

ANNUAL REPORT

2024

Rochester
and
Elmore
District
Health Service



Who We Are

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.

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

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

The responsible Minister is the Minister for Health, The Hon Mary-Anne Thomas.

Our Vision

“Caring for our Community”, acknowledges that the community we live and work in is vitally important to us.

Our Strategic Priorities 2020-2025

- 
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

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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.



Our Location



Front cover image: REDHS rebuild – installation of external cladding, staff celebrating International Nurses Day

The Year in Review

Acute Ward	
Total Acute Ward Separations	0*
Acute Ward Bed Days	0*
Transition Care Bed Days	295
Transition Care Days - Community	295
Residential Aged Care	
Total Bed Days	9,415
Total Admissions	0*
Non-admitted Occasions of Service	
District Nursing	4325
Urgent Care Centre	281
Radiology	0*
Drug and Alcohol Withdrawal Service	0*

* There have been no admissions to our acute or aged care beds due to our closure post October 2022 flood event. Anticipated re-opening is December 2024.

Community Care			
Discipline	Face to face	Telehealth	Total
Allied Health			
Dietetics	247	56	303
Diabetes Education	0	0	0
Exercise Physiologist	470	0	470
Podiatry	2,068	0	2,068
Physiotherapy	8	0	8
Occupational Therapy	190	2	192
Social Work	239	39	278
Allied Health Assistance	45	0	45
Group Exercise Programs	319	0	319
AHA In home Exercise Programs	189	0	189
Allied Health Support Total			3,872
Community and In-Home Support			
Home Care	9531	0	9,531
Property Maintenance	802	0	802
Meals on Wheels*			
Social Support Group	856	0	856
Community & In-Home Support Total:			11,189

* Meals on wheels program is paused due to the ongoing rebuild of our facility

Available Services

- Inpatient Ward
- Cardiac Health Exercise Program *
- Community Transport – in partnership with Royal Flying Doctor Service (RFDS) *
- Dietetics *
- District Nursing *
- Exercise Physiology*
- 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 *
- Urgent Care Centre*
- Volunteer Program*

* indicate services that continue to be provided to the community from temporary sites/facilities until the REDHS facility is rebuilt.

The data included in this annual report was accurate at the time of publication and is subject to validation by official sources from the Department of Health.

A Message from the Chief Executive Officer and Board Chair

It is a pleasure to once again present a joint report from the Board Chair and Chief Executive, to our communities, staff, volunteers and partners.

The flood event that impacted Victoria in October 2022, continues to have a significant impact on both Rochester and Elmore District Health Service and the broader community. Apart from bed based acute services, our entire team has continued to provide all other services from five different locations.

Our Aged Care residents continue to reside at both Respect Aged Care Tongala and Bupa Echuca under the direct care of our clinical and support services teams. We thank both of those organisations for continuing to provide us with the space and ongoing support during this unique situation. We also extend our gratitude to our wonderful residents, their families and representatives for their incredible patience and understanding.

To all of our amazing staff, whether working out of temporary portable buildings in the carpark behind the hospital, out of offices in Elmore, the Rochester Medical Practice, or the Echuca or Tongala facilities, thank you. Your ongoing patience, commitment and dedication over the past two years has been unwavering.

Over the past 12 months, we have seen a steady growth in most service areas back to their pre-flood event levels as displaced community members return to their homes. Home Care Services are up to 79% of individual contact and 99% of service hours. Our District Nursing team are up to 87% of contacts and 76% of service hours. This growth continues in all other areas including Allied Health, Social Support Group, Home Care, Community Transitional Care along with our Urgent Care Centre presentations.

We have also successfully recruited to the Diversity and Inclusion Officer position, who commenced with us in January 2024. This position will complete the actions required under our Gender Equality Action Plan and develop systems to support engagement with and /or referral to services available for cohorts such as those who identify as Aboriginal, LGBTIQ and culturally / linguistically diverse.

Our workforce has certainly remained strong post flood. This has enabled us to continue to serve the Rochester and Elmore communities. We now look forward to new staff joining us, including new participants in graduate programs and traineeships.

The work we were doing to support a positive workplace culture and staff wellbeing has been an enormous success, with outstanding staff survey results in the Safer Care Victoria Healthcare Worker Wellbeing Initiative. So well in fact, in the second half

of the year, Safer Care Victoria reached out to us seeking permission for our results to be distributed globally through the Institute for Health Improvement, and that the Chief Allied Health Officer and Manager of Safer Care Victoria's Health Care Worker Wellbeing Centre will be presenting our case study to a global audience.

Initially, we hoped to be out of the building for only a few weeks, but unfortunately it will be over two years before we will be back on site in Rochester with all services due to the significance of the damage. The current program will see us re-opening in December 2024. Until then, we will continue to work hard to provide services from a range of locations across the district in line with our continued commitment to our Strategic Priorities.

Strategic Priority 1: Building a Culture That Empowers

The support and wellbeing of our staff has remained a priority over the past 12 months. We have seen the implementation of a Respectful Workplace Behaviours policy through monthly mandatory training and also the Speaking Up for Safety Program. We were invited by the Department of Health to present our achievements at the 2024 Victorian Health Summit.

There has been ongoing investment in a comprehensive Employee Assistance Program and we have integrated the 'What Matters to You?' conversation into the annual Performance Review and Development process.

Ongoing training for all frontline managers – Leading People and Culture training (Proteus) and the upskilling frontline managers in 'Managing for Team Wellbeing' (Black Dog Institute) has resulted in strong professional growth in our workforce.

We have renewed both our Recruitment and Transition to Retirement policies, with the Director People and Culture and Director Clinical Services now having full oversight of leave and roster management.

Significant investment in learning and development through recruitment of REDHS Clinical Educator and partnership with Kyabram District Health Service has proved a successful strategy in the provision of ongoing education to all REDHS staff. Additional administrative hours have been allocated to the People and Culture team to enable more efficient task monitoring including support for managers and staff to regularly undertake important human resource activities. Workforce modelling has been completed (to determine future workforce needs) and a workforce plan is under development.

The Graduate Registered Nurse Program has been reinstated for 2025 with strong applications received, which is indicative of REDHS appeal to the wider health community, and our contribution to graduate education.

Strategic Priority 2: Delivering Quality Care

An increase in the use of Victorian Virtual Emergency Department (VVED) for care delivery in our Urgent Care Centre due to a decrease in access to local General Practitioners.

The REDHS acute nursing team continue to support our residential aged care services whilst displaced. Staff have indicated a desire to work across both areas moving forward. Draft rosters for the re-instatement of services has been undertaken, with registered nurses working across both the acute and residential aged care areas.

REDHS was successful in securing funding for the provision of additional services under CHSP funding (Home maintenance, respite care and social support – individual) as a response to community feedback and requests.

Strategic Priority 3: Connecting With Community

REDHS remains the largest employer in the local region, with many locals making up our workforce. We continue to support local businesses at every opportunity, from requiring the company contracted to restore the facility to use local trades and suppliers wherever possible, to using local businesses to host and/or cater for meetings and staff re-connect events.

We secured additional funding to undertake additional rounds of the Men's Cooking Group in 2024 with nine additional funded sessions, commencing in August. We have also secured funding to commence a Mental Health and Wellbeing Peer Support Group in Rochester in 2024-25, in September 2024.

The continued promotion and use of the Victorian Virtual Emergency Department (VVED) is ongoing. Our Urgent Care Centre is a Rural Isolated Practice Endorsed Registered Nurse (RIPERN) led model with both General Practitioner and VVED support. With the recent closure of one of two local medical practices who support approximately half of the community, an expected increase in the utilisation VVED is expected. REDHS is working closely with other local services to promote and support the use of the VVED.

REDHS has consulted with both Bendigo Health and Echuca Regional Health around timely transfer of local patients back to REDHS when our capacity meets the individuals care needs. We will send our bed status to both services' Discharge/Bed Coordinators daily so they are aware of our ability to admit if required.

Strategic Priority 4: Securing our Future

REDHS is well into the re-instatement of our flood damaged building and other infrastructure. Our clear focus has been to future proof our health service, ensuring we not only can meet the current community needs, but also have the ability to seamlessly respond to future needs.

With a strategy to protect our investment, a flood mitigation feasibility study has been completed. Additional modelling work around the 2022 flood event is under development to ensure any potential flood mitigation options will provide the best defence against any future flood impact to our facility.

Rather than reinstalling plasterboard on the lower walls, Cemintal wallboard, suitable for high impact and wet areas, has been installed to 600mm above floor level. The floor level power points have been reinstalled above the 2022 flood water level. Garden beds close to external walls will be reinstated below floor level to eliminate the risk of water inundation.

Work towards carbon neutrality was limited due to the flood restoration. The key highlight for the year was the introduction of 10 new electric vehicles into the REDHS fleet.

The Asset Management Accountability Framework audit was completed in June 2024 with several items to be further reviewed once flood works are complete.

Aged care residential income has remained stable through a combination of direct AN-ACC funding and VMIA Flood Loss of Income insurance. Intake of new residents can only commence once the flood recovery works are complete and operations return to the Rochester site in full.

In closing

We would like to acknowledge the ongoing work of the entire REDHS team for their dedication and willingness, to respond in a period where resilience and commitment were tested in extremely difficult conditions. To this day, our team continues to go above and beyond to ensure our residents feel safe and loved and our local communities receive access to care and services despite the impact of the flood event. We could not be prouder of every single one of them and count ourselves privileged to work alongside them.



Darren Clark
Interim Chief Executive Officer



Chris White
Board Chair

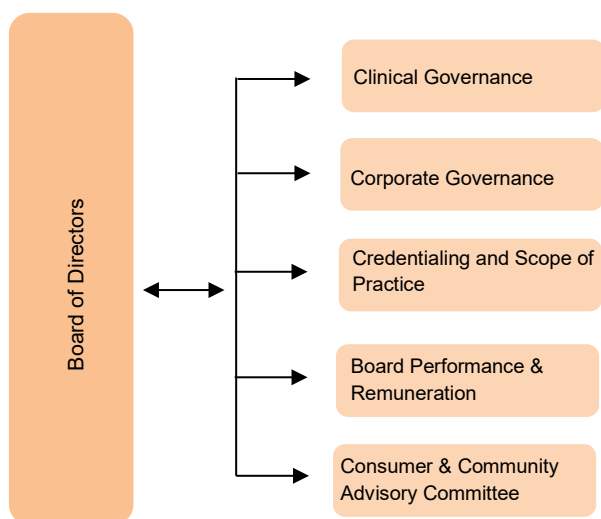
Corporate Governance

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.



LIFE GOVERNORSHIPS

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, a Community/Consumer Committee representative member, a volunteer or those who have made significant financial contributions to the health service.

A Life Governorship was awarded to former Board Director Carol McKinstry in 2023/24, in recognition of her contribution and service to the REDHS Board.

Board Directors

Chris White

Board Chair

B.Bus (Econ), B.Comp., Grad Dip Bus (Mgt), Grad Cert HSM, FACHSM, CHIA

Date appointed: 01.07.2018

Brad Drust

Deputy Chair

Chair - Community & Consumer Advisory Committee

BA, Bsc (Env Sci), MBA

Date appointed: 1.7.2020

Ben Devanny

Treasurer (1 July 2023 – 14 May 2024)

Chair – Corporate Governance Committee

(1 July 2023 – 11 May 2024)

B.Bus (Acc/Eco), CPA

Date appointed: 1.7.2017

Resigned: 14 May 2024

Jim Brooks

Treasurer (27 May 2023 – 30 June 2024)

Chair – Corporate Governance (from 27 May 2024)

