



Leading our community to better health

Rochester and Elmore District Health Service



# Annual Report 2020

# REDHS 2020 STRATEGIC PLAN 2016 - 2020



## VISION

Leading our community to better health

## VALUES

Respect  
Equity  
Diligence  
Honesty  
Service

## Strategic Priorities

### Quality Healthcare

Enhance person centred approach to care  
Focus on wellbeing including quality ageing  
Strengthen community and consumer engagement



### Collaborative Endeavours

Develop and provide services to meet community need  
Nurture strategic partnerships and develop cluster arrangements  
Transform models and systems for efficiency and quality



### People and Infrastructure

Engage in innovation driven opportunities  
Develop our people  
Strengthen our governance and quality systems  
Progress contemporary physical and technical infrastructure



### Front cover:

*Aerial view of REDHS, highlighting the solar panels that were installed on the roof in 2020*

## WHO WE ARE

Rochester and Elmore District Health Service (REDHS) was established on 1 November 1993 following the amalgamation of the Rochester and District War Memorial Hospital and the Elmore District Hospital.

REDHS is an incorporated body under Section 31 of the Health Services Act 1988 providing a broad range of services including acute, residential aged and primary care services to our catchment population of 6,700 and has:

- 125 full time equivalent staff (227 headcount)
- 60 residential aged care beds (including one respite and a 10-bed memory-support unit)
- 10 inpatient acute beds including 1 (unfunded) designated palliative care bed/ suite and 2 beds designated for the bed-based Transition Care Program
- 1 community/home-based Transition Care Program bed
- Urgent Care Centre
- District Nursing Service
- Primary Care Services including a range of ambulatory Allied Health services as well as home supports such as Home Care Packages and NDIS packages
- Radiology (X-Ray & Ultrasound) service
- Close working relations with our local GP practices, including one co-located on REDHS site

The responsible minister is Jenny Mikakos MP - Victorian Minister for Health and Minister for Ambulance Services.

## OUR LOCATION



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# Year in Brief 2019-2020

<b>Acute Ward</b>	
Total Acute Ward Separations	306
Acute Ward Bed Days	1,827
<b>Residential Aged Care</b>	
Total Bed Days	19,350
Total Admissions	32
<b>Non-admitted Occasions of Service</b>	
District Nursing	5,943
Urgent Care Centre	628
Radiology	622
Social Support Group	3,834
Diabetes Education	135
Dietetics	497
Group Fitness	494
Home Care Services	3,505
Occupational Therapy	755
Physiotherapy	1,277
Podiatry	2,613
Social Work/Counselling	393
Drug and Alcohol Withdrawal Service	269

## Services available at REDHS

- Acute Ward – including 24/7 Urgent Care Centre
- Cardiac Rehabilitation
- Diabetes Education
- Dietetics
- District Nursing
- Group Fitness
- Health Promotion
- Hearing Services
- Home Care Packages
- Home Care Services
- NDIS Packages
- Occupational Therapy
- Palliative Care
- Pathology Collection
- Physiotherapy
- Podiatry
- Psychology
- Radiology (X-rays and Ultrasounds)
- Residential Aged Care
- Rural Withdrawal Service (Alcohol and Other Drugs)
- Social Support Group
- Social Work
- Transition Care Program
- Volunteer Program

# Board Chair and CEO Report

On behalf of the Board of Directors, we are pleased to present the 27<sup>th</sup> Annual Report of Rochester and Elmore District Health Service (REDHS) for the year ending 30 June 2020. The report is prepared in accordance with the Financial Management Act 1994 and highlights the significant achievements and events that occurred during, what turned out to be, an extremely eventful year.

The report reflects the unflinching dedication and professionalism of our staff, our visiting medical officers (VMOs) and our volunteers in what has been an eventful year for REDHS, just as it was for our local and the world community. The second half of the year was obviously profoundly impacted by the COVID-19 pandemic, and REDHS was not immune from these impacts.

The first half of the year – from July to December 2019 – was also a period of significant change for the organisation. This period saw the unrelated, but similarly timed resignations of the Director of Clinical Services (DCS), Mark Nally, in July, followed by CEO, Anne McEvoy, a month later. Both have taken up new roles but remain in the Loddon Mallee region, and REDHS are pleased to have provided a sound base upon which they have further launched their respective careers. Meredith Hodder stepped up from her Acute Nurse Manager role to undertake the Acting DCS role and Michael Delahunty (former CEO of Echuca Regional Health) graciously agreed to fill in as Acting CEO while the Board sought to recruit a new CEO.

The Board farewelled retiring directors Timothy Fulton (from 2009), Frank Oliver (from 2017) and Carl Wood (from 2017), thanking them for their dedication.

Karen Laing joined the team as CEO in January 2020 and was, unfortunately, very soon met with the COVID-19 pandemic. From early 2020, REDHS was required to completely review the way we provided care and services to our patients, clients and residents, and REDHS staff had no hesitation rising to the challenges with professionalism and enthusiasm. We have been screening everyone who enters the premises since March, including staff, contract workers and visitors, and continue to do so today. Visitors have been restricted the entire time, and at times have briefly been excluded entirely. It has been difficult for them, and for the residents in particular, and we appreciate the support and understanding on the part of our families and friends of the changes which have been required. Our Lifestyle / Activities team stepped up to the new challenges and quickly supported residents with 'virtual visits' via Skype and Face-Time. We extended the Lifestyle / Activities staff roster across seven days per week to ensure residents were provided interesting and engaging activities, tailored to their preferences and abilities, while they were unable to receive visitors to the extent they would have liked.

All of the primary care / allied health services and groups normally conducted on site were required to be reviewed, and were prioritised for either face-to face consults (with precautions in place) or cancelled and replaced with telehealth consultations and/or home visits as able/required within the restrictions.

REDHS Board and all Board and Operational Committees have continued to meet 'virtually' throughout this period, and have quickly developed skills in the use of on-line platforms such as Zoom and Microsoft Teams to ensure we can conduct the necessary business, despite not convening face-to-face.

Despite the changes in senior leadership and the challenges associated with COVID-19, much has been achieved at REDHS, however. As we prepare to review of our Strategic Plan and develop the strategies to take our organisation on its next phase of community service, the following summarises some of the key achievements in the last year of our REDHS 2020 Strategic Plan:

## Quality Healthcare

- Implemented the new Charter of Aged Care Rights across residential aged care, home care and Commonwealth Home Support Program (CHSP) services
- Introduced initiatives for patients/residents/families to raise concerns directly, i.e. "Hear Me" and "If You're Worried, We're Worried"
- Delivered on the requirements of the five priorities of the Healthier Campaspe initiative. (Obesity, Mental Health, Cancer, Drug and Alcohol, Diabetes)
- Continued to support Geri-connect telehealth consultations as well as visiting geriatrician face-to-face reviews
- Commenced transition to HealthDirect App for specialist consultations in Urgent Care and Primary Care

- Extended the use of My Emergency Doctor to support review of residents in residential aged care as well as people presenting to the Urgent Care Centre after hours
- Developed a plan to improve Aboriginal cultural safety, one of five agreed shared priorities across the region in which REDHS is actively participating
- Cultural Competence on-line staff training module has been developed and endorsed by our local indigenous organisation, the Dja Dja Wurrung
- Preliminary work commenced with Dja Dja Wurrung regarding strategies to promote Welcome, including an indigenous garden and associated garden guide
- Staff participated in a reverse PEPA (Program of Experience in the Palliative Approach) Placement. Improvements arising included designation of a family room in Aged Care as required, improved subcutaneous infusion procedures, improved referral procedures for palliative care specialist support, education/orientation material relating to palliative care developed for new staff and training on symptom management provided by participants to other staff.
- Extended the Allied Health Assistant (AHA) foot care model from residential aged care to community podiatry
- Volunteer and Consumer Experience Officer role developed to support Volunteer Coordinator and Consumer and Community Advisory Committee work plans
- Conducted a Primary Care service/business transformation project with recommendations to enhance service delivery options in a changing industry

### **Collaborative Endeavours**

- New Clinical Service Plan, developed in 2019 with community and stakeholder input, finalised and announced at AGM November 2019
- As part of the Murray Health Partnership work on Medical Models of Care, REDHS is working through an Action Plan to enhance Urgent Care service including staff training, equipment, consumer information and use of telehealth
- Partnered with Bendigo Health and Castlemaine Health to deliver Short Term Restorative Care program services to the catchment
- Refreshed REDHS Disability Action Plan and merged into Delivering for Diversity and Vulnerability Action Plan to be overseen by the Consumer and Community Advisory Committee
- Desktop Disability Access Audit conducted of Aged Care redevelopment plans
- Plans to participate in emergency codes testing including a Code Brown Exercise in collaboration with regional service providers was thwarted by COVID-19, so an internal testing schedule was followed instead, including testing of emergency and business continuity systems

### **People and Infrastructure**

- Commenced working with Royal Flying Doctor Service (RFDS) to introduce a Community Transport Program to assist local people, without access, to transport to attend medical appointments
- REDHS Workforce Plan includes a specific strategy to reduce reliance on casual and agency staff, this year developing an employed 'pool' of staff to address this strategy, providing employment opportunities for graduates and potential staff as they await a permanent vacancy
- As part of our People Excellence Program, and to supplement the annual People Matter Survey, we implemented a bi-monthly internal "Pulse Survey" seeking staff feedback for both culture and wellbeing
- Implement agreed workforce model projects of the Murray sub-region, including:
  - Allied Health Education Officer (REDHS is the Executive lead)
  - Medical workforce training pathways - Campaspe Medical Centre (GP practice) and REDHS nominated as potential training sites. CMC successfully recruited GP Registrar
  - Workplace trainers/careers advisors – Loddon Mallee Regional Workplace trainers have been on-boarded to Echuca Regional Health
  - Training needs analysis for non-clinical staff at REDHS undertaken and training program developed
- Revised REDHS Governance Framework, including approval of refreshed By-Laws
- Board Development Action Plan developed and endorsed which sees each Director nominated responsibility for providing education relating to a governance module each month
- As part of our commitment to Environmental Sustainability, we were thrilled to complete the installation and commissioning of the regional solar project in March 2020.

The Board and Executive thank the Rochester and District Hospital Auxiliary for their continuing support. Prior to COVID-19, the ladies managed to raise and donated \$8,000 to REDHS, which is an amazing effort.

In closing, we must commend the professional and dedicated staff for their absolute commitment to our patients, clients, residents, and to our community as a whole, throughout what has been an eventful and challenging year. We are immensely proud of them and to be in the privileged position of calling ourselves members of the REDHS team.



**David Rosaia**  
**Board Chair**



**Karen Laing**  
**Chief Executive Officer**

## Clinical & Corporate Services Reports

### Clinical Services Report

#### **Acute Services**

Staff in Acute Services were kept busy again this year, providing care for over 300 inpatients and 630 urgent care presentations. We exceeded 100% occupancy for patients participating in the Transition Care Program and the District Nursing Team attended nearly 6,000 home visits.

After a very successful pilot of the My Emergency Doctor service for our Urgent Care patients, REDHS were delighted to be advised that further funding would be provided by Murray Primary Health Network to extend the program to support after hours review of residents in our aged care facilities. My Emergency Doctor enables nursing staff to contact an Emergency specialist to support the management of patients after hours – thus allowing our Visiting Medical Officers a break.

We also introduced the “HEAR Me” initiative developed by Safer Care Victoria. Patients and carers are often the first to recognise that something is not right, which is why REDHS was keen to pilot this 24/7 call service for patient and carer escalation of care. HEAR Me provides an additional safety net for patients and carers; it empowers them to voice unresolved concerns and receive timely responses from their health service.

The Acute Ward nurses welcomed members of the District Nursing team and our Drug and Alcohol Withdrawal Nurse to their team this year. This structure will enable better coordination of care for our patients who require services as an inpatient as well as at home.

Next year we have our eyes set on refining the systems to support the increasing number of patients requiring care for a transfusion or an infusion of a specialist drug to treat their chronic conditions. Changes in practice and development of therapies have meant this has become a much larger part of our workload and we are keen to ensure we can support these patients.

**Melissa Seelenmeyer, Acute Services Manager**

#### **Residential Aged Care**

Regular review of the care needs of our residents continues to reveal their increasing acuity. The availability of support to remain at home longer means that when people enter Aged Care, they have much higher requirements to support them appropriately and many are living with Dementia / Alzheimer's Disease.

Our aim is to ensure residents are cared for in such a way as to maintain their dignity and independence as much as possible, and to enable them to exercise their personal choices and preferences. For example, in response to resident feedback, this year we invested in a new weigh

device/bridge which enables us to monitor their weight more easily. The original device was cumbersome and it was challenging to use it discretely. A small interest group also worked with our Maintenance team to refurbish an old unused bathroom and convert it into a magnificent hair salon. We cannot wait for COVID restrictions to ease so that the hairdresser can come back on site. There is sure to be a queue for pampering in the new "salon".

The increased resident's acuity identified by the nursing and personal care staff indicated a need for more individually tailored support to meet their needs and to enable residents to remain in their same accommodation (supporting Ageing in Place). With the assistance of REDHS Manual Handling Coordinator, we purchased a range of new, more appropriate lifting slings. We replaced standard single beds with upgraded / king single beds throughout the facility, as well as additional beds to support taller residents. All beds have capacity of passive and active pressure relieving mattresses and we have upgraded the wireless sensor mats integrated into the nurse call system, to support the falls prevention program.

With funds provided by the Roy Ogden Foundation, we were able to provide a filtered water unit in the facility, large screen day clocks and purchase Kingston styled chairs for residents participating in the exercise programs.

Always looking for opportunities to enhance safety and quality improvement, we undertook a complete review of medication incident events. A number of key initiatives were identified and implemented. This has resulted in further reduction in incident events following such initiatives as peer to peer practical competency in safe medication administration and the use of the electronic MedSig program in residential services.

Staff have undergone further training in family violence (including elder abuse) to ensure they can recognise any signs and respond accordingly. We supported students from various training organisations and health disciplines to gain experience in the aged care setting, which we hope will influence some to start their careers in this challenging, but rewarding, area. We also invested in the professional development of our current staff, to ensure they are well equipped to provide the important care required by our residents.

In response to the obvious vulnerability of our residents, staff were very proactive in getting their FluVax again this year. Everyone able to be vaccinated (who were not exempt for their own health reasons) was immunised.

Adoption of a staff uniform change at REDHS occurred with a number of residential care colleagues putting the case forward to more gender inclusive and better designed uniforms that meet the needs of the nursing and personal care team members. We think you'll agree, they look great.

Important work which we commenced, and plan to complete in the coming year, revolves around the complex and often overwhelming processes (faced by prospective residents and representatives) that are required for referral and/or admission to Aged Care. We are working hard to improve the procedures required with consumer engagement and by learning from their experiences of being assisted and supported with the transition into residential aged care.

***Mark Cresp, Aged Care Manager***

## **Primary Care Services**

We have grown our primary care services significantly to include assisting community members to stay at home and live independently for as long as they possibly can with the support of Home Care Packages. Within 12 months of commencing the program, REDHS is delighted to already be supporting over 20 new clients with a Package.

This new service had flow-on effects on our existing Home Care services, and provided the stimulus to review the systems required to manage the growing size and scope of our primary care and community services. We appointed a Business Support Officer to manage the operational reporting requirements and invested in new client management software program to improve reporting capability, accuracy and efficiency.

COVID-19 forced us to ramp up the use of telehealth alternatives to face-to-face consultations, which has proven invaluable in maintaining services to many clients who might otherwise have missed out. This is certainly something we will endeavour to capitalise on in the “COVID-normal” world, along with many other new ways of doing things we have mastered.

As it relates to Health Promotion: REDHS were delighted to be recognised by the Victorian Government for meeting all of the Healthy Eating benchmarks as well as the Mental Health and Wellbeing benchmarks of the Healthy Workplaces Achievement Program. We continue to build on the work required to achieve accreditation for the remaining three Priority Areas, which are Alcohol and Other Drug Use, Smoking and Physical Activity. By creating a healthy workplace, we are helping our staff make healthier choices, and improving the culture of our organisation overall. All of these initiatives have positive flow-on effects for our clients, patients, participants, residents and visitors.

***Meaghan Sully, Primary Care Manager***

## **Corporate Services Report**

In the previous year’s report, I innocently stated that the New Year would be full of challenges and though COVID-19 has bought forward these challenges, the Corporate Services team used them as an opportunity to shine and to again make a fantastic contribution to REDHS during the 2019/20 financial year.

Corporate Services continued to play an active role as part of REDHS Care Team of health care professionals. The members of the environmental, catering, supply, finance and maintenance teams were, like all staff at REDHS, committed to the provision of high-quality safe care to all who use REDHS’ services and played an active role in REDHS’ response to the COVID-19 pandemic.

### **Procurement**

COVID-19 presented REDHS with significant challenges associated with the procurement of Personal Protective Equipment (PPE) and other supplies required to deal with the pandemic. The Procurement team at REDHS stepped up to the challenge and through hard graft and dedication, put REDHS in an enviable position of having a large supply of PPE thereby protecting resident, patient and staff member alike. Navigating such a complex supply chain when there are state-wide pressures on supplies, including such things as toilet paper and medical supplies and equipment, is no mean feat and REDHS is indebted to the Procurement team for putting the health service, and the broader community, in such a positive position.

### **Maintenance**

Operating a health service under various limitations associated with COVID-19 also presented a raft of challenges to the Maintenance team. This year saw the team deliver on a number of key capital projects including the extension of the Men’s Shed, the extension of the rear staff carpark, the refurbishment of the hairdresser salon in aged care and the fitting out of offices to accommodate the District Nursing team. The Maintenance team also delivered on REDHS’ commitment to renewable energy by working with Health Purchasing Victoria (HPV) to install and commission a 150KWp solar system for the health service. Not satisfied with delivering only these projects, the team also played a crucial part in the Significant Refurbishment of the Hostel and the Significant Refurbishment of the

Nursing Home. The Hostel project has involved extensive work in the outside area to develop a sensory garden and has also included the widening of paths, installation of new seats, installation of water features and bird aviary. New automatic doors were also installed to allow hostel residents greater access to the garden areas. Final works, which involves the upgrade of the hydronic boilers, integrating the health service's Wi-Fi to the garden area as well as installation of murals, will be completed shortly. The Nursing Home is a fantastic \$2.9 million project which involves the extension of the current dining room and the splitting of shared rooms. The team has been working with residents, families and staff for some time to plan for, and design, this refurbishment work with the work scheduled to go out to tender in October 2020 and to commence in December 2020. Like all of the above work completed this year, the health service will continue to take advice from a number of organisations including the Department of Health and Human Services and the Master Builders Association to ensure that all building work is completed as safely as possible during the current pandemic. A review of way-finding and signage has been commissioned and new signage will be installed throughout the health service grounds in 2020/21.

