Wimmera Health Care Group

Annual Report 2020-2021

Our Profile

Wimmera Health Care Group is based in the Wimmera sub-region of the Grampians, 310 km west of Melbourne and in close proximity to the Grampians National Park.

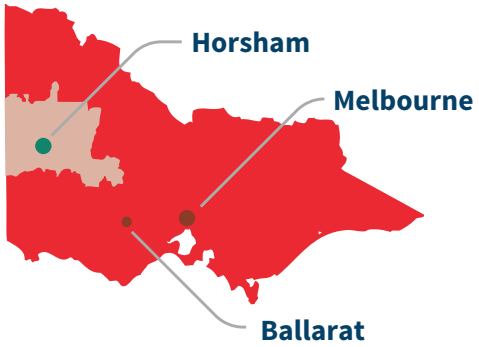
With an operating budget of approximately $110 million, Wimmera Health Care Group is a leading rural health service providing allied, acute, subacute, primary and residential aged care in the Grampians region of Victoria. Employing more than 1100 team members, we are the subregional, acute referral hospital for the Wimmera region and provide a wide range of specialist services.

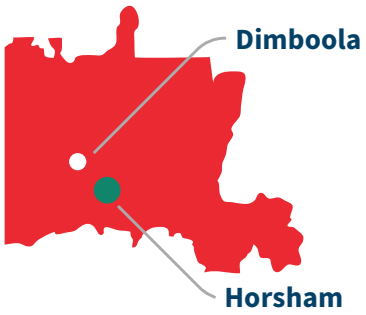
Our campuses in Horsham and Dimboola service an area of 61,000 square kilometres and a population of approximately 54,000.

This year we treated more than 11,500 acute inpatients.

The Wimmera Health Service was established in 1874 as the Horsham Hospital and was incorporated by the authority of the Hospitals and Charities Act (No. 5300) on 27th August 1877.

In 1950, the name was changed to Wimmera Base Hospital and, following a formal amalgamation with Dimboola District Hospital on 1st November 1995, became officially known as Wimmera Health Care Group.





Our Services and Programs

- Aboriginal Liaison Officer
- Acquired Brain Injury Support
- Antenatal Classes
- Anticoagulant Clinic
- Audiology
- Breast Care Nurse
- Breast Prosthetics
- Breast Screening
- Cancer Support
- Cardiac Rehabilitation
- Case Management
- Cognitive Dementia and Memory Clinic
- Colposcopy Clinic
- Community Rehabilitation
- Computerised Tomography
- Continence
- Day Oncology
- Day Surgery
- Dementia Support and Respite
- Dental and Prosthetic Clinic
- Dermatology
- Diabetes Education
- Dietetics
- District Nursing
- Domiciliary Midwife
- Ear, Nose and Throat
- Echocardiography
- Emergency Department
- Endoscopy
- Fracture Clinic
- Gait and Balance Clinic
- General Medicine
- General Surgery
- Geriatric Evaluation Management
- Haemodialysis
- Health Promotion
- Hospice Care
- Hospital Admissions Risk Program
- Hospital in the Home
- Hostel Accommodation
- Infection Control
- Intensive Care Unit
- Lactation Consultant
- Living at Home Assessment Service
- Low Vision Clinic
- Magnetic Resonance Imaging
- Medical Imaging
- Medical Library
- Midwifery
- Neonatal Nursing
- Obstetrics and Gynaecology
- Occupational Therapy
- Oncology
- Ophthalmology
- Oral Surgery
- Orthopaedics
- Orthotics Laboratory
- Pacemaker Clinic
- Paediatric Care
- Pathology
- Pharmacy
- Physiotherapy
- Planned Activity Group
- Podiatry
- Post-Acute Care
- Pre-Admission Clinic
- Pulmonary Rehabilitation
- Radiology
- Rehabilitation Assessment
- Residential In-Reach Service
- Residential Services
- Respiratory Services (asthma/ COPD education and management)
- Respite for Carers
- Safety Link
- Social Work
- Speech Pathology
- Spinal Clinic
- Stomal Therapy
- Stress Testing Clinic
- Stroke Support
- Teleradiology
- Transition Care
- Ultrasound
- Urology
- Video Fluoroscopy
- Wound Care

How to contact us

TELEPHONE:
03 5381 9111

EMAIL:
info@whcg.org.au

ADDRESS:
Baillie Street, Horsham Vic 3400

WEBSITE:
www.whcg.org.au

The Wimmera Health Care Group acknowledges the five Traditional Owner groups of this land – the Wotjobaluk, Wergaia (Were-guy-ya), Jupagulk, Jaadwa and Jadawadjali people.

We recognise the important and ongoing place that all Indigenous people hold in our community.

We pay our respects to the Elders, both past, present and emerging, and commit to working together in the spirit of mutual understanding and respect for the benefit of the broader community and future generations.

About this Report

This Annual Report provides performance and financial information for the 2020-2021 financial year.

It is a legal document prepared in accordance with the Financial Management Act 1994 and the Department of Health annual reporting guidelines for the Minister of Health, the Parliament of Victoria and the community. The contents were prepared to meet compliance with statutory disclosure and other requirements. The reponsible Ministers are:

July 1 2020 to September 26 2020

Jenny Mikakos MP

Minister for Health
Minister for Ambulance Services

September 26 2020 to June 30 2021

The Hon Martin Foley MP

Minister for Health
Minister for Ambulance Services
Minister for Equality

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Chairperson and Chief Executive Officer's Report

Responsible Bodies Declaration

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

Marie Aitken

Chairperson
Horsham
Date: 3/09/2021

On behalf of the Board of Directors and the team at Wimmera Health Care Group we are delighted to present the 2020-2021 Annual Report.

I think we all thought that the last financial year would have been difficult. I am not too sure if any of us believed it was going to be as difficult as it was.

On behalf of the Board of Directors and our community, we acknowledge the dedication and commitment of the Wimmera Health Care Group team for keeping our community safe.

The team has demonstrated flexibility, innovation, knowledge and courage as they adapted to meet continual COVID changes. Our health service had new areas opened with the use of hoarding and the reclaiming of spaces. Services were delivered in a variety of ways including telehealth and phone conversations, and with masks and full Personal Protective Equipment.

2020 could only be described as life changing, and hopefully system changing, for the health system and Wimmera Health Care Group.

The team never complained, worked together and did their best to meet the needs of our community and follow the rules. Every person who works at Wimmera Health Care Group should take a bow and be very proud of themselves.

COVID became the 'norm' and Wimmera Health Care Group demonstrated our values of integrity, learning and courage, focused on our vision and purpose, and developed 11 strategic priorities and five strategic projects. This clarity allowed us to prioritise the work that we were undertaking and work steadily towards our vision of Wimmera wide, caring, quality health and wellbeing. The new priority statements and our achievements can be found on page 6 in the Annual Report.

The Grampians region has continued to work together on a number of initiatives that support our community to improve their health and wellbeing. The projects have covered the roll out of the COVID vaccine, improving telehealth infrastructure and expertise, developing a region wide response to providing better care at home, improving eLearning opportunities for the team, and responding as a region when the threat of COVID was near.

Support and engagement have been evident from Board, Executive and team members from all organisations and we thank them for their ongoing expertise.

The Wimmera Southern Mallee Health Alliance has continued to drive local initiatives. Projects have included the finalisation of the Leadership Program, the development of a region wide Pain Management Clinic, further work on our ability to respond as a region when dealing with emergencies, supporting people experiencing family violence, and becoming a fully-fledged partner in the By Five project in partnership with the Royal Children's Hospital, the Murdoch Institute and the Wimmera Southern Mallee Regional Partnership.

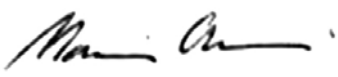
Volunteers have had their capacity curtailed with COVID, however, our hard-working committees have continued to provide us with support, both with hours and financial assistance.

Volunteers have had their capacity curtailed with COVID, however, our hard-working committees have continued to provide us with support, both with hours and financial assistance. Our heartfelt thanks go to the Wimmera Health Care Group Foundation and the Friends of the Foundation, the Blue Ribbon Foundation, the Ladies Auxiliary at both Horsham and Dimboola, and the Wimmera Hospice Care Auxiliary. As detailed in the report on page 17, their assistance has allowed us to enhance the quality and safety of the care we provide.

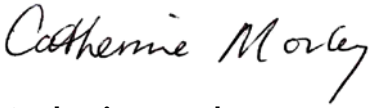
We wish to acknowledge and thank Meg Dennison, Dr Peter Greenberg OAM and Linda Kwok for their commitment and work on the Board of Directors over the last 6 years. Their expertise has been instrumental in improving the safety of our care and services, our buildings and our team. We wish them well in their future endeavors.

Thanks to community members that continue to utilise our services and support us to enhance and maintain a quality service, or support us to improve. The team enjoy sharing compliments and appreciate when you inform us of ways we can improve. We are very pleased to have a new Community Engagement Advisor to allow us to engage more effectively with you all.

2021-2022 will again be challenging and we know the team will continue to display kindness, respect, integrity, learning and courage as we work together to improve the health and wellbeing of our community.



Marie Aitken
Chairperson



Catherine Morley
Chief Executive Officer

Strategic Plan Update

2019-2024

Our vision of providing Wimmera wide, caring, quality health and wellbeing was the focus for the Board as they developed 11 strategic priorities. 5 projects were agreed to which included:

- The Quality Improvement Management System;
- Clinical Governance development;
- The Organisational Workforce Plan;
- Health Service Partnership development; and
- The Advocacy Strategy and Implementation Plan.

A significant overhaul of how we gather and review data and focus on continuous improvement commenced in early 2021 with the development of an enhanced Quality Improvement Management System. A large group of multi-disciplinary clinicians have worked with the Clinical Risk, IT, Finance and Administration teams to review a wide range of data and prioritise key projects to improve the quality, safety and effectiveness of person centred care for the people we care for. This work will be expanded in the next financial year with all clinical areas developing high functioning committees and quality plans.

Workforce planning has commenced with the current state of our workforce clearly demonstrating a number of significant risks and opportunities. Action plans are already in place to minimise the risks identified and develop a supportive and welcoming culture to assist us to attract and retain key roles in the organisation. This work will be finalised in February 2022.

All Board members and the Leadership Group have worked tirelessly on the Enhancing Partnership Project that we commenced with Ballarat Health Services and expanded to include Edenhope and District Memorial Hospital and Stawell Regional Health.

We learnt from a significant number of stakeholders about what was important to our community and the risks and opportunities that enhancing partnerships brings. We thank everyone who took the time to make submissions, attend sessions in person or virtually, meet us at pop up sessions or complete surveys. All Board members have utilised this data and the due diligence undertaken by the consultant to support them to ask more questions, gather more information and utilise this to inform their decision on the best way forward for increasing access to care and services locally.

A decision on the partnership discussions will be made in 2021-2022. We will engage with the community and ask them to assist us to co-design the way forward.

Key community and team members have met to commence work on an Advocacy Strategy. The focus of our advocacy is to improve the huge variance that rural health services face and inequitable health outcomes from our metropolitan neighbours. We have utilised the information we gathered through community consultation and are developing plans to improve mental health and dementia services in the region as well as focusing on preventing chronic disease. Significant work will be undertaken to ensure that we receive the capital funding we require to have a contemporary health building. The plan will be finalised by February 2022.

The Board of Directors has undertaken a range of clinical governance training and a review of their governance systems and processes to ensure that they are governing well. This will continue to be a priority for the Board of Directors in 2021-2022.

Strategic Plan

2019-2024

Wimmera Health Care Group

STRATEGIC PLAN 2019-2024

VISION

Wimmera wide, caring, quality health and wellbeing.

PURPOSE

To improve the health and wellbeing of our community.

STRATEGIC GOALS

You Matter
Wimmera Health Care Group provides high quality and safe care in partnership with people (patients, residents, families, carers and the Wimmera Community) to improve their health and wellbeing.

We Matter
Wimmera Health Care Group develops a team that embraces all of our values, and cares for the safety, health and wellbeing of each team member.

Every Voice Matters
Wimmera Health Care Group expands and nurtures strong relationships that support the health and wellbeing of the Wimmera community.

Things That Matter
Wimmera Health Care Group continues to improve its financial position, physical environment and technology, enabling our people and our team to flourish.

VALUES

Kindness
We engage with people (patients, residents, families, carers and the Wimmera Community) and each other to understand.

Respect
We respect and welcome differences; we demonstrate with humility that every person is equally important.

Integrity
Every team member is accountable and plays a valued part in delivering exceptional care.

Learning
We foster partnerships and collaboration that support continuous learning to improve health and wellbeing.

Courage
We actively seek and listen to information that supports us to develop and grow and provide exceptional care and services.

Reporting against the Statement of Priorities

In 2020-2021, Wimmera Health Care Group assisted with the following state-wide priorities to develop and implement important system reforms, including modernising our health system through redesigned governance; driving system reforms that deliver better population health, high quality care and improved patient outcomes and experiences; and reforming clinical services to ensure we are delivering our community the best value care.

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

OUTCOME:

Wimmera Health Care Group continues to provide a seven-day-a-week COVID-19 testing clinic to the community. Additional staffing has been put in place at times of outbreaks to meet community demand. Over 8300 swabs have been completed.

Wimmera Health Care Group is the COVID-19 vaccination lead for the Western sub-hub as part of the Grampians Public Health Unit. The sub-hub includes Edenhope and District Memorial Hospital, Rural Northwest Health and West Wimmera Health Services.

We have successfully led the vaccination rollout in these communities, ensuring that Pfizer and AstraZeneca is offered to all people within this region close to their home. This has included providing outreach clinics to ensure all vulnerable people are offered a vaccination. As at the end of June 2021, we had provided over 3200 COVID-19 vaccination doses.

All residents of Wimmera Nursing Home, Dimboola Nursing Home and Kurrajong Lodge have been offered the COVID-19 vaccination and received their second doses.

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

OUTCOME:

Wimmera Health Care Group has undertaken a range of consultation over the last 12 months with our community regarding the services that the community would like to see expanded or improved.

We have worked with the Grampians region to increase our capacity with the roll out of the elective surgery reform program and ran a number of extra surgical sessions to meet the communities need.

Significant work has been undertaken to keep the community informed about how they can continue to access care and services. We have been part of the Grampians region telehealth program and a significant number of new departments now offer telehealth appointments to outpatient services.

We have worked with specialist organisations including the Grampians Integrated Cancer Services, Dementia Australis, Headspace, Beyond Blue, Ambulance Victoria and the Grampians Public Health unit to keep community members informed of how to access services and the importance of not waiting.

To assist us to be more effective in our engagement strategies we have employed a full time Community Engagement Advisor and endorsed a community engagement plan to ensure this work continues in 2021-2022.

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

OUTCOME:

The Royal Commission into Aged Care Quality and Safety was released by the Commonwealth Government on March 1, 2021. The Commonwealth Government announced a budget package of support on May 11, 2021 and also released its full response to the Royal Commission. As providers of Aged Care services, WHCG commits to working collaboratively with the Victorian and Commonwealth Governments to respond to the broad range of recommendations to improve outcomes for older Victorians. As a priority, WHCG will identify and prepare for and comply with changes that come into effect from July 1, 2021.