LLB

Date appointed 1.7.2019

David Rosaia

Chair – Credentialing and Scope of Practice

RN, Grad Dip (Health Sci), FACHSM, CHE, MACN

Date appointed 26.04.2017

Emma Millard

Chair – Clinical Governance

B.Pod, Sp.Cert Rural Paediatric Practice, Grad Cert

(Hlth Serv Mt), Cert Gov & Risk Man, GAICD

Date appointed 1.7.2022

Jodie Smith

Chair -Flood Restoration Project Control Group

B Bus.(Econ), Grad Dip AppSci (Ag), Grad Cert (Acc),

M. An.Sci, FCPA, GAICD, FGIA

Date appointed: 1.7.2016, term concluded 30 June 2024

Anne-Marie Kelly

BHS, GCertCom, MBA, GAICD

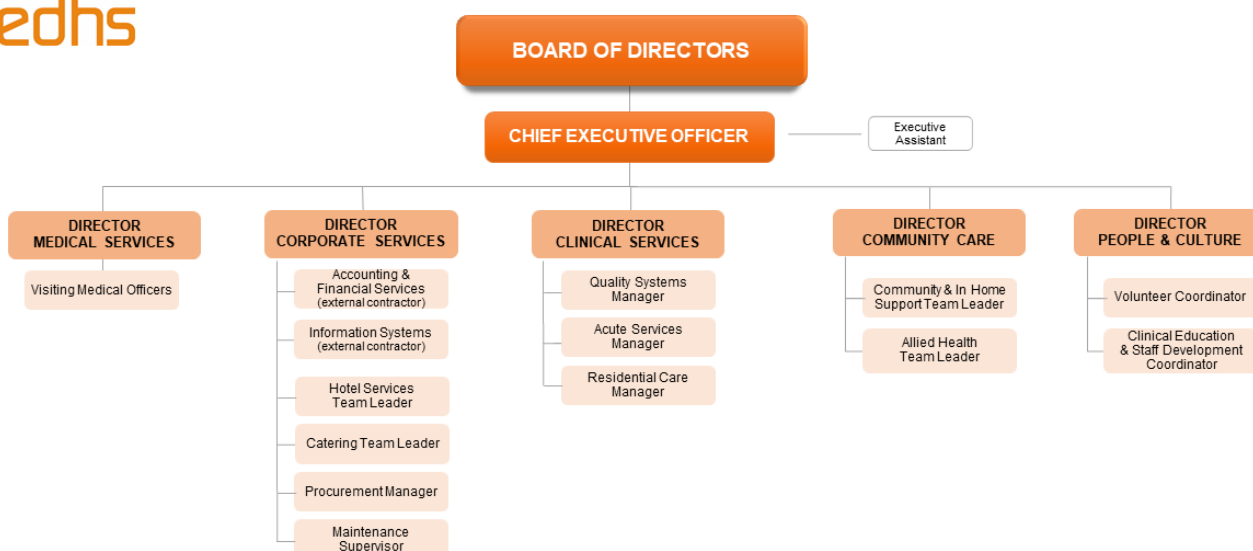
Date appointed: 1.7.2023

Board Committee	Clinical Governance Committee	Corporate Governance Committee	Credentialing and Scope of Practice Committee	Performance and Remuneration Committee	Community and Consumer Advisory Committee
Board Directors					
Christopher White	✓*	✓*	✓	✓	
Bradley Drust	✓*	✓*		✓	✓
Benjamin Devanny** (resigned 11.05.2024)		✓**		✓**	
Jim Brooks		✓*	✓*	✓	✓
David Rosaia	✓*	✓*	✓		
Jodie Smith		✓*			✓
Emma Millard* (Approved Leave of Absence 1.10 – 31.12.23)	✓	✓*	✓		
Anne-Marie Kelly	✓*			✓*	✓
Independent Members / Consumer Representatives					
Christine Wright	✓				✓
Joan Jenkins					✓
Kate Lee					✓
Eddie Oogjes					✓
Lorraine Harris					✓
Judith Anderson					✓
Judy Murray					✓

* Board Directors that changed sub-committees on 30 November 2023



REDHS ORGANISATIONAL STRUCTURE



Key Personnel

EXECUTIVE

Chief Executive Officer

Darren Clark

*RN, Dip. Mgt, GN Cert, ForPsyNurs Cert
(3 May – 30 June 2024) (Interim)*

Karen Laing

*RN, CCRN, B. AppSc (Nursing) Grad Dip Health & Medical Law, Masters Health Administration. GAICD
(1 July 2023 – 3 May 2024)*

Director Clinical Services

Darren Clark

*RN, Dip. Mgt, GN Cert, ForPsyNurs Cert
(1 July 2023 – 8 May 2024)*

Melissa Seelenmeyer

*RN, B Nursing
(8 May 2024 – 30 June 2024) (Acting)*

Director Community Care

Mebin Baby

M AdvHSM, BDS, MICDA, MCHSM

Director Corporate Services

Richard Morrison

MBA, CHIA

Director People and Culture

Vicki Winwood

B Bus (HRM)

Director Medical Services

Dr Ka Chun Tse

MB BS, M. Health Mgt, M. P. Health, FACHSM, GAICD

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)*

STAFF YEARS OF SERVICE

REDHS recognised the long standing service of the following staff in 2023-24.

10 years	15 Years	20 years	25 years
Kellyann Clarke Natasha Collins Rebecca Moon Melissa Seelenmeyer Naomi Watson Kay Franklin Tracie Scott	Mandy Dockery Dianne Paynter	Lynn Wolfe	Nicole Hickey

DEPARTMENT HEADS

Acute Services Manager

Melissa Seelenmeyer

RN, B Nursing

Residential Care Manager

Melissa Seelenmeyer

RN, B Nursing

(8 May 2023 – 7 February 2024) (Acting)

Mandy Mackenzie

RN, B Nursing

(8 February 2024 – 30 June 2024)

Quality Systems Manager

Lynn Wolfe

Adv Dip Bus Mgt, Adv Dip Bus Mgt (HR Bridging),

Dip AppSc (Hort)

Infection Control Practitioner

Judy Devlin

RN, ACIPC Cert, Cert IV Lead & Mgt, B Nursing

Maintenance Supervisor

Brett Shotton

Cert Carpentry, Building & Construction

Cert IV Mgt

Procurement Manager

Jeremy Dyke

Cert IV Train & Assess

Cert IV Contracts & Procurement

(1 July 2023 – 31 May 2024)

TEAM LEADERS

Allied Health

Jacinta Masters

BHSci., BApSci, MOTP

Community & In-Home Support

Donna Shaw

Cert III Aged Care

Catering

Anthony Hargood

Hotel Services

Kerri McEllister

Performance Against Statement of Priorities (Part A)

In 2023/24 Rochester and Elmore District Health Service contributed to the achievement of the Government's commitments with an agreed set of strategic priorities to achieve in the year ahead. Health services contribute to the department's strategic priorities through signing and enacting the Statement of Priorities.

Excellence in Clinical Governance	
<i>We aim for the best patient experience and care outcomes by assuring safe practice, leadership of safety, an engaged and capable workforce, and continuing to improve and innovate care.</i>	
Goal	
MA4 Identify and develop clinical service models where face to face consultations can be substituted by virtual care wherever possible (using telehealth, remote monitoring), whilst ensuring strong clinical governance, safety surveillance and patient choice.	
Health Service Deliverables	Achievements/Outcome
MA4 Identify appropriate clinical cohorts that would benefit from virtual care. At all times ensuring consumers are made aware of the available options and the range of modalities available to support their care requirements.	<p>Status: Ongoing</p> <p>Ongoing liaison with Echuca Regional Health (ERH) to identify patients that would benefit from Better @ Home and Remote Patient Monitoring experience and could safely be managed out of hospital.</p> <p>Allied health clinicians (Dietitian and Social Worker) actively promote and offer telehealth services to clients where appropriate, with a considerable increase in the uptake of telehealth appointments since January 2024.</p> <p>Community transport data for Rochester provided by RFDS indicates there are 475 registered clients in the region with 178 active clients who access transport services regularly. Between 1 July 2023 and 31 May 2024, RFDS completed 2651 trips which included attending medical services such as GP's (9%), Allied Health (17%) and Specialists (13%). Some of these appointments could potentially have been attended via telehealth. Upon return to site, REDHS will set up a telehealth hub onsite within the community care division to support residents</p>

	facing IT challenges to be able to attend appointments virtually and closer to home.
Goal	
MA11 Develop strong and effective systems to support early and accurate recognition and management of deterioration of paediatric patients.	
Health Service Deliverables	Achievements/Outcome
MA11 Partner with Safer Care Victoria and relevant multidisciplinary groups to establish protocols and auditing processes to manage effective monitoring and escalation of deterioration in paediatric patients via ViCTOR charts.	Status: Achieved ViCTOR charts were introduced following the construction of a working group to establish the protocols and auditing processes to manage effective monitoring and escalation of deterioration in paediatric patients. Our acute bed service closed due to flood event of October 2022.
MA11 Improve paediatric patient outcomes through implementation of the "ViCTOR track and trigger" observation chart and escalation system, whenever children have observations taken.	Status: Achieved Use of the "ViCTOR Track and Trigger" observation Chart has been implemented. The chart is also utilised for the measurement and documentation of vital signs in paediatrics in our Recognising and Responding to Clinical Deterioration Policy – Acute. This chart continues to be used where indicated in our Urgent Care Centre.
MA11 Implement staff training on the "ViCTOR track and trigger" tool to enhance identification and prompt response to deteriorating paediatric patient conditions.	Status: Achieved Staff training and education was provided as a part of the rollout of the "ViCTOR track and trigger" tool was, and undertaken by all relevant staff in our acute ward.
Work to achieve long term financial sustainability	
<i>Ensure equitable and transparent use of available resources to achieve optimum outcomes</i>	
Goal	
MB1 Co-operate with and support Department-led reforms that look towards reducing waste and improving efficiency to address financial sustainability, operational and safety performance and system management.	
Health Service Deliverables	Achievements/Outcome
MB1 Collaborative partnerships: Collaborate with other health service providers, community	Status: Ongoing A joint tender was undertaken and successfully concluded for security services in conjunction with other

organisations, the department and stakeholders to explore opportunities for shared services, joint procurement, and resource sharing to reduce costs and improve efficiency.	regional health services under HSV guidelines and guidance. Established an agreement with ERH to support REDHS Clinical Educator including attendance at ERH's Education team meetings, sharing of resources and mentoring. This also enables REDHS Clinical Educator to have input into region-based training programs. Service Level Agreement in place with Kyabram District Health Service (KDHS) for the provision of clinical education services (0.8FTE).
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Improving equitable access to healthcare and wellbeing

Ensure that Aboriginal people have access to a health, wellbeing and care system that is holistic, culturally safe, accessible, and empowering.
Ensure that communities in rural and regional areas have equitable health outcomes irrespective of locality.

Goal

MC2 Strengthen programs that support Aboriginal people to access early intervention and prevention services.

Health Service Deliverables	Achievements/Outcome
-----------------------------	----------------------

MC2 Identify and prioritise the health, wellbeing and service needs of the Aboriginal catchment population and service users - including improved patient identification, discharge planning and outpatient care.	Status: Ongoing All REDHS reception and community care administration staff completed online training on 'Asking the Question?' through Murray PHN. Community care staff also attended Aboriginal Cultural Awareness and Safety Training for HACC funded agencies to increase awareness and skills around appropriately asking the question to all clients at REDHS. Annual reviews for all community care clients to include confirmation of Aboriginal status/identity and update registration details completed. A list of services available for diverse populations including services for Aboriginal and Torres strait Islander populations in the region is being developed.
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MC2 Identify specific actions and responsibilities for REDHS to support the health and wellbeing needs of	Status: Ongoing REDHS is working with BDAC to develop connections to better service the Rochester area. BDAC has allocated a social and emotional
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out Aboriginal catchment population as a member of the Campaspe Aboriginal Health Partnership Group.	wellbeing case worker to support Elmore/Rochester. REDHS is working with the SEWB case worker to develop a client base and promote the services with our clientele. Once a sustainable client base is built, other services including AOD and housing support worker will attend onsite at REDHS. Upon return to site REDHS will reach out to other ACCHOs in the region and offer rooms/space onsite.
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A stronger workforce

There is increased supply of critical roles, which supports safe, high-quality care. Victoria is a world leader in employee experience, with a focus on future roles, capabilities and professional development. The workforce is regenerative and sustainable, bringing a diversity of skills and experience that reflect the people and communities it serves. As a result of a stronger workforce, Victorians receive the right care at the right time closer to home.

Goal

MD1 Improve employee experience across four initial focus areas to assure safe, high quality care: leadership, health and safety, flexibility, and career development and agility.

Health Service Deliverables	Achievements/Outcome
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MD1 Implement and/or evaluate a new/expanded wellbeing and safety program and its improvement on workforce wellbeing.	Status: Achieved REDHS participated in the SCV Healthcare Worker Wellbeing initiative program, and achieved the goal of reducing burnout by 10%, and, increasing reported joy by 10%.
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Moving from competition to collaboration

Share knowledge, information and resources with partner health and wellbeing services and care providers. This will allow patients to experience one health, wellbeing and care system through connected digital health information, evidence and data flows, enabled by advanced interoperable platforms.

Goal

ME2 Engage in integrated planning and service design approaches, whilst assuring consistent and strong clinical governance, with partners to join up the system to deliver seamless and sustainable care pathways and build sector collaboration.

Health Service Deliverables	Achievements/Outcome
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ME2 Reviewing specialist workforce requirements at a regional or sub-regional level and developing a	Status: Ongoing REDHS is working with Loddon Mallee and Murray regional services to identify opportunities where possible.
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shared workforce model, including coordinating efforts to attract and retain workforce at a regional or sub-regional level.	We have engaged a podiatrist at 0.2 FTE through KDHS under a Service Level Agreement. This agreement came into effect through active collaboration between both health services to meet the existing podiatry service demand at REDHS and efficient use of unused FTE at KDHS.
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Care close to home

Primary and community care is accessible and reduces avoidable escalation in acuity of health conditions. When appropriate, hospital care is delivered in the home, including through digital care and connection, to deliver virtual care, telehealth, and other advanced models of care.

Goal

EB4 Improve health and wellbeing outcomes for people living in rural and regional areas by increasing access to care delivered remotely, closer to, or in their homes.

Health Service Deliverables	Achievements/Outcome
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EB4 Establish or further develop relationships between health services so that patients can be easily referred for care closer to, or in their homes.	Status: Ongoing Processes will be in place with ERH and BH regarding timely inter-hospital transfers prior to the re-instatement of REDHS Acute Services, to ensure that both external services are provided with our current bed vacancies capacity to admit on a daily basis before they conduct their daily discharge planning bed meetings.
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EB4 Implement or expand models that facilitate virtual and/or shared remote care delivery between health services so that people can receive care closer to their homes.	Status: Ongoing As above.
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EB4 Implement programs addressing barriers for rural and regional cohorts receiving care remotely, closer to, or in their homes.	Status: Ongoing As above. REDHS District Nursing service continues to participate in the Remote Patient Monitoring and Care Closer to Home programs. These services continue to be promoted to our community.
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A health system that take effective climate action

The health service is focused on taking effective action to achieve net zero emissions and adapt to climate change.