### **Environmental Services**

The environmental team continued to not only keep REDHS' facilities in their usual sparkling clean condition, but also played a critical role in keeping everyone under the REDHS roof safe by providing a resolute barrier to prevent COVID-19 from potentially entering the facility. The thorough cleaning of all areas, especially the aged care settings, as well as the cleaning of high touch areas across the entire facility was critical in keeping COVID-19 out of the health service. The dedicated environmental staff undertook this through meticulous processes and hard work. It cannot be understated how important the environmental team were in ensuring that REDHS and the people who use its facilities have been kept safe during the pandemic and they are all to be congratulated.

### **Catering**

Delivering over 112,000 meals and occasions of service over the 2019/20 period, the catering team has again been kept busy providing over 2,780 to the Rochester, Lockington and Elmore communities through programs such as Meals on Wheels. Residents and patients alike enjoyed a range of home cooked meals prepared by the skilled catering staff and special events such as birthdays were also catered for by the team. Never ones to rest on their laurels, the catering team commenced reviewing the health services *Food Safety Plan* to ensure that the health service operates using modern practices, which reflects REDHS' commitment to providing healthy and appealing dietary options through contemporary means. This commitment was also demonstrated in the ongoing options available at REDHS' Café which this year received a fantastic renovation that opened the café area up to customer seating, and which we look forward to reinstating once we are allowed. The team demonstrated their continued commitment and expertise by again passing its External Food Safety audit as well of its annual inspection from the Shire of Campaspe.

### **Finance**

The Finance team continues to work closely with the health service's contract accountant to provide oversight of the health service's accounts payable processes, taxation responsibilities, financial reporting and cash management functions as well as the operational reporting of financial activity to both staff, the Executive and the Board. This reporting ensures that there is compliance, transparency and accountability in the financial practices of the health service. The growth in REDHS' delivery of Home Care services has meant a growth in financial transactions which has kept the Finance team busy along with additional reporting required as part of COVID-19 management processes. The finance team provides fantastic support to all staff at REDHS as the health service maintains financial compliance whilst navigating the complex financial environment.

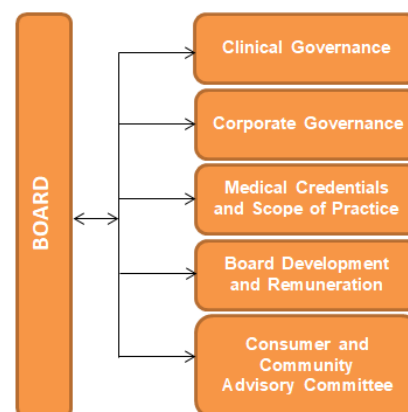
***Colin Wellard, Corporate Services Manager***

# Corporate Governance

## REDHS Board of Directors

Rochester and Elmore District Health Service (REDHS) is an incorporated body listed under Schedule 1 of the *Health Services Act 1988*. Board directors are recommended by the Minister and appointed by the Governor-In-Council for a term of up to three years and act in a voluntary capacity.

The strategic direction of REDHS is determined by the Board of Directors, which meets regularly with the Chief Executive Officer and executive staff to determine governance, compliance and policy. The Board is supported in its decision-making by a number of sub-committees.



Subject to the requirements of government and the Health Service By-Laws, the Board of Directors exercises decisions including the control of funds, determining the range of services to be provided, and the appointment of visiting medical officers and other senior staff.

## Board Directors

### David Rosaia

*Deputy Board Chair – until Nov. 2019*

*Board Chair from Nov. 2019*

RN, Grad Dip (Health Sciences)

*Director of Nursing, Inpatients and Emergency Services, Acute Health, Bendigo Health*

*Date appointed 26.04.2017*

### Jodie Smith

*Treasurer / Chair: Audit and Finance Committee- until Nov. 2019*

B Bus. (Economics), Grad Dip Applied Science (Agriculture), Grad Cert (Acc), CPA, Masters of Animal Science

*Accountant, Jodie Smith Accounting*

*Date appointed: 1.7.2016*

### Carl Wood

MBA, Grad Dip (Accounting), Grad Dip (Applied Corporate Governance), Grad Dip (Risk Management), Grad Cert (Planning), RFD, BJ

*Retired*

*Date appointed: 1.7.2017*

### Carol McKinstry

*Board Chair – until Nov. 2019*

*Chair – Clinical Governance Committee from Nov. 2019*

B App Sc (OT), MHLth Sc, PhD, Grad Cert Higher Ed. GAICD  
*Senior Lecturer OT, College of Science Health and Engineering, La Trobe Rural Health School*

*Date appointed: 1.7.2014*

### Ben Devanny

B.Bus (Accounting/Economics), CPA

*Manager – Business Services, City of Greater Bendigo*

*Date appointed: 1.7.2017*

### Jim Brooks

LLB

*Lawyer/Manager, Jim Brooks Lawyer*

*Date appointed 1.7.2019*

### Chris White

*Treasurer / Chair – Corporate Governance Committee & Medical Credentials and Scope of Practice Committee from Nov. 2019*

B.Bus (Economics), B.Computing, Grad Dip Bus (Mgmt), Grad Cert HSM, FACHSM, CHIA

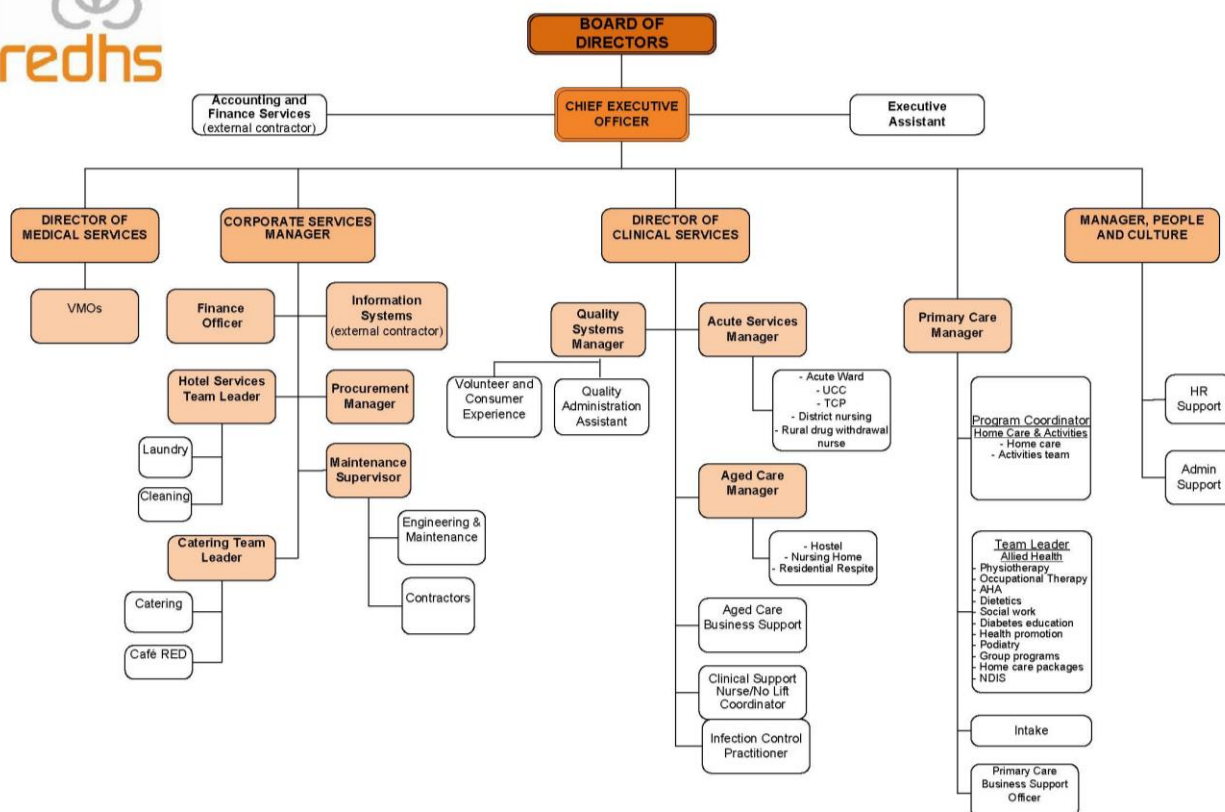
*Business Director, Bendigo Health*  
*Date appointed: 01.07.2018*

### Kate Lemon

*Deputy Board Chair from Nov. 2019*  
*Chair – Consumer and Community Advisory Committee*

MBA, Grad Dip (Bus Mgmt), Cert IV Frontline Management, Cert IV Business Development, Cert IV Assessment and Care Planning, Home and Community Care

*Public Environments Manager, Campaspe Shire Council*  
*Date appointed: 1.7.2017*



Board Committee	Clinical Governance Committee	Corporate Governance Committee	Medical Credentials and Scope of Practice Committee	Board Performance and Remuneration Committee	Consumer and Community Advisory Committee
<b>Board Directors</b>					
Jim Brooks	✓				✓
Benjamin Devanny		✓			
Kate Lemon	✓			✓	✓
Carol McKinstry	✓		✓	✓ (to Dec 2019)	
David Rosaia	✓		✓	✓	
Jodie Smith		✓		✓ (to Dec 2019)	
Christopher White		✓	✓	✓	
Carl Wood				✓	
<b>Independent Members / Consumer Representatives</b>					
Gaylene Whitten	✓				
Christine Wright	✓				✓
Phillip Johnson		✓			
Jackie Roberts		✓			
Annette Waters					✓
David Gilbert					✓
Lorraine Harris					✓
Joan Jenkins					✓
Ian Jones					✓
Kate Lee					✓
Eddie Oogjes					✓

# KEY PERSONNEL

## Executive

### Chief Executive Officer

Anne McEvoy (to 09/08/2019)  
RN, B.Hlth Sc (Nursing) Grad Dip Man, Grad Cert Gerontology, Grad Cert Diabetes Education, GAICD

### Acting Chief Executive Officer

Colin Wellard (10/08/2019 to 01/09/2019)  
MBA, GradDip SocSc, GradCert SocSc

### Interim Chief Executive Officer

Michael Delahunty (02/09/2019 to 26/01/2020)

### Chief Executive Officer

Karen Laing (from 27/01/2020)  
RN, CCRN, B.App.Sci (Nursing) Grad Dip Health & Medical Law, Masters Health Administration. GAICD

### Director of Clinical Services

Mark Nally (to 07/07/2019)  
RN, B.Hlth Sc (Nursing), CCRN, M.Hlth Sc.

### Interim Director of Clinical Services

Meredith Hodder (From 08/07/2019 to 08/06/2020)  
RN, B.Nursing, Post Grad Dip Perioperative Nursing

### Director of Clinical Services

Dorothy Stone (from 09/06/2020)  
RN, B.Hlth Sci (Nursing), Grad. Cert. Mental Health Nursing, Cert. IV Assessment & Workplace Training, Grad. Dip. Aged Services Management, Masters Health Science (Aged Services)

### Corporate Services Manager

Colin Wellard  
MBA, GradDip SocSc, GradCert SocSc

### Manager, People and Culture

David Worrall  
B.Mus, Grad Dip Ed, FTCL, Adv Dip PM, Dip Bus, Dip Mgmt, MAHRI

### Director of Medical Services

Dr Ka Chun Tse  
MB BS, Master Health Management, Master Public Health, FACHSM, GAICD

## Department Heads

### Acute Services Manager

Meredith Hodder (from 01/07/2019 to 07/07/2019)  
RN, B.Nursing, Post Grad Dip Perioperative Nursing

### Interim Acute Services Manager

Melissa Seelenmeyer (from 07/07/2019 to 30/06/2020)  
RN, B.Nursing

### Aged Care Manager

Mark Cresp  
RN

### Primary Care Manager

Meaghan Sully  
BSocWk, Dip Mgt,

### Quality Systems Manager

Lynn Wolfe  
Adv Dip Bus Man, Adv. Dip Bus Man (HR Bridging), Dip App Sci (Hort)

### Infection Control Practitioner

Natasha Collins (to Nov. 2019)  
RN, Registered Nurse Immuniser, Pre & Post HIV/Hep C Counsellor, Cert IV Training and Assessment

### Megan Cairns (from March 2020)

RN, Cert. Periop Nursing, Cert. Infection Control and Sterilisation, Accredited Immunization Practitioner, Pre & Post HIV/Hep C Counsellor

### Clinical Support Nurse

Cheryl Petrini  
RN, Cert. IV Training and Assessment

### Maintenance Supervisor

Brett Shotton  
Certificate in Carpentry, Building and Construction  
Cert IV Management

### Procurement Manager

Gayle McConnell  
Cert IV Management

### Allied Health Team Leader

Susannah Hargreaves  
BHlthSc, MPodPrac

### Home Care and Activities Program Coordinator

Sandra Joyce  
Cert. IV Disability, Cert. IV Business, Cert IV Fitness.

### Catering Manager

Rebecca O'Sullivan (to May 2020)  
Cert III Comm Cookery, Cert IV Frontline Man

### Leo Franke (from May 2020)

Certificate Commercial Cookery-Trade

### Support Services Manager

Kerri McEllister

## Visiting Medical Officers

### General Practitioners

Dr J Duggan, MB BS (Uni of WA), MPHIC (Flinders)  
Dr E Ekeanyanwu, MB BS (Nigeria), FRACGP  
Dr N Fang, MBBS, DRANZCOG, FRACGP  
Dr P Nzegwu, MB BS (Nigeria), AMC, FRACGP  
Dr P Radrekusa, MB BS (Uni of Adelaide), AMC, FRACGP

### Visiting Dentists

Dr Rose Macdonald, Goulburn Valley Health  
Dr Angela Zhang, Goulburn Valley Health

### Visiting Radiology Service

Goulburn Valley Imaging (to 29/09/2019)  
I-MED Radiology (from 30/09/2019)

# PERFORMANCE AGAINST STATEMENT OF PRIORITIES (Part A)

In 2019-20 Rochester and Elmore District Health Service contributed to the achievement of the Government's commitments within *Health 2040: Advancing health, access and care* by:

Goals	Strategies	Health Service Deliverables	Outcomes
<b>BETTER HEALTH</b>			
<p>A system geared to prevention as much as treatment</p> <p>Everyone understands their own health and risks</p> <p>Illness is detected and managed early</p> <p>Healthy neighbourhoods and communities encourage healthy lifestyles</p>	<p>Reduce statewide risks</p> <p>Build healthy neighbourhoods</p> <p>Help people to stay healthy</p> <p>Target health gaps</p>	<p>Improve the health of our communities by implementing healthy eating and tobacco cessation strategies consistent with the new Victorian Health &amp; Wellbeing Plan and Rochester and Elmore District Health Service's staff health and wellbeing plan.</p>	<p>Ongoing.</p> <p>REDHS has been steadily working to comply with the benchmarks associated with each of the Health Priorities under the Healthy Workplaces Achievement Program. As at May 2020, REDHS was assessed for each Priority as:</p> <ul style="list-style-type: none"> <li>- Physical Activity – In Progress</li> <li>- Drugs &amp; Alcohol - In Progress</li> <li>- Smoking – 90% Achieved</li> <li>- Healthy Eating – 99% Achieved</li> <li>- Mental Health &amp; Wellbeing – 100% Achieved</li> </ul> <p>REDHS was thrilled to be recognised by the Victorian Government for meeting state-wide benchmarks for Mental Health and Wellbeing in February, 2020. This has involved the implementation of a series of changes and initiatives across the organisation to ensure a positive workplace culture; help staff manage stress and work life balance; support staff with a mental health conditions and establish a zero-tolerance approach to bullying, harassment and discrimination.</p>
		<p>Lead the Healthier Campaspe Obesity/Diabetes initiative as per the project implementation plan for 2019/20</p>	<p>Ongoing.</p> <p>The Healthier Campaspe initiative has continued its important work despite the impact of COVID 19. Evaluation of the partnership was undertaken in May 2020 to inform Strategic Planning for the next 3 years. The Partnership approach has ensured an aligned effort focusing on the Priority Areas of Cancer, Diabetes, Obesity, Mental Health, Alcohol and Other Drugs. REDHS continue to lead the Obesity and Diabetes Working Group. Initiatives have been impacted by COVID-19, but the working group were not deterred and still ran Active April activities across the partner organisations despite the social distancing restrictions and closure of gym and recreational facilities. Joint policy direction regarding the management of overweight and obesity in the non-acute setting has been approved. This will be complemented with Live Lighter training for clinicians when COVID 19 restrictions are lifted and training can proceed. Specialist Endocrine appointments are being offered via telehealth in response to COVID 19 restrictions.</p>

Goals	Strategies	Health Service Deliverables	Outcomes
BETTER ACCESS			
Care is always there when people need it  Better access to care in the home and community  People are connected to the full range of care and support they need  Equal access to care	Plan and invest  Unlock innovation  Provide easier access  Ensure fair access	Increase access to health care across rural and regional communities by participating in the review and development of the Loddon Mallee Telehealth Plan.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        <	

Goals	Strategies	Health Service Deliverables	Outcomes
			transport. Information around impacts on occupational health & safety and industrial relations is being shared with the LMH Volunteer Advisory Committee for comprehensive planning to allow for a safe and successful return of volunteers at the appropriate time.
		Promote an additional safety net for patients and carers to directly escalate care issues via participation in the Safer Care Victoria pilot project <i>HEAR ME</i>	Achieved. The 'Hear Me' pilot went live at REDHS in January 2020 following a series of test calls that included consumer participation. To date there have been no calls made to the service from REDHS patients, residents or their carers.

Goals / Strategies	Health Service Deliverables	Outcomes
<b>SPECIFIC 2019-20 PRIORITIES (mandatory)</b>		
<b>Supporting the Mental Health System</b>  Improve service access to mental health treatment to address the physical and mental health needs of consumers.	Contribute to the development of a Regional Mental Health plan for the Loddon Mallee incorporating the findings of the Royal Commission as led by the Primary Health Network.	Ongoing. Development of a Mental Health Plan was one of five agreed shared priorities across the Loddon Mallee Region this year. The Loddon Mallee Health Network (LMHN) agencies and the Murray Primary Health Network (PHN) are collaborating on the development of the Regional Mental Health and Suicide Prevention Plan. Delivery of the Foundation Plan followed by a second phase involving comprehensive service planning has been interrupted by COVID-19.  Locally, REDHS was actively involved in the pre-planning and submission for the Headspace Echuca service, and were delighted when it was confirmed that Echuca Regional Health were successful in their bid to lead the service. REDHS advocated for Rochester to have an outreach service and discussions are underway regarding the best possible location.
<b>Addressing Occupational Violence</b>  Foster an organisational wide occupational health and safety risk management approach, including identifying security risks and implementing controls, with a focus on prevention and improved reporting and consultation.  Implement the department's security training principles to address identified security risks.	Implement the department's security training principles to address identified security risks.	Ongoing. REDHS security policy and systems are current, however, training is required to be refreshed per the DHHS Occupational Violence and Aggression e-learning modules.
	Improve the health and safety of health service staff and volunteers by implementing and evaluating Rochester and Elmore District Health Service's Occupational Violence action plan.	Not Achieved. REDHS Occupational Violence Action Plan was developed in 2017 and is required to be reviewed, refreshed and enacted in line with most recent direction and resources.
<b>Addressing Bullying and Harassment</b>  Actively promote positive workplace behaviours, encourage reporting and action on all reports.	Implement the department's <i>Framework for promoting a positive workplace culture: preventing bullying, harassment and discrimination and Workplace culture and</i>	Achieved. REDHS has implemented a comprehensive Bullying & Harassment training program for all staff.

