



2022-23

East Wimmera
Health Service

**ANNUAL
REPORT**

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ANNUAL REPORT STATEMENT

The East Wimmera Health Service Annual Report 2023 will be presented for adoption at the Annual General Meeting to be held at a date, time and format yet to be confirmed.

The following report is a legal document prepared in accordance with the Financial Management Act 1994 and the Department of Health Annual Reporting Guidelines – Health Services 2023.

MANNER OF ESTABLISHMENT

East Wimmera Health Service was established under Section 64A of the Health Services Act 1988 with the amalgamation, on 1 July 1999, of the former East Wimmera Health Service (Donald and St Arnaud) with Birchip Bush Nursing Hospital, Charlton Bush Nursing Hospital and the Wycheproof and District Health Service. East Wimmera Health Service is so named because of its location on the extreme east of the Wimmera Plains.

East Wimmera Health Service provides care to people who reside in the townships and districts of Birchip, Charlton, Donald, St Arnaud and Wycheproof.

RESPONSIBLE MINISTERS

The responsible Ministers during the reporting period were:

- The Hon Mary-Anne Thomas MP
Minister for Health
Minister for Ambulance Services
From 1 July 2022 to 30 June 2023

- The Hon Colin Brooks
Minister for Disability, Ageing and Carers
From 1 July 2022 to 5 December 2022
- The Hon Lizzie Blandthorn
Minister for Disability, Ageing and Carers
From 5 December 2022 to 30 June 2023
- The Hon Gabrielle Williams MP Minister for Mental Health
Minister for Ambulance Services
From July 1 2022 to 30 June 2023

ACKNOWLEDGEMENTS

East Wimmera Health Service recognises the Indigenous Communities that first inhabited this catchment area: Dja Dja Wurrung, Barengi Gadjin, and Jaara Jaara Communities.

Auditors: Auditor General Victoria

Agent: RSD Audit

Banker: Commonwealth Bank of Australia

Solicitors: MCL Legal

Life Governors: Mr Ray Walker, Mrs Margery Townrow, Mr John Richmond, Mr Peter Cummins, Mr Peter Ferrier, Mr Leigh Hardingham, Mr Stu Sampson (Dec.), Mrs Nola Wright, Mr Leo Tellefson, Mr Ken Round, Mrs Joan Postlethwaite and Ms Angela Liston.

CORRESPONDENCE

The Chief Executive Officer
East Wimmera Health Service
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Tel: 03 5477 2100 Fax: 03 5477 2131
E-mail: ceo@ewhs.org.au

DISCLOSURE INDEX

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

Legislation Requirement

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Our Culture, Our Values.



WHY are we here?
To cultivate healthy communities.

HOW are we going to cultivate healthy communities?
Through consumer centred care.

WHAT will we deliver to our consumers?
A positive health experience.



Sustainable Healthcare For Our Community

MESSAGE FROM THE CHAIR AND CHIEF EXECUTIVE OFFICER



**Chief Executive
Officer**
Trevor Adem



Chair
Julianne Clift

CHAIR AND CHIEF EXECUTIVE'S REPORT AS AT 30 JUNE 2023

It is a pleasure to once again present a joint report from the Board Chair and Chief Executive, reflecting the mutual aims of the Board of Directors and the Executive Team to deliver on East Wimmera Health Service's Purpose and Strategic Intentions, as established in our Strategic Plan.

BOARD OF DIRECTORS

The Board welcomed Deidre Missingham, Philip Sabien and Tom Draffen as new Directors from 1 July 2022. Deidre is an experienced lawyer, with a background in strategy, policy, operations and project management across the public, for purpose and private sectors. Philip is an Improvement and Innovation Advisor for Grampians Health and has gathered extensive experience as a Board Director. Competing pressures meant that Tom was unable to continue beyond November and we wish Tom well with work and family into the future. Both Deidre and Philip continue to provide important perspectives for the Board.

We take this opportunity to thank all Board Directors for their collaborative approach and commitment to the strategic leadership of our

Health Service. As Chair, I am very grateful for their support and their shared vision of better, healthier communities.

OUR RESPONSE TO COVID -19

The global pandemic created significant industry challenges over the last three years and East Wimmera Health Service has not been spared from ongoing workforce shortages as a significant result of changing lifestyle preferences.

I would like to acknowledge the ongoing work of the entire East Wimmera Health Service team for their ability, and willingness, to respond in a period where resilience and commitment are regularly tested in the delivery of high quality care and services. Our team continues to go above and beyond to ensure local communities receive access to care and services despite the impact of workforce challenges.

The leadership group, within continuing resource limitations, have continued to pursue ongoing improvement and expansion of services.

EAST WIMMERA HEALTH SERVICE STRATEGIC PLAN

The East Wimmera Health Service Board has continued to monitor progress against the Strategic Plan and continues to review the strategic actions, ensuring the objectives of our strategies are achieved. The plan identifies areas for priority investment and not only closer ties with our communities and our people, but ensuring we work in partnership to design our care to improve health outcomes. The plan is available from the East Wimmera Health Service website at www.ewhs.org.au

CARING FOR OUR COMMUNITY

As with all providers in our sector, we operate in a time of increasing compliance and scrutiny over our activities. We respond by strengthening our consumer engagement, oversight of safety and ongoing quality improvement. East Wimmera Health Service is proactive in reviewing and implementing contemporary approaches to developing governance through the collection, analysis and reporting of critical data to ensure patient safety. During June – August 2022, The Aged Care Quality and Safety Commission awarded accreditation to all East Wimmera Health Service residential aged care facilities for the coming three years.

East Wimmera Health Service continues to invest in services to expand support in the delivery of care in the home or in community settings. This includes supporting people to manage chronic health conditions. Our catchment areas experience some of the state's highest levels of Cancer, Diabetes and Heart Disease along with associated risk factors for chronic diseases such as poor diet and low levels of exercise. We continue to work with our communities to ensure that behaviours in relation to these contributing factors are understood, remain front of mind when making decisions and are modified in the long run to bring about improved health outcomes.

STRENGTHENING OUR SERVICES

At East Wimmera Health Service, we continue to seek improved service provision through collaboration with regional partners. This year, we have strengthened our commitment to Indigenous Health, Gender Equality, Disability, Diversity, Family Violence and Mental Health. We have continued work to develop sustainable rural medical services, continued to invest in telehealth equipment and allocated significant resources to workforce support initiatives and into medical imaging equipment.

East Wimmera Health Service strives to be a good steward of public funds. We aim to be efficient and productive with our funding to deliver best value for money. This year with the support of the Victorian Government through the Victorian Department of Health and with the Commonwealth Government, we continue to seek financial improvement and sustainability to ensure we remain a relevant and valued presence in our communities delivering a clear and sensible health message.

OUR PARTNERS

Our relationship with our regional health sector colleagues remain extremely important. Victorian Healthcare is rapidly becoming a more cohesive system through formalised regional partnerships that undertake collaborative planning and shared delivery of services. Sharing experiences, gaining knowledge, contributing to a broader network than just our local catchment area really help us in providing first class health services to Victorians.

East Wimmera Health Service will continue to participate as an active regional partner in delivering more systematised care to enhance health outcomes for our communities.

We particularly wish to recognise our strong relationships with the Grampians Health Service Partnership, Loddon Mallee Health Network, Buloke Loddon Gannawarra Health Leadership Network, Buloke and Northern Grampians Shires, our local Aboriginal communities, Grampians Rural Health Alliance (Information Technology), Murray Primary Health Network, WestVic Primary Health Network, Ambulance Victoria, Royal Flying Doctor Service, our Department of Health colleagues in both the Grampians and Loddon-Mallee regions along with head office, local schools and community groups such as Men's Sheds, Community Gardens and Service clubs.

VOLUNTEER RECOGNITION

We have started to re-connect more fully with our valued volunteer army and we recognise and thank those who volunteer their time as community representatives on our various committees. Your input provides immeasurable input into shaping our decision-making and policy development, always with care recipients' healthcare experience in mind.

We have welcomed visitors and carers back into our facilities and we thank and appreciate their efforts to remain safe through appropriate testing, hygiene and distancing to protect vulnerable clients and our care teams.

PATIENT CONSUMER EXPERIENCE

Feedback is very important in identifying opportunities to improve our service so we encourage feedback via several means. We provide hardcopy feedback forms at our five sites, via our web page or call us directly.

ENVIRONMENTAL SUSTAINABILITY

We take our environmental impact very seriously and maintain an environmental sustainability plan from which we target particular systems and activities to reduce our impact. We reduced our greenhouse gas emissions by 254 tonnes CO₂, and our energy usage by 533 Gigajoules.

GENEROUS SUPPORT

We would like to recognise the significant support of the fundraising groups that provide vital support to East Wimmera Health Service. These groups are prolific and hardworking and provide direct support for the five Health Service campuses. We strive to maintain strong relationships with our support groups to ensure the care environments at East Wimmera Health Service meet the needs of our recipients.

East Wimmera Health Service has tax deductibility status from the Australian Taxation Office for donations over \$2.00. Each donation really does make a difference.

OUR COMMITMENT

The most important people in our community are those who have placed their trust in us, either by receiving care, by working with us as part of our paid and volunteer workforce or as members of our auxiliaries and fundraising groups. Each individual is important, contributing in a unique way to the fabric of our Health Service. Our commitment to you all is to continue to seek ways to improve your health and wellbeing, provide a safe environment and to deliver quality care.



Julianne Clift
Chair

Trevor Adem
Chief Executive

RESPONSIBLE BODIES DECLARATION

Responsible Bodies Declaration as at 30 June 2023. In accordance with the Financial Management Act 1994, I am pleased to present the Report of Operations for East Wimmera Health Service for the year ending 30 June 2023.



Julianne Clift
Chair, Board of Directors
East Wimmera Health Service
25 September 2023

BOARD OF DIRECTORS

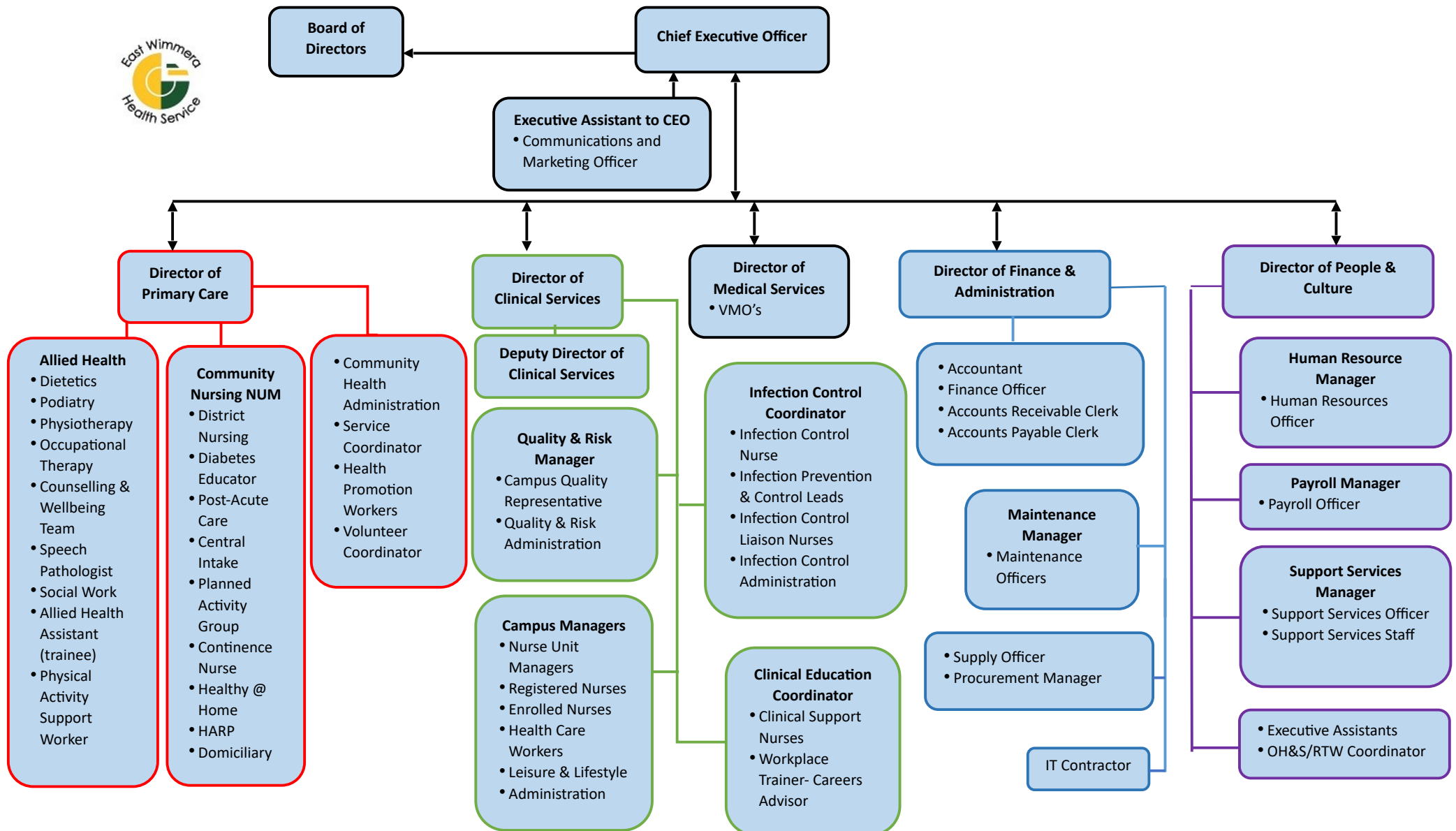
The 8 member Board of Directors oversees the management and is responsible for the governance of East Wimmera Health Service (EWHS). The Board ensures that the health service complies with the Health Services Act 1988, and the mission and vision of EWHS. Directors of the Board serve an initial two or three-year term and are eligible to renominate at the conclusion of each term. The Board has established a committee structure to aid in the management and governance of services to ensure they are community and patient focussed.

| Name | Date Appointed | Term Expires | Profession/Occupation | Representative on Health Service Committees |
|--------------------------|----------------|-------------------------------------|---|--|
| Ruth Jabornik | 1.7.2016 | 30.6.2024 | Radiographer (retired) | Medical Staff Group St Arnaud & District Hospital Foundation Quality & Clinical Risk Committee |
| Simone Christie | 1.7.2017 | 30.6.2023 | Manager Birchip Business and Learning Centre | Audit & Risk Committee |
| Julianne Clift | 1.7.2018 | 30.6.2024 | Director of Nursing (retired) | Board Executive Quality & Clinical Risk Committee Audit & Risk Committee |
| Naomi Goode | 1.7.2020 | 30.6.2023 | Self-employed Farmer | Quality & Clinical Risk Committee |
| Kylie Thitchener | 1.7.2021 | 30.6.2024 | Director of Quality & Patient Safety at Peter MacCallum Cancer Centre The Australian Quadriplegic Association - Board Director | Quality & Clinical Risk Committee |
| Thomas Draffen | 1.7.2022 | 30.06.2025 (resigned November 2022) | Senior Manager of Extension and Communication at Birchip Cropping Group (resigned) | Quality & Clinical Risk Committee Audit & Risk Committee |
| Philip Sabien | 1.7.2022 | 30.06.2025 | Executive Director Business Performance & Innovation at Grampians Health- Horsham | Audit & Risk Committee |
| Deidre Missingham | 1.7.2022 | 30.06.2025 | Consulting Principal - Keypoint Law | Audit & Risk Committee |

KEY MANAGEMENT PERSONNEL

| Name | Position | Area of Responsibility |
|-----------------------|---|---|
| Trevor Adem | Chief Executive Officer | The Chief Executive Officer is the highest-ranking executive in the organisation, and their primary responsibilities include making major corporate decisions, managing the overall operations and resources of the East Wimmera Health Service, and acting as the main point of communication between the Board of Directors and Health Services operations. |
| Joanna O'Leary | Director of Finance and Administration | The Director of Finance and Administration manages the daily operations of the East Wimmera Health Service Finance Department, local Administration and has a functional responsibility for the maintenance teams, supply function and IT Support. |
| Patricia Croft | Director of Clinical Services | The Director of Clinical Services provides leadership and strategic direction for all clinical services and campus administration throughout East Wimmera Health Service. |
| Geoffrey Lord | Director of People and Culture | The primary purpose of the Director of People and Culture is to develop strategies that support East Wimmera Health Service workforce and to ensure our staff are appropriately equipped to deliver a positive health experience at the point of care for every person every time. |
| Meghan Noonan | Director of Primary Care | The Director of Primary Care develops Community Health Service strategies that support the organisations quality goal to ensure the Community Health staff are appropriately equipped to deliver a positive health experience at the point of care for every person every time. |
| Dr Ian Graham | Director of Medical Services | The Director of Medical Services is responsible for credentialing of medical staff, clinical safety and quality for medical services and continuing education for medical officers. The Director of Medical Services supports and contributes to clinical governance at East Wimmera Health Service and the coordination of the visiting medical officer team. Resigned 13 November 2022. |

ORGANISATIONAL STRUCTURE



STRATEGIC PLAN

STRATEGIC PRIORITY ONE: OUR COMMUNITIES

We partner with our community to achieve personal, effective, safe and connected care that improves health outcomes and wellbeing and address causes of poor health that matter to our community.

| Goals | Status |
|---|--|
| Seek in principle support and material assistance from government for service planning priorities | EWHS service planning process has been completed and responses are being tested with government for possible implementation. |
| To draft a community engagement and communication plan | Consultations were undertaken in June 2023 with an engagement and communication plan being drafted for completion July 2023. |
| Ensure digital health priorities align with care priorities | Third year activity that is planned to align with outcomes from the service reviews noted above. |
| Develop a digital strategy (needs analysis) recognising the need to avoid customised solutions | Third year activity that is planned to align with outcomes from the service reviews noted above. |

STRATEGIC OBJECTIVE TWO: OUR WORKFORCE

We develop our staff across all levels of the workforce and provide a great, supportive and safe workplace

| Goals | Status |
|---|---|
| Embed our values based culture that embodies THE CORE values of EWHS | "Respect at EWHS" Cultural Development Program recommenced in-person in October 2022. Content aligned with feedback and results from the People Matter Survey. Currently 55% of EWHS have completed face to face training. |
| Develop and implement a staff health and wellbeing plan | EWHS has continued to focus on staff wellbeing initiatives from our plan, including reward and recognition, improvements to work environments and mental health supports. Implementation of "The Resilience Project" for all staff commenced in October 2022 and with ongoing activity and staff support modules. |
| Develop and implement a staff professional development program | Existing EWHS plan for professional development identifies individual training needs and allocations for all staff based upon role requirements and performance review outcomes. To be further developed to support succession planning. |
| Develop and implement an innovative approach to workforce recruitment | Current focus on the development of innovative models of Primary Care and continuity for Medical Services workforce in partnership with neighbouring agencies. |

| | |
|---|--|
| Foster an organisation that is adaptive to change | Planned 2023 activity that comprises a change management framework to support management to successfully engage staff in change processes. |
| Develop and implement a workforce management plan | Planned 2023 activity that reviews EWHS workforce profile for planning purposes incorporating an ongoing focus on leave management. |

| STRATEGIC OBJECTIVE THREE: OUR PARTNERS | |
|---|---|
| We partner to improve our services and sustainability | |
| Goals | Status |
| External partnerships – foster closer relationships with relevant Universities along with Aboriginal Health Organisations, Local Shire Councils and Local Secondary Schools | EWHS participates in regional planning and service delivery activity with the Grampians Health Service Partnership, the Loddon Mallee Health Service Partnership and with the Buloke, Loddon and Gannawarra Health Executive Network. Collaboration this year has included the Grampians Better at Home project, Gender Equality compliance, collaboration around Commonwealth funding changes and opportunities, medical workforce strategies and Aboriginal and Torres Strait Islander health. |
| Maintain and monitor EWHS Reconciliation Action Plan including Cultural Safety Plan and to achieve the targets set | “Reflect” Reconciliation Action Plan completed and submitted to Reconciliation Australia. Progress is regularly monitored, feedback from Reconciliation Australia incorporated and update reports are provided to the EWHS Board. |

| STRATEGIC OBJECTIVE FOUR: OUR BUSINESS | |
|---|--|
| We will provide into the future the right services that are sustainable | |
| Goals | Status |
| Develop a Master Plan across EWHS | Master Planning to be commenced in line with agreed service planning outcomes and as resources allow. |
| Market and promote our business | EWHS is currently recruiting a communications officer with external support from Public Relations provider to develop improved community understanding of service options and points of contact. |

STATEMENT OF PRIORITIES

PART A

In 2022-2023 East Wimmera Health Service (EWHS) worked to support the following statewide healthcare priorities, doing our part to support the vision where Victorians are the healthiest people in the world, where our children and people thrive, our workplaces are productive and safe and our communities are connected.