Goal

EC1 Reduce clinical and operational practices that are wasteful and environmentally harmful to effectively contribute towards achieving net zero emissions across the health, wellbeing, and care system, including by delivering more energy efficient health services.

Health Service Deliverables	Achievements/Outcome
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EC1 Incorporate the measurement of environmental outcomes (including avoided greenhouse gas emissions) within initiatives undertaken as part of other health service priorities including value based care initiatives.	Status: Ongoing Commentary: REDHS replaced 10 fleet vehicles with electric vehicles. The average cost saving per month has been \$1,821.59 with an anticipated saving at the end of the 2023/24 financial year of \$12,751. Potential adaptation options identified in the Climate Change Flood Risk and Adaptation Assessment Report following 2022 flood event, including feasibility of constructing flood levee around REDHS facility are being considered as part of our facility rebuild. REDSH Participated in the VHBA program to identify potential environmental improvement projects. Suggested improvement projects, are expected to be provided to REDHS for action in the 2024/25 financial year. A feasibility study into the construction of a levee around REDHS facility is complete. Further work is required to determine the next steps and undertaking a detailed project design proposal.
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Performance Against Statement of Priorities (Part B)

HIGH QUALITY AND SAFE CARE

Key performance measure	Target	Result
Infection prevention and control		
Health Service Accreditation	Full compliance	Due 2025
Compliance with cleaning standards	Full compliance	Due 2025
Compliance with the Hand Hygiene Australia program	85%	85.28%
Percentage of healthcare workers immunised for influenza	94%	100%
Patient Experience		
Victorian Healthcare Experience Survey – percentage of positive patient experience responses	95%	*N/A

* No bed-based service open due to hospital post-flood closure during rebuild.

Part C: State Funding (Modelled Budget) can be found on p 19.

PEOPLE MATTERS SURVEY

Key performance measure	Target	Result
Organisational Culture		
People matter survey – Safety Culture among healthcare workers	62%	72%

WORKFORCE DATA

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	
	2023	2024	2023	2024
Nursing	37.64	40.8	42.59	43.35
Administration and Clerical	13.57	9.28	15.96	7.39
Hotel and Allied Services	29.30	20.22	32.22	20.64
Sessional Clinicians	0.05	0.06	0.06	0.01
Ancillary Staff (Allied Health)	16.59	24.61	17.95	24.76
Totals	97.24	95.67	108.78	96.15

- No notable variance in our FTE.
- No active recruitment in Residential & Acute care services.

OCCUPATIONAL HEALTH AND SAFETY

Occupational Health & Safety Statistics	2021-22	2022-23	2023-24
The number of reported hazards/incidents for the year per 100 FTE	34.9	29.2	22.88
The number of 'lost time' standard WorkCover claims for the year per 100 FTE	0.81	1.94	2.08
The average cost per WorkCover claim for the year ('000)	\$12,423	\$25,117.80	\$9,312

There were two premium impacting claims in 2023/24. We continue to focus on injury prevention and recovery at work to minimise the risk of incidents occurring and ensure a positive return to work outcome when they do occur. There were no fatalities at REDHS in 2023/24.

OCCUPATIONAL VIOLENCE

Occupational Violence Statistics	2023-24
Workcover accepted claims with an occupational violence cause per 100 FTE	0
Number of accepted Workcover claims with lost time injury with an occupational violence cause per 1,000,000 hours worked.	0
Number of occupational violence incidents reported	8
Number of occupational violence incidents reported per 100 FTE	8.32
Percentage of occupational violence incidents resulting in a staff injury, illness or condition	12.5%

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 2023/24, REDHS received twelve applications. Of these requests, four were from health services, five from lawyers, two from State Agencies.

REDHS made 10 FOI decisions during the 12 months ended 30 June 2024. There were 10 decisions made within the statutory time periods. Of the decisions made outside time, nil were made within a further 45 days and nil decisions were made in greater than 45 days. A total of 10 FOI access decisions were made where access to documents was granted in full, granted in part or denied in full. No decisions were made after mandatory extensions had been applied or extensions were agreed upon by the applicant. Of requests finalised, the average number of days over / under the statutory time (including extended timeframes) to decide the request was 10 days.

During 2023-24, no requests were subject to a complaint/internal review by Office of the Victorian Information Commissioner. No requests progressed to the Victorian Civil and Administrative Tribunal (VCAT).

Information regarding how to make a Freedom of Information request, including fees and charges, can be found at www.redhs.com.au. Further advice can also be obtained by contacting REDHS Freedom of Information Officer on (03) 5484 4400.

Building 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* as well as the relevant provision of the National Construction Code.

Maintenance on all buildings and related plant and equipment, is currently impacted by the ongoing flood recovery works. These works will continue through to the end of the 2024 calendar year. In anticipation of reoccupying the Rochester site, 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

The flood restoration and associated works continues to be the single major building project being undertaken by REDHS. Under this project:

- The builder and architect contracted for the works are responsible for the mechanisms to ensure that buildings conform with the building standards
- There have been four building permits, including amendments issued
- There have been no occupancy permits, or certificate of final inspection issued yet
- All mechanisms for inspection, reporting, scheduling, and carrying out of maintenance works on existing buildings are on hold until the restoration works are completed
- There have been no emergency orders or building orders issued in relation to buildings
- As the flood restoration work is yet to be completed, there have been no buildings that have been brought into conformity with building standards during the reporting period.

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*.

Public Interest Disclosure Act 2012

The *Public Interest Disclosure Act 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. No applicable disclosures were made during 2023/24.

National Competition Policy

Rochester and Elmore District Health Service continues to comply with the National Competition Policy. In addition, the Competitive Neutrality Policy Victoria principles has been applied to all relevant business activities.

There have been no changes in the organisations application of the Competitive Neutrality policy since the previous year.

Carers Recognition Act 2012

In accordance with the *Carers Recognition Act 2012*, Rochester and Elmore District Health Service has taken all practical measures to comply with its obligations under the Act. These include:

- promoting the principles of the Act to people in care relationships who receive our services and to the wider community by providing links to state government resource materials on our website.
- ensuring our staff have an awareness and understanding of the care relationship principles set out in the Act, through inclusion in staff; induction and training programs.

- considering the care relationships principles set out in the Act when setting policies and providing services (e.g. reviewing our employment policies such as flexible working arrangements and leave provisions to ensure that these comply with the statement of principles in the Act; developing a satisfaction survey for distribution at assessment and review meetings between workers, carers and those receiving care).
- implementing priority actions in Recognising and supporting Victoria's carers: Victorian carer strategy.

Local Jobs First Act 2003

There were no contracts which began or were completed in 2023-24 to which the *Local Jobs First Act 2003* and the *Victorian Industry Participation Policy Act 2003* applied.

Environmental Performance

5.21(g)/FRD24 requires agencies to disclose aspects of energy and resource consumption and environmental performance in their annual report of operations.

This Appendix details mandatory indicators for Tier 3(a) public sector entities.

Indicator Title	2021/22	2022/23	2023/24
EL1 - Total electricity consumption segmented by source			
Purchased	733.46	367.42	68.13
Self-Generated	192.88	192.88	27.43
EL1 Total electricity consumption [MWh]	926.34	560.30	95.56
EL2 - On-site electricity generated segmented by usage and source			
Solar consumption behind the meter	192.88	192.88	27.43
Solar exported	0	0	
EL2 Total on site-electricity generated [MWh]	192.88	192.88	27.43
EL3 - On-site installed generation capacity segmented by source			
Diesel Generator	0.45	0.45	0.45
Solar	0.15	0.15	0.15
EL3 Total On-site installed generation capacity [MW]	0.60	0.60	0.60
EL4 - Total electricity offsets segmented by offset type			
LGCs voluntarily retired on the entity's behalf	0	0	
Green Power	0	0	
RPP (Renewable Power Percentage in the grid)	136.35	69.08	12.81
Certified climate active carbon neutral electricity purchased	0	0	
EL4 Total electricity offsets [MWh]	136.35	69.08	12.81
F1 - Total fuels used in buildings and machinery segmented by fuel type [MJ]			
Natural gas	3785036.4	1546648.2	190,325
F2 - Greenhouse gas emissions from stationary fuel consumption segmented by fuel type			
Natural gas	195.04	79.70	9.81

Indicator Title	2021/22	2022/23	2023/24
T1 - Total energy used in transportation within the entity segmented by fuel type and vehicle category			
Non-executive fleet - Gasoline	302,742.00	633,623.60	157,973.30
Petrol	302,742.00	633,623.60	157,973.30
Non-executive fleet - E10	0.00		
Petrol (E10)	0.00		
Non-executive fleet - Diesel	88,270.30	63,261.30	15,771.90
Diesel	88,270.30	63,261.30	15,771.90
Total energy used in transportation (vehicle fleet) [MJ]	391,012.30	696,884.90	173,745.20
T2 - Number and proportion of vehicles in the organisational boundary segmented by engine/fuel type and vehicle category			
Petrol	11	11	6
Diesel	4	4	6
Hybrid	2	2	2
Total	17	17	10
T3 - Greenhouse gas emissions from vehicle fleet segmented by fuel type and vehicle category			
Non-executive fleet - Gasoline	20.47	42.85	10.68
Petrol	20.47	42.85	10.68
Non-executive fleet - E10	0.00	0	0
Petrol (E10)	0.00		
Non-executive fleet - Diesel	6.22	4.45	1.11
Diesel	6.22	4.45	1.11
Total Greenhouse gas emissions from transportation (vehicle fleet) [tonnes CO2-e]	26.69	47.30	11.79
T4 - Total distance travelled by commercial air travel			
	Nil	4,028km	Nil
E1 - Total energy usage from fuels			
	4176048.70	2243533.10	364,070.20
E2 - Total energy usage from electricity			
	3334806.14	2017081.94	344,033.60
E3 - Total energy usage segmented into renewable and non-renewable sources			
Renewable	1185224.77	943037.56	144,862.04
Non-renewable (E1 + E2 - E3 Renewable)	6325630.07	3317577.48	661,990.17
E3 Total energy usage segmented by renewable and non-renewable sources [MJ]	7510854.84	4260615.04	806,852.21
E4 - Units of energy used normalised by FTE, headcount, floor area, or other entity or sector specific quantity			
Energy per unit of Aged Care OBD [MJ/Aged Care OBD]	383.67	204.61	52.90
Energy per unit of LOS [MJ/LOS]	3,336.38	4,739.00	
Energy per unit of Separations [MJ/Separations]	24,551.18	40,496.93	
Energy per unit of floor space [MJ/m2]	1,062.50	531.82	79.74
B1 - Discuss how environmentally sustainable design (ESD) is incorporated into newly completed entity-owned buildings			
Not Applicable. Facility has been evacuated due to flooding since mid-October 2022.			

Indicator Title	2021/22	2022/23	2023/24
B2 - Discuss how new entity leases meet the requirement to preference higher-rated office buildings and those with a Green Lease Schedule			
Not Applicable. Facility has been evacuated due to flooding since mid-October 2022.			
B3 - NABERS Energy ratings of newly completed/occupied entity-owned office buildings and substantial tenancy fit-outs			
Not Applicable			
B4 - Environmental performance ratings of newly completed entity-owned non-office building or infrastructure projects or upgrades with a value over \$1 million, where these ratings have been conducted			
Not Applicable			
W1 - Total units of metered water consumed by water source			
Potable water [kL]	8984.0534	4400.574	1,291.99
W2 - Units of metered water consumed normalised by FTE, headcount, floor area, or other entity or sector specific quantity			
Water per unit of Aged Care OBD [kL/Aged Care OBD]	0.48	0.25	0.13
Water per unit of LOS [kL/LOS]	4.21	5.85	0
Water per unit of Separations [kL/Separations]	30.98	50.01	0
Water per unit of floor space [kL/m2]	1.34	0.66	0.19
WR1 - Total units of waste disposed of by disposal method and material type / waste stream			
WR1 Total units of waste disposed of by waste stream and disposal method [kg]			
Landfill (total)			
General waste	78,691.50	56,376.00	0*
Offsite treatment			
Clinical waste - incinerated	25.00	12.00	0
Clinical waste - sharps	79.06	80.61	14.44
Clinical waste - treated	2,763.84	461.71	668.90
Recycling/recovery (disposal)			
Cardboard	12,870.00	6,187.50	0*
Grease traps			N/A
Paper (confidential)			
Total units of waste disposed [kg]	94,429.40	63,117.82	683.34
WR1 Total units of waste disposed of by waste stream and disposal method [%]			
Landfill (total)			
General waste	83.33%	89.32%	0*
Offsite treatment			
Clinical waste - incinerated	0.03%	0.02%	0*
Clinical waste - sharps	0.08%	0.13%	2.11%
Clinical waste – treated	2.93%	0.73%	97.89%
Recycling/recovery (disposal)			
Cardboard	13.63%	9.80%	0*
Grease traps	83.33%	89.32%	0*
Paper (confidential)			
WR3 - Total units of waste disposed normalised by FTE, headcount, floor area, or other entity or sector specific quantity, by disposal method			
Total waste to landfill per PPT [(kg general waste)/PPT]	3.75	3.09	0*
Total waste to offsite treatment per PPT [(kg offsite treatment)/PPT]	0.14	0.03	0.07
Total waste recycled and reused per PPT [(kg recycled and reused)/PPT]	0.61	0.34	0*

Indicator Title	2021/22	2022/23	2023/24
WR4 - Recycling rate			
Weight of recyclable and organic materials [kg]	12,870.00	6,187.50	0*
Weight of total waste [kg]	94,429.40	63,117.82	683.34
Recycling rate [%]	13.63%	9.80%	0%
WR5 - Greenhouse gas emissions associated with waste disposal			
tonnes CO2-e	106.02	74.00	0.89
G1 - Total scope one (direct) greenhouse gas emissions			
Carbon Dioxide	221.13	126.63	21.53
Methane	0.39	0.17	0.02
Nitrous Oxide	0.22	0.20	0.05
Total	221.73	127.00	21.60
Scope 1 GHG emissions from stationary fuel (F2 Scope 1) [tonnes CO2-e]	195.04	79.70	9.81
Scope 1 GHG emissions from vehicle fleet (T3 Scope 1) [tonnes CO2-e]	26.69	47.30	11.79
Medical/Refrigerant gases			
Total scope one (direct) greenhouse gas emissions [tonnes CO2e]	221.73	127.00	21.60
G2 - Total scope two (indirect electricity) greenhouse gas emissions			
Electricity	535.60	252.40	45.43
G3 - Total scope three (other indirect) greenhouse gas emissions associated with commercial air travel and waste disposal			
Commercial air travel			
Waste emissions (WR5)	106.02	74.00	0.89
Indirect emissions from Stationary Energy	73.66	38.71	6.45
Indirect emissions from Transport Energy	1.41	11.99	2.99
Paper emissions			
Any other Scope 3 emissions	16.88	7.45	2.17
Total scope three greenhouse gas emissions [tonnes CO2e]	197.96	132.16	12.50

*due to the hospital closure since October 2022 flood event, no data is available. Anticipated re-entry date is December 2024.

