and other interest-bearing arrangements.

Initial recognition

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

Subsequent measurement

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

Maturity analysis

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

Defaults and breaches

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

Note 6.1 (a) Lease liabilities

Northeast Health Wangaratta's lease liabilities are summarised below:

| | Total 2023 \$'000 | Total 2022 \$'000 |
|--------------------------------------|-------------------------|-------------------------|
| Total undiscounted lease liabilities | 2,727 | 1,804 |
| Less unexpired finance expenses | (15) | (40) |
| Net lease liabilities | 2,712 | 1,764 |

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

| | Total 2023 \$'000 | Total 2022 \$'000 |
|---|-------------------------|-------------------------|
| Not longer than one year | 908 | 641 |
| Longer than one year but not longer than five years | 857 | 849 |
| Longer than five years | 962 | 314 |
| Minimum future lease liability | 2,727 | 1,804 |
| Less unexpired finance expenses | (15) | (40) |
| Present value of lease liability | 2,712 | 1,764 |
| * Represented by: | | |
| - Current liabilities | 902 | 638 |
| - Non-current liabilities | 1,810 | 1,126 |
| | 2,712 | 1,764 |

How we recognise lease liabilities

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

To apply this definition, Northeast Health Wangaratta 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 Northeast Health Wangaratta and for which the supplier does not have substantive substitution rights
- Northeast Health Wangaratta 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 Northeast Health Wangaratta has the right to direct the use of the identified asset throughout the period of use and
- Northeast Health Wangaratta has the right to take decisions in respect of 'how and for what purpose' the asset is used throughout the period of use.

Northeast Health Wangaratta's lease arrangements consist of the following:

| Type of asset leased | Lease term |
|---------------------------|--------------|
| Leased land | 17 years |
| Leased buildings | 2 years |
| Leased medical equipment | 1 to 7 years |
| Leased computer equipment | 3 to 5 years |
| Leased vehicles | 1 to 3 years |

Note 6.1 (a) Lease liabilities (cont)

Separation of lease and non-lease components

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

Initial measurement

The lease liability is initially measured at the present value of the lease payments unpaid at the commencement date, discounted using the interest rate implicit in the lease if that rate is readily determinable or Northeast Health Wangaratta's incremental borrowing rate. Our lease liability has been discounted by rates of between 3% to 5%.

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

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

Subsequent measurement

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

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

Note 6.2 Cash and Cash Equivalents

| | Total 2023 \$'000 | Total 2022 \$'000 |
|---|----------------------------------|----------------------------------|
| Cash on hand (excluding monies held in trust) | 4 | 21 |
| Cash at bank (excluding monies held in trust) | 413 | 388 |
| Cash at bank - CBS (excluding monies held in trust) | 21,144 | 23,290 |
| Total cash held for operations | 21,561 | 23,699 |
| Cash at bank (monies held in trust) | 12 | 25 |
| Cash at bank - CBS (monies held in trust) | 6,655 | 5,421 |
| Total cash held as monies in trust | 6,667 | 5,446 |
| Total cash and cash equivalents | 28,228 | 29,145 |

7.1 (a)

How we recognise cash and cash equivalents

Cash and cash equivalents recognised on the balance sheet comprise cash on hand and in banks and deposits at call.

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

Note 6.3 Commitments for expenditure

| | Total 2023 \$'000 | Total 2022 \$'000 |
|---|-------------------------|-------------------------|
| Capital expenditure commitments | | |
| Less than one year | 9,425 | 3,561 |
| Total capital expenditure commitments | 9,425 | 3,561 |
| Operating expenditure commitments | | |
| Less than one year | 320 | 295 |
| Longer than one year but not longer than five years | 652 | 843 |
| Five years or more | 159 | 279 |
| Total non-cancellable short term and low value lease commitments | 1,131 | 1,417 |
| Non-cancellable short term and low value lease commitments | | |
| Less than one year | 597 | 727 |
| Longer than one year but not longer than five years | 193 | 160 |
| Total PPP commitments (commissioned) | 790 | 887 |
| Total commitments for expenditure (exclusive of GST) | 11,346 | 5,865 |
| Less GST recoverable from Australian Tax Office | (1,031) | (494) |
| Total commitments for expenditure (exclusive of GST) | 10,315 | 5,371 |