KEEP PEOPLE HEALTHY AND SAFE IN THE COMMUNITY:

Maintain COVID-19 readiness

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

OUTCOMES:

- EWHS maintains outbreak management plans for all sites
- All EWHS staff have received the required doses of COVID-19 vaccine
- EWHS maintains testing readiness at all sites
- EWHS has participated at a local level in the COVID positive pathways program, providing home monitoring and support

CARE CLOSER TO HOME:

Delivering more care in the home or virtually

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

OUTCOMES:

- EWHS is an active participant in the Better at Home program in Grampians Region
- EWHS has invested in the development of virtual care options for our clients

KEEP IMPROVING CARE:

Improve quality and safety of care

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

OUTCOMES:

- EWHS is working with Safer Care Victoria to explore a potential project to ensure consistent virtual care platforms in Urgent Care Centres across the state

Plan update to nutrition and food quality standards

Develop a plan to implement nutrition and quality of food standards in 2022-23, implemented by December of 2023.

OUTCOMES:

- EWHS is progressing with the planned implementation of Nutrition and Quality of Food standards by December of 2023

Climate Change Commitments

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

OUTCOMES:

- EWHS maintains an Environmental Management Plan that is consistent with Government targets. Progress is reported to the EWHS Board and to the State Government. The current year has seen overall reductions in energy and water consumption

Asset Maintenance and Management

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

OUTCOMES:

- EWHS has identified the need to conduct a detailed asset audit across all sites to continue to improve the EWHS asset register
- EWHS is working with the Health Building Authority to upgrade fire safety systems at several sites

IMPROVE ABORIGINAL HEALTH AND WELLBEING:

Improve Aboriginal cultural safety

Strengthen commitments to Aboriginal Victorians by addressing the gap in health outcomes by delivering culturally safe and responsive health care.

Establish meaningful partnerships with Aboriginal Community-Controlled Health Organisations.

Implement strategies and processes to actively increase Aboriginal employment.

Improve patient identification of Aboriginal people presenting for health care, and to address variances in health care and provide equitable access to culturally safe care pathways and environments.

Develop discharge plans for every Aboriginal patient.

OUTCOMES:

- EWHS is working with Reconciliation Australia to endorse our “Reflect” Reconciliation Action Plan in which priorities for continuous quality improvement in relation to Aboriginal cultural safety are identified and implemented
-

MOVING FROM COMPETITION TO COLLABORATION:

Foster and develop local partnerships

Strengthen cross-service collaboration, including through active participation in health service partnerships (HSP).

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

OUTCOMES:

- EWHS participates in Grampians Health Service Partnership as a core member and Loddon Mallee Health Service Partnership as an associate member at CEO, Board and operational levels
 - Partnership projects include Better at Home project, Gender Equality compliance, collaboration around Commonwealth funding changes and opportunities, medical workforce strategies and Aboriginal and Torres Strait Islander health
-

A STRONGER WORKFORCE:

Improve workforce wellbeing

Participate in the Occupational Violence and Aggression (OVA) training that will be implemented across the sector in 2022-23.

Support the implementation of the Strengthening Hospital Responses to Family Violence (SHRFV) initiative deliverables including health service alignment to Multi Agency Risk Assessment and Management Framework (MARAM), the Family Violence Multi-Agency Risk Assessment and Management framework.

Prioritise wellbeing of healthcare workers and implement local strategies to address key issues.

OUTCOMES:

- EWHS maintains mandatory staff training to prevent occupational violence
- EWHS has developed and maintained a SHRFV and MARAM action plan that responds to the key milestone requirements

CAMPUS PROFILES

GENERAL SERVICES AND PROGRAMS PROVIDED AT ALL CAMPUSES

| | | |
|-----------------------------------|---|---|
| • Urgent Care | • General Medical | • Residential Aged Care Services |
| • Domiciliary Nursing | • Post-Acute Care | • District Nursing |
| • Volunteer Visiting Program | • Diabetic Supply Scheme | • Visiting Drug and Alcohol Services |
| • Visiting Aged Care Assessment | • Visiting Palliative Care | • Planned Activity Group |
| • Hospital At Risk Program (HARP) | • Videoconferencing of Medical Consultations (Acute) | • Physical Activity Support |
| • Diabetes Educator | • Healthy@home | • Health Promotion |
| • Wellbeing and Counselling | • Podiatry | • Victorian Dental Voucher Scheme |
| • Physiotherapy | • Dietetics | • Occupational Therapy |
| • Graduate Nurse Program | • Royal Flying Doctors Service – Dental Screening Program and Ophthalmologist Service | • Videoconferencing of Medical Consultations, joint project with RFDS (Aged Care) |
| • Needle and Syringe Program | • Royal Flying Doctors Service - Endocrinology and Psychiatry | • Private Podiatrist |
| • Community Continence Nurse | | |

SPECIALISED SERVICES AND PROGRAMS

| | |
|-------------------|---|
| Birchip | Private Medical Practice co-located, Visiting Breast Screen Bus and Royal Flying Doctors - Optometrist Service, visiting Acoustic Audiology, Visiting Dentist Royal Flying Doctors Service. |
| Charlton | Private Medical Practice co-located, Visiting Ophthalmologist, Visiting Eye Clinic, Visiting Hearing Clinic, Visiting Dental Prosthetist and Visiting Cardiologist. |
| Donald | Private Medical Practice co-located, Dialysis and Visiting Hearing Clinic and Private Podiatrist. |
| St Arnaud | Private Medical Practice off-site, Pathology, Community Car Program, Visiting Hearing Clinic, Private Chiropractor, Private Physiotherapist, Visiting Breast Screen Bus and Private Podiatry. |
| Wycheproof | Private Medical Practice co-located. |

PERFORMANCE PRIORITIES

HIGH QUALITY AND SAFE CARE

| Key performance measure | Target | Result |
|---|--------|--------|
| Infection prevention and control | | |
| Compliance with the Hand Hygiene Australia program | 86% | 92.3% |
| Percentage of healthcare workers immunised for influenza | 92% | 99.7% |
| Patient experience | | |
| Percentage of patients who reported positive experiences of their hospital stay | 95% | N/A |

STRONG GOVERNANCE, LEADERSHIP AND CULTURE

| Key performance measure | Target | Result |
|---|--------|--------|
| Organisational culture | | |
| People matter survey – Percentage of staff with an overall positive response to safety culture survey questions | 62% | 78% |

EFFECTIVE FINANCIAL MANAGEMENT

| Key performance measure | Target | Result |
|---|---|--------------|
| Operating result (\$m) | \$0.00 | \$0.99 |
| Average number of days to paying trade creditors | 60 days | 31 days |
| Average number of days to receiving patient fee debtors | 60 days | 51 days |
| Adjusted current asset ratio (Variance between actual ACAR and target, including performance improvement over time or maintaining actual performance) | 0.7 or 3% improvement from health service base target | 1.19 |
| Variance between forecast and actual Net result from transactions (NRFT) for the current financial year ending 30 June | Variance \leq \$250,000 | Not Achieved |
| Actual number of days available cash, measured on the last day of each month | 14 days | 55.7 days |

PERFORMANCE SUMMARY

| | 2023 \$000 | 2022 \$000 | 2021 \$000 | 2020 \$000 | 2019 \$000 |
|--|----------------|----------------|---------------|----------------|---------------|
| Operating result | 993 | 1,109 | 353 | (59) | (211) |
| Capital purpose income | 1,353 | 1,431 | 8,032 | 796 | 2,636 |
| Specific income | N/A | N/A | N/A | N/A | N/A |
| COVID 19 State Supply Arrangements • Assets received free of charge or for nil consideration under the State Supply | 147 | 452 | 167 | 18 | N/A |
| State supply items consumed up to 30 June 2023 | (147) | (452) | (167) | (18) | N/A |
| Assets provided free of charge | N/A | N/A | N/A | N/A | N/A |
| Assets received free of charge | N/A | N/A | N/A | N/A | N/A |
| Expenditure for capital purpose | (196) | (862) | (38) | (175) | (625) |
| Depreciation and amortisation | (3,936) | (4,096) | (3,972) | (4,011) | (3,000) |
| Impairment of non financial assets | N/A | N/A | N/A | N/A | N/A |
| Finance costs (other) | N/A | N/A | N/A | N/A | N/A |
| Net result from transactions | (1,786) | (2,418) | 4,375 | (3,449) | (934) |

| | 2023 \$000 | 2022 \$000 | 2021 \$000 | 2020 \$000 | 2019 \$000 |
|-------------------------------------|---------------|----------------|---------------|----------------|---------------|
| OPERATING RESULT* | 993 | 1,109 | 353 | (59) | (211) |
| Total revenue | 38,446 | 32,896 | 37,855 | 29,096 | 29,812 |
| Total expenses | 35,108 | 35,164 | 33,744 | 32,545 | 30,746 |
| Net result from transactions | 3,338 | (2,268) | 4,141 | (3,449) | (934) |
| Total other economic flows | (43) | (150) | 234 | (23) | 122 |
| Net result | 3,295 | (2,418) | 4,375 | (3,472) | (812) |
| Total assets | 78,629 | 78,010 | 73,966 | 75,725 | 71,730 |
| Total liabilities | 20,643 | 18,195 | 17,115 | 23,453 | 13,566 |
| Net assets/Total equity | 57,986 | 59,815 | 56,851 | 52,272 | 58,164 |

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

DISCLOSURE OF ICT EXPENDITURE

The total Information Communications Technology (ICT) expenditure incurred during 2022-23 is \$2.027 million (excluding GST) with the details shown below:

| Business As Usual (BAU) ICT expenditure | Non-Business As Usual (non-BAU) ICT expenditure | | |
|---|---|---|---|
| | Total=Operational expenditure and Capital Expenditure (excluding GST) (a) + (b) | Operational expenditure (excluding GST) (a) | Capital expenditure (excluding GST) (b) |
| Total (excluding GST) | | | |
| \$154,596 | \$1,872,743 | \$1,679,855 | \$192,888 |

EQUIVALENT STAFF FTE

EQUIVALENT STAFF FTE (FULL-TIME EQUIVALENT)

| Hospitals Labour Category | June Current Month FTE | | June YTD FTE | |
|---------------------------------|---------------------------|------------|-----------------|------------|
| | 2023 | 2022 | 2023 | 2022 |
| Nursing | 115 | 119 | 116 | 115 |
| Administration and Clerical | 32 | 33 | 30 | 32 |
| Medical Support | 2 | 2 | 2 | 2 |
| Hotel and Allied Services | 54 | 52 | 53 | 51 |
| Ancillary Staff (Allied Health) | 11 | 9 | 8 | 9 |
| Total | 214 | 215 | 209 | 209 |

DIRECTOR OF FINANCE & ADMINISTRATION REPORT / FINANCE OVERVIEW

RESULTS

For the 2022-23 financial year, East Wimmera Health Service (EWHS) has reported a net deficit including depreciation and capital revenue and expenses of \$1.79M (\$2.27M deficit 2021-22). The total comprehensive result, including other economic flows for the year is a deficit of \$1.83M.

EWHS reported an operating surplus of \$0.99M (\$1.1M Surplus 2021-22). This is the measure used by the Department of Health and excludes depreciation and capital items. Total operating revenue (excluding capital purpose income) was \$36.87M (2021-22 \$32.90M).

Total operating expenditure (excluding capital purpose items) for the year amounts to \$38.65M, (2021-22 \$35.16M).

The 2022-23 financial year was another challenging year for health service staff. Global workforce shortage combined with Influenza and COVID-19 related illnesses has led to increased roster shortages across all areas. This has resulted in increased overtime shifts, agency nurse usage and workloads.

CAPITAL PROJECTS

Solar installations were completed across three campuses during the year at Wycheproof, Charlton, and St Arnaud. This will provide both an ongoing environmental benefit and lower electricity expenses for East Wimmera Health Service in future years.

The St Arnaud Medical Imaging upgrade was completed this financial year with installation of impressive new X-Ray and Ultrasound equipment.

In addition to the completion of capital projects, substantial repairs and maintenance were completed throughout the year, including repainting of helipads to maintain compliance with air safety, the replacement of some large of split system air conditioner units across all campuses, new flooring at the Donald campus modernising the appearance, which continues into the new financial year.

The largest of the maintenance works has been the re-painting of the exterior of St Arnaud Campus. The result has made a true impact on the community and the overall of the presentation of the campus.

Overall East Wimmera Health Service has had positive year financially with particular focus on attracting additional funding from State and Commonwealth agencies to support priority activities and projects in the next financial year.

Joanna O'Leary
Director Finance & Administration

DIRECTOR OF CLINICAL SERVICES REPORT

2022 – 2023 has proven to be another eventful year for East Wimmera Health Service (EWHS).

RESIDENTIAL AGED CARE SERVICES

Many wonderful things have been implemented across our five residential aged care facilities over the last year. EWHS wanted to share with a broader audience our achievements in the homelike environment and dining experience. The Australian Ageing Agenda (AAA) magazine happily published our initiatives. The article covered two pages of the magazine and EWHS were very fortunate to be a feature on the 'Contents' page. The article ensured that the great work being done by staff from all departments across the organisation to ensure the care, respect and dignity of all residents of EWHS was projected to the wider community.

A one off funding allocation for each of our residential aged care facilities was received from the Victorian Department of Health. The funding was provided to support our nursing workforce to access equipment to facilitate accurate and thorough assessment of older people to enhance early identification and management of health issues, including providing timely responses to acute issues.

Accreditation is a key component of the aged care regulatory environment established by the Aged Care Act 1997. Accreditation seeks to assess the quality and safety of care services delivered by approved providers against the Quality Standards.

Aged Care accreditation against the new standards was undertaken, across our five residential aged care facilities between May – July 2022.

We congratulate our teams for their extraordinary efforts in gaining Aged Care Quality Standards accreditation for our five residential aged care services amidst significant organisational demands and under extraordinary external pressures brought on by impacts from COVID-19.

HOSPITAL SERVICES

In our hospital settings, we continue to focus on delivering a high standard of care to consumers. This is achieved through regular assessment and evaluation of our processes. Staff contribute to service improvements through the completion and review of audits, thorough incident management and identification of risk. Our Hospital Acquired Infection rates continue to be very low and we continue to work hard to reduce the risk of infection for patients.

Our common aim at EWHS is to provide a "Positive Health Experience" to all our consumers and our care goal states "our staff have everything they need at the point of care in order to provide a safe, high quality, positive health experience for every person, every time.

During the latter half of 2022, we implemented the iPharmacy software system and engaged the services of an onsite Pharmacist to ensure safe processes, practices and effective use of medicines within EWHS.

Our Medical Imaging Service, providing both X-Ray and Ultrasound, has increased to three days per week. This service is located at the St. Arnaud Campus and can be accessed by inpatients, outpatients and surrounding communities.

St. Arnaud – Osborne House will be participating in the Urgent Care Minimum Dataset pilot. The Urgent Care Minimum Dataset (UCMD) pilot project aims to test and improve an UCMD based on the Victorian Emergency Minimum Dataset (VEMD). The Pilot project will run for a 12-month period and includes a six-month data collection period and evaluation of the project.

Our Urgent Care Centre presentations have remained consistent compared to the previous 12 months. Over the last 12 months, across our five campuses, we have continued to provide COVID-19 screening and testing to our communities.

Infection Control: The Victorian Department of Health supplies public health services free influenza vaccine for Healthcare workers (HCWs) through the HCW influenza immunisation program. Maintaining a high level of immunity in the HCW population ensures the risk of transmitting influenza to co-workers, vulnerable patients and their family is minimised. Therefore, EWHS requires that all staff, including residential aged care staff and community health staff, have the influenza vaccine.

Our Infection Control Team, in conjunction with our Campus Managers and Nurse Unit Managers, have coordinated the 2023 staff Influenza Vaccination Program.

Our haemodialysis unit, located at Donald Campus comprises three chairs. The unit is operated by a small team of highly skilled and dedicated staff who strive to ensure their patient's feel "at home" during treatment. The team are very patient focused; understanding dialysis treatment consumes a large part of a patient's time. Donald's dialysis ward is a satellite unit of Melbourne Health – Kidney Care Service that means staff and patients have full access to specialist advice at any time.

Over the past twelve months our education team has been instrumental in embedding a new online training platform that encompasses all of our staffing disciplines.

Our small education team continue to coordinate and support our Graduate program and student placements across the five campuses and in all of our clinical areas. We provide an environment where our graduates can consolidate and further develop their knowledge, skills and competence.

"Going Rural Health" in conjunction with the University of Melbourne conducted an EWHS 2022 Student Placement Survey Report. A total of 24 East Wimmera Health Service (EWHS) students responded to the questionnaire.

SOME NOTABLE RESULTS:

Students suggested the learning on placement was positive. All (100%) said they 'learned a lot during their placement' and 87% suggested educational resources were adequate.

Students indicated that they felt their work on placement was valuable. 87% (20) felt they contributed to the health service and 87% (20) reported that they contributed to patients or community.

Of the 24 students, most (19) said they learned about working and living in rural areas. While 50% suggested they were considering rural practice prior to placement, 62% indicated that the placement encouraged them to consider working in a rural area.

Some direct quotes from the survey participants about their placement at EWHS include:

"Would just say that it has changed my perspective as a nurse or as a student or as a learner. Now I look at things from a broader perspective and in a calmer and kind manner."

"I highly believe that my communication skills and interpersonal skills have largely improved working in a rural health setting."

I would like to acknowledge the resilience that our workforce has shown during this pandemic. Together, we have adapted to changes in how we live, how we connect, how we work, and how we provide care to our patients and residents.

Pat Croft
Director of Clinical Services

DIRECTOR OF PEOPLE & CULTURE REPORT

East Wimmera Health Service (EWHS) recognises that employees are the greatest asset of the organisation. We are committed to providing a safe and healthy environment for all employees, consumers, visitors, volunteers and contractors.

The last year has seen sustained demand on resources during the global pandemic and our staff have performed admirably under duress. Our teams have responded to the rapidly changing environment to provide ongoing safe and high quality care whilst delivering support for our communities throughout the ongoing pandemic and subsequent localised outbreaks. Communities throughout our catchment have had access to testing and vaccination as rates of infection generally have declined.

EWHS has continued to strive for improved working environments and to continue to improve our skills and responsiveness to healthcare and related issues.

COVID-19

In line with other teams at EWHS, COVID-19 has presented many challenges to the People & Culture team. The items the team have focused on and managed include the:

- Increasing staff understanding of safe work practices in the current environment to ensure workplace safety.
- Managing subsidy payments (state and federally funded) for Clinical and other Staff.
- Ongoing response to the increased need for COVID-19 specific education for all EWHS staff to minimise the risk of the virus entering our facilities.
- Planning for outbreak management in catering and cleaning services to ensure continuity and safe work areas.
- Implementation of appropriate screening of consumers and staff entering our facilities.
- Provision of face-to-face education programs to ensure 'core' education

modules are delivered to various professions in accordance with physical distancing and infection control requirements.