Goals / Strategies	Health Service Deliverables	Outcomes
Implement the department's <i>Framework for promoting a positive workplace culture: preventing bullying, harassment and discrimination</i> and <i>Workplace culture and bullying, harassment and discrimination training: guiding principles for Victorian health services</i> .	<i>bullying, harassment and discrimination training: guiding principles for Victorian health services.</i>	
	Actively promote positive workplace behaviours by implementing the Rochester and Elmore District Health Service's 2019 People Matters Survey action plan including the <i>Know Better, Be Better</i> framework.	Achieved. REDHS reviewed and consolidated the on-line mandatory competency framework and targeted to specific staff cohorts for relevant training. We commenced roll-out of Behaviour Informed Communication Training to assist inter staff relationships and communication skills and introduced staff training in mental resilience and wellbeing awareness and self-help strategies.
<b>Supporting Vulnerable Patients</b> Partner with patients to develop strategies that build capability within the organisation to address the health needs of communities and consumers at risk of poor access to health care.	Partner with patients to develop strategies that build capability within the organisation to address the health needs of communities and consumers at risk of poor access to health care.	Achieved. Formal agreement between Bendigo Health and REDHS and service level agreement in place with a brokerage model.
<b>Supporting Aboriginal Cultural Safety</b> Improve the health outcomes of Aboriginal and Torres Strait Islander people by establishing culturally safe practices across all parts of the organisation to recognise and respect Aboriginal culture and deliver services that meet the needs, expectations and rights of Aboriginal patients, their families, and Aboriginal staff.	Improve the health outcomes of Aboriginal and Torres Strait Islander people by establishing culturally safe practices across all parts of the organisation to recognise and respect Aboriginal culture and deliver services that meet the needs, expectations and rights of Aboriginal patients, their families, and Aboriginal staff.	Ongoing.  Development of a plan to improve Aboriginal cultural safety was one of five agreed shared priorities across the Loddon Mallee Region. Bendigo Health are the lead agency for the Loddon Mallee Health Network and, in recent months, a draft Reconciliation Action Plan (RAP) was submitted to Reconciliation Australia. A registered and formalised RAP will provide a framework to build on the activities that enable improvements to the service and contribute to better health and wellbeing outcomes for our Aboriginal and Torres Strait Islander community. This is an important step aimed to facilitate 'Closing the Gap' and working towards our vision for reconciliation while acknowledging there is still much to be done.  An on-line Aboriginal Cultural Safety training module has been developed by the Department of Health and Human Services (DHHS) which will be available on the internal online training platform.  Locally, REDHS is keen to explore innovative mediums for enhancing cultural awareness amongst staff and the community, which are meaningful to Indigenous people and which resonate locally for our community.  REDHS are seeking to implement strategies to: <ul style="list-style-type: none"> <li>Express our sincere 'Welcome' to Aboriginal and Torres Strait Islander people,</li> <li>Promote appreciation of local Indigenous people's relationship with country / land / water,</li> <li>Increase the use of Indigenous language within our health service, and</li> <li>Carry the message and history of local Indigenous people forward.</li> </ul> Some ideas being considered, include: <ul style="list-style-type: none"> <li>Use of art work, descriptions, stories associated with local country landscape, plants etc. highlighting the significance for local Indigenous people</li> </ul>

Goals / Strategies	Health Service Deliverables	Outcomes
		<ul style="list-style-type: none"> <li>Co-signing key areas within the organisation using indigenous language and translations</li> <li>Develop description of the hospital / health service from Indigenous perspective to accompany organizational promotions</li> <li>Prominent acknowledgement of Traditional Owners, e.g. on proposed refresh of precinct signage throughout the hospital grounds,</li> <li>Using Indigenous references in design plans for décor, furnishings, textiles etc. in planned refurbishment of aged care facility</li> </ul>
<b>Addressing Family Violence</b> Strengthen responses to family violence in line with the <i>Multiagency Risk Assessment and Risk Management Framework</i> (MARAM) and assist the government in understanding workforce capabilities by championing participation in the census of workforces that intersect with family violence.	Ensure 100% of clinical staff have completed the Strengthening Health Services Response to Family Violence (SHRFV) module 2 training for frontline clinicians by 30 September 2019.	Ongoing. 80% of clinical staff completed Module Two training face-to-face prior to COVID-19 restrictions. An on-line module (which is pending) will enable greater participation in the training.
<b>Implementing Disability Action Plans</b> Continue to build upon last year's action by ensuring implementation and embedding of a disability action plan which seeks to reduce barriers, promote inclusion and change attitudes and practices to improve the quality of care and employment opportunities for people with disability.	Improve the quality of care and employment opportunities for people with a disability by finalising and commencing Rochester and Elmore District Health Service's <i>All Abilities Action Plan</i> .	Ongoing. As it relates to infrastructure and the built environment: <ul style="list-style-type: none"> <li>review of way-finding and signage has been commissioned</li> <li>Disability Access review of architect plans for Aged Care redevelopment undertaken</li> <li>liaison with Campaspe Council initiated regarding their Access and Inclusion Strategy</li> <li>request made for council to provide expertise on physical environment.</li> </ul> Review of HR policies and procedures commenced to promote recruitment and support for people who have traditionally been disadvantaged as it relates to employment, including disabled, indigenous, LGBTI, etc.
<b>Supporting Environmental Sustainability</b> Contribute to improving the environmental sustainability of the health system by identifying and implementing projects and/or processes to reduce carbon emissions.	Improve our environmental sustainability by participating in the development of an approach to hospital waste management across the Loddon Mallee region.	Ongoing. Development of an approach to hospital waste management was one of five agreed shared priorities across the Loddon Mallee Region and waste strategies for the LMHN have been defined for development, but unfortunately activity was suspended due to the priorities associated with COVID-19. Initiatives which will be a focus of the Hospital Waste Management Strategy include: <ul style="list-style-type: none"> <li>identifying and categorising existing contractors</li> <li>identifying waste streams being under-utilised</li> <li>commencement and promotion of region-wide Kinguard (sterile blue wrap enclosing medical instruments) recycling, organic waste collection and soft plastics recycling,</li> <li>increased staff education on recycling practices, and</li> <li>working with procurement to identify eco-friendly alternative products.</li> </ul>

# PERFORMANCE AGAINST STATEMENT OF PRIORITIES (Part B)

## Strong governance, leadership and culture

Key performance indicator	Target	Result
Accreditation		
Compliance with the Commonwealth's Aged Care Quality Standards	Full compliance	Achieved
Infection prevention and control		
Compliance with the Hand Hygiene Australia program	83%	96.2%
Percentage of healthcare workers immunised for influenza (April to August 2019)	84%	94%
Patient Experience - Victorian Healthcare Experience Survey		
Data submission	Full compliance	Achieved*
Percentage of positive patient experience responses	95%	Verbatim comments reviewed for opportunities to improve.
Percentage of very positive responses to questions on discharge	75%	
Percentage of positive patient experience responses – Quarter 3	95%	
Patients perception of cleanliness	70%	
Adverse events		
Sentinel events - root cause analysis (RCA) reporting	All RCA reports submitted within 30 business days	Nil sentinel events

\*Less than 42 responses were received for the period due to the relative size of the Health Service

Key Performance Indicator	Target	Result
<b>Organisational culture</b>		
<b>People Matter Survey</b>	Percentage of staff	
Safety culture among healthcare workers	80%	80%
Positive responses to the following questions:		
"I am encouraged by my colleagues to report any patient safety concerns I may have"	80%	90%
"Patient care errors are handled appropriately in my work area"	80%	84%
"My suggestions about patient safety would be acted upon if I expressed them to my manager"	80%	77%
"The culture in my work area makes it easy to learn from the errors of others"	80%	79%
"Management is driving us to be a safety-centred organisation"	80%	81%
"This health service does a good job of training new and existing staff"	80%	70%
"Trainees in my discipline are adequately supervised"	80%	72%
"I would recommend a friend or relative to be treated as a patient here"	80%	82%

**Note: Performance against the Statement of Priorities Part B (Financial Sustainability Performance), Part C (Activity and Funding) can be found on pp 29-30.**

## WORKFORCE DATA

### Equal Opportunity, Merit and Equity

Recruitment, selection and employment at REDHS comply with employment conditions as specified in relevant Health Awards and Enterprise Bargaining Agreements. The employment of staff satisfies equal employment opportunity requirements, legislative and moral obligations and terms and conditions of the Fair Work Act 2009, Public Administration Act 2004 (Vic) and Victorian Charter of Human Rights and Responsibilities 2006. All employees have been correctly classified in workforce data collections.

Hospitals labour category	JUNE current month FTE		Average Monthly FTE	
	2019	2020	2019	2020
Nursing	51.13	50.79	52.64	52.03
Administration and Clerical	17.75	15.03	16.01	17.16
Hotel and Allied Services	39.92	40.13	39.84	39.75
Sessional Clinicians	0.11	0	0.03	0.08
Ancillary Staff (Allied Health)	17.94	14.91	17.47	15.51
Totals	126.85	120.86	125.99	124.52

### Recognition of Staff Service

For 2019-20, REDHS recognises the long-standing service of the following staff:

#### 10 years

Kate Dewhurst  
Kerryn Eddy  
Heather Harrison  
Anne Lawford

#### 15 Years

Linda Costello  
Leanne Gledhill  
Mary Hayes  
Glenys Lampard  
Rhonda Nalder  
Rebecca O'Sullivan  
Jasmin Powles  
Kim Powles  
Jennifer Ryan  
Debra Shreeve

#### 20 years

Jean Holmberg  
Pauline Jones  
Susan Ludbey  
Megan O'Brien  
Karen Tognolini

#### 30 years

Heather Wickham

#### 40 years

Dorothy Smith

### Life Governor

REDHS awards the title Life Governor to individuals who have made an outstanding personal contribution to the health service. Those awarded the title of Life Governor are recorded in the register and include those who have served for many years as a Board Director, an Auxiliary member, a volunteer or those who have made significant financial contributions to the health service.

Mr Tim Fulton was awarded a Life Governorship at the annual meeting held in November 2019. Tim first joined the REDHS board in 2009 and served three full terms ending on 30 June this year. During his 10 years of service, Tim was Board President from 2013-2015 and then Board Vice President from 2015-2017. Tim was part of the first group of directors to successfully complete the Australian Institute of Company Directors course in 2012. Tim's vast knowledge and expertise in accounting and financial services was invaluable during his time on the REDHS Board and the Audit and Finance Committee.

## OCCUPATIONAL HEALTH AND SAFETY

	Per 100 FTE		
	2019-20	2018-19	2017-18
<b>OHS incidents / hazards</b>	40.8	63.4	56
<b>“Lost Time” claims</b>	2	5.2	7
	<b>Average cost per claim</b>		
<b>Claims costs</b>	\$20,659	\$17,117	\$3,118

Two long-term claims in 2019/2020, and two in 2018/2019, have exacerbated costs per claim in the past two years.

There were no fatalities at REDHS in 2019/2020.

## OCCUPATIONAL VIOLENCE

<b>Occupational violence statistics</b>	<b>2019-20</b>
1. WorkCover accepted claims with an occupational violence cause per 100 FTE	0
2. Number of accepted WorkCover claims with lost time injury with an occupational violence cause per 1,000,000 hours worked	0
3. Number of occupational violence incidents reported	8
4. Number of occupational violence incidents reported per 100 FTE	6.4
5. Percentage of occupational violence incidents resulting in a staff injury, illness or condition	0%

## ENVIRONMENTAL PERFORMANCE

Rochester and Elmore District Health Service (REDHS) continues to demonstrate its commitment toward the continued improvement of its environmental practices and minimising the adverse environmental effects of its operations. REDHS recognises the importance of using energy and resources more efficiently and effectively and reducing its impact upon the environment.

During the 2019/20 year, REDHS worked closely with Health Purchasing Victoria (HPV) to install a 150KWp solar system for the health service. This new solar system will allow REDHS to be able to create a positive financial impact including the reduction in the production of carbon dioxide and the creation of approximately 207 Large Scale Generation Certificates (LGC's), or approximately 207 megawatt hours of renewable electricity, each year. The system will have a payback period of just over five years.

The redevelopment of the Nursing Home dining room and the splitting of shared bedrooms presents a great opportunity for REDHS to again make a positive environmental impact. REDHS has worked closely with the contracted architect, as well as specialised environmental architects, to ensure that the design for the building work is as environmentally beneficial and sustainable as possible. Items for consideration includes the use of appropriate building fabric and material, appropriate use of windows and glazed doors, use of shading and of daylight, use of insulation across the site, use of smart building services including such things as automated lighting and the capture and conservation of water. These considerations will assist REDHS to achieve a balance between thermal comfort and energy use, having plenty of daylight without excessive solar gains, and have the smallest environmental footprint possible.

The approaching year will involve the Corporate Services team developing an “Environmental Dashboard” to assist the health service in tracking its environmental initiatives and for this information to be readily available and in a simple, easy to understand format.

## Financial Management Compliance attestation

I, David Rosaia, on behalf of the Responsible Body, certify that Rochester and Elmore District Health Service has no Material Compliance Deficiency with respect to the applicable Standing Directions of the Minister for Finance under the Financial Management Act 1994 and Instructions.



David Rosaia  
Board Chair  
Rochester and Elmore District Health Service  
28 September 2020

## Additional information available on request

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

- Declarations of pecuniary interests have been duly completed by all relevant officers;
- Details of shares held by senior officers as nominee or held beneficially;
- Details of publications produced by the entity about itself, 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;
- A general statement on industrial relations within the Health Service and details of time lost through industrial accidents and disputes, which is not otherwise detailed in the report of operations;
- 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.

## Building Compliance

Rochester and Elmore District Health Service ensures that all buildings, plant and equipment in its control are maintained and operated according to the statutory requirements of the Building Act 1993 and the Minister for Finance Guideline Building Act 1993 Standards for Publicly Owned Buildings November 1994. There are processes in place for lodging maintenance requests and preventative maintenance scheduling and completion. Further, the health service completes an Essential Safety Measures Audit Report as governed by the *Building Regulations 2006*. This audit covers such items as:

- Scheduled testing of fire equipment including detectors, hydrants, static water storage, pumps and fire doors
- Inspection and testing of exit signs
- Inspection and testing of emergency lighting
- Inspection and testing of mechanical ventilation

### **Carer's Recognition**

In accordance with the Carer's Recognition Act 2012 (Carers Act), Rochester and Elmore District Health Service is taking all practicable measures to ensure that:

- management and employees have an awareness and understanding of the Statement for Australia's Carers; and
- persons who are in care relationships and who are receiving services in relation to the care relationship from REDHS, have an awareness and understanding of the care relationship principles; and
- REDHS' management and employees reflect the care relationship principles in developing, providing or evaluating support and assistance for persons in care relationships implementing, providing or evaluating care supports.
- Information has been provided in a number of formats including information packs, newsletters and at meetings. Care planning processes, i.e. development and review, promote consumer participation, including the involvement of carers and in accordance with consumer wishes.

### **Conflict of Interest Declaration**

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



Karen Laing  
Accountable Officer  
Rochester and Elmore District Health Service  
28 September 2020

### **Data Integrity Declaration**

I, Karen Laing, certify that Rochester and Elmore District Health Service has put in place appropriate internal controls and processes to ensure that reported data accurately reflects actual performance. Rochester and Elmore District Health Service has critically reviewed these controls and processes during the year.



Karen Laing  
Accountable Officer  
Rochester and Elmore District Health Service  
28 September 2020

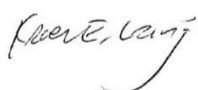
## **Freedom of Information**

The Freedom of Information Act 1982 provides the public with a means to obtain information held by the Rochester and Elmore District Health Service. During the 2019/20 financial year, three requests were received from the general public, one of which was granted in full. For the denied applications, one application requested a medical record that was not kept at REDHS, the other did not respond to REDHS' request for additional information to confirm their authorisation to apply. No information was provided to these two applicants.

Information regarding making a Freedom of Information request, including fees and charges, can be found at [www.redhs.com.au](http://www.redhs.com.au). Further advice can be accessed by contacting the health service Freedom of Information Officer on (03) 5484 4451.

## **Integrity, Fraud and Corruption Declaration**

I, Karen Laing, certify that Rochester and Elmore District Health Service has put in place appropriate internal controls and processes to ensure that Integrity, fraud and corruption risks have been reviewed and addressed at Rochester and Elmore District Health Service during the year.



Karen Laing  
Accountable Officer  
Rochester and Elmore District Health Service  
28 September 2020

## **National Competition Policy**

Rochester and Elmore District Health Service continues to comply with the National Competition Policy. In addition, the Victorian Government's Competitive Neutrality Policy principles have been applied to all relevant business activities.

## **Public Interest Disclosure**

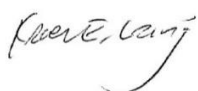
The Public Interest Disclosure Act 2012 (Vic) (the Act) provides for the protection of persons who make a public interest disclosure under the Act from detrimental action by officers, members, employees and contractors of Rochester and Elmore District Health Service. REDHS has policies and procedures in place to protect people against action that might be taken against them if they choose to make a public interest disclosure. The policy is accessible to staff via REDHS intranet and publicly available at [www.redhs.com.au](http://www.redhs.com.au). During 2019/20, no applicable disclosures were made.

## **Safe Patient Care Act 2015**

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

## **Local Jobs First Act 2003**

REDHS' procurement practices and purchasing policies comply with the Local Jobs First Act 2003, including disclosures under the Victorian Industry Participation Policy Act 2003 (VIPP). During 2019/20, REDHS did not commence or complete any contracts to which the Local Jobs act or VIPP applied.



Karen Laing  
Accountable Officer  
Rochester and Elmore District Health Service  
28 September 2020

# COMMUNITY INVOLVEMENT AND **SUPPORT**

## **Sponsorship, Donations and Bequests (\$100 and over only are listed)**

REDHS Hospital Auxiliary	8,000
Anonymous	6,330
Lockmore Financial Services (Bendigo Bank) x 2	2,500
Elmore Charity Ball	2,000
Bill and Irene Dow	1,000
Merle Carr	500
Anonymous	140
Anonymous	110
Total Other Donations <\$100 each	346
<b>Total</b>	<b>\$20,926</b>

## **Consumer feedback**

We welcome feedback in regard to the quality of our service and it assists the health service with the development of strategies for continuous improvement. Feedback forms are available throughout the health service. Alternatively, feedback can be emailed directly to the address below or via [www.redhs.com.au](http://www.redhs.com.au)

Compliments, suggestions and complaints should be directed to:

Chief Executive Officer, REDHS,  
PO Box 202, Rochester Vic 3561  
☎(03) 5484 4451  
Email: [myvoice@redhs.com.au](mailto:myvoice@redhs.com.au)  
Web: [www.redhs.com.au](http://www.redhs.com.au)

## **YOUR COMMUNITY – YOUR HEALTH SERVICE**

### **You can help in many ways**

Donations and bequests play a vital part in the provision of services to residents in our community. REDHS relies on the generosity of individuals and organisations within our community.