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

How we disclose our commitments

Our commitments relate to expenditure 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 at their nominal value and are inclusive of the GST payable. In addition, where it is considered appropriate and provides additional relevant information to users, the net present values of significant 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

Northeast Health Wangaratta 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

| | Total 2023 \$'000 | Total 2022 \$'000 |
|--|-------------------------|-------------------------|
| Acquisition of plant and equipment by means of Leases | 1,123 | 573 |
| Total non-cash financing and investing activities | 1,123 | 573 |

Note 7: Risks, contingencies and valuation uncertainties

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

Structure

7.1 Financial instruments

7.2 Financial risk management objectives and policies

7.3 Contingent assets and contingent liabilities

7.4 Fair value determination

Key judgements and estimates

This section contains the following key judgements and estimates:

| Key judgements and estimates | Description |
|--|--|
| Measuring fair value of non-financial assets | <p>Fair value is measured with reference to highest and best use, that is, the use of the asset by a market participant that is physically possible, legally permissible, financially feasible, and which results in the highest value, or to sell it to another market participant that would use the same asset in its highest and best use.</p> <p>In determining the highest and best use, Northeast Health Wangaratta 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> |

Key judgements and estimates (continued)

| Key judgements and estimates | Description |
|--|---|
| Measuring fair value of non-financial assets | <p>Northeast Health Wangaratta 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 Northeast Health Wangaratta's specialised land, non-specialised land and non-specialised buildings are measured using this approach. ▪ Cost approach, which reflects the amount that would be required to replace the service capacity of the asset (referred to as current replacement cost). The fair value of Northeast Health Wangaratta's specialised buildings, furniture, fittings, plant, equipment and vehicles are measured using this approach. <p>The health service selects a valuation technique which is considered most appropriate, and for which there is sufficient data available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.</p> <p>Subsequently, the health service applies significant judgement to categorise and disclose such assets within a fair value hierarchy, which includes:</p> <ul style="list-style-type: none"> ▪ Level 1, using quoted prices (unadjusted) in active markets for identical assets that the health service can access at measurement date. Northeast Health Wangaratta 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. Northeast Health Wangaratta categorises non-specialised land and non-specialised buildings in this level. ▪ Level 3, where inputs are unobservable. Northeast Health Wangaratta categorises specialised land, specialised buildings, medical equipment, plant and equipment, furniture and fittings, motor vehicles, right-of-use buildings and right-of-use equipment and vehicles 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 Northeast Health Wangaratta's activities, certain financial assets and financial liabilities arise under statute rather than a contract (for example, taxes, fines and penalties). Such financial assets and financial liabilities do not meet the definition of financial instruments in AASB 132 Financial Instruments: Presentation.

Note 7.1 (a) Categorisation of financial instruments

| | Note | Financial Assets at Amortised Cost | | | Financial Liabilities at Amortised Cost | | Total |
|---|------|------------------------------------|---------------|---------------|---|--------|---------------|
| | | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | |
| Total | | | | | | | |
| 30 June 2023 | | | | | | | |
| Contractual Financial Assets | | | | | | | |
| Cash and Cash Equivalents | 6.2 | | 28,228 | - | - | | 28,228 |
| Receivables | 5.1 | | 8,817 | - | - | | 8,817 |
| Total Financial Assets¹ | | | 37,045 | - | - | | 37,045 |
| Financial Liabilities | | | | | | | |
| Payables | 5.3 | | - | 11,098 | | | 11,098 |
| Borrowings | 6.1 | | - | 3,022 | | | 3,022 |
| Other Financial Liabilities - Refundable Accommodation Deposits | 5.5 | | - | 6,655 | | | 6,655 |
| Other Financial Liabilities - other monies held in trust | 5.5 | | - | 38 | | | 38 |
| Total Financial Liabilities¹ | | | - | 20,813 | | | 20,813 |

