redhs

Rochester and Elmore District Health Service

Caring for our Community

Annual Report 2020-2021

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 sits on the traditional lands of the Dja Dja Wurrung Clans, and also provides services across the lands of the Taungurung and Yorta Yorta Peoples. We respect and acknowledge their unique Aboriginal cultural heritage and their role in this region and pay our respects to their ancestors, descendants and emerging leaders as the Traditional Owners of this Country.

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:

- 126 full time equivalent staff (218 headcount)
- 60 residential aged care beds (including one respite and a 10-bed memory-support unit)
- 10 inpatient acute beds including one (unfunded) designated palliative care bed/ suite and two beds designated for the bed-based Transition Care Program
- One 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 the Minister for Health. From 1 July 2020 to 26 September 2020 - Jenny Mikakos MP - Minister for Health and Minister for Ambulance Services; from 26 September 2020 to 30 June 2021 – The Hon Martin Foley MP - Minister for Health and Minister for Ambulance Services, Minister for Equality.

Our Location

Contents

Front cover image:
Opening of REDHS Indigenous Garden, November 2020, L-R: David Rosaia, REDHS Board Chair; Kate Lemon, Deputy Chair; Rick Kerr, Dja Dja Wurrung Traditional Owner; Karen Laing, CEO.
Photo credit: *Cath Grey, McPherson Media Group*

Our Vision

Caring for our community

Our Vision, *"Caring for Our Community"*, acknowledges that the community we live and work in is vitally important to us.

Values and behaviours:

R	Reliability	Being trustworthy and performing consistently well
E	Engagement	Working collaboratively with people to address issues and create opportunities to bring about positive change
D	Diversity	Understanding that each individual is unique and respecting our individual differences
H	Hospitality	Receiving and treating all people in a warm, friendly, generous way.
S	Sustainability	Meeting our current needs without compromising the ability of future generations to meet their needs.

1 Building a Culture that Empowers

1.1 Ensure our staff are engaged, empowered and healthy
1.2 Support our staff to provide the best care
1.3 Attract the best staff with the right skills

2 Delivering Quality Care

2.1 Understand our community's health and wellbeing needs
2.2 Use data and evidence to support innovation and investment
2.3 Provide quality care focused on outcomes

3 Connecting with Community

3.1 Support healthier neighborhoods and community
3.2 Connect our community with the right care and support
3.3 Partner in our consumers care

4 Securing our Future

4.1 Environmentally sustainable initiatives
4.2 Financially sustainable solutions
4.3 Strategies to support a sustainable workforce

The Year in Review - 2020 - 2021

Acute Ward	
Total Acute Ward Separations	284
Acute Ward Bed Days	2,160
Transition Care Bed Days	730
Transition Care Days - Community	466
Residential Aged Care	
Total Bed Days	20,031
Total Admissions	14
Non-admitted Occasions of Service	
District Nursing	5,447
Urgent Care Centre	566
Radiology	0
Drug and Alcohol Withdrawal Service	228

Community Care			
Discipline	**Face to face**	**Telehealth**	**Total**
Allied Health			
Dietetics	397	177	574
Diabetes Education	140	34	174
Podiatry	2768		2768
Physiotherapy	934	11	945
Occupational Therapy*	371	7	378
Social Work	237		237
Allied Health Assistants			
- Group Exercise Programs	948		948
- AHA In-Home Exercise Programs	198		198
Allied Health Support Total			**6222**
Community and In-Home Support			
Home Care	4602		4602
Property Maintenance	332		332
Meals on Wheels	2095		2095
Social Support Group	1113	41	1154
- Newsletter packs		201	201
Community & In-Home Support Total:			**8384**

*498 occasions of documentation

Services available at REDHS

- Acute Ward – including 24/7 Urgent Care Centre
- Cardiac Health Exercise Program
- Community Transport – in partnership with Royal Flying Doctor Service (RFDS)
- Dietetics
- District Nursing
- Endocrinology
- Group Fitness Programs
- Health Promotion
- Hearing Services
- Home Care Packages
- Home Care Services
- Maternal Child Health
- Meals on Wheels
- National Disability Insurance Scheme Packages
- Occupational Therapy
- Palliative Care
- Pathology Collection
- Physiotherapy
- Podiatry
- Property Maintenance
- Radiology (X-rays and Ultrasounds)
- Residential Aged Care
- Respite
- Rural Withdrawal Service (Alcohol and Other Drugs)
- Service Coordination (Central Intake)
- Social Support Group
- Social Work
- Transition Care Program
- Volunteer Program

A message from our Board Chair & Chief Executive Officer

On behalf of the Board of Directors, we are pleased to present the 27th Annual Report of Rochester and Elmore District Health Service (REDHS) for the year ending 30 June 2021. The report is prepared in accordance with the Financial Management Act 1994 and highlights the significant achievements and events that occurred during 2020-21.

REDHS has experienced another eventful year, with the challenges of the COVID-19 pandemic continuing to significantly impact our community and REDHS operations. Our staff have risen to every challenge with their usual 'can do' attitude and dedication to caring for our patients, residents and clients. We have become adept at changing arrangements at a moment's notice and to communicating those changes to our clients and our community so they understand what is required.

We are very grateful for the support of families and carers and the community at large for their understanding and cooperation with the restrictions and precautions we have had to introduce to ensure our patients and residents are kept safe. Along with us, families have learned to navigate technology and participate in 'virtual visits' via Zoom and Face-time. We have all learned to check our temperature and 'scan in' using the QR code, and masks have quickly become a standard part of all our wardrobes.

Whilst it has been challenging, there have also been many gains arising from the changes forced upon us. Meetings held on-line have proven efficient while ensuring social distancing and many clinical consultations have converted from face-to-face to telehealth, which has enabled many clients to continue their treatment in the comfort and safety of their home and acute inpatients to participate in specialist reviews without the consultants needing to come on-site and without the patients needing to travel to appointments.

Our 'Year In Review' (on p. 3) provides a terrific snapshot of the services REDHS continued to provide to our community and shows the extent to which we were able to adapt to the circumstances and provide ongoing care and support, albeit a little differently.

Activities were not completely de-railed by COVID, however. In the absence of a separate Quality Account accompanying this year's Annual Report, REDHS Board of Directors are delighted to be able to showcase a range of initiatives and achievements (some arising from and others unrelated to the pandemic) to which the Executive and senior managers applied focus and energy in the last year.

First and foremost is the review of our Strategic Plan which ultimately culminated in a new Vision for the organization, a refreshed set of Values and Behaviours which we are committed to living by, and four Strategic Priorities with underpinning Goals which will guide our organization for the next 5 years.

A simple one-page summary of our Strategic Plan 2020 – 2025 can be found on p.2 of this report.

Reviewing our Strategic Plan in the middle of a global pandemic was a major achievement. We managed to draw together the views of our community and our staff in some innovative ways, including via "REDHS Referendum" where staff and our Consumer and Community Advisory representatives proposed the options and voted on our new Vision, Values and Behaviours.

Significant work has already commenced to address our new priorities, and are highlighted below:

Strategic Priority 1: Building a Culture That Empowers

Throughout 2020-21 we have focussed on promoting a positive workplace culture and support for staff wellbeing.

We recognise that a workforce that is happy, healthy and engaged is imperative to ensure great care is provided to our residents, so the Board commissioned an Aged Care Workplace Review to be undertaken by an external consultant. The recommendations arising from this review were accepted by the organization and an action plan developed and approved by the Board in March 2021. Actions already completed include a revised, consolidated leadership structure, recruitment of a new Aged Care Manager to lead the cultural change action plan and the appointment of a designated Aged Care Quality & Compliance Manager.

The benefits in the team and for the residents are already being recognized, for example, new fortnightly multidisciplinary team meetings mean the entire team work together to develop a plan and promptly respond to each resident's changing needs.

We commissioned an Audit of our Community Care service to assess the business operations and to inform the resource allocation and structure required to support this growing area of our service. We have successfully recruited to the roles associated with the revised structure in Community Care and are reaping the benefits already. The number of people we now support with Home Care Packages has increased to nearly 30 in the short time we have been providing this service to our community.

While staff training and development has necessarily been focused on the challenges of a pandemic, such as infection control, PPE, outbreak management, etc. we have also supported several REDHS staff to undertake specialist courses for their roles, such as Food Safety and Cleaning Auditor training. An internal leadership training program commenced with the objective of building capacity within our leadership team to support workplace culture initiatives and staff wellbeing. We have invested in the learning and development of staff with the introduction of a monthly training day for all staff, offering more practical sessions and one to one support for our clinical workforce and upgrading the system used to manage our learning competencies. The Murray Health Allied Health Education and Support Project has been led by REDHS and focuses on initiatives to support allied health student placements and collaborative strategies to support the allied health workforce across the region.

The existing partnerships we have with tertiary training providers and secondary schools continue to develop. In addition to offering placements for Registered and Enrolled Nurses and Allied Health personnel, we are now supporting students undertaking training to work in Home and Personal Care services.

Our Occupational Health and Safety Committee members, including Health and Safety Representatives, completed Risk Management training to increase our capability to identify, assess, control and monitor OH&S risks across the organisation. Environmental safety inspections were conducted bi-monthly. There was an increase in hazard and OH&S incident reports in 2020-21 and we attribute this to our promotion of 'Speaking up for Safety' including reporting safety issues early. Unfortunately, we also experienced an increase in incidents relating to aggression.

In response to two long term WorkCover claims, we have promoted a recovery at work approach to injury management and worked closely with our managers and injured workers to ensure return to work processes are supportive. Four injuries resulted in WorkCover claims and all four staff returned to their pre-injury hours with minimal lost time.

To support our staff through a year of constant challenges, the Executive placed a significant focus on staff engagement and wellbeing, with activities (as restrictions permitted) including:

- Regular schedule of events – 5 days of Christmas enjoyed by residents and staff, Department Christmas Decoration competition, International Nurses Day Pancakes and Pizzas, Allied Health week, NAIDOC, Pride, and RUOK? celebrations
- REDHY News (staff newsletter) published fortnightly to support information sharing
- REDHY High Five Reward & Recognition program – maintaining 5-10 nominations/month
- Internal Staff surveys to support contribution to decision making – Vision and Values, Communications, Safety Culture
- Wellbeing initiatives – African Drumming, Mindfulness, EAP training – Managers leading wellbeing, and EAP tips for all staff – self-help for mental wellbeing,
- Appointment of Wellbeing Officers – with mental health first aid training

We look forward to hearing from the staff and understanding what we need to do to support them to continue their important work. 110 staff (57% of our workforce) completed the 2021 People Matter Survey - exceeding last year's response rate by 20%. If the great response rate is anything to go by, we hope we're getting something right.

Strategic Priority 2: Delivering Quality Care

REDHS Health Care That Counts (HCTC) Committee was formed this year with members drawn from across all staff groups and externally (e.g. Aboriginal Liaison Officer from DHS Regional Office). This Committee has been charged with embedding governance systems and structures focused on the safety and access for all vulnerable, marginalised and diverse groups within the community.

Some of the committee's key work has included the revision of our Aboriginal and Torres Strait Islander Cultural Responsiveness Policy. Our new policy provides more information to support greater appreciation of cultural history, use of language, cultural competency and responsiveness as well as procedures for creating welcoming environment, celebration, Asking The Question and Acknowledgement and Welcome to Country.

We have conducted an organisational Gender Equity Audit with an Action Plan to be developed to address gaps identified and the HCTC committee oversaw the implementation of the Multi-Agency Risk Assessment and Management (MARAM) Framework supporting a response to family violence.

Our Consumer and Community Advisory Committee endorsed construction of a Diversity Quilt to be displayed in the hospital Reception area to accompany REDHS Commitment to Diversity.

We have been extremely impressed with the excellent staff response to the "This is Me" Montessori Model of Care project in our Yalukang Aged Care facility. REDHS was successful in securing $76,690 in non–recurrent funding to develop Dementia Friendly Environs, under the 2020-21 Rural Residential Aged Care Facilities Renewal Program. Funds will be used for minor refurbishment, furnishings, painting, art work, etc. to refresh the aged care facilities and create an environment aligned to the Montessori principles.

Dementia Training has been undertaken by members of the 'This Is Me' Working Party and staff champions (and will extend to all staff in the future). The Pyramid of Participation (for residents with Dementia) will focus on developing systems for residents to participate more fully in care planning.

In the community, we have seen significant expansion and growth in Home Care Package Program and Home Care service provision, with an accompanying growth in the workforce to service these programs.

Our Community Care service were assessed for NDIS Certification in April. REDHS met all NDIS Practice Standard indicators and were recommended for National Disability Insurance Scheme Certification (Accreditation) with no non – conformities. This is the first occasion REDHS has undertaken accreditation against the NDIS Practice Standards.

A new initiative introduced to the work of our Care Review Committee is a Clinical Review Panel. This multidisciplinary team of clinicians review relevant cases to identify opportunities for improvement and to prevent recurrence of any issues of concern where identified.

Three staff have competed the education and been authorised as trainers for Speaking Up for Safety. This program aims to break down any barriers which might prevent someone from expressing concern and supports staff to speak up to prevent potential unintended patient harm.

More patients benefited from our Transition Care Program (TCP) this year, with 134% occupancy in the community/home based program and 100% occupancy for those participating in the program in our acute ward. The aim of the TCP program is to improve independence following an acute illness for people over 65, and REDHS participants achieved great outcomes, with an increased number returning home after significant illness.

