



Northeast Health Wangaratta

ANNUAL REPORT

2020-2021

Front cover images:

Paul Jones- Critical Care Unit Nurse & Bonnie Marsh- Graduate Nurse and Aboriginal Liaison Officer look over patient notes.

Member for Northern Victoria Jaclyn Symes turns the first sod at the \$22.9 million redevelopment.

Nathan Carter- Biomed Engineering Technician with a new Intensive Care Unit ventilator.

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REPORT FROM THE BOARD CHAIR AND CHIEF EXECUTIVE OFFICER



Jonathan Green
Board Chair



Fiona Shanks
Interim 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 2021.

Over the past year NHW has continued to be challenged by the global COVID-19 pandemic. Despite this considerable challenge, NHW has taken significant strides towards strategically planning for the future while meeting the immediate ongoing challenges posed by the daily requirements of running a regional health service.

As you read through our Annual Report you will see that NHW continues to perform well in an environment where demands on our health service are increasing.

With an ageing population, we are seeing more patients, more often and they are presenting with more complex health needs.

Our \$22.9 million redevelopment will go some way towards helping us meet these demands however there are continuing challenges which remain for NHW.

In addition to our strategic planning, we are engaging with partner agencies and other health services to ensure NHW can continue to provide excellent care well into the future.

Much like the previous year, NHW's people and community continue to be tested by the times. However, we have had the privilege of seeing many of our staff, volunteers and leaders rise to new heights of skill, expertise, contribution

and above all, kindness. For your dedication and devotion to NHW, patient care and to the wellbeing of our community: thank you.

SUMMARY OF ACTIVITIES

Key activity

In the 2020-2021 financial year, key activity included:

- 27,483 Emergency Department attendances – an increase of 618, or 2.3% over the previous year
- We admitted 19,179 inpatients, a drop of 209 or 1.1% over the previous year
- We undertook 6,599 surgical cases, an increase of 464 or 7.6% over the previous year
- Outpatient appointments were 34,163, an increase of 5422 or 18.9% over the previous year
- We welcomed 712 babies, an increase of 15 or 2.2% over the previous year
- 70,196 presentations through Medical imaging, an increase of 4,057 or 6.1% on previous year

Financial Summary

Reflecting on the impact of activity demand and the complexity of care and continued effect of the COVID-19 pandemic, NHW achieved an operating surplus of \$27,000 against the Statement of Priorities.

REPORT FROM THE BOARD CHAIR AND CHIEF EXECUTIVE OFFICER

This operating result, adjusted for capital and specific items, provided a \$2.363 million deficit net result from transactions shown in the Comprehensive Operating Statement.

The Board and Executive continue to work closely with the Department of Health (DH) to ensure NHW's budget is sufficient to meet patient demand, particularly given the expansion that will occur over the forthcoming years as the redevelopment comes online.

Redevelopment

In January this year work began on the \$22.9 million redevelopment at NHW. This project has been in planning for five years and its completion is essential to NHW delivering the quality care needed by our community.

The project includes:

- A new 12 bed intensive care unit
- Additional treatment spaces in the emergency department
- A new 8 bed short stay observation unit
- A behavioural assessment room to support safe care of patients presenting to the emergency department with acute mental health or drug and alcohol issues
- Establishment of a new relocated paediatric unit
- Additional acute care medical beds.

Construction on the new short stay observation unit and intensive care unit are underway, with the short stay observation unit due to be completed in November 2021, while the intensive care unit is due to be finished in January 2022.

The remainder of the project will be completed at the end of 2022.

COVID-19 Planning and Response

NHW is continually working with the Albury Wodonga Local Public Health Unit on COVID-19 preparedness.

Key activities have been:

- Provision of a COVID-19 screening clinic
- Maintenance of a ward for patients exhibiting COVID-19 symptoms
- Establishment of a COVID-19 vaccination clinic.

The vaccination clinic was established in March this year, initially onsite at NHW, utilising the WJ Smith building, accessible via Clark Street.

As demand and capacity increased, the clinic was relocated to the former Holden dealership in Tone Road, Wangaratta, where in excess of 250 COVID-19 vaccinations are administered each weekday.

COVID-19 continues to affect how we work and deliver our services, with our entry policy restricting visitors to the hospital, and systems in place to ensure our workforce respond appropriately to changing risk ratings.

Aboriginal Cultural Safety

NHW's *Reflect Reconciliation Action Plan March 2021-September 2022* was launched in September 2021. However many of the actions within the plan are already underway.

The Reconciliation Action Plan takes a genuine and conscientious whole of organisation approach to embedding and empowering Aboriginal and Torres Strait Islander health, wellbeing and cultures into our business model. Refer to page 22 for more detail.

Our People

Our workforce continues to be challenged in a manner that is unprecedented. NHW is committed to the wellbeing of our patients and is always willing to lend a hand. It is only because of the dedication and sacrifice of our staff, visiting medical officers, volunteers and all others who contribute to helping NHW that we remain strong, united and in keeping with our values of courage, excellence, fairness, integrity, kindness and respect.

NHW has continued to foster leadership development in our organisation, as we experience a period of change in the senior executive positions with Chief Executive Officer, Tim Griffiths leaving NHW in April 2021. Fiona Shanks has served as Interim Chief Executive Officer since April, and the Board thanks Fiona for her leadership during this time.

Board of Directors

We thank our Board of Directors, who are appointed by the Minister of Health for their skills and experience, for their dedication, diligence and governance of NHW.

REPORT FROM THE BOARD CHAIR AND CHIEF EXECUTIVE OFFICER

Strategic Plan 2020-2025

Our *Strategic Plan 2020-2025* was launched in the 2020-2021 financial year. The plan sets out our vision, purpose and roles for the five year period.

Pillars and Priorities are grouped under the headings:

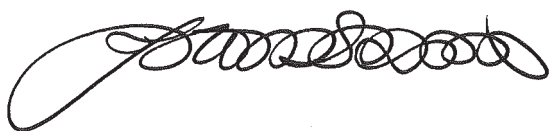
- Safe and High Quality Care
- Engaged People and Culture
- Sustainable and Enduring Resources
- Collaboration and Partnerships

In addition to releasing our Strategic Plan, our Service and Infrastructure Plan has been developed and is due to be endorsed in 2021.

We commend our Annual Report to you and have the pleasure of sharing the achievements of NHW during the 2020-2021 year.



Jonathan Green
Board Chair
Northeast Health Wangaratta



Fiona Shanks
Interim Chief Executive Officer
Northeast Health Wangaratta

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

**Safe and high quality care**
Healthcare defined by safety and high quality that goes beyond responsive treatment and has a focus on wellbeing and healthy ageing.

**Engaged people and culture**
A skilled, inclusive & engaged organisation with the capacity, capability and expertise to deliver exceptional care for our community.

**Sustainable and enduring resources**
A health service that invests in, develops and embeds effective physical and digital infrastructure. A financially and environmentally sustainable organisation.

**Collaboration and partnerships**
A trusted organisation with deep links into our community, region and beyond. An integrated, consolidated and transformed health sector.

Nature and Range of Services

Northeast Health Wangaratta is the specialist referral hospital for the Central Hume area of North East Victoria. Our organisation meets the healthcare needs of 28,000+ people in the Rural City of Wangaratta, our primary catchment, with an additional 62,000+ people in our secondary catchment – a total of approximately 90,000 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 in College Street 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 Financial Reporting Directions (FRD) index has been prepared to facilitate identification of the Department of Health's compliance with statutory disclosure requirements.

Legislation	Requirement	Page Reference
Ministerial Directions		
Report of Operations		
Charter and purpose		
FRD 22I	Manner of establishment and the relevant Ministers	15
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FRD 22I	Nature and range of services provided	4, 10-11, 14
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Other relevant reporting directives		
FRD 25D	Local Jobs First Act disclosures	21
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DISCLOSURE INDEX

Legislation	Requirement	Page Reference
Attestations		
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	Reporting of outcomes from Statement of Priorities 2020-2021	22-27
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RESPONSIBLE BODIES DECLARATION

In accordance with the *Financial Management Act 1994*, I am pleased to present the Report of Operations for Northeast Health Wangaratta for the year ending 30 June 2021.



Jonathan Green
Board Chair
Northeast Health Wangaratta

Wangaratta
30 June 2021

Financial Management Compliance Attestation – SD 5.1.4

I, Jonathan Green (Board Chair), on behalf of the Board, 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.

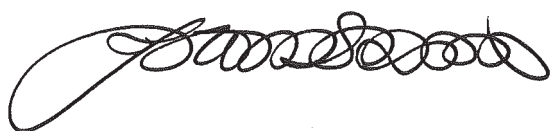


Jonathan Green
Board Chair
Northeast Health Wangaratta

Wangaratta
30 June 2021

Data Integrity Declaration

I, Fiona Shanks 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.

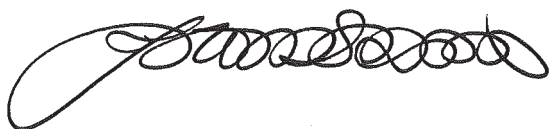


Fiona Shanks
Interim Chief Executive Officer
Northeast Health Wangaratta

Wangaratta
30 June 2021

Conflict of Interest Declaration

I, Fiona Shanks 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.

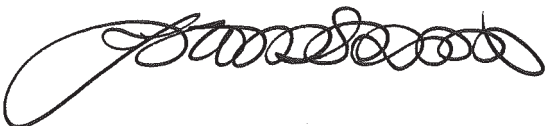


Fiona Shanks
Interim Chief Executive Officer
Northeast Health Wangaratta

Wangaratta
30 June 2021

Integrity, Fraud and Corruption Declaration

I, Fiona Shanks 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.



Fiona Shanks
Interim Chief Executive Officer
Northeast Health Wangaratta

Wangaratta
30 June 2021

Audit Committee

Northeast Health Wangaratta's Audit & Risk Committee consists of: Alison Maclean (Chair), Martin Hession, Jonathan Green, Matthew Joyce, Ruth Kneebone, John Duck (External), Brian Hargreaves (External), Tim Griffiths (CEO, to 06/04/21), Fiona Shanks (Interim CEO, from 06/04/21), Robyn Gillis, Michelle Butler (to 18/05/2021), Matthew Fagence and Alison Lee (Crowe).

STAFF

Labour Category	June current month FTE		Average monthly FTE	
	2020	2021	2020	2021
Nursing	475.87	490.90	445.89	477.91
Administration/Clerical	138.00	134.70	137.72	138.25
Medical Support	78.17	82.38	76.67	82.18
Hotel/Allied	123.36	122.88	118.86	122.42
Medical	1.07	0.16	1.14	0.12
Hospital Medical Officers	60.42	65.03	55.76	62.33
Sessional Clinical	8.86	8.24	7.31	9.62
Allied Health	82.46	85.40	83.45	83.09
Grand Total	968.21	989.69	926.80	975.92

Northeast Health Wangaratta commits to the application of employment and conduct principles for all staff. All employees at Northeast Health Wangaratta have been correctly classified in workforce data collections.

LIFE GOVERNORS

M Wilson	E G O'Keefe
P Fiddes	S Leidl
S J Oxley	E Dinning
C E Cunningham	L Fogarty

ORGANISATIONAL STRUCTURE

Board of Directors

Chief Executive Officer

Executive Director Corporate Operations/ Chief Operating Officer

Bio-Medical Engineer Liaison
Business Intelligence
Communication & Clerical
Environmental Services
Facilities & Maintenance
Finance
Food Services
Health Information Services
Hume Rural Health Alliance
Liaison
ICT Services
Information Systems
Legislative Compliance
Medical Imaging
Nuclear Medicine
Pharmacy
Policy & Guideline Administration
Security
Sub-regional Corporate Services
Supply Department
Telehealth

Executive Director Clinical Operations

Accreditation Programs	Hospital in the Home (HITH)
Acute Care Coordination	Infection Prevention & Control/ Staff Health Clinic
Admission & Day Stay Unit	Illoura Residential Aged Care
Allied Health Services:	Innovation & Improvement
Aboriginal Health	Maternity Services
Community Rehabilitation	Medical Ward
Complex Care	Medico-Legal
Diabetes Education	Nursing Administration
Dietetics	Oncology
Health Promotion	Organ & Tissue Donation
Occupational Therapy	Outpatient Clinics
Physiotherapy	Paediatrics
Speech Pathology	Palliative Care
Social Work	Pastoral & Spiritual Care
Stomal Therapy	Perioperative Services
Breast Care	Post Acute Care (PAC)
Clinical Audit	Public Reporting
Community Palliative Care	Regional Infection Control
Community Participation	Residential In-Reach Service (RIR)
Community Partnerships	Risk Management
Community Service Intake	Surgical Ward
Consumer Experience	Thomas Hogan Rehabilitation Centre
Critical Care	Transition Care Program (TCP)
Dental Services	Wound Care
Dialysis	
District Nursing Service (DNS)	
Emergency Department	
Home Care Packages	

Executive Director Medical Services

Freedom of Information
Hospital Medical Officers
Medical Administration
Medical Heads of Department
Medico-Legal
Pathology
Sub-regional Clinical Governance
Visiting Medical Officers

Executive Director Workforce Operations

Accommodation
Auxiliaries
Clinical Consultancy Network
Clinical Support Network
Community Engagement
Employee Relations & Culture
Fundraising
Graduate Programs
Injury Management
Library Services
Occupational Health & Safety (OH&S)
Payroll
Recruitment & Onboarding
Research Governance
Salary Packaging
Staff Training Programs
Staff Wellbeing
Strategic Culture Initiatives
Student & Traineeship Programs
Tertiary Education Liaison
Volunteer & Philanthropy Services

Executive Services

Executive & Board Administration
Marketing & Media

BOARD OF DIRECTORS



Jonathan Green
Board Chair

B.A, LL.B, GAICD

Jonathan is an experienced commercial lawyer and director, with 10 years of legal practice experience, as well as extensive involvement in the property industry.

Jonathan is Chair of the Board, Remuneration Committee, the Medical Advisory Committee and the Medical Appointments Committee. Jonathan is a member of the Audit and Risk Committee.



Alison Maclean
Deputy 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 Deputy Chair of the Board and Chair of the Audit & Risk Committee.



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 is Chair of the Finance Committee and the Redevelopment Project Control Group. Martin is a member of the Audit and Risk Committee.



Roger Barker
Board Director

M.B.B.S GradDip Anaesthetics
FANZCA

Roger is a retired specialist anaesthetist with many years experience working across the public and private sectors in North East Victoria.