The Royal Commission into Victoria's Mental Health System delivered its final report on February 3, 2021. WHCG will continue to review our service provision and policies and procedures in light of the Royal Commission's recommendations. We will participate in the Grampians Regional Partnership's response as and where it relates to our services given our role of referring into the mental health system.

Develop and foster local health partner relationships to continue delivering collaborative approaches to planning, procurement and service delivery at scale. Including prioritising innovative ways to deliver health care through shared expertise and workforce models, virtual care, co-commissioning services and surgical outpatient reform

OUTCOME:

Wimmera Health Care Group developed and fostered partnerships across a wide range of clinical and corporate services.

This included an agreement to explore a voluntary amalgamation that would include WHCG, Ballarat Health Services, Stawell Regional Health and Edenhope District Memorial Hospital. The outcome of this work is expected to be known in late 2021.

Specifically, partnerships have been formed or strengthened in the areas of Oncology, Haematology and Palliative Care with BHS, Psychiatry with BHS, ICU support from Alfred, Renal Dialysis with RMH, Medical Interns rotating from RMH, General Medicine Registrars rotating from Northern Health and in the corporate areas with the provision of Health information and Information technology services to a number of Grampians region health services.

Statement of Priorities

Part B: Performance Priorities

High quality and safe care

Key Performance Indicator	Target	2020-2021 Result
INFECTION PREVENTION AND CONTROL		
*Compliance with the Hand Hygiene Australia program	83%	90%
Percentage of healthcare workers immunised for influenza	84%	95%
PATIENT EXPERIENCE		
Victorian Healthcare Experience Survey – percentage of positive patient experience responses	95%	No Surveys conducted in 2020-2021
Victorian Healthcare Experience Survey – percentage of very positive responses to questions on discharge care	75%	No Surveys conducted in 2020-2021
HEALTHCARE ASSOCIATED INFECTIONS (HAI'S)		
Rate of patients with surgical site infection	No outliers	Achieved
Rate of patients with ICU central-line-associated bloodstream infection (CLABSI)	Nil	Achieved
MATERNITY AND NEWBORN		
Rate of singleton term infants without birth anomalies with APGAR score <7 to 5 minutes	≤ 1.4%	2.2%
Rate of severe foetal growth restriction (FGR) in singleton pregnancy undelivered by 40 weeks	≤ 28.6%	* Not applicable
Proportion of urgent maternity patients referred for obstetric care to a level 4, 5 or 6 maternity service who were booked for a specialist clinic appointment within 30 days of accepted referral	100%	Achieved
CONTINUING CARE		
Functional independence gain from an episode of rehabilitation admission to discharge relative to length of stay	≥ 0.645	0.834

Timely access to care

Key Performance Indicator	Target	2020-2021 Result
EMERGENCY CARE		
Percentage of patients transferred from ambulance to emergency department within 40 minutes	90%	81%
Percentage of Triage Category 1 emergency patients seen immediately	100%	100%
Percentage of Triage Category 1 to 5 emergency patients seen within clinically recommended time	80%	63%
Percentage of emergency patients with a length of stay in the emergency department of less than four hours	81%	63%
Number of patients with a length of stay in the emergency department greater than 24 hours	0	11
SPECIALIST CLINICS		
Percentage of urgent patients referred by a GP or external specialist who attended a first appointment within 30 days	100%	97%
Percentage of routine patients referred by GP or external specialist who attended a first appointment within 365 days	90%	100%

Statement of Priorities

Part B: Performance Priorities

Effective financial management

Key Performance Indicator	Target	2020-2021 Result
FINANCE		
Operating result ($m)	$0.00	$0.10
Average number of days to pay trade creditors	60 days	52
Average number of days to receive patient fee debtors	60 days	32
Public and Private WIES activity performance to target	100%	92.8%
Adjusted current asset ratio	0.7 or 3% improvement from health service base target	0.7
Actual number of days available cash, measured on the last day of each month.	14 days	13 days
Variance between forecast and actual Net result from transactions (NRFT) for the current financial year ending 30 June.	Variance ≤ $250,000	$8,350,000

Part C: Activity and funding

Funding type	2020-2021 Activity Achievement
ACUTE ADMITTED	
WIES Public	5,648.83
WIES Private	1,324.49
WIES DVA	136.25
WIES TAC	42.13
ACUTE NON-ADMITTED	
Home Enteral Nutrition	67
Specialist Clinics	14,134
SUBACUTE AND NON-ACUTE ADMITTED	
Subacute WIES - Rehabilitation Public	90.22
Subacute WIES - Rehabilitation Private	33.62
Subacute WIES - GEM Public	49.63
Subacute WIES - GEM Private	19.46
Subacute WIES - Palliative Care Public	4.75
Subacute WIES - Palliative Care Private	2.85
Subacute WIES - DVA	23.03
SUBACUTE NON ADMITTED	
Health Independence Program - Public	11,593

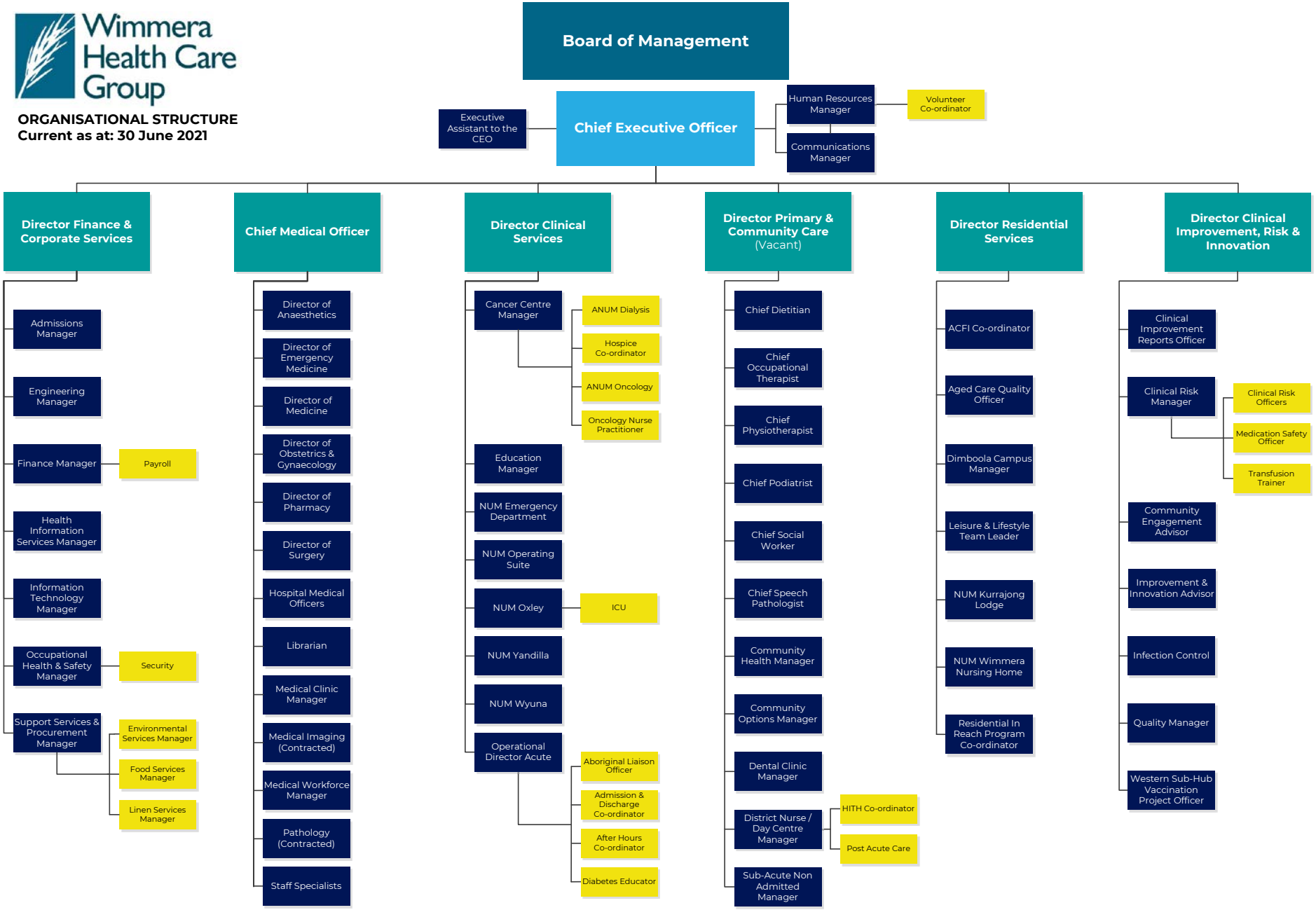
Funding type	2020-2021 Activity Achievement
AGED CARE	
Residential Aged Care	33,111
HACC	3971
PRIMARY HEALTH	
Community Health / Primary Care Programs	6963

**WIES is a Weighted Inlier Equivalent Separation*

Organisational Structure

Wimmera Health Care Group

ORGANISATIONAL STRUCTURE
Current as at: 30 June 2021



Corporate Governance 2020-2021

Wimmera Health Care Group Board of Directors

Chairperson

Mrs Marie Aitken

BA, Grad Dip Voc Couns, Grad Dip CBT, MAPS, GAICD

PROFESSION/OCCUPATION:
Psychologist and Supervisor

DATE APPOINTED:
1 July 2014

AREAS OF EXPERTISE:

Clinical Governance

Human Resource Management

Patient Experience and Consumer Engagement

Deputy Chairperson

Ms Carole Alt

GAICD, FGIA, MPH, Grad Dip App Corp Gov, Grad Cert Bus, Bed

PROFESSION/OCCUPATION:
Non-executive Director, Governance Consultant, Facilitator

DATE APPOINTED:
1 July 2019

AREAS OF EXPERTISE:
Corporate Governance
Risk Management
Public Health
Financial Management
Customer Experience
Design Thinking

Ms Megan Dennison

BA(Hons), M.Psych(Clinical), PhD

PROFESSION/OCCUPATION:
Clinical Psychologist

DATE APPOINTED:
1 July 2019

(Resigned 11/03/2021)

AREAS OF EXPERTISE:

Clinical Governance

Community Services

Registered Clinician

Mrs Merryn Eagle

Dip. Community Services, B. Biological Sciences (Hons), AICD

PROFESSION/OCCUPATION:
Self Employed Farmer

DATE APPOINTED:
1 July 2015

AREAS OF EXPERTISE:

Audit and Risk Management

Corporate Governance

Patient Experience and Consumer Engagement

Dr Peter B Greenberg OAM

MD PhD FRACP

PROFESSION/OCCUPATION:
Consultant Physician

DATE APPOINTED:
7 March 2017

AREAS OF EXPERTISE:

Clinical Governance

Communications and Stakeholder Engagement

Registered Clinician

Mrs La Vergne Lehmann

MBA, MProf.EdandTrng, MFoodSt, GDip.journalism: PR,Dip. Project mgt, BTech Ecot(Hons) MAICD, CPA

PROFESSION/OCCUPATION:
Executive Officer

DATE APPOINTED:
1 July 2016

AREAS OF EXPERTISE:

Asset Management

Communications and Stakeholder Engagement

Community Services

Ms Linda Kwok

BArch PGDipUD MBA RAIA GAICD

PROFESSION/OCCUPATION:
Architect

DATE APPOINTED:
1 July 2015

AREAS OF EXPERTISE:

Asset Management

Communications and Stakeholder Engagement

Strategic Leadership/Executive Management

Mrs Susan Findlay Tickner

BA. MA (Comms). GAICD. FARLF.

PROFESSION/OCCUPATION:
Communications and Stakeholder Engagement Manager

DATE APPOINTED:
1 July 2018

AREAS OF EXPERTISE:

Communications and Stakeholder Engagement

Strategic Leadership

Corporate Governance

Ms Lisa Keam

BAppSci, Grad Dip IP Law, GAICD

PROFESSION/OCCUPATION:
Non-Executive Director

DATE APPOINTED:
1 July 2018

AREAS OF EXPERTISE:

Corporate Governance

Audit and Risk Management

Strategic Leadership

Mr Adam Troeth

BCom (Acctg), FIPA, SMSF Auditor

PROFESSION/OCCUPATION:
Accountant

DATE APPOINTED:
1 July 2020

AREAS OF EXPERTISE:

Audit and Risk Management

Financial Management and Accounting

Human Resources Management

Audit and Risk Committee Membership:

Reviews the external auditor's draft management letters and final report and sets the internal audit program. The committee meets quarterly to monitor performance against audit and risk. The members are independent.

Members: Ms Carole Alt (Chair), Mrs Marie Aitken, Mr Adam Troeth (Deputy Chair) and Mrs Susan Findlay Tickner

Our Leadership Group

Chief Executive Officer

Ms Catherine Morley

RN, MBA, GradCertQualMgt, GradCertGN

Catherine joined Wimmera Health Care Group, as the Chief Executive Officer in September 2017. Catherine provides operational oversight of the health service and supports the Board of Directors in their governance, policy, risk and strategic objectives.

Catherine has commenced a journey of change at Wimmera Health Care Group and is embracing the opportunities and learnings that it brings. Catherine is community focused with a genuine interest in the health and welfare of rural communities. She has collaborated on research programs across community engagement, obesity prevention, and an innovative model of care for community members living with dementia, and was involved in the inaugural rural Communiversity.

Director Finance, Corporate Services

Mr Mark Knights

B Bus, Grad Dip Bus (Acc), CPA, GAICD

Mark is responsible for supporting leadership in the area of financial policy and strategic direction providing the CEO and Board of Directors with comprehensive information, analysis and timely advice on all corporate and financial governance matters affecting the organisation. Mark has worked in the health industry for 18 years and has developed a passion for improving health outcomes for the communities of the Wimmera and Southern Mallee. His areas of expertise include corporate governance, risk management and financial management.

Director Medical Services

Mr Alan Wolff OAM

Director of Medical Services for 37 years, Professor Alan Wolff fell ill prior to the COVID pandemic and he retired at the end of the previous financial year. His role was covered by a series of acting Director of Medical Services. For the 2020-2021 period, our acting Director of Medical Services were Dr John Gallichio and Dr Rob Pegram who held the position for the last nine months of the financial year.

Their role is responsible for the medical care provided to patients. The medical services division at Wimmera Health Care Group covers a broad range of specialties and general practice. The division also provides teaching to medical students from Deakin University and the University of Melbourne. They have administrative, clinical, teaching and research responsibilities.

Sadly Alan passed away on 10th August, 2021

Deputy CEO/Director Clinical Services

Ms Maree Woodhouse

RN, RM, BN, GCAdvNurs, GradDipMid, DIP MGT, MHA, GAICD

Maree is a Registered nurse and midwife who has extensive experience working in public health. Maree is passionate about employee engagement, development and alignment to the organisational values. Maree is aware the best outcomes for consumers is dependent on the passion and dedication of team members and she enjoys a coaching model of developing teams. Maree is looking forward to working with the team to deliver an exceptional person-centred consumer experience.

Director Primary and Community Care

Mr Tony Tuohey

BNurs, DipMgt

Tony is responsible for delivering a comprehensive range of primary, allied health and community care services that are delivered in community and center-based settings. All services are provided in partnership with our consumers and seek to maximise individual abilities in order to enhance independence, self-management and general wellbeing. Tony has worked in primary and community care setting for 11 years and has been at Wimmera Health Care Group for 21 years. He is passionate about providing person-centred care and keeping people in their home for as long as possible and uses his extensive knowledge of aged and community care to improve services at Wimmera Health Care Group.