Strategic Priority 3: Connecting With Community

For some time REDHS have been keen to explore innovative ways to communicate 'Welcome' and to enhance Aboriginal and Torres Strait Islander cultural awareness. We wanted to express REDHS sincere 'Welcome' to Aboriginal and Torres Strait Islander people, promote greater appreciation of local Indigenous people's relationship with country, land and water, and carry the message and history of local Indigenous people forward. To this end, the Dja Dja Wurrung Clans provided tremendous support and guidance in regards the development of an Aboriginal Welcome Garden at the entrance to the organisation. These gardens are predominantly indigenous Victorian plants and to us they represent a living expression of 'Welcome' to all visitors to REDHS.

We 'opened' the gardens as part of our NAIDOC celebrations in November at the same time we announced the new name of our Aged Care facility. The Board of Directors called for suggestions from our community for a name, when we wanted to move away from calling our facilities the 'Nursing Home' or the 'Hostel' – which were no longer true reflections of the place our 60 residents call home. The Board had a hard time choosing as the submissions we received were all so different and they had a range of reasons behind them being suggested. The final decision made by the Board was to name the facility "**YALUKANG**". Yalukang comes from the Dja Dja Wurrung language, meaning 'from the Campaspe River.'

To further support our commitment to Connect With Community, a new role for a Communications Officer was approved and they have hit the ground running. A draft Communications Strategy & Action Plan has been developed and a Project Brief issued to support rebuild of REDHS website. We want to ensure REDHS' website is easy to navigate and information is easily accessible to a diverse audience, increase community engagement and provide more opportunities to receive feedback from our community and answer frequently asked questions quickly online.

Another important project this year was completed by a Social Work Student on placement at REDHS. The project, funded by Carer Support Bendigo Health, consisted of development of a 'Carer Hub' in REDHS where carers and others can access a range of relevant support information, and education was undertaken by key REDHS staff involved in complex care planning / discharge planning relating to the carer support resources available.

Acute and community care staff have worked with individual patients to implement goal directed care plans, where the goals of care are set collaboratively and priorities set to achieve positive & meaningful outcomes for patients.

The Lifestyle and Activities staff really rose to the challenges associated with COVID by implementing virtual visits using Face-time and Skype for residents and developing activities packs for Social Support Group participants which were hand-delivered to their homes during periods the program was required to be suspended.

Strategic Priority 4: Securing our Future

As part of our commitment to actively pursue environmentally sustainable initiatives, the Corporate Quality & Risk Committee has reviewed REDHS Environmental Sustainability Strategy and developed a suite of KPIs to monitor progress. Of note is a significant reassuring trend in reduced energy costs since installation of solar panels.

Actions included in REDHS Workforce Plan are aimed at ensuring a sustainable workforce. Achievements this year include:

- Review of management structure for Community Care and recruiting to new roles
- We recruited to a new Enrolled Nurse Graduate program in Yalukang Aged Care and built the 2021-22 draft budget with additional Registered Nurses to support the Royal Commission recommendation for minimum care hours.
- Supported non-clinical staff to undertake education as part of 'pathways to progress', including Cert IV in Cooking, Cert III Personal Care, Food Safety Auditor, and two administration staff are formalising their current skills to obtain a Certificate IV level qualification.
- Commissioned Leadership Training Program for Managers, ANUMs, AHMs and Team Leaders
- Booked 2 staff for Mental Health First Aid training – to be designated Wellbeing Officers
- Revised Performance Development Review template to facilitate more meaningful conversations and easier completion
- Commenced 'REDHY High Five' Reward and Recognition program
- Enacted actions required to support roles identified as Critical Functions, including designating and training staff to provide back-fill
- Recruited to Infection Control vacancy – and to Infection Control Lead roles in Aged Care
- Framework for the Registered Nurse, Enrolled Nurse and Healthcare Workers Pool has been established, with advertising to commence.
- In collaboration with Bendigo TAFE, REDHS are providing placement opportunities for students in the local area completing the Certificate III in Individual Support (placements include both Nursing Home and Home Care). The arrangement commenced in May and REDHS have already appointed a student to permanent hours upon graduation from the course. We will build on this in 2022, when five REDHS staff have expressed their interest in completing the Certificate III in Individual Support along with local community members.

Major works continued as COVID restrictions allowed, with the official commencement of the $2.3 Million Nursing Home redevelopment in April 2021, the completion of the Men's Shed extension in May 2021, an upgrade of external signage across the site during May and June 2021 and completion of significant refurbishment work in the Hostel and gardens in June 2021.

Upon reflection, it is clear much has been achieved over and above responding to changes in practice required to keep our community safe from the risks of COVID.

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

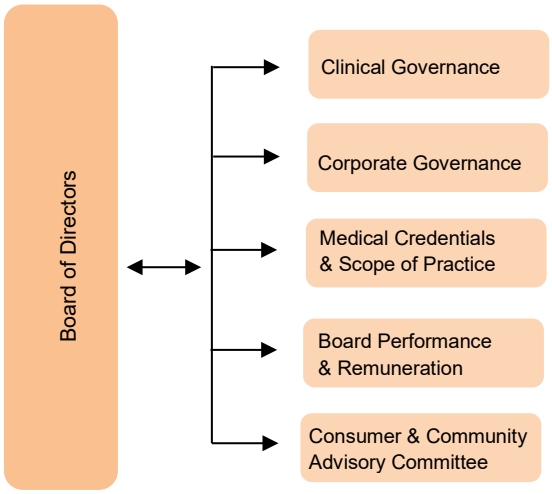
Corporate Governance

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.

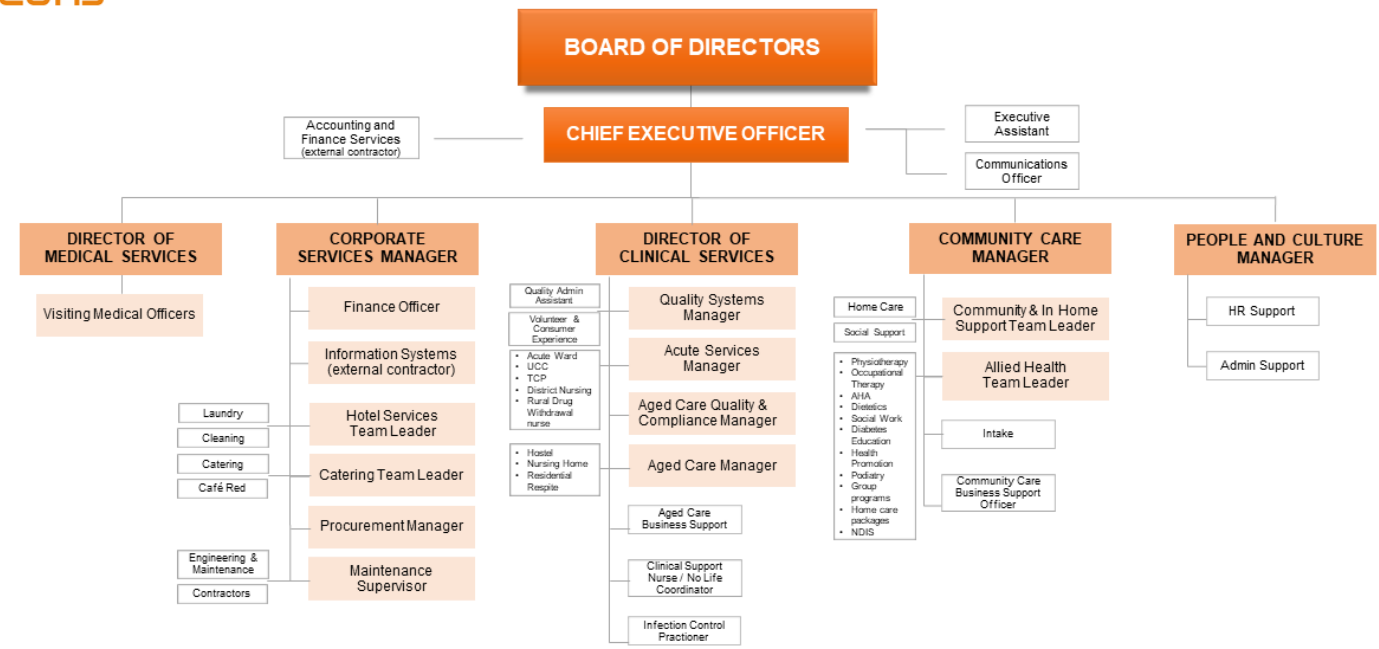
Subject to the requirements of government and the Health Service By-Laws, the Board of Directors exercises decisions including the control of funds, determining the range of services to be provided, and the appointment of visiting medical officers and other senior staff.



Board Directors

DAVID ROSAIA ***Board Chair*** RN, Grad Dip (Health Sci) FACHSM, CHE, MACN Executive Director Quality and Patient Information, Chief Nursing & Midwifery Officer, Bendigo Health Date appointed 26.04.2017	***KATE LEMON*** ***Deputy Chair*** ***Chair - Community and Consumer Advisory Committee*** MBA, Grad Dip (Bus Mgt), Cert IV Frontline Management, Cert IV Bus.Dev., Cert IV Assessment and Care Planning, Home and Community Care Manager Community Business, Campaspe Shire Council Date appointed: 1.7.2017	***CHRIS WHITE*** ***Treasurer*** ***Chair - Corporate Governance Committee*** ***Chair – Medical Credentials and Scope of Practice Committee*** B.Bus (Econ), B.Comp., Grad Dip Bus (Mgt), Grad Cert HSM, FACHSM, CHIA Director Cancer Centre, Bendigo Health Date appointed: 01.07.2018
JIM BROOKS LLB Lawyer/Manager, Jim Brooks Lawyer Date appointed 1.7.2019	***BEN DEVANNY*** B.Bus (Acc/Eco), CPA Manager Business Services & Economic Development, City of Greater Bendigo Date appointed: 1.7.2017	***BRAD DRUST*** BA, Bsc (Env Sci), MBA CEO – North Central Catchment Management Authority Date appointed: 1.7.2020
CAROL MCKINSTRY ***Chair - Clinical Governance Committee*** B AppSc (OT), M. Hlth 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	***JODIE SMITH*** ***Chair -Aged Care Project Control Group*** B Bus.(Econ), Grad Dip AppSci (Ag), Grad Cert (Acc), CPA, M. An.Sci Accountant, Jodie Smith Accounting Date appointed: 1.7.2016	

REDHS ORGANISATIONAL STRUCTURE



Board of Committee	Clinical Governance Committee	Corporate Governance Committee	Medical Credentials and Scope of Practice Committee	Performance and Remuneration Committee	Community and Consumer Advisory Committee
Board Directors					
Jim Brooks	✓			✓	✓
Benjamin Devanny		✓			
Bradley Drust		✓			✓
Kate Lemon	✓		✓	✓	✓
Carol McKinstry	✓		✓		
David Rosaia	✓		✓	✓	
Jodie Smith		✓			
Christopher White		✓	✓	✓	
Independent Members / Consumer Representatives					
Christine Wright	✓				✓
Joan Jenkins					✓
Kate Lee					✓
Eddie Oogjes					✓
Lorraine Harris					✓
Judith Anderson					✓

Key Personnel

Executive

Chief Executive Officer
Karen Laing
RN, CCRN, B. AppSc (Nursing) Grad Dip Health & Medical Law, Masters Health Administration. GAICD

Director of Clinical Services
Dorothy Stone
RN, B HlthSc (Nursing), Grad Cert. M. Health Nursing, Cert IV Assessment & Workplace Train, Grad. Dip. Aged Services Mgt, M. HSc (Aged Services)

Primary Care Manager
Meaghan Sully (November 2011 – October 2020)
B SocWk, Dip Mgt

Interim Community Care Manager
Susannah Hargreaves (October 2020 to November 2020)
B HlthSc, M PodPrac

Community Care Manager
Susannah Hargreaves (commenced November 2020)
B HlthSc, M PodPrac, Grad Cert Public Health

Corporate Services Manager
Colin Wellard
MBA, Grad Dip SocSc, Grad Cert SocSc

Manager, People and Culture
David Worrall (April 2019 – September 2020)
BMus, Grad Dip Ed, FTCL, Adv Dip PM, Dip Bus, Dip Mgt, MAHRI

Vicki Winwood (commenced October 2020)
B Bus (HRM)

Director of Medical Services
Dr Ka Chun Tse
MB BS, M. Health Mgt, M. P. Health, FACHSM, GAICD

Department Heads

Interim Acute Services Manager
Melissa Seelenmeyer (June 2020 to August 2020)
RN, B Nursing

Acute Services Manager
Melissa Seelenmeyer (commenced August 2020)
RN, B Nursing

Aged Care Manager
Mark Cresp (until April 2021)
RN

Jodie Maree Smith (commenced May 2021)
B Nursing Sc, Dip Lead & Mgt,
Cert IV Train & Assess

Quality Systems Manager
Lynn Wolfe
Adv Dip Bus Mgt, Adv Dip Bus Mgt (HR Bridging), Dip AppSc (Hort)

Infection Control Practitioner
Megan Kairns (until August 2020)
RN, Cert. Periop Nursing, Cert. Infection Control & Sterilisation, Accredited Immunization Practitioner, Pre & Post HIV/Hep C Counsellor

Janelle Sommerville (commenced August 2020)
ICP

Clinical Support Nurse
Cheryl Petrini (until February 2021)
RN, Cert IV Train & Assess

Clinical Learning and Staff Development Coordinator
Jodie Maree Smith (commenced February 2021)
B Nursing Sc, Dip Lead & Mgt, Cert IV Train & Assess

Maintenance Supervisor
Brett Shotton
Cert Carpentry, Building & Construction
Cert IV Mgt

Procurement Manager
Gayle McConnell (until May 2021)
Cert IV Mgt

Jeremy Dyke (commenced May 2021)
Cert IV Train & Assess

Team Leaders

Allied Health
Susannah Hargreaves (until March 2021)
B HlthSc, M PodPrac

Paige Tuohey (commenced March 2021)
B Pod

Community & In-Home Support
Sandra Joyce (until February 2021)
Cert IV Disability, Cert IV Bus, Cert IV Fitness

Donna Shaw (commenced May 2021)
Cert III Aged Care

Catering
Rebecca O'Sullivan (Maternity Leave)
Cert III Comm Cookery, Cert IV Frontline Mgt

Leo Franke (May 2020 - February 2021)
Cert Comm Cookery- Trade

Catherine Carne (commenced February 2021)

Hotel Services
Kerri McEllister

Visiting Medical Officers

General practitioners
Dr E Ekeanyanwu, *MB BS (Nigeria), FRACGP*
Dr N Fang, *MBBS, DRANZCOG, FRACGP*
Dr P Nzegwu, *MB BS (Nigeria), AMC, FRACGP*
Dr M Monson, *Dr Med (Philippines)*
Dr M Semet, *Med Doctorate Degree (Iran)*
Dr S Saha, *B Nursing, AMC, B.Med/B. Sur (Bangladesh), Cert IV Nursing Med Admin*

Performance Against Statement of Priorities (Part A)

In 2020-21 Rochester and Elmore District Health Service contributed to the achievement of the Government's commitments with an agreed abbreviated Statement of Priorities made and provided by Minister Foley, Minister for Health, who invoked the right to do so under the *Health Services Act 1988*.