Roger is Chair of the Quality and Safety Committee and Chair of the Human Research Ethics 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, Op Shop, Dederang Mount Beauty Football/Netball Club and Red Cross.

Cheryl is Deputy Chair of the Human Research Ethics Committee, the Quality and Safety Committee and the Community 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 and financial governance.

Ann is Chair of the Community Advisory Committee, Deputy Chair of the Medical Advisory Committee and Deputy Chair of the Medical Appointments Committee.

BOARD OF DIRECTORS



Matthew Joyce
Board Director

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



Ruth Kneebone
Board Director

MBA, BCOM, former CA

Ruth is an accountant with many years' experience in Local Government, with responsibility for finance, governance and risk, people and culture, information services, customer services, media and communications. She is also currently the chair of the 'Into Our Hands Community Foundation' Board.

Ruth is a member of the Audit and Risk Committee.



Karrie Long
Board Director

MPH, Grad Dip Critical Care, BN, RN

Karrie has held both clinical leadership and management positions across regional and metropolitan health services over her 30 years of nursing. More recently these positions have focused on designing and leading the digitisation of the Victorian health system.

Karrie currently holds the position of Director Nursing Research Hub at The Royal Melbourne Hospital, ensuring greater quality and safety in health services by empowering nurses to lead and conduct research. To that end Karrie holds adjunct positions at the University of Melbourne, Swinburne and La Trobe Universities and is a Non-Executive Director within the education sector.



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.

EXECUTIVE



Interim Chief Executive Officer
Fiona Shanks (from 06/04/2021)

Chief Executive Officer
Tim Griffiths (to 06/04/2021)

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, 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 Corporate Operations/Chief Operating Officer
Robyn Gillis (from 02/02/2021)

Acting Director Corporate Operations
Jason O'Keeffe (to 01/02/2021)

The Executive Director Corporate Operations/ Chief Operating Officer is responsible for the effective delivery of corporate and operational support services. The role is also responsible for financial management, governance and reporting requirements to the Board, Department of Health and external auditing bodies. The role is also inclusive of the Chief Procurement Officer responsibilities.



Acting Executive Director Clinical Operations - Nursing, Midwifery and Allied Health
Christopher Gartside (from 01/02/2021)

Executive Director Clinical Services - Nursing, Midwifery and Allied Health
Rebecca Weir (to 31/01/2021)

The Executive Director Clinical Operations – Nursing, Midwifery and Allied Health has professional responsibility for nursing, midwifery and allied health streams across the organisation. 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.



Executive Director Medical Services
Dr Susanty Tay (from 31/05/2021)

Locum Executive Director Medical Services
Dr Paul Bates (to 31/05/2021)

The Executive Director of Medical Services has professional responsibility 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 to provide clinical governance, strategic planning and resource management for the health service.



Acting Executive Director Workforce Operations
George Howe (from 06/04/2021)

Executive Director People & Culture, Education & Research, Creative Services & Volunteers
Fiona Shanks (to 06/04/2021)

The Executive Director Workforce Operations oversees the functions of payroll, human resources, occupational health and safety, injury management, strategic workforce programs, education and training, partnerships, research and clinical trials, and volunteers. We focus on providing support, training and care to our entire Northeast Health Wangaratta team of almost 2,000.

STATEMENTS OF COMPLIANCE

Minister for Health in the State of Victoria

Northeast Health Wangaratta was established under the *Health Services Act 1988*. The Responsible Ministers during the reporting period were:

From 1 July 2020 to 26 September 2020

Jenny Mikakos MP

Minister for Health

Minister for Ambulance Services

From 26 September 2020 to 30 June 2021

The Hon Martin Foley MP

Minister for Health

Minister for Ambulance Services

Minister for Mental Health

From 1 July 2020 to 26 September 2020

The Hon Martin Foley MP

Minister for Mental Health

From 29 September 2020 to 30 June 2021

The Hon James Merlino MP

Minister for Mental Health

Freedom of Information Act 1982, Information Privacy Act 2000 & Health Records Act 2001

Northeast Health Wangaratta 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 Northeast Health Wangaratta may be made by contacting the Northeast Health Wangaratta Freedom of Information Administration Officer at foi@nhw.org.au or on (03) 5722 5233. Further information on health information may be found in the Northeast Health Wangaratta 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 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 and are available from the Freedom of Information Administration Officer.

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

Total Requests processed in 2020-2021: 166

Request denied: 2

In accordance with the *Freedom of Information Act 1982*, Northeast Health Wangaratta reports on these requests to the Office of the Victorian Information Commissioner annually. Further information on Freedom of Information can be accessed via www.ovic.vic.gov.au

Building Act 1993

Northeast Health Wangaratta 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*).

Northeast Health Wangaratta 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 Department of Health in September each year for the Hospital and Illoura campuses.

STATEMENTS OF COMPLIANCE

Public Interest Disclosure

Northeast Health Wangaratta does not tolerate improper conduct, nor the taking of reprisals against those who come forward to disclose this conduct. We take any allegations of misconduct seriously and actively encourage 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*.

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

During this reporting period there were no disclosures made to Northeast Health Wangaratta that were directed to IBAC.

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

National Competition Policy

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

Carers Recognition Act 2012

Northeast Health Wangaratta 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

Occupational Health and Safety Incidents per 100 FTE equivalent

Year	Incidents	FTE	FTE/100	Incident Rate
2018-2019	270	875.33	8.75	30.85
2019-2020	176	926.8	9.27	18.99
2020-2021	437	975.92	9.76	44.78

Occupational Health and Safety Statistics

Occupational Health and Safety Statistics	2020-2021	2019-2020	2018-2019
The number of reported hazards/incidents for the year per 100 FTE	46.39	18.18	30.85
The number of 'lost time' standard WorkCover claims for the year per 100 FTE	1.70	1.76	0.91
The average cost per WorkCover claim for the year ('000)	\$164	\$55	\$29

STATEMENTS OF COMPLIANCE

Occupational Violence

	2020-2021	2019-2020	2018-2019
WorkCover accepted claims with an occupational violence Cause per FTE	0.10	0.216	0.22
Number of accepted Workcover claims with lost time injury with an occupational violence cause per 1,000,000 hours worked	0.61	1.05	1.35
Number of occupational violence incidents reported	201	176	185
Number of occupational violence incidents reported per 100 FTE	20.60	18.99	21.12
Percentage of occupational violence incidents resulting in a staff injury, illness or condition	14%	19%	16%

Consultancies

Details of consultancies (under \$10,000)

In 2020-2021 Northeast Health Wangaratta engaged seven consultancies where the total fees payable to the consultant were less than \$10,000, with a total expenditure of \$33,925 (excl. GST).

Details of consultancies (valued at \$10,000 or greater)

In 2020-2021, there was one consultancy where the total fees payable to the consultant were \$10,000 or greater.

The total expenditure incurred during 2020-2021 in relation to this consultancies was \$31,790 (excl. GST). Details of individual consultancy is detailed in the table below.

Consultant	Purpose of consultancy	Start date	End date	Total approved project fee 2020-2021 (incl. GST)	Expenditure 2020-2021 (excl. GST)	Future Expenditure (excl. GST)
Kelloway Lonsdale Pty Ltd	Exploration of Strategic Partnerships	22/02/2021	26/04/2021	\$34,969	\$ 31,790	\$Nil
				\$34,969	\$ 31,790	

Information and Communication Technology (ICT) Expenditure

The total ICT expenditure incurred during 2020-2021 is \$4.09 million (excluding GST) with details shown below.

Business As Usual (BAU) ICT expenditure	Non-Business As Usual (non-BAU) ICT expenditure		
Total (excluding GST)	Total = Operational expenditure and Capital expenditure (excluding GST) (a) + (b)	Operational expenditure (excluding GST) (a)	Capital expenditure (excluding GST) (b)
\$3.562 million	\$0.531 million	\$Nil million	\$0.531 million

Environmental Performance

Northeast Health Wangaratta is committed to ongoing care for the environment and to demonstrate this the following initiatives were implemented over the 2010-2021 period.

- Installation of 359 solar panels to supply 140 KW's of power to main site, Community Care Centre and Illoura sites. Project completed in November 2020.
- New chiller installed in the east wing of the main hospital in April 2021.
- Second generator for main hospital. Installation underway in June 2021.
- Site transformer replacement installed in December 2020.
- Continued upgrade of lighting fittings to LED'S in exit lighting over whole site (including Illoura) with additional installation of LED lighting in Kerferd unit /pharmacy/medical records /boiler house buildings.

Energy Usage

Electricity consumption for NHW (including Illoura) decreased by 352 MWh in 2020-2021 compared to previous year.

Expenditure

	2020-2021 \$000	2019-2020 \$000	Change from previous year
Electricity	1,036	1,094	-5.3%
Natural Gas	275	300	-8.2%
Potable water	88	107	-17.8%
TOTAL	1,399	1,501	-6.8%

Environmental impacts & energy use

	2020-2021 \$000	2019-2020 \$000	2018-2019 \$000
Energy use			
Electricity (MWh)	5,206	5,558	5,690
Natural Gas (GJ)	21,692	21,930	19,858
Carbon emissions (thousands of tonnes of CO₂e)			
Electricity	5.10	6	6
Natural Gas	1.12	1	1
Total emissions	6.22	7	7
Water use (millions litres)			
Potable Water	48.37	47	49

Additional information available on request

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

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

Gender Equality Act 2020

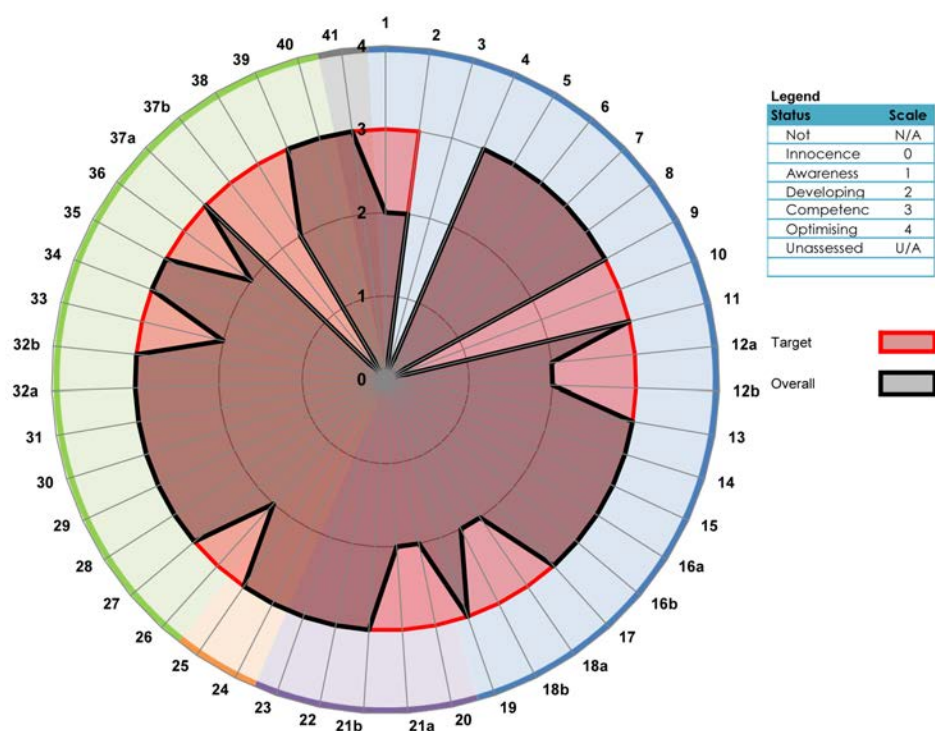
Northeast Health Wangaratta is undertaking a Workplace Gender Audit to assess the current state of gender equality in the workplace. NHW will develop a Gender Equity Action Plan, following this audit, which will be reviewed every four years, with a view to improve gender equality in the workplace. The Gender Equity Action Plan is due by 31 October 2021, with a majority of the data being extracted from the People Matter Survey which concluded on 6 July 2021.

Northeast Health Wangaratta will shortly commence recruitment for a Diversity & Inclusion Manager and the Gender Equality Action Plan will be a key focus of this position.

Asset Management Accountability Framework (AMAF) maturity assessment

The following sections summarise Northeast Health Wangaratta's assessment of maturity against the requirements of the Asset Management Accountability Framework (AMAF). The AMAF is a non-prescriptive, devolved accountability model of asset management that requires compliance with 41 mandatory requirements. These requirements can be found on the DTF website (<https://www.dtf.vic.gov.au/infrastructure-investment/asset-management-accountability-framework>).

Northeast Health Wangaratta's target maturity rating is 'competence', meaning systems and processes fully in place, consistently applied and systematically meeting the AMAF requirement, including a continuous improvement process to expand system performance above AMAF minimum requirements.



Leadership and Accountability (requirements 1-19)

Northeast Health Wangaratta has met its target maturity level under most requirements within this category.

Northeast Health Wangaratta was partially compliant in the areas of Overview, Resourcing and skills, Monitoring Asset Performance and Evaluation of asset performance. There are no material non-compliance issues reported in this category. A plan for improvement is in place to improve the Northeast Health Wangaratta's maturity rating in these areas.

Planning (requirements 20-23)

Northeast Health Wangaratta has met its target maturity level under most requirements within this category.

Northeast Health Wangaratta was partially compliant in the area of Asset management strategy. There are no material non-compliance issues reported in this category. A plan for improvement is in place to improve Northeast Health Wangaratta's maturity rating in these areas.

Acquisition (requirements 24 and 25)

Northeast Health Wangaratta has met its target maturity level in this category.

Operation (requirements 26-40)

Northeast Health Wangaratta has met its target maturity level under most requirements within this category.

Northeast Health Wangaratta was partially compliant in the areas of Monitoring and preventative action and Information Management. There are no material non-compliance issues reported in this category. A plan for improvement is in place to improve Northeast Health Wangaratta's maturity rating in these areas.

Disposal (requirement 41)

Northeast Health Wangaratta has met its target maturity level in this category.

Local Jobs First Act 2003

Northeast Health Wangaratta 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.

Projects Commenced – Local Jobs First Standard

During 2020-2021, Northeast Health Wangaratta commenced one Local Jobs First Policy project totalling \$15.655 million. This project is located in regional Victoria, with a commitment of 90 per cent local content.