DISCLOSURE OF REVIEW AND STUDY EXPENSES

Study type	Feasibility Study
Conducted by	Water Technology Pty Ltd
Purpose	Flood protection levee bank feasibility report
Reason	Response to 2022 flood event and mitigation of potential future floods
Expected outcome	Feasibility Report Concept Design
Total approved (exc. GST)	\$38,000
Expenditure 2023-24 (exc. GST)	\$21,418
Future expenditure (exc. GST)	\$17,000

Social Procurement Activities & Commitments

Overall social procurement activities	2023–24
Number of social benefit suppliers engaged during the reporting period:	1
Total amount spent with social benefit suppliers (direct spend) during the reporting period (\$ GST exclusive):	\$6,608
Total number of mainstream suppliers engaged that have made social procurement commitments in their contracts with the Victorian Government:	0
Total number of contracts that include social procurement commitments:	0

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 in a statutory authority or subsidiary.
- Details of publications produced by REDHS, which can be located at www.redhs.com.au
- Details of changes in prices, fees, charges, rates and levies charged by the entity.
- Details of any major external reviews carried out on the entity.
- Details of major research and development activities undertaken by the entity that are not otherwise covered either in the report of operations or in a document that contains the financial statements and report of operations.
- Details of overseas visits undertaken including a summary of the objectives and outcomes of each visit.
- Details of major promotional, public relations and marketing activities undertaken by the Health Service to develop community awareness of the Health Service and its services.
- Details of assessments and measures undertaken to improve the occupational health and safety of employees.
- A general statement on industrial relations within the Health Service and details of time lost through industrial accidents and disputes, which is not otherwise detailed in the report of operations.
- A list of major committees sponsored by the entity, the purposes of each committee and the extent to which the purposes have been achieved; and
- Details of all consultancies and contractors engaged; services provided; and expenditure committed for each engagement.

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 locations. 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

Community Involvement and Support

Sponsorship, Donations and Bequests

Sponsor/Donor/Bequest	Amount
Goornong Primary School	\$75
Lockmore Financial Services	\$25,000
Community Enterprise Foundation (Bendigo-Adelaide Bank Foundation)	\$55,000
Raglan Street Jazz Band	\$1,500
John & Vivienne Moon	\$160
Elizabeth Thompson	\$500
Claire Brooks	\$1,000
Trish Brooks	\$1,000
Kathy Clark (Brooks)	\$1,000
Horizon Charitable Trust	\$50,000
Ballendella Red Cross	\$30,000
Estate of the late Alan Thrum	\$308,579.32
Total	\$498,814.32

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:

- Donating towards a specific item
- Defraying the cost of much needed equipment
- Remembering REDHS in your Will
- Joining our volunteer program

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

Attestations & Declarations

Responsible Bodies Declaration

In accordance with the *Financial Management Act 1994*, I am pleased to present the report of operations for Rochester and Elmore District Health Service for the year ending 30 June 2024.



Chris White, Board Chair
Rochester and Elmore District Health Service

12 September 2024

Financial Management Compliance Attestation

I, Chris White, 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.



Chris White, Board Chair
Rochester and Elmore District Health Service

12 September 2024

Data Integrity Declaration

I, Darren Clark, 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.



Darren Clark, Accountable Officer
Rochester and Elmore District Health Service

12 September 2024

Integrity, Fraud and Corruption Declaration

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



Darren Clark, Accountable Officer
Rochester and Elmore District Health Service

12 September 2024

Conflict of Interest Declaration

I, Darren Clark, certify that Rochester and Elmore District Health Service has put in place appropriate internal controls and processes to ensure that it 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 members of the board, and all declared conflicts have been addressed and are being managed. Conflict of interest is a standard agenda item for declaration and documenting at each executive board meeting.



Darren Clark, Accountable Officer
Rochester and Elmore District Health Service

12 September 2024

Compliance with Health Purchasing Victoria (HPV) Health Purchasing Policies

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



Darren Clark, Accountable Officer
Rochester and Elmore District Health Service

12 September 2024

Gender Equality Act 2020

REDHS continues to foster an inclusive and diverse culture by raising awareness of gender equality and diversity within our workplace and in our local communities. REDHS has established a 'Health Care That Counts' Committee that oversees the implementation of our Gender Equality Action Plan.



Darren Clark, Accountable Officer
Rochester and Elmore District Health Service

12 September 2024

FINANCIAL REPORT

2024

Rochester
and
Elmore
District
Health Service



Financial Report 2023/24

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 2023/24.

PART A: Strategic Priorities

Refer to REDHS 2023/24 Report of Operations page 8 for details.

PART B: 2023-24 Performance Priorities

SoP Key Performance Measures:

- High quality and safe care
- Strong governance, leadership, and culture
- Effective financial management

Refer to REDHS 2023/24 Report of Operations page 8 for details.

Effective financial management

Key performance measure	Target	Result
Finance		
Operating result (\$M)	0	3450
Average number of days to pay trade creditors	60 days	26 days
Average number of days to receive patient fee debtors	60 days	2 days
Adjusted current asset ratio	0.7 or 3% improvement from health service base target	Not submitted
Variance between forecast and actual Net result from transactions (NRFT) for the current financial year ending 30 June.	Variance ≤\$250,000	Achieved
Actual number of days available cash, measured on the last day of each month	14 days	95

PART C: State Funding (Modelled Budget)

Small Rural	2023/24 Activity achievement
Small Rural Acute	3
Small Rural Primary Health & HACC	823
Small Rural Residential Care	20,973

Financials in Brief

The table below is a summary of the financial results for 2022/23, from annual financial statements, with comparative results for the preceding four financial years.

	2024 \$'000	2023 \$'000	2022 \$'000	2021 \$'000	2020 \$'000
OPERATING RESULT	3450	52	0	231	30
Total revenue	26,571	19,632	18,428	16,477	15,303
Total expenses	20,878	21,034	19,436	17,186	16,581
Net result from transactions	5,692	-1,402	-1008	-709	-1,278
Total other economic flows	301	17	84	216	-204
Net result	5,993	-1,385	-924	-493	-1482
Total assets	47,163	41,132	55,344	52,611	53,148
Total liabilities	8,711	11,807	11,205	11,369	11,413
Net assets/ Total equity	38,452	29,325	44,139	41,242	41,735

Reconciliation of Net Result from Transactions and Operating Result

	2023-24 \$'000	2022-23 \$'000
Net operating result *	3450	52
Capital purpose income	4008	300
Specific income	0	0
COVID 19 State Supply Arrangements - Assets received free of charge or for nil consideration under the State Supply	0	31
State supply items consumed up to 30 June 2024	0	(130)
Assets provided free of charge	0	0
Assets received free of charge	0	0
Expenditure for capital purpose	0	9
Depreciation and amortisation	(1,751)	(1,626)
Impairment of non-financial assets	0	0
Finance costs (other)	(15)	(7)
Net result from transactions	5,692	(1,402)

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

DETAILS OF CONSULTANCIES

Details of consultancies under \$10,000

In 2023/24, there were six consultancies where the total fees payable to the consultants were less than \$10,000. The total expenditure incurred during 2023/24 in relation to these consultancies was \$28,013.60 (excl. GST).

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

In 2023/24, there were three consultancies where the total fees payable was \$10,000 or greater. The details are provided in the table below:

Consultancies over \$10,000

Consultant	Susan Fahey Consulting	Water Technology Pty Ltd	EDG Space Pty Ltd
Purpose	Board investigation	Flood protection levee bank feasibility report	Architectural services for flood restoration project
Start date	02/5/2023	26/7/2023	02/12/2022
End date	31/10/2023	1/12/2024	31/3/2025
Total approved project fee (exc. GST)	\$15,000	\$38,000	\$543,506
Expenditure 2023-24 (exc. GST)	\$15,000	\$21,418	\$543,506
Future expenditure (exc. GST)	\$0	\$17,000	\$122,380.00

This table is available on REDHS website.

INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) DISCLOSURE

The total ICT expenditure incurred during 2023/24 is \$666,132 excl. GST, with the details shown below:

Business as Usual (BAU) ICT expenditure	Non-Business as Usual (non-BAU) ICT Expenditure		
	Total (excluding GST)	Operational expenditure	Capital expenditure
\$666,132	*		

* The October flood event restricted any opportunity for capital investment in the premises. Significant investment will be required as per the reconstruction works which will be funded by insurance.

**Rochester and Elmore District Health Service
Financial Statements
Financial Year ended 30 June 2024**

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 2024 and the financial position of Rochester and Elmore District Health Service at 30 June 2024.

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

We authorise the attached financial statements for issue on 12 September 2024.



Christopher White
Chairperson

Rochester
12 September 2024



Darren Clark
Interim Chief Executive Officer

Rochester
12 September 2024



Cameron Olsen
Chief Finance & Accounting
Officer

Rochester
12 September 2024

Independent Auditor's Report

To the Board of Rochester and Elmore District Health Service

Opinion	<p>I have audited the financial report of Rochester and Elmore District Health Service (the health service) which comprises the:</p> <ul style="list-style-type: none"> • balance sheet as at 30 June 2024 • 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 material accounting policy information • Board member's, accountable officer's and chief finance & accounting officer's declaration. <p>In my opinion the financial report presents fairly, in all material respects, the financial position of the health service as at 30 June 2024 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 7 of the <i>Financial Management Act 1994</i> and applicable Australian Accounting Standards.</p>
Basis for Opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the health service in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
Other information	<p>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 2024, but does not include the financial report and my auditor's report thereon.</p> <p>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.</p>
Board's responsibilities for the financial report	<p>The Board of the health service is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the <i>Financial Management Act 1994</i>, and for such internal control as the Board determines is necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error.</p> <p>In preparing the financial report, the Board is responsible for assessing the health service's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.</p>

Auditor's responsibilities for the audit of the financial report

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

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

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

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



MELBOURNE
7 October 2024

Dominika Ryan
as delegate for the Auditor-General of Victoria

**Rochester and Elmore District Health Service
Comprehensive Operating Statement
For the Financial Year Ended 30 June 2024**

	Note	2024 \$'000	2023 \$'000
Revenue and Income from Transactions			
Operating Activities	2.1	25,209	18,769
Non-operating Activities	2.1	156	143
Share of revenue from joint operations	8.7	1,206	720
Total Revenue and Income from Transactions		26,571	19,632
Expenses from Transactions			
Employee Expenses	3.1	(12,644)	(14,111)
Supplies and Consumables	3.1	(2,359)	(1,569)
Finance Costs	3.1	(15)	(7)
Depreciation	3.1	(1,751)	(1,637)
Share of expenditure from joint operations	8.7	(1,175)	(653)
Other Operating Expenses	3.1	(2,934)	(3,049)
Other Non-Operating Expenses	3.1	-	(8)
Total Expenses from Transactions		(20,878)	(21,034)
Net Result from Transactions - Net Operating Balance		5,692	(1,402)
Other Economic Flows included in Net Result			
Net Gain/(Loss) on Financial Instruments	3.2	95	(19)
Other Gain from Other Economic Flows	3.2	50	14
Share of Other Economic Flows from Joint Arrangements	3.2	156	22
Total Other Economic Flows included in Net Result		301	17
Net Result for the year		5,993	(1,385)
Other Comprehensive Income			
Items that will not be reclassified to Net Result			
Changes in Property, Plant and Equipment Revaluation Surplus		3,134	(13,429)
Total Other Comprehensive Income		3,134	(13,429)
Comprehensive Result for the year		9,127	(14,814)