| | | Financial Assets at | | Financial Liabilities | | Total |
|--|---|---------------------|-------------------|-----------------------|--|---------------|
| | | Amortised Cost | at Amortised Cost | | | |
| Note | | \$'000 | \$'000 | | | |
| 30 June 2022 | | | | | | |
| Contractual Financial Assets | | | | | | |
| | Cash and cash equivalents | 29,145 | - | | | 29,145 |
| | Receivables | 7,501 | - | | | 7,501 |
| Total Financial Assetsⁱ | | 36,646 | - | | | 36,646 |
| Financial Liabilities | | | | | | |
| | Payables | - | 9,784 | | | 9,784 |
| | Borrowings | - | 2,155 | | | 2,155 |
| | Other Financial Liabilities - Refundable Accommodation Deposits | - | 5,421 | | | 5,421 |
| | Other Financial Liabilities - Patient monies held in trust | - | 14 | | | 14 |
| Total Financial Liabilitiesⁱ | | - | 17,374 | | | 17,374 |

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

How we categorise financial instruments

Categories of financial assets

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

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

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

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

Financial assets at amortised cost

Financial assets are measured at amortised cost 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 Northeast Health Wangaratta 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 are subsequently measured at amortised cost using the effective interest method less any impairment.

Northeast Health Wangaratta recognises the following assets in this category:

- cash and deposits
- receivables (excluding statutory receivables)

Categories of financial liabilities

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

Financial liabilities at amortised cost

Financial liabilities are 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.

Northeast Health Wangaratta recognises the following liabilities in this category:

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

Offsetting financial instruments

Financial instrument assets and liabilities are offset and the net amount presented in the consolidated balance sheet when, and only when, Northeast Health Wangaratta has a legal right to offset the amounts and intend either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Some master netting arrangements do not result in an offset of balance sheet assets and liabilities. Where Northeast Health Wangaratta does not have a legally enforceable right to offset recognised amounts, because the right to offset is enforceable only on the occurrence of future events such as default, insolvency or bankruptcy, they are reported on a gross basis.

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
- Northeast Health Wangaratta 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
- Northeast Health Wangaratta 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 Northeast Health Wangaratta has neither transferred nor retained substantially all the risks and rewards or transferred control, the asset is recognised to the extent of Northeast Health Wangaratta'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, Northeast Health Wangaratta'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, Northeast Health Wangaratta's financial risk management program seeks to manage the risks and the associated volatility of its financial performance.

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

Northeast Health Wangaratta's main financial risks include credit risk, liquidity risk and interest rate risk. Northeast Health Wangaratta manages these financial risks in accordance with its financial risk management policy.

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

Note 7.2 (a) Credit risk

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

Credit risk associated with Northeast Health Wangaratta'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, Northeast Health Wangaratta 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, Northeast Health Wangaratta'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 Northeast Health Wangaratta will not be able to collect a receivable. Objective evidence includes financial difficulties of the debtor, default payments, debtors that are more than 60 days overdue, and changes in debtor credit ratings.

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

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

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

Note 7.2 (a) Credit risk (continued)
Impairment of financial assets under AASB 9

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

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

Credit loss allowance is classified as other economic flows in the net result.

Contractual receivables are written off when there is no reasonable expectation of recovery and impairment losses are classified as a transaction expense. Subsequent recoveries of amounts previously written off are credited against the same line item.

Contractual receivables at amortised cost

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

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

| 30 June 2023 | | Current | Less than 1 month | 1–3 months | 3 months –1 year | 1–5 years | Total |
|--|-------------|----------------|------------------------------|-------------------|-------------------------|----------------------|---------------|
| | | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Expected loss rate | | 0.0% | 1.0% | 2.0% | 9.3% | 0.0% | |
| Gross carrying amount of contractual receivables | 5.1 | 1,408 | 270 | 67 | 666 | 0 | 2,411 |
| Loss allowance | | - | (3) | (1) | (62) | - | (66) |
| | | | | | | | |
| 30 June 2022 | | Current | Less than 1 month | 1–3 months | 3 months –1 year | 1–5 years | Total |
| | Note | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Expected loss rate | | 0.0% | 1.0% | 2.0% | 11.5% | 0.0% | |
| Gross carrying amount of contractual receivables | 5.1 | 886 | 357 | 87 | 522 | 0 | 1,852 |
| Loss allowance | | - | (4) | (2) | (60) | - | (66) |

Note 7.2 (a) Credit risk (continued)

Statutory receivables and debt investments at amortised cost

Northeast Health Wangaratta'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.

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

Note 7.2 (b) Liquidity risk

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

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

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

Northeast Health Wangaratta'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 other financial assets.