The outcomes expected from the implementation of the Local Jobs First Policy to this project where information was provided are as follows:

- an average of 94.57% of local content commitment was made;
- creation of 0.67 apprenticeships commitment was made;
- creation of 0.15 traineeships commitment was made;
- creation of 0.97 cadetships commitment was made;
- retain 0.46 cadetships commitment were made;
- standard employment created 1.21 commitment was made;
- standard employment retained 21.86 commitment was made;
- Major Project Skills Guarantee (MPSG) of 10% commitment was made.

To ensure that all requirements are in place that assures compliance to the Local Jobs First Policy requirements, Northeast Health Wangaratta has:

- Delegated the Northeast Health Wangaratta procurement team the responsibility for registration of future projects requiring Industry Capability Network (ICN) registration.
- Local Jobs First Policy requirements and statements are incorporated as part of our request for tender documents.
- Northeast Health Wangaratta has 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

Northeast Health Wangaratta has in place appropriate policies and procedures to enforce the *Safe Patient Care (Nurse to Patient and Midwife to Patient Ratios) Act 2015*. Amendments to the *Safe Patient Care Act 2015* were passed by the 59th Parliament and commenced on 01/03/2019 and will be phased in over 5 stages. Northeast Health Wangaratta has no matters to report in relation to its obligations under Section 40 of the *Safe Patient Care Act 2015* for the 2020-2021 year.

STATEMENT OF PRIORITIES

Strategic Priorities 2020-2021

Maintain your robust COVID-19 readiness and response, working with my department to ensure we rapidly respond to outbreaks, if and when they occur, which includes providing testing for your community and staff, where necessary and if required. This includes preparing to participate in, and assist with, the implementation of our COVID-19 vaccine immunisation program rollout, ensuring your local community's confidence in the program.

Outcomes

Northeast Health Wangaratta is continually working with our Local Public Health Unit (LPHU) at Albury Wodonga Health while maintaining a COVID-ready state. We have established winter preparedness strategies, enabling surge capability in order to provide testing and vaccination of our community. This work has occurred in conjunction with the Rural City of Wangaratta and the LPHU. During this period, NHW has established a robust process and community confidence. We have worked across the region and supported regional partners in the readiness and response to COVID-19 outbreak response.

Engage with your community to address the needs of patients, especially our vulnerable Victorians whose care has been delayed due to the pandemic and provide the necessary "catch-up" care to support them to get back on track.

Outcomes

Northeast Health Wangaratta is committed to meeting and exceeding Standard 2 (National Safety and Quality Health Service), Partnering with Consumers and as such have systems and processes in place to understand the demand for our services and current capacity. During the pandemic, health services have experienced service disruptions while attempting to manage health services capacity and capability. These disruptions have impacted NHW. NHW responded as directed by the Department of Health (DH), and reduced the health service burden by reducing elective surgery in line with DH guidance provided.

We have utilised many channels to engage with our consumers and partners including our feedback channel. Our complaints monitoring system has recorded no complaints over the pandemic period on access to service, more the complaints have been around the impact on the consumer experience whilst in our service due to visitor restrictions. NHW has worked hard with our community to support a shared understanding and interpretation for our local community of public health announcements.

The COVID-19 pandemic has presented challenges to how NHW engages with one of our key vehicles we use to engage with consumers, the Consumer Advisory Committee (CAC). This has led to an opportunity to re-launch this important initiative in 2021/22.

Northeast Health Wangaratta continues to work to support Aboriginal cultural safety through a number of initiatives. NHW's *Reflect Reconciliation Action Plan March 2021-September 2022* takes a genuine and conscientious whole of organisation approach to embedding and empowering Aboriginal and Torres Strait Islander health, wellbeing and cultures into our business model.

Other current activities at NHW to support Aboriginal cultural safety include:

- Member of the Dirrawarra Indigenous Network
- Employment of an Aboriginal Health Development Officer
- Participation in NAIDOC Week celebrations
- Sponsorship of the Proud and Deadly Awards
- Ongoing and productive collaboration with Aboriginal and Torres Strait Islander stakeholders on incorporating Aboriginal cultures into NHW's major redevelopment
- Training sessions by the Aboriginal Health Development Officer with emergency department staff on how, why and when to ask patients if they self-identify as Aboriginal and/or Torres Strait Islander

STATEMENT OF PRIORITIES

Strategic Priorities 2020-2021

As providers of care, respond to the recommendations of the Royal Commission into Victoria's Mental Health System and the Royal Commission into Aged Care Quality and Safety.

Outcomes

Northeast Health Wangaratta has responded to the guidance brought forward by the Royal Commission into Aged Care Quality and Safety, this Royal Commission has guided our preparation for the accreditation and the care delivered at NHW Illoura Residential Aged Care Facility, however this is yet to occur.

Northeast Health Wangaratta continues to work in partnership with Albury Wodonga Mental Health service, as the mental health provider for NHW, to ensure the appropriate and safe delivery of mental health care.

Develop and foster your local health partner relationships, which have been strengthened during the pandemic response, to continue delivering collaborative approaches to planning, procurement and service delivery at scale. This extends to prioritising innovative ways to deliver health care through shared expertise and workforce models, virtual care, co-commissioning services and surgical outpatient reform to deliver improved patient care through greater integration.

Outcomes

Northeast Health Wangaratta is sub-hub of the Albury Wodonga Local Public Health Unit which sits within the Hume Cluster. During the reporting period we have actively participated in all COVID-planning and response requirements at Chief Executive Officer, executive level and operational levels. We established a screening clinic, vaccination clinic and rapid response teams and have actively worked in partnership with both Albury Wodonga Health and Goulburn Valley Health to respond to COVID-19 outbreaks across the region.

We continue to function as the acute referral health service in the Central Hume and continue to work with local health services within the region to support and strengthen effective patient flow through shared models of care, hospital in the home, post-acute care and through the implementation of the North East Maternity services model.

STATEMENT OF PRIORITIES

Part B: Performance Priorities 2020-2021

High Quality and Safe Care

Key performance indicator	Target	2020-2021 Result
Infection prevention and control		
Compliance with the Hand Hygiene Australia program	83%	88%
Percentage of healthcare workers immunised for influenza	90%	98%
Patient experience		
Victorian Healthcare Experience Survey – percentage of positive patient experience responses	95%	No surveys conducted in 2021
Victorian Healthcare Experience Survey – percentage of very positive responses to questions on discharge care	75%	No surveys conducted in 2021
Healthcare associated infections (HAIs)		
Rate of patients with surgical site infection	No outliers	Not met
Rate of patients with ICU central-line-associated bloodstream infection (CLABSI)	Nil	Nil
Rate of patients with SAB (staphylococcus aureus bloodstream) per 10,000 occupied bed days	≤ 1	0.0
Maternity and Newborn		
Rate of singleton term infants without birth anomalies with APGAR score <7 to 5 minutes	≤ 1.4%	0.9%
Rate of severe fetal growth restriction (FGR) in singleton pregnancy undelivered by 40 weeks	≤ 28.6%	0.0
Proportion of urgent maternity patients referred for obstetric care to a level 4, 5 or 6 maternity service who were booked for a specialist clinic appointment within 30 days of accepted referral	100%	91.7%
Continuing Care		
Functional independence gain from an episode of rehabilitation admission to discharge relative to length of stay	≥ 0.645	0.849

STATEMENT OF PRIORITIES

Part B: Performance Priorities 2020-2021

Timely access to care

Key performance indicator	Target	2020-2021 Result
Emergency care		
Percentage of patients transferred from ambulance to emergency department within 40 minutes	90%	68%
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%	68%
Percentage of emergency patients with a length of stay in the emergency department of less than four hours	81%	59%
Number of patients with a length of stay in the emergency department greater than 24 hours	0	150
Elective surgery		
Percentage of urgency category 1 elective surgery patients admitted within 30 days	100%	100%
Percentage of urgency category 1, 2 and 3 elective surgery patients admitted within clinically recommended time	94%	88%
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	12%
Number of patients on the elective surgery waiting list as at 30 June 2021	900	851
Number of hospital-initiated postponements per 100 scheduled elective surgery admissions	≤ 7 /100	7
Number of patients admitted from the elective surgery waiting list	2,326	2,344
Specialist Clinics		
Percentage of urgent patients referred by a GP or external specialist who attended a first appointment within 30 days	100%	92%
Percentage of routine patients referred by GP or external specialist who attended a first appointment within 365 days	90%	100%

STATEMENT OF PRIORITIES

Part B: Performance Priorities 2020-2021

Effective financial management

Key performance indicator	Target	2020-2021 Result
Finance		
Operating result (\$m)	0.0m	0.03m
Average number of days to paying trade creditors	60 days	31 days
Average number of days to receiving patient fee debtors	60 days	25 days
Public and Private WIES ¹ activity performance to target	100%	94%
Adjusted current asset ratio	0.7 or 3% improvement from health service base target	0.93
Actual number of days a health service can maintain its operations with unrestricted available cash, measured on the last day of each month.	14 days	6.8 days
Measures the accuracy of forecasting the Net result from transactions (NRFT) for the current financial year ending 30 June.	Variance +/-0.25	7.83

¹ WIES is a Weighted Inlier Equivalent Separation

STATEMENT OF PRIORITIES

Part C: Activity and Funding 2020-2021

Funding type	2020-2021 Activity Achievement
Acute Admitted	
Acute WIES	13,887.16
WIES DVA	251.91
WIES TAC	110.30
Other admitted	1.53
Acute non-Admitted	
Emergency Services	27,483
Home Enteral Nutrition	97
Specialist Clinics	32,972
Sub-acute and Non-acute admitted	
Sub-acute WIES – Rehabilitation Public	127.934
Sub-acute WIES - Rehabilitation Private	31.335
Sub-acute WIES - GEM Public	151.190
Sub-acute WIES - GEM Private	63.163
Sub-acute WIES - Palliative Care Public	38.784
Sub-acute WIES - Palliative Care Private	1.100
Sub-acute WIES - DVA	23.080
Sub-acute Non-admitted	
Palliative Care Non-admitted	1,775
Health Independence Program - Public	22,557
Health Independence Program - DVA	136
Aged Care	
Residential Aged Care	23,736
HACC	1,936
Primary Health	
Community Health / Primary Care Programs	5,238.4

Financial Results

	2021 \$000	2020 \$000	2019 \$000	2018 \$000	2017 \$000
Net Operating Result*	27	873	(1,293)	(2,537)	(2,291)
Total Revenue	186,774	169,822	154,946	141,858	128,199
Total Expenses	(189,137)	(171,045)	(155,755)	(144,236)	(132,205)
Net Result from Transactions	(2,363)	(1,223)	(809)	(2,378)	(4,006)
Total Other Economic Flows	3,309	(451)	(1,316)	14	874
Net Result	946	(1,674)	(2,125)	(2,364)	(3,132)
Total Assets	133,682	121,140	114,949	98,604	93,406
Total Liabilities	74,120	61,267	43,451	40,353	32,791
Net Assets/Total equity	59,562	59,873	71,498	58,251	60,615

* The Operating Result is the result for which the health service is monitored in its Statement of Priorities, also referred to as the Net Result before capital and specific items.

	2021 \$000
Net Operating Result *	27
Capital and specific items	
Capital purpose income	4,154
Specific income	N/A
COVID 19 State Supply Arrangements	
- Assets received free of charge or for nil consideration under the State Supply	1,535
Expenditure for capital purpose	(60)
Depreciation and amortisation	(7,886)
Impairment of non-financial assets	(26)
Finance costs (other)	(107)
Net result from transactions	(2,363)

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

ABN 13 157 273 279

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2021

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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 2021 and the financial position of Northeast Health Wangaratta at 30 June 2021.

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 12 October 2021.



Jonathan Green
Chair
Board of Directors

Wangaratta
12 October 2021



Robyn Gillis
Acting Chief Executive Officer

Wangaratta
12 October 2021



Matthew Fagence
Chief Finance & Accounting Officer

Wangaratta
12 October 2021

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 2021 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 2021 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 7 of the <i>Financial Management Act 1994</i> and applicable Australian Accounting Standards.</p>
Basis for Opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the health service in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
Board's responsibilities for the financial report	<p>The Board of the health service is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the <i>Financial Management Act 1994</i>, and for such internal control as the Board determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.</p> <p>In preparing the financial report, the Board is responsible for assessing the health service's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.</p>

Auditor's responsibilities for the audit of the financial report

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

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

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

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



Dominika Ryan

as delegate for the Auditor-General of Victoria

MELBOURNE
14 October 2021

NORTHEAST HEALTH WANGARATTA
COMPREHENSIVE OPERATING STATEMENT
FOR THE FINANCIAL YEAR ENDED 30 June 2021

		Total 2021 \$000	Total 2020 \$000
	Note		
Revenue and Income from Transactions			
Operating Activities	2.1	186,672	169,575
Non-Operating Activities	2.1	102	247
Total Revenue and Income from Transactions		186,774	169,822
Expenses from Transactions			
Employee Expenses	3.1	(133,566)	(122,337)
Supplies and Consumables	3.1	(32,260)	(26,927)
Finance Costs	3.1	(80)	(68)
Other Administrative Expenses	3.1	(6,408)	(6,962)
Other Operating Expenses	3.1	(8,880)	(8,694)
Other Non-operating Expenses	3.1	(57)	(8)
Depreciation and Amortisation	4.3	(7,886)	(6,049)
Total Expenses from Transactions		(189,137)	(171,045)
Net Result from Transactions - Net Operating Balance		(2,363)	(1,223)
Other Economic Flows Included in Net Result			
Net Gain/(Loss) on Sale of Non-Financial Assets	3.4	151	25
Net Gain/(Loss) on Financial Instruments at fair value	3.4	-	(8)
Other Gain/(Loss) from Other Economic Flows	3.4	3,158	(468)
Total Other Economic Flows included in Net Result		3,309	(451)
NET RESULT FOR THE YEAR		946	(1,674)
Other Comprehensive Income			
Items that will not be reclassified to Net Result			
Changes in Property, Plant and Equipment Revaluation Surplus	4.1 (b)	574	-
Total Other Comprehensive Income		574	-
Comprehensive Result for the Year		1,520	(1,674)