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

**Rochester and Elmore District Health Service
Balance Sheet
as at 30 June 2024**

	Note	2024 \$'000	2023 \$'000
Current Assets			
Cash and Cash Equivalents	6.2	7,177	6,851
Receivables	5.1	2,748	2,231
Contract Assets	5.2	-	26
Inventories		24	38
Other Financial Assets		115	160
Share of assets in joint operations	8.7	1,386	838
Total Current Assets		11,449	10,144
Non-Current Assets			
Receivables	5.1	795	669
Property, Plant & Equipment	4.1(a)	34,057	30,027
Right of use assets	4.2	814	256
Share of assets in joint operations	8.7	48	36
Total Non-Current Assets		35,714	30,989
Total Assets		47,163	41,132
Current Liabilities			
Payables	5.3	1,405	2,575
Contract Liabilities	5.4	18	2,593
Borrowings	6.1	303	225
Employee Benefits	3.3	3,027	2,915
Other Liabilities	5.5	2,327	2,717
Share of liabilities in joint operations	8.7	851	479
Total Current Liabilities		7,931	11,505
Non-Current Liabilities			
Borrowings	6.1	611	175
Employee Benefits	3.3	169	127
Total Non-Current Liabilities		780	302
Total Liabilities		8,711	11,807
Net Assets		38,452	29,325
Equity			
Property, Plant & Equipment Revaluation Surplus	SCE	19,772	16,638
Restricted Specific Purpose Surplus	SCE	1,084	740
Contributed Capital	SCE	7,370	7,370
Accumulated Surpluses	SCE	10,227	4,577
Total Equity		38,452	29,325

This balance sheet 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 2024**

Note	2024 \$'000	2023 \$'000
Cash Flows from Operating Activities		
Operating Grants from State Government	9,168	6,720
Operating Grants from Commonwealth Government	4,912	4,485
Capital Grants from Government- State	1,241	298
Patient and Resident Fees Received	914	2,518
Donations and Bequests Received	210	4
GST received from Australian Taxation Office	622	535
Interest Received	156	143
Other Receipts	6,535	3,739
Total Receipts	23,758	18,442
Employee Expenses Paid	(11,941)	(13,634)
Non Salary Labour Costs	(137)	(455)
Payments for Supplies & Consumables	(2,436)	(1,590)
GST paid to Australian Taxation Office	(42)	(68)
Other Payments	(5,847)	327
Total Payments	(20,403)	(15,420)
Net Cash Flows from Operating Activities	3,355	3,023
	8.1	
Cash Flows from Investing Activities		
Purchase of Non-Financial Assets	(2,734)	(967)
Proceeds from sale of Non-Financial Assets	95	(19)
Net Cash Flows used in Investing Activities	(2,639)	(986)
Cash Flows from Financing Activities		
Receipt of Accommodation Deposits	-	695
Repayments of Accommodation Deposits	(390)	(4,621)
Net Cash Flows used in Financing Activities	(390)	(3,926)
Net Increase\ (Decrease) in Cash and Cash Equivalents Held	326	(1,889)
Cash and Cash Equivalents at beginning of year	6,851	8,740
Cash and Cash Equivalents at End of Year	7,177	6,851
	6.2	

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 2024**

	Property, Plant and Equipment Revaluation Surplus	Restricted Specific Purpose Surplus	Contributed Capital	Accumulated Surplus	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2022	30,067	961	7,370	5,741	44,139
Net result for the year	-	-	-	(1,385)	(1,385)
Other comprehensive income for the year	(13,429)	-	-	-	(13,429)
Transfers from (to) accumulated surpluses	-	(221)	-	221	-
Balance at 30 June 2023	16,638	740	7,370	4,577	29,325
Net result for the year	-	-	-	5,993	5,993
Other comprehensive income for the year	3,134	-	-	-	3,134
Transfers from (to) accumulated surpluses	-	344	-	(344)	-
Balance at 30 June 2024	19,772	1,084	7,370	10,227	38,452

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

**Rochester and Elmore District Health Service
Notes to the Financial Statements
For the Financial Year Ended 30 June 2024**

Note 1: Basis of preparation

Structure

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

Rochester and Elmore District Health Service Notes to the Financial Statements For the Financial Year Ended 30 June 2024

Note 1 Basis of Preparation

These financial statements represent the audited general purpose financial statements for Rochester and Elmore District Health Service for the year ended 30 June 2024. The report provides users with information about Rochester and Elmore District Health Service's stewardship of resources entrusted to it.

This section explains the basis of preparing the financial statements.

Note 1.1 Basis of preparation of the financial statements

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

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

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 (refer to Note 8.8 Economic Dependency).

These financial statements are in Australian dollars.

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

The annual financial statements were authorised for issue by the Board of Rochester and Elmore District Health Service on 12 September 2024.

Rochester and Elmore District Health Service

Notes to the Financial Statements

For the Financial Year Ended 30 June 2024

Note 1.2 Abbreviations and terminology used in the financial statements

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

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

Note 1.3 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 1.4 Material 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 estimates are recognised in the period in which the estimate is revised and also in future periods that are affected by the revision.

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

- Note 2.1: Revenue and income from transactions
- Note 3.3: Employee benefits and related on-costs
- Note 4.1: Property, plant and equipment
- Note 4.2: Right-of-use assets
- Note 4.3: Depreciation
- Note 4.4: Impairment of assets
- Note 5.1: Receivables
- Note 5.2: Contract assets
- Note 5.3: Payables
- Note 5.4: Contract liabilities
- Note 6.1(a): Lease liabilities
- Note 7.4: Fair value determination

**Rochester and Elmore District Health Service
Notes to the Financial Statements
For the Financial Year Ended 30 June 2024**

Note 1.5 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 2022-5: <i>Amendments to Australian Accounting Standards – Lease Liability in a Sale and Leaseback</i>	Reporting periods beginning on or after 1 January 2024.	Adoption of this standard is not expected to have a material impact.
AASB 2022-9: <i>Amendments to Australian Accounting Standards – Insurance Contracts in the Public Sector</i>	Reporting periods beginning on or after 1 January 2026.	Adoption of this standard is not expected to have a material impact.
AASB 2022-10: <i>Amendments to Australian Accounting standards – Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities</i>	Reporting periods beginning on or after 1 January 2024.	Management have not completed their assessment over the impact of the amendments.

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 1.6 Goods and Services Tax (GST)

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

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

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

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

Note 1.7 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 3561.

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.

**Rochester and Elmore District Health Service
Notes to the Financial Statements
For the Financial Year Ended 30 June 2024**

Note 2: Funding Delivery of Our Services

Rochester and Elmore District Health Service's overall objective is to provide quality health 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

Material judgements and estimates

This section contains the following material judgements and estimates:

Material judgements and estimates	Description
Identifying performance obligations	Rochester and Elmore District Health Service applies material judgement when reviewing the terms and conditions of funding agreements and contracts to determine whether they contain sufficiently specific and enforceable performance obligations. If this criterion 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 criterion 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 material 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 material 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.
Assets and services received free of charge or for nominal consideration	Rochester and Elmore District Health Service applies material judgement to determine the fair value of assets and services provided free of charge or for nominal value. This includes consistently reviewing market prices, and assessing market demands.

**Rochester and Elmore District Health Service
Notes to the Financial Statements
For the Financial Year Ended 30 June 2024**

Note 2.1 Revenue and income from transactions

Note	2024 \$'000	2023 \$'000
Operating activities		
Revenue from contracts with customers		
Government grants (State) - Operating	-	20
Government grants (Commonwealth) - Operating	4,912	4,485
Commercial activities ¹	-	15
Patient and resident fees	2,377	2,510
Other revenue from operating activities	5,070	3,999
Total revenue from contracts with customers	12,358	11,028
Other sources of income		
Government grants (State) - Operating	10,569	7,406
Government grants (State) - Capital	1,763	298
Cash donations	519	4
Assets received free of charge or for nominal consideration	-	31
Other capital purpose income	-	2
Total other sources of income	12,851	7,740
Total revenue and income from operating activities	25,209	18,769
Non-operating activities		
Income from other sources		
Other interest	156	143
Total other sources of income	156	143
Total income from non-operating activities	156	143
Total revenue and income from transactions	25,365	18,912

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

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

Rochester and Elmore District Health disaggregates revenue by the timing of revenue recognition.

Goods and services transferred to customers:

At a point in time	12,358	11,013
Over time	-	15
Total revenue from contracts with customers	12,358	11,028

How we recognise revenue and income from operating activities

Government operating grants

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

When both these conditions are satisfied, the health service:

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

If a contract liability is recognised, Rochester and Elmore District Health Service recognises revenue in profit or loss as and when it satisfies its obligations under the contract, unless a contract modification is entered into between all parties. A contract modification may be obtained in writing, by oral agreement or implied by customary business practices.

**Rochester and Elmore District Health Service
Notes to the Financial Statements
For the Financial Year Ended 30 June 2024**

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

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

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

This policy applies to each of Rochester and Elmore District Health Service's revenue streams, with information detailed below relating to Rochester and Elmore District Health Service's significant revenue streams:

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's obligation to construct the asset. The progressive percentage of costs incurred is used to recognise income, as this most accurately reflects the stage of completion.

Patient and resident fees

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

Commercial activities

Revenue from commercial activities includes items such as 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.

How we recognise revenue and income from non-operating activities

Interest Income

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

**Rochester and Elmore District Health Service
Notes to the Financial Statements
For the Financial Year Ended 30 June 2024**

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

	2024	2023
	\$'000	\$'000
Cash donations	519	4
Plant and Equipment	-	-
Personal protective equipment	-	31
Total fair value of assets and services received free of charge or for nominal consideration	519	35

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 obtains 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

Under the State Supply Arrangement, Health Share Victoria supplies personal protective equipment to Rochester and Elmore District Health Service for nil consideration.

Contributions of resources

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

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

Rochester and Elmore District Health Service Notes to the Financial Statements For the Financial Year Ended 30 June 2024

Volunteer Services

Rochester and Elmore District Health Service receives volunteer services from members of the community in the following areas:

- Delivery of meals to clients in their homes
- Assistance in recreation and lifestyle programs within our residential care service
- Assistance with the coordination and facilitation of our Planned Activity Group
- Visiting our residents including reading to residents and patients
- Coordinating activities
- Managing our magazine and sundries trolley
- Assisting with fundraising activities

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

Rochester and Elmore District Health Service greatly values the services contributed by volunteers but it does not depend on volunteers to deliver its services.

Non-cash contributions from the Department of Health

The Department of Health makes some payments on behalf of Rochester and Elmore District Health Service 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.
Victorian Health Building Authority	The Department of Health made payments to the Victorian Health Building Authority to fund capital works projects during the year ended 30 June 2024, on behalf of Rochester and Elmore District Health Service.
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 with the DH.

**Rochester and Elmore District Health Service
Notes to the Financial Statements
For the Financial Year Ended 30 June 2024**

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 costs associated with the provision of services are disclosed.

Structure

- 3.1 Expenses from transactions
- 3.2 Other economic flows
- 3.3 Employee benefits and related on-costs
- 3.4 Superannuation

Material judgements and estimates

This section contains the following material judgements and estimates:

Material judgements and estimates	Description
Classifying employee benefit liabilities	<p>Rochester and Elmore District Health Service applies material judgement when classifying its employee benefit liabilities.</p> <p>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.</p> <p>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.</p>
Measuring employee benefit liabilities	<p>Rochester and Elmore District Health Service applies material judgement when measuring its employee benefit liabilities.</p> <p>Rochester and Elmore District Health Service applies judgement to determine when it expects its employee entitlements to be paid.</p> <p>With reference to historical data, if Rochester and Elmore District Health Service does not expect entitlements to be paid within 12 months, the entitlement is measured at its present value, being the expected future payments to employees.</p> <p>Expected future payments incorporate</p> <ul style="list-style-type: none"> ▪ an inflation rate of 4.45%, reflecting the future wage and salary levels ▪ durations of service and employee departures, which are used to determine the estimated value of long service leave that will be taken in the future, for employees who have not yet reached the vesting period. The estimated rates are between 8% and 78% ▪ discounting at the rate of 4.348%, as determined with reference to market yields on government bonds at the end of the reporting period. <p>All other entitlements are measured at their nominal value.</p>

**Rochester and Elmore District Health Service
Notes to the Financial Statements
For the Financial Year Ended 30 June 2024**

Note 3.1 Expenses from transactions

Note	2024 \$'000	2023 \$'000
Salaries and wages	9,051	10,363
On-costs	2,527	2,564
Agency expenses	839	997
Fee for service medical officer expenses	2	50
Workcover premium	225	137
Total employee expenses	12,644	14,111
Drug supplies	13	32
Medical and surgical supplies (including Protheses)	81	100
Diagnostic and radiology supplies	1	12
Other supplies and consumables	2,264	1,425
Total supplies and consumables	2,359	1,569
Finance costs	15	7
Total finance costs	15	7
Fuel, light, power and water	91	137
Repairs and maintenance	97	145
Maintenance contracts	12	24
Medical indemnity insurance	37	34
Other administrative expenses	2,697	2,698
Expenditure for capital purposes	-	9
Total other operating expenses	2,934	3,049
Total operating expenses	17,953	18,736
Depreciation	4.3 1,751	1,637
Total depreciation	1,751	1,637
Bad and doubtful debt expense	-	8
Total other non-operating expenses	-	8
Total non-operating expense	1,751	1,645
Total expenses from transactions	19,704	20,381

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.