Acting Director Primary and Director Aged Services

Ms Sarah Kleinitz

RN, BN, Grad Cert Aged Care Nursing

Sarah is well into her second decade of nursing, working mostly in Aged Care and Emergency departments. Sarah has a deep passion for Aged Care and advocating for residents and families to ensure that dignity and respect is always upheld. Sarah joined Wimmera Health Care Group in March 2019 with a vision to enable the older people of the Wimmera community to have an Aged Care facility/service of which they could be proud and feel invested. Sarah continues this vision today, empowering the team she leads to have the same aspirations. Sarah has a strong commitment to employee development and leadership, to ensure that the older people of the Wimmera have a specialised, skilled and qualified team caring for their every need.

Director Clinical Improvement, Risk and Innovation

Mrs Sally Taylor

RN, RM, BN, HDN, MAppMgt (Health)

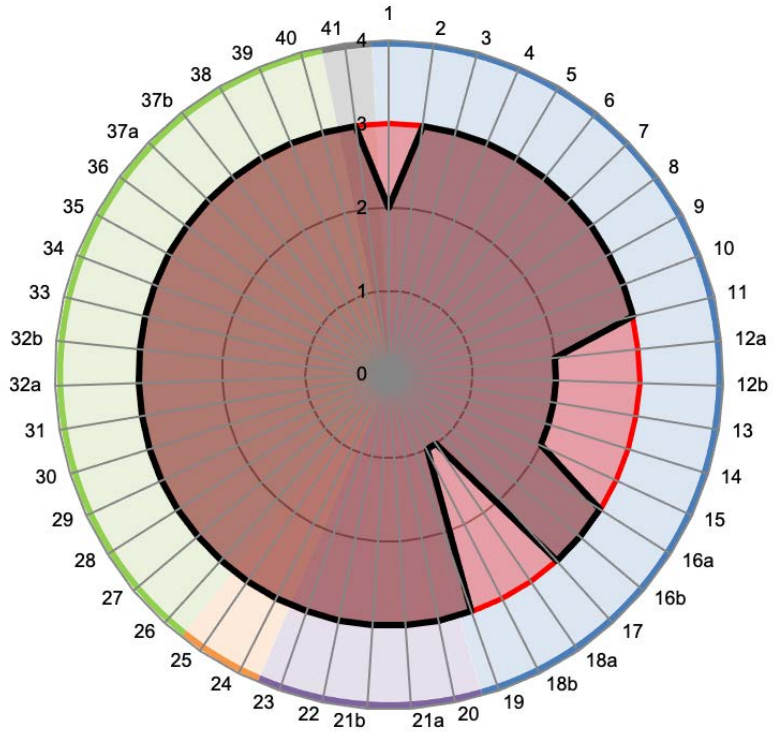
Sally is responsible for developing and delivering the clinical improvement, risk minimisation and innovation plan for Wimmera Health Care Group across inpatient, residential and community services. Sally has extensive experience in patient safety, quality improvement and risk management as well as clinical experience as a nurse and midwife.

Sally has lived in the Wimmera for most of her life and has been at WHCG for the last 22 years. She is passionate about providing high quality safe care in partnership with the people who live in the Wimmera and Mallee.

Asset Management Accountability Framework (AMAF) maturity assessment

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

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



Legend

STATUS	SCALE
Not Applicable	N/A
Innocence	0
Awareness	1
Developing	2
Competence	3
Optimising	4
Unassessed	U/A

Target Overall

Leadership and Accountability (requirements 1-19)

The Wimmera Health Care Group did not comply with some requirements in the areas of allocating asset management responsibility and other requirement. There is no material non-compliance reported in this category. A plan for improvement is in place to improve the Wimmera Health Care Group's maturity rating in these areas.

Planning (requirements 20-23)

The Wimmera Health Care Group has met its target maturity level in this category.

Acquisition (requirements 24 and 25)

The Wimmera Health Care Group has met its target maturity level in this category.

Operation (requirements 26-40)

The Wimmera Health Care Group has met its target maturity level under most requirements within this category.

Disposal (requirement 41)

The Wimmera Health Care Group has met its target maturity level in this category.

Our Team Members

Employment and Conduct Principles

Wimmera Health Care Group is committed to the values and employment principles that apply to the public sector under the Public Administration Act 2004. WHCG complies with these employment principles and continually updates its policies and procedures to advance them. WHCG is committed to applying merit and equity principles to all employment policies, programs and resources and ensures its values are implemented throughout the organisation.

Workforce Initiatives from 01/07/2020 – 30/06/2021

- Improved reporting on recruitment and workforce metrics.
- Improved stand out advertisement visibility and application usability on mobile devices.
- Introduction of new Employee Assistance Program with improved accessibility, clinician and client matching, reduced wait times and dedicated digital employee interface.
- Recruitment of a full time Wellbeing Coordinator.
- Provision of training opportunities for Psychological First Aid and Mental Health Awareness for Leaders/Managers.
- Implementation of a range of new health and wellbeing initiatives including; walking challenges, health and wellbeing newsletter and a team member resource intranet page
- Delivered manager and supervisor specific training that included; recruitment, giving and receiving feedback, psychological wellbeing and bullying, development plans, quality and safety, financial and risk management, family violence and diversity.

Workforce Initiatives proposed for 01/07/2021 – 30/06/2022

- Actively participate in the Safer Care Victoria – Wellbeing for Health Care Worker Initiative to identify wellbeing interventions based on team member consultation, to trial in the Emergency department
- Recruit Peer Support Officers as part of a new Peer Support Program to provide wellbeing support for team members
- Finalise workforce planning process and continue to implement identified initiatives
- Recruitment of a dedicated Gender Equality and Diversity Project Officer
- Completion of the Gender Equality Audit and development of the Gender Equality Action Plan
- Implementation of a Universal Electronic Rostering System to enable efficient rostering and backfilling of shifts
- Review of the team members Years of Service recognition program
- Assess new opportunities and learnings to improve workforce practices and retention of team members following the proposed transition to a new health service with Ballarat Health Services, Edenhope and District Memorial Hospital and Stawell Regional Health.

Industrial Relations

No industrial relation disputes

Gender Equality Act

Wimmera Health Care Group has commenced collating data and collaborating with team members to finalise the Workplace Gender Equality Audit in accordance with the required timeframes under the Act. WHCG will use this information to identify any areas it could strengthen gender equality and inclusivity in the workplace. Data from the audit will drive the Gender Equality Action Plan and additionally, WHCG will undertake Gender Impact Assessments as required.

Local Jobs First Policy

In 2020-2021, there were no contracts requiring disclosure under the Local Jobs First Policy.

Occupational Health and Safety

Wimmera Health Care Group recognises its moral and legal responsibility to provide a safe and healthy environment for employees, contractors and visitors. This commitment extends to ensuring the organisation's operations do not place the local community at risk of injury, illness or damage to property and/or the environment. WHCG's Safety Management Plan demonstrates the organisation's commitment to ensure that all activities carried out at all campuses are safe and in compliance with relevant legislative requirements. We promote a safe working culture that is enhanced by personal responsibility and ownership and supported by training, supervision and management.

An increase in the number of hazards/incidents in the 2020/21 year has been due to several factors. The increase in incidents has coincided with new restrictive rules introduced to health facilities as a result of the pandemic, along with a 20% increase in the number of days stayed with dementia or delirium admitted into the inpatient environment. Health & Safety representatives with guidance from the OH&S team have been supported and been more proactive in inspections and hazard identification across the organisation.

Occupational Health and Safety Data

Occupational Health and Safety Statistics	2020-2021	2019-2020	2018-2019
The number of reported hazards/incidents for the year per 100 FTE	90.59	45.11	22.62
The number of lost time standard WorkCover claims for the year per 100 FTE	.66	.55	1.25
The average cost per WorkCover claim for the year	48,363.43	48,325.00	62,251.62

Occupational violence

Occupational violence statistics	2020-2021
WorkCover accepted claims with an occupational violence cause per 100 FTE	0
Number of accepted WorkCover claims with lost time injury with an occupational violence cause per 1,000,000 hours worked	0
Number of occupational violence incidents reported	376
Number of occupational violence incidents reported per 100 FTE	49.80
Percentage of occupational violence incidents resulting in a staff injury, illness or condition	1.06

Definitions

For the purposes of the above statistics the following definitions apply.

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 2020-2021.

Lost time – 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.

Workforce Data Disclosures

Labour category	JUNE Current Month - FTE		JUNE YTD FTE	
	2020	2021	2020	2021
Nursing	326.33	343.8	324.85	334.96
Administration and Clerical	125.79	136.33	115.25	130.17
Medical Support	14.43	16.72	16.72	16.99
Hotel and Allied Services	194.61	187.25	182.74	190.35
Medical Officers	7.72	8.77	8.18	9.38
Hospital Medical Officers	30.18	31.93	31.03	31.18
Ancillary Staff (Allied Health)	61.45	57.86	55.89	60.22
	760.51	782.66	734.66	773.25

Financial Overview 2020-2021

Wimmera Health Care Group's long term financial objectives are to continue to improve its financial performance, reinvest funds into the organisation, committing to strategic priorities and efficiently allocating limited resources to maximise patient, resident and client outcomes.

We use a number of Key Performance Indicators to monitor our financial viability including:

1. Operating measures - incorporating activity, financial and external benchmarks and
2. Liquidity measures - ensuring sufficient cash assets are available to meet liabilities as they fall due.

Operating performance

The operating result prior to capital and specific purposes was a surplus of $102k which was a good outcome given the difficult conditions we faced. We acknowledge that this result would not have been possible without significant financial support from the Department of Health as the organisation continues to deal with a number of difficult financial challenges linked to our rural location and the worldwide pandemic.

In March 2020 a state of emergency was declared in Victoria due to the global coronavirus pandemic known as COVID-19. In response to COVID-19 Wimmera Health Care Group has been required to comply with various directions announced by the Commonwealth and State Governments to help contain the spread whilst looking after the health and safety of our community. The pandemic has impacted the way in which Wimmera Health Care Group has been able to operate with a range of measures being introduced throughout the year, including: restrictions on non-essential visitors, greater utilisation of telehealth, reduced visiting hours, deferring of elective surgery and reducing activity, opening of COVID-19 testing and vaccination clinics and the implementation of work from home arrangements where possible.

Residential Aged Care Services had a difficult year and continues to face challenges with occupancy levels in particular in the Wimmera Nursing Home resulting in lower Aged Care Funding Income. Capital investment continues to be made into each of the facilities to improve resident quality of life and financial sustainability.

The organisation continues to have a heavy reliance on locum team members to fill vacant positions in both the medical and nursing areas which continues to have a material financial impact on the organisation. Our biggest asset, our team members which is also our biggest cost must be congratulated for their continued commitment to keeping our patients' residents and clients safe during the pandemic, the organisation employs more than 1,100 team members to provide services 365 days a year and I would like to acknowledge the team for all the work they do.

Private patient income decreased on previous year due to reduced payments on certain services combined with people continuing to leave health funds due to increased premiums whilst the deferral of elective and day procedure services due to COVID-19 also contributed to this downturn.

Wimmera Health Care Group would like to acknowledge the investments made by local groups, foundations and the community for their continued support in helping raise funds for much needed capital equipment with $288k donated throughout the financial year. There has been a number of additions to our asset register with over $3M invested. Additions include; the installation of a new fire sprinkler system, the completion of the central sterilising upgrade, the Kurrajong Lodge pergola, commencement of the nurse call upgrade in the Wimmera Nursing Home and the purchases of much need medical equipment for the treatment of patients throughout the organisation.

The cash position of the organisation currently sits at 13 days cash available which is below the Department of Health (DH) target of 14 days, while the current asset ratio has fallen below the DH benchmark of 0.70 currently sitting at 0.58 of current assets for every $1 of current liabilities.

• For detailed financial information, please refer to the Financial Statements.

Financial Overview 2020-2021

Summary financial results

	2021 $000	2020 $000	2019 $000	2018 $000	2017 $000
Operating Result	102	(1,568)	(2,044)	(2,329)	(1,129)
Total Revenue	129,021	114,481	104,865	96,456	91,103
Total Expenses	131,994	119,523	108,471	99,392	92,884
Net result from transactions	**(2,973)**	**(5,042)**	**(3,606)**	**(2,936)**	**(1,781)**
Other Operating flows included in the Net Result	899	(550)	(627)	(54)	286
Net result for the Year (inc. Capital and Specific Items)	**(2,074)**	**(5,592)**	**(4,233)**	**(2,990)**	**(1,495)**
Total Assets	101,265	101,499	104,717	83,646	84,609
Total Liabilities	40,682	38,841	34,095	29,594	27,567
Net Assets	60,583	62,658	70,622	54,052	57,042
Total Equity	60,583	62,658	70,622	54,052	57,042

Net Operating Result *	**102**	**(1,568)**	**(2,044)**	**(2,329)**	**(1,129)**
Capital and Specific Items Results					
Capital Purpose income	2,061	1,866	2,255	3,260	2,901
Specific income	766	1,251	661	716	1,183
COVID-19 State Supply Arrangements - Assets received free of charge or for nil consideration under the State Supply	1,964	-	-	-	-
State supply items consumed up to 30 June 2021	(1,321)				
Assets provided free of charge	-	-	-	-	-
Assets received free of charge	-	2	-	-	-
Expenditure for capital purposes	(19)	(353)	(130)	(307)	(519)
Depreciation and amortisation	(6,494)	(6,240)	(4,348)	(4,276)	(4,217)
Other Economic Flows included in Net Result	-				
Finance costs (other)	(32)				
Net result from transactions	**(2,973)**	**(5,042)**	**(3,606)**	**(2,936)**	**(1,781)**

*The net operating result is the result which the health service is monitored against in its Statement of Priorities.

Major equipment purchases over $10,000 - 2020-2021

Item	Price
COVID-19 Glidescope	17,867
Bladderscanner x2	30,077
Medical Centre Generator	12,053
Carestation 650	40,780
Laundry Compressor	18,049
Sonosite Ultrasound Machine	37,000
Convotherm Oven x2	42,250
Zoll Defibrillator R Series	25,940
4 x Progressa Bed System Pro585	108,041

Item	Price
Denyers Electric Theatre Table	57,523
Baine Maries x 2	44,432
Rollex Matos Drug Fridge x2	24,212
Bronchovideoscope	30,682
Centralised Monitoring ED	46,676
Shared Foetal Monitoring System	131,336
Panda Warmer Neonatal Resus cot	36,430
TOTAL	703,348

Financial Overview 2020-2021

Information and Communication Technology (ICT) disclosure for inclusion in the Report of Operations

a. ICT expenditure - represents an entity's costs in providing business-enabling ICT services and consists of the following cost elements:
   - Operating and capital expenditure (including depreciation);
   - ICT services – internally and externally sourced;
   - Cost in providing ICT services (including personnel and facilities) across the agency, whether funded through a central ICT budget or through other budgets; and
   - Cost in providing ICT services to other organisations.

b. Non-Business As Usual (Non-BAU) expenditure – is a subset of ICT expenditure that relates to extending or enhancing current ICT capabilities and are usually run as projects.

c. Business As Usual (BAU) expenditure – includes all remaining ICT expenditure other than Non-BAU ICT expenditure and typically relates to ongoing activities to operate and maintain the current ICT capability.