- Ongoing adoption of Grampians Learning Hub as a primary training resource for EWHS staff – online e-learning solution for all Grampians Rural Health Alliance members.
- Ongoing management of EWHS working from home policies and return to workplace processes to ensure all staff working from home and returning to the workplace are doing so in a safe, supportive environment.

COVID-19 and other health concerns continue to present the wider EWHS team with many challenges, and the People & Culture team is fully prepared to meet this challenge in order to ensure EWHS continues to provide high quality, safe services to our consumers and the communities we support.

WORKFORCE PERFORMANCE QUALITY COMMITTEE

The Workforce Performance Committee (WPC) has had an ongoing focus on workplace safety in response to the challenges posed by COVID-19 and on monitoring relevant workforce performance data. The committee performed well in preparation for ongoing process Audits ensuring areas of responsibility are addressed in a timely manner.

EDUCATION & DEVELOPMENT

This year, EWHS has migrated fully to the Grampians Learning Hub training environment as well as provided many face-to-face events including the RESPECT@EWHS program. The team has responded well to the changing landscape to ensure staff are supported.

- RESPECT@EWHS program recommenced October 2022 with 193 personnel to date attending face to face training across Birchip, Charlton, Donald, Wycheproof and St Arnaud campuses as at 30 June 2023, representing 55.14% of the 350 person EWHS workforce.

Following the establishment of a Memorandum of Understanding between Rural Northwest Health (RNH) and EWHS; February 2023 saw the appointment of a permanent fulltime shared non-clinical Workplace Trainer/Careers Advisor (WT/CA) to complement the Clinical Nursing qualified Corporate Clinical Education Coordinator. The WT/CA position is supported through a state-wide network of WT/CAs who meet monthly in support of workforce.

Grampians Learning Hub online training platform and the Education and Development Team ensure EWHS maintains high levels of engagement in compulsory and optional course/training offerings.

MEAL SERVICES IMPROVEMENTS

A key focus for EWHS in 2022-23 has been the continued expansion of the buffet meal service in residential aged care. The buffet service provides for increased consumer choice, enhanced meal presentation and supports improved appetite through visual appeal.

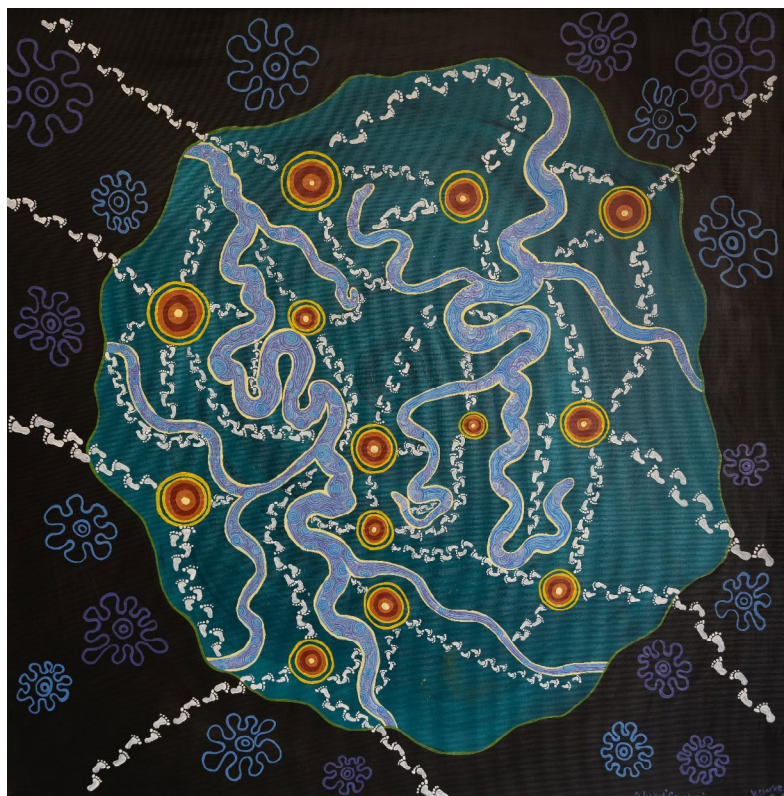
The EWHS Reconciliation Action Plan identifies the use of traditional indigenous ingredients in menus across EWHS. Storyboards supporting the use of traditional ingredients assist the consumer with understanding the journey from bush to plate continue to be utilised.

RECONCILIATION ACTION PLAN

December 2022 saw EWHS submit our first draft Reflect - Reconciliation Action Plan to Reconciliation Australia (RA) for comment and approval. Director People and Culture worked closely with Director Primary Care and directorate staff to draft, fine tune and re-submit this fundamental document to RA.

In June 2022 EWHS took delivery of “walking country” commissioned artwork of Kathrine Clarke a proud Wotjobaluk Nations woman. By April 2023 examples of “walking country” had been installed in each EWHS Campus/Aged Care facility fostering a genuine culturally safe and welcoming environment.

“This artwork represents my home country along the Wimmera River and the communities that make up our five clan groups known as Wotjobaluk, Jadwaa, Jadwadjali, Wergaia and Jupagalk peoples. It is also a representation of our neighbours across the Loddon River on Djab Wurrung Country,



and that respect we have for each other's country when crossing paths. Surrounding all of this is the Dreaming and our Ancestral Spirits who guide us on our journey. With a deeper listening we walk between the physical and spiritual acknowledging the footprints that have travelled before us. Leading to a much more rounded connection and belonging to country in a way that only we as Traditional Owners instinctively know and continue to strengthen into our future.”

- Kathrine Clarke 2022

STAFF WELLBEING AND A SAFE WORKPLACE Multi-Agency Risk Assessment and Management (MARAM) Framework Alignment Action Plan

Victorian hospitals become ‘prescribed framework organisations’ under the Family Violence Protection Act 2008 in early 2021. Hospitals are required to align policies, procedures, practice guidance and tools to the four pillars of the MARAM Framework.

Ongoing MARAM collaboration with development and implementation of Grampians Health Regional Policy Audit toolkit in conjunction with Regional Manager - Family Violence Strengthening Hospital Response to Family Violence | Grampians Health has occurred.

EWHS Alignment Action Plan has been created. Embedded through a series of ongoing site visits across EWHS campuses work groups engage and workshop all elements of the Alignment Action Plan throughout 2023 and 2024.

PEOPLE MATTER SURVEY (PMS)

In response to 2022 PMS results EWHS developed the PMS Action Plan which has seen a range of initiatives undertaken across the service including expansion of government funded Be Well Be Safe, which assisted to engage The Resilience Project (TRP) to conduct a 12 month resilient Workplace Program. The program has run across 2022-23 delivering a rolling 10 week program focused on reflection, resilience and useful practices to assist achieve focus and resist distractive behaviour and action. This is also supported with staff events.

RESPECT @ EWHS and TRP initiatives complement the ongoing responsibility of managers and staff in the leadership and conduct of EWHS daily business. Phase II TRP Digital Wellbeing Series completed its tenth week with resource made available for ongoing reflection.

Community Health planned and launched a series of Phase III initiatives in conjunction with TRP to rollout across May - Dec 2023 including:

- **The Resilience Project** successfully continues with a suite of extra TRP activities promoted through Community Health via the Informer QR code links to modules.
- Also the **Sustaining a Resilient Culture 2023** three stage program (Empathy,

Gratitude and Mindfulness) planned to commence 13 July 2023 with the roll out of Empathy Day and associated all campus activities that engage staff and call to action, promoted through Informer and staff emails as well as static displays in Staff meal rooms at all campuses.

EWHS continues the Victorian Government's Achievement Program for Workplaces. The Achievement Program is a self-paced program that looks at 5 priority areas for staff health and wellbeing (healthy eating, physical activity, mental wellbeing, smoking, alcohol) across 4 dimensions (healthy culture, healthy physical environment, healthy community connections, health and wellbeing opportunities).

PMS 2023 CAMPAIGN

The PMS 2023 was undertaken 30 May to 30 June 2023 inclusive with multi-channel promotion and options for responses via SMS, QR code, posters, email, Informer and online link.

Victorian Public Service Commission conduct the survey and will analyse the de-identified and anonymous responses and provide EWHS with a comprehensive report on survey by early August 2023.

By close of survey midnight 30 June 2023 PMS 2023 had recorded 175 EWHS respondents equating to 50% engagement of staff against the total 350 staff member number.

Geoffrey Lord
Director of People and Culture

| People Matter Survey Year | EWHS Actual Responses | EWHS Total Workforce | Percentage Responses |
|---------------------------|-----------------------|----------------------|----------------------|
| 2020 | 151 | 285 | 53% |
| 2021 | 175 | 337 | 52% |
| 2022 | 212 | 375 | 57% |
| 2023 | 175 | 350 | 50% |

DIRECTOR OF PRIMARY CARE REPORT

East Wimmera Health Services (EWHS), Primary Care team consists of Allied Health Professionals, Specialist and General Nurses, Health Promotion, Planned Activity Group and Administrative Support Staff who all contribute to the delivery of high quality and safe care to our consumers. Primary Care continues to be delivered in the community in both the consumers home and outpatient clinics and delivered in Residential Aged Care and Hospital settings.

Delivery of Primary Care is predominately via face to face means however EWHS internal telehealth capability continues to grow significantly with some specialties including Dietitian, Diabetic Education, Mental Health and Wellbeing Team, Healthy@Home and the Hospital Admission Risk Program (HARP) utilising telehealth means for delivery of care more and more. Not only is telehealth offered and utilised internally but in collaboration with healthcare specialists throughout the state, meaning our consumers have been able to access specialist services such as endocrinology via telehealth. This change of service delivery brings great benefits to communities like ours, living a distance away from speciality service providers and specialists. The saving on travel, accommodation and finances would be certainly welcomed from most community members that have regular specialist appointments in regional and metropolitan areas.

Enhancements to our Primary Care team in 22/23 include the introduction of the Healthy@Home program and Allied Health Assistant Trainee. The Healthy@Home program is a free service to monitor vulnerable consumers at home with regular telephone check ins and as required the coordination of care to keep them well at home. In 23/24 EWHS look to increase their Healthy@Home

profile and admission to the program given the proven benefits to consumers. The Allied Health Assistant (AHA) Trainee role was introduced and appointed to in early 2023. Whilst undertaking studies the AHA Trainee works alongside Allied Health Professionals (AHP) including Physiotherapy and Occupational Therapy to enhance and develop their learning outcomes. On completion of their studies the AHA Trainee will support and assist the AHP by undertaking a range of less complex tasks, both clinical and non-clinical enabling the AHP to focus on more complex clinical work and provide care to a greater number of patients.

EWHS recognises that consumer participation and engagement is fundamental to healthcare design and service delivery. EWHS's goal of partnering and engaging with consumers is to enable consumers and the community to be active participants in the planning, implementation and evaluation of EWHS services and programs as an ongoing quality improvement program. Our Consumer Engagement Plan 2020 – 2023 continues to progress and action items, persons responsible and timeframes continuing to be reviewed and monitored by the Consumer Partnership Committee.

EWHS is committed to promoting the health, wellbeing and cultural safety of First Nations patients, staff and visitors. In 2023 EWHS commitment was set out in our inaugural Reconciliation Action Plan (RAP) 2023 – 2025 and resubmitted to Reconciliation Australia for endorsement. The EWHS RAP focuses EWHS to scope and implement reconciliation and to challenge ourselves to embed reconciliation across the organisation, its campuses and associated centres.

In 2023 the Victorian Healthcare experience survey (VHES) invited consumers across EWHS who accessed Victorian State funded community health services to participate in the survey. Surveys returned were low in number however results were consistent with previous years and we have achieved well over state average in all domains of consumers satisfaction. EWHS are proactively reviewing processes for receiving feedback from our Primary Care consumers.

My sincere thanks to the EWHS Primary Care team for their ongoing commitment to providing care to those in our community and continuing to adapt to changes and opportunities within health.

Meghan Noonan
Director of Primary Care

OCCUPATIONAL HEALTH AND SAFETY REPORT

East Wimmera Health Service (EWHS) is committed to providing a safe working environment and promoting staff health. Each workgroup at EWHS has a nominated Health and Safety Representative (HSR).

- Chemical Management – 100% of chemicals in use have current safety data sheets. Following a review, there has been a decrease in the number of chemicals used and stored on site.
- Workplace inspection Action Plans – completed all campuses.
 - » Remaining items still to be actioned or on hold awaiting funding are assessed as not being high risk.

OCCUPATIONAL HEALTH AND SAFETY (OHS) INCIDENTS

For the period 1/7/22 until 30/6/23, there were 280 OHS and hazard incidents reported (14.07% increase in reports since 21/22 reporting period).

- Of these:
 - » 49 were incidents related to potential for staff injury (7.3% increase from previous reporting period)
 - » 49 were incidents related to aggression toward staff. 22 (44.89%) of these reports were for resident to staff aggression (5.11% decrease from previous reporting period).

| Reporting categories | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 | Explanation of variances |
|--|---------|---------|---------|---------|---------|---------|--|
| Number of reported hazards/ OHS incidents for the year per 100 FTE. | 57.55 | 96.52 | 98.23 | 104 | 92.55 | 140.07 | Continued encouragement for staff to report incidents. Education on importance of reporting incidents is provided at orientation and in staff newsletter. |
| Number of 'lost time' standard WorkCover claims for the year per 100 FTE | 1.88 | 1.75 | 0.88 | 1.8 | 2.32 | 2.67 | Staff encouraged to report incidents. There have also been chronic shortfalls in staffing levels due to COVID and staff working extra hours which may have led to increases in injuries. |

| Reporting categories | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 | Explanation of variances |
|--|----------|---------|----------|----------|---------|----------|--|
| Average cost per WorkCover claim for the year ('000) | \$29,047 | \$4,478 | \$23,826 | \$11,462 | \$6,899 | \$11,263 | One long-term claim ongoing and three short-term new claims: one claim 63 lost days, one claim 105 lost days, one claim 260 lost days. |

| Occupational violence statistics | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 |
|---|---------|---------|---------|---------|---------|---------|---------|
| 1. Workcover accepted claims with an occupational violence cause per 100 FTE | 0.43 | 0 | 0.43 | 0 | 0.45 | 0 | 0 |
| 2. Number of accepted Workcover claims with lost time injury with an occupational violence cause per 1,000,000 hours worked | 1.95 | 0 | 2.2 | 0 | 0.5 | 0 | 0 |
| 3. Number of occupational violence incidents reported | 57 | 59 | 101 | 54 | 77 | 42 | 51 |
| 4. Number of occupational violence incidents reported per 100 FTE | 24.7 | 27.83 | 43.91 | 23.78 | 34.53 | 19.54 | 25.5 |
| 5. Percentage of occupational violence incidents resulting in a staff injury, illness or condition | 1.75% | 0 | 0.99% | 0 | 1.3% | 1 | 1.1% |

DEFINITIONS OF OCCUPATIONAL VIOLENCE

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

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

Accepted WorkCover claims – accepted WorkCover claims that were lodged in 2022-23.

Lost time – is defined as greater than one day.

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

Geoffrey Lord
Director People & Culture

ENVIRONMENTAL DATA REPORTING

ENVIRONMENTAL PERFORMANCE

The Victorian Department of Health utilises the Environmental Data Management System (EDMS) to manage environmental and utility data for the Victorian public health sector. The Department of Health provides public health services access to EDMS to manage their environmental data.

Environmental data in EDMS comes from a range of sources including HealthShare Victoria contracts, utility accounts and supplier reports. Quantitative data in this report has been retrieved from EDMS.

New environmental reporting indicators in this year's environmental reporting, in accordance with Financial Reporting Direction 24: Reporting of environmental data by government entities (FRD24), has revealed limitations in

data availability for environmental reporting. Development of environmental reporting governance is planned for next year, adopting a continuous improvement approach to environmental reporting.

East Wimmera Health Service (EWHS) is committed to improving its environmental performance via its Environmental Management Plan which is publicly reported and Environmental Sustainability meetings. Key performance indicators are monitored and reported six monthly to EWHS Governance Committee Safety and Quality Systems. These important reports also form part of not only the Environmental Sustainability Committee but also EWHS Health and Safety and Infection control committees, for monitoring, review and compliance.

| Electricity Use | Jul-22 to Jun-23 | Jul-21 to Jun-22 | Jul-20 to Jun-21 | Notes | |
|---|------------------|------------------|------------------|---|--|
| EL1 Total electricity consumption segmented by source [MWh] | | | | | |
| Purchased | 1,535.65 | 1,540.02 | 1,666.83 | | |
| Self-generated | | | | | |
| EL1 Total electricity consumption [MWh] | 1,535.65 | 1,540.02 | 1,666.83 | | |
| EL2 On site-electricity generated [MWh] segmented by: | | | | | |
| Consumption behind-the-meter | | | | | |
| Solar Electricity | | | | All figures are across 4 campuses totalled to 1 figure we do not have data for the 21 to 22 period and 20 to 21 period. Solar installation was completed at the end of the 21 to 22 period. | |
| Total Consumption behind-the-meter [MWh] | | | | | |
| Exports | | | | | |
| Solar Electricity | 160.80 | 0.00 | 0.00 | | |
| Total Electricity exported [MWh] | 63.60 | 0.00 | 0.00 | | |
| EL2 Total On site-electricity generated [MWh] | 160.80 | | | | |
| EL3 On-site installed generation capacity [kW converted to MW] segmented by: | | | | | |
| Diesel Generator | 1.36 | 1.36 | 1.36 | | |
| Solar System | 0.23 | 0.23 | 0.23 | | |
| EL3 Total On-site installed generation capacity [MW] | 1.59 | 1.59 | 1.59 | | |

| EL4 Total electricity offsets segmented by offset type [MWh] | | | |
|---|---------------|---------------|---------------|
| LGCs voluntarily retired on the entity's behalf | 0.00 | 0.00 | 0.00 |
| GreenPower | 0.00 | 0.00 | 0.00 |
| RPP (Renewable Power Percentage in the grid) | 288.70 | 286.29 | 315.53 |
| Certified climate active carbon neutral electricity purchased | 0.00 | 0.00 | 0.00 |
| EL4 Total electricity offsets [MWh] | 288.70 | 286.29 | 315.53 |

| Stationary Energy | Jul-22 to Jun-23 | Jul-21 to Jun-22 | Jul-20 to Jun-21 |
|---|-------------------------|-------------------------|-------------------------|
| F1 Total fuels used in buildings and machinery segmented by fuel type [MJ] | | | |
| LPG | 4,888,754.50 | 4,300,782.00 | 4,377,717.50 |
| F1 Total fuels used in buildings [MJ] | 4,888,754.50 | 4,300,782.00 | 4,377,717.50 |
| EL1 Total electricity consumption [MWh] | 1,535.65 | 1,540.02 | 1,666.83 |
| F2 Greenhouse gas emissions from stationary fuel consumption segmented by fuel type [Tonnes CO2-e] | | | |
| LPG | 296.26 | 260.63 | 265.29 |
| F2 Greenhouse gas emissions from stationary fuel consumption [Tonnes CO2-e] | 296.26 | 260.63 | 265.29 |