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

NORTHEAST HEALTH WANGARATTA

BALANCE SHEET

as at 30 June 2021

	Note	Total 2021 \$000	Total 2020 \$000
Current Assets			
Cash and Cash Equivalents	6.2	40,158	25,098
Receivables and Contract Assets	5.1	4,057	3,246
Inventories	4.4	1,483	1,488
Prepayments and Other Non-Financial Assets		835	492
		46,533	30,324
Non-Current Assets			
Receivables and Contract Assets	5.1	4,157	3,654
Property, Plant and Equipment	4.1 (a)	82,877	86,948
Intangible Assets	4.2	115	214
Total Non-Current Assets		87,149	90,816
TOTAL ASSETS		133,682	121,140
Current Liabilities			
Payables and Contracted Liabilities	5.2	37,183	20,867
Borrowings	6.1	656	4,181
Provisions	3.2	24,465	23,882
Other Liabilities	5.3	6,372	5,785
Total Current Liabilities		68,676	54,715
Non-Current Liabilities			
Payables and Contracted Liabilities	5.2	155	19
Borrowings	6.1	1,744	1,494
Provisions	3.2	3,545	5,039
Total Non-Current Liabilities		5,444	6,552
TOTAL LIABILITIES		74,120	61,267
NET ASSETS		59,562	59,873
EQUITY			
Property, Plant and Equipment Revaluation Surplus	4.1 (f)	74,872	74,298
Contributed Capital		39,534	39,534
Accumulated Deficits		(54,844)	(53,959)
TOTAL EQUITY		59,562	59,873

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 2021

		Property, Plant and Equipment Revaluation Surplus \$000	Contributed Capital \$000	Accumulated Deficits \$000	Total \$000
	Note				
Balance at 1 July 2019		74,298	39,072	(52,285)	61,085
Net result for the year		-	462	(1,674)	(1,212)
Other comprehensive income for the year		-	-	-	-
Balance at 30 June 2020		74,298	39,534	(53,959)	59,873
Net result for the year		-	-	946	946
Other comprehensive income for the year	4.1 (b)	574	-	-	574
Prior year adjustment of Accumulated depreciation	1.9	-	-	(1,831)	(1,831)
Balance at 30 June 2021		74,872	39,534	(54,844)	59,562

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

NORTHEAST HEALTH WANGARATTA
CASH FLOW STATEMENT
FOR THE FINANCIAL YEAR ENDED 30 June 2021

		Total 2021 \$000	Total 2020 \$000
	Note		
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating Grants from Government		156,031	145,139
Capital Grants from Government - State		21,452	5,767
Patient and Resident Fees Received		14,177	13,497
Donations and Bequests Received		108	431
GST Received from /(paid to) ATO		5,288	4,544
Interest Received		102	247
Other Receipts		5,369	5,300
Total Receipts		202,527	174,925
Employee Expenses Paid		(131,683)	(121,035)
Payments for Supplies and Consumables		(33,737)	(26,927)
Payments for Medical Indemnity Insurance		(2,155)	(2,251)
Payments for Repairs and Maintenance		(1,671)	(1,784)
Finance Costs		(80)	(78)
Cash Outflow for Leases		(53)	(112)
Other Payments		(13,148)	(15,145)
Total Payments		(182,527)	(167,332)
NET CASH FLOW FROM/(USED IN) OPERATING ACTIVITIES	8.1	20,000	7,593
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of Property, Plant and Equipment		(4,882)	(3,008)
Purchase of Intangible Assets		-	(12)
Proceeds from Disposal of Property, Plant and Equipment		192	72
NET CASH FLOW FROM/(USED IN) INVESTING ACTIVITIES		(4,690)	(2,948)
CASH FLOWS FROM FINANCING ACTIVITIES			
Contributed Capital		-	462
Proceeds from Borrowings		288	3,730
Repayment of Borrowings		(1,114)	(1,011)
Receipt of Accommodation Deposits		1,817	1,922
Repayment of Accommodation Deposits		(1,241)	(606)
NET CASH FLOW FROM FINANCING ACTIVITIES		(250)	4,497
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS HELD		15,060	9,142
Cash and Cash Equivalents at Beginning of Year		25,098	15,956
CASH AND CASH EQUIVALENTS AT END OF YEAR	6.2	40,158	25,098

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

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 Jointly Controlled Operations
- 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
- 1.9 Correction of prior period error

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 2021. 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 and identifies the key accounting estimates and judgements.

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 8.7 Economic Dependency).

The financial statements are 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 and its controlled entities on 12 October 2021.

NORTHEAST HEALTH WANGARATTA

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 June 2021

Note 1.2 Impact of COVID-19 pandemic

In March 2020 a state of emergency was declared in Victoria due to the global coronavirus pandemic, known as COVID-19. Since this date, to contain the spread of COVID-19 and prioritise the health and safety of our community, Northeast Health Wangaratta was required to comply with various directions announced by the Commonwealth and State Governments, which in turn, has continued to impact the way in which Northeast Health Wangaratta operates.

Northeast Health Wangaratta introduced a range of measures in both the prior and current year, including:

- introducing restrictions on non-essential visitors
- performing COVID-19 testing
- administering COVID-19 vaccinations
- implementing reduced visitor hours
- deferring elective surgery and reducing activity
- greater utilisation of telehealth services
- transferring inpatients to private health facilities; and
- implementing work from home arrangements where appropriate.

Regional areas have generally been less impacted by the pandemic, however the changed conditions continue to provide uncertainty and a reluctance from the community to engage as regularly with the Health Sector. The State Government has recognised the importance of a strong public health system and are providing ongoing support to ensure we remain financially viable and we can continue to support our staff who are at the front line of defence should the pandemic impact our community even more directly going forward.

As restrictions have eased towards the end of the financial year Northeast Health Wangaratta has been able to revise some measures where appropriate, however the unpredictable nature of COVID 19 environment and changing Victorian Government restrictions have required Northeast Health Wangaratta to keep the range of measures implemented above as well as ensuring all patients, staff, clients & visitors:

- register attendance at Northeast Health Wangaratta via a QR code or the sign in register; and
- wear a face mask (if over 12 years of age) .

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

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

Note 1.3 Abbreviations and terminology used in the financial statements

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

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

NORTHEAST HEALTH WANGARATTA

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 June 2021

Note 1.4 Jointly Controlled Operations

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 is a member of the Hume Regional Alliance Joint Venture and retains joint control over the arrangement, which it has classified as a joint operation (refer to Note 8.8 Jointly Controlled Operations).

Note 1.5 Key accounting estimates and judgements

Management make estimates and judgements when preparing the financial statements.

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

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

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

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 2020-1: <i>Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current</i>	Reporting periods on or after 1 January 2022.	Adoption of this standard is not expected to have a material impact.
AASB 2020-3: <i>Amendments to Australian Accounting Standards – Annual Improvements 2018-2020 and Other Amendments</i>	Reporting periods on or after 1 January 2022.	Adoption of this standard is not expected to have a material impact.
AASB 2020-8: <i>Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform – Phase 2</i>	Reporting periods on or after 1 January 2021.	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.

NORTHEAST HEALTH WANGARATTA

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 June 2021

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, which are disclosed as operating cash flows.

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

Note 1.8 Reporting Entity

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

Its principal address is:

Green Street

Wangaratta VIC 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 1.9 Correction of depreciation rates

An error has been identified in respect to building assets being depreciated at incorrect rates. This has resulted in depreciation on buildings assets being understated by \$1.8m in the prior year. Depreciation rates on these assets have been amended in the current year to reflect the useful lives of these assets as per the 2019 valuation.

Prior year comparative balances have not been amended on the basis of materiality.

NORTHEAST HEALTH WANGARATTA

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 June 2021

Note 2: Funding Delivery of Our Services

Northeast Health Wangaratta's overall objective is to deliver programs and services that support and enhance the wellbeing of all Victorians. Northeast Health Wangaratta is predominantly funded by accrual based grant funding for the provision of outputs. The Health Service 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 increased during the financial year which was partially attributable to the COVID-19 Coronavirus pandemic and its impact on our economy and the health of our community.

Activity Based Funding decreased as the level of activity agreed in the Statement of Priorities couldn't be delivered due to reductions in the number of patients being treated at various times throughout the financial year

This was offset by funding provided by the Department of Health to compensate for reductions in revenue and to cover certain direct and indirect COVID-19 related costs.

Funding provided included:

- COVID-19 grants to fund Capital purchases
- State repurpose grants
- Sustainability funding for Statement of Priorities
- Additional elective surgery funding for waitlist reduction support
- Better @ home funding
- Mental health capacity funding

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 judgement 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.

NORTHEAST HEALTH WANGARATTA
NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FINANCIAL YEAR ENDED 30 June 2021

Note 2.1: Revenue and Income from Transactions

	Total 2021 \$000	Total 2020 \$000
Operating Activities		
Revenue from contracts with customers		
Government Grants (State) - Operating - recognised under AASB 15	7,273	6,699
Government Grants (Commonwealth) - Operating - recognised under AASB 15	9,824	8,657
Patient and Resident Fees	14,066	13,225
Commercial Activities (i)	1,159	1,198
Total revenue from contracts with customers	32,322	29,779
Other sources of income		
Government Grants (State) - Operating - recognised under AASB 1058	140,429	127,861
Government Grants (Commonwealth) - Operating - recognised under AASB 1058	1,257	982
Government Grants (State) - Capital	4,119	3,659
Other Capital purpose income	35	379
Assets received free of charge or for nominal consideration	3,131	263
Other Revenue from Operating Activities (including non-capital donations)	5,379	6,652
Total other sources of income	154,350	139,796
Total revenue and income from operating activities	186,672	169,575
Non-Operating Activities		
Income from other sources		
Other Interest - Capital	102	247
Total Income from other sources	102	247
Total revenue and income from non-operating activities	102	247
Total Revenue and Income from Transactions	186,774	169,822

(i) Commercial Activities represent business activities which Northeast Health Wangaratta enter into to support their operations.

How we recognise revenue and income from transactions

Government operating grants

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

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; and
- 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, in accordance with AASB 1058 – *Income for not-for-profit entities*, 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.

NORTHEAST HEALTH WANGARATTA

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 June 2021

Note 2.1: Revenue and Income from Transactions (Continued)

The types of government grants recognised under AASB 15: *Revenue from Contracts with Customers* includes:

Government grant	Performance obligation
Activity Based Funding (ABF) paid as Weighted Inlier Equivalent Separation (WIES) casemix	The performance obligations for ABF are the number and mix of patients admitted to hospital (defined as 'casemix') in accordance with the levels of activity agreed to, with the Department of Health in the annual Statement of Priorities. Revenue is recognised at a point in time, which is when a patient is discharged, in accordance with the WIES activity when an episode of care for an admitted patient is completed. WIES activity is a cost weight that is adjusted for time spent in hospital, and represents a relative measure of resource use for each episode of care in a diagnosis related group.
Residential Aged Care (ACFI) funding	Residential Aged Care funding is recognised on a monthly basis based on the assessed levels of care required by each resident.
Dental Health Services (DWAU) funding	Dental Health Services funding is recognised monthly based on the Dental Weighted Activity Units (DWAU) completed.
Other one-off grants if funding conditions contain enforceable and sufficiently specific performance obligations	For other grants with performance obligations the Health Service exercises judgement over whether the performance obligations have been met, on a grant by grant basis.

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, invoiced monthly and are recognised over 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 over time as the performance obligation, the provision of facilities, is provided to customers.

Commercial activities

Revenue from commercial activities includes items such as coffee shop and catering charges, property rental and fundraising activities.

Commercial activity revenue is recognised at a point in time, upon provision of the goods or service to the customer.

NORTHEAST HEALTH WANGARATTA

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 June 2021

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

	Total 2021 \$000	Total 2020 \$000
Cash donations and gifts - Capital	10	18
Personal Protective Equipment	1,586	245
Medical equipment	1,535	-
Total fair value of assets and services received free of charge for nominal consideration	3,131	263

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

Personal protective equipment

In order to meet the State of Victoria's health system supply needs during the COVID-19 pandemic, the purchasing of essential personal protective equipment (PPE) and other essential plant and equipment, such as ventilators, was centralised.

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.

Contributions

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

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

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

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

Voluntary Services

Contributions by volunteers, in the form of services, are only recognised when fair value can be reliably measured, and the services would have been purchased if they had not been donated.

Northeast Health Wangaratta does not depend on volunteers to deliver its services.

NORTHEAST HEALTH WANGARATTA
NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FINANCIAL YEAR ENDED 30 June 2021

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

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 set out in the relevant Department of Health Hospital Circular.

Note 2.3 Other Income

	Total 2021 \$000	Total 2020 \$000
Other Interest	102	247
Total Other Income	102	247

Interest Income

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

NORTHEAST HEALTH WANGARATTA

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 June 2021

Note 3: The Cost of Delivering 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 Employee Benefits in the Balance Sheet
- 3.3 Superannuation
- 3.4 Other Economic Flows

Telling the COVID-19 story

Expenses incurred to deliver our services increased during the financial year which was partially attributable to the COVID-19 Coronavirus pandemic and its impact on our economy and the health of our community. Additional costs were incurred to deliver the following additional services:

- establish facilities within Northeast Health Wangaratta for the treatment of suspected and admitted COVID patients resulting in an increase in employee costs
- implement COVID safe practices throughout Northeast Health Wangaratta including increased cleaning, increased security and consumption of personal protective equipment provided as resources free of charge.
- assist with COVID-19 case management, contact tracing and outbreak management contributing to an increase in employee costs.
- establish vaccination clinics to administer vaccines to staff and the community resulting in an increase in employee costs, additional equipment purchased and additional building lease.

Key judgements and estimates

This section contains the following key judgements and estimates:

Key judgements and estimates	Description
Measuring and classifying employee benefit liabilities	<p>Northeast Health Wangaratta applies significant judgement 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> <p>The health service also applies judgement to determine when it expects its employee entitlements to be paid. With reference to historical data, if the health service does not expect entitlements to be paid within 12 months, the entitlement is measured at its present value. All other entitlements are measured at their nominal value.</p>

NORTHEAST HEALTH WANGARATTA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 June 2021

Note 3.1: Expenses from Transactions

	Total 2021 \$000	Total 2020 \$000
Note		
Salaries and Wages	94,237	86,609
On-costs	22,335	20,718
Agency Expenses	768	859
Fee for Service Medical Officer Expenses	14,126	12,450
Workcover Premium	2,100	1,701
Total Employee Expenses	133,566	122,337
Drug Supplies	5,991	5,107
Medical and Surgical Supplies (including Prostheses)	10,376	7,876
Diagnostic and Radiology Supplies	7,327	5,445
Other Supplies and Consumables	8,566	8,499
Total Supplies and Consumables	32,260	26,927
Finance Costs	80	68
Total Finance Costs	80	68
Other Administrative Expenses	6,408	6,962
Total Other Administrative Expenses	6,408	6,962
Fuel, Light, Power and Water	1,429	1,475
Repairs and Maintenance	1,519	1,784
Maintenance Contracts	922	804
Medical Indemnity Insurance	2,394	2,251
Expenses related to short term leases	790	710
Expenses related to leases of low value assets	292	225
Software expenses	1,474	1,334
Expenditure for Capital Purposes	60	111
Total Other Operating Expenses	8,880	8,694
Total operating expense	181,194	164,988
Depreciation and Amortisation	4.3 7,886	6,049
Total Depreciation and Amortisation	7,886	6,049
Bad and doubtful debt expense	57	8
Total Other non-operating expenses	57	8
Total non-operating Expenses	7,943	6,057
Total Expenses from Transactions	189,137	171,045

NORTHEAST HEALTH WANGARATTA

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 June 2021

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; and
- Workcover premiums.