The goals/strategies designated as REDHS 2020-2021 Statement of Priorities were built on the collaboration demonstrated by health services throughout the COVID-19 pandemic, and the government intention to develop and implement several important system reforms, including modernising our health system through redesigned governance; driving system reforms that deliver better population health, high quality care and improved patient outcomes and experiences; and reforming clinical services to ensure we are delivering our community the best value care.

Goals/Strategies	Collaborative Regional Deliverables	Local REDHS Outcomes
Specific 2020-21 Priorities		
Maintain robust COVID-19 readiness and response	*Participation with fortnightly regional COVID-19 coordination meetings, supported by the Loddon Mallee Health Network (LMHN).* *Access and use of the LMHN COVID Coordination Site (SharePoint for regional use) with resources, links and data.* *Participation in the regional vaccine roll out* *Active, regular engagement with the Loddon Mallee Public Health Unit (PHU), including operations of Screening/Testing Clinics, responses in relation to outbreaks, engagement with the LM Rapid Response Testing Team as required and participation in a community of practice for information sharing.*	REDHS Pandemic Plan and associated procedures for PPE, outbreak management, screening/testing, vaccination, aged care visitor management, etc. aligned to regional partners and State and Commonwealth expectations Purchased devices and implemented strategies to support virtual visits for patients and residents during periods of 'lockdown' and visitor restrictions. Supported on-site vaccination clinics for residents, patients and staff – administering 240 vaccines locally. Supported local GP practice to provide community vaccination service on-site. Regular asymptomatic screening of aged care staff – 384 tests done. Staff vaccination rates on track to achieve targets in high risk areas and roles, e.g. residential aged care.
Address the needs of patients whose care has been delayed due to pandemic and provide necessary 'catch-up' care to support them to get back on track	*Support regional submission of EOI to implement the Loddon Mallee 'Better at Home' Project, which will support and promote provision of more home-based clinical services, virtual monitoring in the home and learning & professional development of critical professional capabilities within the workforce.*	Implemented strategies to support participants unable to attend programs such as Social Support Group and Exercise Class, with telehealth alternatives, home visits and regular provision of activities packs to enable continuation of programs at home. Risk-rated allied health clients, providing face-to-face consultation (with precautions) only where absolutely clinically necessary and, where possible, provided consultations via telehealth. Scheduled extra clinics between period of lockdown to ensure all clients' services and care goals maintained. 270 telehealth consultations 446 allied health home visits
Respond to the recommendations of the Royal Commissions – Mental Health and Aged Care Quality and Safety	*The Loddon Mallee Health Network (LMHN) Aged Care Steering Group has been established and will oversee and support initiatives relating to residential Aged Care across the Loddon Mallee region. The LMHN has specifically identified Aged Care as an additional Health Service Partnership priority with strategic importance. The Aged Care*	REDHS nomination for a senior, experienced aged care clinician and manager representative on the Loddon Mallee Aged Care Steering Group was accepted. This representative will inform responses in REDHS to the Royal Commission into Aged Care Quality and Safety and will provide a key link between the work being undertaken at a State level (via Strengthening PSRACS

Goals/Strategies	Collaborative Regional Deliverables	Local REDHS Outcomes
Specific 2020-21 Priorities		
	Steering Group will: - *Fulfil the functions and responsibilities of Loddon Mallee Aged Care Hub COVID-19 in relation to outbreak management for public and private RACS.* - *Identify regional and shared opportunities in public residential aged care to:* o *Support and improve aged care quality, safety and compliance activities* o *Respond to recommendations arising from the Royal Commission into Aged Care Quality & Safety* o *Explore approaches in relation to:* ▪ *Revenue maximisation via standard applications of funding frameworks* ▪ *Monitoring and supporting optimisation of occupancy levels* ▪ *Adopt models that strengthen aged care workforce development, attraction and culture in the Loddon Mallee region.*	Initiative) and a local level via Murray Health Partnership work to standardise aged care business systems. Local immediate responses to the recommendations arising from the Royal Commission include: - Serious Incident Response Program initiated - Restrictive Practices Review - Review of staffing model in Yalukang Hostel
Develop and foster local health partner relationships – deliver collaborative approaches to planning, procurement and service delivery	*With the formal commencement of the Loddon Mallee Health Network (LMHN) Joint Venture Agreement in March 2021, the LMHN has independently elected an inaugural Board of Directors and commenced operations of a governance structure consisting of four committees of the Board (Quality & Safety, Clinical Workforce, Corporate Effectiveness and Shared Services).* *These committees of the Board, oversee the pursuit of the strategic priorities of the LMHN which include:* - *Region Wide Service & Workforce Planning,* - *Central Functions and Shared Services,* - *Local Solutions and* - *Quality, Safety & Experience.*	Local collaborative initiatives include leading and actively participating in the Healthier Campaspe Collaborative, focusing on shire-wide health promotion and primary prevention priorities. REDHS has completed foundation work required to implement the Health Promoting Hospitals framework, commenced an organisational Gender Equity Audit and completed a self-assessment against the Aboriginal Cultural Safety Guidelines as part of the work of our 'Health Care That Counts' Work Group, including: - Aboriginal Liaison Office membership within the Health Care That Counts Committee, and review of our Aboriginal and Torres Strait Islander Cultural Responsiveness policy. - Opening of our Indigenous Gardens, with Welcome to Country performed by Rick Kerr, Traditional Owner. - Aboriginal and Torres Strait Islander people identified as one of the diverse and vulnerable populations within our region. This multidisciplinary collaborative group was convened to enact sustainable, meaningful responses to support our diverse and vulnerable community members, including but not limited to Aboriginal and Torres Strait Islander people, people with a disability, and people who identify as LGBTIQ+.

Performance Against Statement of Priorities (Part B)

High Quality and Safe Care

Key performance measure	Target	Result
Infection prevention and control		
Compliance with the Hand Hygiene Australia program	83%	*100%
Percentage of healthcare workers immunised for influenza	90%	99%
Patient Experience		
Victorian Healthcare Experience Survey – percentage of positive patient experience responses	95%	No surveys conducted in 2020-2021
Victorian Healthcare Experience Survey – percentage of very positive responses to questions on discharge care	75%	No surveys conducted in 2020-2021

*This result was to be an average of two specified audits. However, due to the pandemic, only one of the audits was conducted.

Part C: State Funding (Modelled Budget) can be found on p 28.

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, Victorian Charter of Human Rights and Responsibilities 2006, Equal Opportunity Act 2010*. All employees have been correctly classified in workforce data collections.

Hospitals labour category	JUNE current month FTE		Average Monthly FTE	
	2020	2021	2020	2021
Nursing	50.79	51.38	52.03	51.38
Administration and Clerical	15.03	18.04	17.16	15.75
Hotel and Allied Services	40.13	38.27	39.75	39.79
Sessional Clinicians	0	0.11	0.08	0.10
Ancillary Staff (Allied Health)	14.91	18.52	15.51	16.51
Totals	**120.86**	**126.32**	**124.52**	**123.53**

RECOGNITION OF STAFF YEARS OF SERVICE

For 2020-21, REDHS recognises the long-standing service of the following staff:

10 years	15 Years	20 years	25 years	35 years
Judith Devlin Doetje Hodson Helen Larmour Judith Lee Monica Lethlean Jacinta McWhinney David Watson Rosalie Youl	Janine Bubb Colin Jones Sally Anne Mackrill Kerri McEllister	Therese Jensen Fransisca Morris Cheryl Petrini Kathryn Tibbs	Barbara Chirnside	Barbara Cail Cheryl Madill

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.

There were no Life Governorships awarded in 2020-21.

OCCUPATIONAL HEALTH AND SAFETY DATA

Occupational Health and Safety Statistics	2020-21	2019-20	2018-19
The number of reported hazards/incidents for the year per 100 FTE	37.7	40.8	63.4
The number of 'lost time' standard WorkCover claims for the year per 100 FTE	3.17	2	5.2
The average cost per WorkCover claim for the year ('000)	$59,107	$20,659	$17,117

There were four premiums impacting claims in 2020/2021. REDHS has focussed on recovery at work and all four employees have returned to their pre-injury hours with minimal lost time.

There were no fatalities at REDHS in 2020/2021.

OCCUPATIONAL VIOLENCE STATISTICS

Occupational Violence Statistics	2020-21
Workcover accepted claims with an occupational violence cause per 100 FTE	0.79
Number of accepted Workcover claims with lost time injury with an occupational violence cause per 1,000,000 hours worked.	4.62
Number of occupational violence incidents reported	16
Number of occupational violence incidents reported per 100 FTE	12
Percentage of occupational violence incidents resulting in a staff injury, illness or condition	6.25%

Disclosures Required Under Legislation

Freedom of Information Act 1982

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 2020/21 financial year, three requests were received from the general public, one was withdrawn and two were granted in full.

Information regarding making a Freedom of Information request, including fees and charges, can be found at www.redhs.com.au. Further advice can be accessed by contacting the health service Freedom of Information Officer on (03) 5484 4400.

Building Compliance Act 1993

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

Public Interest Disclosures Act 2012

The *Public Interest Disclosure Acts 2012* 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. During 2020/21, no applicable disclosures were made.

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.

Carer's Recognition Act 2012

In accordance with the *Carer's Recognition Act 2012,* 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.

Environmental Performance

GREENHOUSE GAS EMISSIONS			
Total greenhouse gas emissions (tonnes CO2e)	**2018/2019**	**2019/2020**	**2020/2021**
Scope 1	215	234	148
Scope 2	991	820	626
Total	**1,206**	**1,055**	**774**
Normalised greenhouse gas emissions	**2018/2019**	**2019/2020**	**2020/2021**
Emissions per unit of floor space (kgCO2e/m2)	180.00	157.38	115.52
Emissions per unit of Separations (kgCO2e/Separations)	2,571.85	3,435.13	2,716.14
Emissions per unit of bed-day (LOS+Aged Care OBD) (kgCO2e/OBD)	57.93	51.15	35.31
STATIONARY ENERGY			
Total stationary energy purchased by energy type (GJ)	**2018/2019**	**2019/2020**	**2020/2021**
Electricity	3,333	2,895	2,299
Natural Gas	4,180	4,534	2,876
Total	**7,514**	**7,429**	**5,175**
Normalised stationary energy consumption	**2018/2019**	**2019/2020**	**2020/2021**
Energy per unit of floor space (GJ/m2)	1.12	1.11	0.77
Energy per unit of Separations (GJ/Separations)	16.02	24.20	18.16
Energy per unit of bed-day (LOS+Aged Care OBD) (GJ/OBD)	0.36	0.36	0.24
EMBEDDED GENERATION			
Total embedded stationary energy generated by energy type (GJ)	**2018/2019**	**2019/2020**	**2020/2021**
Solar Power	N/A	138	525
Total	N/A	**138**	**525**
Normalised embedded generation	**2018/2019**	**2019/2020**	**2020/2021**
Embedded generation per unit of floor space (GJ/m2)	N/A	0.02	0.08
Embedded generation per unit of Separations (GJ/Separations)	N/A	0.45	1.84
Embedded generation per unit of bed-day (LOS+Aged Care OBD) (GJ/OBD)	N/A	0.01	0.02
WATER			
Total water consumption by type (kL)	**2018/2019**	**2019/2020**	**2020/2021**
Class A Recycled Water	N/A	N/A	N/A
Potable Water	8,989	8,608	14,651
Reclaimed Water	N/A	N/A	N/A
Total	**8,989**	**8,608**	**14,651**
Normalised water consumption (Potable + Class A)	**2018/2019**	**2019/2020**	**2020/2021**
Water per unit of floor space (kL/m2)	1.34	1.28	2.19
Water per unit of Separations (kL/Separations)	19.17	28.04	51.41
Water per unit of bed-day (LOS+Aged Care OBD) (kL/OBD)	0.43	0.42	0.67
Water re-use and recycling	**2018/2019**	**2019/2020**	**2020/2021**
Re-use or recycling rate % (Class A + Reclaimed / Potable + Class A + Reclaimed)	N/A	N/A	N/A
WASTE AND RECYCLING			
Waste	**2018/2019**	**2019/2020**	**2020/2021**
Total waste generated (kg clinical waste+kg general waste+kg recycling waste)	101,611	97,611	95,231
Total waste to landfill generated (kg clinical waste+kg general waste)	72,745	82,173	80,084
Total waste to landfill per patient treated ((kg clinical waste+kg general waste)/PPT)	3.42	3.93	3.61
Recycling rate % (kg recycling / (kg general waste+kg recycling))	28.61	15.94	16.01