| Transportation Energy | Jul-22 to Jun-23 | Jul-21 to Jun-22 | Jul-20 to Jun-21 |
|---|-------------------------|-------------------------|-------------------------|
| T1 Total energy used in transportation (vehicle fleet) within the Entity, segmented by fuel type [MJ] | | | |
| Non-executive fleet - Gasoline | 517,798.50 | 221,585.50 | 478,218.60 |
| Petrol | 517,798.50 | 221,585.50 | 478,218.60 |
| Non-executive fleet - E10 | | 0.00 | |
| Petrol (E10) | | 0.00 | |
| Non-executive fleet - Diesel | 3,169.00 | 0.00 | |
| Diesel | 3,169.00 | 0.00 | |
| Total energy used in transportation (vehicle fleet) [MJ] | 520,967.50 | 221,585.50 | 478,218.60 |
| T2 Number and proportion of vehicles in the organisational boundary segmented by engine/fuel type and vehicle category | | | |
| Not reported by Eden Suite: Fleet cars across EWHS 15x4 cyl petrol cars, 7x6cyl petrol cars, 2x4cyl diesel vans and 2x4cyl petrol vans | | | |
| T3 Greenhouse gas emissions from transportation (vehicle fleet) segmented by fuel type [tonnes CO2-e] | | | |
| Non-executive fleet - Gasoline | 35.01 | 14.98 | 32.34 |
| Petrol | 35.01 | 14.98 | 32.34 |
| Non-executive fleet - E10 | | 0.00 | |
| Petrol (E10) | | 0.00 | |
| Non-executive fleet - Diesel | 0.22 | 0.00 | |
| Diesel | 0.22 | 0.00 | |
| Total Greenhouse gas emissions from transportation (vehicle fleet) [tonnes CO2-e] | 35.24 | 14.98 | 32.34 |

| Total Energy Use | Jul-22 to Jun-23 | Jul-21 to Jun-22 | Jul-20 to Jun-21 |
|--|------------------|------------------|------------------|
| E1 Total energy usage from fuels, including stationary fuels (F1) and transport fuels (T1) [MJ] | | | |
| Total energy usage from stationary fuels (F1) [MJ] | 4,888,754.50 | 4,300,782.00 | 4,377,717.50 |
| Total energy usage from transport (T1) [MJ] | 520,967.50 | 221,585.50 | 478,218.60 |
| Total energy usage from fuels, including stationary fuels (F1) and transport fuels (T1) [MJ] | 5,409,722.00 | 4,522,367.50 | 4,855,936.10 |
| E2 Total energy usage from electricity [MJ] | | | |
| Total energy usage from electricity [MJ] | 5,528,348.11 | 5,544,077.98 | 6,000,603.68 |
| E3 Total energy usage segmented by renewable and non-renewable sources [MJ] | | | |
| Renewable | 1,039,329.41 | 1,030,643.90 | 1,135,914.20 |
| Non-renewable (E1 + E2 - E3 Renewable) | 9,898,740.70 | 9,035,801.58 | 9,720,625.58 |
| E4 Units of Stationary Energy used normalised: (F1+E2)/normaliser | | | |
| Energy per unit of Aged Care OBD [MJ/Aged Care OBD] | 428.88 | 413.68 | 444.96 |
| Energy per unit of LOS [MJ/LOS] | 4,509.57 | 3,451.91 | 4,210.27 |
| Energy per unit of Separations [MJ/Separations] | 16,856.15 | 13,924.84 | 14,911.38 |
| Energy per unit of floor space [MJ/m2] | 556.08 | 525.54 | 554.01 |

Sustainable Buildings and Infrastructure

B1 Discuss how environmentally sustainable design (ESD) is incorporated into newly completed entity-owned buildings

Buildings were designed to capture natural light and to limit the use of power. Solar panels were installed to supplement the use of powered equipment and heat pumps installed to also lower the use of mains power. LED lighting fit outs and restricted water flow shower heads are an addition to building design.

B2 Discuss how new entity leases meet the requirement to preference higher-rated office buildings and those with a Green Lease Schedule

EWHS aims to comply with the 8 green lease schedules where possible and move forward to establishing the mechanism for achieving the energy efficiency objectives

B3 NABERS Energy (National Australian Built Environment Rating system) ratings of newly completed/occupied Entity-owned office buildings and substantial tenancy fit-outs (itemised)

There is no NABERS rating applicable to the new works at the Birchip Campus

B4 Environmental performance ratings (eg. NABERS, Green Star, or ISCAIS rating scheme) of newly completed Entity-owned non-office building or infrastructure projects or upgrades with a value over \$1 million

| | |
|---------------|---|
| NABERS Energy | The VHHSBA's brief for Birchip did not include a requirement to meet a NABERS or Green Star performance rating. The buildings thermal insulation was provided on a "Deemed to Satisfy" (DtS) basis in accordance with the Building Code of Australia. |
|---------------|---|

B5 Environmental performance ratings achieved for Entity-owned assets portfolio segmented by rating scheme and building, facility, or infrastructure type, where these ratings have been conducted

| | |
|---------------|--|
| Rating scheme | The building's thermal insulation was provided on a "Deemed to Satisfy" (DtS) basis in accordance with the Building Code of Australia. |
|---------------|--|

Sustainable Procurement

Tenders define - Provide details of your company's policies that might relate Equal Opportunity Employment, Family Violence Response, Staff Wellbeing or other aspects you feel are relevant. Generally has a 5% weighting at evaluation.

| Water Use | Jul-22 to Jun-23 | Jul-21 to Jun-22 | Jul-20 to Jun-21 |
|---|------------------|------------------|------------------|
| W1 Total units of metered water consumed by water source (kl) | | | |
| Potable water [kL] | 12,787.50 | 15,218.88 | 15,249.80 |
| Total units of water consumed [kl] | 12,787.50 | 15,218.88 | 15,249.80 |
| W2 Units of metered water consumed normalised by FTE, headcount, floor area, or other entity or sector specific quantity | | | |
| Water per unit of Aged Care OBD [kL/Aged Care OBD] | 0.53 | 0.64 | 0.65 |
| Water per unit of LOS [kL/LOS] | 5.54 | 5.34 | 6.19 |
| Water per unit of Separations [kL/Separations] | 20.69 | 21.53 | 21.91 |
| Water per unit of floor space [kL/m2] | 0.68 | 0.81 | 0.81 |

| Waste and Recycling | Jul-22 to Jun-23 | Jul-21 to Jun-22 | Jul-20 to Jun-21 |
|--|-------------------|-------------------|-------------------|
| WR1 Total units of waste disposed of by waste stream and disposal method [kg] | | | |
| Landfill (total) | | | |
| General waste | 124,710.00 | 118,646.00 | 81,930.18 |
| Offsite treatment | | | |
| Clinical waste - incinerated | 94.74 | 77.60 | 144.59 |
| Clinical waste - sharps | 207.11 | 163.70 | 162.08 |
| Clinical waste - treated | 1,804.80 | 2,748.43 | 1,682.38 |
| Recycling/recovery (disposal) | | | |
| Batteries | | 10.00 | 23.20 |
| Cardboard | 19,599.00 | 21,377.00 | 14,791.45 |
| Commingled | 8,223.00 | 10,034.00 | 8,720.64 |
| Fluorescent tubes | | | 18.80 |
| Total units of waste disposed [kg] | 154,638.65 | 153,056.73 | 107,473.32 |
| WR1 Total units of waste disposed of by waste stream and disposal method [%] | | | |
| Landfill (total) | | | |
| General waste | 124,710.00 | 118,646.00 | 81,930.18 |
| Offsite treatment | | | |
| Clinical waste - incinerated | 94.74 | 77.60 | 144.59 |
| Clinical waste - sharps | 207.11 | 163.70 | 162.08 |
| Clinical waste - treated | 1,804.80 | 2,748.43 | 1,682.38 |

| | | | |
|--|-------------------|-------------------|-------------------|
| Recycling/recovery (disposal) | | | |
| Batteries | | 10.00 | 23.20 |
| Cardboard | 19,599.00 | 21,377.00 | 14,791.45 |
| Commingled | 8,223.00 | 10,034.00 | 8,720.64 |
| Fluorescent tubes | | | 18.80 |
| Total units of waste disposed [kg] | 154,638.65 | 153,056.73 | 107,473.32 |
| WR1 Total units of waste disposed of by waste stream and disposal method [%] | | | |
| Landfill (total) | | | |
| General waste | 80.65% | 77.52% | 76.23% |
| Offsite treatment | | | |
| Clinical waste - incinerated | 0.06% | 0.05% | 0.13% |
| Clinical waste - sharps | 0.13% | 0.11% | 0.15% |
| Clinical waste - treated | 1.17% | 1.80% | 1.57% |
| Recycling/recovery (disposal) | | | |
| Batteries | | 0.01% | 0.02% |
| Cardboard | 12.67% | 13.97% | 13.76% |
| Commingled | 5.32% | 6.56% | 8.11% |
| Fluorescent tubes | | | 0.02% |
| WR3 Total units of waste disposed normalised by FTE, headcount, floor area, or other entity or sector specific quantity, by disposal method | | | |
| Total waste to landfill per PPT [(kg general waste)/PPT] | 4.58 | 4.34 | 3.09 |
| Total waste to offsite treatment per PPT [(kg offsite treatment)/PPT] | 0.08 | 0.11 | 0.08 |
| Total waste recycled and reused per PPT [(kg recycled and reused)/PPT] | 1.02 | 1.15 | 0.89 |
| WR4 Recycling rate [%] | | | |
| Weight of recyclable and organic materials [kg] | 27,822.00 | 31,421.00 | 23,554.09 |
| Weight of total waste [kg] | 154,638.65 | 153,056.73 | 107,473.32 |
| Recycling rate [%] | 17.99% | 20.53% | 21.92% |
| WR5 Greenhouse gas emissions associated with waste disposal [tonnes CO2-e] | | | |
| tonnes CO2-e | 164.82 | 158.09 | 109.03 |

| Greenhouse Gas Emissions | Jul-22 to Jun-23 | Jul-21 to Jun-22 | Jul-20 to Jun-21 |
|--|---|-------------------------|-------------------------|
| G1 Total scope one (direct) greenhouse gas emissions [tonnes CO2e] | | | |
| Carbon Dioxide | 329.42 | 273.84 | 295.77 |
| Methane | 0.99 | 0.87 | 0.89 |
| Nitrous Oxide | 1.08 | 0.90 | 0.97 |
| Total | 331.49 | 275.61 | 297.63 |
| Scope 1 GHG emissions from stationary fuel (F2 Scope 1) [tonnes CO2-e] | 296.26 | 260.63 | 265.29 |
| Scope 1 GHG emissions from vehicle fleet (T3 Scope 1) [tonnes CO2-e] | 35.24 | 14.98 | 32.34 |
| Medical/Refrigerant gases | | | |
| Total scope one (direct) greenhouse gas emissions [tonnes CO2e] | 331.49 | 275.61 | 297.63 |
| G2 Total scope two (indirect electricity) greenhouse gas emissions [tonnes CO2e] | | | |
| Electricity | 1,054.92 | 1,124.60 | 1,299.95 |
| Total scope two (indirect electricity) greenhouse gas emissions [tonnes CO2e] | 1,054.92 | 1,124.60 | 1,299.95 |
| G3 Total scope three (other indirect) greenhouse gas emissions associated with commercial air travel and waste disposal (tonnes CO2e) | | | |
| Commercial air travel | Currently no data is provided through the EDMS report. This will be an agenda item on the EWHS Environmental Sustainability Committee for discussion. | | |
| Waste emissions (WR5) | 164.82 | 158.09 | 109.03 |
| Indirect emissions from Stationary Energy | 234.67 | 138.35 | 165.75 |
| Indirect emissions from Transport Energy | 8.96 | 0.80 | 1.72 |
| Paper emissions | | | 4.23 |
| Any other Scope 3 emissions | 21.66 | 28.59 | 25.15 |
| Total scope three greenhouse gas emissions [tonnes CO2e] | 430.11 | 325.83 | 305.89 |
| G(Opt) Net greenhouse gas emissions (tonnes CO2e) | | | |
| Gross greenhouse gas emissions (G1 + G2 + G3) [tonnes CO2e] | 1,816.53 | 1,726.04 | 1,903.47 |
| Carbon Neutral Electricity | 0.00 | 0.00 | 0.00 |
| Green Power Electricity | 0.00 | 0.00 | 0.00 |
| Purchased LGCs | 0.00 | 0.00 | 0.00 |
| Any Offsets purchased | 0.00 | 0.00 | 0.00 |
| Net greenhouse gas emissions [tonnes CO2e] | 1,816.53 | 1,726.04 | 1,903.47 |

| Normalisation Factors | Jul-22 to Jun-23 | Jul-21 to Jun-22 | Jul-20 to Jun-21 |
|---|------------------|------------------|------------------|
| G1 Total scope one (direct) greenhouse gas emissions [tonnes CO2e] | | | |
| 1000km (Corporate) | | | |
| 1000km (Non-emergency) | | | |
| Aged Care OBD | 24,289.00 | 23,798.00 | 23,324.00 |
| ED Departures | 0.00 | 0.00 | 0.00 |
| FTE | | 210.00 | 219.00 |
| LOS | 2,310.00 | 2,852.00 | 2,465.00 |
| OBD | 26,599.00 | 26,650.00 | 25,789.00 |
| PPT | 27,217.00 | 27,357.00 | 26,485.00 |
| Separations | 618.00 | 707.00 | 696.00 |
| Total AreaM2 | 18,733.00 | 18,733.00 | 18,733.00 |
| NOTE: Indicators are not reported where data is unavailable or an indicator is not relevant to the organisation's operations | | | |

| Social Procurement Activities and Commitments | |
|--|-----------------------------|
| Reporting Period | 2022-23 |
| Reporting Entity | East Wimmera Health Service |
| Overall social procurement activities | 2022-23 |
| Number of social benefit suppliers engaged during the reporting period: | 3 |
| Total amount spent with social benefit suppliers (direct spend) during the reporting period (\$ GST exclusive): | \$3,216 |
| Total number of mainstream suppliers engaged that have made social procurement commitments in their contracts with the Victorian Government: | 2 |
| Total number of contracts that include social procurement commitments: | 2 |

2022-23 WHOLE OF VICTORIAN GOVERNMENT (WOVG) SOCIAL PROCUREMENT FRAMEWORK (SOF) REPORT

NB: Departments and agencies only need to report on objectives and outcomes where they have both achievements and meaningful data.

| SPF objective | Outcome | Metric | Unit of measure | 2022-23 (Actual) |
|--|--|---|--------------------|------------------|
| Opportunities for Victorian Aboriginal people | Employment of Victorian Aboriginal people by suppliers to the Victorian Government | Total number of Victorian Aboriginal people employed by Victorian Government suppliers on Victorian Government contracts | Number | Nil report |
| | Purchasing from Victorian Aboriginal businesses | Total spend with Victorian Aboriginal businesses | \$ (GST exclusive) | \$500 |
| | | Number of Victorian Aboriginal businesses engaged | Number | 1 |
| Opportunities for Victorians with disability | Employment of Victorians with disability by suppliers to the Victorian Government | Total number of Victorians with disability employed by Victorian Government suppliers on Victorian Government contracts | Number | Nil report |
| | Purchasing from Victorian social enterprises and Australian Disability Enterprises | Total spend with Victorian social enterprises led by a mission for people with disability and Australian Disability Enterprises (ADEs) | \$ (GST exclusive) | \$2716 |
| | | Number of Victorian social enterprises led by a mission for people with disability and Australian Disability Enterprises (ADEs) engaged | Number | 2 |
| Women's equality and safety | Adoption of family violence leave by Victorian Government suppliers | Number of Victorian Government suppliers that have implemented a family violence leave policy | Number | Nil report |
| | | Proportion of Victorian Government suppliers that have implemented a family violence leave policy | Percentage | Nil report |
| | Gender equality within Victorian Government suppliers | Number of Victorian Government suppliers that have a gender equality policy | Number | 2 |
| | | Proportion of Victorian Government suppliers that have a gender equality policy | Percentage | Nil report |
| | | Total number of apprentice and trainee hours worked by women | Number | Nil report |
| | | Percentage of apprentice and trainee hours worked by women in BEP projects (reported against BEP 4% target) | Percentage | Nil report |

| | | | | |
|---|---|--|------------------------------|------------|
| Opportunities for disadvantaged Victorians | Job readiness and employment for: long-term unemployed people; disengaged youth; single parents; migrants, refugees and asylum seekers; and workers in transition. | Number of Victorian Government suppliers that employ disadvantaged Victorians on Victorian Government contracts | Number | Nil report |
| | | Total number of disadvantaged Victorians employed by Victorian Government suppliers on Victorian Government contracts | Number | Nil report |
| | | Total number of hours dedicated to supporting disadvantaged Victorians with job readiness opportunities by Victorian Government suppliers on Victorian Government contracts | Number | Nil report |
| | | Total number of disadvantaged Victorians who received job readiness opportunities by Victorian Government suppliers on Victorian Government contracts | Number | Nil report |
| | Purchasing from Victorian social enterprises | Total spend with Victorian social enterprises led by a mission for the disadvantaged ^(a) | \$(GST exclusive) | \$500 |
| | | Number of Victorian social enterprises led by a mission for the disadvantaged ^(a) engaged | Number | 1 |
| Supporting safe and fair workplaces | Purchasing from suppliers that comply with industrial relations laws and promote secure employment | Number of Victorian Government suppliers that attest to compliance with the supplier code of conduct | Number | 376 |
| | | Proportion of suppliers who attest to comply with the Supplier Code of Conduct | Percentage | 100% |
| Sustainable Victorian social enterprises and Aboriginal business sectors | Purchasing from Victorian social enterprises and Aboriginal businesses | Total spend with Victorian Aboriginal businesses | \$(GST exclusive) | \$500 |
| | | Number of Victorian Aboriginal businesses engaged | Number | 1 |
| | | Total spend with other Victorian social enterprises ^(b) | \$ thousands (GST exclusive) | \$3,216 |
| | | Number of other Victorian social enterprises engaged ^(b) | Number | 3 |
| Sustainable Victorian regions | Job readiness and employment for people in regions with entrenched disadvantage | Number of Victorian Government suppliers that employ people who live in regions experiencing entrenched disadvantage on Victorian Government contracts | Number | Nil report |
| | | Total number of people employed by Victorian Government suppliers working on Victorian Government contracts who live in regions experiencing entrenched disadvantage | Number | Nil report |
| | | Number of hours dedicated to supporting people into work who are experiencing barriers to employment due to living in regions with entrenched disadvantage by Victorian Government suppliers on Victorian Government contracts | Number | Nil report |
| | | Total number of people who received job readiness support by Victorian Government suppliers on Victorian Government contracts who live in regions experiencing entrenched disadvantage | Number | Nil report |

| | | | | |
|---|--|--|----------------|------------|
| Environmentally sustainable outputs | Project-specific requirements to use sustainable resources and to manage waste and pollution | If departments or agencies have contracts with Victorian Government suppliers that have clauses relating to both sustainable resources and management of waste and pollution, they may report on the relevant achievements. This may cover items such as: recycled/reused water as a percentage of total; percentage or measure of water consumption; and percentage of procurement materials sourced from accredited supply chains. | As appropriate | Nil report |
| | Use of recycled content in construction works | If departments or agencies have contracts with Victorian Government suppliers that have clauses relating to recycled content in construction works, they may report on the relevant achievements. This may cover items such as: tonnes of recycled content specified in clauses in contracts or where not specified in tonnes, percentage of recycled content required; measurement of recycled asphalt products used in asphalt surface; and measurement of the repurposing of construction waste. | As appropriate | Nil report |
| Environmentally sustainable business practices | Adoption of sustainable business practices by suppliers to the Victorian Government | If departments or agencies have contracts with Victorian Government suppliers that have clauses for environmentally sustainable business practices, they may report on the relevant achievements. This may cover items such as: percentage of procurement materials to be sourced from sustainable accredited supply chains; infrastructure sustainability design ratings (such as 'excellent'); application and achievement of Green Star Australia ratings; application and achievement of ISO standards; and application and achievement of industry recognised standards. | As appropriate | Nil report |

| | | | | |
|---|--|---|----------------|------------|
| Implementation of the Climate Change Policy Objectives | Project-specific requirements to minimise greenhouse gas emissions | If departments or agencies have contracts with Victorian Government suppliers that have clauses for project-specific requirements to minimise greenhouse gas emissions, they may report on the relevant achievements. This may cover items such as: application and achievement of a specific rating and levels within a nominated industry rating system (for example, the Infrastructure Sustainability Council of Australia (ISCA) and Green Building Council of Australia (GBCA) Frameworks) for design, delivery and operational phases of a project; and application of an Environmental Management Plan to identify and manage risks to achieving and maintaining required rating levels through the design, delivery and operational phases of a project. | As appropriate | Nil report |
| | | If departments or agencies have contracts with Victorian Government suppliers that have clauses for procurement of outputs that are resilient against the impacts of climate change, they may report on the relevant achievements. This may cover items such as: application and achievement of national and international standards related to the management of climate change risks; and achievement of industry recognised sustainability ratings or certification. | As appropriate | Nil report |

LEGISLATIVE REQUIREMENTS

East Wimmera Health Service is a Victorian public sector organisation incorporated under the Health Services Act 1988 and operates under the provision of this Act. The Service is governed by a Board of Directors, appointed by the Minister.