Rochester and Elmore District Health Service

Notes to the Financial Statements

For the Financial Year Ended 30 June 2024

Employee Expenses

Employee expenses include:

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

Supplies and consumables

Supplies and 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.

Finance costs

Finance costs include:

- interest on short-term borrowings (Interest expense is recognised in the period in which it is incurred) and
- finance charges in respect of leases which are recognised in accordance with *AASB 16 Leases*.

Other Operating Expenses

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

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

The DH also makes certain payments on behalf of Rochester and Elmore District Health Service. These amounts have been brought to account in determining the operating result for the year, by recording them as revenue and recording a corresponding expense.

Non-operating expenses

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

**Rochester and Elmore District Health Service
Notes to the Financial Statements
For the Financial Year Ended 30 June 2024**

Note 3.2 Other economic flows

	2024	2023
	\$'000	\$'000
Net gain/(loss) on disposal of property, plant and equipment	95	(19)
Total net gain/(loss) on non financial assets	95	(19)
Share of net profits of joint entities, excluding dividends	156	22
Total share of other economic flows from joint operations	156	22
Net gain arising from revaluation of long service liability	50	14
Total other gains from other economic flows	50	14
Total gains from Economic Flows	301	18

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.

**Rochester and Elmore District Health Service
Notes to the Financial Statements
For the Financial Year Ended 30 June 2024**

Note 3.3 Employee benefits and related on-costs

Current employee benefits and related on-costs

Accrued days off

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

Annual Leave

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

Long Service Leave

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

Provisions related to employee benefit on-costs

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

Total current employee benefits and related on-costs

Non-current employee benefits and related on-costs

Conditional long service leave (ii)

Provisions related to employee benefits on-costs (ii)

Total non-current employee benefits

Total employee benefits and related on-costs

	2024 \$'000	2023 \$'000
	20	23
	3	4
	1,049	993
	167	159
	265	264
	1,182	1,148
	2,686	2,591
	158	150
	183	174
	342	324
	3,027	2,915
	148	112
	21	15
	169	127
	3,196	3,042

ⁱ The amounts disclosed are nominal amounts.

ⁱⁱ The amounts disclosed are discounted to present values.

Note 3.3(a) Employee Benefits and Related On-Costs

Current employee benefits and related on-costs

Unconditional accrued days off

Unconditional annual leave entitlements

Unconditional long service leave entitlements

Total current employee benefits and related on-costs

Non current employee benefits and related on-costs

Conditional long service leave entitlements

Total non-current employee benefits and related on-costs

Total employee benefits and related on-costs

Attributable to:

Employee Benefits

Provision for related on-costs

Total employee benefits and related on-costs

	26	30
	1,356	1,285
	1,646	1,727
	3,027	3,042
	169	127
	169	127
	3,196	3,169
	2,834	2,703
	362	339
	3,196	3,042

**Rochester and Elmore District Health Service
Notes to the Financial Statements
For the Financial Year Ended 30 June 2024**

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

Carrying amount at start of year

Additional provisions recognised

Amounts incurred during the year

Net gain/(loss) arising from revaluation of long service liability

Carrying amount at end of year

	2024	2023
	\$'000	\$'000
	339	308
	240	167
	(168)	(151)
	(50)	15
	362	339

How we recognise employee benefits

Employee benefit recognition

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

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

Annual leave and accrued days off

Liabilities for annual leave and accrued days off are recognised in the provision for employee benefits as 'current liabilities' because 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 their employment.

Provision for on-costs related to employee benefits

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

**Rochester and Elmore District Health Service
Notes to the Financial Statements
For the Financial Year Ended 30 June 2024**

Note 3.4 Superannuation

Paid Contribution for the Year

Defined contribution plans:

Australian Retirement Trusts
Australian Super
Aware Super
Commonwealth Essential
HESTA Administration
Hostplus
Vision Super Saver
Other
Total

2024	2023
\$'000	\$'000
20	7
34	49
533	608
2	15
319	327
64	60
18	10
91	86
1,081	1,163

How we recognise superannuation

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

Defined contribution superannuation plans

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

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

**Rochester and Elmore District Health Service
Notes to the Financial Statements
For the Financial Year Ended 30 June 2024**

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 Right-of-use assets
- 4.3 Depreciation
- 4.4 Impairment of assets

Material judgements and estimates

This section contains the following material judgements and estimates:

Material judgements and estimates	Description
Estimating useful life of property, plant and equipment	Rochester and Elmore District Health Service assigns an estimated useful life to each item of property, plant and equipment. 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, in which case the useful life reverts to the estimated useful life of the underlying asset. Rochester and Elmore District Health Service applies material 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.
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: <ul style="list-style-type: none"> ▪ If an asset's value has declined more than expected based on normal use ▪ If a significant change in technological, market, economic or legal environment which adversely impacts the way the health service uses an asset ▪ If an asset is obsolete or damaged ▪ If the asset has become idle or if there are plans to discontinue or dispose of the asset before the end of its useful life ▪ If the performance of the asset is or will be worse than initially expected. Where an impairment trigger exists, the health service applies material judgement and estimate to determine the recoverable amount of the asset.

**Rochester and Elmore District Health Service
Notes to the Financial Statements
For the Financial Year Ended 30 June 2024**

Note 4.1: Property, plant and equipment

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

	2024	2023
	\$'000	\$'000
Land at Fair Value	360	470
Landscaping at Fair Value	210	259
Less Accumulated Depreciation	-	(21)
Total Land at fair value	570	708
Buildings at Fair Value	29,487	39,207
Less Accumulated Depreciation	-	(14,612)
Total Buildings at fair value	29,487	24,595
Plant and Equipment at Fair Value	3,262	3,187
Less Accumulated Depreciation	(2,374)	(2,183)
Total Plant and Equipment at fair value	888	1,004
Motor Vehicles at Fair Value	287	287
Less Accumulated Depreciation	(287)	(252)
Total Motor Vehicles at fair value	-	35
Computers and Communication at Fair Value	1,056	1,022
Less Accumulated Depreciation	(637)	(474)
Total Computers and Communications at fair value	419	548
Furniture and Fittings at Fair Value	928	918
Less Accumulated Depreciation	(632)	(599)
Total Furniture and Fittings at fair value	296	319
Work In Progress at Cost	2,397	2,818
Total Work In Progress at cost	2,397	2,818
Total Property, Plant and Equipment	34,057	30,027

**Rochester and Elmore District Health Service
Notes to the Financial Statements
For the Financial Year Ended 30 June 2024**

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

	Land	Buildings	Plant & Equipment	Motor Vehicles	Computers and Communication	Furniture & Fittings	Work in Progress	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2022	714	39,207	1,143	38	611	346	2,636	44,695
Additions	-	-	69	-	82	14	182	347
Transfers In/(out)	-	-	-	-	-	-	-	-
Disposals	-	-	(18)	-	-	(1)	-	(19)
Revaluation increments/(decrements)	-	-	-	-	-	-	-	-
Impairment	-	(13,429)	-	-	-	-	-	(13,429)
Depreciation (see Note 4.3)	(5)	(1,183)	(190)	(3)	(145)	(40)	-	(1,565)
Balance at 30 June 2023	708	24,595	1,004	35	548	319	2,818	30,027
Additions	-	-	76	-	34	11	2,386	2,506
Transfers In/(out)	-	2,807	-	-	-	-	(2,807)	-
Revaluation increments/(decrements)	(133)	3,268	-	-	-	-	-	3,134
Impairment	-	-	-	-	-	-	-	-
Depreciation (see Note 4.3)	(5)	(1,183)	(192)	(35)	(163)	(33)	-	(1,611)
Balance at 30 June 2024	570	29,487	888	-	419	296	2,397	34,057

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.

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 in Note 7.4.

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 2024. The valuation, which complies with Australian Valuation Standards, was determined with reference to the amount for which assets could be exchanged between knowledgeable with willing parties in an arm's length transaction.

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.

**Rochester and Elmore District Health Service
Notes to the Financial Statements
For the Financial Year Ended 30 June 2024**

Note 4.2 Right-of-use assets

Note 4.2 (a) Gross carrying amount and accumulated depreciation

	2024 \$'000	2023 \$'000
Right of use vehicles at fair value	971	379
Less accumulated depreciation	(157)	(123)
Total right of use vehicles at fair value	814	256
Total right of use vehicles at fair value	814	256

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

	Note	Right of Use Vehicles \$'000	Total \$'000
Balance at 1 July 2022		317	317
Additions		-	-
Disposals		-	-
Depreciation	4.3	(61)	(61)
Balance at 30 June 2023	4.2(a)	256	256
Additions		806	806
Disposals		(108)	(108)
Depreciation	4.3	(140)	(140)
Balance at 30 June 2024	4.2(a)	814	814

How we recognise right-of-use assets

Initial recognition

When a contract is entered into, Rochester and Elmore District Health Service assesses if the contract contains or is 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.

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 presents its right-of-use assets as part of property, plant and equipment as if the asset was owned by the health service.

Subsequent measurement

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

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

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

**Rochester and Elmore District Health Service
Notes to the Financial Statements
For the Financial Year Ended 30 June 2024**

Note 4.4 Impairment of assets

How we recognise impairment

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

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

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

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

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

Rochester and Elmore District Health Service did not record any impairment losses for the year ended 30 June 2024 (30 June 2023: \$13,429,000).

**Rochester and Elmore District Health Service
Notes to the Financial Statements
For the Financial Year Ended 30 June 2024**

Note 5: Other assets and liabilities

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

Structure

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

Material judgements and estimates

This section contains the following material judgements and estimates:

Material 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 material 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 material 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.

**Rochester and Elmore District Health Service
Notes to the Financial Statements
For the Financial Year Ended 30 June 2024**

Note 5.1 Receivables

Notes	2024 \$'000	2023 \$'000
Current receivables		
Contractual		
Inter hospital debtors	63	74
Trade debtors	60	12
Patient fees	15	17
Accrued revenue	2,394	2,026
Patient fees- allowance for impairment losses	(22)	(13)
Total Contractual Receivables	2,509	2,115
Statutory		
GST receivable	238	116
Total statutory receivables	238	116
Total current receivables	2,748	2,231
Non-current receivables		
Contractual		
Long service leave - Department of Health	795	669
Total Contractual Receivables	795	669
Total non-current receivables	795	669
Total receivables	3,543	2,900
<i>(i) Financial assets classified as receivables (Note 7.1(a))</i>		
Total receivables	3,543	2,900
GST receivable	(238)	(116)
Total financial assets classified as receivables	3,304	2,784

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

Balance at the beginning of year	(13)	(6)
Increase in allowance recognised in net result	(9)	(8)
Balance at the end of year	(22)	(13)

How we recognise receivables

Receivables consist of:

- **Contractual receivables**, including debtors that relate to goods and services. These receivables are classified as financial instruments and are 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 hold 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** including 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 the nominal amounts due and are due for settlement within 30 days from the date of recognition.

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

Impairment losses of contractual receivables

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

**Rochester and Elmore District Health Service
Notes to the Financial Statements
For the Financial Year Ended 30 June 2024**

Note 5.2 Contract assets

	2024	2023
	\$'000	\$'000
Current		
Contract assets	-	26
Total current contract assets	-	26
Total contract assets	-	26

Note 5.2(a) Movement in contract assets

Balance at the beginning of the year	26	122
Add: Additional costs incurred that are recoverable from the customer	-	26
Less: Transfer to trade receivable or cash at bank	(26)	(122)
Total contract assets	-	26

How we recognise contract assets

Contract assets relate to Rochester and Elmore District Health Service's right to consideration in exchange for goods transferred to customers for works completed, but not yet billed at the reporting date. The contract assets are transferred to receivables when the rights become unconditional, at this time an invoice is issued. Contract assets are expected to be recovered during the next financial year.

**Rochester and Elmore District Health Service
Notes to the Financial Statements
For the Financial Year Ended 30 June 2024**

Note 5.3 Payables

	Note	2024 \$'000	2023 \$'000
Current payables			
Contractual			
Trade Creditors		7	-
Accrued Salaries and Wages		398	341
Accrued Expenses		144	83
Amounts payable to governments and agencies		18	1
Deferred capital grant income	5.3 (a)	788	2,087
Other Payables		41	44
Total contractual payables		1,395	2,557
Statutory			
GST Payable		10	18
Total statutory payables		10	18
Total payables		1,405	2,575
<i>(i) Financial liabilities classified as payables (Note 7.1(a))</i>			
Total payables		1,405	2,575
Deferred Grant Income		(788)	(2,087)
GST Payable		(10)	(18)
Total financial liabilities classified as payables	7.1(a)	607	469

How we recognise payables

Payables consist of:

- **Contractual payables**, including payables that relate to the purchase of goods and services. These payables are classified as financial instruments and measured at amortised cost. Accounts payable and salaries and wages payable represent liabilities for goods and services provided to the Rochester and Elmore District Health Service prior to the end of the financial year that are unpaid.
- **Statutory payables**, including Goods and Services Tax (GST) payable. 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 Net 60 days.

**Rochester and Elmore District Health Service
Notes to the Financial Statements
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Note 5.3 (a) Movement in deferred capital grant income

	2024	2023
	\$'000	\$'000
Opening balance of deferred capital grant income	2,087	-
Grant consideration for capital works received during the year	440	2,087
Deferred grant income recognised as income due to completion of capital works	(1,739)	-
Closing balance of deferred capital grant income	788	2,087

How we recognise deferred capital grant income

Grant consideration was received from the Department of Health for the Nursing Home/Hostel Redevelopment project.