PAPER			
Paper	**2018/2019**	**2019/2020**	**2020/2021**
Total reams of paper	N/A	N/A	642
Reams of paper per FTE	N/A	N/A	5.18
Rate recycled paper % (0% - 49%)	N/A	N/A	97.10
Rate recycled paper % (50% - 74%)	N/A	N/A	0.50
Rate recycled paper % (75% - 100%)	N/A	N/A	2.40
TRANSPORT			
Corporate Transport	**2018/2019**	**2019/2020**	**2020/2021**
Reported vehicle kilometres	N/A	N/A	N/A
Tonnes CO2-e corporate transport	N/A	0.648	N/A
Tonnes CO2-e per 1,000 reported kilometres	N/A	N/A	N/A
Non-emergency Transport	**2018/2019**	**2019/2020**	**2020/2021**
Reported vehicle kilometres	N/A	N/A	N/A
Tonnes CO2-e per 1,000 reported kilometres	N/A	N/A	N/A
Tonnes CO2-e Non-emergency transport	N/A	N/A	N/A
Other Transport (tonnes CO2e)	**2018/2019**	**2019/2020**	**2020/2021**
Short Haul Air Travel (average)	N/A	N/A	N/A
Medium Haul Air Travel (average)	N/A	N/A	N/A
Medium Haul Air Travel (economy)	N/A	N/A	N/A
Medium Haul Air Travel (business)	N/A	N/A	N/A
Long Haul Air Travel (average)	N/A	N/A	N/A
Long Haul Air Travel (economy)	N/A	N/A	N/A
Long Haul Air Travel (premium economy)	N/A	N/A	N/A
Long Haul Air Travel (business)	N/A	N/A	N/A
Long Haul Air Travel (first class)	N/A	N/A	N/A
Taxi Travel	N/A	N/A	N/A
OTHER EMISSIONS			
Medical Gases	**2018/2019**	**2019/2020**	**2020/2021**
Kilograms CO2-e per patient treated	N/A	N/A	N/A
Refrigerants	**2018/2019**	**2019/2020**	**2020/2021**
Kilograms CO2-e per M2	N/A	N/A	N/A
NOTES AND CONTEXTUAL INFORMATION			
Normalisers (for information only)	**2018/2019**	**2019/2020**	**2020/2021**
Area M2	6,701	6,701	6,701
1000km (Corporate)	N/A	N/A	N/A
1000km (Non-emergency)	N/A	N/A	N/A
Aged Care OBD	19,171	18,657	19,876
ED Departures	0	0	0
FTE	126	120	124
LOS	1,649	1,960	2,044
OBD	20,820	20,617	21,920
PPT	21,289	20,924	22,205
Separations	469	307	285

Additional information available on request

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

- Declarations of pecuniary interests have been duly completed by all relevant officers;
- Details of shares held by senior officers as nominee or held beneficially;
- Details of publications produced by the entity about itself, including annual Aboriginal cultural safety reports and plans, and how these can be obtained;
- Details of changes in prices, fees, charges, rates and levies charged by the Health Service;
- Details of any major external reviews carried out on the Health Service;
- Details of major research and development activities undertaken by the Health Service that are not otherwise covered either in the report of operations or in a document that contains the financial statements and report of operations;
- Details of overseas visits undertaken including a summary of the objectives and outcomes of each visit;
- Details of major promotional, public relations and marketing activities undertaken by the Health Service to develop community awareness of the Health Service and its services;
- 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;

Local Jobs First

In August 2018, the Victorian Parliament reformed the *Victorian Industry Participation Policy Act 2003* into the *Local Jobs First Act 2003* and FRD was revised to FRD 250 (April 2019). There was one contract in 2020-21 to which the *Local Jobs First Act 2003* and the *Victorian Industry Participation Policy Act (2003)* applied.

The contract has been commenced at a cost of $2,268,000 excl. GST. The percentage of local Content Commitment for this work is 96.90 %.

There are 146 small-medium enterprises engaged in the supply chain.

100 % of Local Content has been committed for this project with 15% of the committed work having been completed.

Gender Equality

REDHS is fostering the development of an inclusive and diverse culture by raising awareness of gender equality, intersectionality and diversity. REDHS has established a ‘Health Care That Counts’ Committee and “Gender Equality Working Group’. A project plan has been developed to meet legislative requirements by 1st December 2021. Actions completed to date include, training of key personnel to facilitate the project, engagement of REDHS Executive and other key stakeholders including Women’s Health Loddon Mallee. REDHS have developed networks with Communities of Practice (including Alfred Health, Bendigo Health and Heathcote Health) with a view to sharing and implementing resources.

Asset Management Accountability Framework

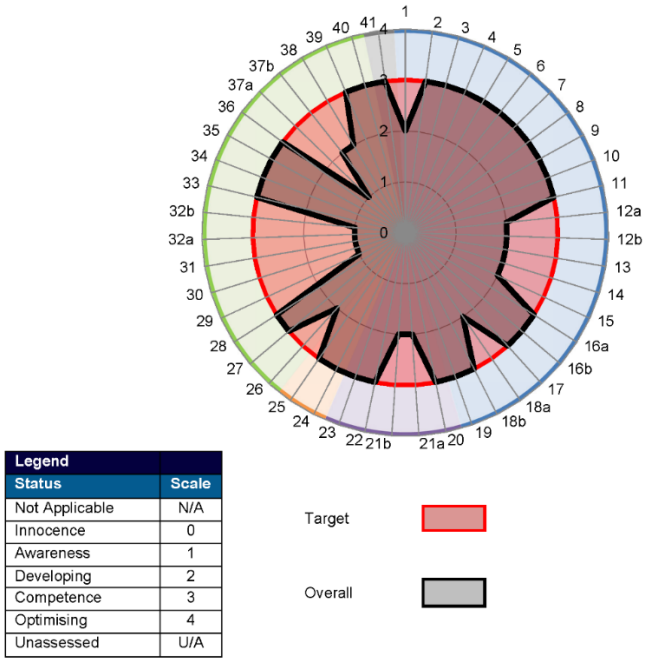
The Asset Management Accountability Framework (AMAF) replaces Victoria’s existing asset management framework, *Sustaining Our Assets* and the related asset management series. The AMAF assists Victorian Public Sector agencies manage their asset portfolios and provide better services to Victorians.

REDHS is compliant with two of the five areas of the AMAF. REDHS assessment and understanding of current maturity confirmed management’s awareness of compliance deficiencies and areas of improvement required to align with target maturity.

The deficiencies identified across the three non-compliant components of the AMAF relate to:

- incomplete implementation of the Asset Information Management System (e-Tools), which will providea centralised source of truth for asset management once implemented
- deficiencies of the Asset Management Framework in providing guidance for AMAF requirements
- asset performance targets and standards have not been established to enable performance monitoringof assets
- need for enhanced governance over the Asset Maintenance Program including regular review and additional support of procedures to provide guidance and establish consistent practices; and
- action plans to achieve desired maturity have not been developed in accordance with the AMAF requirements.

A pictorial representation of REDHS' maturity assessment, based on the AMAF Compliance Tool is provided below.



Legend	
Status	**Scale**
Not Applicable	N/A
Innocence	0
Awareness	1
Developing	2
Competence	3
Optimising	4
Unassessed	U/A

Overall, management is aware and was prepared going into this review that there would be gaps identified and an opportunity to improve the level of compliance with the AMAF. Addressing the key elements identified above will serve to vastly improve compliance, and therefore the Asset Management maturity and assessment of AMAF for REDHS.

Karen Laing
Accountable Officer
Rochester and Elmore District Health Service

23 August 2021

Attestations and Declarations

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

23 August 2021

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

23 August 2021

Conflict of Interest Declaration

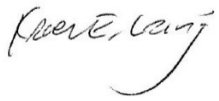
I, Karen Laing, certify that Rochester and Elmore District Health Service has put in place appropriate internal controls and processes to ensure that it has complied with the requirements of hospital circular 07/2017 Compliance reporting in health portfolio entities (Revised) and has implemented a 'Conflict 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

23 August 2021

Integrity, Fraud and Corruption Declaration

I, Karen Laing, certify that Rochester and Elmore District Health Service has put it 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

23 August 2021

Compliance with Health Purchasing Victoria (HPV) Health Purchasing Policies

HealthShare Victoria (HSV) has applied an exemption to reporting requirements for mandated health services for the financial year 2020-21.

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.*

Community Involvement and Support

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

Rotary Club of Echuca	$4,000
Rochester Senior Citizens	$1,050
REDHS Lolly Trolley	$ 200
Victoria Police Blue Ribbon Foundation	$ 100
Total Other Donations <$100 each	$ 68
Total	**$5,418**

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

Compliments, suggestions and complaints should be directed to:

Chief Executive Officer
REDHS
PO Box 202, Rochester Vic 3561
Phone: (03) 5484 4400
Email: myvoice@redhs.com.au
Web: 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 REDHS 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 from REDHS for this purpose. 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 Services* is prepared in accordance with all relevant Victorian legislation. This index has been prepared to facilitate identification of the Department's compliance with statutory disclosure requirements.

Legislation	Requirement	Page Reference
Ministerial Directions		**1**
Report of Operations		**1**
Charter and Purpose		**1**
FRD 22I	Manner of establishment and the relevant Ministers	1
FRD 22I	Purpose, functions, powers and duties	1
FRD 22I	Nature and range of services provided	2
FRD 22I	Activities, programs and achievements for the reporting period	3
FRD 22I	Significant changes in key initiatives and expectations for the future	4
Management and structure		
FRD 22I	Organisational structure	10
FRD 22I	Workforce data/ employment and conduct principles	15
FRD 22I	Occupational Health and Safety	16
Financial information		
FRD 22I	Summary of the financial results for the year	28
FRD 22I	Significant changes in financial position during the year	27
FRD 22I	Operational and budgetary objectives and performance against objectives	27
FRD 22I	Subsequent events	27
FRD 22I	Details of consultancies under $10,000	29
FRD 22I	Details of consultancies over $10,000	29
FRD 22I	Disclosure of ICT expenditure	29
Legislation		
FRD 22I	Application and operation of Freedom of Information Act 1982	17
FRD 22I	Compliance with building and maintenance provisions of *Building Act 1993*	17
FRD 22I	Application and operation of Public Interest Disclosures Act 2012 (updated 2020-2021)	17
FRD 22I	Statement on National Competition Policy	17
FRD 22I	Application and operation of *Carers Recognition Act 2012*	17
FRD 22I	Summary of the entity's environmental performance	18
FRD 22I	Additional information available on request	20
Other relevant reporting directives		
FRD 25D	Local Jobs First Act disclosures	20
SD 5.1.4	Financial Management Compliance attestation	22
SD 5.2.3	Declaration in report of operations	4
Attestations		
Attestation on Data Integrity		22
Attestation on managing Conflicts of Interest		22
Attestation on Integrity, fraud and corruption		23
Other reporting requirements		
•	Reporting of outcomes from Statement of Priorities 2020-21	12
•	Occupational Violence reporting	16
•	Gender Equality Act	20
•	Asset Management Accountability Framework	20
•	Reporting obligations under the *Safe Patient Care Act 2015*	23
•	Reporting of compliance regarding Car Parking Fees	N/A

Rochester and Elmore District Health Service

Financial Report 2020-2021

Caring for our Community

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 2020/21.

PART A: Strategic Priorities

Refer to REDHS 2020-2021 Report of Operations pages 10-11 for details.

PART B: 2020-21 Performance Priorities

High quality and safe care: Refer to REDHS 2020-2021 Report of Operations page 14 for details.

Effective financial management

Key performance measure	Target	Result
Finance		
Operating result ($m)	0.000	0.24
Average number of days to pay trade creditors	60 days	66
Average number of days to receive patient fee debtors	60 days	5
Adjusted current asset ratio	0.7 or 3% improvement from health service base target	1.29
Actual number of days available cash, measured on the last day of each month	14 days	116.5
Variance between forecast and actual Net result from transactions (NRFT) for the current financial year ending 30 June.	Variance ≤$250,000	$110,000

PART C: State Funding (Modelled Budget)

Small Rural	2020-21 Activity achievement	Units
Small Rural Acute	N/A	8 Units -$6,134,000
Small Rural Residential Care	20,031	Bed Days
Small Rural Primary Health & HACC	556	Service Hours
Health Workforce	5	Graduate nurse positions

Financials in Brief

The table below is a summary of the financial results for 2020-21, from annual financial statements, with comparative results for the preceding four financial years.

	2021 $'000	2020 $'000	2019 $'000	2018 $'000	2017 $'000
OPERATING RESULT	231	30	-135	153	439
Total revenue	16,477	15,303	15,479	14,603	14,265
Total expenses	17,186	16,581	16,338	15,532	14,730
Net result from transactions	**-709**	**-1,278**	**-859**	**-929**	**-465**
Total other economic flows	216	-204	162	1	
Net result	**-493**	**-1482**	**-697**	**(928)**	**(466)**
Total assets	52,611	53,148	53,129	50,574	46,904
Total liabilities	11,369	11,413	9,092	10,742	9,435
Net assets/Total equity	**41,242**	**41,735**	**44,037**	**39,832**	**37,469**

Reconciliation of Net Result from Transactions and Operating Result

	2020-21 $'000	2019-20 $'000
Net operating result *	**231**	**30**
Capital and specific items		
Capital purpose income	580	176
Specific income	0	0
COVID 19 State Supply Arrangements - Assets received free of charge or for nil consideration under the State Supply	88	0
State supply items consumed up to 30 June 2021	(56)	0
Assets provided free of charge	0	0
Assets received free of charge	0	0
Expenditure for capital purpose	(98)	(20)
Depreciation and amortisation	(1,495)	(1,494)
Impairment of non-financial assets	0	0
Finance costs (other)	41	30
Net result from transactions	**(709)**	**(1,278)**

DETAILS OF CONSULTANCIES

Details of Consultancies (under $10,000)

In 2020-21, there were five consultancies where the total fees payable to the consultants were less than $10,000. The total expenditure incurred during 2020-21 in relation to these consultancies is $24,831 (excl. GST).