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

| | | Maturity Dates | | | | | |
|---|-----------------|----------------|-------------------|------------|-------------------|--------------|--------------|
| | Carrying Amount | Nominal Amount | Less than 1 Month | 1-3 Months | 3 months - 1 Year | 1-5 Years | Over 5 years |
| Note | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Total | | | | | | | |
| 30 June 2023 | | | | | | | |
| Payables | 11,098 | 11,098 | 11,098 | - | - | - | - |
| Borrowings | 3,022 | 3,022 | 28 | 67 | 240 | 2,687 | - |
| Other Financial Liabilities - Refundable Accommodation Deposits | 6,655 | 6,655 | - | - | 6,655 | - | - |
| Other Financial Liabilities - Other monies held in trust | 38 | 363 | 363 | - | - | - | - |
| Total Financial Liabilities | 20,813 | 21,138 | 11,489 | 67 | 6,895 | 2,687 | - |

| | | Maturity Dates | | | | | |
|---|-----------------|----------------|-------------------|------------|-------------------|--------------|--------------|
| | Carrying Amount | Nominal Amount | Less than 1 Month | 1-3 Months | 3 months - 1 Year | 1-5 Years | Over 5 years |
| Note | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Total | | | | | | | |
| 30 June 2022 | | | | | | | |
| Financial Liabilities at amortised cost | | | | | | | |
| Payables | 9,784 | 9,784 | 9,713 | - | - | 71 | - |
| Borrowings | 2,155 | 2,226 | 57 | 103 | 580 | 1,123 | 363 |
| Other Financial Liabilities - Refundable Accommodation Deposits | 5,421 | 5,421 | - | - | 5,421 | - | - |
| Other Financial Liabilities - Patient monies held in trust | 14 | 432 | 432 | - | - | - | - |
| Total Financial Liabilities | 17,374 | 17,863 | 10,202 | 103 | 6,001 | 1,194 | 363 |

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

Note 7.3 Contingent assets and contingent liabilities

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

How we measure and disclose contingent assets and contingent liabilities

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

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

Contingent 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
- Lease liabilities

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

Valuation hierarchy

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

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

Northeast Health Wangaratta determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. There have been no transfers between levels during the period.

Northeast Health Wangaratta 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 Northeast Health Wangaratta's independent valuation agency for property, plant and equipment.

Identifying unobservable inputs (level 3) fair value measurements

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

Unobservable inputs are 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.

Note 7.4 (a) Fair value determination of non financial physical assets

| | Note | Total carrying amount 30 June 2023 \$'000 | Fair value measurement at end of reporting period using: | | |
|---|----------------|---|--|--------------------------------|--------------------------------|
| | | | Level 1 ⁱ \$'000 | Level 2 ⁱ \$'000 | Level 3 ⁱ \$'000 |
| Non-specialised land | | 2,581 | - | 2,581 | - |
| Specialised land | | 2,923 | - | - | 2,923 |
| Total land at fair value | 4.1 (a) | 5,504 | - | 2,581 | 2,923 |
| Non-specialised buildings | | 539 | - | 539 | - |
| Specialised buildings | | 77,707 | - | - | 77,707 |
| Total buildings at fair value | 4.1 (a) | 78,246 | - | 539 | 77,707 |
| Plant and equipment | 4.1 (a) | 8,331 | - | - | 8,331 |
| Medical equipment | 4.1 (a) | 5,355 | - | - | 5,355 |
| Computer equipment | 4.1 (a) | 460 | - | - | 460 |
| Furniture and fittings | 4.1 (a) | 142 | - | - | 142 |
| Total plant, equipment, furniture, fittings and vehicles at fair value | | 14,288 | - | - | 14,288 |
| Right of use assets | 4.2 (a) | 2,672 | - | 548 | 2,124 |
| Total right-of-use assets at fair value | | 2,672 | - | 548 | 2,124 |
| Total non-financial physical assets at fair value | | 100,710 | - | 3,668 | 97,042 |