Capital Grant income is recognised progressively as the asset is constructed, since this is the time when Rochester and Elmore District Health Service satisfies its obligations. The progressive percentage costs incurred is used to recognise income because this most closely reflects the percentage of completion of the building works. As a result, 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
Notes to the Financial Statements
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Note 5.4 Contract liabilities

Current

Contract liabilities

Total current contract liabilities

Total contract liabilities

	2024	2023
	\$'000	\$'000
	18	2,593
	18	2,593
	18	2,593

Note 5.4(a) Movement in contract liabilities

Opening balance of contract liabilities

Add: grant consideration for sufficiently specific performance obligation received during the year

Less: revenue recognised for the completion of a performance obligation

Total contract liabilities

	2024	2023
	2,593	183
	18	2,593
	(2,593)	(183)
	18	2,593

How we recognise contract liabilities

Contract liabilities include consideration received in advance from customers in respect of activity. The balance of contract liabilities was significantly higher than the previous reporting period due to activity.

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

Maturity analysis of payables

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

**Rochester and Elmore District Health Service
Notes to the Financial Statements
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Note 5.5 Other liabilities

Current monies held in trust
Refundable accommodation deposits
Total current monies held in trust

Total other liabilities

Represented by:
Cash assets

	2024	2023
	\$'000	\$'000
	2,327	2,717
	2,327	2,717
	2,327	2,717
	2,327	2,717
	2,327	2,717

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

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

**Rochester and Elmore District Health Service
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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

Material judgements and estimates

This section contains the following material judgements and estimates:

Material judgements and estimates	Description
Determining if a contract is or contains a lease	Rochester and Elmore District Health Service applies material judgement to determine if a contract is or contains a lease by considering if the health service: <ul style="list-style-type: none"> ▪ has the right-to-use an identified asset ▪ has the right to obtain substantially all economic benefits from the use of the leased asset and ▪ can decide how and for what purpose the asset is used throughout the lease.
Determining if a lease meets the short-term or low value asset lease exemption	Rochester and Elmore District Health Service applies material 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. Rochester and Elmore District 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, the 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: <ul style="list-style-type: none"> ▪ If there are significant penalties to terminate (or not extend), the health service 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.

**Rochester and Elmore District Health Service
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Note 6.1 Borrowings

	2024	2023
Note	\$'000	\$'000
Current borrowings		
Lease liability (i)	251	174
Advances from government (ii)	51	51
Total current borrowings	303	225
Non-current borrowings		
Lease liability (i)	564	83
Advances from government (ii)	47	93
Total non-current borrowings	611	175
Total borrowings	914	400

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 other funds through lease liabilities and other interest-bearing arrangements.

Initial recognition

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

Subsequent measurement

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

Maturity analysis

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

Defaults and Breaches

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

**Rochester and Elmore District Health Service
Notes to the Financial Statements
For the Financial Year Ended 30 June 2024**

Note 6.1 (a) Lease liabilities

Rochester and Elmore District Health Services' lease liabilities are summarised below:

	2024	2023
	\$'000	\$'000
Total undiscounted lease liabilities	832	259
Less unexpired finance expenses	(17)	(3)
Net lease liabilities	815	256

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

Not longer than one year	260	176
Longer than 1 year and not later than 5 years	572	83
Minimum future lease liability	832	259
Less unexpired finance expenses	(17)	(3)
Present value of lease liability	815	256
Represented by:		
- Current liabilities	251	174
- Non-current liabilities	564	83
	815	256

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 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	1 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

Rochester and Elmore District Health Service

Notes to the Financial Statements

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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;
- payments arising from purchase and termination options reasonably certain to be exercised.

These terms are used to maximise operational flexibility in terms of managing contracts. 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 the substance of 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.

**Rochester and Elmore District Health Service
Notes to the Financial Statements
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Note 6.2 Cash and cash equivalents

	2024	2023
	\$'000	\$'000
Cash on hand (excluding monies held in trust)	1	1
Cash at bank (excluding monies held in trust)	3,386	3,122
Cash at bank - CBS (excluding monies held in trust)	1,463	1,010
Total cash held for operations	4,850	4,133
Cash at bank - CBS (monies held in trust)	2,327	2,717
Total cash held as monies in trust	2,327	2,717
Total cash and cash equivalents	7,177	6,851

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). Cash and cash equivalents are held for the purpose of meeting short term cash commitments rather than for investment purposes and are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value.

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

Note 6.3 Commitments for Expenditure

	2024	2023
	\$'000	\$'000
Non-cancellable short term and low value lease commitments		
Less than one year	251	174
Longer than one year but not longer than five years	564	83
Total non-cancellable short term and low value lease commitments	815	256

How we disclose our commitments

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

Expenditure commitments

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

Short term and low value leases

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

**Rochester and Elmore District Health Service
Notes to the Financial Statements
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Note 7 Risks, contingencies & valuation uncertainties

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

Structure

- 7.1 Financial Instruments
- 7.2 Financial risk management objectives and policies
- 7.3 Contingent assets and contingent liabilities
- 7.4 Fair value determination

Material judgements and estimates

This section contains the following material judgements and estimates:

Material judgements and estimates	Description
Measuring fair value of non-financial assets	<p>Fair value is measured with reference to highest and best use, that is, the use of the asset by a market participant that is physically possible, legally permissible, financially feasible, and which results in the highest value, or to sell it to another market participant that would use the same asset in its highest and best use.</p> <p>In determining the highest and best use, Rochester and Elmore District Health Service has assumed the current use is its highest and best use. Accordingly, characteristics of the health service’s assets are considered, including condition, location and any restrictions on the use and disposal of such assets.</p> <p>Rochester and Elmore District Health Service uses a range of valuation techniques to estimate fair value, which include the following:</p> <ul style="list-style-type: none"> ▪ Market approach, which uses prices and other relevant information generated by market transactions involving identical or comparable assets and liabilities. The fair value of Rochester and Elmore District Health Service’s [specialised land, non-specialised land and non-specialised buildings] are measured using this approach. ▪ Cost approach, which reflects the amount that would be required to replace the service capacity of the asset (referred to as current replacement cost). The fair value of Rochester and Elmore District Health Service’s [specialised buildings, furniture, fittings, plant, equipment, computers and communications and vehicles] are measured using this approach. ▪ Income approach, which converts future cash flows or income and expenses to a single undiscounted amount. Rochester and Elmore District Health Service does not this use approach to measure fair value. <p>The health service selects a valuation technique which is considered most appropriate, and for which there is sufficient data available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.</p> <p>Subsequently, the health service applies material judgement to categorise and disclose such assets within a fair value hierarchy, which includes:</p> <ul style="list-style-type: none"> ▪ Level 1, using quoted prices (unadjusted) in active markets for identical assets that the health service can access at measurement date. Rochester and Elmore District Health Service does not categorise any fair values within this level. ▪ Level 2, inputs other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly. Rochester and Elmore District Health Service categorises non-specialised land and right-of-use concessionary land in this level. ▪ Level 3, where inputs are unobservable. Rochester and Elmore District Health Service categorises specialised land, non-specialised buildings, specialised buildings, plant, equipment, furniture, fittings, vehicles, computers and communications and right-of-use vehicles in this level.

**Rochester and Elmore District Health Service
Notes to the Financial Statements
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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) Categorisation of financial instruments

		Financial Assets at Amortised Cost \$'000	Financial Liabilities at Amortised Cost \$'000	Total \$'000
30 June 2024				
Contractual Financial Assets				
Cash and Cash Equivalents	6.2	7,177	-	7,177
Receivables	5.1	3,304	-	3,304
Total Financial Assets ⁽ⁱ⁾		10,481	-	10,481
Financial Liabilities				
Payables	5.3	-	607	607
Borrowings	6.1	-	914	914
Deposits	5.5	-	2,327	2,327
Total Financial Liabilities ⁽ⁱ⁾		-	3,848	3,848
30 June 2023				
Contractual Financial Assets				
Cash and cash equivalents	6.2	7,471	-	7,471
Receivables	5.1	2,784	-	2,784
Total Financial Assets ⁽ⁱ⁾		10,255	-	10,255
Financial Liabilities				
Payables	5.3	-	469	469
Borrowings	6.1	-	400	400
Deposits	5.5	-	2,717	2,717
Total Financial Liabilities ⁽ⁱ⁾		-	3,587	3,587

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).

Rochester and Elmore District Health Service

Notes to the Financial Statements

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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 solely to collect the contractual cash flows, and
- the assets' contractual terms give rise to cash flows that are solely payments of principal and interests on the principal amount outstanding on specific dates.

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

Rochester and Elmore District Health Service 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 and
- other liabilities (including monies held in trust).

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Notes to the Financial Statements
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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 and liquidity risk. Rochester and Elmore District Health Service manages these financial risks in accordance with its financial risk management policy.

Primary responsibility for the identification and management of financial risks rests with the Accountable Officer.

**Rochester and Elmore District Health Service
Notes to the Financial Statements
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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.

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.

Contractual 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 2023-24.

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's 'Expected Credit Loss' approach. Subject to AASB 9, the impairment assessment includes 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. Other financial assets mandatorily measured or designated at fair value through net result are not subject to an impairment assessment under AASB 9.

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

Contractual receivables at amortised cost

Rochester and Elmore District Health Service applies AASB 9's simplified approach for all contractual receivables to measure expected credit losses using a lifetime expected loss allowance based on the assumptions about risk of default and expected loss rates. 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's 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 closing loss allowance at end of the financial year as follows:

		Current	Less than 1 month	1-3 months	3 months - 1 year	1-5 years	Total
	Note	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
30 June 2024							
Expected loss rate		2%	3%	20%	50%	100%	
Gross carrying amount of contractual receivables	5.1	21	-	4	7	17	50
Loss allowance		0	-	1	4	17	22
30 June 2023							
Expected loss rate		2%	3%	20%	50%	100%	
Gross carrying amount of contractual receivables	5.1	33	1	2	13	6	55
Loss allowance		1	0	0	7	6	13

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 requirements as if those receivables are financial instruments.

Both the statutory receivables and investments in debt instruments are considered to have low credit risk, considering the counterparty's credit rating, risk of default and capacity to meet contractual cash flow obligations in the near term. As the result no loss allowance has been recognised.

**Rochester and Elmore District Health Service
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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 Dates						
	Note	Carrying Amount \$'000	Nominal Amount \$'000	Less than 1 Month \$'000	1-3 Months \$'000	3 months - 1 Year \$'000	1-5 Years \$'000	Over 5 Years \$'000
30 June 2024								
Financial Liabilities at amortised cost								
Payables	5.2	607	607	607	-	-	-	-
Borrowings	6.1	914	914	11	22	251	630	-
Other Financial Liabilities - Refundable Accommodation Deposits (i)	5.5	2,327	2,327	2,327	-	-	-	-
Total Financial Liabilities		3,848	3,848	2,946	22	251	630	-

		Maturity Dates						
	Note	Carrying Amount \$'000	Nominal Amount \$'000	Less than 1 Month \$'000	1-3 Months \$'000	3 months - 1 Year \$'000	1-5 Years \$'000	Over 5 Years \$'000
30 June 2023								
Financial Liabilities at amortised cost								
Payables	5.2	469	469	469	-	-	-	-
Borrowings	6.1	400	400	7	13	173	208	-
Other Financial Liabilities - Refundable Accommodation Deposits (i)	5.5	2,717	2,717	2,717	-	-	-	-
Total Financial Liabilities		3,587	3,587	3,194	13	173	208	-

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

Note 7.3 Contingent Assets and Contingent Liabilities

Rochester and Elmore District Health Service has no known contingent assets or contingent liabilities at 30 June 2024.

Rochester and Elmore District Health Service Notes to the Financial Statements For the Financial Year Ended 30 June 2024

Note 7.4 Fair value determination

How we measure fair value

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

The following assets and liabilities are carried at fair value:

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

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

Valuation hierarchy

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

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

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.

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

Identifying unobservable inputs (level 3) fair value measurements

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

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

**Rochester and Elmore District Health Service
Notes to the Financial Statements
For the Financial Year Ended 30 June 2024**

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

	Note	Carrying Amount 30 June 2024 \$'000	Fair value measurement at end of reporting period using:		
			Level 1 ⁽ⁱ⁾ \$'000	Level 2 ⁽ⁱ⁾ \$'000	Level 3 ⁽ⁱ⁾ \$'000
Non-specialised land		133	-	133	-
Specialised land		227	-	-	227
Total of land at fair value	4.1(a)	360	-	133	227
Non-specialised buildings		1,987	-	1,987	-
Specialised buildings		27,500	-	-	27,500
Total of building at fair value	4.1(a)	29,487	-	1,987	27,500
Landscaping	4.1(a)	210	-	-	210
Plant and Equipment	4.1(a)	888	-	-	888
Motor Vehicles	4.1(a)	-	-	-	-
Computer and Communication	4.1(a)	419	-	-	419
Furniture and Fittings	4.1(a)	296	-	-	296
Total plant, equipment, furniture, fittings and vehicles at fair value		1,813	-	-	1,813
Right-of-use Vehicles	4.2(a)	814	-	-	814
Total right-of-use assets at fair value		814	-	-	814
Total non-financial physical assets at fair value		32,474	-	2,120	30,354

ⁱ Classified in accordance with the fair value hierarchy.