Details of Information and Communication Technology (ICT) expenditure

The total ICT expenditure incurred during 2020-2021 is $4,007,091 (excluding GST) with the details shown below.

Outline of expenditures 2020-2021	$000
Business As Usual (BAU) ICT expenditure (Total) (excluding GST)	3876
Non Business As Usual (non BAU) ICT expenditure (Total = Operational expenditure and Capital Expenditure) (excluding GST)	131
Operational expenditure (excluding GST)	0
Capital expenditure (excluding GST)	131

Consultancies

Consultant	Purpose of consultancy	Start date	End date	Total approved project fee ($'000)	Expenditure 2020-2021 ($'000)	Future expenditure ($'000)
Individually > $10k						
Clare Dewan and Associates	Industrial Relations	Jul-20	Jun-21	$43	$43	$-
Ariel Medical Pty Ltd	Emergency Services Review	Jun-21	Jun-21	$18	$18	$-
Wren Learning	Team Member Training	Aug-20	Nov-20	$46	$46	$-
Helen Cooke	Maternity Services Review	Apr-21	Jun-21	$39	$39	$-
Syris Consulting	Clinical Costing	Jul-20	Jun-21	$41	$41	$-
Cube Group Management Consulting (Australia) Pty Ltd	Voluntary Amalagmation Review	Aug-20	Jun-21	$545	$545	$-
Swinburne University	Academic Research	Jul-20	Jun-22	$55	$17	$21
Deakin University	Research Healthy Eating Project	Jul-21	Jun-22	$104	-	$104
Clinical Documentation Improvement Australia Pty Ltd	Clinical Costing	Jul-20	Jun-21	$148	$148	$-
Melkaz Pty Ltd	Workforce Planning	Jul-20	Jun-21	$233	$233	$-
Provider Assist (PA) Pty Ltd	AFCI Angels	Jul-20	Jun-21	$90	$90	$-
Batman Discretionary Trust	Aged Care Financial Instrument (ACFI) Support	Jul-20	Jun-21	$22	$22	$-
				$1,384	$1,242	$125

In 2020-21 there were 4 consultancies where the total fees payable to the consultants were less than $10,000.

The total expenditure incurred during 2020-21 in relation to these consultancies was $16,064 (GST exclusive).

Compliance

Building Act 1993

All building works have been designed in accordance with DH Capital Development Guidelines and comply with the Building Act 1993, Building Regulations 2006 and Building Code of Australia 2011.

Carers Recognition Act 2012

Wimmera Health Care Group has taken measures to ensure awareness and understanding of care relationship principles, in line with Section 11 of the Carer's Recognition Act 2012.

Freedom of Information

Wimmera Health care Group has received 123 requests for information under Freedom of Information Act (1982) during the 2020-2021 financial year.

From the 123 requests:

- 111 cases access was granted in full
- 8 cases where no documents or the records were destroyed
- 2 requests for access were denied
- 1 case was withdrawn
- 0 cases where the requests were not proceeded with
- 2 cases where the requests were not yet finalised at the time of reporting
- 1 request where access was granted in part

Using discretion, Wimmera Health Care Group continues to promote a policy of giving team members, patients and the general public access to information.

Competitive Neutrality

All competitive neutrality requirements were met in accordance with the requirements of the Government policy statement, Competitive Neutrality Policy Victoria and subsequent reforms.

Safe Patient Care Act

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

Application and operation of the Public Interest Disclosure Act 2012

Wimmera Health Care Group is committed to the aims and objectives of the Public Interest Disclosure Act (the Act). Wimmera Health Care Group will not tolerate improper conduct by its employees, executives, officers or members nor detrimental action against those who come forward to disclose such conduct.

Environmental Performance

Wimmera Health Care Group maintains comprehensive recycling programs which are well supported by team members. With a commitment to environmental sustainability opportunities, this year we were successful in our submission to the Victorian Health Building Authority public hospital solar program. This project will supply an additional 433 solar panels and is expected to increase our annual solar output to 181,500 kWh which will equate to an annual Greenhouse Gases (GHG) savings of 185 tonnes. Polyvinyl chloride (PVC) recycling is now normal practice for our operating suite and intensive care unit and will be expanded to other clinical areas in the near future. As the fastest growing waste stream globally, Wimmera Health Care Group continues to recycle all e-waste locally to minimise our impact on the environment.

See Environmental Performance Data on next page.

Compliance

Greenhouse gas emissions

TOTAL GREENHOUSE GAS EMISSIONS (TONNES CO2E)	2018-2019	2019-2020	2020-2021
Scope 1	2,084	2,237	1,915
Scope 2	4,488	4,459	4,386
Total	6,572	6,696	6,301

NORMALISED GREENHOUSE GAS EMISSIONS	2018-2019	2019-2020	2020-2021
Emissions per unit of floor space (kgCO2e/m2)	240.06	245.67	233.50
Emissions per unit of Separations (kgCO2e/Separations)	568.40	639.09	613.98
Emissions per unit of bed-day (LOS+Aged Care OBD) (kgCO2e/OBD)	99.37	104.83	103.23

Stationary energy

TOTAL STATIONARY ENERGY PURCHASED BY ENERGY TYPE (GJ)	2018-2019	2019-2020	2020-2021
Electricity	15,101	15,739	16,112
Liquefied Petroleum Gas	1,441	1,587	1,303
Natural Gas	1,727	41,544	35,625
Total	18,269	58,870	53,040

NORMALISED STATIONARY ENERGY CONSUMPTION	2018-2019	2019-2020	2020-2021
Energy per unit of floor space (GJ/m2)	2.02	2.16	1.97
Energy per unit of Separations (GJ/Separations)	4.78	5.62	5.17
Energy per unit of bed-day (LOS+Aged Care OBD) (GJ/OBD)	0.84	0.92	0.87

Water

TOTAL WATER CONSUMPTION BY TYPE (KL)	2018-2019	2019-2020	2020-2021
Class A Recycled Water	0	0	0
Potable Water	80,339	40,262	46,289
Reclaimed Water	0	0	0
Total	80,339	40,262	46,289

NORMALISED WATER CONSUMPTION (POTABLE + CLASS A)	2018-2019	2019-2020	2020-2021
Water per unit of floor space (kL/m2)	2.93	1.38	1.72
Water per unit of Separations (kL/Separations)	6.95	3.58	4.51
Water per unit of bed-day (LOS+Aged Care OBD) (kL/OBD)	1.21	0.59	0.76

Waste and recycling

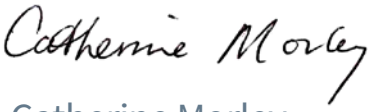
TOTAL WATER CONSUMPTION BY TYPE (KL)	2018-2019	2019-2020	2020-2021
Clinical waste (kg)	17,745	19,090	32,790
Cytotoxic waste (kg)	937	819	543
Pharmaceutical waste (kg)	908	68	155
Anatomical waste (kg)	57	8	184
Recycling (lt)	468,000	468,000	468,000
Batteries (kg)	242	187	522.5
PVC recycling (kg)	368	366	338
Confidential paper (lt)	24,240	29,520	28,200
Printer cartridges (kg)	152.60	134.26	131.42
E-Waste (kg)		1380	370

Financial Attestations

Data Integrity

I, Catherine Morley, certify that Wimmera Health Care Group has put in place appropriate internal controls and processes to ensure that reported data accurately reflects actual performance.

Wimmera Health Care Group has critically reviewed these controls and processes during the year.



Catherine Morley

Chief Executive Officer
Horsham

Date: 3/09/2021

Integrity, Fraud and Corruption

I, Catherine Morley, certify that Wimmera Health Care Group has put in place appropriate internal controls and processes to ensure that integrity, fraud and corruption risks have been reviewed and addressed at Wimmera Health Care Group during the year.

Catherine Morley

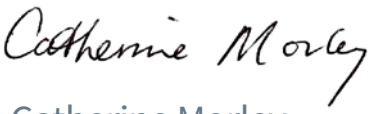
Chief Executive Officer
Horsham

Date: 3/09/2021

Conflict of Interest

I, Catherine Morley, certify that Wimmera Health Care Group 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 Victorian Public Sector Commission.

Declaration of private interest forms have been completed by all executive staff within Wimmera Health Care Group 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.



Catherine Morley

Chief Executive Officer
Horsham

Date: 3/09/2021

Financial Management Compliance Attestation

I, Adam Troeth, on behalf of the Responsible Body, certify that the Wimmera Health Care Group has no Material Compliance Deficiency with respect to the applicable Standing Directions under the Financial Management Act 1994 and Instructions.

Adam Troeth

Chair Audit and Risk Committee
Horsham

Date: 3/09/2021

Other Information

Subject to the provisions of the Freedom of Information Act, information retained by the Accountable Officer and available to the relevant Ministers, Members of Parliament and the public on request include:

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

Disclosure Index

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

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Independent Auditor's Report

Victorian Auditor-General's Office

To the Board of Wimmera Health Care Group

Opinion	I have audited the financial report of Wimmera Health Care Group (the health service) which comprises the: • balance sheet as at 30 June 2021 • comprehensive operating statement for the year then ended • statement of changes in equity for the year then ended • cash flow statement for the year then ended • notes to the financial statements, including significant accounting policies • board member's, accountable officer's and chief finance & accounting officer's declaration. In my opinion, the financial report presents fairly, in all material respects, the financial position of the health service as at 30 June 2021 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 7 of the *Financial Management Act 1994* and applicable Australian Accounting Standards.
Basis for Opinion	I have conducted my audit in accordance with the *Audit Act 1994* which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report. My independence is established by the *Constitution Act 1975*. 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 *Code of Ethics for Professional Accountants* (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. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.
Board's responsibilities for the financial report	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 *Financial Management Act 1994*, 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. 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.
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.

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Auditor's responsibilities for the audit of the financial report

(continued)

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
20 September 2021

Dominika Ryan
as delegate for the Auditor-General of Victoria

FINANCIAL REPORT 2020-21

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Financial Statements
Financial Year Ended 30 June 2021

Board Member's, Accountable Officer's and Chief Finance & Accounting Officer's Declaration

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

We further state that, in our opinion, the information set out in the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement and accompanying notes, presents fairly the financial transactions during the year ended 30 June 2021 and the financial position of Wimmera Health Care Group at 30 June 2021.

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

We authorise the attached financial statements for issue on 9 September 2021.

Marie Aitken	Catherine Morley	Mark Knights
Chairperson	Chief Executive Officer	Chief Finance and Accounting Officer
Horsham	Horsham	Horsham
Date 9 September 2021	Date 9 September 2021	Date 9 September 2021

Comprehensive Operating Statement

Wimmera Health Care Group
Comprehensive Operating Statement
For the Financial Year Ended 30 June 2021

	Note	2021 $'000	2020 $'000
Revenue and income from transactions			
Operating activities	2.1	128,653	113,956
Non-operating activities	2.1	368	525
Total revenue and income from transactions		**129,021**	**114,481**
Expenses from transactions			
Employee expenses	3.1	(93,440)	(85,092)
Supplies and consumables	3.1	(17,333)	(14,332)
Finance costs	3.1	(32)	(31)
Depreciation and amortisation	3.1	(6,494)	(6,240)
Other administrative expenses	3.1	(7,761)	(6,675)
Other operating expenses	3.1	(6,857)	(6,981)
Other non-operating expenses	3.1	(77)	(172)
Total Expenses from transactions		**(131,994)**	**(119,523)**
Net result from transactions - net operating balance		**(2,973)**	**(5,042)**
Other economic flows included in net result			
Net gain/(loss) on sale of non-financial assets	3.4	(11)	(333)
Net gain/(loss) on financial instruments	3.4	-	(35)
Other gain/(loss) from other economic flows	3.4	-	1
Net gain/(loss) arising from revaluation of long service liability	3.4	910	(183)
Total other economic flows included in net result		**899**	**(550)**
Net result for the year		**(2,074)**	**(5,592)**
Comprehensive result for the year		**(2,074)**	**(5,592)**

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

Balance Sheet

Wimmera Health Care Group
Balance Sheet as at 30 June 2021

	Note	2021 $'000	2020 $'000
Current assets			
Cash and cash equivalents	6.2	15,835	14,470
Receivables and contract assets	5.1	3,195	1,830
Inventories	4.4	485	630
Prepaid expenses		1,782	1,914
Total current assets		**21,297**	**18,844**
Non-current assets			
Receivables and contract assets	5.1	3,301	3,012
Property, plant and equipment	4.1 (a)	76,560	79,433
Intangible assets	4.2 (a)	107	210
Total non-current assets		**79,968**	**82,655**
Total assets		**101,265**	**101,499**
Current liabilities			
Payables and contract liabilities	5.2	11,367	9,897
Borrowings	6.1	503	506
Employee benefits	3.2	17,808	16,633
Other liabilities	5.3	7,192	7,661
Total current liabilities		**36,870**	**34,696**
Non-current liabilities			
Borrowings	6.1	875	910
Employee benefits	3.2	2,937	3,235
Total non-current liabilities		**3,812**	**4,145**
Total liabilities		**40,682**	**38,841**
Net assets		**60,583**	**62,658**
Equity			
Property, plant and equipment revaluation surplus	4.1(f)	57,340	57,340
Restricted specific purpose reserve	SCE	2,698	2,585
Contributed capital	SCE	27,708	27,708
Accumulated deficits	SCE	(27,163)	(24,975)
Total equity		**60,583**	**62,658**

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

Statement of Changes in Equity

Wimmera Health Care Group
Statement of Changes in Equity
For the Financial Year Ended 30 June 2021

	Property, Plant and Equipment Revaluation Surplus	Restricted Specific Purpose Reserve	Contributed Capital	Accumulated Deficits	Total
	$'000	$'000	$'000	$'000	$'000
Balance at 30 June 2019	**57,340**	**2,694**	**27,482**	**(16,894)**	**70,622**
Effect of adoption of AASB 15, 16 and 1058	-	-	-	(2,599)	(2,599)
Restated Balance at 1 July 2019	**57,340**	**2,694**	**27,482**	**(19,492)**	**68,024**
Net result for the year	-	-	-	(5,592)	(5,592)
Transfer from/(to) accumulated deficits	-	(109)	-	109	-
Contributed Capital from Government	-	-	226	-	226
Balance at 30 June 2020	**57,340**	**2,585**	**27,708**	**(24,975)**	**62,658**
Net result for the year	-	-	-	(2,074)	(2,074)
Transfer from/(to) accumulated surplus	-	113	-	(113)	-
Balance at 30 June 2021	**57,340**	**2,698**	**27,708**	**(27,163)**	**60,583**

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

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

Cash Flow Statement

Wimmera Health Care Group
Cash Flow Statement
For the Financial Year Ended 30 June 2021

	Note	2021 $'000	2020 $'000
Cash Flows from operating activities			
Operating grants from government		111,946	99,398
Capital grants from government - State		1,234	1,168
Patient fees received		5,849	6,375
Private practice fees received		755	762
GST received from ATO		3,065	2,838
Interest and investment income received		61	193
Other receipts		4,106	4,488
Total receipts		**127,016**	**115,222**
Employee expenses paid		(78,851)	(72,616)
Non-salary labour costs		(10,391)	(9,606)
Payments for supplies and consumables		(17,896)	(17,744)
Payments for medical indemnity insurance		(1,314)	(1,308)
Payments for repairs and maintenance		(972)	(954)
Payment for share of rural health alliance		(467)	224
Other payments		(12,852)	(12,085)
Total payments		**(122,743)**	**(114,089)**
Net cash flows from operating activities	8.1	**4,274**	**1,133**
Cash Flows from investing activities			
Purchase of property, plant and equipment		(2,139)	(2,473)
Other capital receipts		288	384
Purchase of Intangible assets		(10)	(85)
Proceeds from disposal of property, plant and equipment		8	20
Net cash flows used in investing activities		**(1,853)**	**(2,154)**
Cash flows from financing activities			
Cash outflow for leases		(478)	(471)
Proceeds from borrowings		-	49
Repayment of borrowings		(110)	-
Receipt of accommodation deposits		1,340	3,143
Repayment of accommodation deposits		(1,818)	(4,170)
Recognition of Home Care Package Funds		10	815
Cash advance from Government		-	110
Receipt of capital contribution		-	226
Net cash flows used in financing activities		**(1,056)**	**(298)**
Net increase/(decrease) in cash and cash equivalents held		**1,365**	**(1,319)**
Cash and cash equivalents at beginning of year		14,470	15,789
Cash and cash equivalents at end of year	6.2	**15,835**	**14,470**

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

Wimmera Health Care Group
Notes to the Financial Statements
For the Financial Year Ended 30 June 2021

Note 1: Basis of preparation

These financial statements represent the audited general purpose financial statements for Wimmera Health Care Group for the year ended 30 June 2021. The report provides users with information about Wimmera Health Care Group's stewardship of the resources entrusted to it.