| | | Total carrying amount 30 June 2022 \$'000 | Fair value measurement at end of reporting period using: | | |
|---|----------------|---|--|--------------------------------|--------------------------------|
| | | | Level 1 ⁱ \$'000 | Level 2 ⁱ \$'000 | Level 3 ⁱ \$'000 |
| Non-specialised land | | 2,581 | - | 2,581 | - |
| Specialised land | | 2,923 | - | - | 2,923 |
| Total land at fair value | 4.1 (a) | 5,504 | - | 2,581 | 2,923 |
| Non-specialised buildings | | 588 | - | 588 | - |
| Specialised buildings | | 62,039 | - | - | 62,039 |
| Total buildings at fair value | 4.1 (a) | 62,627 | - | 588 | 62,039 |
| Plant and equipment | 4.1 (a) | 4,835 | - | - | 4,835 |
| Motor vehicles | 4.1 (a) | 150 | - | - | 150 |
| Medical equipment | 4.1 (a) | 3,564 | - | - | 3,564 |
| Computer equipment | 4.1 (a) | 517 | - | - | 517 |
| Furniture and fittings | 4.1 (a) | 187 | - | - | 187 |
| Total plant, equipment, furniture, fittings and vehicles at fair value | | 9,253 | - | - | 9,253 |
| Right of use assets | 4.2 (a) | 1,613 | - | 450 | 1,163 |
| | | 1,613 | - | 450 | 1,163 |
| Total non-financial physical assets at fair value | | 78,997 | - | 3,619 | 75,378 |

ⁱ Classified in accordance with the fair value hierarchy.

How we measure fair value of non-financial physical assets

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

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

Northeast Health Wangaratta has assumed the current use of a non-financial asset is its highest and best use unless market or other factors suggest that a different use by market participants would maximise the value of the asset.

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

Non-specialised land & non-specialised buildings

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

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

Specialised land and specialised buildings

Specialised land includes Crown and freehold 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, Northeast Health Wangaratta held Crown and freehold Land. The nature of this asset means that there are certain limitations and restrictions imposed on its use and/or disposal that may impact their fair value.

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

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

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

An independent valuation of Northeast Health Wangaratta's specialised land and specialised buildings was performed by the Valuer-General Victoria. The effective date of the valuation is 30 June 2019.

Vehicles

The Northeast Health Wangaratta 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).

Furniture, fittings, plant and equipment

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

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

7.4 (b) Reconciliation of level 3 fair value measurement

| Total | Note | Land \$'000 | Buildings \$'000 | Plant, equipment, vehicles, furniture & fittings \$'000 | Medical Equipment \$'000 | ROU Assets \$'000 |
|---|---------|----------------|---------------------|--|--------------------------------|----------------------|
| Balance at 1 July 2021 | | 2,694 | 61,011 | 6,088 | 3,897 | 1,350 |
| Additions/(Disposals) | | - | 99 | 416 | 317 | 573 |
| Net Transfers between classes | | - | 227 | - | - | - |
| <i>Gains/(Losses) recognised in net result</i> | | | | | | |
| - Depreciation and amortisation | | - | (4,825) | (817) | (650) | (761) |
| <i>Items recognised in other comprehensive income</i> | | | | | | |
| - Revaluation | | 229 | 5,528 | - | - | - |
| Balance at 30 June 2022 | 7.4 (a) | 2,923 | 62,039 | 5,689 | 3,564 | 1,163 |
| Additions/(Disposals) | | - | 7,948 | 4,326 | 2,515 | 1,526 |
| Net Transfers between classes | | - | 12,230 | - | - | 16 |
| <i>Gains/(Losses) recognised in net result</i> | | | | | | |
| - Depreciation and Amortisation | | - | (4,624) | (1,082) | (724) | (467) |
| Balance at 30 June 2023 | 7.4 (a) | 2,923 | 77,593 | 8,933 | 5,355 | 2,238 |

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

| Asset class | Likely valuation approach | Significant inputs (Level 3 only) |
|-----------------------------------|-----------------------------------|--|
| Non-specialised land | Market approach | N/A |
| Specialised land (Crown/freehold) | Market approach | Community Service Obligations Adjustments ⁽ⁱ⁾ |
| Non-specialised buildings | Market approach | N/A |
| Specialised buildings | Current replacement cost approach | - Cost per square metre - Useful life |
| Dwellings | 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 |

(i) A community service obligation (CSO) of 20% was applied to Northeast Health Wangaratta's specialised land.