The functions of the Board are:

- To conduct the Service in a manner that is consistent with the Mission, Vision and Values Statement and the Health Services Act 1988;
- To establish reporting mechanisms to monitor the performance, reports and audit processes of the Service and to ensure that they comply with the Financial Management Act 1994;
- To oversee the general governance of the Service; and
- To maintain proper accountability to Government by close observation of all legislative requirements, ensuring that the Service meets or exceeds targets as agreed in the Health Service Agreement and complies with all standards governing the Service.

PECUNIARY INTEREST AND PAYMENTS

Board of Directors members are required under legislation to complete a declaration of pecuniary interest annually. All East Wimmera Health Service Board Members have complied with this legislation.

FREEDOM OF INFORMATION

During 2022-23 there were 16 requests received under the Freedom of Information Act 1982.

FEES

East Wimmera Health Service charges fees in accordance with the Department of Health directives.

INDUSTRIAL RELATIONS

There has been no staff time lost due to industrial disputes.

MERIT AND EQUITY

The Chief Executive Officer ensures East Wimmera Health Service exercises the State Government's merit and equity principles in the recruitment of employees in accordance with the Public Authorities Equal Opportunity Act 1990.

CONSULTANTS

Consultancies over \$10,000

| Consultant | Purpose of consultancy | Start date | End date | Total approved project fee (excluding GST) | Expenditure 2022-23 (excluding GST) | Future expenditure (excluding GST) |
|-------------------------------------|--|------------|------------|---|--|---------------------------------------|
| Harcourt Aged Care Advisors Pty Ltd | Accreditation preparation and Compliance | 31/05/2022 | 31/05/2023 | \$29,676 | \$29,676 | Nil |
| ASPEX Consulting Pty Ltd | Whole of Service Plan | 04/07/2022 | 09/05/2023 | \$115,851 | \$115,851 | Nil |
| Lake Young & Associates Pty Ltd | 5 yearly Safety Re-Audit and Risk Assessment | 19/09/2022 | 30/11/2022 | \$35,000 | \$35,000 | Nil |

Details of consultancies (under \$10,000)

In 2022-23, there were four consultancies where the total fees payable to the consultants were less than \$10,000. The total expenditure incurred during 2022-23 in relation to these consultancies is \$9,426.05 (excl. GST).

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

In 2022-23, there were three consultancies where the total fees payable to the consultants were \$10,000 or greater. The total expenditure incurred during 2022-23 in relation to these consultancies is \$180,527.00 (excl. GST).

LOCAL JOBS FIRST ACT 2003

In 2022-23 there were no contracts requiring disclosure under the Local Jobs First Policy.

COMPETITIVE NEUTRALITY

There are no significant business units within East Wimmera Health Service that would require the implementation of a competitive neutrality pricing policy.

COMPLIANCE BUILDING ACT 1993

All works and maintenance undertaken were in conformity with the requirements of the Act.

COMPLAINTS POLICY

The Health Services (Conciliation and Review) Act 1987 requires Victorian Public Hospitals to nominate a Complaints Liaison Officer with the responsibility of complaints management at each Health Service.

Complaints received during the 2022-23 year: 16

East Wimmera Health Service has developed a Compliments, Concerns or Complaints Management Policy to facilitate the process of complaints management.

The Principal Complaints Officer of the Health Service is the Chief Executive Officer, with Campus Complaints Liaison Officers situated at each campus.

This process has been created to ensure that any response by the Health Service will address the genuine feedback received from patients, residents, clients, representatives and visitors in an effective and timely manner.

Further, the information received can be managed using a thorough and systematic approach, within a framework of continuous improvement and risk management.

PUBLICATIONS

2022 Annual Report incorporating Financial Report.

PUBLIC INTEREST DISCLOSURE ACT 2012

The Public Interest Disclosure Act 2012 is designed to enable people to make disclosures about improper conduct within the public sector without fear of reprisal.

Disclosures of improper conduct by East Wimmera Health Service or its employees can be made to The Public Interest Disclosure Officer or The Ombudsman Victoria.

CARERS RECOGNITION ACT 2012

The Carers Recognition Act 2012 (the Act) formally recognises and values the role of carers and the importance of care relationships in the Victorian community. East Wimmera Health Service has policies in place to ensure all employees are aware of their obligations as carers under the Act.

DISABILITY SERVICES ACT 2006

East Wimmera Health Service has policies and procedures which align with the applicable principles of the Victorian Disability Act 2006.

ACCREDITATION

Acute Services and Community Health Services

All East Wimmera Health Service Acute and Community Health Services are accredited with the Australian Council on Healthcare Standards from 1 November 2021 to 30 October 2024.

Aged Care

All East Wimmera Health Service Residential Aged Care facilities were accredited by the Aged Care Quality and Safety Commission in 2022 and are accredited until the following dates:

Birchip Nursing Home:

6 July 2025

Charlton Aged Care:

28 July 2025

Riverview Aged Care (Donald):

25 July 2025

Kara Court Nursing Home (St Arnaud):

7 July 2025

Grandview Lodge (Wycheproof):

6 September 2025

SAFE PATIENT CARE ACT 2015

East Wimmera Health Service has no matters to report in relation to its obligations under section 40 of the Safe Patient Care Act 2015.

GENDER EQUALITY ACT

The Gender Equality Act 2020 came into effect on the 30 March 2021. The vision is "All Australians live in a safe and equal society, have access to equal power, resources and opportunities, and are treated with dignity, respect and fairness". EWHS in accordance with the Gender Equality Act will take positive action towards achieving gender quality in our workplace and to consider and promote gender equality in policies, programs and services.

The EWHS Gender Equality Plan was submitted to the Gender Equality Commission (the Commission), who accepted and published the plan on the Commission portal.

The progress report and next audit of the Health Service is due in February 2024. The audit will check the progress made against the baseline audit from 2021. The progress report will account for the actions of the Gender Equality Action Plan (GEAP) up to June 2023. Currently EWHS are working on Gender Impact Assessments (GIA's) education, which will help EWHS staff assess how programs, services, policies or procedures meet the needs of diverse people in our community.

A working party has been formed to progress this work and embed these assessments into all areas of EWHS.

ADDITIONAL INFORMATION AVAILABLE ON REQUEST

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

- a statement that declarations of pecuniary interests have been duly completed by all relevant officers;
- details of shares held by a senior officer as nominee or held beneficially in a statutory authority or subsidiary;
- details of publications produced by the entity about itself, and how these can be obtained;
- details of changes in prices, fees, charges, rates and levies charged by the entity;
- details of any major external reviews carried out on the entity;
- details of major research and development activities undertaken by the entity;
- details of overseas visits undertaken including a summary of the objectives and outcomes of each visit;
- details of major promotional, public relations and marketing activities undertaken by the entity to develop community awareness of the entity and its services;
- details of assessments and measures undertaken to improve the occupational health and safety of employees;
- a general statement on industrial relations within the entity and details of time lost through industrial accidents and disputes;
- a list of major committees sponsored by the entity, the purposes of each committee and the extent to which the purposes have been achieved; and
- details of all consultancies and contractors including:
 - (i) consultants/contractors engaged;
 - (ii) services provided; and
 - (iii) expenditure committed to for each engagement

FINANCIAL MANAGEMENT COMPLIANCE ATTESTATION

I, Julianne Clift, on behalf of the Responsible Body, certify that the East Wimmera Health Service has no Material Compliance Deficiency with respect to the applicable Standing Directions under the Financial Management Act 1994 and Instructions.



Julianne Clift
Board Chair
St Arnaud, Victoria
25 September 2023

DATA INTEGRITY

I, Trevor Adem, certify that East Wimmera Health Service has put in place appropriate internal controls and processes to ensure that reported data accurately reflects actual performance. East Wimmera Health Service has critically reviewed these controls and processes during the year.



Trevor Adem
Chief Executive Officer and Accountable Officer
St Arnaud, Victoria
25 September 2023

INTEGRITY, FRAUD AND CORRUPTION

I, Trevor Adem, certify that East Wimmera Health Service has put in place appropriate internal controls and processes to ensure that Integrity, fraud and corruption risks have been reviewed and addressed at East Wimmera Health Service during the year.



Trevor Adem
Chief Executive Officer and Accountable Officer
St Arnaud, Victoria
25 September 2023

CONFLICT OF INTEREST

I, Trevor Adem, certify that East Wimmera Health Service has put in place appropriate internal controls and processes to ensure that it has complied with the requirements of hospital circular 07/2017 Compliance reporting in health portfolio entities (Revised) and has implemented a 'Conflict of Interest' policy consistent with the minimum accountabilities required by the VPSC. Declaration of private interest forms have been completed by all executive staff within East Wimmera Health Service and members of the board, and all declared conflicts have been addressed and are being managed. Conflict of interest is a standard agenda item for declaration and documenting at each executive board meeting.



Trevor Adem
Chief Executive Officer and Accountable Officer
St Arnaud, Victoria
25 September 2023

COMPLIANCE WITH HEALTH SHARE VICTORIA (HSV) PURCHASING POLICIES

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



Trevor Adem
Chief Executive Officer and Accountable Officer
St Arnaud, Victoria
25 September 2023

Financial Statements

Financial Year ended 30 June 2023

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

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

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

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

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

Board member



Ms Julianne Clift

Chair

St Arnaud
25/09/2023

Accountable Officer



Mr Trevor Adem

Chief Executive Officer

St Arnaud
25/09/2023

Chief Finance & Accounting Officer



Ms Joanna O'Leary

Director of Finance & Administration

St Arnaud
25/09/2023

Independent Auditor's Report

To the Board of East Wimmera Health Service

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

Auditor's responsibilities for the audit of the financial report

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

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

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

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



MELBOURNE
18 October 2023

Dominika Ryan
as delegate for the Auditor-General of Victoria

**East Wimmera Health Service
Comprehensive Operating Statement
For the Financial Year Ended 30 June 2023**

| | | 2023 | 2022 |
|--|------|-----------------|-----------------|
| | Note | \$'000 | \$'000 |
| Revenue and income from transactions | | | |
| Operating activities | 2.1 | 36,320 | 32,805 |
| Non-operating activities | 2.1 | 548 | 91 |
| Total revenue and income from transactions | | 36,868 | 32,896 |
| Expenses from transactions | | | |
| Employee expenses | 3.1 | (27,432) | (25,030) |
| Supplies and consumables | 3.1 | (1,960) | (2,136) |
| Finance costs | 3.1 | (13) | (47) |
| Depreciation | 3.1 | (3,936) | (4,096) |
| Other administrative expenses | 3.1 | (3,260) | (2,342) |
| Other operating expenses | 3.1 | (2,020) | (1,513) |
| Other non-operating expenses | 3.1 | (33) | - |
| Total Expenses from transactions | | (38,654) | (35,164) |
| Net result from transactions - net operating balance | | (1,786) | (2,268) |
| Other economic flows included in net result | | | |
| Net gain/(loss) on sale of non-financial assets | 3.2 | 25 | 35 |
| Net gain/(loss) on financial instruments | 3.4 | (33) | - |
| Other gain/(loss) from other economic flows | 3.2 | (35) | (185) |
| Total other economic flows included in net result | | (43) | (150) |
| Net result for the year | | (1,829) | (2,418) |
| Other comprehensive income | | | |
| Items that will not be reclassified to net result | | | |
| Changes in property, plant and equipment revaluation surplus | 4.3 | - | 5,382 |
| Total other comprehensive income | | - | 5,382 |
| Comprehensive result for the year | | (1,829) | 2,964 |

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

East Wimmera Health Service
Balance Sheet
As at 30 June 2023

| | Note | 2023 \$'000 | 2022 \$'000 |
|---|---------|----------------|----------------|
| Current assets | | | |
| Cash and cash equivalents | 6.2 | 19,214 | 15,901 |
| Receivables | 5.1 | 1,018 | 587 |
| Contract assets | 5.2 | 50 | - |
| Inventories | | 73 | 85 |
| Prepaid expenses | | 207 | 122 |
| Total current assets | | 20,562 | 16,695 |
| Non-current assets | | | |
| Receivables | 5.1 | 716 | 611 |
| Property, plant and equipment | 4.1 (a) | 57,130 | 60,518 |
| Right of use assets | 4.2 (a) | 221 | 186 |
| Total non-current assets | | 58,067 | 61,315 |
| Total assets | | 78,629 | 78,010 |
| Current liabilities | | | |
| Payables | 5.3 | 3,405 | 2,991 |
| Contract liabilities | 5.4 | 2,980 | 1,785 |
| Borrowings | 6.1 | 129 | 124 |
| Employee benefits | 3.3 | 5,513 | 5,085 |
| Other liabilities | 5.5 | 7,797 | 7,283 |
| Total current liabilities | | 19,824 | 17,268 |
| Non-current liabilities | | | |
| Borrowings | 6.1 | 215 | 252 |
| Employee benefits | 3.3 | 604 | 675 |
| Total non-current liabilities | | 819 | 927 |
| Total liabilities | | 20,643 | 18,195 |
| Net assets | | 57,986 | 59,815 |
| Equity | | | |
| Property, plant and equipment revaluation surplus | 4.3 | 50,649 | 50,649 |
| Restricted specific purpose reserve | SCE | 780 | 780 |
| Contributed capital | SCE | 12,573 | 12,573 |
| Accumulated deficit | SCE | (6,016) | (4,187) |
| Total equity | | 57,986 | 59,815 |

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

**East Wimmera Health Service
Statement of Changes in Equity
For the Financial Year Ended 30 June 2023**

| Total | Note | Property, Plant and Equipment Revaluation Surplus \$'000 | Restricted Specific Purpose Reserve \$'000 | Contributed Capital \$'000 | Accumulated Deficit \$'000 | Total \$'000 |
|---|-------------|---|---|---------------------------------------|---------------------------------------|-------------------------|
| Balance at 1 July 2021 | | 45,267 | 780 | 12,573 | (1,769) | 56,851 |
| Net result for the year | | - | - | - | (2,418) | (2,418) |
| Other comprehensive income for the year | 4.3 | 5,382 | - | - | - | 5,382 |
| Balance at 30 June 2022 | | 50,649 | 780 | 12,573 | (4,187) | 59,815 |
| Net result for the year | | - | - | - | (1,829) | (1,829) |
| Other comprehensive income for the year | 4.3 | - | - | - | - | - |
| Balance at 30 June 2023 | | 50,649 | 780 | 12,573 | (6,016) | 57,986 |

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

East Wimmera Health Service
Cash Flow Statement
For the Financial Year Ended 30 June 2023

| | 2023 | 2022 |
|--|-----------------|-----------------|
| Note | \$'000 | \$'000 |
| Cash Flows from operating activities | | |
| Operating grants from State Government | 26,028 | 22,761 |
| Operating grants from Commonwealth Government | 7,532 | 5,875 |
| Capital grants from State Government | 538 | 919 |
| Patient fees received | 2,247 | 2,082 |
| GST received from ATO | 550 | 713 |
| Interest and investment income received | 548 | 91 |
| Commercial Income Received | 302 | 294 |
| Other receipts | 701 | 1,334 |
| Total receipts | 38,446 | 34,069 |
| Payments to employees | (26,770) | (24,711) |
| Payments for supplies and consumables | (2,276) | (1,760) |
| Payments for medical indemnity insurance | (237) | (191) |
| Payments for repairs and maintenance | (1,106) | (556) |
| Finance Costs | (13) | (47) |
| GST paid to ATO | (663) | (666) |
| Cash outflow for leases | (14) | (14) |
| Other payments | (4,029) | (2,879) |
| Total payments | (35,108) | (30,824) |
| Net cash flows from/(used in) operating activities | 3,338 | 3,245 |
| | 8.1 | |
| Cash Flows from investing activities | | |
| Purchase of property, plant and equipment | (496) | (2,689) |
| Capital donations and bequests received | 14 | 15 |
| Proceeds from disposal of plant and equipment | 48 | 35 |
| Net cash flows from/(used in) investing activities | (434) | (2,639) |
| Cash flows from financing activities | | |
| Repayment of borrowings | (65) | - |
| Repayment of principal portion of lease liabilities | (64) | (104) |
| Receipt of accommodation deposits | 2,205 | 2,307 |
| Repayment of accommodation deposits | (1,667) | (2,536) |
| Net cash flows from /(used in) financing activities | 409 | (333) |
| Net increase/(decrease) in cash and cash equivalents held | 3,313 | 273 |
| Cash and cash equivalents at beginning of year | 15,901 | 15,628 |
| Cash and cash equivalents at end of year | 19,214 | 15,901 |
| | 6.2 | |

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

East Wimmera Health Service

Notes to the Financial Statements

For the Financial Year Ended 30 June 2023

Note 1: Basis of preparation

Structure

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

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

This section explains the basis of preparing the financial statements.

Note 1.1: Basis of preparation of the financial statements

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

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

East Wimmera Health Service is a not-for-profit entity and therefore applies the additional AUS paragraphs applicable to a "not-for-profit" health service under the Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Apart from the changes in accounting policies, standards and interpretations as noted below, material accounting policies adopted in the preparation of these financial statements are the same as those adopted in the previous period.

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

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

The financial statements are presented in Australian dollars.

East Wimmera Health Service

Notes to the Financial Statements

For the Financial Year Ended 30 June 2023

Note 1.1: Basis of preparation of the financial statements (continued)

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 East Wimmera Health Service on **25th September 2023**.

Note 1.2 Impact of COVID-19 pandemic

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

In the current reporting period, financial impacts of the pandemic were not material to East Wimmera Health Service.

East Wimmera Health Service

Notes to the Financial Statements

For the Financial Year Ended 30 June 2023

Note 1.3 Abbreviations and terminology used in the financial statements

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

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

Note 1.4 Joint arrangements

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

East Wimmera Health Service has the following joint arrangements:

- Grampians Rural Health Alliance - Joint Operation

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

Note 1.5 Key accounting estimates and judgements

Management make estimates and judgements when preparing the financial statements.