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

In 2020-21, there was one consultancy where the total fees payable to the consultants was $10,000 or greater. The total expenditure incurred during 2020-21 in relation to these consultancies is $10,700 (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 2020-21 is $534,019.44 excl. GST, with the details shown below:

Business as Usual (BAU) ICT expenditure	Non-Business as Usual (non-BAU) ICT Expenditure		
Total (excluding GST)	Total of Operational and Capital Expenditure	Operational expenditure	Capital expenditure
$489,923.68	$44,095.76	0	$44,095.76

Independent Auditor's Report

Victorian Auditor-General's Office

To the Board of Rochester and Elmore District Health Service

Opinion

I have audited the financial report of Rochester and Elmore District Health Service (the health service) which comprises the:

- balance sheet as at 30 June 2021
- comprehensive operating statement for the year then ended
- statement of changes in equity for the year then ended
- cash flow statement for the year then ended
- notes to the financial statements, including significant accounting policies
- board member's, accountable officer's and chief finance & accounting officer's declaration.

In my opinion the financial report presents fairly, in all material respects, the financial position of the health service as at 30 June 2021 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 7 of the *Financial Management Act 1994* and applicable Australian Accounting Standards.

Basis for Opinion

I have conducted my audit in accordance with the *Audit Act 1994* which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report.

My independence is established by the *Constitution Act 1975.* My staff and I are independent of the health service in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Board's responsibilities for the financial report

The Board of the health service is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the *Financial Management Act 1994*, and for such internal control as the Board determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Board is responsible for assessing the health service's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.

Level 31 / 35 Collins Street, Melbourne Vic 3000
T 03 8601 7000 enquiries@audit.vic.gov.au www.audit.vic.gov.au

Other Information	The Board of the health service is responsible for the other information, which comprises the information in the health service's annual report for the year ended 30 June 2021, but does not include the financial report and my auditor's report thereon. My opinion on the financial report does not cover the other information and accordingly, I do not express any form of assurance conclusion on the other information. However, in connection with my audit of the financial report, my responsibility is to read the Other Information and in doing so, consider whether it is materially inconsistent with the financial report or the knowledge I obtained during the audit, or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude there is a material misstatement of the Other Information, I am required to report that fact. I have nothing to report in this regard.
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.

Auditor's responsibilities for the audit of the financial report **(continued)**	• 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
12 October 2021

Dominika Ryan
as delegate for the Auditor-General of Victoria

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.

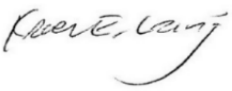
We further state that, in our opinion, the information set out in the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement and accompanying notes, presents fairly the financial transactions during the year ended 30 June 2021 and the financial position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

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

We authorise the attached financial statements for issue on this day.

David Rosaia
Chairperson

Rochester
23rd August 2021



Karen Laing
Chief Executive Officer

Rochester
23rd August 2021

Shaun Eldridge
Chief Finance & Accounting Officer

Rochester
23rd August 2021

Rochester and Elmore District Health Service
Comprehensive Operating Statement
For the Financial Year Ended 30 June 2021

		2021 $'000	2020 $'000
Revenue and Income from Transactions			
Operating Activities	2.1	16,441	15,191
Non-operating Activities	2.1	36	112
Total Revenue and Income from Transactions		**16,477**	**15,303**
Expenses from Transactions			
Employee Expenses	3.1	(12,566)	(12,256)
Supplies and Consumables	3.1	(933)	(893)
Finance Costs	3.1	(5)	(1)
Depreciation	3.1	(1,495)	(1,494)
Other Operating Expenses	3.1	(2,176)	(1,932)
Other Non-Operating Expenses	3.1	(11)	(5)
Total Expenses from Transactions		**(17,186)**	**(16,581)**
Net Result from Transactions - Net Operating Balance		**(709)**	**(1,278)**
Other Economic Flows included in Net Result			
Net Gain/(Loss) on Financial Instruments at Fair Value	3.4	5	(232)
Other Gain/(Loss) from Other Economic Flows	3.4	150	37
Share of Other Economic Flows from Joint Operation	3.4	61	(9)
Total Other Economic Flows included in Net Result		**216**	**(204)**
Net Result for the year		**(492)**	**(1,482)**
Other Comprehensive Income			
Items that will not be reclassified to Net Result			
Changes in Property, Plant and Equipment Revaluation Surplus	4.1(f)	-	-
Total Other Comprehensive Income		**-**	**-**
Comprehensive Result for the year		**(492)**	**(1,482)**

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

Rochester and Elmore District Health Service
Balance Sheet as at 30 June 2021

	Note	2021 $'000	2020 $'000
Current Assets			
Cash and Cash Equivalents	6.2	11,536	11,630
Receivables	5.1	360	394
Inventories	4.3	76	93
Other Financial Assets		120	136
Total Current Assets		**12,092**	**12,253**
Non-Current Assets			
Receivables	5.1	506	427
Property, Plant & Equipment	4.1(a)	40,013	40,468
Total Non-Current Assets		**40,519**	**40,895**
Total Assets		**52,611**	**53,148**
Current Liabilities			
Payables	5.2	1,098	1,794
Borrowings	6.1	110	8
Provisions	3.2	2,557	2,436
Other Liabilities	5.3	6,993	6,649
Total Current Liabilities		**10,758**	**10,887**
Non-Current Liabilities			
Borrowings	6.1	369	281
Provisions	3.2	242	245
Total Non-Current Liabilities		**611**	**526**
Total Liabilities		**11,369**	**11,413**
Net Assets		**41,242**	**41,735**
Equity			
Property, Plant & Equipment Revaluation Surplus	4.1(f)	26,246	26,246
Restricted Specific Purpose Surplus	SCE	958	954
Contributed Capital	SCE	7,370	7,370
Accumulated Surpluses	SCE	6,668	7,165
Total Equity		**41,242**	**41,735**

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 2021

	Note	Property, Plant and Equipment Revaluation Surplus	Restricted Special Purpose Surplus	Contributed Capital	Accumulated Surpluses / (Deficits)	Total
		$'000	$'000	$'000	$'000	$'000
Balance at 1 July 2019		26,246	944	7,370	9,477	44,037
Effect of adoption of AASB 1058		-	-	-	(820)	(820)
Restated Balance at 1 July 2019		**26,246**	**944**	**7,370**	**8,657**	**43,217**
Net result for the year		-	-	-	(1,482)	(1,482)
Other comprehensive income for the year		-	-	-	-	-
Transfers from (to) accumulated deficits		-	10	-	(10)	-
Balance at 30 June 2020		**26,246**	**954**	**7,370**	**7,165**	**41,735**
Net result for the year		-	-	-	(493)	(493)
Other comprehensive income for the year		-	-	-	-	-
Transfers from (to) accumulated deficits		-	4	-	(4)	-
Balance at 30 June 2021		**26,246**	**958**	**7,370**	**6,668**	**41,242**

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 2021

	Note	2021 $'000	2020 $'000
Cash Flows from Operating Activities			
Operating Grants from Government		12,156	11,521
Capital Grants from Government- State		573	164
Patient and Resident Fees Received		2,414	2,048
Donations and Bequests Received		93	25
GST received from Australian Taxation Office		180	214
Interest Received		36	112
Other Receipts		1,157	1,029
Total Receipts		**16,609**	**15,113**
Employee Expenses Paid		(12,651)	(11,862)
Non Salary Labour Costs		(134)	(158)
Payments for Supplies & Consumables		(1,147)	(1,208)
Other Payments		(1,532)	(1,386)
Total Payments		**(15,464)**	**(14,614)**
Net Cash Flows from/(used in) Operating Activities	8.1	**1,145**	**499**
Cash Flows from Investing Activities			
Payments for Non-Financial Assets		(1,055)	(805)
Proceeds from sale of Non-Financial Assets		5	-
Net Cash Flows from/(used in) Investing Activities		**(1,050)**	**(805)**
Cash Flows from Financing Activities			
Proceeds from Borrowings		-	256
Receipt of Monies in Trust		2,168	2,468
Repayments of Monies in Trust		(2,357)	(1,474)
Net Cash Flows from/(used in) Financing Activities		**(189)**	**1,250**
Net Increase/(Decrease) in Cash and Cash Equivalents Held		**(94)**	**944**
Cash and Cash Equivalents at beginning of year		11,630	10,686
Cash and Cash Equivalents at End of Year	6.2	**11,536**	**11,630**

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

Notes to the Financial Statements

Note 1: Basis of preparation

Structure

Note 1 Basis of Preparation

These 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 2021. The report provides users with information about the Health Service's stewardship of resources entrusted to it.

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

Note 1.1: Basis of preparation of the financial statements

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

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

Rochester and Elmore District Health Service is a not-for-profit entity and therefore applies the additional AUS paragraphs applicable to "not-for-profit" Health Services under the Australian Accounting Standards. Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Apart from the changes in accounting policies, standards and interpretations as noted below, material accounting policies adopted in the preparation of these financial statements are the same as those adopted in the previous period.

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

The financial statements are prepared on a going concern basis.

These financial statements are in Australian dollars.

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

The annual financial statements were authorised for issue by the Board of Rochester and Elmore District Health Service on 23rd August 2021.

Note 1.2 Impact of COVID-19 pandemic

In the previous financial year, a global pandemic caused by the COVID-19 Coronavirus (COVID-19) was declared. To contain the spread of COVID-19 and prioritise the health and safety of our community, Rochester and Elmore District Health Service was required to comply with various restrictions announced by the Commonwealth and State Governments, which in turn, has continued to impact the way in which Rochester and Elmore District Health Service operates.

Rochester and Elmore District Health Service introduced a range of measures in both the prior and current year, including:

- introducing restrictions on non-essential visitors
- greater utilisation of telehealth services
- implementing reduced visitor hours
- performing COVID-19 testing
- implementing work from home arrangements where appropriate.

As restrictions have eased towards the end of the financial year Rochester and Elmore District Health Service has been able to revise some measures where appropriate including:

- easing restrictions on non-essential visitors
- easing reduced visitor hours
- implementing work back in the office where appropriate.

The financial impacts of the pandemic are disclosed at:

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

Note 1.3 Abbreviations and terminology used in the financial statements

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

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

Note 1.4 Joint arrangements

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

Rochester and Elmore District Health Service has the following joint arrangements:

- Loddon Mallee Rural Health Alliance

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

Note 1.5 Key accounting estimates and judgements

Management make estimates and judgements when preparing the financial statements.

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

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

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

Note 1.6 Accounting standards issued but not yet effective

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

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

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

Note 1.7 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 included ine the Cash Flow Statement on a gross basis, except for the GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the ATO, which are disclosed as operating cash flows.

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

Note 1.8 Reporting Entity

The financial statements include all the controlled activities of 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.

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 grant funding for the provision of outputs.

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

Structure

2.1 Revenue and income from transactions
2.2 Fair value of assets and services received free of charge or for nominal consideration
2.3 Other income

Telling the COVID-19 story

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

Key judgements and estimates

This section contains the following key judgements and estimates:

Key judgements and estimates	Description
Identifying performance obligations	Rochester and Elmore District Health Service applies significant judgment when reviewing the terms and conditions of funding agreements and contracts to determine whether they contain sufficiently specific and enforceable performance obligations. If this criteria is met, the contract/funding agreement is treated as a contract with a customer, requiring Rochester and Elmore District Health Service to recognise revenue as or when the health service transfers promised goods or services to customers. If this criteria is not met, funding is recognised immediately in the net result from operations.
Determining timing of revenue recognition	Rochester and Elmore District Health Service applies significant judgement to determine when a performance obligation has been satisfied and the transaction price that is to be allocated to each performance obligation. A performance obligation is either satisfied at a point in time or over time.
Determining time of capital grant income recognition	Rochester and Elmore District Health Service applies significant judgement to determine when its obligation to construct an asset is satisfied. Costs incurred is used to measure the health service’s progress as this is deemed to be the most accurate reflection of the stage of completion.

Note 2.1 Revenue and Income from Transactions

	2021 $'000	2020 $'000
Operating Activities		
Revenue from Contracts with Customers		
Government Grants (State) - Operating	52	60
Government Grants (Commonwealth) - Operating	4,562	4,024
Commercial Activities [1]	93	132
Patient and Resident Fees	2,364	2,057
Other Revenue from Operating Activities	1,160	1,271
Total Revenue from Contracts with Customers	**8,231**	**7,543**
Other Sources of Income		
Government Grants (State) - Operating	7,541	7,437
Government Grants (State) - Capital	573	164
Cash Donations	89	47
Other Capital Purpose Income	7	-
Total Other Sources of Income	**8,210**	**7,647**
Total Revenue and Income from Operating Activities	**16,441**	**15,190**
Non-Operating Activities		
Income from Other Sources		
Capital Interest	-	3
Other Interest	36	109
Total Other Sources of Income	**36**	**112**
Total Income from Non-Operating Activities	**36**	**112**
Total Revenue and Income from Transactions	**16,477**	**15,303**

[1.] Commercial activities represent business activities which Rochester and Elmore District Health Service enter into to support their operations.

How we recognise revenue and income from transactions
Government operating grants

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

When both these conditions are satisfied, the health service:

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

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

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

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

Government grant	Performance obligation
Commonwealth Aged Care Funding	The performance obligations for Commonwealth Aged Care Funding are the number and mix of residents in the Aged Care facilities. Revenue is recognised at a point in time, which is when AIMS data is submitted monthly.