You can help by:

- Making a donation towards a specific item
- Defraying the cost of much needed equipment
- Remembering the Health Service in your Will
- Joining the Hospital Auxiliary or volunteer program

Donations in memory of loved ones or in lieu of flowers are also appreciated. Envelopes are available for this purpose from the Health Service. Receipts are issued, acknowledgement letters are written, and when totals are known, summary letters are mailed to the decedent's next of kin.

Your help is needed – and will be appreciated.

# DISCLOSURE INDEX

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

Legislation	Requirement	Page Reference
<b>Ministerial Directions</b>		
<b>Report of Operations</b>		
<b>Charter and purpose</b>		
FRD 22H	Manner of establishment and the relevant Ministers	1
FRD 22H	Purpose, functions, powers and duties	1
FRD 22H	Nature and range of services provided	2
FRD 22H	Activities, programs and achievements for the reporting period	3-8
FRD 22H	Significant changes in key initiatives and expectations for the future	12-17
<b>Management and structure</b>		
FRD 22H	Organisational structure	10
FRD 22H	Workforce data/ employment and conduct principles	18
FRD 22H	Occupational Health and Safety	19
<b>Financial information</b>		
FRD 22H	Summary of the financial results for the year	28-30
FRD 22H	Significant changes in financial position during the year	28
FRD 22H	Operational and budgetary objectives and performance against objectives	3-5, 12-17, 28-29
FRD 22H	Subsequent events	FR*
FRD 22H	Details of consultancies under \$10,000	30
FRD 22H	Details of consultancies over \$10,000	30
FRD 22H	Disclosure of ICT expenditure	30
<b>Legislation</b>		
FRD 22H	Application and operation of <i>Freedom of Information Act 1982</i>	22
FRD 22H	Compliance with building and maintenance provisions of <i>Building Act 1993</i>	20-21

<b>Legislation</b>	<b>Requirement</b>	<b>Page Reference</b>
FRD 22H	Application and operation of <i>Public Interest Disclosure Act 2012</i>	22
FRD 22H	Statement on National Competition Policy	22
FRD 22H	Application and operation of <i>Carers Recognition Act 2012</i>	21
FRD 22H	Summary of the entity's environmental performance	19
FRD 22H	Additional information available on request	20

#### **Other relevant reporting directives**

FRD 25C	Local Jobs First Act disclosures	22
SD 5.1.4	Financial Management Compliance attestation	20
SD 5.2.3	Declaration in report of operations	3

#### **Attestations**

Attestation on Data Integrity	21
Attestation on managing Conflicts of Interest Attestation on Integrity, fraud and corruption	22

#### **Other reporting requirements**

• Reporting of outcomes from Statement of Priorities 2019-20	12-17, 28
• Occupational Violence reporting	19
• Reporting obligations under the <i>Safe Patient Care Act 2015</i>	22

\*FR denotes Financial Report

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Leading our community to better health

Rochester and Elmore District Health Service



# Financial Report 2020

## FINANCIAL INFORMATION

### PERFORMANCE AGAINST STATEMENT OF PRIORITIES

The statement of priorities is the key accountability agreement between the Secretary for Health and Human Services and Rochester and Elmore District Health Service.

There were no significant changes in the financial position during 2019/20.

#### PART A: Strategic Priorities

See REDHS 2019-2020 Report of Operations pages 14-18 for details.

#### PART B: Performance Priorities

**Service Performance:** See REDHS 2019-2020 Report of Operations page 19 for details.

#### Effective financial management

Key performance indicator	Target	Result
<b>Finance</b>		
Operating result (\$m)	-0.23	<b>0.03</b>
Average number of days to paying trade creditors	60	<b>43</b>
Average number of days to receiving patient fee debtors	60	<b>6</b>
Adjusted current asset ratio	0.7 or 3% improvement from health service base target	<b>1.32</b>
Forecast number of days a health service can maintain its operations with unrestricted available cash (based on end of year forecast)	14 days	<b>120</b>
Actual number of days a health service can maintain its operations with unrestricted available cash, measured on the last day of each month.	14 days	<b>120</b>
Measures the accuracy of forecasting the Net result from transactions (NRFT) for the current financial year ending 30 June.	+/-0.25	<b>0.26</b>

## PART C: Activity and Funding

Small Rural	2019-20 Activity achievement	Units
Acute	1,958	Bed Days
Transition Care Program	768	
Urgent Care Centre	628	Presentations
*Small Rural Primary Health & HACC (hours)		
- District Nursing	281	Service Hours
- Physio	51	
- Podiatry	55	
- Occupational Therapy	22	
- Social Support Group	12	
Small Rural Residential Care	19,350	Bed Days
Health Workforce	5	Graduate nurse positions

\*Please note: Many HACC funded services are now provided as part of Home Care or NDIS packages.

## Financials in Brief

The table below is a summary of the financial results for 2019-20, from annual financial statements, with comparative results for the preceding four financial years.

	2020 \$000	2019 \$000	2018 \$000	2017 \$000	2016 \$000
OPERATING RESULT	30	-135	153	439	416
Total revenue	15,303	15,479	14,603	14,265	13,344
Total expenses	16,581	16,338	15,532	14,730	14,158
<b>Net result from transactions</b>	<b>-1,278</b>	<b>-859</b>	<b>-929</b>	<b>-465</b>	<b>-814</b>
Total other economic flows	-204	162	1		
<b>Net result</b>	<b>-1482</b>	<b>-697</b>	<b>(928)</b>	<b>(466)</b>	<b>(814)</b>
Total assets	53,148	53,129	50,574	46,904	46,965
Total liabilities	11,413	9,092	10,742	9,435	9,030
<b>Net assets/Total equity</b>	<b>41,735</b>	<b>44,037</b>	<b>39,832</b>	<b>37,469</b>	<b>37,935</b>

## Reconciliation of Net Result from Transactions and Operating Result

	2019-20 \$000
<b>Net operating result *</b>	30
<u>Capital and specific items</u>	
Capital purpose income	176
Specific income	0
COVID 19 State Supply Arrangements - Assets received free of charge or for nil consideration under the State Supply	0
State supply items consumed up to 30 June 2020	0
Assets provided free of charge	0
Assets received free of charge	0
Expenditure for capital purpose	(20)
Depreciation and amortisation	(1,494)
Impairment of non-financial assets	0
Finance costs (other)	30
<b>Net result from transactions</b>	(1,278)

## DETAILS OF CONSULTANCIES

Details of Consultancies (under \$10,000)

In 2019-20, there were 12 consultancies where the total fees payable to the consultants were less than \$10,000. The total expenditure incurred during 2019-20 in relation to these consultancies is \$20,223 (excl. GST).

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

In 2019-20, there were 2 consultancies where the total fees payable to the consultants were \$10,000 or greater. The total expenditure incurred during 2019-20 in relation to these consultancies is \$42,400 (excl. GST).

Details of these consultancies are available at <http://www.redhs.com.au/about-us.html>

## INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) DISCLOSURE

The total ICT expenditure incurred during 2019-20 is \$447,971.75 excl. GST, with the details shown below:

<b>Business as Usual (BAU) ICT expenditure</b>	<b>Non Business as Usual (non-BAU) ICT Expenditure</b>		
Total (excluding GST)	Total of Operational and Capital Expenditure	Operational expenditure	Capital expenditure
\$395,006.70	\$52,965.05	\$274.98	\$52,690.07

# Independent Auditor's Report

## To the Board of Rochester and Elmore District Health Service

<b>Opinion</b>	<p>I have audited the financial report of Rochester and Elmore District Health Service (the health service) which comprises the:</p> <ul style="list-style-type: none"> <li>• balance sheet as at 30 June 2020</li> <li>• comprehensive operating statement for the year then ended</li> <li>• statement of changes in equity for the year then ended</li> <li>• cash flow statement for the year then ended</li> <li>• notes to the financial statements, including significant accounting policies</li> <li>• board member's, accountable officer's and chief finance &amp; accounting officer's declaration.</li> </ul> <p>In my opinion the financial report presents fairly, in all material respects, the financial position of the health service as at 30 June 2020 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 7 of the <i>Financial Management Act 1994</i> and applicable Australian Accounting Standards.</p>
<b>Basis for Opinion</b>	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the health service in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
<b>Board's responsibilities for the financial report</b>	<p>The Board of the health service is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the <i>Financial Management Act 1994</i>, and for such internal control as the Board determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.</p> <p>In preparing the financial report, the Board is responsible for assessing the health service's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.</p>

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

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

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

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

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

MELBOURNE  
14 October 2020



Travis Derricott  
*as delegate for the Auditor-General of Victoria*

**Financial Statements**  
**Financial Year ended 30 June 2020**

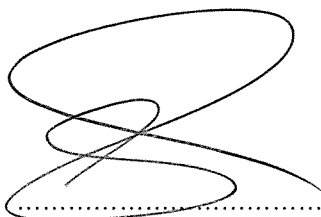
**Board Members, Accountable Officer's, and Chief Finance & Accounting Officer's declaration**

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

We further state that, in our opinion, the information set out in the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement and accompanying notes, presents fairly the financial transactions during the year ended 30 June 2020 and the financial position of Rochester and Elmore District Health Service at 30 June 2020.

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 this day.



David Rosaia  
Chairperson

Rochester  
28<sup>th</sup> September 2020



Karen Laing  
Accountable Officer  
Chief Executive Officer

Rochester  
28<sup>th</sup> September 2020



Seppe Marsili  
Chief Finance & Accountable  
Officer

Rochester  
28<sup>th</sup> September 2020

**Rochester and Elmore District Health Service**  
**Comprehensive Operating Statement**  
**For the Financial Year Ended 30 June 2020**

		<b>2020</b> <b>\$'000</b>	<b>2019</b> <b>\$'000</b>
<b>Income from Transactions</b>			
Operating Activities	2.1	15,191	15,249
Non-operating Activities	2.1	112	230
<b>Total Income from Transactions</b>		<b>15,303</b>	<b>15,479</b>
<b>Expenses from Transactions</b>			
Employee Expenses	3.1	(12,256)	(11,819)
Supplies and consumables	3.1	(893)	(866)
Depreciation	4.2	(1,494)	(1,393)
Other Operating Expenses	3.1	(1,933)	(2,260)
Other Non-operating expenses	3.1	(5)	-
<b>Total Expenses from Transactions</b>		<b>(16,581)</b>	<b>(16,338)</b>
<b>Net Result from Transactions - Net Operating Balance</b>		<b>(1,278)</b>	<b>(859)</b>
<b>Other Economic Flows included in Net Result</b>			
Net Gain/(Loss) on Financial Instruments at Fair Value	3.2	(237)	40
Other Gains/(Loss) from Other Economic Flows	3.2	42	115
Share of Other Economic Flows from Joint Operation		(9)	7
<b>Total Other Economic Flows included in Net Result</b>		<b>(204)</b>	<b>162</b>
<b>Net Result for the year</b>		<b>(1,482)</b>	<b>(697)</b>
<b>Other Comprehensive Income</b>			
<b>Items that will not be reclassified to Net Result</b>			
Changes in Property, Plant and Equipment Revaluation Surplus	4.1(f)	-	4,902
<b>Total Other Comprehensive Income</b>		<b>-</b>	<b>4,902</b>
<b>Comprehensive Result for the year</b>		<b>(1,482)</b>	<b>4,205</b>

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

# Rochester and Elmore District Health Service

## Balance Sheet as at 30 June 2020

	Note	2020 \$'000	2019 \$'000
<b>Current Assets</b>			
Cash and Cash Equivalents	6.2	11,630	10,686
Receivables	5.1	394	298
Inventories	4.3	93	42
Other Financial Assets		136	182
<b>Total Current Assets</b>		<b>12,253</b>	<b>11,208</b>
<b>Non-Current Assets</b>			
Receivables	5.1	427	493
Property, Plant & Equipment	4.1(a)	40,468	41,391
<b>Total Non-Current Assets</b>		<b>40,895</b>	<b>41,884</b>
<b>TOTAL ASSETS</b>		<b>53,148</b>	<b>53,092</b>
<b>Current Liabilities</b>			
Payables	5.2	1,794	807
Borrowings	6.1	8	-
Provisions	3.4	2,436	2,384
Other Liabilities	5.3	6,649	5,655
<b>Total Current Liabilities</b>		<b>10,887</b>	<b>8,846</b>
<b>Non-Current Liabilities</b>			
Borrowings	6.1	281	-
Provisions	3.4	245	209
<b>Total Non-Current Liabilities</b>		<b>526</b>	<b>209</b>
<b>TOTAL LIABILITIES</b>		<b>11,413</b>	<b>9,056</b>
<b>NET ASSETS</b>		<b>41,735</b>	<b>44,037</b>
<b>EQUITY</b>			
Property, Plant & Equipment Revaluation Surplus	4.1(f)	26,246	26,246
Restricted Specific Purpose Surplus	SCE	954	944
Contributed Capital	SCE	7,370	7,370
Accumulated Surpluses	SCE	7,165	9,477
<b>TOTAL EQUITY</b>		<b>41,735</b>	<b>44,037</b>

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

**Rochester and Elmore District Health Service**  
**Statement of Changes in Equity**  
**For the Financial Year Ended 30 June 2020**

		Property, Plant and Equipment Revaluation Surplus	Restricted Special Purpose Surplus	Contributed Capital	Accumulated Surpluses / (Deficits)	Total
	Note	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Balance at 1 July 2018</b>		21,344	926	7,370	10,193	39,833
Net result for the year		-	-	-	(697)	(697)
Other comprehensive income for the year		4,902	-	-	-	4,902
Transfers from (to) accumulated deficits		-	18	-	(18)	-
Opening balance adjustment on adoption of AASB 9		-	-	-	(1)	(1)
<b>Balance at 30 June 2019</b>		<b>26,246</b>	<b>944</b>	<b>7,370</b>	<b>9,477</b>	<b>44,037</b>
<b>Effect of adoption of AASB 1058</b>	<b>8.9</b>				(820)	(820)
<b>Restated balance at 30 June 2019</b>		<b>26,246</b>	<b>944</b>	<b>7,370</b>	<b>8,657</b>	<b>43,217</b>
Net result for the year		-	-	-	(1,482)	(1,482)
Other comprehensive income for the year		-	-	-	-	-
Transfers from (to) accumulated deficits		-	10	-	(10)	-
<b>Balance at 30 June 2020</b>		<b>26,246</b>	<b>954</b>	<b>7,370</b>	<b>7,165</b>	<b>41,735</b>

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

**Rochester and Elmore District Health Service**  
**Cash Flow Statement**  
**For the Financial Year Ended 30 June 2020**

	Note	2020 \$'000	2019 \$'000
<b>Cash Flows from Operating Activities</b>			
Operating Grants from Government		11,521	11,298
Capital Grants from Government- State		164	834
Other Capital Receipts		-	112
Patient and Resident Fees Received		2,048	1,779
Donations and Bequests Received		25	25
GST received from ATO		350	329
Interest Received		112	177
Other Receipts		893	1,004
<b>Total Receipts</b>		<b>15,113</b>	<b>15,558</b>
Employee Expenses Paid		(11,862)	(11,564)
Non Salary Labour Costs		(158)	(249)
Payments for Supplies & Consumables		(1,208)	(1,175)
GST paid to ATO		(136)	(118)
Other Payments		(1,250)	(1,944)
<b>Total Payments</b>		<b>(14,614)</b>	<b>(15,050)</b>
<b>Net Cash Flows from/(used in) Operating Activities</b>	8.1	<b>499</b>	<b>508</b>
<b>Cash Flows from Investing Activities</b>			
Purchase of Investments		-	(204)
Proceeds from Disposal of Investments		-	3,340
Payments for Non-Financial Assets		(805)	(662)
Proceeds from sale of Non-Financial Assets		-	52
<b>Net Cash Flows from/(used in) Investing Activities</b>		<b>(805)</b>	<b>2,526</b>
<b>Cash Flows from Financing Activities</b>			
Proceeds from Borrowings		256	-
Receipt of Monies in Trust		2,468	1,639
Repayments of Monies in Trust		(1,474)	(3,423)
<b>Net Cash Flows from/(used in) Financing Activities</b>		<b>1,250</b>	<b>(1,784)</b>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents Held</b>		<b>944</b>	<b>1,250</b>
Cash and Cash Equivalents at beginning of year		10,686	9,436
<b>Cash and Cash Equivalents at End of Year</b>	6.2	<b>11,630</b>	<b>10,686</b>

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

**Rochester and Elmore District Health Service**  
**Notes to the Financial Statements**  
**For the Financial Year Ended 30 June 2020**

**Basis of preparation**

These financial statements are in Australian dollars and the historical cost convention is used unless a different measurement basis is specifically disclosed in the note associated with the item measured on a different basis.

The accrual basis of accounting has been applied in preparing these financial statements, whereby assets, liabilities, equity, income and expenses are recognised in the reporting period to which they relate, regardless of when cash is received or paid.

## **Note 1 – Summary of Significant Accounting Policies**

These annual financial statements represent the audited general purpose financial statements for Rochester and Elmore District Health Service and its controlled entities for the year ended 30 June 2020. The report provides users with information about the Health Service's stewardship of resources entrusted to it.

### **(a) Statement of Compliance**

These financial statements are general purpose financial statements which have been prepared in accordance with the *Financial Management Act 1994* and applicable AASBs, 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, and relevant Standing Directions (SDs) authorised by the Assistant Treasurer.

The Health Service is a not-for-profit entity and therefore applies the additional AUS paragraphs applicable to "not-for-profit" Health Services under the AASBs.

### **(b) Reporting Entity**

The financial statements include all the controlled activities of Rochester and Elmore District Health Service.

Its principal address is:

1 Pascoe Street  
Rochester VIC 3551.

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

### **(c) Basis of Accounting Preparation and Measurement**

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

The accounting policies have been applied in preparing the financial statements for the year ended 30 June 2020, and the comparative information presented in these financial statements for the year ended 30 June 2019.

The financial statements are prepared on a going concern basis (refer to Note 8.8 Economic Dependency).

These financial statements are presented in Australian dollars, the functional and presentation currency of Rochester and Elmore District Health Service.

All amounts shown in the financial statements have been rounded to the nearest thousand dollars, unless otherwise stated. Minor discrepancies in tables between totals and sum of components are due to rounding.

The Rochester and Elmore District Health Service operates on a fund accounting basis and maintains three funds: Operating, Specific Purpose and Capital Funds.