This section explains the basis of preparing the financial statements and identifies the key accounting estimates and judgements.

Note 1.1: Basis of preparation of the financial Statements

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

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

Wimmera Health Care Group 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 Wimmera Health Care Group operates on a fund accounting basis and maintains three funds: Operating, Specific Purpose and Capital Funds.

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

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

The financial statements are in Australian dollars.

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 Wimmera Health Care Group on 9 September 2021.

Note 1.2 Impact of COVID-19 pandemic

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

Wimmera Health Care Group introduced a range of measures in both the prior and current year, including:

- Introducing restrictions on non-essential visitors;
- Greater utilisation of telehealth services;
- Implementing reduced visitor hours;
- Deferring elective surgery and reducing activity;
- Performing COVID-19 testing; and
- Implementing work from home arrangements where appropriate.

Wimmera Health Care Group continue to operate under the direction of the Commonwealth and state governments applying the above measures when required to help contain the spread of COVID-19.

The financial impacts of the pandemic are disclosed at:

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

Note 1.3 Abbreviations and terminology used in the financial statements

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

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

Note 1.4 Joint arrangements

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

Wimmera Health Care Group 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 are disclosed in further detail throughout the accounting policies.

Note 1.6 Accounting standards issued but not yet effective

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

Standard	Adoption Date	Impact
AASB 17: Insurance Contracts	Reporting periods on or after 1 January 2023	Adoption of this standard is not expected to have a material impact.
AASB 2020-1: Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current	Reporting periods on or after 1 January 2022.	Adoption of this standard is not expected to have a material impact.
AASB 2020-3: Amendments to Australian Accounting Standards – Annual Improvements 2018-2020 and Other Amendments	Reporting periods on or after 1 January 2022.	Adoption of this standard is not expected to have a material impact.
AASB 2020-8: Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform – Phase 2	Reporting periods on or after 1 January 2021.	Adoption of this standard is not expected to have a material impact.

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

Note 1.7 Goods and Services Tax (GST)

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

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

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

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

Note 1.8 Reporting Entity

The financial statements include all the controlled activities of Wimmera Health Care Group.

Its principal address is:

83 Baillie Street

Horsham, Victoria 3400

A description of the nature of Wimmera Health Care Group'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

Wimmera Health Care Group's overall objective is to provide quality health service that improve the health and wellbeing of our community. Wimmera Health Care Group is predominantly funded by grant funding for the provision of outputs. Wimmera Health Care Group also receives income from the supply of services.

Structure

2.1 Revenue and income from transactions

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

2.3 Other income

Telling the COVID-19 story

Revenue recognised to fund the delivery of our services increased during the financial year which was partially attributable to the COVID-19 coronavirus pandemic.

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

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

Funding provided included:

- COVID-19 grants to fund the Financial impact of COVID-19;
- State repurpose grants to fund the reduction in Activity Based Funding due to the COVID-19 Pandemic;
- Stock received free of charge under state supply arrangement; and
- Assets received free of charge under the state supply agreement

Key judgements and estimates

This section contains the following key judgements and estimates:

Key judgements and estimates	Description
Identifying performance obligations	Wimmera Health Care Group applies significant judgement when reviewing the terms and conditions of funding agreements and contracts to determine whether they contain sufficiently specific and enforceable performance obligation. If this criteria is met, the contract/funding agreement is treated as a contract with a customer, requiring Wimmera Health Care Group to recognise revenue as or when the health service transfers promised goods or services to customers. If this criteria is not met, funding is recognised immediately in the net result from operations.
Determining timing of revenue recognition	Wimmera Health Care Group applies significant judgement to determine when a performance obligation has been satisfied and the transaction price that is to be allocated to each performance obligation. A performance obligation is either satisfied at a point in time or over time.
Determining time of capital grant income recognition	Wimmera Health Care Group 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.

Note 2.1 Revenue and income from transactions

	2021 $'000	2020 $'000
Operating activities		
Revenue from contracts with customers		
Government grants (State) - Operating	41,003	38,539
Government grants (Commonwealth) - Operating	17,204	16,732
Patient and resident fees	5,072	5,671
Private practice fees	891	1,167
Commercial activities [i]	2,035	1,850
Total revenue from contracts with customers	**66,205**	**63,959**
Other sources of income		
Government grants (State) - Operating	54,299	43,669
Government grants (State) - Capital	2,029	1,866
Indirect contributions by the Department of Health and Human Services	424	130
Capital donations	288	382
Assets received free of charge or for nominal consideration	710	2
Other revenue from operating activities (including non-capital donations)	4,699	3,948
Total other sources of income	**62,448**	**49,997**
Total revenue and income from operating activities	**128,653**	**113,956**
Non-operating activities		
Income from other sources		
Capital interest	18	58
Other interest	44	140
Other revenue from non-operating activities	306	327
Total other sources of income	**368**	**525**
Total income from non-operating activities	**368**	**525**
Total revenue and income from transactions	**129,021**	**114,481**

i. Commercial activities represent business activities which Wimmera Health Care Group enter into to support their operations.

How we recognise revenue and income from transactions

Government operating grants

To recognise revenue, Wimmera Health Care Group assesses whether there is a contract that is enforceable and has sufficiently specific performance obligations in accordance with AASB 15: Revenue from Contracts with Customers.

When both these conditions are satisfied, the health service:

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

Where the contract is not enforceable and/or does not have sufficiently specific performance obligations, in accordance with AASB 1058: Income for not-for-profit entities, the health service:

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

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

Government grant	Performance obligation
Activity Based Funding (ABF) paid as Weighted Inlier Equivalent Separation (WIES) casemix	The performance obligations for ABF are the number and mix of patients admitted to hospital (defined as 'casemix') in accordance with the levels of activity agreed to, with the Department of Health in the annual Statement of Priorities. Revenue is recognised at a point in time, which is when a patient is discharged, in accordance with the WIES activity when an episode of care for an admitted patient is completed. WIES activity is a cost weight that is adjusted for time spent in hospital, and represents a relative measure of resource use for each episode of care in a diagnosis related group.
Aged and Community Health Service Package Income	Resident and client fees are recognised as revenue on an accrual basis based on the services provided
Commonwealth Home Support Program	Resident and client fees are recognised as revenue on an accrual basis based on the services provided

Capital grants

Where Wimmera Health Care Group 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 Wimmera Health Care Group'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 recognised as revenue on an accrual basis.

Private practice fees

Private practice fees include recoupments from various private practice organisations for the use of hospital facilities. Private practice fees are recognised as revenue at the time invoices are raised and include recoupments from private practice for the use of Hospital Facilities.

Commercial activities

Revenue from commercial activities includes items such as Laundry, Accommodation and Stores are recognised on an accrual basis.

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

	2021 $'000	2020 $'000
Cash donations and gifts	288	382
Supplies received under state supply arrangement	1,255	387
Plant and equipment	710	2
Total fair value of assets and services received free of charge or for nominal consideration	**2,253**	**771**

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

Donations and bequests

Donations and bequests are generally recognised as income upon receipt (which is when Wimmera Health Care Group usually obtained control of the asset) as they do not contain sufficiently specific and enforceable performance obligations. Where sufficiently specific and enforceable performance obligations exist, revenue is recorded as and when the performance obligation is satisfied.

Personal protective equipment

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

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

Contributions

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

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

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

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 Wimmera Health Care Group as a capital contribution transfer.

Voluntary Services

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

Non-cash contributions from the Department of Health

The Department of Health makes some payments on behalf of Wimmera Health Care Group as follows:

Supplier	Description
Victorian Managed Insurance Authority	The Department of Health purchases non-medical indemnity insurance for Wimmera Health Care Group 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. Fair value of assets and services received free of charge or for nominal consideration.

Note 2.3 Other income

	2021 $'000	2020 $'000
Non Operating activities		
Capital interest	18	58
Other interest	44	140
Rental charges	306	327
Total other sources of income Non Operating Activities	**368**	**525**
Total other income	**368**	**525**

How we recognise other income

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 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 Employee benefits in the balance sheet

3.3 Superannuation

3.4 Other economic flows

Telling the COVID-19 story

Expenses incurred to deliver our services increased during the financial year which was partially attributable to the COVID-19 coronavirus pandemic.

Additional costs were incurred to:

- Establish facilities within Wimmera Health Care Group for the treatment of suspected and admitted COVID patients resulting in an increase in employee costs, and additional equipment purchases,
- Implement COVID safe practices throughout Wimmera Health Care Group including increased cleaning, increased security, and consumption of personal protective equipment provided as resources free of charge,
- Establish vaccination clinics to administer vaccines to staff and the community resulting in an increase in employee costs, and additional equipment purchased.
- Establish testing clinic to test asymptomatic and symptomatic staff and community members resulting in an increase in employee costs, and additional equipment purchased.

Key judgements and estimates

This section contains the following key judgements and estimates:

Key judgements and estimates	Description
Measuring and classifying employee benefit liabilities	Wimmera Health Care Group applies significant judgment when measuring and classifying its employee benefit liabilities. Employee benefit liabilities are classified as a current liability if Wimmera Health Care Group does not have an unconditional right to defer payment beyond 12 months. Annual leave, accrued days off and long service leave entitlements (for staff who have exceeded the minimum vesting period) fall into this category. Employee benefit liabilities are classified as a non-current liability if Wimmera Health Care Group 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. The health service also applies judgement to determine when it expects its employee entitlements to be paid. With reference to historical data, if the health service does not expect entitlements to be paid within 12 months, the entitlement is measured at its present value. All other entitlements are measured at their nominal value.

Note 3.1: Expenses from transactions

	Note	2021 $'000	2020 $'000
Salaries and wages		74,692	68,703
On-costs		6,753	5,946
Workcover premium		1,480	1,007
Agency expenses		2,573	2,592
Fee for service medical officer expenses		7,942	6,844
Total employee expenses		**93,440**	**85,092**
Drug supplies		5,747	4,966
Medical and surgical supplies (including Prostheses)		4,035	3,016
Diagnostic and radiology supplies		3,806	2,478
Other supplies and consumables		3,745	3,872
Total supplies and consumables		**17,333**	**14,332**
Finance costs		32	31
Total finance costs		**32**	**31**
Share of Grampians Rural Health Alliance costs		1,076	861
Domestic expenses		801	731
Minor computer and equipment purchases		666	556
Motor vehicle expenses		123	127
Other administrative expenses		5,095	4,400
Total other administrative expenses		**7,761**	**6,675**
Fuel, light, power and water		1,690	1,798
Repairs and maintenance		966	923
Maintenance contracts		347	289
Medical indemnity insurance		1,415	1,299
Expenses related to short term leases		17	18
Expenses related to leases of low value assets		210	185
Patient Transport		2,137	2,372
Audit Fees		75	97
Total other operating expenses		**6,857**	**6,981**
Total operating expense		**125,423**	**113,111**
Depreciation and amortisation	4.3	6,494	6,240
Total depreciation and amortisation		**6,494**	**6,240**
Specific expense		77	137
Bad and doubtful debt expense		-	35
Total other non-operating expenses		**77**	**172**
Total non-operating expense		**6,571**	**6,412**
Total expenses from transactions		**131,994**	**119,523**

How we recognise expenses from transactions

Expense recognition

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

Employee expenses

Employee expenses include:

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

- Interest on bank overdrafts and short-term and long-term borrowings (interest expense is recognised in the period in which it is incurred);
- Amortisation of discounts or premiums relating to borrowings;
- Amortisation of ancillary costs incurred in connection with the arrangement of borrowings; and
- Finance charges in respect of leases which are recognised in accordance with AASB 16 Leases.

Other operating expenses

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

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

The Department of Health also makes certain payments on behalf of Wimmera Health Care Group. 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: Employee benefits in the balance sheet

	Note	2021 $'000	2020 $'000
Current provisions			
Accrued days off			
Unconditional and expected to be settled wholly within 12 months [i]		158	191
	3.2 (a)	**158**	**191**
Annual leave			
Unconditional and expected to be settled wholly within 12 months [i]		5,555	5,078
Unconditional and expected to be settled wholly after 12 months [ii]		903	855
	3.2 (a)	**6,458**	**5,933**
Long service leave			
Unconditional and expected to be settled wholly within 12 months [i]		745	1,068
Unconditional and expected to be settled wholly after 12 months [ii]		8,492	7,621
	3.2 (a)	**9,237**	**8,689**
Provisions related to employee benefit on-costs			
Unconditional and expected to be settled within 12 months [i]		781	761
Unconditional and expected to be settled after 12 months [ii]		1,175	1,059
	3.2 (a)	**1,956**	**1,820**
Total current employee benefits	3.2 (a)	**17,809**	**16,633**
Non-current provisionso[ii]			
Conditional long service leave		2,611	2,876
Provisions related to employee benefit on-costs		325	359
Total non-current employee benefits	3.2 (a)	**2,936**	**3,235**
Total employee benefits	3.2 (a)	**20,745**	**19,868**

i. The amounts disclosed are nominal amounts.
ii. The amounts disclosed are discounted to present values.

How we recognise employee benefits

Employee benefit recognition

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

Provisions

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

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

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 Wimmera Health Care Group 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 Wimmera Health Care Group expects to wholly settle within 12 months; or
- Present value – if Wimmera Health Care Group 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 the Wimmera Health Care Group 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 Wimmera Health Care Group expects to wholly settle within 12 months or
- Present value – if Wimmera Health Care Group 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.

Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date or when an employee decides to accept an offer of benefits in exchange for the termination of employment.