Note 8: Other disclosures

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

Structure

8.1 Reconciliation of net result for the year to net cash flow from operating activities

8.2 Responsible persons disclosure

8.3 Remuneration of executives

8.4 Related parties

8.5 Remuneration of auditors

8.6 Events occurring after the balance sheet date

8.7 Jointly controlled operations

8.8 Equity

8.9 Economic dependency

Telling the COVID-19 story

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

Note 8.1 Reconciliation of net result for the year to net cash flows from operating activities

| | | Total 2023 \$'000 | Total 2022 \$'000 |
|---|------|-------------------------|-------------------------|
| | Note | | |
| Net result for the year | | 8,917 | 6,525 |
| Non-cash movements: | | | |
| (Gain)/Loss on sale or disposal of non-financial assets | 3.2 | 100 | - |
| (Gain)/Loss on disposal of financial instruments through net result | 3.2 | - | (26) |
| Depreciation of non-current assets | 4.5 | 6,786 | 7,700 |
| Amortisation of non-current assets | 4.5 | 31 | 59 |
| Share of net results in associates | 8.7 | 111 | (5) |
| Discount (interest) / expense on loan | 3.2 | 3 | - |
| Movements in Assets and Liabilities: | | | |
| (Increase)/Decrease in receivables and contract assets | | (636) | (2,318) |
| (Increase)/Decrease in inventories | | (165) | (129) |
| (Increase)/Decrease in prepaid expenses | | (153) | (127) |
| Increase/(Decrease) in payables and contract liabilities | | (4,379) | (9,539) |
| Increase/(Decrease) in employee benefits | | 2,715 | 3,473 |
| Increase/(Decrease) in other liabilities | | 24 | 396 |
| Net cash inflow from operating activities | | 13,354 | 6,009 |

Note 8.2 Responsible person disclosures

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

| | Period |
|---|--------------------------|
| The Honourable Mary-Anne Thomas MP: | |
| Minister for Health | 1 Jul 2022 - 30 Jun 2023 |
| Minister for Health Infrastructure | 5 Dec 2022 - 30 Jun 2023 |
| Minister for Medical Research | 5 Dec 2022 - 30 Jun 2023 |
| Former Minister for Ambulance Services | 1 Jul 2022 - 5 Dec 2022 |
| The Honourable Gabrielle Williams MP: | |
| Minister for Mental Health | 1 Jul 2022 - 30 Jun 2023 |
| Minister for Ambulance Services | 5 Dec 2022 - 30 Jun 2023 |
| The Honourable Lizzy Blandthorn MP: | |
| Minister for Disability, Ageing and Carers | 5 Dec 2022 - 30 Jun 2023 |
| The Honourable Colin Brooks MP: | |
| Former Minister for Disability, Ageing and Carers | 1 Jul 2022 - 5 Dec 2022 |
| Governing Boards | |
| Ms A Maclean (Board Chair) | 1 Jul 2022 - 30 Jun 2023 |
| Ms C Clutterbuck | 1 Jul 2022 - 30 Jun 2023 |
| Dr L Fogarty | 1 Jul 2022 - 30 Jun 2023 |
| Mr M Hession | 1 Jul 2022 - 30 Jun 2023 |
| Mr M Joyce | 1 Jul 2022 - 30 Jun 2023 |
| Ms R Kneebone | 1 Jul 2022 - 30 Jun 2023 |
| Ms S Notarianni | 1 Jul 2022 - 07 Feb 2023 |
| Mr M Sammon | 1 Jul 2022 - 30 Jun 2023 |
| Ms A Wearne | 1 Jul 2022 - 30 Jun 2023 |
| Mrs R Cooke | 1 Jul 2022 - 30 Jun 2023 |
| Accountable Officers | |
| Ms L Ffis (Chief Executive Officer) | 1 Jul 2022 - 30 Jun 2023 |

Remuneration of Responsible Persons

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

| | Total 2023 No | Total 2022 No |
|--|----------------------------------|----------------------------------|
| Income Band | | |
| \$10,000 - \$19,999 | 9 | 10 |
| \$20,000 - \$29,999 | 1 | 1 |
| \$50,000 - \$59,999 | - | 1 |
| \$160,000 - \$169,999 | - | 1 |
| \$190,000 - \$199,999 | - | 1 |
| \$330,000 - \$339,999 | 1 | - |
| Total Numbers | 11 | 14 |
| | | |
| | Total 2023 \$'000 | Total 2022 \$'000 |
| Total remuneration received or due and receivable by Responsible Persons from the reporting entity amounted to: | \$464 | \$586 |