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

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

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

- Note 2.1: Revenue and income from transactions
- Note 3.3: Employee benefits and related on-costs
- Note 4.1: Property, plant and equipment
- Note 4.2: Right-of-use assets
- Note 4.4: Depreciation and amortisation
- Note 4.5: Impairment of assets
- Note 5.1: Receivables
- Note 5.2: Contract assets
- Note 5.3: Payables
- Note 5.4: Contract liabilities
- Note 5.5: Other provisions
- Note 6.1(a): Lease liabilities
- Note 7.4: Fair value determination

East Wimmera Health Service

Notes to the Financial Statements

For the Financial Year Ended 30 June 2023

Note 1.6 Accounting standards issued but not yet effective

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

| Standard | Adoption Date | Impact |
|---|---|--|
| AASB 17: <i>Insurance Contracts</i> | Reporting periods beginning on or after 1 January 2023 | Adoption of this standard is not expected to have a material impact. |
| AASB 2020-1: <i>Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current</i> | Reporting periods beginning on or after 1 January 2023. | Adoption of this standard is not expected to have a material impact. |
| AASB 2022-5: <i>Amendments to Australian Accounting Standards - Lease Liability in a Sale and Leaseback</i> | Reporting periods beginning on or after 1 January 2024. | Adoption of this standard is not expected to have a material impact. |
| AASB 2022-6: <i>Amendments to Australian Accounting Standards - Non-Current Liabilities with Covenants</i> | Reporting periods beginning on or after 1 January 2023. | Adoption of this standard is not expected to have a material impact. |
| AASB 2022-8: <i>Amendments to Australian Accounting Standards - Insurance Contracts: Consequential Amendments</i> | Reporting periods beginning on or after 1 January 2023. | Adoption of this standard is not expected to have a material impact. |
| AASB 2022-9: <i>Amendments to Australian Accounting Standards - Insurance Contracts in the Public Sector</i> | Reporting periods beginning on or after 1 January 2026. | Adoption of this standard is not expected to have a material impact. |
| AASB 2022-10: <i>Amendments to Australian Accounting Standards - Fair Value Measurement of Non-Financial Assets of No-for-profit Public Sector Entities</i> | Reporting periods beginning on or after 1 January 2024. | Adoption of this standard is not expected to have a material impact. |

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

East Wimmera Health Service

Notes to the Financial Statements

For the Financial Year Ended 30 June 2023

Note 1.7 Goods and Services Tax (GST)

Income, expenses, assets and liabilities are recognised net of the amount of GST, except where the GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables in the Balance Sheet are stated inclusive of the amount of GST. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the Balance Sheet.

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

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

Note 1.8 Reporting Entity

The financial statements include all the controlled activities of East Wimmera Health Service.

East Wimmera Health Service's principal address is:

52 North Western Road
St Arnaud, Victoria 3478

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

Note 2: Funding delivery of our services

East Wimmera Health Service's overall objective is to provide quality health service that support and enhance the wellbeing of all Victorians. East Wimmera Health Service is predominantly funded by grant funding for the provision of outputs. East Wimmera 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

Telling the COVID-19 story

Revenue recognised to fund the delivery of our services during the financial year was not materially impacted by the COVID-19 Coronavirus pandemic and scaling down the COVID-19 public health response during the year ended 30 June 2023.

Key judgements and estimates

This section contains the following key judgements and estimates:

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

Note 2.1 Revenue and income from transactions

| Note | 2023 \$'000 | 2022 \$'000 |
|---|----------------|----------------|
| Operating activities | | |
| Revenue from contracts with customers | | |
| Government grants (State) - Operating | 204 | 176 |
| Government grants (Commonwealth) - Operating | 6,796 | 4,887 |
| Patient and resident fees | 2,387 | 2,170 |
| Commercial activities ¹ | 302 | 294 |
| Total revenue from contracts with customers | 9,689 | 7,527 |
| Note 2.1 (a) | | |
| Other sources of income | | |
| Government grants (State) - Operating | 24,247 | 21,700 |
| Government grants (Commonwealth) - Operating | 736 | 988 |
| Government grants (State) - Capital | 538 | 919 |
| Capital donations | 14 | 15 |
| Assets received free of charge or for nominal consideration | 154 | 452 |
| Other revenue from operating activities (including non-capital donations) | 942 | 1,204 |
| Total other sources of income | 26,631 | 25,278 |
| | | |
| Total revenue and income from operating activities | 36,320 | 32,805 |
| Non-operating activities | | |
| Income from other sources | | |
| Capital interest | 246 | 5 |
| Other interest | 302 | 86 |
| Total other sources of income | 548 | 91 |
| | | |
| Total income from non-operating activities | 548 | 91 |
| | | |
| Total revenue and income from transactions | 36,868 | 32,896 |

1. Commercial activities represent business activities which East Wimmera Health Service enter into to support their operations.

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

| | 2023 \$'000 | 2022 \$'000 |
|---|----------------|----------------|
| East Wimmera Health Service disaggregates revenue by the timing of revenue recognition. | | |
| Goods and services transferred to customers: | | |
| At a point in time | 9,387 | 7,233 |
| Over time | 302 | 294 |
| Total revenue from contracts with customers | 9,689 | 7,527 |

Note 2.1 Revenue and income from transactions (continued)

How we recognise revenue and income from operating activities

Government operating grants

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

When both these conditions are satisfied, the health service:

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

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

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

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

Note 2.1 Revenue and income from transactions (continued)

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

| Government grant | Performance obligation |
|---|--|
| Commonwealth Residential Aged Care Grants | <p>Funding is provided for the provision of care for aged care residents within facilities at East Wimmera Health Service.</p> <p>The performance obligations include provision of residential accommodations and care from nursing staff and personal care workers.</p> <p>Revenue is recognised at the point in time when the service is provided within the residential aged care facility.</p> |

Capital grants

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

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

Patient and resident fees

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

Commercial activities

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

How we recognise revenue and income from non-operating activities

Interest Income

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

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

| | 2023 \$'000 | 2022 \$'000 |
|---|----------------|----------------|
| Plant and equipment | 7 | - |
| Personal protective equipment | 147 | 452 |
| Total fair value of assets and services received free of charge or for nominal consideration | 154 | 452 |

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

Personal protective equipment

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

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

Contributions of resources

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

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

Volunteer Services

East Wimmera Health Service receives volunteer services from members of the community in the following areas:

- Lawn and garden maintenance

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

East Wimmera Health Service greatly values the services contributed by volunteers but it does not depend on volunteers to deliver its services.

Non-cash contributions from the Department of Health

The Department of Health makes some payments on behalf of East Wimmera Health Service as follows:

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

Note 3: The cost of delivering our services

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

Structure

3.1 Expenses from transactions

3.2 Other economic flows

3.3 Employee benefits in the balance sheet

3.4 Superannuation

Telling the COVID-19 story

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

Key judgements and estimates

This section contains the following key judgements and estimates:

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

Note 3.1 Expenses from transactions

| Note | 2023 \$'000 | 2022 \$'000 |
|--|----------------|----------------|
| Salaries and wages | 22,632 | 21,746 |
| On-costs | 2,227 | 2,075 |
| Agency expenses | 1,775 | 496 |
| Fee for service medical officer expenses | 548 | 483 |
| Workcover premium | 250 | 230 |
| Total employee expenses | 27,432 | 25,030 |
| Drug supplies | 54 | 102 |
| Medical and surgical supplies | 634 | 955 |
| Diagnostic and radiology supplies | 17 | 12 |
| Other supplies and consumables | 1,255 | 1,067 |
| Total supplies and consumables | 1,960 | 2,136 |
| Finance costs | 13 | 47 |
| Total finance costs | 13 | 47 |
| Other administrative expenses | 3,260 | 2,342 |
| Total other administrative expenses | 3,260 | 2,342 |
| Fuel, light, power and water | 467 | 493 |
| Repairs and maintenance | 857 | 343 |
| Maintenance contracts | 249 | 213 |
| Medical indemnity insurance | 237 | 191 |
| Expenses related to leases of low value assets | 14 | 14 |
| Expenditure for capital purposes | 196 | 259 |
| Total other operating expenses | 2,020 | 1,513 |
| Total operating expense | 34,685 | 31,068 |
| Depreciation | 4.4 3,936 | 4,096 |
| Total depreciation | 3,936 | 4,096 |
| Bad and doubtful debt expense | 33 | - |
| Total other non-operating expenses | 33 | - |
| Total non-operating expense | 3,969 | 4,096 |
| Total expenses from transactions | 38,654 | 35,164 |

Note 3.1 Expenses from transactions (continued)

How we recognise expenses from transactions

Expense recognition

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

Employee expenses

Employee expenses include:

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

Supplies and consumables

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

Finance costs

Finance costs include:

- finance charges in respect of leases which are recognised in accordance with AASB 16 *Leases*.

Other operating expenses

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

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

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

Non-operating expenses

Other non-operating expenses generally represent expenditure outside the normal operations such as depreciation and amortisation, and assets and services provided free of charge or for nominal consideration.

Note 3.2 Other economic flows

| | 2023 \$'000 | 2022 \$'000 |
|--|----------------|----------------|
| Net gain/(loss) on disposal of property plant and equipment | 25 | 35 |
| Total net gain/(loss) on non-financial assets | 25 | 35 |
| Allowance for impairment losses of contractual receivables | (39) | - |
| Other gains/(losses) from other economic flows | 6 | - |
| Total net gain/(loss) on financial instruments | (33) | - |
| Net gain/(loss) arising from revaluation of long service liability | (35) | (185) |
| Total other gains/(losses) from other economic flows | (35) | (185) |
| Total gains/(losses) from other economic flows | (43) | (150) |

How we recognise other economic flows

Other economic flows are changes in the volume or value of an asset or liability that do not result from transactions. Other gains/(losses) from other economic flows include the gains or losses from:

- the revaluation of the present value of the long service leave liability due to changes in the bond interest rates.

Net gain/(loss) on non-financial assets

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

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

Note 3.3 Employee benefits and related on-costs

| | 2023 \$'000 | 2022 \$'000 |
|---|----------------|----------------|
| Current employee benefits and related on-costs | | |
| <i>Accrued days off</i> | | |
| Unconditional and expected to be settled wholly within 12 months ⁱ | 93 | 71 |
| | 93 | 71 |
| <i>Annual leave</i> | | |
| Unconditional and expected to be settled wholly within 12 months ⁱ | 1,793 | 1,858 |
| Unconditional and expected to be settled wholly after 12 months ⁱⁱ | 287 | 245 |
| | 2,080 | 2,103 |
| <i>Long service leave</i> | | |
| Unconditional and expected to be settled wholly within 12 months ⁱ | 360 | 651 |
| Unconditional and expected to be settled wholly after 12 months ⁱⁱ | 2,048 | 1,587 |
| | 2,408 | 2,238 |
| <i>Provisions related to employee benefit on-costs</i> | | |
| Unconditional and expected to be settled within 12 months ⁱ | 576 | 329 |
| Unconditional and expected to be settled after 12 months ⁱⁱ | 356 | 344 |
| | 932 | 673 |
| Total current employee benefits and related on-costs | 5,513 | 5,085 |
| Non-current employee benefits and related on-costs | | |
| Conditional long service leave | 456 | 598 |
| Provisions related to employee benefit on-costs | 148 | 77 |
| Total non-current employee benefits and related on-costs | 604 | 675 |
| Total employee benefits and related on-costs | 6,117 | 5,760 |

ⁱ The amounts disclosed are nominal amounts.

ⁱⁱ The amounts disclosed are discounted to present values.

Note 3.3 (a) Employee benefits and related on-costs

| | 2023 \$'000 | 2022 \$'000 |
|---|----------------|----------------|
| Current employee benefits and related on-costs | | |
| Unconditional accrued days off | 93 | 71 |
| Unconditional annual leave entitlements | 2,697 | 2,415 |
| Unconditional long service leave entitlements | 2,723 | 2,599 |
| Total current employee benefits and related on-costs | 5,513 | 5,085 |
| Non-current employee benefits and related on-costs | | |
| Conditional long service leave entitlements | 604 | 675 |
| Total non-current employee benefits and related on-costs | 604 | 675 |
| Total employee benefits and related on-costs | 6,117 | 5,760 |
| Attributable to: | | |
| Employee benefits | 5,037 | 5,010 |
| Provision for related on-costs | 1,080 | 750 |
| Total employee benefits and related on-costs | 6,117 | 5,760 |

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

| | 2023 \$'000 | 2022 \$'000 |
|--|----------------|----------------|
| Carrying amount at start of year | 748 | 707 |
| Additional provisions recognised | 717 | 405 |
| Net gain/(loss) arising from revaluation of long service liability | (3) | (22) |
| Amounts incurred during the year | (382) | (342) |
| Carrying amount at end of year | 1,080 | 748 |

How we recognise employee benefits

Employee benefit recognition

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

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

Annual leave and accrued days off

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

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

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

Long service leave

The liability for long service leave (LSL) is recognised in the provision for employee benefits.

Unconditional LSL is disclosed in the notes to the financial statements as a current liability even where East Wimmera 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 East Wimmera Health Service expects to wholly settle within 12 months or
- Present value – if East Wimmera Health Service does not expect to wholly settle within 12 months.

Conditional LSL is measured at present value and is disclosed as a non-current liability. Any gain or loss following revaluation of the present value of non-current LSL liability is recognised as a transaction, except to the extent that a gain or loss arises due to changes in estimations e.g. bond rate movements, inflation rate movements and changes in probability factors which are then recognised as other economic flows.

Provision for on-costs related to employee benefits

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

Note 3.4 Superannuation

| | Paid Contribution for the Year | | Contribution Outstanding at Year End | |
|---|--------------------------------|----------------|--------------------------------------|----------------|
| | 2023 \$'000 | 2022 \$'000 | 2023 \$'000 | 2022 \$'000 |
| Defined benefit plans:ⁱ | | | | |
| Aware Super | 113 | 110 | - | - |
| Defined contribution plans: | | | | |
| Aware Super | 1,172 | 1,163 | - | - |
| Hesta | 616 | 523 | - | - |
| Other | 326 | 279 | - | - |
| Total | 2,227 | 2,075 | - | - |

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 East Wimmera Health Service are entitled to receive superannuation benefits and it contributes to both defined benefit and defined contribution plans.

Defined benefit superannuation plans

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

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

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

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

Defined contribution superannuation plans

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

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

Note 4: Key assets to support service delivery

East Wimmera Health Service controls infrastructure and other investments that are utilised in fulfilling its objectives and conducting its activities. They represent the key resources that have been entrusted to East Wimmera Health Service to be utilised for delivery of those outputs.

Structure

4.1 Property, plant & equipment

4.2 Right-of-use assets

4.3 Revaluation surplus

4.4 Depreciation

4.5 Impairment of assets

Telling the COVID-19 story

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

Key judgements and estimates

This section contains the following key judgements and estimates:

| Key judgements and estimates | Description |
|---|--|
| Measuring fair value of property, plant and equipment and investment properties | <p>East Wimmera Health Service 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. 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>East Wimmera Health Service 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>East Wimmera Health Service applies significant judgement to determine whether or not it is reasonably certain to exercise such purchase options.</p> |

Key judgements and estimates (continued)

| Key judgements and estimates | Description |
|--------------------------------------|---|
| Identifying indicators of impairment | <p>At the end of each year, East Wimmera Health Service assesses impairment by evaluating the conditions and events specific to the health service that may be indicative of impairment triggers. Where an indication exists, the health service tests the asset for impairment.</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> |

Note 4.1 Property, plant and equipment

Note 4.1 (a) Gross carrying amount and accumulated depreciation

| | 2023 \$'000 | 2022 \$'000 |
|---|----------------|----------------|
| Land at fair value - Crown | 433 | 433 |
| Land at fair value - Freehold | 1,486 | 1,486 |
| Total land at fair value | 1,919 | 1,919 |
| Buildings at fair value | 55,945 | 54,734 |
| Less accumulated depreciation | (3,058) | - |
| Total buildings at fair value | 52,887 | 54,734 |
| Works in progress at fair value | 74 | 1,230 |
| Total land and buildings | 54,880 | 57,883 |
| Plant and equipment at fair value | 6,351 | 6,458 |
| Less accumulated depreciation | (5,437) | (5,229) |
| Total plant and equipment at fair value | 914 | 1,229 |
| Motor vehicles at fair value | 873 | 873 |
| Less accumulated depreciation | (873) | (852) |
| Total motor vehicles at fair value | - | 21 |
| Furniture and fittings at fair value | 3,929 | 3,527 |
| Less accumulated depreciation | (2,593) | (2,214) |
| Total furniture and fittings at fair value | 1,336 | 1,313 |
| Total plant, equipment, furniture, fittings and vehicles at fair value | 2,250 | 2,563 |
| Other assets under construction at Cost | - | 72 |
| Total property, plant and equipment | 57,130 | 60,518 |

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

| | Land | Buildings | Building works in progress | Plant & equipment | Motor vehicles | Furniture & Fittings | Assets under construction | Total | |
|-------------------------------------|----------------|---------------|-------------------------------|----------------------|----------------|-------------------------|------------------------------|---------------|---------------|
| Note | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | |
| Balance at 1 July 2021 | 1,084 | 45,455 | 7,933 | 1,066 | 21 | 859 | 81 | 56,499 | |
| Additions | - | 1,588 | - | 369 | - | 660 | 72 | 2,689 | |
| Disposals | - | - | - | - | - | - | - | - | |
| Revaluation increments/(decrements) | 835 | 4,547 | - | - | - | - | - | 5,382 | |
| Net transfers between classes | - | 6,784 | (6,703) | - | - | - | (81) | - | |
| Depreciation | 4.4 | (3,640) | - | (206) | - | (206) | - | (4,052) | |
| Balance at 30 June 2022 | 4.1 (a) | 1,919 | 54,734 | 1,230 | 1,229 | 21 | 1,313 | 72 | 60,518 |
| Additions | - | 8 | 46 | 118 | - | 330 | - | 502 | |
| Disposals | - | - | - | - | - | - | - | - | |
| Revaluation increments/(decrements) | - | - | - | - | - | - | - | - | |
| Net Transfers between classes | - | 1,202 | (1,202) | - | - | 72 | (72) | - | |
| Depreciation | 4.4 | (3,057) | - | (433) | (21) | (379) | - | (3,890) | |
| Balance at 30 June 2023 | 4.1 (a) | 1,919 | 52,887 | 74 | 914 | - | 1,336 | - | 57,130 |

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

Land and Buildings Carried at Valuation

The Valuer-General Victoria undertook to re-value all of East Wimmera Health Services land and buildings to determine their fair value. The valuation, which conforms to Australian Valuation Standards, was determined by reference to the amounts for which assets could be exchanged between knowledgeable willing parties in an arm's length transaction. The valuation was based on independent assessments. The effective date of the valuation was 30 June 2019 for buildings and 30 June 2022 for land.

How we recognise property, plant and equipment

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

Initial recognition

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

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

Subsequent measurement

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

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

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

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

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, East Wimmera Health Service perform a managerial assessment to estimate possible changes in fair value of land and buildings since the date of the last independent valuation with reference to Valuer-General of Victoria (VGV) indices.

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

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

- increase in fair value of land of 0% (\$Nil)
- increase in fair value of buildings of 6.76% (\$3.572M).