On-costs related to employee benefits

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

Note 3.2 (a): Employee benefits and related on-costs

	2021 $'000	2020 $'000
Unconditional accrued days off	158	191
Unconditional annual leave entitlements	6,458	5,933
Unconditional long service leave entitlements	9,237	8,689
On-costs	1,956	1,820
Total current employee benefits and related on-costs	**17,809**	**16,633**
Conditional long service leave entitlements	2,611	2,876
On costs	325	359
Total non-current employee benefits and related on-costs	**2,936**	**3,235**
Total employee benefits and related on-costs	**20,745**	**19,868**
Carrying amount at start of year	19,868	18,084
Additional provisions recognised	8,118	9,041
Amounts incurred during the year	(7,241)	(7,257)
Carrying amount at end of year	**20,745**	**19,868**

Note 3.3: Superannuation

	Paid contribution for the year		Contribution outstanding at year end	
	2021 $'000	2020 $'000	2021 $'000	2020 $'000
Defined benefit plans:[i]				
Aware Super	175	154	18	10
Defined contribution plans:				
Aware Super	4,685	4,719	359	350
Hesta	1,701	1,502	132	127
Other Funds	1,411	668	92	66
Total	**7,972**	**7,043**	**601**	**553**

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 Wimmera Health Care Group 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 Wimmera Health Care Group to the superannuation plans in respect of the services of current Wimmera Health Care Group'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.

Wimmera Health Care Group 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 Wimmera Health Care Group.

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

Defined contribution superannuation plans

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

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

Note 3.4: Other economic flows

	2021 $'000	2020 $'000
Net gain/(loss) on disposal of property plant and equipment	(11)	(333)
Total net gain/(loss) on non-financial assets	**(11)**	**(333)**
Net gain/(loss) on disposal of financial instruments	-	(35)
Other gains/(losses) from other economic flows	-	1
Total net gain/(loss) on financial instruments	**-**	**(34)**
Net gain/(loss) arising from revaluation of long service liability	910	(183)
Total other gains/(losses) from other economic flows	**910**	**(183)**
Total gains/(losses) from other economic flows	**899**	**(550)**

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

Net gain/(loss) on non-financial assets

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

- Revaluation gains/(losses) of non-financial physical assets (Refer to Note 4.1 Property plant and equipment);
- Net gain/(loss) on disposal of non-financial assets;
- Any gain or loss on the disposal of non-financial assets is recognised at the date of disposal.

Net gain/(loss) on financial instruments

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

- Realised and unrealised gains and losses from revaluations of financial instruments at fair value;
- Impairment and reversal of impairment for financial instruments at amortised cost refer to Note 7.1 Investments and other financial assets; and
- Disposals of financial assets and derecognition of financial liabilities.

Note 4: Key assets to support service delivery

Wimmera Health Care Group 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 Wimmera Health Care Group to be utilised for delivery of those outputs.

Structure

4.1 Property, plant & equipment

4.2 Intangible assets

4.3 Depreciation and amortisation

4.4 Inventories

Telling the COVID-19 story

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

Key judgements and estimates

This section contains the following key judgements and estimates:

Key judgements and estimates	Description
Measuring fair value of property, plant and equipment.	Wimmera Health Care Group obtains independent valuations for its non-current assets at least once every five years. 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. 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.
Estimating useful life and residual value of property, plant and equipment	Wimmera Health Care Group 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. Wimmera Health Care Group 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. The health service reviews the useful life, residual value and depreciation rates of all assets at the end of each financial year and where necessary, records a change in accounting estimate.
Estimating useful life of right-of-use assets	The 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. Wimmera Health Care Group applies significant judgement to determine whether or not it is reasonably certain to exercise such purchase options.
Estimating the useful life of intangible assets	Wimmera Health Care Group assigns an estimated useful life to each intangible asset with a finite useful life, which is used to calculate amortisation of the asset.
Identifying indicators of impairment	At the end of each year, Wimmera Health Care Group assesses impairment by evaluating the conditions and events specific to the health service that may be indicative of impairment triggers. Where an indication exists, the health service tests the asset for impairment. The health service considers a range of information when performing its assessment, including considering:

Key judgements and estimates	Description
	▪ If an asset's value has declined more than expected based on normal use ▪ If a significant change in technological, market, economic or legal environment which adversely impacts the way the health service uses an asset ▪ If an asset is obsolete or damaged ▪ If the asset has become idle or if there are plans to discontinue or dispose of the asset before the end of its useful life ▪ If the performance of the asset is or will be worse than initially expected. Where an impairment trigger exists, the health service applies significant judgement and estimate to determine the recoverable amount of the asset.

Note 4.1: Property, plant and equipment

Note 4.1 (a): Gross carrying amount and accumulated depreciation

	2021 $'000	2020 $'000
Land at fair value	6,787	6,682
Total land at fair value	**6,787**	**6,682**
Buildings at fair value	70,455	69,536
Less accumulated depreciation	(9,497)	(4,631)
Total buildings at fair value	**60,958**	**64,905**
Right of use buildings at fair value	353	368
Less accumulated depreciation	(85)	(79)
Total right of use buildings at fair value	**268**	**289**
Building works in progress at cost	**1,886**	**1,606**
Total land and buildings	**69,899**	**73,482**
Plant and equipment under construction at cost	-	39
Plant and equipment at fair value	8,306	7,714
Less accumulated depreciation	(4,969)	(4,380)
Total plant and equipment at fair value	**3,337**	**3,373**
Motor vehicles at fair value	221	221
Less accumulated depreciation	(220)	(216)
Total motor vehicles at fair value	**1**	**5**
Medical equipment at fair value	4,421	3,974
Less accumulated depreciation	(2,429)	(2,728)
Total medical equipment at fair value	**1,992**	**1,246**
Computer equipment at fair value	186	186
Less accumulated depreciation	(165)	(131)
Total computer equipment at fair value	**21**	**55**
Furniture and fittings at fair value	563	563
Less accumulated depreciation	(311)	(261)
Total furniture and fittings at fair value	**252**	**302**

Note 4.1 (a): Gross carrying amount and accumulated depreciation (continued)

	2021 $'000	2020 $'000
Right of use plant, equipment, furniture, fittings and vehicles at fair value	1,625	1,298
Less accumulated depreciation	(567)	(329)
Total right of use plant, equipment, furniture, fittings and vehicles at fair value	**1,058**	**969**
Total plant, equipment, furniture, fittings and vehicles at fair value	**6,661**	**5,950**
Total property, plant and equipment	**76,560**	**79,433**

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

	Note	Land $'000	Buildings $'000	Right of Use - Buldings $'000	Building works in progress $'000	Plant & equipment $'000	Motor vehicles $'000
Balance at 1 July 2019		**6,682**	**68,382**	**368**	**1,335**	**3,209**	**22**
Additions		-	17	-	1,408	837	-
Disposals		-	-	-	-	(13)	-
Net transfers between classes		-	1,137	-	(1,137)	-	-
Depreciation	4.3	-	(4,631)	(79)	-	(660)	(17)
Balance at 30 June 2020	4.1 (a)	**6,682**	**64,905**	**289**	**1,606**	**3,373**	**5**
Additions		105	121	-	1,080	795	-
Disposals		-	-	-	-	5	-
Revaluation increments/(decrements)		-	-	64	-	-	-
Net Transfers between classes		-	800	-	(800)	(131)	-
Depreciation	4.3	-	(4,868)	(85)	-	(705)	(4)
Balance at 30 June 2021	4.1 (a)	**6,787**	**60,958**	**268**	**1,886**	**3,337**	**1**

	Note	Medical Equipment $'000	Computer Equipment $'000	Furniture & Fittings $'000	Right of use - PE, FF&V $'000	Total $'000
Balance at 1 July 2019		**1,171**	**90**	**362**	**874**	**82,495**
Additions		347	8	2	452	3,071
Disposals		(7)	(5)	(3)	(13)	(41)
Depreciation	4.3	(265)	(38)	(59)	(344)	(6,093)
Balance at 30 June 2020	4.1 (a)	**1,246**	**55**	**302**	**969**	**79,433**
Additions		923	-	-	458	3,482
Disposals		(13)	-	-	(29)	(37)
Revaluation increments/(decrements)		-	-	-	-	64
Net Transfers between classes		131	-	-	-	-
Depreciation	4.3	(295)	(34)	(50)	(340)	(6,380)
Balance at 30 June 2021	4.1 (a)	**1,992**	**21**	**252**	**1,058**	**76,560**

How we recognise property, plant and equipment

Property, plant and equipment are tangible items that are used by Wimmera Health Care Group 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.

The cost of a leasehold improvement is capitalised as an asset and depreciated over the shorter of the remaining term of the lease or the estimated useful life of the improvements.

Subsequent measurement

Items of property, plant and equipment (excluding right-of-use assets) are subsequently measured at fair value less accumulated depreciation and impairment losses where applicable.

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

Further information regarding fair value measurement is disclosed below.

Revaluation

Fair value is based on periodic valuations by independent valuers, which normally occur once every five years, based upon the asset's Government Purpose Classification, but may occur more frequently if fair value assessments indicate a material change in fair value has occurred.

Where an independent valuation has not been undertaken at balance date, Wimmera Health Care Group 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%, Wimmera Health Care Group would obtain an interim independent valuation prior to the next scheduled independent valuation.

An independent valuation of Wimmera Health Care Group's property, plant and equipment was performed by the VGV on May 2019. The valuation, which complies with Australian Valuation Standards, was determined by reference to the amount for which assets could be exchanged between knowledgeable willing parties in an arm's length transaction. The managerial assessment performed at 30 June 2021 indicated an overall:

- Decrease in fair value of land of 0.81%;
- Increase in fair value of buildings of 6%.

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 2021.

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

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

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

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

Impairment

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

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

How we recognise right-of-use assets

Where Wimmera Health Care Group 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. Wimmera Health Care Group 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 buildings	3 to 5 years
Leased information technology equipment, and vehicles	1 to 5 years

Presentation of right-of-use assets

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

Initial recognition

When a contract is entered into, Wimmera Health Care Group 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.

Wimmera Health Care Group's equipment lease agreements contain purchase options which the health service may exercise at the completion of the lease.

Wimmera Health Care Group holds lease agreements which contain significantly below-market terms and conditions, which are principally to enable the health service to further its objectives. The health service has applied temporary relief and continues to measure those right-of-use asset at cost. Refer to Note 6.1 for further information regarding the nature and terms of the concessional lease, and Wimmera Health Care Group's dependency on such lease arrangements.

Subsequent measurement

Right-of-use assets are subsequently measured at cost less accumulated depreciation and accumulated impairment losses where applicable. Right-of-use assets are also adjusted for certain remeasurements of the lease liability (for example, when a variable lease payment based on an index or rate becomes effective).

Impairment

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

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

Note 4.1 (c): Fair value measurement hierarchy for assets

	Note	Carrying amount 30 June 2021 $'000	Fair value measurement at end of reporting period using: Level 1 [i] $'000	Level 2 [i] $'000	Level 3 [i] $'000
Non-specialised land		1,911	-	1,911	-
Specialised land		4,876	-	-	4,876
Total land at fair value	4.1 (a)	**6,787**	**-**	**1,911**	**4,876**
Non-specialised buildings		893	-	893	-
Specialised buildings		60,065	-	-	60,065
Total buildings at fair value	4.1 (a)	**60,958**	**-**	**893**	**60,065**
Plant and equipment at fair value	4.1 (a)	3,337	-	-	3,337
Motor vehicles at fair value	4.1 (a)	1			1
Medical equipment at Fair Value	4.1 (a)	1,992	-	-	1,992
Computer equipment at fair value	4.1 (a)	21	-	-	21
Furniture and fittings at fair value	4.1 (a)	252	-	-	252
Total plant, equipment, furniture, fittings and vehicles at fair value		**5,603**	**-**	**-**	**5,603**
Total property, plant and equipment at fair value		**73,348**	**-**	**2,804**	**70,544**

	Note	Carrying amount 30 June 2020 $'000	Fair value measurement at end of reporting period using: Level 1 [i] $'000	Level 2 [i] $'000	Level 3 [i] $'000
Non-specialised land		1,911	-	1,911	-
Specialised land		4,771	-	-	4,771
Total land at fair value	4.1 (a)	**6,682**	**-**	**1,911**	**4,771**
Non-specialised buildings		893	-	893	-
Specialised buildings		64,012	-	-	64,012
Total buildings at fair value	4.1 (a)	**64,905**	**-**	**893**	**64,012**
Plant and equipment at fair value	4.1 (a)	3,373	-	-	3,373
Motor vehicles at fair value	4.1 (a)	5			5
Medical equipment at Fair Value	4.1 (a)	1,246	-	-	1,246
Computer equipment at fair value	4.1 (a)	55	-	-	55
Furniture and fittings at fair value	4.1 (a)	302	-	-	302
Total plant, equipment, furniture, fittings and vehicles at fair value		**4,981**	**-**	**-**	**4,981**
Total Property, Plant and Equipment		**76,568**	**-**	**2,804**	**73,764**

i. Classified in accordance with the fair value hierarchy.

Note 4.1 (d): Reconciliation of level 3 fair value measurement [i]

	Note	Land $'000	Buildings $'000	Plant and equipment $'000	Motor vehicles $'000	Medical equipment $'000	Computer equipment $'000	Furniture & fittings $'000
Balance at 1 July 2019		**4,771**	**68,824**	**3,209**	**22**	**1,171**	**90**	**362**
Additions/(Disposals)	4.1 (b)	-	(181)	825	-	340	3	(1)
- Depreciation and amortisation	4.3	-	(4,631)	(660)	(17)	(265)	(38)	(59)
Balance at 30 June 2020	4.1 (c)	**4,771**	**64,012**	**3,373**	**5**	**1,246**	**55**	**302**
Additions/(Disposals)	4.1 (b)	105	921	800	-	208	-	-
Assets provided free of charge		-	-	-	-	702	-	-
Net Transfers between classes	4.1 (b)	-	-	(131)	-	131	-	-
- Depreciation and Amortisation	4.3	-	(4,868)	(705)	(4)	(295)	(34)	(50)
Balance at 30 June 2021	4.1 (c)	**4,876**	**60,065**	**3,337**	**1**	**1,992**	**21**	**253**

i. Classified in accordance with the fair value hierarchy, refer Note 4.1 (c)

Note 4.1 (e): Fair value determination

Asset class	Likely valuation approach	Significant inputs (Level 3 only)
Non-specialised land	Market approach	N/A
Non-specialised buildings	Market approach	N/A
Specialised buildings	Depreciated replacement cost approach	- Cost per square metre - Useful life
Vehicles	Depreciated replacement cost approach	- Cost per unit - Useful life
Medical equipment	Depreciated replacement cost approach	- Cost per unit - Useful life
Plant and equipment	Depreciated replacement cost approach	- Cost per unit - Useful life
Computers and communications	Depreciated replacement cost approach	- Cost per unit - Useful life
Furniture and fittings	Depreciated replacement cost approach	- Cost per unit - Useful life
Other equipment	Depreciated replacement cost approach	- Cost per unit - Useful life

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

How we measure fair value

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

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

In addition, Wimmera Health Care Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

There have been no transfers between levels during the period.

The Valuer-General Victoria (VGV) is Wimmera Health Care Group's independent valuation agency.

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

Valuation hierarchy

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

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

Identifying unobservable inputs (level 3) fair value measurements

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

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

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

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

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

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

Non-specialised land and non-specialised buildings

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

Specialised land and specialised buildings

Specialised land includes Crown 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, Wimmera Health Care Group 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 Wimmera Health Care Group, 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 Wimmera Health Care Group's specialised land and specialised buildings was performed by the Valuer-General Victoria. The effective date of the valuation is 30 June 2019.