The financial statements, except for cash flow information, have been prepared using the accrual basis of accounting. Under the accrual basis, items are recognised as assets, liabilities, equity, income or expenses when they satisfy the definitions and recognition criteria for those items, that is, they are recognised in the reporting period to which they relate, regardless of when cash is received or paid.

Judgements, estimates and assumptions are required to be made about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are reviewed on an ongoing basis. The estimates and associated assumptions are based on professional judgements derived from historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

Revisions to accounting estimates are recognised in the period in which the estimate is revised and in future periods that are affected by the revision. Judgements and assumptions made by management in the application of AASBs that have significant effects on the financial statements and estimates relate to:

- The fair value of land, buildings and plant and equipment (refer to Note 4.1 Property, Plant and Equipment);
- Employee benefit provisions are based on likely tenure of existing staff, patterns of leave claims, future salary movements and future discount rates (refer to Note 3.4 Employee Benefits in the Balance Sheet).

A state of emergency was declared in Victoria on 16 March 2020 due to the global coronavirus pandemic, known as COVID-19. A state of disaster was subsequently declared on 2 August 2020.

To contain the spread of the virus and to prioritise the health and safety of our communities various restrictions have been announced and implemented by the state government, which in turn has impacted the manner in which businesses operate, including Rochester and Elmore District Health Service.

In response, Rochester and Elmore District Health Service placed restrictions on non-essential visitors, implemented reduced visitor hours, reduced primary care activity and implemented work from home arrangements where appropriate.

For further details refer to Note 2.1 Funding delivery of our services, Note 3.1 Expenses, Note 4.2 Property, plant and equipment and Note 4.3 Inventories.

#### **Goods and Services Tax (GST)**

Income, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the Australian Taxation Office (ATO). In this case the GST payable is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. 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 presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the ATO, are presented as operating cash flow.

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

#### **(d) Jointly Controlled Operation**

Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

In respect of any interest in joint operations, Rochester and Elmore District Health Service recognises in the financial statements:

- its assets, including its share of any assets held jointly;
- any liabilities including its share of liabilities that it had incurred;
- its revenue from the sale of its share of the output from the joint operation;
- its share of the revenue from the sale of the output by the operation; and
- its expenses, including its share of any expenses incurred jointly.

Rochester and Elmore District Health Service is a member of the Loddon Mallee Rural Health Alliance Joint Venture and retains joint control over the arrangement, which it has classified as a joint operation (refer to Note 8.7 Jointly Controlled Operations)

#### **(e) Equity**

##### **Contributed Capital**

Consistent with the requirements of AASB 1004 *Contributions*, contributions by owners (that is, contributed capital and its repayment) are treated as equity transactions and, therefore, do not form part of the income and expenses of the Rochester and Elmore District Health Service.

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

Transfers of net liabilities arising from administrative restructurings are treated as distributions to owners.

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

##### **Specific Restricted Purpose Surplus**

The Specific Restricted Purpose Surplus is established where Rochester and Elmore District Health Service has possession or title to the funds but has no discretion to amend or vary the restriction and/or condition underlying the funds received.

## **Note: 2 Funding Delivery of Our Services**

Rochester and Elmore District Health Service's overall objective is to deliver programs and services that support and enhance the wellbeing of all Victorians.

Rochester and Elmore District Health is predominantly funded by accrual based grant funding for the provision of outputs.

Rochester and Elmore District Health Service also receives income from the supply of services.

### **Structure**

#### **2.1 Income from Transactions**

## Note 2.1(a): Income from Transactions

	2020 \$'000	2019 \$'000
Government Grants (State) - Operating <sup>1</sup>	11,520	11,314
Government Grants (State) - Capital	164	834
Patient and Resident Fees	2,057	1,719
Commercial Activities <sup>2</sup>	132	119
Cash Donations	47	25
Other Revenue from Operating Activities	1,271	1,238
<b>Total Income from Operating Activities</b>	<b>15,191</b>	<b>15,249</b>
Capital Interest	3	53
Other Interest	109	177
<b>Total Income from Non-Operating Activities</b>	<b>112</b>	<b>230</b>
<b>Total Income from Transactions</b>	<b>15,303</b>	<b>15,479</b>

<sup>1</sup> Government Grants (State) - Operating includes funding of \$0.13m which was spent due to the impacts of COVID-19.

<sup>2</sup> Commercial activities represent business activities which health service enter into to support their operations.

### Revenue Recognition

Income is recognised in accordance with either:

- a) contributions by owners, in accordance with AASB 1004;
- b) income for not-for-profit entities, in accordance with AASB 1058;
- c) revenue or a contract liability arising from a contract with a customer, in accordance with AASB 15;
- d) a lease liability in accordance with AASB 16;
- e) a financial instrument, in accordance with AASB 9; or
- f) a provision, in accordance with AASB 137 *Provisions, Contingent Liabilities and Contingent Assets*.

### Impact of COVID-19 on revenue and income

As indicated at Note 1, Rochester and Elmore District Health Service's response to the pandemic included reduced activity. This resulted in Rochester and Elmore District Health Service incurring lost revenue as well as indirect COVID-19 costs. The Department of Health and Human Services provided funding which was spent due to COVID-19 impacts on Rochester and Elmore District Health Service. Rochester and Elmore District Health Service also received essential personal protective equipment free of charge under the state supply arrangement.

### Accounting Policies

#### Government Grants

Income from grants to construct the Nursing Home Redevelopment project is recognised when (or as) Rochester and Elmore District Health Service satisfies its obligations under the transfer. This aligns with Rochester and Elmore District Health Service's obligation to construct the asset. The progressive percentage costs incurred is used to recognise income because this most closely reflects the construction's progress as costs are incurred as the works are done.

Income from grants that are enforceable and with sufficiently specific performance obligations are accounted for under AASB 15 as revenue from contracts with customers, with revenue recognised as these performance obligations are met.

Income from grants without any sufficiently specific performance obligations, or that are not enforceable, is recognised when Rochester and Elmore District Health Service has an unconditional right to receive the cash which usually coincides with receipt of cash. On initial recognition of the asset, Rochester and Elmore District Health Service recognises any related contributions by owners, increases in liabilities, decreases in assets, and revenue ('related amounts') in accordance with other Australian Accounting Standards. Related amounts may take the form of:

- a) contributions by owners, in accordance with AASB 1004;
- b) revenue or a contract liability arising from a contract with a customer, in accordance with AASB 15;
- c) a lease liability in accordance with AASB 16;
- d) a financial instrument, in accordance with AASB 9; or
- e) a provision, in accordance with AASB 137 *Provisions, Contingent Liabilities and Contingent Assets*.

As a result of the transitional impacts of adopting AASB 15 and AASB 1058, a portion of the grant revenue has been deferred. If the grant income is accounted for in accordance with AASB 15, the deferred grant revenue has been recognised in contract liabilities whereas grant revenue in relation to the construction of capital assets which the health service controls has been recognised in accordance with AASB 1058 and recognised as deferred grant revenue (refer note 5.2).

If the grant revenue was accounted for under the previous accounting standard AASB 1004 in 2019-20, the total grant revenue received would have been recognised in full.

### **Performance Obligations**

#### **Previous accounting policy for 30 June 2019**

Grant income arises from transactions in which a party provides goods or assets (or extinguishes a liability) to Rochester and Elmore District Health Service without receiving approximately equal value in return. While grants may result in the provision of some goods or services to the transferring party, they do not provide a claim to receive benefits directly of approximately equal value (and are termed 'non-reciprocal' transfers). Receipt and sacrifice of approximately equal value may occur, but only by coincidence.

Some grants are reciprocal in nature (i.e. equal value is given back by the recipient of the grant to the provider). Rochester and Elmore District Health Service recognises income when it has satisfied its performance obligations under the terms of the grant.

For non-reciprocal grants, Rochester and Elmore District Health Service recognises revenue when the grant is received.

Grants can be received as general purpose grants, which refers to grants which are not subject to conditions regarding their use. Alternatively, they may be received as specific purpose grants, which are paid for a particular purpose and/or have conditions attached regarding their use.

### **Patient and Resident Fees**

Resident fees are recognised as revenue over time as Rochester and Elmore District Health Service provides accommodation. This is calculated on a daily basis and invoiced monthly.

### **Private Practice Fees**

Revenue is recognised at the time invoices are raised. Private practice fees include recoupments from the private practice for the use of hospital facilities.

## 2.1 (b) Fair value of assets and services received free of charge or for nominal consideration

	<b>2020 \$'000</b>	<b>2019 \$'000</b>
Cash donations	47	25
<b>Total fair value of assets and services received free of charge or for nominal consideration</b>	<b>47</b>	<b>25</b>

Contributions of resources provided free of charge or for nominal consideration are recognised at their fair value when the recipient obtains control over the resources, irrespective of whether restrictions or conditions are imposed over the use of the contributions.

The exception to this would be when the resource is received from another government department (or agency) as a consequence of a restructuring of administrative arrangements, in which case such a transfer will be recognised at its carrying value in the transferring department or agency as a capital contribution transfer.

### Non-cash contributions from the Department of Health and Human Services

The Department of Health and Human Services makes some payments on behalf of health services as follows:

- The Victorian Managed Insurance Authority non-medical indemnity insurance payments are recognised as revenue following advice from the Department of Health and Human Services
- 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 and Human Services Hospital Circular

## 2.1 (c) Other income

	<b>2020 \$'000</b>	<b>2019 \$'000</b>
Capital interest	3	53
Other interest	109	177
<b>Total other income</b>	<b>112</b>	<b>230</b>

Other income is recognised as revenue when received. Other income includes recoveries for salaries and wages and external services provided, and donations and bequests. If donations are for a specific purpose, they may be appropriated to a surplus, such as the specific restricted purpose surplus.

### Interest Income

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

### **Note 3: The Cost of Delivering Our Services**

This section provides an account of the expenses incurred by Rochester and Elmore District Health Service in delivering services and outputs. In Note 2, the funds that enable the provision of services were disclosed and in this note the cost associated with provision of services are recorded.

#### **Structure**

- 3.1 Expenses from Transactions
- 3.2 Other Economic Flows
- 3.3 Analysis of expenses and revenue by internally managed and restricted specific purpose funds
- 3.4 Employee benefits in the Balance Sheet
- 3.5 Superannuation

### Note 3.1: Expenses from Transactions

	2020 \$'000	2019 \$'000
Salaries and Wages	9,627	9,002
On-costs	2,139	2,298
Agency Expenses	221	188
Fee for Service Medical Officer Expenses	158	249
Workcover Premium	111	82
<b>Total Employee Expenses</b>	<b>12,256</b>	<b>11,819</b>
Drug Supplies	55	53
Medical and Surgical Supplies (including Prostheses)	165	205
Diagnostic and Radiology Supplies	48	96
Other Supplies and Consumables	625	512
<b>Total Supplies and Consumables</b>	<b>893</b>	<b>866</b>
Fuel, Light, Power and Water	266	311
Repairs and Maintenance	172	197
Maintenance Contracts	119	107
Medical Indemnity Insurance	38	37
Other Administrative Expenses	1,318	1,331
Expenditure for Capital Purposes	20	277
<b>Total Other Operating Expenses</b>	<b>1,933</b>	<b>2,260</b>
<b>Total Operating Expense</b>	<b>15,082</b>	<b>14,945</b>
Depreciation (refer Note 4.2)	1,494	1,393
<b>Total Depreciation and Amortisation</b>	<b>1,494</b>	<b>1,393</b>
Bad and doubtful debt expense	5	-
<b>Total Other Non-Operating Expenses</b>	<b>5</b>	<b>-</b>
<b>Total Non-Operating Expense</b>	<b>1,499</b>	<b>1,393</b>
<b>Total Expenses from Transactions</b>	<b>16,581</b>	<b>16,338</b>

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

#### Employee Expenses

Employee expenses include:

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

#### Supplies and consumables

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

### **Other Operating Expenses**

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

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

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

### **Non-operating expenses**

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

### **Impact of COVID-19 on expenses**

As indicated at Note 1, Rochester and Elmore District Health Service's daily activities were impacted by the pandemic. This resulted in direct and indirect costs being incurred, such as increased staffing costs, purchase of thermometers, increase in cleaning products, linen, printing, and purchasing communication devices under the \$1k asset threshold.

## Note 3.2: Other Economic Flows

	2020 \$'000	2019 \$'000
<i>Net gain/(loss) on financial instruments</i>		
Allowance for impairment losses of contractual receivables	(5)	(1)
Net gain/(loss) on disposal of financial instruments	(232)	41
Other Gains/(Losses) from Other Economic Flows	-	-
<b>Total net gain/(loss) on financial instruments</b>	<b>(237)</b>	<b>40</b>
<i>Other gains/(losses) from other economic flows</i>		
Net gain/(loss) arising from revaluation of long service liability	37	115
<b>Total other gains/(losses) from other economic flows</b>	<b>37</b>	<b>115</b>
<b>Total other gains/(losses) from Economic Flows</b>	<b>(199)</b>	<b>156</b>

### **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:

- disposals of financial assets and derecognition of financial liabilities.

### **Amortisation of non-produced intangible assets**

Intangible non-produced assets with finite lives are amortised as an 'other economic flow' on a systematic basis over the asset's useful life. Amortisation begins when the asset is available for use that is when it is in the location and condition necessary for it to be capable of operating in the manner intended by management.

### **Impairment of non-financial assets**

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

### **Other gains/ (losses) from other economic flows**

Other gains/ (losses) include:

- the revaluation of the present value of the long service leave liability due to changes in the bond rate movements, inflation rate movements and the impact of changes in probability factors; and
- transfer of amounts from the reserves to accumulated surplus or net result due to disposal or derecognition or reclassification.

**Note 3.3: Analysis of expense and revenue by internally managed and restricted specific purpose funds**

	Expense		Revenue	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
<b>Commercial Activities</b>				
Radiology	41	72	36	52
Meals on Wheels	17	17	41	24
Cafeteria	84	77	58	45
Primary Care Partnership	309	314	329	380
<b>Total</b>	<b>451</b>	<b>480</b>	<b>464</b>	<b>501</b>

### Note 3.4: Employee Benefits in the Balance Sheet

#### CURRENT PROVISIONS

Employee Benefits (i)

Accrued Day Off

- Unconditional and expected to be settled within 12 months (ii)
- Unconditional and expected to be settled after 12 months (iii)

Annual Leave

- Unconditional and expected to be settled within 12 months (ii)
- Unconditional and expected to be settled after 12 months (iii)

Long Service Leave

- Unconditional and expected to be settled within 12 months (ii)
- Unconditional and expected to be settled after 12 months (iii)

#### Provisions related to employee benefit on-costs

- Unconditional and expected to be settled within 12 months (ii)
- Unconditional and expected to be settled after 12 months (iii)

#### TOTAL CURRENT PROVISIONS

#### NON-CURRENT PROVISIONS

##### Conditional Long Service Leave

Provisions related to employee benefits on-costs

#### TOTAL NON-CURRENT PROVISIONS

#### TOTAL PROVISIONS

2020 \$'000	2019 \$'000
7	4
1	1
864	802
148	135
150	145
1,035	1,071
<b>2,205</b>	<b>2,158</b>
107	100
124	126
<b>231</b>	<b>226</b>
<b>2,436</b>	<b>2,384</b>
222	189
23	20
<b>245</b>	<b>209</b>
<b>2,681</b>	<b>2,593</b>

<sup>i</sup> Employee benefits consist of amounts for accrued days off, annual leave and long service leave accrued by employees, not including on-costs.

<sup>ii</sup> The amounts disclosed are nominal amounts.

<sup>iii</sup> The amounts disclosed are discounted to present values.

#### (a) Employee Benefits and Related On-Costs

##### Current Employee Benefits and Related On-Costs

Unconditional Long Service Leave Entitlements

Annual Leave Entitlements

Accrued Days Off

##### Total Current Employee Benefits and Related On-Costs

##### Non-Current Employee Benefits and Related On-Costs

Conditional Long Service Leave Entitlements

##### Total Non-Current Employee Benefits and Related On-Costs

#### TOTAL EMPLOYEE BENEFITS AND RELATED ON-COSTS

2020 \$'000	2019 \$'000
1,310	1,343
1,118	1,036
9	5
<b>2,437</b>	<b>2,384</b>
245	209
<b>245</b>	<b>209</b>
<b>2,682</b>	<b>2,593</b>

#### Carrying amount at start of year

Additional provisions recognised

Amounts incurred during the year (including estimates)

#### Carrying amount at end of year

Other \$'000	Total \$'000
2,593	2,593
89	89
-	-
<b>2,682</b>	<b>2,682</b>

#### (b) Movements in On-Costs Provisions

##### Balance at start of year

Provision made during the year

Unwinding of discount and effect of changes in the discount rate

Settlement made during the year

##### Balance at end of year

2020 \$'000	2019 \$'000
<b>246</b>	<b>229</b>
2	37
(17)	(20)
-	-
<b>231</b>	<b>246</b>

### **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 Rochester and Elmore District Health Service 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 Rochester & Elmore District Health Service does not have an unconditional right to defer settlements of these liabilities.

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

Nominal value – if Rochester and Elmore District Health Service expects to wholly settle within 12 months; or

Present value – if Rochester and Elmore District Health Service does not expect to wholly settle within 12 months.

#### **Long Service Leave**

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

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

The components of this current LSL liability are measured at:

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

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

#### **Termination Benefits**

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

#### **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 3.5: Superannuation

#### Defined Contribution plans:

First State Super
Host Plus Super
HESTA Administration
Other
<b>TOTAL</b>

#### Paid Contribution for the Year

<b>2020</b> <b>\$'000</b>	<b>2019</b> <b>\$'000</b>
622	592
-	4
278	281
50	16
<b>950</b>	<b>893</b>

Employees of Rochester and Elmore District Health Service are entitled to receive superannuation benefits and Rochester and Elmore District Health Service contributions paid or payable for the reporting period are included as part of the employee benefits in the Comprehensive Operating Statement of Rochester and Elmore District Health Service.

#### 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.

#### **Note 4: Key Assets to Support Service Delivery**

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

##### **Structure**

4.1 Property, Plant & Equipment

4.2 Depreciation

#### **Note 4.1: Property, plant and equipment**

##### ***Initial Recognition***

Items of property, plant and equipment are measured initially at cost and subsequently revalued at fair value less accumulated depreciation and impairment loss. Where an asset is acquired for no or nominal cost, the cost is its fair value at the date of acquisition. Assets transferred as part of a merger/machinery of government change are transferred at their carrying amounts.

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

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.

Land and buildings are recognised initially at cost and subsequently measured at fair value less accumulated depreciation and accumulated impairment loss.

##### ***Revaluations of Non-Current Physical Assets***

Non-current physical assets are measured at fair value and are revalued in accordance with FRD 103H *Non-Current Physical Assets*. This revaluation process normally occurs every five years, based upon the asset's Government Purpose Classification, but may occur more frequently if fair value assessments indicate material changes in values. Independent valuers are used to conduct these scheduled revaluations and any interim revaluations are determined in accordance with the requirements of the FRDs. Revaluation increments or decrements arise from differences between an asset's carrying value and fair value.