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

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

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

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

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

Note 4.2 Right-of-use assets

Note 4.2(a) Gross carrying amount and accumulated depreciation

| | 2023 | 2022 |
|--|---------------|---------------|
| | \$'000 | \$'000 |
| Right of use vehicles at fair value | 304 | 261 |
| Less accumulated depreciation | (83) | (75) |
| Total right of use vehicles at fair value | 221 | 186 |
| Total right of use assets at fair value | 221 | 186 |

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

| | Note | Right-of-use Vehicles \$'000 | Total \$'000 |
|--------------------------------|----------------|------------------------------------|-----------------|
| Balance at 1 July 2021 | | 171 | 171 |
| Additions | | 113 | 113 |
| Disposals | | (54) | (54) |
| Depreciation | 4.4 | (44) | (44) |
| Balance at 30 June 2022 | 4.2 (a) | 186 | 186 |
| Additions | | 103 | 103 |
| Disposals | | (22) | (22) |
| Depreciation | 4.4 | (46) | (46) |
| Balance at 30 June 2023 | 4.2 (a) | 221 | 221 |

How we recognise right-of-use assets

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

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

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

| Class of right-of-use asset | Lease term |
|-----------------------------|--------------|
| Leased vehicles | 2 to 5 years |

Initial recognition

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

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

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

Subsequent measurement

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

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

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

Note 4.3 Revaluation Surplus

| Note | 2023 \$'000 | 2022 \$'000 |
|--|----------------|----------------|
| Balance at the beginning of the reporting period | 50,649 | 45,267 |
| Revaluation increment | | |
| - Land | 4.1 (b) - | 835 |
| - Buildings | 4.1 (b) - | 4,547 |
| Balance at the end of the Reporting Period* | 50,649 | 50,649 |
| * Represented by: | | |
| - Land | 1,918 | 1,918 |
| - Buildings | 48,731 | 48,731 |
| | 50,649 | 50,649 |

Note 4.4 Depreciation

| | 2023 \$'000 | 2022 \$'000 |
|---|----------------|----------------|
| Depreciation | | |
| Buildings | 3,057 | 3,640 |
| Plant and equipment | 433 | 206 |
| Motor vehicles | 21 | - |
| Furniture and fittings | 379 | 206 |
| Total depreciation - property, plant and equipment | 3,890 | 4,052 |
| Right-of-use assets | | |
| Right of use - vehicles | 46 | 44 |
| Total depreciation - right-of-use assets | 46 | 44 |
| Total depreciation | 3,936 | 4,096 |

How we recognise depreciation

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

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

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

| | 2023 | 2022 |
|---|---------------|----------------|
| Buildings | | |
| - Structure shell building fabric | 7 to 50 years | 5 to 36 years |
| - Site engineering services and central plant | 33 years | 8 years |
| Central Plant | | |
| - Fit Out | 5 to 25 years | 8 years |
| - Trunk reticulated building system | 8 to 25 years | 8 years |
| Plant and equipment | 2 to 20 years | 3 to 7 years |
| Medical equipment | 5 to 20 years | 7 to 10 years |
| Computers and communication | 3 to 5 years | 2 to 4 years |
| Furniture and fitting | 4 to 20 years | 10 to 13 years |
| Motor Vehicles | 5 years | 10 years |
| Land Improvements | 7 to 50 years | 6 to 7 years |

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

Note 4.5: Impairment of assets

How we recognise impairment

At the end of each reporting period, East Wimmera Health Service reviews the carrying amount of its tangible and intangible assets that have a finite useful life, to determine whether there is any indication that an asset may be impaired. The assessment will include consideration of external sources of information and internal sources of information.

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

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

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

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

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

East Wimmera Health Service did not record any impairment losses for the year ended 30 June 2023.

Note 5: Other assets and liabilities

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

Structure

- 5.1 Receivables**
- 5.2 Contract assets**
- 5.3 Payables**
- 5.4 Contract liabilities**
- 5.5 Other liabilities**

Telling the COVID-19 story

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

Key judgements and estimates

This section contains the following key judgements and estimates:

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

Note 5.1 Receivables

| Notes | 2023 \$'000 | 2022 \$'000 |
|---|---------------------|----------------|
| Current receivables | | |
| Contractual | | |
| Trade receivables | 159 | 146 |
| Patient fees | 419 | 279 |
| Allowance for impairment losses - Patient fees | (47) | (8) |
| Accrued revenue | 158 | - |
| Amounts receivable from governments and agencies | 134 | 88 |
| Total contractual receivables | 823 | 505 |
| Statutory | | |
| GST receivable | 195 | 82 |
| Total statutory receivables | 195 | 82 |
| Total current receivables | 1,018 | 587 |
| Non-current receivables | | |
| Contractual | | |
| Long service leave - Department of Health | 716 | 611 |
| Total contractual receivables | 716 | 611 |
| Total non-current receivables | 716 | 611 |
| Total financial assets classified as receivables | 1,734 | 1,198 |
| <i>(i) Financial assets classified as receivables (Note 7.1(a))</i> | | |
| Total receivables | 1,734 | 1,198 |
| GST receivable | (195) | (82) |
| Total financial assets classified as receivables | 7.1(a) 1,539 | 1,116 |

Note 5.1 Receivables (continued)

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

| | 2023 \$'000 | 2022 \$'000 |
|---------------------------------------|----------------|----------------|
| Balance at the beginning of the year | 8 | 8 |
| Increase in allowance | 39 | - |
| Balance at the end of the year | 47 | 8 |

How we recognise receivables

Receivables consist of:

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

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

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

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

Impairment losses of contractual receivables

Refer to Note 7.2 (a) for East Wimmera Health Service's contractual impairment losses.

Note 5.2 Contract assets

| | 2023 \$'000 | 2022 \$'000 |
|---|----------------|----------------|
| Balance at the beginning of the year | - | - |
| Add: Additional costs incurred that are recoverable from the customer | 50 | - |
| Total contract assets | 50 | - |
| * Represented by: | | |
| - Current assets | 50 | - |
| | 50 | - |

How we recognise contract assets

Contract assets relate to the East Wimmera 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 during the next financial year.

Note 5.3 Payables

| | 2023 | 2022 |
|---|--------------|--------------|
| Note | \$'000 | \$'000 |
| Current payables | | |
| Contractual | | |
| Trade creditors | 471 | 227 |
| Accrued salaries and wages | 991 | 651 |
| Accrued expenses | 278 | 521 |
| Deferred capital grant income | 1,665 | 1,128 |
| Amounts payable to governments and agencies | - | 464 |
| Total contractual payables | 3,405 | 2,991 |
| Total current payables | 3,405 | 2,991 |
| Total payables | 3,405 | 2,991 |
| <i>(i) Financial liabilities classified as payables (Note 7.1(a))</i> | | |
| Total payables | 3,405 | 2,991 |
| Deferred capital grant income | (1,665) | (1,128) |
| Total financial liabilities classified as payables | 1,740 | 1,863 |

How we recognise payables

Payables consist of:

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

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

Note 5.3 (a) Deferred capital grant income

| | 2023 | 2022 |
|---|---------------|---------------|
| | \$'000 | \$'000 |
| Opening balance of deferred grant income | 1,128 | 1,048 |
| Grant consideration for capital works received during the year | 720 | 348 |
| Deferred grant revenue recognised as revenue due to completion of capital works | (183) | (268) |
| Closing balance of deferred grant income | 1,665 | 1,128 |

How we recognise deferred capital grant revenue

Grant consideration was received from the Department of Health to support a number of capital projects, including refurbishments at Birchip and Wycheproof, fire upgrade and elevator installation at St Arnaud. Capital grant revenue is recognised progressively as the asset is constructed, since this is the time when East Wimmera Health Service satisfies its obligations. The progressive percentage of costs incurred is used to recognise income because this most closely reflects the percentage of completion of the building works. As a result, East Wimmera Health Service has deferred recognition of a portion of the grant consideration received as a liability for the outstanding obligations.

East Wimmera Health Service expects to recognise all of the remaining deferred capital grant revenue for capital works by 30 June 2024.

Note 5.4 Contract liabilities

| | 2023 \$'000 | 2022 \$'000 |
|--|----------------|----------------|
| Opening balance of contract liabilities | 1,785 | 940 |
| Grant consideration for sufficiently specific performance obligations received during the year | 1,889 | 1,433 |
| Revenue recognised for the completion of a performance obligation | (694) | (588) |
| Total contract liabilities | 2,980 | 1,785 |
| * Represented by: | | |
| - Current contract liabilities | 2,980 | 1,785 |
| | 2,980 | 1,785 |

How we recognise contract liabilities

Contract liabilities include consideration received in advance from customers in respect of Commonwealth Home Support services. The balance of contract liabilities continued to increase due to service delivery resources being restricted throughout the year.

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

Maturity analysis of payables

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

Note 5.5 Other liabilities

| Notes | 2023 \$'000 | 2022 \$'000 |
|---|----------------|----------------|
| Current monies held in trust | | |
| Patient monies | 62 | 91 |
| Refundable accommodation deposits | 7,719 | 7,181 |
| Other monies | 16 | 11 |
| Total current monies held in trust | 7,797 | 7,283 |
| Total other liabilities | 7,797 | 7,283 |
| * Represented by: | | |
| - Cash assets | 6.2 7,797 | 7,283 |
| | 7,797 | 7,283 |

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 East Wimmera Health Service upon admission. These deposits are liabilities which fall due and payable when the resident leaves the home. As there is no unconditional right to defer payment for 12 months, these liabilities are recorded as current liabilities.

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

Note 6: How we finance our operations

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

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

Structure

6.1 Borrowings

6.2 Cash and cash equivalents

6.3 Commitments for expenditure

Telling the COVID-19 story

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

Key judgements and estimates

This section contains the following key judgements and estimates:

| Key judgements and estimates | Description |
|--|--|
| Determining if a contract is or contains a lease | <p>East Wimmera Health Service 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>East Wimmera Health Service 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>East Wimmera Health Service discounts its lease payments using the interest rate implicit in the lease. If this rate cannot be readily determined, which is generally the case for the health service's lease arrangements, East Wimmera Health Service uses its incremental borrowing rate, which is the amount the health service would have to pay to borrow funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.</p> <p>For leased plant, equipment, furniture, fittings and vehicles, the implicit interest rate is between 1.25% and 3.25%.</p> |
| Assessing the lease term | <p>The lease term represents the non-cancellable period of a lease, combined with periods covered by an option to extend or terminate the lease if East Wimmera Health Service is reasonably certain to exercise such options.</p> <p>East Wimmera Health Service 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

| | 2023 | 2022 |
|--|------------|------------|
| Note | \$'000 | \$'000 |
| Current borrowings | | |
| Lease liability ⁽ⁱ⁾ | 70 | 65 |
| Advances from government ⁽ⁱⁱ⁾ | 59 | 59 |
| Total current borrowings | 129 | 124 |
| Non-current borrowings | | |
| Lease liability ⁽ⁱ⁾ | 150 | 122 |
| Advances from government (ii) | 65 | 130 |
| Total non-current borrowings | 215 | 252 |
| Total borrowings | 344 | 376 |

ⁱ Secured by the assets leased.

ⁱⁱ These are unsecured loans which bear no interest.

How we recognise borrowings

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

Initial recognition

All borrowings are initially recognised at fair value of the consideration received, less directly attributable transaction costs.

Subsequent measurement

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

Maturity analysis

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

Defaults and breaches

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

Note 6.1 (a) Lease liabilities

East Wimmera Health Service's lease liabilities are summarised below:

| | 2023 \$'000 | 2022 \$'000 |
|--------------------------------------|----------------|----------------|
| Total undiscounted lease liabilities | 225 | 191 |
| Less unexpired finance expenses | (5) | (4) |
| Net lease liabilities | 220 | 187 |

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

| | 2023 \$'000 | 2022 \$'000 |
|---|----------------|----------------|
| Not longer than one year | 73 | 66 |
| Longer than one year but not longer than five years | 152 | 125 |
| Minimum future lease liability | 225 | 191 |
| Less unexpired finance expenses | (5) | (4) |
| Present value of lease liability | 220 | 187 |
| * Represented by: | | |
| - Current liabilities | 70 | 65 |
| - Non-current liabilities | 150 | 122 |
| | 220 | 187 |

How we recognise lease liabilities

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

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

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

East Wimmera Health Service's lease arrangements consist of the following:

| Type of asset leased | Lease term |
|----------------------|--------------|
| Leased vehicles | 2 to 3 years |

Note 6.1 (a) Lease liabilities

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 East Wimmera Health Services incremental borrowing rate. Our lease liability has been discounted by rates of between 1.25% to 3.25%.

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

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

Subsequent measurement

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

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

Note 6.2 Cash and Cash Equivalents

| Note | 2023 \$'000 | 2022 \$'000 |
|---|----------------|----------------|
| Cash on hand (excluding monies held in trust) | 2 | 84 |
| Cash at bank (excluding monies held in trust) | 1,463 | 1,895 |
| Cash at bank - CBS (excluding monies held in trust) | 9,952 | 6,639 |
| Total cash held for operations | 11,417 | 8,618 |
| Cash at bank (monies held in trust) | 53 | 369 |
| Cash at bank - CBS (monies held in trust) | 7,744 | 6,914 |
| Total cash held as monies in trust | 7,797 | 7,283 |
| Total cash and cash equivalents | 19,214 | 15,901 |

How we recognise cash and cash equivalents

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

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

Note 6.3 Commitments for expenditure

| | 2023 \$'000 | 2022 \$'000 |
|---|----------------|----------------|
| Capital expenditure commitments | | |
| Less than one year | 1,090 | - |
| Total capital expenditure commitments | 1,090 | - |
| Operating expenditure commitments | | |
| Less than one year | 15 | - |
| Total operating expenditure commitments | 15 | - |
| Total commitments for expenditure (exclusive of GST) | 1,105 | - |
| Less GST recoverable from Australian Tax Office | (100) | - |
| Total commitments for expenditure (exclusive of GST) | 1,005 | - |

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

How we disclose our commitments

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

Expenditure commitments

Commitments for future expenditure include operating and capital commitments arising from contracts. These commitments are disclosed at their nominal value and are inclusive of the GST payable. In addition, where it is considered appropriate and provides additional relevant information to users, the net present values of significant projects are stated. These future expenditures cease to be disclosed as commitments once the related liabilities are recognised on the Balance Sheet.

Note 7: Risks, contingencies and valuation uncertainties

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

Structure

7.1 Financial instruments

7.2 Financial risk management objectives and policies

7.3 Contingent assets and contingent liabilities

7.4 Fair value determination

Key judgements and estimates

This section contains the following key judgements and estimates:

| Key judgements and estimates | Description |
|--|--|
| Measuring fair value of non-financial assets | <p>Fair value is measured with reference to highest and best use, that is, the use of the asset by a market participant that is physically possible, legally permissible, financially feasible, and which results in the highest value, or to sell it to another market participant that would use the same asset in its highest and best use.</p> <p>In determining the highest and best use, East Wimmera Health Service has assumed the current use is its highest and best use. Accordingly, characteristics of the health service's assets are considered, including condition, location and any restrictions on the use and disposal of such assets.</p> |

Key judgements and estimates (continued)

| Key judgements and estimates | Description |
|--|--|
| Measuring fair value of non-financial assets | <p>East Wimmera Health Service uses a range of valuation techniques to estimate fair value, which include the following:</p> <ul style="list-style-type: none"> ▪ Market approach, which uses prices and other relevant information generated by market transactions involving identical or comparable assets and liabilities. The fair value of East Wimmera Health Service’s specialised land, non-specialised land, non-specialised buildings are measured using this approach. ▪ Cost approach, which reflects the amount that would be required to replace the service capacity of the asset (referred to as current replacement cost). The fair value of East Wimmera Health Service’s specialised buildings, furniture, fittings, plant, equipment and vehicles are measured using this approach. <p>The health service selects a valuation technique which is considered most appropriate, and for which there is sufficient data available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.</p> <p>Subsequently, the health service applies significant judgement to categorise and disclose such assets within a fair value hierarchy, which includes:</p> <ul style="list-style-type: none"> ▪ Level 1, using quoted prices (unadjusted) in active markets for identical assets that the health service can access at measurement date. East Wimmera Health Service does not categorise any fair values within this level. ▪ Level 2, inputs other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly. East Wimmera Health Service categorises non-specialised land and right-of-use concessionary land in this level. ▪ Level 3, where inputs are unobservable. East Wimmera Health Service categorises specialised land, non-specialised buildings, specialised buildings, plant and equipment, furniture and fittings, motor vehicles and right-of-use vehicles in this level. |

Note 7.1: Financial instruments

Financial instruments arise out of contractual agreements that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Due to the nature of East Wimmera Health Service's activities, certain financial assets and financial liabilities arise under statute rather than a contract (for example, taxes, fines and penalties). Such financial assets and financial liabilities do not meet the definition of financial instruments in AASB 132 *Financial Instruments: Presentation*.

Note 7.1 (a) Categorisation of financial instruments

| Total 30 June 2023 | Note | Financial Assets at Amortised Cost \$'000 | Financial Liabilities at Amortised Cost \$'000 | Total \$'000 |
|---|------|---|--|-----------------|
| Contractual Financial Assets | | | | |
| Cash and Cash Equivalents | 6.2 | 19,214 | - | 19,214 |
| Receivables | 5.1 | 1,539 | - | 1,539 |
| Total Financial Assetsⁱ | | 20,753 | - | 20,753 |
| Financial Liabilities | | | | |
| Payables | 5.3 | - | 1,740 | 1,740 |
| Borrowings | 6.1 | - | 344 | 344 |
| Other Financial Liabilities - Refundable Accommodation Deposits | 5.5 | - | 7,719 | 7,719 |
| Other Financial Liabilities - Patient monies held in trust | 5.5 | - | 62 | 62 |
| Other Financial Liabilities - Other monies held in trust | 5.5 | - | 16 | 16 |
| Total Financial Liabilitiesⁱ | | - | 9,881 | 9,881 |

Note 7.1 (a) Categorisation of financial instruments (continued)

| Total | | Financial Assets at | Financial Liabilities | |
|---|------|---------------------|-----------------------|---------------|
| 30 June 2022 | Note | Amortised Cost | at Amortised Cost | Total |
| | | \$'000 | \$'000 | \$'000 |
| Contractual Financial Assets | | | | |
| Cash and cash equivalents | 6.2 | 15,901 | - | 15,901 |
| Receivables | 5.1 | 1,116 | - | 1,116 |
| Total Financial Assetsⁱ | | 17,017 | - | 17,017 |
| Financial Liabilities | | | | |
| Payables | 5.3 | - | 1,863 | 1,863 |
| Borrowings | 6.1 | - | 376 | 376 |
| Other Financial Liabilities - Refundable Accommodation Deposits | 5.5 | - | 7,181 | 7,181 |
| Other Financial Liabilities - Patient monies held in trust | 5.5 | - | 91 | 91 |
| Other Financial Liabilities - Other monies held in trust | 5.5 | - | 11 | 11 |
| Total Financial Liabilitiesⁱ | | - | 9,522 | 9,522 |

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

How we categorise financial instruments

Categories of financial assets

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

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

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

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

Note 7.1 (a) Categorisation of financial instruments (continued)

Financial assets at amortised cost

Financial assets are measured at amortised cost if both of the following criteria are met and the assets are not designated as fair value through net result:

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

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

East Wimmera Health Service recognises the following assets in this category:

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

Note 7.1 (a) Categorisation of financial instruments (continued)

Categories of financial liabilities

Financial liabilities are recognised when East Wimmera Health Service 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.

East Wimmera Health Service recognises the following liabilities in this category:

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

Offsetting financial instruments

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

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

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

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

Derecognition of financial liabilities

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

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

Reclassification of financial instruments

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

A financial liability reclassification is not permitted.

Note 7.2: Financial risk management objectives and policies

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

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

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

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

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. East Wimmera Health Service's exposure to credit risk arises from the potential default of a counter party on their contractual obligations resulting in financial loss to East Wimmera Health Service. Credit risk is measured at fair value and is monitored on a regular basis.

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

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

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

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

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

There has been no material change to East Wimmera Health Service's credit risk profile in 2022-23.

