2019-2020

ANNUAL REPORT

Central Highlands Rural Health

Central Highlands
Rural Health

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Authorised and published by the Victorian Government, 1 Treasury Place, Melbourne.

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Except where otherwise indicated, the images in this publication show models and illustrative settings only, and do not necessarily depict actual services, facilities or recipients of services. This publication may contain images of deceased Aboriginal and Torres Strait Islander peoples.

In this document, 'Aboriginal' refers to both Aboriginal and Torres Strait Islander people. 'Indigenous' or 'Koori/Koorie' is retained when part of a title of a report, program or quotation.

Front cover image by Sandy Scheltema Photographer. Margaret is a resident of Trentham Aged Care. In the photograph she greets her granddaughter Alice through the glass during the coronavirus (COVID-19) pandemic.

Available at Central Highlands Rural Health Website:
www.chrh.org.au

Responsible Bodies Declaration
In accordance with the Financial Management Act 1994, I am pleased to present the report of operations for Central Highlands Rural Health for the year ending 30 June 2020.

Peter Matthews
Board Chair
25 September 2020

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About this Report

Central Highlands Rural Health report is prepared for the Minister for Health, the Parliament of Victoria and the community of Central Highlands Rural Health, in accordance with government and legislative requirements and Financial Reporting Directives. This report covers the period from 30 November 2019 to 30 June 2020.

The responsible Ministers during the reporting period were:

Jenny Mikakos MP
Minister for Health
Minister for Ambulance Services

Martin Foley
Minister for Mental Health

The Annual Report will be presented at the Central Highlands Rural Health Annual General Meeting towards the end of the year. Following this, it will be available at Central Highlands Rural Health website: www.chrh.org.au

Central Highlands Rural Health was established on 30 November 2019 under the Victorian Health Services Act 1988. It was formed through the amalgamation of the Hepburn Health Service and Kyneton District Health.

Annual and financial reports are generally prepared for a financial year from 1 July to 30 June; however, this report is for the period from 30 November 2019 to 30 June 2020.

Traditional Owners
Central Highlands Rural Health respectfully acknowledges that our organisation is on Dja Dja Wurrung, Taungurung and Wurundjeri Woi Wurrung Country, whose ancestors and their descendants are the traditional owners of this Country. We acknowledge that they have been custodians for many centuries and continue to perform age old ceremonies of celebration, initiation and renewal. We acknowledge their living culture and their unique role in the life of this region.

Diversity Commitment
Central Highlands Rural Health recognises, supports and celebrates the diversity of the communities within which we work. Our services are delivered to people of all ages and health status with a focus on care of the aged and disadvantaged.

Our Core Purpose
To deliver Best Care for every person, every time.

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Organisational Values

Act with Respect
We are respectful through our behaviours, attitudes and words to one another. We listen and support those we work with and care for.

Be Responsive, Kind and Caring
Caring for people is at the centre of everything we do. We are involved in decisions about their care and service.

Act with Integrity and be Accountable
We always do what we say we are going to do and we hold our colleagues to account.

Commit to Learning and Reflection
We embrace a culture that fosters learning and improvement, and we strive for that in ourselves.

Organisational Goals

Central Highlands Rural Health (CHRH) has developed four strategic goals to guide the initial 1-3 years of our organisation's operations. These build upon those previously developed for Kyneton District Health and Hepburn Health Service independently. The goals are based on the common areas of focus, as well as the individual strategic plans.

Service Delivery, Leadership, Operations and Community are common focus areas that have contributed to the development of Central Highlands Rural Health goals.

Goal One
Identify opportunities to support and strengthen alignment of program and service delivery across Central Highlands Rural Health.

Goal Two
Implement a comprehensive Quality Management Framework across CHRH, including monitoring, reporting and committee structure.

Goal Three
Develop and strengthen our workplace culture, staff engagement and leadership development.