Revaluation increments are recognised in 'Other Comprehensive Income' and are credited directly to the asset revaluation surplus, 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, 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 surplus in respect of the same class of property, plant and equipment.

Revaluation increases and revaluation decreases 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 surplus is not transferred to accumulated funds on de-recognition of the relevant asset, except where an asset is transferred via contributed capital.

In accordance with FRD 103H, Rochester and Elmore District Health Service's non-current physical assets were assessed to determine whether revaluation of the non-current physical assets was required.

##### ***Fair value measurement***

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, Rochester and Elmore District Health Service 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, Rochester and Elmore District Health Service determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Valuer-General Victoria (VGV) is Rochester and Elmore District Health Service'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 paragraph AASB 13.29, Rochester and Elmore District Health Service has assumed the current use of a non-financial physical asset is its HBU unless market or other factors suggest that a different use by market participants would maximise the value of the asset.

**Non-Specialised Land, Non-Specialised Buildings and Cultural Assets**

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

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

The CSO adjustment 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 Rochester and Elmore District Health Service, the depreciated replacement cost method is used for the majority of specialised buildings, adjusting for the associated depreciation. As depreciation adjustments are considered as significant and unobservable inputs in nature, specialised buildings are classified as Level 3 for fair value measurements.

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

**Vehicles**

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

**Plant and Equipment**

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

There were no changes in valuation techniques throughout the period to 30 June 2020.

For all assets measured at fair value, the current use is considered the highest and best use.

#### **Note 4.1: Property, Plant and Equipment**

##### **(a) Gross carrying amount and accumulated depreciation**

	<b>2020 \$'000</b>	<b>2019 \$'000</b>
<b>Land</b>		
- Land at Fair Value	358	358
- Landscaping at Fair Value	259	259
Less Accumulated Depreciation	(5)	-
<b>Total Land</b>	<b>612</b>	<b>617</b>
<b>Buildings</b>		
- Buildings at Fair Value	39,040	38,996
Less Accumulated Depreciation	(1,184)	-
<b>Total Buildings</b>	<b>37,856</b>	<b>38,996</b>
<b>Plant and Equipment</b>		
- Plant and Equipment at Fair Value	2,992	3,041
Less Accumulated Depreciation	(1,880)	(1,989)
- Loddon Mallee Rural Health Alliance at Fair Value	71	55
Less Accumulated Depreciation	(34)	(31)
<b>Total Plant and Equipment</b>	<b>1,149</b>	<b>1,076</b>
<b>Motor Vehicles</b>		
- Motor Vehicles at Fair Value	387	384
Less Accumulated Depreciation	(248)	(203)
<b>Total Motor Vehicles</b>	<b>139</b>	<b>181</b>
<b>Computers and Communication</b>		
- Computers and Communication at Fair Value	323	325
Less Accumulated Depreciation	(248)	(255)
<b>Total Computers and Communications</b>	<b>75</b>	<b>70</b>
<b>Furniture and Fittings</b>		
- Furniture and Fittings at Fair Value	912	983
Less Accumulated Depreciation	(524)	(553)
<b>Total Furniture and Fittings</b>	<b>388</b>	<b>430</b>
<b>Work In Progress</b>		
Work In Progress at Cost	214	21
<b>Total Work In Progress</b>	<b>214</b>	<b>21</b>
<b>Leased Assets Contracted under VicFleet</b>		
<b>Motor Vehicles</b>		
- Motor Vehicles at Fair Value	39	-
Less Accumulated Depreciation	(4)	-
<b>Total Furniture and Fittings</b>	<b>35</b>	<b>-</b>
<b>TOTAL PROPERTY, PLANT AND EQUIPMENT</b>	<b>40,468</b>	<b>41,391</b>

**Note 4.1: Property, Plant and Equipment (Continued)**

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

	Land \$'000	Buildings \$'000	Plant & Equipment \$'000	Motor Vehicles \$'000	Computer Equip \$'000	Furniture & Fittings \$'000	Work in Progress \$'000	Leased Assets \$'000	Total \$'000
<b>Balance at 1 July 2018</b>	<b>614</b>	<b>35,168</b>	<b>817</b>	<b>104</b>	<b>57</b>	<b>412</b>	<b>47</b>	<b>-</b>	<b>37,219</b>
Additions	-	-	424	142	59	68	46	-	739
Transfers In/(out)	-	-	5	-	-	-	(72)	-	(67)
Loddon Mallee Rural Health Alliance	-	-	-	-	-	-	-	-	-
Disposals	-	-	(10)	-	-	-	-	-	(10)
Revaluation increments/(decrements)	8	4,895	-	-	-	-	-	-	4,903
Depreciation (see Note 4.2)	(5)	(1,067)	(160)	(65)	(46)	(50)	-	-	(1,393)
<b>Balance at 30 June 2019</b>	<b>617</b>	<b>38,996</b>	<b>1,076</b>	<b>181</b>	<b>70</b>	<b>430</b>	<b>21</b>	<b>-</b>	<b>41,391</b>
Additions	-	44	452	3	52	2	214	39	806
Transfers In/(out)	-	-	-	-	-	-	(21)	-	(21)
Loddon Mallee Rural Health Alliance	-	-	16	-	-	-	-	-	16
Disposals	-	-	(228)	-	-	-	-	-	(228)
Revaluation increments/(decrements)	-	-	-	-	-	-	-	-	-
Depreciation (see Note 4.2)	(5)	(1,184)	(167)	(45)	(47)	(44)	-	(4)	(1,496)
<b>Balance at 30 June 2020</b>	<b>612</b>	<b>37,856</b>	<b>1,149</b>	<b>139</b>	<b>75</b>	<b>388</b>	<b>214</b>	<b>35</b>	<b>40,468</b>

**Land and Buildings and Leased Assets Carried at Valuation**

A full revaluation of Rochester and Elmore District Health Services land and buildings was performed by the Valuer-General of Victoria (VGV) in June 2019 in accordance with the requirements of Financial Reporting Direction (FRD) 103H *Non-Financial Physical Assets*. The valuation, which conforms to Australian Valuation Standards, was determined by reference to the amounts for which assets could be exchanged between knowledgeable willing parties in an arm's length transaction. The effective date of the valuation for both land and buildings was 30 June 2019.

In compliance with FRD 103H, in the year ended 30 June 2020, management conducted an annual assessment of the fair value of land and buildings. To facilitate this, management obtained from the Department of Treasury and Finance the VGV indices for the financial year ended 30 June 2020.

The VGV indices, which are based on data to March 2020, indicate an average increase of 2.0% across all land parcels and a 3.0% increase in buildings.

Management regards the VGV indices to be a reliable and relevant data set to form the basis of their estimates. Whilst these indices are applicable at 30 June 2020, the fair value of land and buildings will continue to be subjected to the impacts of COVID-19 in future accounting periods.

As the accumulative movement was less than 10% for land and buildings no managerial revaluation was required.

The land and building balances are considered to be sensitive to market conditions. To trigger a managerial revaluation a decrease in the land indice of 12% and a decrease in the building indice of 13% would be required.

## Note 4.1: Property, plant & equipment (continued)

### (c) Fair value measurement hierarchy for assets

	Carrying Amount \$'000	Fair value measurement at end of reporting period using:		
		Level 1 <sup>(i)</sup> \$'000	Level 2 <sup>(i)</sup> \$'000	Level 3 <sup>(i)</sup> \$'000
<b>Balance at 30 June 2020</b>				
<b>Land at fair value</b>				
Non-specialised land	132	-	132	-
Specialised land	226	-	-	226
<b>Total of land at fair value</b>	<b>358</b>	<b>-</b>	<b>132</b>	<b>226</b>
<b>Buildings at fair value</b>				
Non-specialised buildings	1,458	-	1,458	-
Specialised buildings	36,398	-	-	36,398
<b>Total of building at fair value</b>	<b>37,856</b>	<b>-</b>	<b>1,458</b>	<b>36,398</b>
Land Improvements at fair value	254	-	-	254
Plant and Equipment at fair value	1,149	-	-	1,149
Motor Vehicles at fair value	139	-	-	139
Computer and Communication at fair value	75	-	-	75
Furniture and Fittings at fair value	388	-	-	388
Work in Progress at fair value	214	-	-	214
Leased Assets at fair value	35	-	-	35
	<b>40,468</b>	<b>-</b>	<b>1,590</b>	<b>38,878</b>

<sup>i</sup> Classified in accordance with the fair value hierarchy.

There have been no transfers between levels during the period. In the prior year, there is a transfer between non-specialised land and specialised land to reflect the correct fair value as per the independent revaluation in 2019.

	Carrying Amount \$'000	Fair value measurement at end of reporting period using:		
		Level 1 <sup>(i)</sup> \$'000	Level 2 <sup>(i)</sup> \$'000	Level 3 <sup>(i)</sup> \$'000
<b>Balance at 30 June 2019</b>				
<b>Land at fair value</b>				
Non-specialised land	132	-	132	-
Specialised land	226	-	-	226
<b>Total of land at fair value</b>	<b>358</b>	<b>-</b>	<b>132</b>	<b>226</b>
<b>Buildings at fair value</b>				
Non-specialised buildings	1,462	-	1,462	-
Specialised buildings	37,534	-	-	37,534
<b>Total of building at fair value</b>	<b>38,996</b>	<b>-</b>	<b>1,462</b>	<b>37,534</b>
Land Improvements at fair value	259	-	-	259
Plant and Equipment at fair value	1,076	-	-	1,076
Motor Vehicles at fair value	181	-	-	181
Computer and Communication at fair value	70	-	-	70
Furniture and Fittings at fair value	430	-	-	430
Work in Progress at fair value	21	-	-	21
	<b>41,391</b>	<b>-</b>	<b>1,594</b>	<b>39,797</b>

<sup>i</sup> Classified in accordance with the fair value hierarchy.

In the current year, there has been transfers between levels during the period.

**Note 4.1: Property, plant & equipment (continued)**

**(d) Reconciliation of Level 3 Fair Value measurement**

	Land \$'000	Buildings \$'000	Land Improvements \$'000	Plant and Equipment \$'000	Motor Vehicles \$'000	Computers and Communication \$'000	Furniture and Fittings \$'000	Work in Progress \$'000	Leased Assets \$'000
<b>Balance at 1 July 2019</b>	<b>226</b>	<b>37,534</b>	<b>259</b>	<b>1,076</b>	<b>181</b>	<b>70</b>	<b>430</b>	<b>21</b>	<b>-</b>
Additions/(Disposals)	-	14	-	240	3	52	2	193	39
Gains or losses recognised in net result - Depreciation	-	(1,150)	(5)	(167)	(45)	(47)	(44)	-	(4)
Items recognised in other comprehensive income - Revaluation	-	-	-	-	-	-	-	-	-
<b>Balance at 30 June 2020</b>	<b>226</b>	<b>36,398</b>	<b>254</b>	<b>1,149</b>	<b>139</b>	<b>75</b>	<b>388</b>	<b>214</b>	<b>35</b>

	Land \$'000	Buildings \$'000	Land Improvements \$'000	Plant and Equipment \$'000	Motor Vehicles \$'000	Computers and Communication \$'000	Furniture and Fittings \$'000	Work in Progress \$'000	Leased Assets \$'000
<b>Balance at 1 July 2018</b>	<b>242</b>	<b>33,647</b>	<b>232</b>	<b>817</b>	<b>104</b>	<b>57</b>	<b>412</b>	<b>47</b>	<b>-</b>
Additions/(Disposals)	-	-	-	419	142	59	68	(26)	-
Gains or losses recognised in net result - Depreciation	-	(1,031)	(5)	(160)	(65)	(46)	(50)	-	-
Items recognised in other comprehensive income - Revaluation	(16)	4,918	32	-	-	-	-	-	-
<b>Balance at 30 June 2019</b>	<b>226</b>	<b>37,534</b>	<b>259</b>	<b>1,076</b>	<b>181</b>	<b>70</b>	<b>430</b>	<b>21</b>	<b>-</b>

## Note 4.1: Property, plant & equipment (continued)

### (e) Fair Value Determination

Asset class	Likely valuation approach	Significant inputs (Level 3 only) <sup>(c)</sup>
Non-Specialised Land	Market approach	n.a.
Specialised Land	Market approach	- Community Service Obligations Adjustments <sup>(a)</sup>
Non-Specialised buildings	Market approach	n.a.
Specialised buildings	Depreciated replacement cost approach	- Cost per square metre - Useful life
Landscaping and Grounds	Depreciated replacement cost approach	- Useful life
Plant and equipment	Depreciated replacement cost approach	- Cost per unit - Useful life
Vehicles	Market approach	n.a.
	Depreciated replacement cost approach	- Cost per unit - Useful life
Computers and Communication	Depreciated replacement cost approach	- Cost per unit - Useful life
Furniture and Fittings	Depreciated replacement cost approach	- Cost per unit - Useful life

(a) A community Service Obligation (CSO) of 25% was applied to the health services specialised land Classified in accordance with the fair value hierarchy.

## Note 4.1: Property, plant & equipment (continued)

### (f) Revaluation Surplus

#### Property, Plant and Equipment Revaluation Surplus

Balance at the beginning of the reporting period

Transfer to Accumulated Deficits

- Land

#### Revaluation Increment

- Land (refer Note 4.1(b))

- Buildings

**Balance at the end of the reporting period\***

#### \* Represented by:

- Land

- Buildings

2020 \$'000	2019 \$'000
26,246	21,344
-	-
-	8
-	4,895
<b>26,246</b>	<b>26,246</b>
204	204
26,042	26,042
<b>26,246</b>	<b>26,246</b>

## Note 4.2: Depreciation

	<b>2020</b> <b>\$'000</b>	<b>2019</b> <b>\$'000</b>
Buildings	1,184	1,067
Land Improvements	5	5
Plant & Equipment	165	160
Motor Vehicles	45	65
Computer and Communications	47	46
Furniture and Fittings	44	50
Leased assets	4	-
Loddon Mallee Rural Health Alliance	2	-
<b>Total Depreciation</b>	<b>1,496</b>	<b>1,393</b>

### Depreciation

All infrastructure assets, buildings, plant and equipment and other non-financial physical assets (excluding items under operating leases, 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.

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

	<b>2020</b>	<b>2019</b>
Buildings		
- Structure Shell Building Fabric	45 to 60 years	45 to 60 years
- Site Engineering Services and Central Plant	20 to 30 years	20 to 30 years
Central Plant		
- Fit Out	20 to 30 years	20 to 30 years
- Trunk Reticulated Building Systems	30 to 40 years	30 to 40 years
Plant & Equipment	3 to 20 years	3 to 20 years
Medical Equipment	5 to 10 years	5 to 10 years
Motor Vehicles	2 to 5 years	2 to 5 years
Computers and Communication	3 years	3 years
Furniture and Fittings	3 to 40 years	3 to 40 years

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

### Note 4.3: Inventories

	2020 \$'000	2019 \$'000
Pharmaceuticals - at cost	10	10
Catering Supplies - at cost	6	7
Housekeeping Supplies - at cost	3	3
Medical and Surgical Lines - at cost	24	20
Administration Stores - at cost	3	2
Loddon Mallee Rural Health Alliance	47	-
<b>Total Inventories</b>	<b>93</b>	<b>42</b>

### 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.

### Impact of COVID-19 on expenses

As indicated at Note 1, Rochester and Elmore District Health Service inventory balance was impacted by the pandemic. Rochester and Elmore District Health Service received \$10k essential personal protective equipment free of charge under the state supply arrangement and at 30 June 2020 there is \$2k held in inventory.

## **Note 5: Other Assets and Liabilities**

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

### **Structure**

- 5.1 Receivables
- 5.2 Payables
- 5.3 Other liabilities

## Note 5.1(a): Receivables

### CURRENT

#### Contractual

Inter Hospital Debtors	43	32
Trade Debtors	92	132
Patient Fees	55	10
Accrued Revenue	99	44
Loddon Mallee Rural Health Alliance Receivables	3	21
Patient Fees- Allowance for impairment losses	(1)	(2)

#### Sub-Total Contractual Receivables

**291**      **237**

#### Statutory

GST Receivable	45	58
Department of Health and Human Services	42	-
Loddon Mallee Rural Health Alliance GST Receivables	16	3

#### Sub-Total Statutory Receivables

**104**      **61**

#### TOTAL CURRENT RECEIVABLES

**394**      **298**

### NON-CURRENT

#### Statutory

Long Service Leave - Department of Health and Human Services	427	493
--------------------------------------------------------------	-----	-----

#### Sub-Total Statutory Receivables

**427**      **493**

#### TOTAL NON-CURRENT RECEIVABLES

**427**      **493**

#### TOTAL RECEIVABLES

**821**      **791**

## Note 5.1 (b): Movement in the Allowance for impairment losses of contractual receivables

	2020 \$'000	2019 \$'000
Balance at beginning of year	2	2
Opening retained earnings adjustment on adoption of AASB 9	-	(1)
Reversal of allowance written off during the year as uncollectable	(5)	(1)
Reversal of unused allowance recognised in the net result	-	-
Increase in allowance recognised in net result	4	2
<b>Balance at end of year</b>	<b>1</b>	<b>2</b>

### Receivables recognition

Receivables consist of:

- Contractual receivables, 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. Rochester and Elmore District Health Service holds the contractual receivables with the objective to collect the contractual cash flows and therefore subsequently measured at amortised cost using the effective interest method, less any impairment.
- Statutory receivables 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. Rochester and Elmore District 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*.

Rochester and Elmore District Health Service 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.

## Note 5.2: Payables and contract liabilities

	Notes	2020 \$'000	2019 \$'000
<b>CURRENT</b>			
<b>Contractual</b>			
Trade Creditors		274	100
Accrued Salaries and Wages		490	432
Accrued Expenses		56	86
Accrued Audit Fees		17	39
Deferred Grant Revenue	5.2 (a)	719	-
Inter- Hospital Creditors		3	59
Other Payables		33	26
Loddon Mallee Rural Health Alliance		202	65
		<b>1,794</b>	<b>807</b>
<b>TOTAL PAYABLES</b>		<b>1,794</b>	<b>807</b>

### Payables Recognition

Payables consist of:

- **contractual payables**, 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 Rochester and Elmore District Health Service prior to the end of the financial year that are unpaid; and

- **statutory payables**, that are recognised and measured similarly to contractual payables, but are not classified as financial instruments and not included in the category of financial liabilities at amortised cost, because they do not arise from contracts.

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

### Note 5.2 (a) Deferred capital grant revenue

	2020 \$'000
Grant consideration for capital works recognised that was included in the deferred grant liability balance (adjusted for AASB 1058) at the beginning of the year	-
Grant consideration for capital works received during the year	820
Grant revenue for capital works recognised consistent with the capital works undertaken during the year	(101)
<b>Closing balance of deferred grant consideration received for capital works</b>	<b>719</b>

Grant consideration was received from Nursing Home/Hostel Redevelopment project. Grant revenue is recognised progressively as the asset is constructed, since this is the time when Rochester and Elmore District Health Service satisfies its obligations under the transfer by controlling the asset as and when it is constructed. The progressive percentage costs incurred is used to recognise income because this most closely reflects the progress to completion as costs are incurred as the works are done. (see note 2.1) As a result, Rochester and Elmore District Health Service has deferred recognition of a portion of the grant consideration received as a liability for the outstanding obligations.