Vehicles

The Wimmera Health Care Group 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 2021.

Note 4.1 (f): Property, plant and equipment revaluation reserve

	Note	2021 $'000	2020 $'000
Balance at the beginning of the reporting period		57,340	57,340
Balance at the end of the Reporting Period*		**57,340**	**57,340**
*** Represented by:**			
- Land		2,142	2,142
- Buildings		55,198	55,198
		57,340	**57,340**

Note 4.2: Intangible assets

Note 4.2 (a): Intangible assets – Gross carrying amount and accumulated amortisation

	2021 $'000	2020 $'000
Intangible produced assets - software	803	793
Less accumulated amortisation	(696)	(583)
Total intangible produced assets - software	**107**	**210**
Total intangible assets	**107**	**210**

Note 4.2 (b): Intangible assets – Reconciliation of the carrying amount by class of asset

	Note	Software $'000	Total $'000
Balance at 1 July 2019		**272**	**272**
Additions		85	85
Depreciation	4.3	(147)	(147)
Balance at 30 June 2020	4.2 (a)	**210**	**210**
Additions		10	10
Depreciation	4.3	(113)	(113)
Balance at 30 June 2021	4.2 (a)	**107**	**107**

How we recognise intangible assets

Intangible assets represent identifiable non-monetary assets without physical substance such as computer software.

Initial recognition

Purchased intangible assets are initially recognised at cost.

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

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

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

Subsequent measurement

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

Impairment

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

Note 4.3: Depreciation and amortisation

	2021 $'000	2020 $'000
Depreciation		
Buildings	4,868	4,631
Right of use buildings	85	79
Plant and equipment	705	660
Motor vehicles	4	17
Medical equipment	295	265
Computer equipment	34	38
Furniture and fittings	50	59
Right of use - plant, equipment, furniture, fittings and motor vehicles	340	344
Tota	**6,380**	**6,093**
Amortisation		
Software	113	147
Total amortisation	**113**	**147**
Total depreciation and amortisation	**6,493**	**6,240**

How we recognise depreciation

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

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

How we recognise amortisation

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

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

	2021	2020
Buildings		
- Structure shell building fabric	45 to 60 years	45 to 60 years
- Site engineering services central plant	20 to 30 years	20 to 30 years
Central Plant		
- Fit out	20 to 30 years	20 to 30 years
- Trunk reticulated building system	30 to 40 years	30 to 40 years
Plant and equipment	3 to 7 years	3 to 7 years
Medical equipment	7 to 10 years	7 to 10 years
Computers and communication	3 to 9 years	3 to 9 years
Furniture and fitting	10 to 13 years	10 to 13 years
Motor vehicles	10 years	10 years
Leasehold improvements	2 to 10 years	2 to 10 years
Intangible assets	3 to 4 years	3 to 4 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 4.4: Inventories

	2021 $'000	2020 $'000
Medical and surgical consumables at cost	134	284
Pharmacy supplies at cost	166	190
Catering and domestic supplies at cost	55	47
Administration supplies at cost	84	58
Linen Stores at cost	3	13
Generator fuel at cost	16	16
General stores at cost	27	22
Total inventories	**485**	**630**

How we recognise inventories

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

Note 5: Other assets and liabilities

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

Structure

5.1 Receivables and contract assets

5.2 Payables and contract liabilities

5.3 Other liabilities

Telling the COVID-19 story

The measurement of other assets and liabilities were not materially impacted by the COVID-19 Coronavirus pandemic and its impact on our economy and the health of our community.

Key judgements and estimates

This section contains the following key judgements and estimates:

Key judgements and estimates	Description
Estimating the provision for expected credit losses	Wimmera Health Care Group 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 Wimmera Health Care Group 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. Wimmera Health Care Group 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	Wimmera Health Care Group 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 and contract assets

	Notes	2021 $'000	2020 $'000
Current receivables and contract assets			
Contractual			
Inter hospital debtors		525	106
Trade debtors		1,158	378
Patient fees		544	659
Provision for impairment	5.1(a)	(71)	(97)
Accrued revenue		382	384
Amounts receivable from governments and agencies		237	131
Total contractual receivables and contract assets		**2,775**	**1,561**
Statutory			
GST receivable		420	269
Total statutory receivables		**420**	**269**
Total current receivables and contract assets		**3,195**	**1,830**
Non-current receivables and contract assets			
Contractual			
Long service leave - Department of Health		3,301	3,012
Total contractual non-current receivables and contract assets		**3,301**	**3,012**
Total receivables and contract assets		**6,496**	**4,842**
(i) Financial assets classified as receivables and contract assets [Note 7.1(a)]			
Total receivables and contract assets		6,496	4,842
Provision for impairment		71	97
GST receivable		(420)	(269)
Total financial assets	7.1(a)	**6,147**	**4,670**

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

	2021 $'000	2020 $'000
Balance at the beginning of the year	97	66
Increase (decrease) in allowance recognised in net result	(51)	27
Amounts written off during the year	25	4
Balance at the end of the year	**71**	**97**

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

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

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

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

Impairment losses of contractual receivables

Refer to Note 7.2 (c) for Wimmera Health Care Group's contractual impairment losses.

Note 5.2: Payables and contract liabilities

	Note	2021 $'000	2020 $'000
Current payables and contract liabilities			
Contractual			
Trade creditors		2,029	1,074
Accrued salaries and wages		2,397	1,613
Accrued expenses		2,941	3,539
Deferred grant income	5.2 (a)	1,148	1,877
Contract liabilities	5.2 (b)	657	384
Inter hospital creditors		1,771	433
Amounts payable to governments and agencies		424	977
Total contractual payables and contract liabilities		**11,367**	**9,897**
Total current payables and contract liabilities		**11,367**	**9,897**
Total payables and contract liabilities		**11,367**	**9,897**
(i) Financial liabilities classified as payables and contract liabilities [Note 7.1(a)]			
Total payables and contract liabilities		11,367	9,897
Deferred grant income		(1,148)	(1,877)
Contract liabilities		(657)	(384)
Department of Health		(424)	(977)
Total financial liabilties	7.1 (a)	**9,138**	**6,659**

How we recognise payables and contract liabilities

Payables consist of:

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

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

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

Note 5.2 (a): Deferred capital grant revenue

	2021 $'000	2020 $'000
Opening balance of deferred grant income	1,877	2,599
Grant consideration for capital works received during the year	218	232
Deferred grant revenue recognised as revenue due to completion of capital works	(947)	(954)
Closing balance of deferred grant income	**1,148**	**1,877**

How we recognise deferred capital grant revenue

Grant consideration was received from the Department of Health to support the construction of major capital works. Capital grant revenue is recognised progressively as the asset is constructed, since this is the time when Wimmera Health Care Group 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, Wimmera Health Care Group has deferred recognition of a portion of the grant consideration received as a liability for the outstanding obligations.

Wimmera Health Care Group expects to recognise all of the remaining deferred capital grant revenue for capital works by 30 June 2022.

Note 5.2 (b): Contract liabilities

	2021 $'000	2020 $'000
Opening balance of contract liabilities	384	-
Operating Payments received for performance obligations not yet	462	384
Revenue recognised for the completion of a performance obligation	(189)	-
Total contract liabilities	**657**	**384**
*** Represented by:**		
- Current contract liabilities	657	384
	657	**384**

How we recognise contract liabilities

Contract liabilities include consideration received in advance from customers in respect of capital and operating grants. The balance of contract liabilities was significantly lower than the previous reporting period due to the completion of major capital works.

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

Maturity analysis of payables

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

Note 5.3: Other liabilities

	Note	2021 $'000	2020 $'000
Current monies held it trust			
Patient monies	7.1	3	4
Refundable accommodation deposits	7.1	6,364	6,842
Home Care Package Program unspent client funds	7.1	825	815
Total current monies held in trust		**7,192**	**7,661**
*** Represented by:**			
- Cash assets	6.2	7,192	7,661
		7,192	**7,661**

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 Wimmera Health Care Group 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 Wimmera Health Care Group during its operations, along with interest expenses (the cost of borrowings) and other information related to financing activities of Wimmera Health Care Group.

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

Structure

6.1 Borrowings

6.2 Cash and cash equivalents

6.3 Commitments for expenditure

6.4 Non-cash financing and investing activities

Telling the COVID-19 story

The level of cash and borrowings required to finance our operations were impacted during the financial year which was attributable to the COVID-19 Coronavirus pandemic.

The following items were impacted:

- Additional funding in the form of cash support to cover expenditure related to COVID-19.

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	Wimmera Health Care Group applies significant judgement to determine if a contract is or contains a lease by considering if the health service: ▪ 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	Wimmera Health Care Group applies significant judgement when determining if a lease meets the short-term or low value lease exemption criteria. The health service estimates the fair value of leased assets when new. Where the estimated fair value is less than $10,000, the health service applies the low-value lease exemption. The health service also estimates the lease term with reference to remaining lease term and period that the lease remains enforceable. Where the enforceable lease period is less than 12 months the health service applies the short-term lease exemption.
Discount rate applied to future lease payments	Wimmera Health Care Group 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, Wimmera Health Care Group 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.
Assessing the lease term	The lease term represents the non-cancellable period of a lease, combined with periods covered by an option to extend or terminate the lease if Wimmera Health Care Group is reasonably certain to exercise such options. Wimmera Health Care Group determines the likelihood of exercising such options on a lease-by-lease basis through consideration of various factors including: ▪ 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 reasonably certain to extend (or not terminate) the lease.

Key judgements and estimates	Description
	▪ The health service considers historical lease durations and the costs and business disruption to replace such leased assets.

Note 6.1: Borrowings

	Note	2021 $'000	2020 $'000
Current borrowings			
Lease liability [i]	6.1 (a)	494	397
Advances from government [ii]		9	109
Total current borrowings		**503**	**506**
Non-current borrowings			
Lease liability [i]	6.1 (a)	836	862
Advances from government [ii]		39	48
Total non-current borrowings		**875**	**910**
Total borrowings		**1,378**	**1,416**

i. Secured by the assets leased.
ii. These are secured loans which bear no interest.

How we recognise borrowings

Borrowings refer to interest bearing liabilities raised through lease liabilities and other interest-bearing arrangements.

Initial recognition

All borrowings are initially recognised at fair value of the consideration received, less directly attributable transaction costs. The measurement basis subsequent to initial recognition depends on whether the Wimmera Health Care Group has categorised its liability as either 'financial liabilities designated at fair value through profit or loss', or financial liabilities at 'amortised cost'.

Subsequent measurement

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

Maturity analysis

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

Wimmera Health Care Group' lease liabilities are summarised below:

	2021 $'000	2020 $'000
Total undiscounted lease liabilities	1,380	1,312
Less unexpired finance expenses	(51)	(53)
Net lease liabilities	**1,329**	**1,259**

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

	2021 $'000	2020 $'000
Not longer than one year	531	424
Longer than one year but not longer than five years	849	883
Longer than five years	-	5
Minimum future lease liability	**1,380**	**1,312**
Less unexpired finance expenses	(51)	(53)
Present value of lease liability	**1,329**	**1,259**
*** Represented by:**		
- Current liabilities	494	397
- Non-current liabilities	835	862
	1,329	**1,259**

How we recognise lease liabilities

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

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

Wimmera Health Care Group's lease arrangements consist of the following:

Type of asset leased	Lease term
Leased buildings	3 to 5 years
Leased information technology equipment and vehicles	3 to 5 years

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

Type of payment	Description of payment	Type of leases captured
Low value lease payments	Leases where the underlying asset's fair value, when new, is no more than $10,000	Information Technology equipment
Short-term lease payments	Leases with a term less than 12 months	Property rentals

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 Wimmera Health Care Group incremental borrowing rate. Our lease liability has been discounted by rates of between 5.05% to 9.86%.

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.

The following types of lease arrangements, contain extension and termination options:

- Motor vehicles;
- Commercial tenancy; and
- Information technology equipment.

These terms are used to maximise operational flexibility in terms of managing contracts. The majority of extension and termination options held are exercisable only by the health service and not by the respective lessor.

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term and lease liability if the lease is reasonably certain to be extended (or not terminated).

The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the lessee.

Subsequent measurement

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

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

Note 6.2: Cash and cash equivalents

	Note	2021 $'000	2020 $'000
Cash on hand (excluding monies held in trust)		7	8
Cash at bank (excluding monies held in trust)		593	262
Cash at bank - CBS (excluding monies held in trust)		6,022	4,531
Term deposits < 3 months (excluding monies held in trust)		2,021	2,008
Total cash held for operations		**8,643**	**6,809**
Cash on hand (monies held in trust)		-	1
Cash at bank (monies held in trust)		1,251	1,793
Cash at bank - CBS (monies held in trust)		5,941	5,867
Total cash held as monies in trust		**7,192**	**7,661**
Total cash and cash equivalents	7.1 (a)	**15,835**	**14,470**

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.

The cash flow statement includes monies held in trust.

Note 6.3: Commitments for expenditure

	2021 $'000	2020 $'000
Capital expenditure commitments		
Less than one year	3,952	2,906
Total capital expenditure commitments	**3,952**	**2,906**
Non-cancellable short term and low value lease commitments		
Less than one year	404	491
Longer than one year but not longer than five years	152	155
Five years or more	188	232
Total non-cancellable short term and low value lease commitments	**744**	**878**
Total commitments for expenditure (inclusive of GST)	**4,696**	**3,784**
Less GST recoverable from Australian Tax Office	(405)	(298)
Total commitments for expenditure (exclusive of GST)	**4,291**	**3,486**

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

How we disclose our commitments

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

Expenditure commitments

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

Short term and low value leases

Wimmera Health Care Group discloses short term and low value lease commitments which are excluded from the measurement of right-of-use assets and lease liabilities. Refer to Note 6.1 for further information.

Note 6.4: Non-cash financing and investing activities

	Note	2021 $'000	2020 $'000
Assumption of liabilities			
Acquisition of plant and equipment by means of Leases		458	452
Total non-cash financing and investing activities	4.1 (b)	**458**	**452**

Note 7: Risks, contingencies and valuation uncertainties

Wimmera Health Care Group 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

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 Wimmera Health Care Group's activities, certain financial assets and financial liabilities arise under statute rather than a contract. 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

		Financial Assets at Amortised Cost	Financial Liabilities at Amortised Cost	Total
30 June 2021	**Note**	**$'000**	**$'000**	**$'000**
Contractual Financial Assets				
Cash and Cash Equivalents	6.2	15,835	-	15,835
Receivables and contract assets	5.1	6,147	-	6,147
Total Financial Assets [i]		**21,982**	**-**	**21,982**
Financial Liabilities				
Payables	5.2	-	9,138	9,138
Borrowings	6.1	-	1,378	1,378
Other Financial Liabilities - Refundable Accommodation Deposits	5.3	-	6,364	6,364
Other Financial Liabilities - Patient monies held in trust	5.3	-	3	3
Other Financial Liabilities - Home care package program unspent funds	5.3	-	825	825
Total Financial Liabilities [i]		**-**	**17,708**	**17,708**

		Financial Assets at Amortised Cost	Financial Liabilities at Amortised Cost	Total
30 June 2020	**Note**	**$'000**	**$'000**	**$'000**
Contractual Financial Assets				
Cash and cash equivalents	6.2	14,470	-	14,470
Receivables and contract assets	5.1	4,670	-	4,670
Total Financial Assets [i]		**19,140**	**-**	**19,140**
Financial Liabilities				
Payables	5.2	-	6,659	6,659
Borrowings	6.1	-	1,416	1,416
Other Financial Liabilities - Refundable Accommodation Deposits	5.3	-	6,842	6,842
Other Financial Liabilities - Patient monies held in trust	5.3	-	4	4
Other Financial Liabilities - Home care package program unspent funds	5.3	-	815	815
Total Financial Liabilities [i]		**-**	**15,736**	**15,736**

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

How we categorise financial instruments

Categories of financial assets

Financial assets are recognised when Wimmera Health Care Group becomes party to the contractual provisions to the instrument. For financial assets, this is at the date Wimmera Health Care Group 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 paragraph 63.