Goal Four
Align infrastructure requirements and planning, and integrate common corporate, clinical support services.

Our Core Purpose is to deliver Best Care for every person, every time

Year in Review

Central Highlands Rural Health, a rural health organisation that operates five campuses across Hepburn Shire and the Macedon Ranges, was formed through the voluntary amalgamation of Hepburn Health Service and Kyneton District Health. The new entity was gazetted on the 30th November 2019. Each of our campuses retains the name of the township in which they are situated - Clunes Health, Creswick Health, Daylesford Health, Kyneton Health, and Trentham Health.

The 2019-2020 financial year has been a period of immense change and upheaval, not just for our organisation, but for every member of the communities we serve, too. As devastating bushfires were abating at the beginning of the year, the Coronavirus (COVID-19) pandemic was emerging. This meant that from early February 2020, our focus has been on keeping our staff, residents, patients, clients and their loved ones safe and protected as much as possible from the virus.

We have worked hard to keep our services running in the best way possible and technology has played a huge part in this. Many of our client consultations have gone from face-to-face contact to telephone and video conferencing. Clinicians have been able to run remote telephone and video outpatient clinics from home and patient feedback has largely been extremely positive. Our thanks go to our IT team for rapidly responding and enabling access wherever possible. This new way of working is likely to continue.

Associate Nurse Unit Managers Katie and Annie at Kyneton Health's Respiratory Assessment Clinic

One of our demonstratively obvious responses was commissioning two Respiratory Assessment Clinics: one at Kyneton, the other at Daylesford. Through these clinics our health service has safely tested patients for symptoms of Coronavirus (COVID-19). In the period 21 February 2020 (first test undertaken) until 30th June 2020 we tested close to 5,000 patients; however, tests more than doubled in the months that followed as the outbreak worsened.

In both Kyneton and Daylesford, the support from our local communities in the establishment of the clinics was outstanding, with local tradespeople and suppliers donating their time and goods to complete the clinics in record time. We would like to thank Dr Robert Power from Campaspe Family Practice, Kennedy and Co, Home Timber and Hardware in Kyneton, Macedon Ranges Plumbing, Bryan Law Electrical, Amp-Up Electrical, Flooring Xtra and G&D Air Conditioning & Mechanical Services. We are forever grateful for their support.

In addition to phone and video consultations and the Respiratory Assessment Clinics, we introduced numerous other changes to our organisation, including:

- Developing an Outbreak Management Plan
- Boosting Infection Control training and practices for all staff
- Increasing the number of hand sanitising stations
- Restricting numbers in meeting rooms and offices

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- Introducing temperature checks and masks
- Cancelling face-to-face volunteer programs and establishing a number of virtual volunteer programs
- Changing our visitation program in both Aged Care and Acute settings
- Cancelling elective surgery, reopening and then closing again
- Tightening movement of staff between campuses
- Running outbreak scenario planning sessions in each of our facilities
- Working closely with our colleagues in organisations across our region, planning for a worst-case scenario in our communities
- Providing regular 'COVID-19 Updates' to all staff, ensuring everyone is up to date with the latest changes
- Connecting executive and senior leaders each day via a 20-minute virtual huddle. Each area of the organisation reports on the previous day and can seek guidance on the challenges ahead.

Our colleagues in all areas have been our shining stars, all part of a huge team effort. We are immensely proud of, and grateful to, all our colleagues across Central Highlands Rural Health who have played such a vital role in minimising the impact of the virus in our local communities. Their work has helped us protect and remain connected to the most vulnerable. We specifically commend our Infection Control staff for their guidance and forbearance as we adapted and learned.

The spontaneous outpouring of public gratitude across our communities during the Coronavirus (COVID-19) outbreak has been truly amazing. We are extremely thankful for the recognition of our health service's key workers at a most challenging time.