Supplies and Consumables

Supplies and consumables 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:

- interest on bank overdrafts and short-term and long-term borrowings (interest expense is recognised in the period in which it is incurred); and
- 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:

- Fuel, Light, Power and Water;
- Repairs and Maintenance;
- Maintenance Contracts;
- Medical Indemnity Insurance;
- Other administrative expenses; and
- Expenditure for Capital Purposes (represents expenditure related to the purchase of assets that are below the capitalisation threshold less than \$1,000).

The Department of Health also makes certain payments on behalf of the 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 expenses.

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.

NORTHEAST HEALTH WANGARATTA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 June 2021

Note 3.2: Employee Benefits in the Balance Sheet

	Total 2021 \$000	Total 2020 \$000
Current Provisions		
Accrued Days Off		
- unconditional and expected to be settled wholly within 12 months (nominal value) (i)	302	291
	302	291
Annual Leave		
- unconditional and expected to be settled wholly within 12 months (nominal value) (i)	3,588	3,463
- unconditional and expected to be settled wholly after 12 months (present value) (ii)	5,488	4,991
	9,076	8,454
Long Service Leave		
- unconditional and expected to be settled wholly within 12 months (nominal value) (i)	1,618	1,492
- unconditional and expected to be settled wholly after 12 months (present value) (ii)	9,568	9,932
	11,186	11,424
Provisions related to Employee Benefit On-Costs		
- unconditional and expected to be settled wholly within 12 months (nominal value) (i)	1,208	1,142
- unconditional and expected to be settled wholly after 12 months (present value) (ii)	2,693	2,571
	3,901	3,713
Total Current Employee Benefits	24,465	23,882
Non-Current Provisions		
Conditional Long Service Leave Entitlements	3,043	4,504
Provisions related to Employee Benefit On-Costs	502	535
Total Non-Current Employee Benefits	3,545	5,039
Total Employee Benefits	28,010	28,921

(i) The amounts disclosed are nominal amounts.

(ii) The amounts disclosed are discounted to present values.

How we recognise employee benefits

Employee Benefit Recognition

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

Provisions

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

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

NORTHEAST HEALTH WANGARATTA

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 June 2021

Note 3.2: Employee Benefits in the Balance Sheet (Continued)

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 salaries and wages, annual leave and accrued days off are measured at:

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

Long Service Leave (LSL)

Liability for LSL is recognised in the provision for employee benefits.

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

The components of this current LSL liability are measured at:

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

Conditional LSL is disclosed as a non-current liability. Any gain or loss 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.

On-Costs Related to Employee Expense

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

Note 3.2 (a) Employee Benefits and Related On-Costs

	Total 2021 \$000	Total 2020 \$000
Current Employee Benefits and Related On-Costs		
Unconditional Long Service Leave entitlements	12,516	12,782
Unconditional Annual Leave Entitlements	11,647	10,809
Unconditional Accrued Days Off	302	291
Total Current Employee Benefits and Related On-Costs	24,465	23,882
Non-Current Employee Benefits and Related On-Costs		
Conditional Long Service Leave Entitlements	3,545	5,039
Total Non-Current Employee Benefits and Related On-Costs	3,545	5,039
Total Employee Benefits and Related On-Costs	28,010	28,921
Carrying amount at start of year	4,248	3,771
Additional provisions recognised	178	520
Amounts incurred during the year	(23)	(43)
Carrying amount at end of year	4,403	4,248

NORTHEAST HEALTH WANGARATTA

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 June 2021

Note 3.3: Superannuation

Defined benefit plans: (i)

First State Super (Aware Super)

Defined contribution plans:

First State Super (Aware Super)

Hesta Super

Hostplus Super

Australian Super

Rest Super

UniSuper

Other

Total

Paid contribution for the year		Contribution outstanding at year end	
Total 2021 \$000	Total 2020 \$000	Total 2021 \$000	Total 2020 \$000
107	127	12	14
4,757	4,792	435	446
2,510	2,298	237	214
279	201	34	19
232	182	21	17
224	144	20	13
97	104	7	10
766	567	96	52
8,972	8,415	862	785

(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 Northeast Health Wangaratta contributes to both the defined benefit and defined contribution plans.

Defined Benefit Superannuation Plans

The amount charged to the Comprehensive Operating Statement in respect of defined benefit superannuation plans represents the contributions made by the Health Service to the superannuation plans in respect of the services of current Health Service 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 superannuation 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 benefit liability in its disclosure for administered items. However superannuation contributions paid or payable for the reporting period are included as part of the employee benefits in the Comprehensive Operating Statement of Northeast Health Wangaratta.

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

NORTHEAST HEALTH WANGARATTA
NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FINANCIAL YEAR ENDED 30 June 2021

Note 3.4: Other Economic Flows

	Total 2021 \$000	Total 2020 \$000
Net gain/(loss) on sale of non-financial assets		
Net gain on disposal of property, plant and equipment	151	25
Total net gain/(loss) on sale of non-financial assets	151	25
Net gain/(loss) on financial instruments		
Allowance for impairment losses of contractual receivables	-	(8)
Total net gain/(loss) on financial instruments	-	(8)
Other gains/(losses) from other economic flows		
Net gain/(loss) arising from revaluation of long service leave liability	3,158	(468)
Total other gains/(losses) from other economic flows	3,158	(468)
Total other gains/(losses) from economic flows	3,309	(451)

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.

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:

- Revaluation Gains/ (Losses) of Non-Financial Physical Assets (Refer to Note 4.1 Property, Plant and Equipment)
- Net Gain/ (Loss) on Disposal of Non-Financial Assets; and
- Any gain or loss on the disposal of non-financial assets is recognised at the date of disposal.

Net Gain/ (Loss) on Financial Instruments

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

- 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 (Note 7.1); and
- disposals of financial assets and derecognition of financial liabilities.

Other Gains/ (Losses) from Other Economic Flows

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 rates; and
- reclassified amounts relating to equity instruments from the reserves to retained surplus/(deficit) due to a disposal or derecognition of the financial instrument. This does not include reclassification between equity accounts due to machinery of government changes or 'other transfers' of assets.

NORTHEAST HEALTH WANGARATTA

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 June 2021

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 the Health Service to be utilised for delivery of those outputs.

Structure

- 4.1 Property, plant & equipment
- 4.2 Intangible assets
- 4.3 Depreciation and amortisation
- 4.4 Inventories

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
Measuring fair value of property, plant and equipment and investment properties	<p>Northeast Health Wangaratta obtains independent valuations for its non-current assets at least once every five years.</p> <p>If an independent valuation has not been undertaken at balance date, the health service estimates possible changes in fair value since the date of the last independent valuation with reference to Valuer-General of Victoria indices.</p> <p>Managerial adjustments are recorded if the assessment concludes a material change in fair value has occurred.</p> <p>Where exceptionally large movements are identified, an interim independent valuation is undertaken.</p>
Estimating useful life and residual value of property, plant and equipment	<p>Northeast Health Wangaratta assigns an estimated useful life to each item of property, plant and equipment, whilst also estimating the residual value of the asset, if any, at the end of the useful life. This is used to calculate depreciation of the asset.</p> <p>The health service reviews the useful life, residual value and depreciation rates of all assets at the end of each financial year and where necessary, records a change in accounting estimate.</p>
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>

NORTHEAST HEALTH WANGARATTA

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 June 2021

Key judgements and estimates	Description
Estimating restoration costs at the end of a lease	Where a lease agreement requires Northeast Health Wangaratta to restore a right-of-use asset to its original condition at the end of a lease, the health service estimates the present value of such restoration costs. This cost is included in the measurement of the right-of-use asset, which is depreciated over the relevant lease term.
Estimating the useful life of intangible assets	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 services applies significant judgement and estimate to determine the recoverable amount of the asset.</p>

NORTHEAST HEALTH WANGARATTA

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 June 2021

Note 4.1: Property, Plant and Equipment

Note 4.1 (a) Gross Carrying Amount and Accumulated Depreciation

Land

Land at Fair Value - Crown

Land at Fair Value - Freehold

Total Land at Fair Value

Land - Right of Use

Less Accumulated Depreciation

Sub-Total Land - Right of Use

Total Land

Buildings

Buildings at Fair Value

Less Accumulated Depreciation

Total Buildings

Plant and Equipment

Plant and Equipment at Fair Value

Less Accumulated Depreciation

Total Plant & Equipment

Medical Equipment

Medical Equipment at Fair Value

Less Accumulated Depreciation

Sub-total Medical Equipment at Fair Value

Medical Equipment - Right of Use

Less Accumulated Depreciation

Sub-total Medical Equipment Right of Use

Total Medical Equipment

Computers and Communications

Computers and Communication at Fair Value

Less Accumulated Depreciation

Sub-total Computers and Communication at Fair Value

Computers and Communication - Right of Use

Less Accumulated Depreciation

Sub-total Computers and Communication - Right of Use

Total Computers and Communications

Furniture and Fittings

Furniture and Fittings at Fair Value

Less Accumulated Depreciation

Total Furniture and Fittings

Motor Vehicles

Motor Vehicle at Fair Value

Less Accumulated Depreciation

Sub-total Motor Vehicles at Fair Value

Motor Vehicle - Right of Use

Less Accumulated Depreciation

Sub-total Motor Vehicle - Right of Use

Total Motor Vehicles

Total	Total
2021	2020
\$'000	\$'000
1,778	1,628
3,072	2,648
4,850	4,276
573	-
(29)	-
544	-
5,394	4,276
72,895	71,438
(10,844)	(3,569)
62,051	67,869
10,374	10,278
(5,365)	(4,757)
5,009	5,521
11,131	9,372
(7,234)	(6,917)
3,897	2,455
2,090	1,958
(1,258)	(742)
832	1,216
4,729	3,671
1,122	1,020
(514)	(615)
608	405
451	42
(152)	(12)
299	30
907	435
905	884
(667)	(613)
238	271
1,294	1,294
(1,074)	(922)
220	372
286	286
(67)	(21)
219	265
439	637

NORTHEAST HEALTH WANGARATTA
NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FINANCIAL YEAR ENDED 30 June 2021

Note 4.1: (a) Gross Carrying Amount and Accumulated Depreciation
(Continued)

Share of HRHA Assets

Property, Plant and Equipment at Fair Value

Less Accumulated Depreciation

Leased Assets

Less Accumulated Depreciation

Assets Under Construction at cost

Total Property, Plant and Equipment

Total 2021 \$000	Total 2020 \$000
101	79
(75)	(50)
70	95
(33)	(38)
63	86
4,047	4,182
82,877	86,948

NORTHEAST HEALTH WANGARATTA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 June 2021

Note 4.1 (b) Reconciliations of the Carrying Amounts of Each Class of Asset

	Land \$000	Land Use	Right of Use Land	Buildings \$000	Plant and Equipment \$000	Medical Equipment \$000	Right of use Medical Equipment \$000	Right of use Medical Equipment \$000	Computers and Comms \$000	Right of use Computers and Comms \$000	Furniture and Fittings \$000	Motor Vehicles \$000	Right of use Motor Vehicles \$000	Assets Under Construct ion \$000	Share of HRHA Assets \$000	Total \$000
Balance at 1 July 2019	4,276	-	-	70,949	6,038	2,319	1,726	1,726	437	42	304	632	30	2,326	130	89,209
Additions	-	-	-	111	227	679	232	232	47	-	25	-	256	2,312	6	3,895
Disposals	-	-	-	-	(1)	-	-	-	-	-	-	(46)	-	(153)	-	(200)
Net Transfers between Classes	-	-	-	378	(75)	-	-	-	-	-	-	-	-	(303)	-	-
Depreciation and Amortisation	-	-	-	(3,569)	(668)	(543)	(742)	(742)	(79)	(12)	(58)	(214)	(21)	-	(50)	(5,956)
Balance at 30 June 2020	4,276	-	-	67,869	5,521	2,455	1,216	1,216	405	30	271	372	265	4,182	86	86,948
4.3																
4.1 (a)																
Prior year accumulated depreciation adjustment	-	-	-	(1,831)	-	-	-	-	-	-	-	-	-	-	-	(1,831)
Amended Balance at 30 June 2020	4,276	-	-	66,038	5,521	2,455	1,216	1,216	405	30	271	372	265	4,182	86	85,117
Additions	-	-	573	80	96	2,126	132	132	303	409	21	24	-	3,743	24	7,531
Disposals	-	-	-	-	-	(4)	-	-	(3)	-	-	(24)	-	(2,501)	-	(2,532)
Revaluation increments / (decrements)	574	-	-	-	-	-	-	-	-	-	-	-	-	-	-	574
Net Transfers between Classes	-	-	-	1,377	-	-	-	-	-	-	-	-	-	(1,377)	-	-
Depreciation and Amortisation	-	(29)	(29)	(5,444)	(608)	(680)	(516)	(516)	(97)	(140)	(54)	(152)	(46)	-	(47)	(7,813)
Balance at 30 June 2021	4,850	544	544	62,051	5,009	3,897	832	832	608	299	238	220	219	4,047	63	82,877
4.1 (a)																

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.

Note 4.1 (b) Reconciliations of the Carrying Amounts of Each Class of Asset (Continued)

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 (excluding right-of-use assets) 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 below.

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.

NORTHEAST HEALTH WANGARATTA

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 June 2021

Note 4.1 (b) Reconciliations of the Carrying Amounts of Each Class of Asset (Continued)

An independent valuation of Northeast Health Wangaratta's property, plant and equipment was performed by the VGV on 30 June 2019. 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.

The managerial assessment performed at 30 June 2021 indicated an overall:

- increase in fair value of land of 13.42% (\$574,022)

As the cumulative movement was greater than 10% for land since the last revaluation a managerial revaluation adjustment was required as at 30 June 2021.