Financial assets at amortised cost

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

- The assets are held by Wimmera Health Care Group 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.

Wimmera Health Care Groupe recognises the following assets in this category:

- Cash and deposits;
- Receivables (excluding statutory receivables); and

Categories of financial liabilities

Financial liabilities are recognised when Wimmera Health Care Group 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 fair value through net result

A financial liability is measured at fair value through net result if the financial liability is:

- Held for trading; or
- Initially designated as at fair value through net result.

Changes in fair value are recognised in the net results as other economic flows, unless the changes in fair value relate to changes in Wimmera Health Care Group's own credit risk. In this case, the portion of the change attributable to changes in Wimmera Health Care Group's own credit risk is recognised in other comprehensive income with no subsequent recycling to net result when the financial liability is derecognised.

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.

Wimmera Health Care Group recognises the following liabilities in this category:

- Payables (excluding statutory payables and contract liabilities);
- Borrowings; and
- Other liabilities (including monies held in trust).

Derecognition of financial assets

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

- The rights to receive cash flows from the asset have expired; or
- Wimmera Health Care Group 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
- Wimmera Health Care Group 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 Wimmera Health Care Group has neither transferred nor retained substantially all the risks and rewards or transferred control, the asset is recognised to the extent of Wimmera Health Care Group'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, Wimmera Health Care Group'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, Wimmera Health Care Group'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.

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

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

Credit risk associated with Wimmera Health Care Group'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, Wimmera Health Care Group 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, Wimmera Health Care Group'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 Wimmera Health Care Group 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 Wimmera Health Care Group's maximum exposure to credit risk without taking account of the value of any collateral obtained.

There has been no material change to Wimmera Health Care Group's credit risk profile in 2020-21.

Impairment of financial assets under AASB 9

Wimmera Health Care Group 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.

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

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

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

30 June 2021	Note	Current	Less than 1 month	1–3 months	3 months –1 year	1–5 years	Total
Expected loss rate		0.0%	0.0%	0.0%	19.8%	46.0%	
Gross carrying amount of contractual	5.1	2,396	96	148	91	115	**2,846**
Loss allowance		-	-	-	**(18)**	**(53)**	**(71)**

30 June 2020		Current	Less than 1 month	1–3 months	3 months –1 year	1–5 years	Total
Expected loss rate		0.0%	0.0%	0.0%	19.8%	100.0%	
Gross carrying amount of contractual	5.1	1,186	207	103	81	81	**1,658**
Loss allowance		-	-	-	**(16)**	**(81)**	**(97)**

Statutory receivables and debt investments at amortised cost

Wimmera Health Care Group'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.

Wimmera Health Care Group is exposed to liquidity risk mainly through the financial liabilities as disclosed in the face of the balance sheet. The health service manages its liquidity risk by:

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

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

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

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

				Maturity Dates			
		Carrying Amount	Nominal Amount	Less than 1 Month	1-3 Months	3 months - 1 Year	1-5 Years
30 June 2021	**Note**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Financial Liabilities at amortised cost							
Payables	**5.2**	11,367	11,367	11,367	-	-	-
Borrowings	**6.1**	1,378	1,378	42	126	335	875
Other Financial Liabilities - Refundable Accommodation Deposits	**5.3**	6,364	6,364	689	1,378	4,018	279
Other Financial Liabilities - Patient monies held in trust	**5.3**	3	3	3	-	-	-
Other Financial Liabilities - Home care package program unspent	**5.3**	825	825	90	179	520	36
Total Financial Liabilities		**19,937**	**19,937**	**12,191**	**1,683**	**4,873**	**1,190**

				Maturity Dates			
		Carrying Amount	Nominal Amount	Less than 1 Month	1-3 Months	3 months - 1 Year	1-5 Years
30 June 2020	**Note**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Financial Liabilities at amortised cost							
Payables	**5.2**	9,897	9,513	9,513	-	-	-
Borrowings	**6.1**	1,416	1,416	143	67	303	903
Other Financial Liabilities - Refundable Accommodation Deposits	**5.3**	6,842	6,842	742	1,482	4,319	299
Other Financial Liabilities - Patient monies held in trust	**5.3**	4	4	4	-	-	-
Other Financial Liabilities - Home care package program unspent	**5.3**	815	815	88	177	514	36
Total Financial Liabilities		**18,974**	**18,590**	**10,490**	**1,726**	**5,136**	**1,238**

Note 7.3: Contingent assets and contingent liabilities

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

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 Joint arrangements

8.8 Economic dependency

Telling the COVID-19 story

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

Note 8.1: Reconciliation of net result for the year to net cash inflow / (outflow) from operating activities

	Note	2021 $'000	2020 $'000
Net result for the year		(2,074)	(5,592)
Non-cash movements:			
Depreciation and amortisation of non-current assets	4.3	6,493	6,240
Assets and services received free of charge	2.2	710	-
Inventory received free of charge		-	116
Bad and doubtful debt expense	5.1 (a)	(26)	31
Insurance paid on our behalf		135	46
(Gain)/Loss on revaluation of long service leave liability	3.4	(910)	183
Initial Recognition of deferred capital		-	(2,599)
Change in membership Jointly Controlled Operations		45	(112)
Other non-cash movements		(135)	(46)
Movement included in investing and financing activities			
(Gain)/Loss on sale or disposal of non-financial assets	3.4	11	333
Less cash inflows / outflows from investing and Financing Activities		(478)	(312)
Movements in Assets and Liabilities:			
(Increase)/Decrease in receivables and contract assets		(1,654)	191
(Increase)/Decrease in inventories		145	(274)
(Increase)/Decrease in prepaid expenses		132	(226)
Increase/(Decrease) in payables and contract liabilities		1,471	2,323
Increase/(Decrease) in employee benefits		877	1,601
Increase/(Decrease) in other liabilities		(469)	(770)
Net cash inflow from operating activities		**4,273**	**1,133**

Note 8.2: Responsible persons disclosures

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

	Period
The Honourable Martin Foley:	
Minister for Mental Health	1 Jul 2020 - 29 Sep 2020
Minister for Health	26 Sep 2020 - 30 Jun 2021
Minister for Ambulance Services	26 Sep 2020 - 30 Jun 2021
Minister for the Coordination of Health and Human Services: COVID-19	26 Sep 2020 - 9 Nov 2020
The Honourable Jenny Mikakos:	
Minister for Health	1 Jul 2020 - 26 Sep 2020
Minister for Ambulance Services	1 Jul 2020 - 26 Sep 2020
Minister for the Coordination of Health and Human Services: COVID-19	1 Jul 2020 - 26 Sep 2020
The Honourable Luke Donnellan:	
Minister for Child Protection	1 Jul 2020 - 30 Jun 2021
Minister for Disability, Ageing and Carers	1 Jul 2020 - 30 Jun 2021
The Honourable James Merlino:	
Minister for Mental Health	29 Sep 2020 - 30 Jun 2021
Governing Boards	
Marie Aitken (President and Chairperson)	1 Jul 2020 - 30 Jun 2021
Carole Alt (Deputy Chair)	1 Jul 2020 - 30 Jun 2021
Megan Dennison	1 Jul 2020 - 11 Mar 2021
Meryn Eagle	1 Jul 2020 - 30 Jun 2021
Susan Findlay-Tickner	1 Jul 2020 - 30 Jun 2021
Peter Greenberg (OAM)	1 Jul 2020 - 30 Jun 2021
Lisa Keam	1 Jul 2020 - 30 Jun 2021
Linda Kwok	1 Jul 2020 - 30 Jun 2021
La Vergne Lehmann	1 Jul 2020 - 30 Jun 2021
Adam Troeth	1 Jul 2020 - 30 Jun 2021
Accountable Officers	
Catherine Morley (Chief Executive Officer)	1 Jul 2020 - 30 Jun 2021

Note 8.2: Responsible persons disclosures (continued)

Remuneration of Responsible Persons

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

Income Band	2021 No	2020 No
$0 - $9,999	1	-
$10,000 - $19,999	9	10
$290,000 - $299,999	-	1
$310,000 - $319,999	1	-
Total Numbers	**11**	**11**

	2021 $'000	2020 $'000
Total remuneration received or due and receivable by Responsible Persons from the reporting entity amounted to:	**$454**	**$431**

Amounts relating to Responsible Ministers are reported within the Department of Parliamentary Services' 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)	**Total Remuneration**	
	2021 $'000	**2020 $'000**
Short-term benefits	1,709	1,289
Post-employment benefits	117	107
Other long-term benefits	48	38
Total remuneration [i]	**1,874**	**1,434**
Total number of executives	9	11
Total annualised employee equivalent [ii]	6.9	6.3

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

Other factors

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

Note 8.4: Related parties

The Wimmera Health Care Group 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 the Wimmera Health Care Group, directly or indirectly.

Key management personnel

The Board of Directors and the Executive Directors of the Wimmera Health Care Group and its are deemed to be KMPs. This includes the following:

Entity	KMPs	Position Title
Wimmera Health Care Group	Mrs Marie Aitken	President and Chairperson, Board of Management
Wimmera Health Care Group	Mrs Carole Alt	Deputy Chairperson, Board of Management
Wimmera Health Care Group	Dr Peter Greenberg (OAM)	Board Member
Wimmera Health Care Group	Mrs Merryn Eagle	Board Member
Wimmera Health Care Group	Ms Lisa Keam	Board Member
Wimmera Health Care Group	Mrs Susan Findlay-Tickner	Board Member
Wimmera Health Care Group	Ms Linda Kwok	Board Member
Wimmera Health Care Group	Mrs La Vergne Lehmann	Board Member
Wimmera Health Care Group	Mr Adam Troeth	Board Member
Wimmera Health Care Group	Dr Megan Dennison	Board Member (resigned 11/03/2021)
Wimmera Health Care Group	Ms Maree Woodhouse	Director of Clinical Services
Wimmera Health Care Group	Mr Mark Knights	Director of Finance and Corporate Services
Wimmera Health Care Group	Ms Catherine Morley	Chief Executive Officer
Wimmera Health Care Group	Prof Alan Wolff	Director of Medical Services
Wimmera Health Care Group	Dr Rob Pegram	Acting Director of Medical Services
Wimmera Health Care Group	Dr Grant Phelps	Acting Director of Medical Services
Wimmera Health Care Group	Dr John Gallichio	Acting Director of Medical Services
Wimmera Health Care Group	Mr Anthony Tuohey	Director of Primary and Community Care
Wimmera Health Care Group	Ms Sarah Kleinitz	Director of Primary and Aged Services
Wimmera Health Care Group	Mrs Sally Taylor	Director of Clinical Improvement Risk and Innovation

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

	2021 $'000	2020 $'000
Compensation - KMPs		
Short-term Employee Benefits [i]	2,125	1,690
Post-employment Benefits	146	128
Other Long-term Benefits	57	47
Total [ii]	**2,328**	**1,865**

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

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

Significant transactions with government related entities

The Wimmera Health Care Group received funding from the Department of Health of $95.3m (2020: $80.9m) and indirect contributions of $423k (2020: $131k).

Expenses incurred by the Wimmera Health Care Group 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 Wimmera Health Care Group 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 the Wimmera Health Care Group, there were no related party transactions that involved key management personnel, their close family members or their personal business interests. No provision has been required, nor any expense recognised, for impairment of receivables from related parties. There were no related party transactions with Cabinet Ministers required to be disclosed in 2021 (2020: none).

There were no related party transactions required to be disclosed for the Wimmera Health Care Group Board of Directors, Chief Executive Officer and Executive Directors in 2021 (2020: none).

Note 8.5: Remuneration of auditors

	2021 $'000	2020 $'000
Victorian Auditor-General's Office		
Audit of the financial statements	43	45
Total remuneration of auditors	**43**	**45**

Note 8.6: Events occurring after the balance sheet date

The Boards of Wimmera Health Care Group, Ballarat Health Services, Edenhope and District Memorial Hospital and Stawell Regional Health have agreed to propose a voluntary amalgamation to form a new health service. The four Boards have collectively endorsed this proposal for the consideration of the Secretary of the Department of Health. An effective date for the amalgamation would be determined based on approval. If approved, the pro-forma net assets of the amalgamated entity would be approximately $459M with an annual turnover for 30 June 2021 of $732M.

The COVID-19 pandemic has created unprecedented economic uncertainty. Actual economic events and conditions in the future may be materially different from those estimated by Wimmera Health Care Group at the reporting date. As responses by government continue to evolve, management recognises that it is difficult to reliably estimate with any degree of certainty the potential impact of the pandemic after the reporting date on Wimmera Health Care Group, its operations, its future results and financial position. The state of emergency in Victoria was extended on 2 June 2021 until 26 August 2021 and the state of disaster remains in place.

Note 8.7: Joint arrangements

	Principal Activity	Ownership Interest 2021 %	Ownership Interest 2020 %
Grampians Rural Health Alliance	Informations systems	11.35	11.06

Wimmera Health Care Group interest in assets and liabilities of the above joint arrangements are detailed below. The amounts are included in the consolidated financial statements under their respective categories:

	2021 $'000	2020 $'000
Current assets		
Cash and cash equivalents	609	467
Receivables	115	9
Prepaid expenses	129	19
Total current assets	**853**	**495**
Non-current assets		
Property, plant and equipment	449	494
Total non-current assets	**449**	**494**
Total assets	**1,302**	**989**
Current liabilities		
Payables	593	230
Total current liabilities	**593**	**230**
Total liabilities	**593**	**230**
Net assets	**709**	**759**
Equity		
Accumulated surplus	709	759
Total equity	**709**	**759**

Note 8.7: Joint arrangements (continued)

Wimmera Health Care Group's interest in revenues and expenses resulting from joint arrangements are detailed below:

	2021 $'000	2020 $'000
Revenue		
Other income	982	940
Total revenue	**982**	**940**
Expenses		
Other expenses	1,052	992
Total expenses	**1,052**	**992**
Net result	**(70)**	**(52)**

Contingent liabilities and capital commitments

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

Note 8.8: Economic dependency

The Wimmera Health Care Group is wholly dependent on the continued financial support of the State Government and in particular, the Department of Health.

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

Notes

Incorporating

Wimmera Base Hospital
Dimboola Hospital
Wimmera Nursing Home
Kurrajong Lodge Hostel
Wimmera Medical Centre
John Pickering Medical Centre, Dimboola
ABN: 21 203 855 611

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At Wimmera Health Care Group, our values are:

Kindness
Respect
Integrity
Learning
Courage