	Note	Carrying amount 30 June 2023 \$'000	Fair value measurement at end of reporting period using:		
			Level 1 ⁽ⁱ⁾ \$'000	Level 2 ⁽ⁱ⁾ \$'000	Level 3 ⁽ⁱ⁾ \$'000
Non-specialised land		173	-	173	-
Specialised land		297	-	-	297
Total of land at fair value	4.1(a)	470	-	173	297
Non-specialised buildings		1,525	-	1,525	-
Specialised buildings		23,070	-	-	23,070
Total of building at fair value	4.1(a)	24,595	-	1,525	23,070
Landscaping	4.1(a)	238	-	-	238
Plant and Equipment	4.1(a)	1,004	-	-	1,004
Motor Vehicles	4.1(a)	35	-	-	35
Computer and Communication	4.1(a)	548	-	-	548
Furniture and Fittings	4.1(a)	319	-	-	319
Total plant, equipment, furniture, fittings and vehicles at fair value		2,144	-	-	2,144
Right-of-use Vehicles	4.2(a)	256	-	-	256
Total right-of-use assets at fair value		256	-	-	256
Total non-financial physical assets at fair value		27,465	-	1,698	25,767

ⁱ Classified in accordance with the fair value hierarchy.

Rochester and Elmore District Health Service Notes to the Financial Statements For the Financial Year Ended 30 June 2024

How we measure fair value of non-financial physical assets

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

Judgements about highest and best use must consider 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.

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

Theoretical opportunities that may be available in relation to the asset(s) are not considered 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.

Non-specialised land and non-specialised buildings

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

For non-specialised land and non-specialised buildings, an independent valuation was performed by the Valuer-General Victoria to determine the fair value using the market approach. Valuation of the assets was determined by analysing comparable sales and allowing for share, size, topography, location and other relevant factors specific to the asset being valued. An appropriate rate per square metre has been applied to the subject asset. The effective date of the valuation is 30 June 2024.

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 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 reflects 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 considers 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 current 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 effective date of the valuation is 30 June 2024.

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 (current replacement cost). When plant and equipment is specialised in use, such that it is rarely sold other than as part of a going concern, the current 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 current replacement cost will be materially different from the existing carrying amount.

There were no changes in valuation techniques throughout the period to 30 June 2024.

**Rochester and Elmore District Health Service
Notes to the Financial Statements
For the Financial Year Ended 30 June 2024**

Reconciliation of Level 3 fair value measurement

	Land \$'000	Buildings \$'000	Landscaping \$'000	Plant and Equipment \$'000	Motor Vehicles \$'000	Computers and Communication \$'000	Furniture and Fittings \$'000	Right-of-use Vehicles \$'000
Balance at 1 July 2022	297	37,645	244	1,143	38	611	346	316
Additions	-	-	-	51	-	82	13	-
Losses recognised in net result	-	-	-	-	-	-	-	-
- Depreciation	-	(1,146)	(5)	(190)	(3)	(145)	(40)	(61)
Items recognised in other comprehensive income	-	-	-	-	-	-	-	-
- Revaluation	-	(13,429)	-	-	-	-	-	-
Balance at 30 June 2023	297	23,070	239	1,004	35	548	319	256
Additions	-	-	-	76	-	34	11	698
Losses recognised in net result	-	-	-	-	-	-	-	-
- Depreciation	-	(1,146)	(5)	(192)	(35)	(163)	(33)	(140)
Items recognised in other comprehensive income	-	-	-	-	-	-	-	-
- Revaluation	(70)	5,576	(23)	-	-	-	-	-
Balance at 30 June 2024	227	27,500	210	888	-	419	296	814

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

Fair value determination of level 3 fair value measurement

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)
Specialised buildings	Current replacement cost approach	- Cost per square metre - Useful life
Landscaping	Current replacement cost approach	- Useful life
Plant and equipment	Current replacement cost approach	- Cost per unit - Useful life
Vehicles	Current replacement cost approach	- Cost per unit - Useful life
Computers and Communication	Current replacement cost approach	- Cost per unit - Useful life
Furniture and Fittings	Current replacement cost approach	- Cost per unit - Useful life

(a) A community Service Obligation (CSO) of 25% was applied to Rochester and Elmore District Health Services specialised land.

**Rochester and Elmore District Health Service
Notes to the Financial Statements
For the Financial Year Ended 30 June 2024**

Note 8 Other disclosures

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

Structure

- 8.1 Reconciliation of Net Result for the Year to Net Cash Flow from Operating Activities
- 8.2 Responsible Persons Disclosure
- 8.3 Remuneration of Executives
- 8.4 Related Parties
- 8.5 Remuneration of Auditors
- 8.6 Events Occurring after the Balance Sheet Date
- 8.7 Joint Arrangements
- 8.8 Economic Dependency
- 8.9 Equity

**Rochester and Elmore District Health Service
Notes to the Financial Statements
For the Financial Year Ended 30 June 2024**

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

	Note	2024 \$'000	2023 \$'000
Net result for the Year		5,993	(1,385)
Non-cash movements:			
Depreciation	4.3	1,751	1,637
Share of Net Result from LMRHA	8.7	186	(67)
Inventory Resources Received Free of Charge		-	35
Discount expense on loan		6	2
Net (Gain)/Loss from Sale of Plant & Equipment		(95)	19
Movements in assets and liabilities:			
Change in operating assets and liabilities			
Increase in Receivables and Contract Assets		(617)	(1,747)
Decrease in Other Financial Assets		45	29
Increase/(Decrease) in Payables and Contract Liabilities		(3,746)	4,144
Increase in Provisions		154	197
Decrease in Inventories		15	117
Increase/(Decrease) in Borrowings		513	(110)
(Increase)/Decrease in Jointly Controlled Operations Cash		(542)	150
Net cash inflow/(outflow) from operating activities		3,663	3,022

**Rochester and Elmore District Health Service
Notes to the Financial Statements
For the Financial Year Ended 30 June 2024**

Note 8.2 Responsible persons disclosures

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

Responsible Ministers:

The Honourable Mary-Anne Thomas MP:

Minister for Health

Minister for Health Infrastructure

Minister for Ambulance Services

The Honourable Ingrid Stitt MP:

Minister for Mental Health

Minister for Ageing

Minister for Multicultural Affairs

The Honourable Gabrielle Williams MP:

Minister for Mental Health

Minister for Ambulance Services

The Honourable Lizzy Blandthorn MP:

Minister for Children

Minister for Disability

Governing Boards

Mr (Andrew) James Brooks

Mr Benjamin Devanny

Mr Brad Drust

Ms Anne-Marie Kelly

Ms Emma Millard

Miss Jodie Smith

Mr David Rosaia

Mr Christopher White

Accountable Officers

Mrs Karen Laing

Mr Darren Clark

Remuneration of Responsible Persons

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

Income Band

\$1-\$9,999

\$10,000-\$19,999

\$190,000-\$199,999

\$290,000-\$299,999

Total Numbers

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

	Period
	01/07/2023 - 30/06/2024
	01/07/2023 - 30/06/2024
	02/10/2023 - 30/06/2024
	02/10/2023 - 30/06/2024
	02/10/2023 - 30/06/2024
	02/10/2023 - 30/06/2024
	01/07/2023 - 02/10/2023
	01/07/2023 - 02/10/2023
	02/10/2023 - 30/06/2024
	02/10/2023 - 30/06/2024
	01/07/2023 - 30/06/2024
	01/07/2023 - 14/05/2024
	01/07/2023 - 30/06/2024
	01/07/2023 - 30/06/2024
	01/07/2023 - 30/06/2024
	01/07/2023 - 30/06/2024
	01/07/2023 - 30/06/2024
	01/07/2023 - 30/06/2024
	01/07/2023 - 30/06/2024
	01/07/2023 - 03/05/2024
	04/05/2024 - 30/06/2024

	2024	2023
	No.	No.
	8	8
	1	-
	-	1
	1	-
	10	9

	2024	2023
	\$'000	\$'000
	351	265

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 State's Annual Financial Report.

**Rochester and Elmore District Health Service
Notes to the Financial Statements
For the Financial Year Ended 30 June 2024**

Note 8.3 Remuneration of executives

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

Remuneration of executive officers

(including Key Management Personnel Disclosed in Note 8.4)

Short term benefits

Post-employment benefits

Other long-term benefits

Total remunerationⁱ

Total number of executives

Total annualised employee equivalentⁱⁱ

Total Remuneration	
2024	2023
\$'000	\$'000
165	177
18	19
5	15
189	211
1	1
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.

Rochester and Elmore District Health Service

Notes to the Financial Statements

For the Financial Year Ended 30 June 2024

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 and personal business interests
- Cabinet ministers (where applicable) and their close family members
- Jointly Controlled Operations - A member of the Loddon Mallee Rural Health Alliance Joint Venture and
- All health services and public sector entities that are controlled and consolidated into the State of Victoria financial statements.

KMPs are those people with the authority and responsibility for planning, directing and controlling the activities of Rochester and Elmore District Health Services and its controlled entities, directly or indirectly.

Key management personnel

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

KMPs	Position Title
Mr Jim Brooks	Board Director
Mr Benjamin Devanny	Board Director
Mr Brad Drust	Board Director
Ms Anne-Marie Kelly	Board Director
Ms Emma Millard	Board Director
Ms Jodie Smith	Board Director
Mr David Rosaia	Board Director
Mr Christopher White	Board Chair
Mr Darren Clark ⁱ	Interim CEO
Mrs Dorothy Stone ⁱ	Director of Clinical Services
Mrs Melissa Seelenmeyer	Acting Director of Clinical Services

ⁱ Mrs Dorothy Stone has been on secondment to the Department of Health for the financial year. Mr Darren Clark has been seconded from Echuca Regional Health during this time as Acting CEO.

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

	2024	2023
	\$'000	\$'000
Compensation - KMPs		
Short term employee benefits	475	404
Post-employment benefits	52	43
Other long-term benefits	14	30
Total ⁱ	540	476

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

**Rochester and Elmore District Health Service
Notes to the Financial Statements
For the Financial Year Ended 30 June 2024**

Significant transactions with government related entities

Rochester and Elmore District Health Service received funding from the Department of Health and Human Services of \$12.3m (2023: \$7.7m).

Expenses incurred by Rochester and Elmore District Health Service in delivering services and outputs are in accordance with Health Share 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 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 Health Share Victoria and 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 2024 (2023: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 2024 (2023:none).

Note 8.5 Remuneration of auditors

Victorian Auditor-General's Office
Audit of the Financial Statements

Total remuneration of auditors

2024	2023
\$'000	\$'000
27	27
27	27

Note 8.6 Events occurring after the balance sheet date

There are no events occurring after the Balance Sheet date.

**Rochester and Elmore District Health Service
Notes to the Financial Statements
For the Financial Year Ended 30 June 2024**

Note 8.7 Joint Arrangements

Name of entity	Principal Activity	Ownership Interest	
		2024	2023
Loddon Mallee Rural Health Alliance	Information Technology	6.13%	4.40%

Rochester and Elmore District Health Service's interest in the above joint arrangements are detailed below. The amounts are included in the financial statements under their respective categories:

	2024 \$'000	2023 \$'000
Current assets		
Cash and cash equivalents	1,162	620
Receivables	153	91
Prepayments	71	127
Total current assets	1,386	838
Non-current assets		
Property, plant and Equipment	48	36
Total non-current assets	48	36
Total assets	1,433	874
Current liabilities		
Payables	(32)	(32)
Accrued Expenses	(314)	(261)
Contract Liabilities - Income received in advance	(505)	(186)
Total current liabilities	(851)	(479)
Total liabilities	(851)	(479)
Net assets	583	395
Equity		
Accumulated surplus	583	395
Total equity	583	395

Rochester and Elmore District Health Service's interest in revenues and expenses resulting from joint arrangements is detailed below:

	2024 \$'000	2023 \$'000
Revenue and income from transactions		
Operating activities	1,127	709
Non-operating activities	80	12
Total revenue and income from transactions	1,206	720
Expenses from transactions		
Operating expenses	1,175	653
Total expenses from transactions	1,175	653
Net result from transactions	32	67
Comprehensive result for the year	32	67

*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 joint arrangement at balance date.

**Rochester and Elmore District Health Service
Notes to the Financial Statements
For the Financial Year Ended 30 June 2024**

Note 8.8 Economic Dependency

Rochester and Elmore District Health Service is a public health service governed and managed in accordance with the Health Services Act 1988 and its results form part of the Victorian General Government consolidated financial position. Rochester and Elmore District Health Service provides essential services and is predominately dependent on the continued financial support of the State Government, particularly the Department of Health, and the Commonwealth funding via the National Health Reform Agreement (NHRA). The State of Victoria plans to continue HS operations and on that basis, the financial statements have been prepared on a going concern basis.

Note 8.9 Equity

Contributed capital

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

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

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

Property, plant and equipment revaluation surplus

The property, plant and equipment revaluation surplus arises on the revaluation of infrastructure, land and buildings. The revaluation surplus is not normally transferred to the accumulated surpluses/(deficits) on derecognise of the relevant asset.

Financial assets at fair value through comprehensive income revaluation reserve

The financial assets at fair value through other comprehensive income revaluation reserve arises on the revaluation of financial assets (such as equity instruments) measured at fair value through other comprehensive income. Where such a financial asset is sold, that portion of the reserve which relates to that financial asset may be transferred to accumulated surplus/deficit.

Specific restricted purpose reserves

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

Rochester and Elmore District Health Service



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