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

Impairment

At the end of each financial year, Northeast Health Wangaratta assesses if there is any indication that an item of property, plant and equipment may be impaired by considering internal and external sources of information. If an indication exists, Northeast Health Wangaratta estimates the recoverable amount of the asset. Where the carrying amount of the asset exceeds its recoverable amount, an impairment loss is recognised. An impairment loss of a revalued asset is treated as a revaluation decrease as noted above.

Northeast Health Wangaratta has concluded that the recoverable amount of property, plant and equipment which are regularly revalued is expected to be materially consistent with the current fair value. As such, there were no indications of property, plant and equipment being impaired at balance date.

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	17.5 years
Leased plant, equipment, furniture, fittings and vehicles	1 to 7 years

Note 4.1 (b) Reconciliations of the Carrying Amounts of Each Class of Asset (Continued)

Presentation of right-of-use assets

Northeast Health Wangaratta presents right-of-use assets as 'property plant equipment' unless they meet the definition of investment property, in which case they are disclosed as 'investment property' in the balance sheet.

Right-of-use asset 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 (a).

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.

Some of Northeast Health Wangaratta's Medical equipment lease agreements contain purchase options which the health service is reasonably certain to exercise at the completion of the lease.

Right-of-use assets Subsequent measurement

Right-of-use assets 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).

Right-of-use assets Impairment

At the end of each financial year, Northeast Health Wangaratta assesses if there is any indication that a right-of-use asset may be impaired by considering internal and external sources of information. If an indication exists, Northeast Health Wangaratta estimates the recoverable amount of the asset. Where the carrying amount of the asset exceeds its recoverable amount, an impairment loss is recognised.

Northeast Health Wangaratta performed an impairment assessment and noted there were no indications of its right-of-use assets being impaired at balance date.

NORTHEAST HEALTH WANGARATTA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 June 2021

Note 4.1 (c) Fair Value Measurement Hierarchy for Assets

		Carrying amount	Fair value measurement at end of reporting period using:		
			Level 1 (i)	Level 2 (i)	Level 3 (i)
Note		\$000	\$000	\$000	\$000
Balance at 30 June 2021					
		2,156	-	2,156	-
		2,694	-	-	2,694
Total of Land at fair value	4.1 (a)	4,850	-	2,156	2,694
		1,040	-	1,040	-
		61,011	-	-	61,011
Total of Buildings at fair value	4.1 (a)	62,051	-	1,040	61,011
	4.1 (a)	5,009	-	-	5,009
	4.1 (a)	220	-	-	220
	4.1 (a)	3,897	-	-	3,897
	4.1 (a)	608	-	-	608
	4.1 (a)	238	-	-	238
	4.1 (a)	63	-	-	63
Total of Plant, Equipment, Furniture, Fittings and Vehicles at fair value		10,035	-	-	10,035
Total Property, Plant and Equipment at fair value		76,936	-	3,196	73,740
		Carrying amount	Fair value measurement at end of reporting period using:		
			Level 1 (i)	Level 2 (i)	Level 3 (i)
Note		\$000	\$000	\$000	\$000
Balance at 30 June 2020					
		1,867	-	1,867	-
		2,409	-	-	2,409
Total of Land at fair value	4.1 (a)	4,276	-	1,867	2,409
		1,040	-	1,040	-
		66,829	-	-	66,829
Total of Building at fair value	4.1 (a)	67,869	-	1,040	66,829
	4.1 (a)	5,521	-	-	5,521
	4.1 (a)	372	-	-	372
	4.1 (a)	2,455	-	-	2,455
	4.1 (a)	405	-	-	405
	4.1 (a)	271	-	-	271
	4.1 (a)	86	-	-	86
		9,110	-	-	9,110
Total Property, Plant and Equipment at fair value		81,255	-	2,907	78,348

(i) Classified in accordance with the fair value hierarchy.

NORTHEAST HEALTH WANGARATTA
NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FINANCIAL YEAR ENDED 30 June 2021

Note 4.1 (d) Reconciliation of Level 3 Fair Value Measurement

	Note	Specialised Land \$000	Specialised Buildings \$000	Plant and Equipment \$000	Medical Equipment \$000
Balance at 1 July 2020		2,409	66,829	6,655	2,455
Additions/(Disposals)	4.1 (b)	-	80	441	2,122
Revaluation increment	4.1 (b)	285	-	-	-
Net Transfers between classes	4.1 (b)	-	1,377	-	-
Prior year accumulated depreciation adjustment	1.9	-	(1,831)	-	-
Gains or Losses Recognised in Net Result					
- Depreciation	4.3	-	(5,444)	(958)	(680)
Balance at 30 June 2021		2,694	61,011	6,138	3,897

	Note	Specialised Land \$000	Specialised Buildings \$000	Plant and Equipment \$000	Medical Equipment \$000
Balance at 1 July 2019		2,409	69,854	7,541	2,319
Additions/(Disposals)	4.1 (b)	-	111	258	679
Net Transfers between classes	4.1 (b)	-	378	(75)	-
Gains or Losses Recognised in Other Comprehensive Income					
- Depreciation	4.3	-	(3,514)	(1,069)	(543)
Balance at 30 June 2020		2,409	66,829	6,655	2,455

Note 4.1 (e) Fair Value Determination

Asset Class	Valuation technique	Expected fair value level	Significant unobservable inputs
Non-specialised land	Market approach	Level 2	N/A
Specialised land	Market approach	Level 3	Community Service Obligation adjustment (i)
Non-specialised buildings	Market approach	Level 2	N/A
Specialised buildings	Depreciated replacement cost	Level 3	Cost per square metre Useful life of PPE
Plant and equipment at fair value	Depreciated replacement cost	Level 3	Cost per unit Useful life of PPE
Vehicles	Depreciated replacement cost	Level 3	Cost per unit Useful life of PPE
Medical equipment at fair value	Depreciated replacement cost	Level 3	Cost per unit Useful life of PPE

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

Note 4.1: Property, Plant and Equipment (Continued)

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.

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

In addition, 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.

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

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

Valuation hierarchy

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

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

Identifying unobservable inputs (level 3) fair value measurements

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

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.

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

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

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

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

Non-Specialised Land and Non-Specialised Buildings

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

For non-specialised land and non-specialised buildings, an independent valuation was performed by the Valuer General Victoria, to determine the fair value using the market approach.

Valuation of the assets was determined by analysing comparable sales and allowing for share, size, topography, location and other relevant factors specific to the asset being valued. An appropriate rate per square metre has been applied to the subject asset. The effective date of the valuation is 30 June 2019.

NORTHEAST HEALTH WANGARATTA

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 June 2021

Note 4.1: Property, Plant and Equipment (Continued)

Specialised Land and Specialised Buildings

Specialised land includes Crown Land which is measured at fair value with regard to the property's highest and best use after due consideration is made for any legal or physical restrictions imposed on the asset, public announcements or commitments made in relation to the intended use of the asset.

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

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

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

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

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

Vehicles

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 value (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 2021.

Note 4.1 (f) Property, Plant & Equipment Revaluation Surplus

		Total 2021 \$000	Total 2020 \$000
Note			
Balance at the beginning of the reporting period		74,298	74,298
Revaluation Increment			
- Land	4.1 (b)	574	-
Balance at the end of the reporting period *		74,872	74,298
* Represented by:			
- Land		2,334	1,760
- Buildings		72,538	72,538
		74,872	74,298

NORTHEAST HEALTH WANGARATTA

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 June 2021

Note 4.2: Intangible Assets

	Total 2021 \$000	Total 2020 \$000
Intangible Produced Assets - Software	1,169	1,169
Less Accumulated Amortisation	(1,071)	(1,014)
Share of HRHA Software	66	112
Less Accumulated Amortisation	(49)	(53)
Total Intangible Assets	115	214

Reconciliation of the carrying amounts of intangible assets at the beginning and end of the previous and current financial year.

	Note	Total \$000
Balance at 1 July 2019		296
Additions		12
Disposals		-
Amortisation	4.3	(94)
Balance at 1 July 2020		214
Additions		-
Disposals		-
Impairment loss (HRHA)		(26)
Amortisation	4.3	(73)
Balance at 30 June 2021		115

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.

An internally generated intangible asset arising from development (or from the development phase of an internal project) is also recognised at cost if, and only if, all of the following are demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- an intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

Expenditure on research activities is recognised as an expense in the period on which it is incurred.

NORTHEAST HEALTH WANGARATTA

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 June 2021

Subsequent measurement

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

Impairment

Intangible assets with indefinite useful lives (and intangible assets not yet available for use) are tested annually for impairment and whenever there is an indication that the asset may be impaired. Intangible assets with finite useful lives are tested for impairment whenever an indication of impairment is identified.

NORTHEAST HEALTH WANGARATTA

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 June 2021

Note 4.3: Depreciation and Amortisation

	Total 2021 \$000	Total 2020 \$000
Depreciation		
Right of Use Land	29	-
Buildings	5,444	3,569
Plant and Equipment	655	718
Medical Equipment	680	543
Right of Use Medical Equipment	516	742
Computers and Communications	97	79
Right of Use Computers and Communications	140	12
Furniture and Equipment	54	58
Motor Vehicles	152	214
Right of Use Motor Vehicles	46	21
Total Depreciation	7,813	5,956
Amortisation		
Intangible Assets	73	93
Total Amortisation	73	93
Total Depreciation and Amortisation	7,886	6,049

How we recognise depreciation

All infrastructure assets, buildings, plant and equipment and other non-financial physical assets 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.

	2021	2020
Buildings		
- Structure Shell Building Fabric	50 years	10 to 20 years
- Site Engineering Services and Central Plant	40 years	10 to 20 years
Central Plant		
- Fit Out	25 years	10 to 20 years
- Trunk Reticulated Building Systems	30 years	10 to 20 years
Plant and Equipment	5 to 25 years	5 to 20 years
Medical Equipment	4 to 15 years	4 to 15 years
Computers and Communication	3 to 5 years	3 to 5 years
Furniture and Fitting	5 to 20 years	5 to 20 years
Motor Vehicles	4 years	4 years
Leased Assets	2 to 4 years	2 to 4 years
Intangible Assets	3 to 5 years	3 to 5 years

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

NORTHEAST HEALTH WANGARATTA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 June 2021

An adjustment of useful lives was made to reflect the 30 June 2019 building valuations assessment of remaining useful life for assets owned by the Health Service. An adjustment was made to opening balances to correct the prior year balances, refer Note 1.9.

NORTHEAST HEALTH WANGARATTA
NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FINANCIAL YEAR ENDED 30 June 2021

Note 4.4: Inventories

	Total 2021 \$000	Total 2020 \$000
Medical and surgical consumables at cost	1,061	1,032
Pharmacy supplies at cost	328	331
Engineering Stores at cost	47	47
Housekeeping and Food & Catering Supplies at cost	40	54
Administration supplies at cost	7	24
Total Inventories	1,483	1,488

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.

NORTHEAST HEALTH WANGARATTA

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 June 2021

Note 5: Other Assets and Liabilities

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

Structure

5.1 Receivables and Contract Assets

5.2 Payables and Contract Assets

5.3 Other Liabilities

Telling the COVID-19 story

The measurement of other assets and liabilities were impacted during the financial year which was partially attributable to the COVID-19 Coronavirus pandemic and its impact on our economy and the health of our community.

The following other assets and liabilities were impacted:

- Total receivables still outstanding; and
- Amounts written off throughout the year due to patients and trade debtors being unable to pay outstanding balances.

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 deferred capital grant income	Where Northeast Health Wangaratta has received funding to construct an identifiable non-financial asset, such funding is recognised as deferred capital grant income until the underlying asset is constructed. Northeast Health Wangaratta applies significant judgement when measuring the deferred capital grant income balance, which references the estimated the stage of completion at the end of each financial year.
Measuring contract liabilities	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.

NORTHEAST HEALTH WANGARATTA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 June 2021

Note 5.1 : Receivables and Contract Assets

		Total 2021 \$000	Total 2020 \$000
	Note		
Current receivables and contract assets			
Contractual			
Inter Hospital Debtors		492	76
Trade Debtors		514	438
Patient Fees		1,093	879
Contract Assets	5.1 (b)	373	765
Contract Assets - Department of Health	5.1 (b)	568	310
Contract Assets - DHSV	5.1 (b)	264	228
Contract Assets - Commonwealth	5.1 (b)	154	87
Less Allowance for expected credit losses			
Trade Debtors		(17)	(15)
Patient Fees		(49)	(52)
Total contractual receivables		3,392	2,716
Statutory			
GST Receivable		665	530
Total statutory receivables		665	530
Total Current receivables and contract assets		4,057	3,246
Non-current receivables and contract assets			
Contractual			
Debtors Other		46	37
Long Service Leave - Department of Health		4,111	3,617
Total contractual receivables		4,157	3,654
Total Non-current receivables and contract assets		4,157	3,654
Total receivables and contract assets		8,214	6,900
(i) Financial assets classified as receivables and contract assets (Note 7.1 (a))			
Total receivables and contract assets		8,214	6,900
Provision for impairment		66	67
Contract asset		(1,359)	(1,390)
GST receivable		(665)	(530)
Total Financial Assets	7.1 (a)	6,256	5,047

As at 30 June 2021, Northeast Health Wangaratta has contract assets of \$1,359k as presented above. Contract assets are expected to be fully recoverable, accordingly no expected credit loss provision has been raised in respect to these balances.

NORTHEAST HEALTH WANGARATTA

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 June 2021

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

	Total 2021 \$000	Total 2020 \$000
Balance at beginning of year	67	67
Amounts written off during the year	(52)	(8)
Increase/(decrease) in allowance recognised in net result	51	8
Balance at end of year	66	67

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. Northeast Health Wangaratta holds the contractual receivables with the objective to collect contractual cash flows and therefore subsequently measured at amortised cost using the effective interest method, less any impairment.

Statutory receivables, which mostly includes amounts owing from the Victorian Government and Goods and Services Tax (GST) input tax credits that are recoverable. Statutory receivables do not arise from contracts and are recognised and measured similarly to contractual receivables (except for impairment), but are not classified as financial instruments for disclosure purposes. Northeast Health Wangaratta 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*.

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

Impairment losses of contractual receivables

Refer to Note 7.1 (a) for Northeast Health Wangaratta's contractual impairment losses.

NORTHEAST HEALTH WANGARATTA
NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FINANCIAL YEAR ENDED 30 June 2021

Note 5.1 (b): Contract Assets

	Total 2021 \$000	Total 2020 \$000
Balance at Beginning of the year	1,390	-
Adjustment for initial adoption of AASB 15	-	2,866
Less: Transfer to trade receivable or cash at bank	(31)	(1,476)
Total Contract Assets	1,359	1,390
<i>Represented by</i>		
Current Contract Assets	1,359	1,390
	1,359	1,390

How we recognise contract assets

Contract assets relate to the Health Service'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.