### Maturity analysis of payables

Please refer to Note 7.1(b) for the ageing analysis of payables.

### Note 5.3: Other Liabilities

#### CURRENT

Monies Held in Trust\*: Patient monies held in trust

Monies Held in Trust\*: Refundable accommodation deposits

#### Total Current

#### Total Other Liabilities

#### \* Total Monies Held in Trust

#### Represented by the following assets:

Cash assets (refer to Note 6.2)

#### TOTAL

2020 \$'000	2019 \$'000
65	-
6,584	5,655
<b>6,649</b>	<b>5,655</b>
<b>6,649</b>	<b>5,655</b>
6,649	5,655
<b>6,649</b>	<b>5,655</b>

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

RADs/accommodation bonds are non-interest-bearing deposits made by some aged care residents to the 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 Rochester and Elmore District Health Service during its operations, along with interest expenses (the cost of borrowings) and other information related to financing activities of Rochester and Elmore District Health Service.

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

### **Structure**

6.1 Borrowings

6.2 Cash and Cash Equivalents

6.3 Commitments for Expenditure

## Note 6.1: Borrowings

### CURRENT

Lease Liability (i)  
Advances from government (ii)

#### Total Current Borrowings

### NON CURRENT

Lease Liability (i)  
Advances from government (ii)

#### Total Non Current Borrowings

#### Total Borrowings

2020 \$'000	2019 \$'000
8	-
-	-
<b>8</b>	<b>-</b>
27	-
254	-
<b>281</b>	<b>-</b>
<b>289</b>	<b>-</b>

(i) Secured by the assets leased. Leases are effectively secured as the rights to the leased assets revert to the lessor in the event of default.

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

### Maturity Analysis of Borrowings

Please refer to Note 7.1 for the ageing analysis of borrowings.

### Defaults and Breaches

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

### Lease Liabilities

Repayments in relation to leases are payable as follows:

Not later than one year  
Later than 1 year and not later than 5 years  
Minimum lease payments  
Less future finance charges  
**TOTAL**

Minimum future lease payments		Present value of minimum future lease payments	
2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
9	-	8	-
27	-	27	-
<b>36</b>	<b>-</b>	<b>35</b>	<b>-</b>
(1)	-	-	-
<b>35</b>	<b>-</b>	<b>35</b>	<b>-</b>
Included in the financial statements as:			
Current borrowings - lease liability	-	8	-
Non-current borrowings - lease liability	-	27	-
<b>TOTAL</b>	<b>-</b>	<b>35</b>	<b>-</b>

The weighted average interest rate implicit in the finance lease is 3.60% (2019: 0%).

### Leases

A lease is a right to use an asset for an agreed period of time in exchange for payment. 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.

#### Rochester and Elmore District Health Service's leasing activities

Rochester and Elmore District Health Service has entered into lease related to VicFleet.

For any new contracts entered into on or after 1 July 2019, Rochester and Elmore District Health Service considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'. To apply this definition Rochester and Elmore District Health Service assesses whether the contract meets three key evaluations which are whether:

- 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 Rochester and Elmore District Health Service and for which the supplier does not have substantive substitution rights;
- Rochester and Elmore District Health Service has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract and Rochester and Elmore District Health Service has the right to direct the use of the identified asset throughout the period of use; and
- Rochester and Elmore District Health Service has the right to take decisions in respect of 'how and for what purpose' the asset is used throughout the period of use.

This policy is applied to contracts entered into, or changed, on or after 1 July 2019.

### 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.

## **Recognition and measurement of leases as a lessee (under AASB 16 from 1 July 2019)**

### **Lease Liability – 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 Rochester and Elmore District Health Services incremental borrowing rate.

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.

### **Lease Liability – 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.

### **Entity as lessee**

Leases are recognised as assets and liabilities at amounts equal to the fair value of the lease property or, if lower, the present value of the minimum lease payment, each determined at the inception of the lease. Minimum lease payments are apportioned between reduction of the outstanding lease liability, and the periodic finance expense which is calculated using the interest rate implicit in the lease, and charged directly to the Comprehensive Operating Statement. Contingent rentals associated with leases are recognised as an expense in the period in which they are incurred.

### **Borrowings**

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 Rochester and Elmore District Health Service has categorised its liability as either 'financial liabilities designated at fair value through profit or loss', or financial liabilities at 'amortised cost'.

Subsequent 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'.

## Note 6.2: Cash and Cash Equivalents

	<b>2020</b> <b>\$'000</b>	<b>2019</b> <b>\$'000</b>
Cash on Hand (excluding Monies held in trust)	1	1
Cash at Bank (excluding Monies held in trust)	1,679	907
Cash at Bank - CBS (excluding monies held in trust)	3,028	3,919
Cash at Bank - CBS (Monies held in trust)	6,649	5,655
Loddon Mallee Rural Health Alliance	273	204
<b>TOTAL CASH AND CASH EQUIVALENTS</b>	<b>11,630</b>	<b>10,686</b>

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 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 are subject to insignificant risk of changes in value.

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

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## Note 6.3: Commitments for Expenditure

Rochester and Elmore District Health Service does not have any commitments for expenditure.

## **Note 7: Risks, Contingencies & Valuation Uncertainties**

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

### **Structure**

#### **7.1 Financial Instruments**

## 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 Rochester and Elmore District Health Service'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) Financial Instruments: categorisation

2020	Note	Financial Assets at Amortised Cost \$'000	Financial Liabilities at Amortised Cost \$'000	Total \$'000
<b>Contractual Financial Assets</b>				
Cash and cash equivalents	6.2	11,630	-	11,630
Receivables- Trade Debtors	5.1	189	-	189
Other Receivables	5.1	102	-	102
<b>Total Financial Assets <sup>(i)</sup></b>		<b>11,921</b>	<b>-</b>	<b>11,921</b>
<b>Financial Liabilities</b>				
Payables	5.2	-	1,794	1,794
Borrowings	6.1	-	289	289
Other Financial Liabilities - Refundable Accommodation Deposits	5.3	-	6,584	6,584
Other Financial Liabilities - Patient monies held in trust	5.3	-	65	65
<b>Total Financial Liabilities <sup>(i)</sup></b>		<b>-</b>	<b>8,732</b>	<b>8,732</b>

2019		Financial Assets at Amortised Cost \$'000	Financial Liabilities at Amortised Cost \$'000	Total \$'000
<b>Contractual Financial Assets</b>				
Cash and cash equivalents	6.1	10,686	-	10,686
Receivables- Trade Debtors	5.1	172	-	172
Other Receivables	5.1	65	-	65
<b>Total Financial Assets <sup>(i)</sup></b>		<b>10,923</b>	<b>-</b>	<b>10,923</b>
<b>Financial Liabilities</b>				
Payables	5.2	-	807	807
Other Financial Liabilities - Refundable Accommodation Deposits	5.3	-	5,655	5,655
Other Financial Liabilities - Patient monies held in trust	5.3	-	-	-
<b>Total Financial Liabilities <sup>(i)</sup></b>		<b>-</b>	<b>6,462</b>	<b>6,462</b>

<sup>i</sup> The carrying amount excludes statutory receivables (i.e. GST receivable and DHHS receivable) and statutory payables (i.e. Revenue in Advance and DHHS payable).

## **Note 7.1: Financial Instruments continued**

### **Categories of financial assets under AASB 9 *Financial Instruments* .**

#### **Financial assets at amortised cost**

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

- the assets are held by Rochester and Elmore District Health to collect the contractual cash flows, and
- the assets' contractual terms give rise to cash flows that are solely payments of principal and interests.

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

The Health Service recognises the following assets in this category:

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

#### **Categories of financial liabilities**

**Financial liabilities at amortised cost** are initially recognised on the date they are originated. They are initially measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial instruments are measured at amortised cost with any difference between the initial recognised amount and the redemption value being recognised in profit and loss over the period of the interest bearing liability, using the effective interest rate method. The Rochester and Elmore District Health Service recognises the following liabilities in this category:

- payables (excluding statutory payables); and
- borrowings (including lease liabilities).

**Note 7.1: Financial Instruments (continued)**

**(b) Payables Maturity Analysis**

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

**Maturity analysis of Financial Liabilities as at 30 June**

		Note	Carrying Amount \$'000	Nominal Amount \$'000	Maturity Dates				
					Less than 1 Month \$'000	1-3 Months \$'000	3 months - 1 Year \$'000	1-5 Years \$'000	Over 5 Years \$'000
2020									
Financial Liabilities at amortised cost									
Payables	5.2		1,794	1,794	1,794	-	-	-	
Borrowings	6.1		289	289	1	2	17	50	
Other Financial Liabilities (i) - Refundable Accommodation Deposits	5.3		6,584	6,584	6,584	-	-	-	
Other Financial Liabilities (i) - Patient monies held in trust	5.3		65	65	65	-	-	-	
Total Financial Liabilities			8,732	8,732	8,444	2	17	50	
2019									
Financial Liabilities									
Payables	5.2		807	807	807	-	-	-	
Other Financial Liabilities (i) - Refundable Accommodation Deposits	5.3		5,655	5,655	5,655	-	-	-	
Other Financial Liabilities (i) - Patient monies held in trust	5.3		-	-	-	-	-	-	
Total Financial Liabilities			6,462	6,462	6,462	-	-	-	

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

## Note 7.1: Financial Instruments (continued)

### (c ) Contractual receivables at amortised cost

	1-Jul-19	Current	Less than 1 month	1-3 months	3 months -1 year	1-5 years	Total
<b>Patient Debtors</b>							
<b>Expected loss rate</b>		1%	2%	3%	20%	20%	
Gross carrying amount of contractual receivables		10,144	4,423	1,262	6,673	-	<b>22,502</b>
<b>Loss allowance</b>		<b>101</b>	<b>88</b>	<b>38</b>	<b>1,335</b>	<b>-</b>	<b>1,562</b>

	30-Jun-20	Current	Less than 1 month	1-3 months	3 months -1 year	1-5 years	Total
<b>Patient Debtors</b>							
<b>Expected loss rate</b>		1%	2%	3%	20%	20%	
Gross carrying amount of contractual receivables		15,734	2,794	4,381	5,168	0	<b>28,077</b>
<b>Loss allowance</b>		<b>157</b>	<b>56</b>	<b>131</b>	<b>1,034</b>	<b>0</b>	<b>1,378</b>

### Impairment of financial assets under AASB 9 *Financial Instruments*

Rochester and Elmore District Health Service records the allowance for expected credit loss for the relevant financial instruments, in accordance with AASB 9 *Financial Instruments* 'Expected Credit Loss' approach. Subject to AASB 9 *Financial Instruments* impairment assessment include the Rochester and Elmore District Health Service's contractual receivables, statutory receivables and its investment in debt instruments.

Equity instruments are not subject to impairment under AASB 9 *Financial Instruments* . Other financial assets mandatorily measured or designated at fair value through net result are not subject to impairment assessment under AASB 9 *Financial Instruments* . While cash and cash equivalents are also subject to the impairment requirements of AASB 9 *Financial Instruments* , any identified impairment loss would be immaterial.

### Contractual receivables at amortised cost

Rochester and Elmore District Health Service applies AASB 9 *Financial Instruments* 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. Rochester and Elmore District Health Service has grouped contractual receivables on shared credit risk characteristics and days past due and select the expected credit loss rate based on Rochester and Elmore District Health Service past history, existing market conditions, as well as forward-looking estimates at the end of the financial year.

On this basis, Rochester and Elmore District Health Service determines the opening loss allowance and the closing loss allowance at end of the financial year as disclosed above.

### Reconciliation of the movement in the loss allowance for contractual receivables

	Note	2020	2019
<b>Balance at beginning of the year</b>		<b>(1,562)</b>	<b>(1,721)</b>
Opening retained earnings adjustment on adoption of AASB 9		-	1,193
<b>Opening Loss Allowance</b>	<b>5.1</b>	<b>(1,562)</b>	<b>(528)</b>
Modification of contractual cash flows on financial assets		-	-
Increase in provision recognised in the net result		(4,689)	(2,331)
Reversal of provision of receivables written off during the year as uncollectible		4,873	1,296
Reversal of unused provision recognised in the net result		-	-
<b>Balance at end of the year</b>	<b>5.1</b>	<b>(1,378)</b>	<b>(1,562)</b>

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.

In prior years, a provision for doubtful debts is recognised when there is objective evidence that the debts may not be collected and bad debts are written off when identified. A provision is made for estimated irrecoverable amounts from the sale of goods when there is objective evidence that an individual receivable is impaired. Bad debts considered as written off by mutual consent.

### Statutory receivables and debt investments at amortised cost

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

Both the statutory receivables and investments in debt instruments are considered to have low credit risk, taking into account the counterparty's credit rating, risk of default and capacity to meet contractual cash flow obligations in the near term. As the result, the loss allowance recognised for these financial assets during the period was limited to 12 months expected losses.

## **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 Executive Officers
- 8.4 Related Parties
- 8.5 Remuneration of Auditors
- 8.6 Events Occurring after the Balance Sheet Date
- 8.7 Jointly Controlled Operations
- 8.8 Economic Dependency
- 8.9 Changes in accounting policy, revision of estimates and corrections of prior period errors
- 8.10 AASBs Issued that are not yet Effective
- 8.11 Glossary

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

	Note	2020 \$'000	2019 \$'000
<b>Net result for the Year</b>		(1,482)	(697)
<b>Non-cash movements:</b>			
Depreciation	4.3	1,496	1,393
Provision for Doubtful Debts	5.1(a)	-	-
Share of Net Result from LMRHA		9	(7)
Inventory Resources Received Free of Charge		10	-
Discount (interest)/expense on loan		3	-
Adoption of AASB 1058		(101)	-
<b>Movements included in investing and financing activities:</b>			
Net (Gain)/Loss from Sale of Plant & Equipment		232	(42)
<b>Movements in assets and liabilities:</b>			
Change in operating assets and liabilities			
(Increase)/Decrease in Receivables	5.1	(31)	(218)
(Increase)/Decrease in Other Financial Assets		46	(42)
Increase/(Decrease) in Payables	5.2	269	(51)
Increase/(Decrease) in Provisions		88	186
(Increase)/Decrease in Inventories		(51)	2
Increase/(Decrease) in Borrowings		35	-
Increase/(Decrease) in Jointly Controlled Operations Cash		(24)	(17)
<b>NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES</b>		<b>499</b>	<b>508</b>

## Note 8.2: Responsible Persons Disclosures

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

### Responsible Ministers:

The Honourable Jenny Mikakos, Minister for Health and Minister for Ambulance Services

The Honourable Luke Donnellan, Minister for Child Protection, Minister for Disability, Ageing and Carers

Period
01/07/2019 - 30/06/2020
01/07/2019 - 30/06/2020

### Governing Boards

Mr Benjamin Devanny

Mr (Andrew) James Brooks

Mrs Kathryn Lemon

Ass Prof Carol McKinstry

Miss Jodie Smith

Mr David Rosaia

Mr Carl Wood

Mr Christopher White

01/07/2019 - 30/06/2020

01/07/2019 - 30/06/2020

01/07/2019 - 30/06/2020

01/07/2019 - 30/06/2020

01/07/2019 - 30/06/2020

01/07/2019 - 30/06/2020

01/07/2019 - 30/06/2020

01/07/2019 - 30/06/2020

### Accountable Officers

Mrs Anne McEvoy

Mr Colin Wellard (Interim)

Mr Michael Delahunty (Interim)

Mrs Karen Laing

01/07/2019 - 23/08/2019

24/08/2019 - 01/09/2019

02/09/2019 - 23/01/2020

24/01/2020 - 30/06/2020

### Remuneration of Responsible Persons

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

#### Income Band

\$0

\$1-\$9,999

\$40,000-\$49,999

\$70,000-\$79,999

\$90,000-\$99,000

\$120,000-\$129,000

#### Total Numbers

2020 No.	2019 No.
-	2
9	7
1	-
1	-
1	-
-	1
<b>12</b>	<b>10</b>

2020 \$'000	2019 \$'000
<b>254</b>	<b>166</b>

**Total remuneration received or due and receivable by Responsible Persons from the reporting entity amounted to:**

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

## Note 8.3: Remuneration of Executives

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

### Remuneration of Executive Officers

(including Key Management Personnel Disclosed in Note 8.4)

Short term employee benefits

Post-employment benefits

Other long-term benefits

**Total Remuneration<sup>i</sup>**

Total Number of Executives

Total Annualised Employee Equivalent<sup>ii</sup>

Total Remuneration	
2020 \$'000	2019 \$'000
141	100
13	9
4	3
<b>158</b>	<b>112</b>
3	1
<b>1</b>	<b>1</b>

<sup>i</sup> The total number of executive officers includes persons who meet the definition of Key Management Personnel (KMP) of Rochester and Elmore District Health Services under AASB 124 Related Party Disclosures and are also reported within Note 8.4 Related Parties.

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

Total remuneration payable to executives during the year included additional executive officers and a number of executives who received bonus payments during the year. These bonus payments depend on the terms of individual employment contracts.

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

**Short-term employee benefits** include amounts such as wages, salaries, annual leave or sick leave that are usually paid or payable on a regular basis, as well as non-monetary benefits such as allowances and free or subsidised goods or services.

**Post-employment benefits** include pensions and other retirement benefits paid or payable on a discrete basis when employment has ceased.

**Other long-term benefits** include long service leave, other long-service benefit or deferred compensation.

## Note 8.4: Related Parties

Rochester and Elmore District Health Services is a wholly owned and controlled entity of the State of Victoria. Related parties of the Rochester and Elmore District Health Service include:

- All key management personnel (KMP) and their close family members;
- Cabinet ministers (where applicable) and their close family members;
- Jointly Controlled Operation - A member of the Loddon Mallee Rural Health Alliance Joint Venture; and
- All hospitals 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 Rochester and Elmore District Health Services and its controlled entities, directly or indirectly.

The Board of Directors, Chief Executive Officer and the Executive Directors of Rochester and Elmore District Health Services and its controlled entities are deemed to be KMPs.

### KMPs

Mrs A McEvoy  
Mr C Wellard  
Mr M Delahunty  
Mrs K Laing  
Mr M Nally  
Ms M Hodder  
Mrs D Stone  
Mr J Brooks  
Mr B Devanny  
Mrs K Lemon  
Ass Prof C McKinstry  
Miss J Smith  
Mr D Rosaia  
Mr C White  
Mr C Wood

### Position Title

CEO  
CEO (Interim)  
CEO (Interim)  
CEO  
Director of Clinical Services  
Director of Clinical Services (Acting)  
Director of Clinical Services  
Board Director  
Board Director  
Board Director  
Board Director  
Board Director  
Board Director  
Board Director  
Board Director

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.