Capital grants

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

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

Patient and resident fees

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

Private practice fees

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

Commercial activities

Revenue from commercial activities includes items such as cafeteria income and meals on wheels income. Commercial activity revenue is recognised at a point in time, upon provision of the goods or service to the customer.

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

	2021 $'000	2020 $'000
Cash donations	1	47
Personal protective equipment	88	-
Total fair value of assets and services received free of charge or for nominal consideration	89	47

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

Donations and bequests

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

Personal protective equipment

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

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

Non-cash contributions from the Department of Health

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

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

2.3 Other income

	2021 $'000	2020 $'000
Capital interest	-	3
Other interest	36	109
Total other income	**36**	**112**

How we recognise other income

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 Employee benefits in the balance sheet
3.3 Superannuation
3.4 Other economic flows

Telling the COVID-19 story

Expenses incurred to deliver services during the financial year were not materially impacted by the COVID-19 Coronavirus pandemic and its impact on our economy and the health of our community.

Key judgements and estimates

This section contains the following key judgements and estimates:

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

Note 3.1: Expenses from Transactions

	2021 $'000	2020 $'000
Salaries and Wages	10,049	9,627
On-costs	2,219	2,139
Agency Expenses	22	221
Fee for Service Medical Officer Expenses	133	158
Workcover Premium	143	111
Total Employee Expenses	**12,566**	**12,256**
Drug Supplies	58	55
Medical and Surgical Supplies (including Prostheses)	148	165
Diagnostic and Radiology Supplies	33	48
Other Supplies and Consumables	694	625
Total Supplies and Consumables	**933**	**893**
Finance Costs	5	1
Total Finance Costs	**5**	**1**
Fuel, Light, Power and Water	232	266
Repairs and Maintenance	276	172
Maintenance Contracts	100	119
Medical Indemnity Insurance	36	38
Other Administrative Expenses	1,529	1,317
Expenditure for Capital Purposes	3	20
Total Other Operating Expenses	**2,176**	**1,933**
Total Operating Expense	**15,680**	**15,082**
Depreciation (refer Note 4.2)	1,495	1,494
Total Depreciation and Amortisation	**1,495**	**1,494**
Bad and doubtful debt expense	11	5
Total Other Non-Operating Expenses	**11**	**5**
Total Non-Operating Expense	**1,506**	**1,499**
Total Expenses from Transactions	**17,186**	**16,581**

How we recognise expenses from transactions

Expense recognition

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

Employee Expenses

Employee expenses include:

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

Note 3.2: Employee Benefits in the Balance Sheet

	2021 $'000	2020 $'000
Current Provisions		
Accrued Days Off		
- Unconditional and expected to be settled within 12 months (i)	8	7
- Unconditional and expected to be settled after 12 months (ii)	1	1
Annual Leave		
- Unconditional and expected to be settled within 12 months (i)	941	864
- Unconditional and expected to be settled after 12 months (ii)	159	148
Long Service Leave		
- Unconditional and expected to be settled within 12 months (i)	210	150
- Unconditional and expected to be settled after 12 months (ii)	990	1,035
	2,309	**2,205**
Provisions related to employee benefit on-costs		
- Unconditional and expected to be settled within 12 months (i)	123	107
- Unconditional and expected to be settled after 12 months (ii)	125	124
	248	**231**
Total Current Employee Benefits	**2,557**	**2,436**
Non-Current Provisions		
Conditional Long Service Leave	218	222
Provisions related to employee benefits on-costs	24	23
Total Non-Current Employee Benefits	**242**	**245**
Total Employee Benefits	**2,799**	**2,681**

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

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

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

Termination Benefits

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

On-Costs Related to Employee Benefits

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

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

	2021 $'000	2020 $'000
Unconditional Accrued Days Off	10	9
Unconditional Annual Leave Entitlements	1,216	1,118
Unconditional Long Service Leave Entitlements	1,331	1,310
Total Current Employee Benefits and Related On-Costs	**2,557**	**2,437**
Conditional Long Service Leave Entitlements	242	245
Total Non-Current Employee Benefits and Related On-Costs	**242**	**245**
Total Employee Benefits and Related On-costs	**2,799**	**2,682**
Carrying amount at start of year	2,682	2,593
Additional provisions recognised	1,059	89
Amounts incurred during the year (including estimates)	(942)	-
Carrying amount at end of year	**2,799**	**2,682**

Note 3.3: Superannuation

	Paid Contribution for the Year	
	2021 $'000	**2020 $'000**
Defined Contribution plans:		
First State Super	650	622
HESTA Administration	298	278
Other	82	50
TOTAL	**1,030**	**950**

How we recognise superannuation

Employees of Rochester and Elmore District Health Service are entitled to receive superannuation benefits and it contributes to both defined benefit and defined contribution plans.

Defined Contribution Superannuation Plans

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

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

Note 3.4: Other Economic Flows

	2021 $'000	2020 $'000
Net gain/(loss) on disposal of financial instruments	5	(232)
Total net gain/(loss) on financial instruments	**5**	**(232)**
Share of net profits/(losses) of joint entities, excluding dividends	61	(9)
Total Share of other economic flows from Joint Operations	**61**	**(9)**
Net gain/(loss) arising from revaluation of long service liability	150	37
Total other gains/(losses) from other economic flows	**150**	**37**
Total gains/(losses) from Economic Flows	**216**	**(204)**

How we recognise other economic flows

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

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

Net gain/ (loss) on non-financial assets

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

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

Net gain/ (loss) on financial instruments

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

- 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.

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
4.3 Inventories

Telling the COVID-19 story

Assets used to support the delivery of our services during the financial year were not materially impacted by the COVID-19 Coronavirus pandemic and its impact on our economy and the health of our community.

Key judgements and estimates

This section contains the following key judgements and estimates:

Key judgements and estimates	Description
Measuring fair value of property, plant and equipment and investment properties	Rochester and Elmore District Health Service obtains independent valuations for its non-current assets at least once every five years. If an independent valuation has not been undertaken at balance date, the health service estimates possible changes in fair value since the date of the last independent valuation with reference to Valuer-General of Victoria indices. Managerial adjustments are recorded if the assessment concludes a material change in fair value has occurred. Where exceptionally large movements are identified, an interim independent valuation is undertaken.
Estimating useful life and residual value of property, plant and equipment	Rochester and Elmore District Health Service assigns an estimated useful life to each item of property, plant and equipment, whilst also estimating the residual value of the asset, if any, at the end of the useful life. This is used to calculate depreciation of the asset. The health service reviews the useful life, residual value and depreciation rates of all assets at the end of each financial year and where necessary, records a change in accounting estimate.
Estimating useful life of right-of-use assets	The useful life of each right-of-use asset is typically the respective lease term, except where the health service is reasonably certain to exercise a purchase option contained within the lease (if any), in which case the useful life reverts to the estimated useful life of the underlying asset. Rochester and Elmore District Health Service applies significant judgement to determine whether or not it is reasonably certain to exercise such purchase options.
Estimating restoration costs at the end of a lease	Where a lease agreement requires Rochester and Elmore District Health Service to restore a right-of-use asset to its original condition at the end of a lease, the health service estimates the present value of such restoration costs. This cost is included in the measurement of the right-of-use asset, which is depreciated over the relevant lease term.
Estimating the useful life of intangible assets	Rochester and Elmore District Health Service assigns an estimated useful life to each intangible asset with a finite useful life, which is used to calculate amortisation of the asset.
Identifying indicators of impairment	At the end of each year, Rochester and Elmore District Health Service assesses impairment by evaluating the conditions and events specific to the health service that may be indicative of impairment triggers. Where an indication exists, the health service tests the asset for impairment. The health service considers a range of information when performing its assessment, including considering: ▪ If an asset's value has declined more than expected based on normal use ▪ If a significant change in technological, market, economic or legal environment which adversely impacts the way the health service uses an asset ▪ If an asset is obsolete or damaged ▪ If the asset has become idle or if there are plans to discontinue or dispose of the asset before the end of its useful life ▪ If the performance of the asset is or will be worse than initially expected. Where an impairment trigger exists, the health services applies significant judgement and estimate to determine the recoverable amount of the asset.

Note 4.1: Property, Plant and Equipment
Note 4.1 (a): Gross carrying amount and accummulated depreciation

	2021 $'000	2020 $'000
Land at Fair Value	358	358
Landscaping at Fair Value	259	259
Less Accumulated Depreciation	(10)	(5)
Total Land at fair value	**607**	**612**
Buildings at Fair Value	39,052	39,040
Less Accumulated Depreciation	(2,369)	(1,184)
Total Buildings at fair value	**36,683**	**37,856**
Plant and Equipment at Fair Value	3,011	3,007
Less Accumulated Depreciation	(2,043)	(1,895)
Loddon Mallee Rural Health Alliance at Fair Value	79	71
Less Accumulated Depreciation	(39)	(34)
Total Plant and Equipment at fair value	**1,008**	**1,149**
Motor Vehicles at Fair Value	330	387
Less Accumulated Depreciation	(247)	(248)
Total Motor Vehicles at fair value	**83**	**139**
Computers and Communication at Fair Value	377	323
Less Accumulated Depreciation	(288)	(248)
Total Computers and Communications at fair value	**89**	**75**
Furniture and Fittings at Fair Value	911	912
Less Accumulated Depreciation	(559)	(524)
Total Furniture and Fittings at fair value	**352**	**388**
Work In Progress at Cost	968	214
Total Work In Progress at fair value	**968**	**214**
Right of use Vehicles at Fair Value	253	39
Less Accumulated Depreciation	(30)	(4)
Total right of use vehicles at fair value	**223**	**35**
Total Property, Plant and Equipment	**40,013**	**40,468**

Note 4.1: Property, Plant and Equipment (Continued)

Note 4.1 (b): Reconciliations of the carrying amounts of each class of asset

	Land $'000	Buildings $'000	Plant & Equipment $'000	Motor Vehicles $'000	Computer Equipment $'000	Furniture & Fittings $'000	Work in Progress $'000	Leased Assets $'000	Total $'000
Balance at 30 June 2019	**617**	**38,996**	**1,076**	**181**	**70**	**430**	**21**	**-**	**41,391**
Additions	-	44	452	3	52	2	214	39	806
Transfers In/(out)	-	-		-	-	-	(21)	-	(21)
Loddon Mallee Rural Health Alliance	-	-	16	-	-	-	-	-	16
Disposals	-	-	(228)	-	-	-	-	-	(228)
Revalution increments/(decrements)	-	-	-	-	-	-	-	-	-
Depreciation (see Note 4.2)	(5)	(1,184)	(167)	(45)	(47)	(44)	-	(4)	(1,496)
Balance at 30 June 2020	**612**	**37,856**	**1,149**	**139**	**75**	**388**	**214**	**35**	**40,468**
Additions	-	12	20	-	55	-	754	214	1,055
Transfers In/(out)	-	-	-	-	-	-	-	-	-
Loddon Mallee Rural Health Alliance	-	-	8	-	-	-	-	-	8
Disposals	-	-	(6)	(11)	-	-	-	-	(17)
Revalution increments/(decrements)	-	-	-	-	-	-	-	-	-
Depreciation (see Note 4.2)	(5)	(1,185)	(163)	(45)	(41)	(36)	-	(26)	(1,501)
Balance at 30 June 2021	**607**	**36,683**	**1,008**	**83**	**89**	**352**	**968**	**223**	**40,013**

Land and Buildings and Leased Assets Carried at Valuation

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

How we recognise property, plant and equipment

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

Initial recognition

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

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

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

Subsequent measurement

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

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

Further information regarding fair value measurement is disclosed below.

Revaluation

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

Where an independent valuation has not been undertaken at balance date, Rochester and Elmore District Health Service perform a managerial assessment to estimate possible changes in fair value of land and buildings since the date of the last independent valuation with reference to Valuer-General of Victoria (VGV) indices.

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

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

- increase in fair value of land of 3.0%
- increase in fair value of buildings of less than 10%

As the cumulative movement was less than 10% for land and buildings since the last revaluation a managerial revaluation adjustment was not required as at 30 June 2021.

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

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

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

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

Impairment

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

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

How we recognise right-of-use assets

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

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

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

Class of right-of-use asset	Lease term
Leased plant, equipment, furniture, fittings and vehicles	3 years

Presentation of right-of-use assets

Rochester and Elmore District Health Service presents right-of-use assets as 'property plant equipment' unless they meet the definition of investment property, in which case they are disclosed as 'investment property' in the balance sheet.

Initial recognition

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

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

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

Rochester and Elmore District Health Service's VicFleet lease agreements contain purchase options which the health service is not reasonably certain to exercise at the completion of the lease.

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

Subsequent measurement

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

Impairment

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

Rochester and Elmore District Health Service performed an impairment assessment and noted there were no indications of its right-of-use assets being impaired at balance date.

Note 4.1: Property, plant & equipment (continued)

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

		Consolidated Carrying Amount 30 June 2021	Fair value measurement at end of reporting period using:		
			Level 1 [(i)]	Level 2 [(i)]	Level 3 [(i)]
		$'000	$'000	$'000	$'000
Non-specialised land		132	-	132	-
Specialised land		226	-	-	226
Total of land at fair value	4.1(a)	**358**	**-**	**132**	**226**
Non-specialised buildings		1,448	-	1,448	-
Specialised buildings		35,235	-	-	35,235
Total of building at fair value	4.1(a)	**36,683**	**-**	**1,448**	**35,235**
Land Improvements at fair value	4.1(a)	249	-	-	249
Plant and Equipment at fair value	4.1(a)	1,008	-	-	1,008
Motor Vehicles at fair value	4.1(a)	83	-	-	83
Computer and Communication at fair value	4.1(a)	89	-	-	89
Furniture and Fittings at fair value	4.1(a)	352	-	-	352
Work in Progress at fair value	4.1(a)	968	-	-	968
Leased Assets at fair value	4.1(a)	223	-	-	223
Total plant, equipment, furniture, fittings and vehicles at fair value		**2,972**	-	-	**2,972**
Total property, plant and equipment at fair value		**40,013**	**-**	**1,580**	**38,433**

[i] Classified in accordance with the fair value hierarchy.