Focus on Integrating our Combined Entities

We have continued throughout the year to look at how we can integrate, improve and enhance our services. Our staff, consumers and their loved ones, the Consumer Advisory Committee, Board of Directors and the wider community have all played a huge part in this. We couldn't improve our services without their valuable input and all of our staff strive to make our services the highest quality possible.

Hence, since the amalgamation of Hepburn Health Service and Kyneton District Health in November 2019, we have worked hard on the integration of our two organisations to best meet the future healthcare needs of our growing community.

One of the biggest challenges facing the amalgamation of services continues to be the integration of our IT systems and we are extremely grateful to our IT support team for their ongoing work in this complex area.

Our newly formed organisation remains committed to delivering high quality services. We know and understand the importance of our workforce, our most valuable asset, in achieving our organisational goals. To that end, we invited staff to attend sessions dedicated to 'Shaping Your Organisation' in February 2020. These consultation sessions informed the development of our newly formed values and behaviours (see page 5), which now underpin our daily work.

Staff at one of the 'Shaping Your Organisation' sessions in February 2020

Our values support our strategic quality framework that we call Best Care. Best Care is defined as care that is **Personal** (person centred), **Safe** (no harm), **Connected** (integrated with other services and communicating well), and **Right** (based on the evidence).

We remain focused on delivering these quality goals for every person, every time. The Best Care framework is still in the process of review and we continue to work towards its integration into our systems, support, training and guidance across all areas during 2020.

Because 82% of the presentations/admissions across Central Highlands Rural Health are people over 65 years old (Jul-Dec 2019), we have prioritised the needs of the older person. We have engaged with people who use our services and their families, involving them in the development of our future service provision in aged care. In February and March 2020, we canvassed the views of our local community and staff through a series of consultation sessions and surveys. Their feedback has influenced the draft model of care called Living Well, and we thank them for sharing their stories.

Living Well will integrate evidence and good practice from other models to develop a holistic approach to care of older people. It is being developed alongside our ongoing strategic quality framework and focuses on care provision. We continue to work towards integrating this model of care in all areas of our organisation.

We have reinvigorated our staff rewards system, recognising staff who have excelled by providing high quality care to our residents, patients and clients or by offering first-class service and support to one another. Staff are encouraged to nominate members of their team for a 'Best Care Big Tick' when their actions have clearly aligned to our organisational values or they have gone the extra mile to deliver Best Care. We understand reward and recognition for good work is vital in retaining quality staff. We continue to explore expansion of the program to best reward our staff who demonstrably support our values and Best Care Goals, ensuring Central Highlands Rural Health is a great place to work.

A Snapshot of our Services

Acute Services

Central Highlands Rural has acute facilities in Kyneton and Daylesford and a sub-acute service in Creswick.

Kyneton Health's first bone graft and knee reconstruction was carried out by orthopaedic surgeon Mr William Pianta. This procedure was made possible by a grant to purchase specialised orthopaedic equipment in 2019 (February 2020)

Cancer services were boosted in February 2020 by the launch of the region's first Oncology Chemotherapy Service. Patients who were previously travelling to metropolitan hospitals were able to receive a range of treatments in Kyneton, including chemotherapy and other supportive therapies such as blood transfusion and immunotherapy. The service is operated in conjunction with the Bendigo Health Cancer Centre as an extension of the twice-monthly oncology clinic launched in 2018. During the Coronavirus (COVID-19) pandemic, we took the precaution to redirect some treatments back to Bendigo Health, whilst continuing to offer some services on site.