### Compensation - KMPs

Short term employee benefits  
Post-employment benefits  
Other long-term benefits

### Total (i)

2020 \$'000	2019 \$'000
368	249
35	24
9	6
<b>411</b>	<b>279</b>

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

### Significant transactions with government related entities

Rochester and Elmore District Health Service received funding from the Department of Health and Human Services of \$7,653,088 (\$7,089,513 in 2018-2019).

Expenses incurred by Rochester and Elmore District Health Service in delivering services and outputs are in accordance with Health Purchasing 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 Rochester and Elmore District Health Service to hold cash (in excess of working capital) in accordance with the State's centralised banking arrangements. All borrowings are required to be sourced from Treasury Corporation Victorian unless an exemption has been approved by the Minister for Health and Human Services and the Treasurer.

### Transactions with KPMs and Other Related Parties

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

Outside of normal citizen type transactions with the Rochester and Elmore District Health Service, there were no related party transactions that involved key management personnel, their close family members and their personal business interests. No provision has been required, nor any expense recognised, for impairment of receivables from related parties. There were no related party transactions with Cabinet Ministers required to be disclosed in 2020.

There were no related party transactions required to be disclosed for the Rochester and Elmore District Health Service Board of Directors, Chief Executive Officer and Executive Directors in 2020.

### Note 8.5: Remuneration of auditors

Victorian Auditor-General's Office	2020 \$'000	2019 \$'000
Audit of the Financial Statements	17	17
<b>TOTAL</b>	<b>17</b>	<b>17</b>

### Note 8.6: Events occurring after the balance sheet date

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 Rochester and Elmore District Health Service 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 30 June 2020, its operations, its future results and financial position. The state of emergency in Victoria was extended on 16 August 2020 until 13 September 2020 and the state of disaster still in place.

No other matters or circumstances have arisen since the end of the financial year which significantly affected or may affect the operations of Rochester and Elmore District Health Service, the results of the operations or the state of affairs of the Rochester and Elmore District Health Service in the future financial years.

## Note 8.7: Jointly Controlled Operations

Name of entity	Principal Activity	Ownership Interest	
		2020	2019
Loddon Mallee Rural Health Alliance	Information Technology	4.26%	4.26%

Rochester and Elmore District Health Service's interest in the above jointly controlled operations and assets is detailed below. The amounts are included in the financial statements under their respective categories:

	2020 \$'000	2019 \$'000
<b>CURRENT ASSETS</b>		
Cash and Cash Equivalents	274	204
Receivables	19	24
Inventory	48	-
Prepayments	55	53
<b>TOTAL CURRENT ASSETS</b>	<b>396</b>	<b>281</b>
<b>NON CURRENT ASSETS</b>		
Property, Plant and Equipment	37	24
<b>TOTAL NON-CURRENT ASSETS</b>	<b>37</b>	<b>24</b>
<b>TOTAL ASSETS</b>	<b>433</b>	<b>305</b>
<b>CURRENT LIABILITIES</b>		
Payables	(178)	(6)
Accrued Expenses	(24)	(59)
<b>TOTAL CURRENT LIABILITIES</b>	<b>(202)</b>	<b>(65)</b>
<b>TOTAL LIABILITIES</b>	<b>(202)</b>	<b>(65)</b>
<b>NET ASSETS</b>	<b>231</b>	<b>240</b>

Rochester and Elmore District Health Service's interest in revenues and expenses resulting from jointly controlled operations is detailed below:

	2020 \$'000	2019 \$'000
<b>REVENUES</b>		
Grants	133	44
Other Income	323	326
Interest Income	2	3
<b>TOTAL REVENUE</b>	<b>458</b>	<b>373</b>
<b>EXPENSES</b>		
Employee Benefits	65	62
Other Expenses from Continuing Operations	398	299
Depreciation	4	5
<b>TOTAL EXPENSES</b>	<b>467</b>	<b>366</b>
<b>NET RESULT</b>	<b>(9)</b>	<b>7</b>

### 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

Rochester and Elmore District Health Service is dependent on the Department of Health and Human Services for the majority of its revenue used to operate the entity. At the date of this report, the Board of Directors has no reason to believe the Department will not continue to support Rochester and Elmore District Health Service.

## Note 8.9: Changes in accounting policy, revision of estimates

### Income of Not-for-Profit Entities

In accordance with FRD 122 requirements, Rochester and Elmore District Health Service has applied the transitional provision of AASB 1058, under modified retrospective method with the cumulative effect of initially applying this standard against the opening retained earnings at 1 July 2019. Under this transition method, Rochester and Elmore District Health Service applied this standard retrospectively only to contracts and transactions that are not completed contracts at the date of initial application.

Comparative information has not been restated.

Note 2.1a – Grants includes details about the transitional application of AASB 1058 and how the standard has been applied to revenue transactions.

The adoption of AASB 1058 did not have an impact on Other comprehensive income and the Statement of Cash flows for the financial year.

### Transition impact on financial statements.

This note explains the impact of the adoption of the following new accounting standards for the first time, from 1 July 2019:

- AASB 1058 *Income of Not-for-Profit Entities* ;

Impact on Balance Sheet due to the adoption of AASB 1058 is illustrated with the following reconciliation between the restated carrying amounts at 30 June 2019 and the balances reported under the new accounting standards (AASB 15 and AASB 16) at 1 July 2019:

<b>Balance sheet</b>	<b>Notes</b>	<b>Before new accounting standards Opening 1 July 2019</b>	<b>Impact of new accounting standards - AASB 1058</b>	<b>After new accounting standards Opening 1 July 2019</b>
Payables and Contract Liabilities	5.2	807	820	1,627
Total Liabilities		9,056	820	9,876
Accumulated surplus/(deficit)	SCE	9,477	(820)	8,657
Total Equity		44,037	(820)	43,217

### Statement of changes in equity – changes for AASB 1058 and AASB 15 adoption

For the financial year ended 30 June 2020

Statement of changes in equity						(\$ thousand)
For the financial year ended 30 June 2020						
	Notes	Physical asset revaluation surplus	Restricted Special Purpose Surplus	Contributed Capital	Accumulated surplus	Total
Balance at 1 July 2018 <sup>(a)</sup>		21,344	926	7,370	10,193	39,833
Net result for the year		-	-	-	(697)	(697)
Other comprehensive income for the year		4,902	-	-	-	4,902
Transfer to accumulated surplus		-	18	-	(19)	(1)
Balance at 30 June 2019		26,246	944	7,370	9,477	44,037
Change in accounting policy (due to AASB 15, 1058)					(820)	(820)
Restated balance at 1 July 2019		26,246	944	7,370	8,656	43,217
Net result for the year		-	-	-	(1,482)	(1,482)
Other comprehensive income for the year		-	-	-	-	-
Transfer to accumulated surplus		-	10	..	(10)	-
Balance at 30 June 2020		26,246	954	7,370	7,164	41,735

## Note 8.10: AASBs issued that are not yet effective

Certain new Australian accounting standards have been published that are not mandatory for the 30 June 2020 reporting period. Department of Treasury and Finance assesses the impact of all these new standards and advises Rochester and Elmore District Health Services of their applicability and early adoption where applicable.

As at 30 June 2020, the following standards and interpretations had been issued by the AASB but were not yet effective. They become effective for the first financial statements for reporting periods commencing after the stated operative dates as detailed in the table below. Rochester and Elmore District Health Services has not and does not intend to adopt these standards early.

Standard/ Interpretation	Summary	Applicable for annual reporting periods beginning on	Impact on public sector entity financial statements
AASB 17 Insurance Contracts	<i>The new Australian standard seeks to eliminate inconsistencies and weaknesses in existing practices by providing a single principle based framework to account for all types of insurance contracts, including reissuance contract that an insurer holds. It also provides requirements for presentation and disclosure to enhance comparability between entities.</i>  <i>This standard currently does not apply to the not-for-profit public sector entities.</i>	1-Jan-21	The assessment has indicated that there will be no significant impact for the public sector.
AASB 2018-7 Amendments to Australian Accounting Standards – Definition of Material	This Standard principally amends AASB 101 <i>Presentation of Financial Statements</i> and AASB 108 <i>Accounting Policies, Changes in Accounting Estimates and Errors</i> . The amendments refine and clarify the definition of material in AASB 101 and its application by improving the wording and aligning the definition across AASB Standards and other publications. The amendments also include some supporting requirements in AASB 101 in the definition to give it more prominence and clarify the explanation accompanying the definition of material.	1-Jan-20	The standard is not expected to have a significant impact on the public sector.
AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current	This Standard amends AASB 101 to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current. A liability is classified as non-current if an entity has the right at the end of the reporting period to defer settlement of the liability for at least 12 months after the reporting period. The meaning of settlement of a liability is also clarified.	1 January 2022. However, ED 301 has been issued with the intention to defer application to 1 January 2023.	The standard is not expected to have a significant impact on the public sector.

## **Note 8.11: Glossary of terms and style conventions**

### **Actuarial gains or losses on superannuation defined benefit plans**

Actuarial gains or losses are changes in the present value of the superannuation defined benefit liability resulting from:

- experience adjustments (the effects of differences between the previous actuarial assumptions and what has actually occurred); and
- the effects of changes in actuarial assumptions.

### **Amortisation**

Amortisation is the expense which results from the consumption, extraction or use over time of a non-produced physical or intangible asset.

### **Associates**

Associates are all entities over which an entity has significant influence but not control, generally accompanying a shareholding and voting rights of between 20 per cent and 50 per cent.

### **Comprehensive result**

The net result of all items of income and expense recognised for the period. It is the aggregate of operating result and other comprehensive income.

### **Commitments**

Commitments include those operating, capital and other outsourcing commitments arising from non-cancellable contractual or statutory sources.

### **Current grants**

Amounts payable or receivable for current purposes for which no economic benefits of equal value are receivable or payable in return.

### **Depreciation**

Depreciation is an expense that arises from the consumption through wear or time of a produced physical or intangible asset. This expense reduces the 'net result for the year'.

### **Effective interest method**

The effective interest method is used to calculate the amortised cost of a financial asset or liability and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument, or, where appropriate, a shorter period.

### **Employee benefits expenses**

Employee benefits expenses include all costs related to employment including wages and salaries, fringe benefits tax, leave entitlements, redundancy payments, defined benefits superannuation plans, and defined contribution superannuation plans.

### **Ex gratia expenses**

Ex-gratia expenses mean the voluntary payment of money or other non-monetary benefit (e.g. a write off) that is not made either to acquire goods, services or other benefits for the entity or to meet a legal liability, or to settle or resolve a possible legal liability, or claim against the entity.

### **Financial asset**

A financial asset is any asset that is:

- cash;
- an equity instrument of another entity;
- a contractual or statutory right:
  - to receive cash or another financial asset from another entity; or
  - to exchange financial assets or financial liabilities with another entity under conditions that are potentially favorable to the entity; or
- a contract that will or may be settled in the entity's own equity instruments and is:
  - a non-derivative for which the entity is or may be obliged to receive a variable number of the entity's own equity instruments; or
  - a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments.

### **Financial instrument**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets or liabilities that are not contractual (such as statutory receivables or payables that arise as a result of statutory requirements imposed by governments) are not financial instruments.

### **Financial liability**

A financial liability is any liability that is:

- A contractual obligation:
  - to deliver cash or another financial asset to another entity; or
  - to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the entity; or
- A contract that will or may be settled in the entity's own equity instruments and is:
  - a non-derivative for which the entity is or may be obliged to deliver a variable number of the entity's own equity instruments; or
  - a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments. For this purpose the entity's own equity instruments do not include instruments that are themselves contracts for the future receipt or delivery of the entity's own equity instruments.

### **Financial statements**

A complete set of financial statements comprises:

- Balance sheet as at the end of the period;
- Comprehensive operating statement for the period;
- A statement of changes in equity for the period;
- Cash flow statement for the period;
- Notes, comprising a summary of significant accounting policies and other explanatory information;
- Comparative information in respect of the preceding period as specified in paragraph 38 of AASB 101 *Presentation of Financial Statements*; and
- A statement of financial position at the beginning of the preceding period when an entity applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements, or when it reclassifies items in its financial statements in accordance with paragraphs 41 of AASB 101 *Presentation of Financial Statements*.

### **Grants and other transfers**

Transactions in which one unit provides goods, services, assets (or extinguishes a liability) or labour to another unit without receiving approximately equal value in return. Grants can either be operating or capital in nature.

While grants to governments may result in the provision of some goods or services to the transferor, they do not give the transferor a claim to receive directly benefits of approximately equal value. For this reason, grants are referred to by the AASB as involuntary transfers and are termed non-reciprocal transfers. Receipt and sacrifice of approximately equal value may occur, but only by coincidence. For example, governments are not obliged to provide commensurate benefits, in the form of goods or services, to particular taxpayers in return for their taxes. Grants can be paid as general purpose grants which refer to grants that are not subject to conditions regarding their use. Alternatively, they may be paid as specific purpose grants which are paid for a particular purpose and/or have conditions attached regarding their use.

### **General government sector**

The general government sector comprises all government departments, offices and other bodies engaged in providing services free of charge or at prices significantly below their cost of production. General government services include those which are mainly non-market in nature, those which are largely for collective consumption by the community and those which involve the transfer or redistribution of income. These services are financed mainly through taxes, or other compulsory levies and user charges.

### **Intangible produced assets**

Refer to produced assets in this glossary.

### **Intangible non-produced assets**

Refer to non-produced asset in this glossary.

### **Interest expense**

Costs incurred in connection with the borrowing of funds includes interest on bank overdrafts and short-term and long-term liabilities, amortisation of discounts or premiums relating to liabilities, interest component of finance leases repayments, and the increase in financial liabilities and non-employee provisions due to the unwinding of discounts to reflect the passage of time.

### **Interest income**

Interest income includes unwinding over time of discounts on financial assets and interest received on bank term deposits and other investments.

### **Investment properties**

Investment properties represent properties held to earn rentals or for capital appreciation or both. Investment properties exclude properties held to meet service delivery objectives of the State of Victoria.

### **Joint Arrangements**

A joint arrangement is an arrangement of which two or more parties have joint control. A joint arrangement has the following characteristics:

- The parties are bound by a contractual arrangement.
- The contractual arrangement gives two or more of those parties joint control of the arrangement

A joint arrangement is either a joint operation or a joint venture.

### **Liabilities**

Liabilities refers to interest-bearing liabilities mainly raised from public liabilities raised through the Treasury Corporation of Victoria, finance leases and other interest-bearing arrangements. Liabilities also include non-interest-bearing advances from government that are acquired for policy purposes.

### **Net acquisition of non-financial assets (from transactions)**

Purchases (and other acquisitions) of non-financial assets less sales (or disposals) of non-financial assets less depreciation plus changes in inventories and other movements in non-financial assets. It includes only those increases or decreases in non-financial assets resulting from transactions and therefore excludes write-offs, impairment write-downs and revaluations.

### **Net result**

Net result is a measure of financial performance of the operations for the period. It is the net result of items of income, gains and expenses (including losses) recognised for the period, excluding those that are classified as 'other comprehensive income'.

Net result from transactions/net operating balance Net result from transactions or net operating balance is a key fiscal aggregate and is income from transactions minus expenses from transactions. It is a summary measure of the ongoing sustainability of operations. It excludes gains and losses resulting from changes in price levels and other changes in the volume of assets.

### **Net worth**

Assets less liabilities, which is an economic measure of wealth.

### **Non-financial assets**

Non-financial assets are all assets that are not 'financial assets'. It includes inventories, land, buildings, infrastructure, road networks, land under roads, plant and equipment, investment properties, cultural and heritage assets, intangible and biological assets.

### **Non-produced assets**

Non-produced assets are assets needed for production that have not themselves been produced. They include land, subsoil assets, and certain intangible assets. Non-produced intangibles are intangible assets needed for production that have not themselves been produced. They include constructs of society such as patents.

### **Non-profit institution**

A legal or social entity that is created for the purpose of producing or distributing goods and services but is not permitted to be a source of income, profit or other financial gain for the units that establish, control or finance it.

### **Payables**

Includes short and long term trade debt and accounts payable, grants, taxes and interest payable.

### **Produced assets**

Produced assets include buildings, plant and equipment, inventories, cultivated assets and certain intangible assets. Intangible produced assets may include computer software, motion picture films, and research and development costs (which does not include the startup costs associated with capital projects).

### **Public financial corporation sector**

Public financial corporations (PFCs) are bodies primarily engaged in the provision of financial intermediation services or auxiliary financial services. They are able to incur financial liabilities on their own account (e.g. taking deposits, issuing securities or providing insurance services).

Estimates are not published for the public financial corporation sector.

### **Public non-financial corporation sector**

The public non-financial corporation (PNFC) sector comprises bodies mainly engaged in the production of goods and services (of a non-financial nature) for sale in the market place at prices that aim to recover most of the costs involved (e.g. water and port authorities). In general, PNFCs are legally distinguishable from the governments which own them.

### **Receivables**

Includes amounts owing from government through appropriation receivable, short and long term trade credit and accounts receivable, accrued investment income, grants, taxes and interest receivable.

### **Sales of goods and services**

Refers to income from the direct provision of goods and services and includes fees and charges for services rendered, sales of goods and services, fees from regulatory services and work done as an agent for private enterprises. It also includes rental income under operating leases and on produced assets such as buildings and entertainment, but excludes rent income from the use of non-produced assets such as land. User charges includes sale of goods and services income.

### **Supplies and services**

Supplies and services generally represent cost of goods sold and the day-to-day running costs, including maintenance costs, incurred in the normal operations of the Department.

### **Taxation income**

Taxation income represents income received from the State's taxpayers and includes:

- payroll tax; land tax; duties levied principally on conveyances and land transfers;
- gambling taxes levied mainly on private lotteries, electronic gaming machines, casino operations and racing;
- insurance duty relating to compulsory third party, life and non-life policies;
- insurance company contributions to fire brigades;
- motor vehicle taxes, including registration fees and duty on registrations and transfers;
- levies (including the environmental levy) on statutory corporations in other sectors of government; and
- other taxes, including landfill levies, license and concession fees.

### **Transactions**

Revised Transactions are those economic flows that are considered to arise as a result of policy decisions, usually an interaction between two entities by mutual agreement. They also include flows in an entity such as depreciation where the owner is simultaneously acting as the owner of the depreciating asset and as the consumer of the service provided by the asset.

Taxation is regarded as mutually agreed interactions between the government and taxpayers. Transactions can be in kind (e.g. assets provided/given free of charge or for nominal consideration) or where the final consideration is cash.

### **Style conventions**

Figures in the tables and in the text have been rounded. Discrepancies in tables between totals and sums of components reflect rounding. Percentage variations in all tables are based on the underlying unrounded amounts.

The notation used in the tables is as follows:

zero, or rounded to zero

(xxx.x) negative numbers

201x year period

201x-1x year period

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