		Consolidated carrying amount 30 June 2020	Fair value measurement at end of reporting period using:		
			Level 1 [(i)]	Level 2 [(i)]	Level 3 [(i)]
		$'000	$'000	$'000	$'000
Non-specialised land		132	-	132	-
Specialised land		226	-	-	226
Total of land at fair value	4.1(a)	**358**	**-**	**132**	**226**
Non-specialised buildings		1,458	-	1,458	-
Specialised buildings		36,398	-	-	36,398
Total of building at fair value	4.1(a)	**37,856**	**-**	**1,458**	**36,398**
Land Improvements at fair value	4.1(a)	254	-	-	254
Plant and Equipment at fair value	4.1(a)	1,149	-	-	1,149
Motor Vehicles at fair value	4.1(a)	139	-	-	139
Computer and Communication at fair value	4.1(a)	75	-	-	75
Furniture and Fittings at fair value	4.1(a)	388	-	-	388
Work in Progress at fair value	4.1(a)	214	-	-	214
Leased Assets at fair value	4.1(a)	35	-	-	35
Total plant, equipment, furniture, fittings and vehicles at fair value		**2,254**	-	-	**2,254**
Total property, plant and equipment at fair value		**40,468**	**-**	**1,590**	**38,878**

[i] Classified in accordance with the fair value hierarchy.

Note 4.1: Property, plant & equipment (continued)

Note 4.1(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
Balance at 1 July 2019	**226**	**37,534**	**259**	**1,076**	**181**	**70**	**430**	**21**	**-**
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	-	-	-	-	-	-	-	-	-
Balance at 30 June 2020	**226**	**36,398**	**254**	**1,149**	**139**	**75**	**388**	**214**	**35**
Additions/(Disposals)	-	-	-	22	(11)	55	-	754	214
Gains or losses recognised in net result									
- Depreciation	-	(1,163)	(5)	(163)	(45)	(41)	(36)	-	(26)
Items recognised in other comprehensive income									
- Revaluation	-	-	-	-	-	-	-	-	-
Balance at 30 June 2021	**226**	**35,235**	**249**	**1,008**	**83**	**89**	**352**	**968**	**223**

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

Note 4.1: Property, plant & equipment (continued)

Note 4.1 (e): Fair Value Determination

Asset class	Likely valuation approach	Significant inputs (Level 3 only)[(c)]
Non-Specialised Land	Market approach	n.a.
Specialised Land	Market approach	- Community Service Obligations Adjustments [(a)]
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.

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

For the purpose of fair value disclosures, 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.

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.

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 *Fair Value Measurement* paragraph 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).

Furniture, fittings, plant and equipment

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

There were no changes in valuation techniques throughout the period to 30 June 2021.

Note 4.1: Property, plant & equipment (continued)

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

	2021 $'000	2020 $'000
Property, Plant and Equipment Revaluation Surplus		
Balance at the beginning of the reporting period	26,246	26,246
Revaluation Increment		
- Land (refer Note 4.1(b))	-	-
- Buildings	-	-
Balance at the end of the reporting period*	**26,246**	**26,246**
*** Represented by:**		
- Land	204	204
- Buildings	26,042	26,042
	26,246	**26,246**

Note 4.2: Depreciation

	2021 $'000	2020 $'000
Depreciation		
Buildings	1,185	1,184
Land Improvements	5	5
Plant & Equipment	157	165
Motor Vehicles	45	45
Computer and Communications	41	47
Furniture and Fittings	36	44
Leased assets	26	4
Loddon Mallee Rural Health Alliance	6	2
Total Depreciation	**1,501**	**1,496**

How we recognise 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.

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

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

	2021	2020
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

	2021 $'000	2020 $'000
Pharmaceuticals - at cost	9	10
Catering Supplies - at cost	7	6
Housekeeping Supplies - at cost	5	3
Medical and Surgical Lines - at cost	19	22
Administration Stores - at cost	2	3
PPE Supplies - at cost	34	2
Loddon Mallee Rural Health Alliance	-	47
Total Inventories	**76**	**93**

How we recognise inventories

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

Inventories are measured at the lower of cost and net realisable value.

Note 5: Other Assets and Liabilities

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

Structure
5.1 Receivables and contract assets
5.2 Payables and contract liabilities
5.3 Other liabilities

Telling the COVID-19 story

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

Key judgements and estimates

This section contains the following key judgements and estimates:

Key judgements and estimates	Description
Estimating the provision for expected credit losses	Rochester and Elmore District Health Service uses a simplified approach to account for the expected credit loss provision. A provision matrix is used, which considers historical experience, external indicators and forward-looking information to determine expected credit loss rates.
Measuring deferred capital grant income	Where Rochester and Elmore District Health Service has received funding to construct an identifiable non-financial asset, such funding is recognised as deferred capital grant income until the underlying asset is constructed. Rochester and Elmore District Health Service applies significant judgement when measuring the deferred capital grant income balance, which references the estimated the stage of completion at the end of each financial year.
Measuring contract liabilities	Rochester and Elmore District Health Service applies significant judgement to measure its progress towards satisfying a performance obligation as detailed in Note 2. Where a performance obligation is yet to be satisfied, the health service assigns funds to the outstanding obligation and records this as a contract liability until the promised good or service is transferred to the customer.
Recognition of other provisions	Other provisions include Rochester and Elmore District Health Service's obligation to restore leased assets to their original condition at the end of a lease term. The health service applies significant judgement and estimate to determine the present value of such restoration costs.

Note 5.1: Receivables and contract assets

	Notes	2021 $'000	2020 $'000
Current receivables and contract assets			
Contractual			
Inter Hospital Debtors		43	43
Trade Debtors		120	92
Patient Fees		5	55
Accrued Revenue		63	99
Department of Health		-	42
Loddon Mallee Rural Health Alliance Receivables		36	3
Patient Fees- Allowance for impairment losses		(4)	(1)
Total Contractual Receivables		**263**	**333**
Statutory			
GST Receivable		89	45
Loddon Mallee Rural Health Alliance GST Receivables		8	16
Total Statutory Receivables		**97**	**61**
Total current receivables and contract assets		**360**	**394**
Non-current receivables and contract assets			
Contractual			
Long Service Leave - Department of Health		506	427
Total Contractual Receivables		**506**	**427**
Total non-current receivables and contract assets		**506**	**427**
Total receivables and contract assets		**866**	**821**

(i) Financial assets classified as receivables and contract assets (Note 7.1(a))

Total receivables and contract assets		**866**	**821**
GST receivable		(97)	(61)
Long service leave - Department of Health		(506)	(427)
Department of Health and Human Services		-	(42)
Total financial assets	7.1(a)	**263**	**291**

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

	2021 $'000	2020 $'000
Balance at the beginning of year	1	2
Reversal of allowance written off during the year as uncollectable	(6)	(5)
Reversal of unused allowance recognised in the net result	-	-
Increase in allowance recognised in net result	9	4
Balance at the end of year	**4**	**1**

How we recognise receivables

Receivables consist of:

- **Contractual receivables**, which mostly includes debtors in relation to goods and services. These receivables are classified as financial instruments and categorised as 'financial assets at amortised costs'. They are initially recognised at fair value plus any directly attributable transaction costs. 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** which mostly includes amounts owing from the Victorian Government and Goods and Services Tax (GST) input tax credits that are recoverable. Statutory receivables do not arise from contracts and are recognised and measured similarly to contractual receivables (except for impairment), but are not classified as financial instruments for disclosure purposes. 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.

Impairment losses of contractual receivables

Refer to Note 7.2(a) for Rochester and Elmore District Health Service contractual impairment losses.

Note 5.2: Payables and contract liabilities

	Notes	2021 $'000	2020 $'000
Current payables and contract liabilities			
Contractual			
Trade Creditors		186	274
Accrued Salaries and Wages		98	490
Accrued Expenses		75	56
Accrued Audit Fees		17	17
Amounts payable to governments and agencies		380	-
Deferred Grant Revenue	5.2 (a)	168	719
Inter- Hospital Creditors		21	3
Other Payables		32	33
Loddon Mallee Rural Health Alliance		121	202
Total contractual payables		**1,098**	**1,794**
Total payables and contract liabilities		**1,098**	**1,794**

(i) Financial liabilities classified as payables and contract liabilities (Note 7.1(a))

Total payables and contract liabilities		1,098	1,794
Deferred Grant Revenue		(168)	(719)
Total financial liabilities	7.1(a)	**930**	**1,075**

How we recognise payables and contract liabilities

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

	2021 $'000	2020 $'000
Opening balance of deferred grant income	**719**	-
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	(551)	(101)
Closing balance of deferred grant income	**168**	**719**

How we recognise deferred capital grant revenue

Grant consideration was received from the 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 percentage of completion of the building works. 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.

Rochester and Elmore District Health Service expects to recognise all of the remaining deferred capital grant revenue for capital works by the end of 2021-22 financial year.

Maturity analysis of payables

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

Note 5.3: Other Liabilities

	2021 $'000	2020 $'000
Current monies held in trust		
Patient monies	107	65
Refundable accommodation deposits	6,886	6,584
Total current monies held in trust	**6,993**	**6,649**
Total Other Liabilities	**6,993**	**6,649**
Represented by:		
Cash assets (refer to Note 6.2)	6,993	6,649
	6,993	**6,649**

How we recognise other liabilities
Refundable Accommodation Deposit ("RAD")/Accommodation Bond liabilities

RADs/accommodation bonds are non-interest-bearing deposits made by some aged care residents to the 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

Telling the COVID-19 story

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

Key judgements and estimates

This section contains the following key judgements and estimates:

Key judgements and estimates	Description
Determining if a contract is or contains a lease	Rochester and Elmore District Health Service applies significant judgement to determine if a contract is or contains a lease by considering if the health service: ▪ has the right-to-use an identified asset ▪ has the right to obtain substantially all economic benefits from the use of the leased asset and ▪ can decide how and for what purpose the asset is used throughout the lease.
Determining if a lease meets the short-term or low value asset lease exemption	Rochester and Elmore District Health Service applies significant judgement when determining if a lease meets the short-term or low value lease exemption criteria. The health service estimates the fair value of leased assets when new. Where the estimated fair value is less than $10,000, the health service applies the low-value lease exemption. The health service also estimates the lease term with reference to remaining lease term and period that the lease remains enforceable. Where the enforceable lease period is less than 12 months the health service applies the short-term lease exemption.
Discount rate applied to future lease payments	Rochester and Elmore District Health Service discounts its lease payments using the interest rate implicit in the lease. If this rate cannot be readily determined, which is generally the case for the health service's lease arrangements, Rochester and Elmore District Health Service uses its incremental borrowing rate, which is the amount the health service would have to pay to borrow funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.
Assessing the lease term	The lease term represents the non-cancellable period of a lease, combined with periods covered by an option to extend or terminate the lease if Rochester and Elmore District Health Service is reasonably certain to exercise such options. Rochester and Elmore District Health Service determines the likelihood of exercising such options on a lease-by-lease basis through consideration of various factors including: ▪ If there are significant penalties to terminate (or not extend), the health service is typically reasonably certain to extend (or not terminate) the lease. ▪ If any leasehold improvements are expected to have a significant remaining value, the health service is typically reasonably certain to extend (or not terminate) the lease. ▪ The health service considers historical lease durations and the costs and business disruption to replace such leased assets.

Note 6.1: Borrowings

	2021 $'000	2020 $'000
Current borrowings		
Lease Liability (i)	59	8
Advances from government (ii)	51	-
Total Current Borrowings	**110**	**8**
Non-current borrowings		
Lease Liability (i)	165	27
Advances from government (ii)	204	254
Total Non-Current Borrowings	**369**	**281**
Total Borrowings	**479**	**289**

(i) Secured by the assets leased.
(ii) These are unsecured loans which bear no interest.

How we recognise borrowings

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

Initial recognition

All borrowings are initially recognised at fair value of the consideration received, less directly attributable transaction costs. The measurement basis subsequent to initial recognition depends on whether 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 measurement

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

Maturity analysis

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

Defaults and Breaches

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

Note 6.1 (a) Lease liabilities

Rochester and Elmore District Health Service lease liabilities are summarised below:

	2021 $'000	2020 $'000
Total undiscounted lease liabilities	233	36
Less unexpired finance expenses	(9)	(1)
Net lease liabilities	**224**	**35**

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

	2021 $'000	2020 $'000
Not later than one year	63	9
Later than 1 year and not later than 5 years	170	27
Minimum lease payments	**233**	**36**
Less unexpired finance expenses	(9)	(1)
Present value of lease liability	**224**	**35**
Represented by:		
- Current liabilities	59	8
- Non-current liabilities	165	27
	224	**35**

How we recognise lease liabilities

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

To apply this definition, Rochester and Elmore District Health Service ensures the contract meets the following criteria:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to 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.

Rochester and Elmore District Health Service's lease arrangements consist of the following:

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

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

Type of payment	Description of payment	Type of leases captured
Low value lease payments	Leases where the underlying asset's fair value, when new, is no more than $10,000	Computer leases

Separation of lease and non-lease components

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

Initial measurement

The lease liability is initially measured at the present value of the lease payments unpaid at the commencement date, discounted using the interest rate implicit in the lease if that rate is readily determinable or 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.