NORTHEAST HEALTH WANGARATTA
NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FINANCIAL YEAR ENDED 30 June 2021

Note 5.2: Payables and Contract Liabilities

		Total 2021 \$000	Total 2020 \$000
	Note		
Current Payables and Contract Liabilities			
Contractual			
Trade Creditors		1,605	916
Accrued Salaries and Wages		2,151	2,515
Accrued Expenses		2,948	2,609
Contract Liabilities - Income In Advance	5.2 (b)	-	50
Deferred Capital Revenue - Department of Health		27,446	12,630
Amounts Payable to Governments and Agencies		447	405
Funds held in Trust		-	345
Department of Health	5.2 (b)	1,654	800
Share of HRHA Payables		823	534
Total Contractual Payables		37,074	20,804
Statutory			
GST Payable		109	63
Total Statutory Payables		109	63
Total Current Payables and Contract Liabilities		37,183	20,867
Non-Current Payables and Contract Liabilities			
Contractual			
Trade Creditors		155	19
Total Non-Current Payables and Contract Liabilities		155	19
Total Payables and Contract Liabilities		37,338	20,886
(i) Financial liabilities classified as payables and contract liabilities (Note 7.1 (a))			
Total payables and contract liabilities		37,338	20,886
Deferred grant income		(27,446)	(12,630)
Funds Held In Trust		-	(345)
GST Payable		(109)	(63)
Contract Liabilities		-	(50)
Total Financial Liabilities	7.1 (a)	9,783	7,798

How we recognise payables and contract liabilities

Payables consist of:

Contractual payables, which mostly includes payables in relation to goods and services. These payables are classified as financial instruments and measured at amortised cost. Accounts payable and salaries and wages payable represent liabilities for goods and services provided to the Health Service prior to the end of the financial year that are unpaid, and

Statutory payables, which most includes amount payable to the Victorian Government and Goods and Services Tax (GST) payable. Statutory payables are recognised and measured similarly to contractual payables, but are not classified as financial instruments and not included in the category of financial liabilities at amortised cost, because they do not arise from contracts.

The normal credit terms for accounts payable are usually Net 60 days.

Maturity analysis of payables

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

NORTHEAST HEALTH WANGARATTA
NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FINANCIAL YEAR ENDED 30 June 2021

Note 5.2 (a) Deferred capital grant revenue

	Total 2021 \$000	Total 2020 \$000
Opening balance of deferred grant income	12,630	-
Grant consideration for capital works recognised that was included in the deferred grant liability balance (adjusted for AASB 1058) at the beginning of the year	-	10,413
Grant consideration for capital works received during the year	18,161	3,126
Deferred grant revenue recognised as revenue due to completion of capital works	(3,345)	(909)
Closing balance of deferred grant income	27,446	12,630

How we recognise deferred capital grant revenue

Grant consideration was received from the Department of Health for the Building Redevelopment, NHW Infrastructure Fund, Engineering infrastructure, ICT software/equipment and Medical Equipment. Grant revenue is recognised progressively as the asset is constructed, since this is the time when the Health Service satisfies its obligations.

The progressive percentage costs incurred is used to recognise income because this most closely reflects the percentage of completion of the building works. As a result, the Health Service has deferred recognition of a portion of the grant consideration received as a liability for the outstanding obligations.

Northeast Health Wangaratta expects to recognise \$23.8M of the deferred capital grants revenue for capital works by 30 June 2022, and the remaining \$3.6M by 31 January 2023.

Note 5.2 (b) Contract Liabilities

	2021 \$000	2020 \$000
Opening balance of contracts liability	850	-
Adjustment for initial adoption of AASB 15	-	674
Add: Payments received for performance obligations not yet fulfilled	1,654	825
Less: Revenue recognised for the completion of a performance obligation	(850)	(649)
	1,654	850
<i>Represented by</i>		
Current Contract Liabilities	1,654	850
Non-Current Contract Liabilities	-	-
	1,654	850

How we recognise contract liabilities

Contract liabilities include consideration received in advance from customers in respect of services. The balance of contract liabilities was significantly higher than the previous reporting period due to funds received in advanced from Department of Health that are subject to recall in relation to COVID 19 Support.

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

Financial guarantees

Payments that are contingent under financial guarantee contracts are recognised as a liability, at fair value, at the time the guarantee is issued. Subsequently, should there be a material increase in the likelihood that the guarantee may have to be exercised, the liability is recognised at the higher of the amount determined in accordance with the expected credit loss model under AASB 9 Financial Instruments and the amount initially recognised less, when appropriate, cumulative amortisation recognised.

In the determination of fair value, consideration is given to factors including the overall capital management/prudential supervision framework in operation, the protection provided by the Department of Health by way of funding should the probability of default increase, probability of default by the guaranteed party and the likely loss to the health service in the event of default.

NORTHEAST HEALTH WANGARATTA
NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FINANCIAL YEAR ENDED 30 June 2021

Note 5.3: Other Liabilities

	Total 2021 \$000	Total 2020 \$000
Current		
Monies Held in Trust *		
- Patient Monies Held in Trust	17	16
- Accommodation Deposits (Refundable entrance fees)	6,337	5,762
Other monies	18	7
Total Other Liabilities	6,372	5,785

*** Total Monies Held in Trust**

Represented by the following assets:

Cash and Cash Equivalents	6.2	6,354	5,778
Total		6,354	5,778

How we recognise other liabilities

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

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

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

NORTHEAST HEALTH WANGARATTA

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 June 2021

Note 6: How We Finance Our Operations

This section provides information on the sources of finance utilised by the Health Service during its operations, along with interest expenses (the cost of borrowings) and other information related to financing activities of the hospital. 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 because the health service's response was funded by Government.

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>

NORTHEAST HEALTH WANGARATTA
NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FINANCIAL YEAR ENDED 30 June 2021

Key judgements and estimates	Description
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. 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 2021 \$000	Total 2020 \$000
Current Borrowings		
Lease Liability (i)	607	569
Department of Health - Loan (ii)	49	49
Department of Health - Advance (iii)	-	3,563
Total Current Borrowings	656	4,181
Non-Current Borrowings		
Lease Liability (i)	1,291	992
Department of Health - Loan (ii)	453	502
Total Non-Current Borrowings	1,744	1,494
Total Borrowings	2,400	5,675

(i) Secured by the assets leased.

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

(iii) This is an advance which bears no interest.

How we recognise borrowings

Borrowings refer to 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 the Health Service has categorised its liability as either 'financial liabilities designated at fair value through profit or loss', or financial liabilities at 'amortised cost'.

Subsequent measurement

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

Maturity analysis of borrowings

Please refer to note 7.2(b) for the aging analysis of borrowings.

Defaults and breaches

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

NORTHEAST HEALTH WANGARATTA

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 June 2021

Note 6.1 (a) Lease Liabilities

Northeast Health Wangaratta lease liabilities are summarised below:

	Total 2021 \$000	Total 2020 \$000
Total Undiscounted lease liability	2,015	1,607
Less unexpired finance expenses	(117)	(46)
Net Lease Liability	1,898	1,561

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

	Total 2021 \$000	Total 2020 \$000
Not longer than one year	607	569
Longer than one year but not longer than five years	1,408	1,038
Longer than five years	-	-
Minimum Lease Liability	2,015	1,607
Less unexpired finance expenses	(117)	(46)
Present Value of Lease Liability	1,898	1,561
<i>Represented by</i>		
Current borrowings - lease liability	607	569
Non-Current borrowings - lease liability	1,291	992
	1,898	1,561

How we recognise lease liabilities

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

Northeast Health Wangaratta has entered into leases related to land, medical equipment, ITC and motor Vehicles. To apply this definition Northeast Health Wangaratta assesses whether 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	17.5 years
Leased plant, equipment, furniture, fittings and vehicles	1 to 7 years

NORTHEAST HEALTH WANGARATTA
NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FINANCIAL YEAR ENDED 30 June 2021

Note 6.1 (a) Lease Liabilities (continued)

All leases are recognised on the balance sheet, with the exception of low value leases (less than \$10,000 AUD) and short term leases of less than 12 months. The following low value, short term and variable lease payments are recognised in profit or loss:

Type of payment	Description of payment	Type of leases captured
Low value lease payments	Leases where the underlying asset's fair value, when new, is no more than \$10,000	Medical Equipment, residential leases
Short-term lease payments	Leases with a term less than 12 months	Medical Equipment, residential leases, Operating Theatre, ICT Services

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 2.69%.

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.

Below Market/Peppercorn lease

Northeast Health Wangaratta does not hold any below market or peppercorn leases.

NORTHEAST HEALTH WANGARATTA

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 June 2021

Note 6.2: Cash and Cash Equivalents

For the purposes of the Cash Flow Statement, cash assets includes cash on hand and cash at bank, and short-term deposits which are readily convertible to cash on hand, and are subject to an insignificant risk of change in value.

	Total 2021 \$000	Total 2020 \$000
Cash on Hand (excluding Monies held in trust)	42	55
Cash at Bank (excluding Monies held in trust)	1,500	1,536
Cash at Bank CBS (excluding Monies held in trust)	32,262	17,682
Total cash held for operations	33,804	19,273
Cash at Bank (Monies held in trust)	17	16
Cash at Bank CBS (Monies held in trust)	6,337	5,809
Total cash held as monies in trust	6,354	5,825
Total Cash and Cash Equivalents	40,158	25,098

7.1 (a)

How we recognise cash and cash equivalents

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

The cash flow statement includes monies held in trust.

NORTHEAST HEALTH WANGARATTA
NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FINANCIAL YEAR ENDED 30 June 2021

Note 6.3: Commitments for Expenditure

	Total 2021 \$000	Total 2020 \$000
Capital Expenditure Commitments		
Land and Buildings		
Less than one year	12,124	-
Longer than one year but not longer than 5 years	3,980	-
Computers and Communication		
Less than one year	-	1,300
Longer than one year but not longer than five years	-	864
Total Capital Expenditure Commitments	16,104	2,164
Operating Expenditure Commitments		
Less than one year	899	495
Longer than one year but not longer than five years	972	858
Five years or more	358	529
Total Operating Expenditure Commitments	2,229	1,882
Non-cancellable Short Term and Low Value Lease Commitments (i)		
Less than one year	648	559
Longer than one year but not longer than five years	306	542
Five years or more	-	394
Total Non-cancellable Short Term and Low Value Lease Commitments	954	1,495
Total Commitments for expenditure (inclusive of GST)	19,286	5,541
Less GST recoverable from the Australian Tax Office	(1,718)	(504)
Total Commitments for expenditure (exclusive of GST)	17,568	5,037

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 individual projects are stated. These future expenditures cease to be disclosed as commitments once the related liabilities are recognised on the balance sheet.

Short term and low value leases

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 2021 \$000	Total 2020 \$000
Assumption of Liabilities		
Acquisition of plant and equipment by means of Leases	1,114	488
Total Non-Cash Financing and Investing Activities	1,114	488

NORTHEAST HEALTH WANGARATTA

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 June 2021

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 risk) as well as those items that are contingent in nature or require a higher level of judgement to be applied, which for the hospital 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

NORTHEAST HEALTH WANGARATTA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 June 2021

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 \$000	Financial Liabilities at Amortised Cost \$000
2021			
Contractual Financial Assets			
Cash and Cash Equivalents	6.2	40,158	-
Receivables and Contract Assets	5.1	6,256	-
Total Financial Assets (i)		46,414	-
Financial Liabilities			
Payables	5.2	-	9,783
Borrowings	6.1	-	2,400
Other Financial Liabilities - Refundable Accommodation Deposits	5.3	-	6,337
Other Financial Liabilities - Patient Monies Held in Trust	5.3	-	35
Total Financial Liabilities (i)		-	18,555
2020			
Contractual Financial Assets			
Cash and Cash Equivalents	6.2	25,098	-
Receivables and Contract Assets	5.1	5,047	-
Total Financial Assets (i)		30,145	-
Financial Liabilities			
Payables	5.2	-	7,798
Borrowings	6.1	-	5,675
Other Financial Liabilities - Refundable Accommodation Deposits	5.3	-	5,762
Other Financial Liabilities - Patient Monies Held in Trust	5.3	-	23
Total Financial Liabilities (i)		-	19,258

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

NORTHEAST HEALTH WANGARATTA

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 June 2021

Note 7.1 (a) Categorisation of Financial Instruments (Continued)

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 costs if both of the following criteria are met and the assets are not designated as fair value through net result:

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

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

Northeast Health Wangaratta recognises the following assets in this category:

- cash and deposits
- receivables and contract assets (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 (including lease liabilities); and
- other liabilities (including Refundable Accommodation Deposits and monies held in trust).

NORTHEAST HEALTH WANGARATTA

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 June 2021

Note 7.1 (a) Categorisation of Financial Instruments (Continued)

Derecognition of financial assets

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

- the rights to receive cash flows from the asset have expired; or
- the Health Service retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through' arrangement; or
- the Health Service has transferred its rights to receive cash flows from the asset and either:
 - 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.

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.

NORTHEAST HEALTH WANGARATTA

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 June 2021

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 2020-21.

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

NORTHEAST HEALTH WANGARATTA

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 June 2021

Note 7.2 (a) Credit Risk (Continued)

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

The Health Service applies AASB 9 simplified approach for all contractual receivables to measure expected credit losses using a lifetime expected loss allowance based on the assumptions about risk of default and expected loss rates. The Health Service has grouped contractual receivables on shared credit risk characteristics and days past due and selected the expected credit loss rate based on the Health Service'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

30 June 2021	Note	Current	Less than 1 month	1-3 months	3 months -1 year	1-5 years	Total
Expected loss rate		0%	1%	5%	27%	0%	
Gross carrying amount of contractual receivables	5.1	1,771	398	148	202	-	2,519
Loss allowance		-	4	7	55	-	66

30 June 2020	Note	Current	Less than 1 month	1-3 months	3 months -1 year	1-5 years	Total
Expected loss rate		0%	0%	5%	38%	0%	
Gross carrying amount of contractual receivables	5.1	1,749	205	75	166	-	2,195
Loss allowance		-	-	4	63	-	67

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.

The statutory receivables are considered to have low credit risk, taking into account the counterparty's credit rating, risk of default and capacity to meet contractual cash flow obligations in the near term.