Note 7.2 (a) Credit risk (continued)

Impairment of financial assets under AASB 9

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

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

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

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

Contractual receivables at amortised cost

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

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

| | | Current | Less than 1 month | 1–3 months | 3 months –1 year | 1–5 years | Total |
|--|------|---------|-------------------|------------|------------------|-----------|-------------|
| 30 June 2023 | | | | | | | |
| Expected loss rate | | 0.0% | 0.0% | 6.0% | 16.0% | 0.0% | |
| Gross carrying amount of contractual receivables | 5.1 | 514 | 40 | 39 | 277 | 0 | 870 |
| Loss allowance | | - | - | (2) | (44) | - | (47) |
| | | | | | | | |
| | Note | Current | Less than 1 month | 1–3 months | 3 months –1 year | 1–5 years | Total |
| 30 June 2022 | | | | | | | |
| Expected loss rate | | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | |
| Gross carrying amount of contractual receivables | 5.1 | 457 | 39 | 36 | 32 | 0 | 564 |
| Loss allowance | | - | - | - | - | - | - |

Note 7.2 (a) Credit risk (continued)

Statutory receivables and debt investments at amortised cost

East Wimmera Health Service's non-contractual receivables arising from statutory requirements are not financial instruments. However, they are nevertheless recognised and measured in accordance with AASB 9 requirements as if those receivables are financial instruments.

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

Note 7.2 (b) Liquidity risk

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

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

- 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.

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

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

Note 7.2 (b) Payables and borrowings maturity analysis

| | | Maturity Dates | | | | | | |
|---|-------------|-----------------|----------------|-------------------|------------|-------------------|------------|--------------|
| | | Carrying Amount | Nominal Amount | Less than 1 Month | 1-3 Months | 3 months - 1 Year | 1-5 Years | Over 5 years |
| | | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Total | | | | | | | | |
| 30 June 2023 | Note | | | | | | | |
| Payables | 5.3 | 1,740 | 1,740 | 1,740 | - | - | - | - |
| Borrowings | 6.1 | 344 | 341 | 3 | 18 | 49 | 271 | - |
| Other Financial Liabilities - Refundable Accommodation Deposits | 5.5 | 7,719 | 7,719 | - | - | 7,719 | - | - |
| Other Financial Liabilities - Patient monies held in trust | 5.5 | 62 | 62 | - | 62 | - | - | - |
| Other Financial Liabilities - Other monies held in trust | 5.5 | 16 | 16 | 16 | - | - | - | - |
| Total Financial Liabilities | | 9,881 | 9,878 | 1,759 | 80 | 7,768 | 271 | - |

| | | Maturity Dates | | | | | | |
|---|-------------|-----------------|----------------|-------------------|------------|-------------------|------------|--------------|
| | | Carrying Amount | Nominal Amount | Less than 1 Month | 1-3 Months | 3 months - 1 Year | 1-5 Years | Over 5 years |
| | | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Total | | | | | | | | |
| 30 June 2022 | Note | | | | | | | |
| Financial Liabilities at amortised cost | | | | | | | | |
| Payables | 5.3 | 1,863 | 1,863 | 1,863 | - | - | - | - |
| Borrowings | 6.1 | 376 | 376 | 10 | 30 | 90 | 246 | - |
| Other Financial Liabilities - Refundable Accommodation Deposits | 5.5 | 7,181 | 7,181 | - | - | 7,181 | - | - |
| Other Financial Liabilities - Patient monies held in trust | 5.5 | 91 | 91 | - | 91 | - | - | - |
| Other Financial Liabilities - Other monies held in trust | 5.5 | 11 | 11 | 11 | - | - | - | - |
| Total Financial Liabilities | | 9,522 | 9,522 | 1,884 | 121 | 7,271 | 246 | - |

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

Note 7.2 (c) Market risk

East Wimmera Health Service's exposures to market risk are primarily through interest rate risk. Objectives, policies and processes used to manage each of these risks are disclosed below.

Sensitivity disclosure analysis and assumptions

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

- a change in interest rates of 1.5% up or down.

Interest rate risk

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

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

Note 7.3: Contingent assets and contingent liabilities

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

How we measure and disclose contingent assets and contingent liabilities

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

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

Contingent assets

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

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

Contingent liabilities

Contingent liabilities are:

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

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

Note 7.4: Fair Value Determination

How we measure fair value

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

The following assets and liabilities are carried at fair value:

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

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

Valuation hierarchy

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

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

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

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

Identifying unobservable inputs (level 3) fair value measurements

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

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

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

| | Note | Total carrying amount | Fair value measurement at end of reporting period using: | | |
|---|---------|-----------------------|--|----------------------|----------------------|
| | | 30 June 2023 | Level 1 ⁱ | Level 2 ⁱ | Level 3 ⁱ |
| | | \$'000 | \$'000 | \$'000 | \$'000 |
| Non-specialised land | | 802 | - | 802 | - |
| Specialised land | | 1,117 | - | - | 1,117 |
| Total land at fair value | 4.1 (a) | 1,919 | - | 802 | 1,117 |
| Non-specialised buildings | | 2,202 | - | 2,202 | - |
| Specialised buildings | | 50,685 | - | - | 50,685 |
| Total buildings at fair value | 4.1 (a) | 52,887 | - | 2,202 | 50,685 |
| Plant and equipment | 4.1 (a) | 914 | - | - | 914 |
| Furniture and fittings | 4.1 (a) | 1,336 | - | - | 1,336 |
| Total plant, equipment, furniture and fittings at fair value | | 2,250 | - | - | 2,250 |
| Right of use vehicles | 4.2 (a) | 221 | - | - | 221 |
| Total right-of-use assets at fair value | | 221 | - | - | 221 |
| Total non-financial physical assets at fair value | | 57,277 | - | 3,004 | 54,273 |

| | Note | Total carrying amount | Fair value measurement at end of reporting period using: | | |
|---|---------|-----------------------|--|----------------------|----------------------|
| | | 30 June 2022 | Level 1 ⁱ | Level 2 ⁱ | Level 3 ⁱ |
| | | \$'000 | \$'000 | \$'000 | \$'000 |
| Non-specialised land | | 802 | - | 802 | - |
| Specialised land | | 1,117 | - | - | 1,117 |
| Total land at fair value | 4.1 (a) | 1,919 | - | 802 | 1,117 |
| Non-specialised buildings | | 2,323 | - | 2,323 | - |
| Specialised buildings | | 52,411 | - | - | 52,411 |
| Total buildings at fair value | 4.1 (a) | 54,734 | - | 2,323 | 52,411 |
| Plant and equipment | 4.1 (a) | 1,229 | - | - | 1,229 |
| Motor vehicles | 4.1 (a) | 21 | - | - | 21 |
| Furniture and fittings | 4.1 (a) | 1,313 | - | - | 1,313 |
| Total plant, equipment, furniture, fittings and vehicles at fair value | | 2,563 | - | - | 2,563 |
| Right of use vehicles | 4.2 (a) | 186 | - | - | 186 |
| Total right-of-use assets at fair value | | 186 | - | - | 186 |
| Total non-financial physical assets at fair value | | 59,402 | - | 3,125 | 56,277 |

ⁱ Classified in accordance with the fair value hierarchy.

How we measure fair value of non-financial physical assets

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

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

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

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

Non-specialised land & non-specialised buildings

Non-specialised land, non-specialised buildings, investment properties and cultural assets 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 and investment properties, an independent valuation was performed by the Valuer-General Victoria to determine the fair value using the market approach. Valuation of the assets was determined by analysing comparable sales and allowing for share, size, topography, location and other relevant factors specific to the asset being valued. An appropriate rate per square metre has been applied to the subject asset. The effective date of the valuation is 30 June 2019 for buildings and 30 June 2022 for land.

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

The market approach is also used for specialised land 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 East Wimmera Health Service, the depreciated replacement cost method is used for the majority of specialised buildings, adjusting for the associated depreciation. As depreciation adjustments are considered as significant and unobservable inputs in nature, specialised buildings are classified as Level 3 for fair value measurements.

An independent valuation of East Wimmera Health Service's specialised land and specialised buildings was performed by the Valuer-General Victoria. The effective date of the valuation is 30 June 2019 for buildings and 30 June 2022 for land.

Motor Vehicles

The East Wimmera Health Service acquires new vehicles and at times disposes of them before completion of their economic life. The process of acquisition, use and disposal in the market is managed by the health service who set relevant depreciation rates during use to reflect the consumption of the vehicles. As a result, the fair value of vehicles does not differ materially from the carrying amount (depreciated cost).

Furniture, fittings, plant and equipment

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

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

7.4(b) Reconciliation of level 3 fair value measurement

| Total | Note | Land \$'000 | Buildings \$'000 | Plant, equipment, vehicles, furniture & fittings \$'000 | Right of Use Assets \$'000 |
|--|---------|----------------|---------------------|--|-------------------------------|
| Balance at 1 July 2021 | | 729 | 43,155 | 1,946 | 171 |
| Additions/(Disposals) | | - | 1,588 | 1,029 | 59 |
| Net Transfers between classes | | - | 6,784 | - | - |
| Gains/(Losses) recognised in net result | | | | | |
| - Depreciation and amortisation | | - | (3,640) | (412) | (44) |
| Items recognised in other comprehensive income | | | | | |
| - Revaluation | | 388 | 4,524 | - | - |
| Balance at 30 June 2022 | 7.4 (a) | 1,117 | 52,411 | 2,563 | 186 |
| Additions/(Disposals) | | - | 8 | 448 | 81 |
| Net Transfers between classes | | - | 1,202 | 72 | - |
| Gains/(Losses) recognised in net result | | | | | |
| - Depreciation and Amortisation | | - | (2,936) | (833) | (46) |
| Balance at 30 June 2023 | 7.4 (a) | 1,117 | 50,685 | 2,250 | 221 |

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

| Asset class | Likely valuation approach | Significant inputs (Level 3 only) |
|--|-----------------------------------|--|
| Specialised land (Crown/freehold) | Market approach | Community Service Obligations Adjustments ⁽ⁱ⁾ |
| Specialised buildings | Current replacement cost approach | - Cost per square metre - Useful life |
| Motor Vehicles | Current replacement cost approach | - Cost per unit - Useful life |
| Plant and equipment and furniture and fittings | Current replacement cost approach | - Cost per unit - Useful life |

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

Note 8: Other disclosures

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

Structure

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

8.2 Responsible persons disclosure

8.3 Remuneration of executives

8.4 Related parties

8.5 Remuneration of auditors

8.6 Events occurring after the balance sheet date

8.7 Jointly controlled operations

8.8 Equity

8.9 Economic dependency

Telling the COVID-19 story

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

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

| | 2023 | 2022 |
|--|--------------|--------------|
| Note | \$'000 | \$'000 |
| Net result for the year | (1,829) | (2,418) |
| Non-cash movements: | | |
| (Gain)/Loss on sale or disposal of non-financial assets | 3.2 (25) | (35) |
| Depreciation of non-current assets | 4.4 3,936 | 4,096 |
| Assets and services received free of charge | 2.2 (7) | - |
| Movement in Provision for doubtful debt expense | 3.1 39 | - |
| Discount (interest) / expense on loan | (6) | - |
| Other non-cash movements | (14) | (15) |
| Movements in Assets and Liabilities: | | |
| (Increase)/Decrease in receivables and contract assets | (625) | 48 |
| (Increase)/Decrease in inventories | 12 | (5) |
| (Increase)/Decrease in prepaid expenses | (85) | 220 |
| Increase/(Decrease) in payables and contract liabilities | 1,609 | 964 |
| Increase/(Decrease) in employee benefits | 357 | 389 |
| Increase/(Decrease) in other liabilities | (24) | 1 |
| Net cash inflow from operating activities | 3,338 | 3,245 |

Note 8.2 Responsible person disclosures

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

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

| | Period |
|---|--------------------------|
| The Honourable Mary-Anne Thomas MP | |
| Minister for Health | 1 Jul 2022 - 30 Jun 2023 |
| Minister for Health Infrastructure | 5 Dec 2022 - 30 Jun 2023 |
| Minister for Medical Research | 5 Dec 2022 - 30 Jun 2023 |
| Former Minister for Ambulance Services | 1 Jul 2022 - 5 Dec 2022 |
| The Honourable Gabrielle Williams MP | |
| Minister for Mental Health | 1 Jul 2022 - 30 Jun 2023 |
| Minister for Ambulance Services | 5 Dec 2022 - 30 Jun 2023 |
| The Honourable Lizzy Blandthorn MP | |
| Minister for Disability, Ageing and Carers | 5 Dec 2022 - 30 Jun 2023 |
| The Honourable Colin Brooks MP | |
| Former Minister for Disability, Ageing and Carers | 1 Jul 2022 - 5 Dec 2022 |
| Governing Boards | |
| Ms Julianne Clift | 1 Jul 2022 - 30 Jun 2023 |
| Mrs Simone Christie | 1 Jul 2022 - 30 Jun 2023 |
| Ms Kylie Thitchener | 1 Jul 2022 - 30 Jun 2023 |
| Mrs Naomi Goode | 1 Jul 2022 - 30 Jun 2023 |
| Ms Ruth Jabornik | 1 Jul 2022 - 30 Jun 2023 |
| Ms Deidre Missingham | 1 Jul 2022 - 30 Jun 2023 |
| Mr Philip Sabien | 1 Jul 2022 - 30 Jun 2023 |
| Mr Thomas Draffen | 1 Jul 2022 - 31 Oct 2022 |
| Accountable Officers | |
| Mr Trevor Adem (Chief Executive Officer) | 1 Jul 2022 - 30 Jun 2023 |

Note 8.2 Responsible persons (continued)

Remuneration of Responsible Persons

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

| Income Band | 2023 No | 2022 No |
|-----------------------|------------|------------|
| \$0 - \$9,999 | 8 | 9 |
| \$260,000 - \$269,999 | - | 1 |
| \$270,000 - \$279,999 | 1 | - |
| Total Numbers | 9 | 10 |

| Total remuneration received or due and receivable by Responsible Persons from the reporting entity amounted to: | 2023 \$'000 | 2022 \$'000 |
|---|----------------|----------------|
| | 302 | 299 |

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

Note 8.3 Remuneration of executives

The number of executive officers, other than Ministers and the Accountable Officer, 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)**

Short-term benefits
Post-employment benefits
Other long-term benefits
Total remunerationⁱ

| | Total Remuneration | |
|--|--------------------|----------------|
| | 2023 \$'000 | 2022 \$'000 |
| Short-term benefits | 531 | 510 |
| Post-employment benefits | 49 | 48 |
| Other long-term benefits | 24 | 16 |
| Total remunerationⁱ | 604 | 574 |
| Total number of executives | 5 | 4 |
| Total annualised employee equivalent ⁱⁱ | 4.0 | 4.0 |

Total number of executives

Total annualised employee equivalentⁱⁱ

ⁱ The total number of executive officers includes persons who meet the definition of Key Management Personnel (KMP) of East Wimmera Health Services under AASB 124 *Related Party Disclosures* and are also reported within Note 8.4 Related Parties.

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

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

Short-term employee benefits

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

Post-employment benefits

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

Other long-term benefits

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

Termination benefits

Termination of employment payments, such as severance packages.

Note 8.4: Related Parties

East Wimmera Health Service is a wholly owned and controlled entity of the State of Victoria. Related parties of the health service include:

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

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

Key management personnel

The Board of Directors, Chief Executive Officer and the Executive Directors of East Wimmera Health Services are deemed to be KMPs.

| Entity | KMPs | Position Title |
|-----------------------------|----------------------|---|
| East Wimmera Health Service | Ms Julianne Clift | Board Chair |
| East Wimmera Health Service | Mrs Simone Christie | Board Member |
| East Wimmera Health Service | Ms Kylie Thitchener | Board Member |
| East Wimmera Health Service | Mrs Naomi Goode | Board Member |
| East Wimmera Health Service | Ms Ruth Jabornik | Board Member |
| East Wimmera Health Service | Ms Deidre Missingham | Board Member |
| East Wimmera Health Service | Mr Philip Sabien | Board Member |
| East Wimmera Health Service | Mr Thomas Draffen | Board Member |
| East Wimmera Health Service | Mr Trevor Adem | Chief Executive Officer |
| East Wimmera Health Service | Mr Leon Gowlett | Director Finance & Administration (to Nov 22) |
| East Wimmera Health Service | Ms Patricia Croft | Director Clinical Services |
| East Wimmera Health Service | Ms Leanne Jeffrey | Director of Primary Care |
| East Wimmera Health Service | Ms Meghan Noonan | Director of Primary Care |
| East Wimmera Health Service | Mr Geoffrey Lord | Director of People & Culture |

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

| | 2023 \$'000 | 2022 \$'000 |
|---|----------------|----------------|
| Compensation - KMPs | | |
| Short-term Employee Benefits ⁱ | 800 | 777 |
| Post-employment Benefits | 75 | 72 |
| Other Long-term Benefits | 31 | 24 |
| Total ⁱⁱ | 906 | 873 |

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

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

Note 8.4: Related Parties (continued)

Significant transactions with government related entities

East Wimmera Health Service received funding from the Department of Health of \$24.84 m (2022: \$21.65 m). Balances outstanding as recallable as at 30 June 2023 are \$0.06 m (2022 \$1.61 m).

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

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

The Standing Directions of the Assistant Treasurer require the East Wimmera Health Service to hold cash (in excess of working capital) in accordance with the State of Victoria's centralised banking arrangements. All borrowings are required to be sourced from Treasury Corporation Victoria unless an exemption has been approved by the Minister for Health and the Treasurer.

Transactions with KMPs and other related parties

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

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

There were no related party transactions required to be disclosed for East Wimmera Health Service Board of Directors, Chief Executive Officer and Executive Directors in 2023 (2022: none).

Note 8.5: Remuneration of Auditors

| | 2023 \$'000 | 2022 \$'000 |
|---|----------------|----------------|
| Victorian Auditor-General's Office | | |
| Audit of the financial statements | 26 | 25 |
| Total remuneration of auditors | 26 | 25 |

Note 8.6: Events occurring after the balance sheet date

There are no events occurring after the balance sheet date.

Note 8.7 Joint arrangements

| | Principal Activity | Ownership Interest | |
|--|---------------------------------|--------------------|------|
| | | 2023 | 2022 |
| | | % | % |
| Grampians Rural Health Alliance (GRHA) | Information Technology Services | 3.17 | 7.09 |

East Wimmera Health Services interest in the above joint arrangements are detailed below. The amounts are included in the consolidated financial statements under their respective categories:

| | 2023 \$'000 | 2022 \$'000 |
|----------------------------------|----------------|----------------|
| Current assets | | |
| Cash and cash equivalents | 152 | 182 |
| Receivables | 62 | 85 |
| Prepaid expenses | 13 | 58 |
| Total current assets | 227 | 325 |
| Non-current assets | | |
| Property, plant and equipment | 48 | 154 |
| Total non-current assets | 48 | 154 |
| Total assets | 275 | 479 |
| Current liabilities | | |
| Payables | 126 | 150 |
| Total current liabilities | 126 | 150 |
| Total liabilities | 126 | 150 |
| Net assets | 149 | 329 |
| Equity | | |
| Accumulated surplus | 149 | 329 |
| Total equity | 149 | 329 |

Note 8.7 Joint arrangements

East Wimmera Health Services interest in revenues and expenses resulting from joint arrangements are detailed below:

| | 2023 \$'000 | 2022 \$'000 |
|---|----------------|----------------|
| Revenue and income from transactions | | |
| Operating Activities | 350 | 609 |
| Capital Purpose Income | 3 | 11 |
| Total revenue and income from transactions | 353 | 620 |
| Expenses from transactions | | |
| Employee Benefits | 75 | 116 |
| Other Expenses from Continuing Operations | 429 | 467 |
| Depreciation | 25 | 150 |
| Capital Purpose Expenditure | 4 | 1 |
| Total expenses from transactions | 533 | 734 |
| Net result from transactions | (180) | (114) |

The above figures have been obtained from the unaudited Grampians Rural Health Alliance joint venture annual financial statements.

Contingent liabilities and capital commitments

There are no known contingent liabilities or capital commitments held by the joint arrangements at balance date.

Note 8.8 Equity

Contributed capital

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

Specific restricted purpose reserves

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

Note 8.9 Economic dependency

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



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