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

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

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

Subsequent measurement

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

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

Note 6.2: Cash and Cash Equivalents

	2021 $'000	2020 $'000
Cash on Hand (excluding monies held in trust)	1	1
Cash at Bank (excluding monies held in trust)	1,060	1,679
Cash at Bank - CBS (excluding monies held in trust)	3,218	3,028
Total cash held for operations	**4,279**	**4,707**
Cash at Bank - CBS (monies held in trust)	6,993	6,649
Loddon Mallee Rural Health Alliance	264	273
Total cash held as monies in trust	**7,257**	**6,923**
Total cash and cash equivalents	**11,536**	**11,630**

How we recognise cash and cash equivalents

Cash and cash equivalents recognised on the balance sheet comprise cash on hand and in banks, deposits at call and highly liquid investments (with an original maturity 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.

Note 6.3: Commitments for Expenditure

	2021 $	2020 $
Capital Expenditure Commitments		
Less than 1 year	1,514	2,105
Total Capital Expenditure Commitments	**1,514**	**2,105**

How we disclose our commitments

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

Expenditure commitments

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

Capital Expenditure commitments disclosed relates to the Nursing Home Redevelopment project. Capital expenditure commitments are classified as less than 1 year, however due to the COVID-19 pandemic timelines were substainly pushed back in the 2019-20 and 2020-21 financial years. Expected completion date is 30th April 2022.

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

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 (for example, taxes, fines and penalties). Such financial assets and financial liabilities do not meet the definition of financial instruments in AASB 132 *Financial Instruments: Presentation.*

Note 7.1(a) Financial Instruments: categorisation

30 June 2021	Note	Financial Assets at Amortised Cost $'000	Financial Liabilities at Amortised Cost $'000	Total $'000
Contractual Financial Assets				
Cash and cash equivalents	6.2	11,536	-	11,536
Receivables and contract assets	5.1	768	-	768
Total Financial Assets [(i)]		**12,304**	**-**	**12,304**
Financial Liabilities				
Payables	5.2	-	930	930
Borrowings	6.1	-	479	479
Other Financial Liabilties - Refundable Accommodation Deposits	5.3	-	6,886	6,886
Other Financial Liabilties - Patient monies held in trust	5.3	-	107	107
Total Financial Liabilities [(i)]		**-**	**8,402**	**8,402**

30 June 2020		Financial Assets at Amortised Cost $'000	Financial Liabilities at Amortised Cost $'000	Total $'000
Contractual Financial Assets				
Cash and cash equivalents	6.1	11,630	-	11,630
Receivables and contract assets	5.1	760	-	760
Total Financial Assets [(i)]		**12,390**	**-**	**12,390**
Financial Liabilities				
Payables	5.2	-	1,075	1,075
Borrowings	6.1		289	289
Other Financial Liabilties - Refundable Accommodation Deposits	5.3	-	6,584	6,584
Other Financial Liabilties - Patient monies held in trust	5.3	-	65	65
Total Financial Liabilities [(i)]		**-**	**8,013**	**8,013**

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

How we categorise financial instruments

Categories of financial assets

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

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

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

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

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 Service 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 Alliance recognises the following assets in this category:

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

Categories of financial liabilities

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

Financial liabilities at amortised cost

Financial liabilities are measured at amortised cost using the effective interest method, where they are not held at fair value through net result.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest expense in net result over the relevant period. The effective interest is the internal rate of return of the financial asset or liability. That is, it is the rate that exactly discounts the estimated future cash flows through the expected life of the instrument to the net carrying amount at initial recognition.

Rochester and Elmore District Health Service recognises the following liabilities in this category:

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

Note 7.2: Financial risk management objectives and policies

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

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

Rochester and Elmore District Health Service’s main financial risks include credit risk, liquidity risk, interest rate risk, foreign currency risk and equity price risk. Rochester and Elmore District Health Service manages these financial risks in accordance with its financial risk management policy.

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

Note 7.2 (a) Credit risk

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

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

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

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

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

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

There has been no material change to Rochester and Elmore District Health Service's credit risk profile in 2020-21.

Impairment of financial assets under AASB 9

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.

Credit loss allowance is classified as other economic flows in the net result. Contractual receivables are written off when there is no reasonable expectation of recovery and impairment losses are classified as a transaction expense. Subsequent recoveries of amounts previously written off are credited against the same line item.

Contractual receivables at amortised cost

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.

	Current	Less than 1 month	1–3 months	3 months –1 year	1–5 years	Total
30 June 2021						
Expected loss rate	2%	3%	20%	50%	100%	
Gross carrying amount of contractual receivables	50,480	40	8,261	1,598	259	**60,638**
Loss allowance	**1,010**	**1**	**1,652**	**799**	**259**	**3,721**

	Current	Less than 1 month	1–3 months	3 months –1 year	1–5 years	Total
30 June 2020						
Expected loss rate	1%	2%	3%	20%	20%	
Gross carrying amount of contractual receivables	15,734	2,794	4,381	5,168	0	**28,077**
Loss allowance	**157**	**56**	**131**	**1,034**	**0**	**1,378**

Statutory receivables and debt investments at amortised cost

Rochester and Elmore District Health Service 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 7.2 (b) Liquidity risk

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

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

- maintaining an adequate level of uncommitted funds that can be drawn at short notice to meet its short-term obligations
- holding investments and other contractual financial assets that are readily tradeable in the financial markets and
- careful maturity planning of its financial obligations based on forecasts of future cash flows.

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

				Maturity Dates				
	Note	Carrying Amount	Nominal Amount	Less than 1 Month	1-3 Months	3 months - 1 Year	1-5 Years	Over 5 Years
30 June 2021		$'000	$'000	$'000	$'000	$'000	$'000	$'000
Payables	**5.2**	1,098	1,098	1,098	-	-	-	-
Borrowings	**6.1**	479	479	5	10	142	322	-
Other Financial Liabilities (i) - Refundable Accommodation Deposits	**5.3**	6,886	6,886	6,886	-	-	-	-
Other Financial Liabilities (i) - Patient monies held in trust	**5.3**	107	107	107	-	-	-	-
Total Financial Liabilities		**8,570**	**8,570**	**8,096**	**10**	**142**	**322**	**-**
30 June 2020								
Financial Liabilities at amortised cost								
Payables	**5.2**	1,794	1,794	1,794	-	-	-	-
Borrowings	**6.1**	289	289	1	2	17	219	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**	**219**	**50**

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

Note 7.3 Contingent Assets and Liabilities

Rochester and Elmore District Health Service has no known contingent assets and liabilities at 30 June 2021.

Note 8: Other Disclosures

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

Structure

8.1 Reconciliation of Net Result for the Year to Net Cash Flow from Operating Activities
8.2 Responsible Persons 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

Telling the COVID-19 story

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

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

	Note	2021 $'000	2020 $'000
Net result for the Year		(492)	(1,482)
Non-cash movements:			
Depreciation	4.2	1,501	1,496
Share of Net Result from LMRHA	8.7	(61)	9
Inventory Resources Received Free of Charge		88	10
Discount (interest)/expense on loan		(2)	3
Adoption of AASB 1058		-	(101)
Recognition of Deferred Income	5.2	551	-
Movements included in investing and financing activites:			
Net (Gain)/Loss from Sale of Plant & Equipment		(5)	232
Movements in assets and liabilities:			
Change in operating assets and liabilities			
(Increase)/Decrease in Receivables		(45)	(31)
(Increase)/Decrease in Other Financial Assets		16	46
Increase/(Decrease) in Payables		(696)	269
Increase/(Decrease) in Provisions		117	88
(Increase)/Decrease in Inventories		17	(51)
Increase/(Decrease) in Borrowings		190	35
(Increase)/Decrease in Jointly Controlled Operations Cash		(34)	(24)
Net cash inflow/(outflow) from operating activities		**1,145**	**499**

Note 8.2: Responsible Persons Disclosures

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

Responsible Ministers:	**Period**
The Honourable Jenny Mikakos:	
Minister for Health	01/07/2020 - 26/09/2020
Minister for Ambulance Services	01/07/2020 - 26/09/2020
Minister for the Coordination of Health and Human Services: COVID-19	01/07/2020 - 26/09/2020
The Honourable Martin Foley:	
Minister for Mental Health	01/07/2020 - 29/09/2020
Minister for Health	26/09/2020 - 30/06/2021
Minister for Ambulance Services	26/09/2020 - 30/06/2021
Minister for the Coordination of Health and Human Services: COVID-19	26/09/2020 - 30/06/2021
The Honourable Luke Donnellan:	
Minister for Child Protection	01/07/2020 - 30/06/2021
Minister for Diability, Ageing and Carers	01/07/2020 - 30/06/2021
The Honourable James Merlino:	
Minister for Mental Health	29/09/2020 - 30/06/2021
Governing Boards	
Mr (Andrew) James Brooks	01/07/2020 - 30/06/2021
Mr Benjamin Devanny	01/07/2020 - 30/06/2021
Mr Brad Drust	01/07/2020 - 30/06/2021
Mrs Kathryn Lemon	01/07/2020 - 30/06/2021
Ass Prof Carol McKinstry	01/07/2020 - 30/06/2021
Miss Jodie Smith	01/07/2020 - 30/06/2021
Mr David Rosaia	01/07/2020 - 30/06/2021
Mr Christopher White	01/07/2020 - 30/06/2021
Accountable Officers	
Mrs Karen Laing	01/07/2020 - 30/06/2021

Remuneration of Responsible Persons

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

Income Band	**2021 No.**	**2020 No.**
$1-$9,999	8	9
$40,000-$49,999	-	1
$70,000-$79,999	-	1
$90,000-$99,000	-	1
$150,000-$159,999	1	-
Total Numbers	**9**	**12**

	2021 $'000	**2020 $'000**
Total remuneration received or due and receivable by Responsible Persons from the reporting entity amounted to:	**216**	**254**

Amounts relating to the Governing Board Members and Accountable Officer are disclosed in the Rochester and Elmore District Health Service financial statements.

Amounts relating to Responsible Ministers are reported within the Department of Parliamentry 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.

	Total Remuneration	
Remuneration of Executive Officers	**2021**	**2020**
(including Key Management Personnel Disclosed in Note 8.4)	**$'000**	**$'000**
Short term employee benefits	161	141
Post-employment benefits	15	13
Other long-term benefits	4	4
Total Remuneration [i]	**180**	**158**
Total Number of Executives	1	3
Total Annualised Employee Equivalent [ii]	1	1

i 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.

[ii] 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

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

Post-employment benefits

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

Other long-term benefits

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

Note 8.4: Related Parties

Rochester and Elmore District Health Service 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.

Key management personnel

The Board of Directors, Chief Exectuive Officer and the Executive Directors of Rochester and Elmore District Health Services and it's controlled entities are deemed to be KMPs. This includes the following:

KMPs	**Position Titile**
Mrs Karen Laing	CEO
Mrs Dorothy Stone	Director of Clinical Services
Mr Jim Brooks	Board Director
Mr Benjamin Devanny	Board Director
Mr Brad Drust	Board Director
Mrs Kathryn Lemon	Board Director
Ass Prof Carol McKinstry	Board Director
Miss Jodie Smith	Board Director
Mr David Rosaia	Board Director
Mr Christopher White	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.

	2021 $'000	**2020 $'000**
Compensation - KMPs		
Short term employee benefits	354	368
Post-employment benefits	34	35
Other long-term benefits	8	9
Total (i)	**396**	**411**

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 $8.07m ($7.65m in 2019-2020).

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 KMPs and Other Related Parties

Given the breadth and depth of State government activities, related parties transact with the Victorian public sector in a manner consistent with other members of the public e.g. stamp duty and other government fees and charges. Further employment of processes within the Victorian public sector occur on terms and conditions consistent with the *Public Administration Act 2004* and Codes of Conduct and Standards issued by the Victorian Public Sector Commission. Procurement processes occur on terms and conditions consistent with the 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 2021 (2020:none).

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 2021 (2020:none).

Note 8.5: Remuneration of auditors

Victorian Auditor-General's Office	**2021 $'000**	**2020 $'000**
Audit of the Financial Statements	17	17
TOTAL	**17**	**17**

Note 8.6: Events occurring after the balance sheet date

There are no events occurring after the Balance Sheet date.

Note 8.7: Jointly Controlled Operations

Name of entity	Principal Activity	Ownership Interest 2021	Ownership Interest 2020
Loddon Mallee Rural Health Alliance	Information Technology	4.09%	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:

	2021 $'000	2020 $'000
Current assets		
Cash and Cash Equivalents	264	273
Receivables	44	19
Inventory	-	48
Prepayments	61	55
Total current assets	**369**	**395**
Non-current assets		
Property, Plant and Equipment	39	37
Total non-current assets	**39**	**37**
Total assets	**408**	**432**
Current liabilities		
Payables	(109)	(178)
Accrued Expenses	(12)	(24)
Total current liabilities	**(121)**	**(202)**
Total liabilities	**(121)**	**(202)**
Net assets	**287**	**230**

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

	2021 $'000	2020 $'000
Revenue		
Grants	532	133
Other Income	365	323
Interest Income	-	2
Total revenue	**897**	**458**
Expenses		
Employee Benefits	128	65
Other Expenses from Continuing Operations	700	398
Depreciation	6	4
Total expenses	**834**	**467**
Net result	**62**	**(9)**

*Figures obtained from the audited Loddon Mallee Rural Health Alliance Joint Venture annual report.

CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

There are no known contingent liabilities or capital commitments held by the jointly controlled operations at balance date (2020:none).

Note 8.8: Economic Dependency

Rochester and Elmore District Health Service is dependent on the Department of Health 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.

Rochester and Elmore District Health Service

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