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. 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
- 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.

NORTHEAST HEALTH WANGARATTA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 June 2021

Note 7.2 (b) Liquidity Risk (continued)

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 the individual notes to the financial statements.

	Note	Carrying Amount \$000	Nominal Amount \$000	Maturity Dates				
				Less than 1 Month \$000	1-3 Months \$000	3 months - 1 Year \$000	1 - 5 Years \$000	Over 5 Years \$000
2021								
Financial Liabilities								
<i>At Amortised Cost</i>								
Payables	5.2	9,783	9,783	9,628	-	-	155	-
Borrowings	6.1	2,400	2,517	101	119	496	1,447	354
Refundable Accommodation Deposits	5.3	6,337	6,337	6,337	-	-	-	-
Other Financial Liabilities	5.3	35	35	35	-	-	-	-
Total Financial Liabilities		18,555	18,672	16,101	119	496	1,602	354
2020								
Financial Liabilities								
<i>At Amortised Cost</i>								
Payables	5.2	7,798	7,798	7,779	-	-	19	-
Borrowings	6.1	5,675	5,721	3,563	178	440	1,328	212
Refundable Accommodation Deposits	5.3	5,762	5,762	5,762	-	-	-	-
Other Financial Liabilities	5.3	23	23	23	-	-	-	-
Total Financial Liabilities		19,258	19,304	17,127	178	440	1,347	212

Ageing analysis of financial liabilities excludes the types of statutory financial liabilities (i.e. GST Payable).

Note 7.2 (c) Market risk

Northeast Health Wangaratta's exposures to market risk are primarily through interest rate risk. Objectives, policies and processes used to manage interest risk is disclosed below.

Interest rate risk

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

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

Note 7.3: Contingent Assets and Contingent Liabilities

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

NORTHEAST HEALTH WANGARATTA

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 June 2021

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 disclosures
- 8.3 Remuneration of Executive Officers
- 8.4 Related Parties
- 8.5 Remuneration of Auditors
- 8.6 Events Occurring after the Balance Sheet Date
- 8.7 Economic Dependency
- 8.8 Jointly Controlled Operations
- 8.9 Equity

Telling the COVID-19 story

Our other disclosures were not materially impacted by the COVID-19 Coronavirus pandemic and its impact on our economy and the health of our community.

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

	Total 2021 \$000	Total 2020 \$000
Net Result for the Year	946	(1,674)
Non-Cash Movements:		
Net (Gain)/Loss from Sale of Plant and Equipment	(151)	(25)
Depreciation and Amortisation	7,886	6,049
Assets Received Free of Charge	(1,535)	(245)
Department of Health advance released to operating grant income (i)	(3,563)	-
Transfer of Property, Plant and Equipment (ii)	2,517	-
Adjustment prior year capital grants on recognition of AASB 1058	-	(10,413)
Movements in Assets and Liabilities:		
Change in Operating Assets and Liabilities		
Increase/(Decrease) in payables and contract liabilities	16,451	8,977
Increase/(Decrease) in Employee Benefits	(911)	2,520
(Increase)/Decrease in receivables and contract assets	(1,314)	2,766
(Increase)/Decrease in Prepayments	(343)	(247)
(Increase)/Decrease in Other Assets	-	13
(Increase)/Decrease in Inventories	5	(126)
Increase/(Decrease) in Other Liabilities	12	(2)
Net Cash Inflow/(Outflow) from Operating Activities	20,000	7,593

(i) This non-cash transaction relates to a Department of Health advance received within the 2019/20 year and accounted for within borrowings. During the 2020/21 year this amount was released from borrowings and accounted for as an operating grant income balance.

(ii) This is a non-cash transaction relating to the transfer of the Patient Administration System project to Yarrawonga Health during the year. This balance was released from the Property, Plant and Equipment, 'Assets Under Construction' balance with the transfer to Yarrawonga Health accounted for within the Net Result.

NORTHEAST HEALTH WANGARATTA

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 June 2021

Note 8.2: Responsible Persons Disclosures

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

Responsible Ministers:

	Period	
The Honourable Martin Foley		
Minister for Mental Health	1-Jul-20	29-Sep-20
Minister for Health	26-Sep-20	30-Jun-21
Minister for Ambulance Services	26-Sep-20	30-Jun-21
Minister for the Coordination of Health and Human Services: COVID-19	26-Sep-20	9-Nov-20
The Honourable Jenny Mikakos		
Minister for Health	1-Jul-20	26-Sep-20
Minister for Ambulance Services	1-Jul-20	26-Sep-20
Minister for the Coordination of Health and Human Services: COVID-19	1-Jul-20	26-Sep-20
The Honourable Luke Donnellan		
Minister for Child Protection	1-Jul-20	30-Jun-21
Minister for Disability, Aging and Carers	1-Jul-20	30-Jun-21
The Honourable James Merlino		
Minister for Mental Health	29-Sep-20	30-Jun-21

Board of Directors

	Period
Mr J Green (Chair of the Board)	1/07/2020 - 30/06/2021
Dr R Barker	1/07/2020 - 30/06/2021
Ms C Clutterbuck	1/07/2020 - 30/06/2021
Mr M Hession	1/07/2020 - 30/06/2021
Mr M Joyce	1/07/2020 - 30/06/2021
Ms A Maclean	1/07/2020 - 30/06/2021
Ms A Wearne	1/07/2020 - 30/06/2021
Ms R Kneebone	1/07/2020 - 30/06/2021
Ms K Long	1/07/2020 - 30/06/2021
Mr M Sammon	1/07/2020 - 30/06/2021

Accountable Officer

	Period
Mr T Griffiths (Interim Chief Executive Officer)	1/07/2020 - 28/08/2020
Mr T Griffiths (Chief Executive Officer)	29/08/2020 - 23/04/2021
Ms Fiona Shanks (Interim Chief Executive Officer)	24/04/2021 - 30/06/2021

Remuneration of Responsible Persons

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

Income Band	2021 No.	2020 No.
\$10,000 - \$19,999	9	7
\$20,000 - \$29,999	1	1
\$60,000 - \$69,999	1	-
\$120,000 - \$129,999	-	1
\$290,000 - \$299,999	1	-
\$300,000 - \$309,999	-	1
Total Numbers	12	10
	\$000	\$000
Total remuneration received or due and receivable by Responsible Persons from the reporting entity amounted to:	511	564

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

NORTHEAST HEALTH WANGARATTA

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 June 2021

Note 8.3: Remuneration of Executive Officers

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

Remuneration of Executive Officers (including Key Management Personnel Disclosed in Note 8.4)	Total 2021 \$000	Total 2020 \$000
Short-term benefits	1,273	1,123
Post-employment benefits	57	52
Other long-term benefits	15	15
Total Remuneration (i)	1,345	1,190
Total number of Executive Officers	10	6
Total annualised employee equivalent (ii)	4.3	4.0

(i) The total number of executive officers includes persons who meet the definition of Key Management Personnel (KMP) of the Health Service under AASB 124 *Related Party Disclosures* and are also reported with 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 factors

Several factors affected total remuneration payable to executives over the year. A number of employment contracts were completed and renegotiated, and a number of executive officers retired, resigned or were retrenched in the past year. This has had a significant impact on remuneration figures for the termination benefits category.

NORTHEAST HEALTH WANGARATTA

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 June 2021

Note 8.4: Related Parties

Northeast Health Wangaratta is a wholly owned and controlled entity of the State of Victoria. Related parties of the hospital 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 Operation - A member of the Hume Rural Health Alliance Joint Venture; 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 and the Executive Directors of Northeast Health Wangaratta and its controlled entities are deemed to be KMPs. This includes the following:

Entity	KMPs	Position Title
Northeast Health Wangaratta	Mr J Green	Chair of the Board
Northeast Health Wangaratta	Dr R Barker	Board Director
Northeast Health Wangaratta	Ms C Clutterbuck	Board Director
Northeast Health Wangaratta	Mr M Hession	Board Director
Northeast Health Wangaratta	Mr M Joyce	Board Director
Northeast Health Wangaratta	Ms A Maclean	Board Director
Northeast Health Wangaratta	Ms A Wearne	Board Director
Northeast Health Wangaratta	Ms R Kneebone	Board Director
Northeast Health Wangaratta	Ms Karrie Long	Board Director
Northeast Health Wangaratta	Mr Matthew Sammon	Board Director
Northeast Health Wangaratta	Mr T Griffiths	Interim Chief Executive Officer (to 28/08/20)
Northeast Health Wangaratta	Mr T Griffiths	Chief Executive Officer (from 29/08/20 to 23/04/21)
Northeast Health Wangaratta	Ms F Shanks	Interim Chief Executive Officer (from 24/04/21)
Northeast Health Wangaratta	Mr J O'Keeffe	Acting Chief Operating Officer (to 29/01/21)
Northeast Health Wangaratta	Ms R Gills	Executive Director Corporate Services (From 01/02/21)
Northeast Health Wangaratta	Dr D Cooper	Executive Director of Medical Services (to 14/9/20)
Northeast Health Wangaratta	Dr P Bates	Locum Executive Director of Medical Services (from 5/10/20 to 25/6/21)
Northeast Health Wangaratta	Dr A Maclean	Locum Executive Director of Medical Services (from 29/3/21 to 22/4/21)
Northeast Health Wangaratta	Dr S Tay	Locum Executive Director of Medical Services (from 28/5/21)
Northeast Health Wangaratta	Ms R Weir	Executive Director of Clinical Services, Nursing, Midwifery & Allied Health (to 25/1/21)
Northeast Health Wangaratta	Mr C Gartside	Interim Executive Director of Clinical Services, Nursing, Midwifery & Allied Health (from 27/1/21)
Northeast Health Wangaratta	Ms F Shanks	Executive Director People & Culture, Education & Research, Creative Services & Volunteers (to 23/4/21)
Northeast Health Wangaratta	Ms G Howe	Interim Executive Director Workforce Operations (From 10/5/21)
Northeast Health Wangaratta	Ms C Jennings	Executive Director of Performance Improvement (From 28/6/21)

NORTHEAST HEALTH WANGARATTA

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 June 2021

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 Department of Parliamentary Services' Financial Report.

	2021	2020
	\$000	\$000
Compensation - KMPs		
Short-term employee benefits (i)	1,739	1,635
Post-employment benefits	95	94
Other long-term benefits	23	25
Total Remuneration (ii)	1,857	1,754

(i) Total remuneration paid to KMPs employees as a contractor during the reporting period through accounts payable has been reported under short-term 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 operating funding from the Department of Health of \$144.9m (2020 \$132.7m) and capital funding of \$21.7m (2020: \$6.9m). Net Amount payable to the Department of Health as at 30 June 2021 was \$1.1m (2020 owed to NHW \$148k).

Northeast Health Wangaratta's total loan balance to the Department of Health as at 30 June 2021 was \$502k (2020: \$551k).

Expenses incurred by the Health Service in delivering services and outputs are in accordance with Health Services Victoria requirements. Goods and services including procurement, diagnostics, patient meals 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 SDs of the Assistant Treasurer require Northeast Health Wangaratta to hold cash (in excess of working capital) in accordance with the State's centralised banking arrangements. All borrowings are required to be sourced from Treasury Corporation Victoria unless an exemption has been approved by the Minister for Health and the Treasurer.

Transactions with Key Management Personnel 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 2021 (2020: none).

There were no related party transactions required to be disclosed for Northeast Health Wangaratta's Board of Directors, Chief Executive Officer and Executive Directors in 2021 (2020: none)

NORTHEAST HEALTH WANGARATTA

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 June 2021

Note 8.5: Remuneration of Auditors

Victorian Auditor-General's Office

Audit and review of Financial Statements

Total 2021 \$000	Total 2020 \$000
49	43

Note 8.6: Events Occurring after the Balance Sheet Date

The COVID-19 pandemic continues to create unprecedented economic uncertainty. Actual economic events and conditions in the future may be materially different from those estimated by Northeast Health Wangaratta at the reporting date. As responses by government continue to evolve, management recognises that it is difficult to reliably estimate with any degree of certainty the potential impact of the pandemic after the reporting date on Northeast Health Wangaratta, its operations, its future results and financial position. There has been several COVID "Lockdown's" since Balance Date where services have had to be shut down which has affected the ability of Northeast Health Wangaratta to achieve its Target activity.

There are no other events occurring after the Balance Sheet date.

Note 8.7: Economic Dependency

Northeast Health Wangaratta is wholly dependent on the continued financial support of the State Government and in particular, the Department of Health.

The Department of Health has provided confirmation that it will continue to provide Northeast Health Wangaratta adequate cash flow support to meet its current and future obligations as and when they fall due for a period up to 30 September 2022. On that basis, the financial statements have been prepared on a going concern basis.

NORTHEAST HEALTH WANGARATTA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 June 2021

Note 8.8: Jointly Controlled Operations

Name of Entity	Principal Activity	Ownership Interest	
		2021	2020
Hume Rural Health Alliance	Information Systems	10.92%	11.25%

Northeast Health Wangaratta's interest in assets and liabilities of the above joint arrangements are detailed below.

The amounts are included in the consolidated financial statements under their respective categories:

	Total 2021 \$000	Total 2020 \$000
Current Assets		
Cash and Cash Equivalents	1,354	1,072
Receivables	123	130
Other Assets	31	15
Total Current Assets	1,508	1,217
Non-Current Assets		
Property, Plant and Equipment	26	29
Leased Assets	37	57
Intangible Assets	18	58
Total Non Current Assets	81	144
Total Assets	1,589	1,361
Current Liabilities		
Payables	823	534
Lease Liability	12	24
Total Current Liabilities	835	558
Non-Current Liabilities		
Lease Liability	26	33
Total Non-Current Liabilities	26	33
Total Liabilities	861	591

Northeast Health Wangaratta's interest in revenues and expenses resulting from jointly controlled operations are detailed below. The amounts are included in the consolidated financial statements under their respective categories:

	Total 2021 \$000	Total 2020 \$000
Revenue		
Operating Activities	319	370
Member Contributions	353	369
Non-Operating Activities	1	5
Capital Purpose Income	35	190
Total Revenue	708	934
Expenses		
Employee Benefits	224	219
Other Expenses from Continuing Operations	377	463
Depreciation and Amortisation	88	65
Finance Charges	1	1
Capital Purpose Expenditure	60	100
Total Expenses	750	848
NET RESULT	(42)	86

Figures obtained from the unaudited Hume Rural Health Alliance annual report.

Contingent Liabilities and Capital Commitments

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

Note 8.9: 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 Health Service.

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

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



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