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

Note 8.3 Remuneration of executives

Remuneration of executive officers

| | Total Remuneration | |
|--|--------------------|----------------|
| | 2023 \$'000 | 2022 \$'000 |
| Short-term benefits | 1,035 | 977 |
| Post-employment benefits | 80 | 71 |
| Other long-term benefits | 31 | 20 |
| Termination benefits | 168 | - |
| Total remunerationⁱ | 1,314 | 1,068 |
| Total number of executives | 7 | 7 |
| Total annualised employee equivalent ⁱⁱ | 4.9 | 4.0 |

ⁱ The total number of executive officers includes persons who meet the definition of Key Management Personnel (KMP) of Northeast Health Wangarattas 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.

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

Salaries and wages, 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

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

Long service leave, other long-service benefit or deferred compensation.

Termination benefits

Termination of employment payments, such as severance packages.

Note 8.4 Related Parties

Northeast Health Wangaratta 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 and personal business interests
- cabinet ministers (where applicable) and their close family members
- jointly controlled operations – A member of the Hume Regional Health Alliance and
- all health services and public sector entities that are controlled and consolidated into the State of Victoria financial statements.

KMPs are those people with the authority and responsibility for planning, directing and controlling the activities of Northeast Health Wangaratta, directly or indirectly.

Key management personnel

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

| Entity | KMPs | Position Title |
|-----------------------------|-------------------------------|--|
| Northeast Health Wangaratta | Ms A Maclean (Chair of Board) | Board Member |
| Northeast Health Wangaratta | Ms C Clutterbuck | Board Member |
| Northeast Health Wangaratta | Dr L Fogarty | Board Member |
| Northeast Health Wangaratta | Mr M Hession | Board Member |
| Northeast Health Wangaratta | Mr M Joyce | Board Member |
| Northeast Health Wangaratta | Ms R Kneebone | Board Member |
| Northeast Health Wangaratta | Ms S Notarianni | Board Member |
| Northeast Health Wangaratta | Mr M Sammon | Board Member |
| Northeast Health Wangaratta | Ms A Wearne | Board Member |
| Northeast Health Wangaratta | Mrs R Cooke | Board Member |
| Northeast Health Wangaratta | Ms L Ffis | Chief Executive Officer |
| Northeast Health Wangaratta | Ms K Bennetts | Executive Director People and Corporate Operations / Chief Procurement Officer [Comm: 25 July 2022] |
| Northeast Health Wangaratta | Mr A Nitschke | Executive Director Finance and Performance / Chief Financial Officer [Comm: 23 Jan 2023] |
| Northeast Health Wangaratta | Ms B Hammond | Executive Director Clinical Operations / Chief Nursing & Midwifery Officer |
| Northeast Health Wangaratta | Dr S Tay | Executive Director Medical Services [Resigned: 15 Mar 2023] |
| Northeast Health Wangaratta | Dr G. Coppinger | Executive Director Medical Services [Comm: 15 May 2023] |
| Northeast Health Wangaratta | Ms R Gillis | Chief Operating Officer [Resigned: 21 Aug 2022] |
| Northeast Health Wangaratta | Mr S Swanwick | Executive Director Quality, Safety and Patient Experience [From 23 Jan 2023 to 11 June 2023] |

Note 8.4 Related Parties (continued)

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 States Annual Financial Report.

| | Total 2023 \$'000 | Total 2022 \$'000 |
|---|-------------------------|-------------------------|
| Compensation - KMPs | | |
| Short-term Employee Benefits ⁱ | 1,452 | 1,412 |
| Post-employment Benefits | 117 | 114 |
| Other Long-term Benefits | 41 | 27 |
| Termination Benefits | 168 | 100 |
| Total ⁱⁱ | 1,778 | 1,653 |

ⁱ Total remuneration paid to KMPs employed as a contractor during the reporting period through accounts payable has been reported under short-term employee benefits.

ⁱⁱ KMPs are also reported in Note 8.2 Responsible Persons or Note 8.3 Remuneration of Executives.

Significant transactions with government related entities

Northeast Health Wangaratta received funding from the Department of Health of \$197.0 m (2022: \$167.0 m) and capital funding of \$14.73 m (2022: \$3.0 m). Net amount payable as at 30 June 2023 are \$2.324 m (2022 \$0.50 m).

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

Transactions with KMPs and other related parties

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

Outside of normal citizen type transactions with Northeast Health Wangaratta, there were no related party transactions that involved key management personnel, their close family members or their personal business interests. No provision has been required, nor any expense recognised, for impairment of receivables from related parties. There were no related party transactions with Cabinet Ministers required to be disclosed in 2023 (2022: none).

Note 8.5 Remuneration of Auditors

Victorian Auditor-General's Office
Audit of the financial statements
Total remuneration of auditors

| Total 2023 \$'000 | Total 2022 \$'000 |
|----------------------------------|----------------------------------|
| 54 | 54 |
| 54 | 54 |

Note 8.6 Events occurring after the balance sheet date

There are no events occurring after the balance sheet date.

Note 8.7 Joint arrangements

| | Principal Activity | Ownership Interest | |
|-----------------------------|---------------------------------|--------------------|-----------|
| | | 2023 % | 2022 % |
| Hume Region Health Alliance | Information Technology Services | 10.47 | 10.62 |

Northeast Health Wangaratta's interest in the above joint arrangements are detailed below. The amounts are included in the consolidated financial statements under their respective categories:

| | 2023 \$'000 | 2022 \$'000 |
|--------------------------------------|----------------|----------------|
| Current assets | | |
| Cash and cash equivalents | 1,306 | 1,272 |
| Receivables | 149 | 144 |
| Prepaid expenses | 33 | 28 |
| Total current assets | 1,488 | 1,444 |
| Non-current assets | | |
| Intangible Assets | 5 | 14 |
| Leased Assets | 34 | 29 |
| Property, plant and equipment | 13 | 21 |
| Total non-current assets | 52 | 64 |
| Total assets | 1,540 | 1,508 |
| Current liabilities | | |
| Payables | 883 | 745 |
| Lease Liabilities | 6 | 10 |
| Total current liabilities | 889 | 755 |
| Non-current liabilities | | |
| Borrowings | 28 | 19 |
| Total non-current liabilities | 28 | 19 |
| Total liabilities | 917 | 774 |
| Net assets | 623 | 734 |
| Equity | | |
| Accumulated surplus | 623 | 734 |
| Total equity | 623 | 734 |

Note 8.7 Joint arrangements (continued)

Northeast Health Wangaratta's interest in revenues and expenses resulting from joint arrangements are detailed below:

| | 2023 \$'000 | 2022 \$'000 |
|---|----------------|----------------|
| Revenue and income from transactions | | |
| Operating Activities | 694 | 332 |
| Non Operating Activities | - | 3 |
| Member Contributions | 34 | 361 |
| Capital Purpose Income | 24 | 39 |
| Total revenue and income from transactions | 752 | 735 |
| Expenses from transactions | | |
| Employee Benefits | 270 | 235 |
| Other Expenses from Continuing Operations | 418 | 435 |
| Finance Lease Charges | 1 | 1 |
| Depreciation | 24 | 24 |
| Capital Purpose Expenditure | 149 | 36 |
| Total expenses from transactions | 862 | 731 |
| Net result from transactions | (110) | 4 |

Contingent liabilities and capital commitments

There are no known contingent liabilities or capital commitments held by the joint arrangements 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 Northeast Health Wangaratta.

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

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

Specific restricted purpose reserves

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

General purpose surplus

The general purpose surplus reserve is established to recognise funds provided via surpluses achieved in health service programs. Reserves are used by those programs for future activities.

Note 8.9: Economic dependency

Northeast Health Wangaratta is dependent on the Department of Health for the majority of its revenue used to operate the health service. At the date of this report, the Board of Directors has no reason to believe the Department of Health will not continue to support Northeast Health Wangaratta.



Northeast Health Wangaratta
Green Street, Wangaratta VIC 3677
(03) 5722 5111

www.nhw.org.au 
enquiries@nhw.org.au 