Despite best efforts, birthing services were suspended in October at Kyneton as we were unable to increase the number of referrals for birthing or maintain the workforce of obstetricians and experienced midwives

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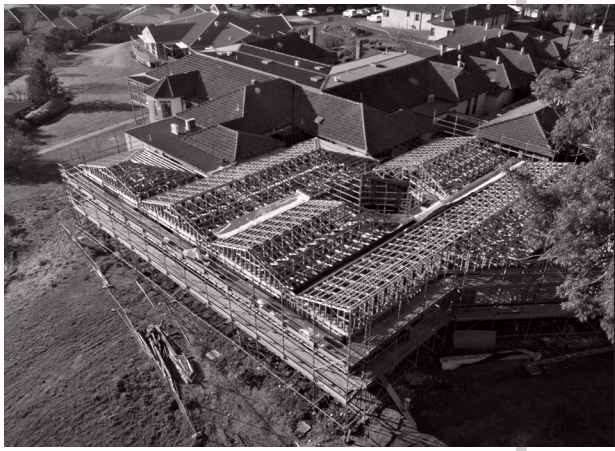
required to support the service. When Maternity Services were reclassified to Level 1 we re-established a robust domiciliary postnatal home care service, more than doubling the number of referrals and home visits of previous years.



The new wing at Creswick Aged Care is making good progress

Residential Aged Care
Occupancy remains high in our Aged Care facilities in Creswick, Daylesford and Trentham.

As well as Living Well, our main focus in Aged Care is the redevelopment of our service to ensure a contemporary and homely aesthetic for our elders. Upgrading Creswick Aged Care began in October 2019 and despite Coronavirus (COVID-19) restrictions, the build has progressed well with only minor delays. We remain on target to complete renovations by the end of 2020. Funded by Department of Health and Human Services the project is the first stage in a long-term redevelopment to bring the existing Creswick Aged Care Residential facility up to date with contemporary standards of care. The new wing includes 12 private rooms (with ensuite) nestled around a central courtyard. Renovations to our existing building include upgrades to bedrooms, common areas and the heating and cooling systems.

In Home Services
Our Community Nursing Team have been challenged to respond to the Coronavirus (COVID-19) pandemic by caring for a large number of people at home who would otherwise have been in hospital. More patients have been admitted for hospital-in-the-home, reducing the burden on acute settings. Similarly, patients in need of palliative care are electing to stay home, preferring to have regular visits from our Palliative Care nurses for their ongoing care and symptom management. Our sincere thanks go to our colleagues out on the road each day for their ongoing care of our community in their homes.

In Hepburn, the Commonwealth Home Support Programme (CHSP) and Home Care Packages (HCP) were successfully audited by the Aged Care Quality and Safety Commission in February 2020. We were one of the first in our region to undergo review under the Aged Care Quality Standards and feedback from the assessors was extremely positive.

Home Care Packages were expanded into the Macedon Ranges as part of our organisational promise to deliver more services to our local communities. Home Care packages, funded by the federal government, provide older people access to a variety of services including cleaning, meal preparation, gardening, home maintenance, companionship, personal care and nursing.

We also secured additional funding from the Commonwealth Home Support Program to offer additional support to vulnerable clients in our community at this time of need. The funding meant Commonwealth Home Support Program clients receiving meals-on-wheels were not charged for meals in May, June or July 2020, and we've doubled the number of meals provided compared to the previous year. We've also joined others in the Daylesford community to partner with the Good Grub Club, providing meals to vulnerable people at home.

Community Health
Our five community teams - Mental Wellbeing, Physical Wellbeing, Oral Health, Population Health, and Maternal and Child Health - have delivered in excess of 15,000 hours of primary healthcare to 7,500 community clients in the Hepburn shire. Clients were aged from two days to 104 years.

In continuing to be innovative in providing access to services, we successfully trialled an extended hours project supported by the Western Victorian Primary Health Network. Through this project we learnt that the Creswick and Daylesford communities welcomes the ability to access allied health services in the evening. We plan to launch this service in October 2020 to coincide with daylight savings. As the impact of the Coronavirus (COVID-19) pandemic broadened, we quickly transitioned to Telehealth services ensuring safe continuity of community health services.

For the first time in over a decade, Central Highlands Rural Health successfully lobbied for a permanent increase in the Commonwealth Home Support Program funds to the tune of an additional $105,000, which will support additional allied health services to our over 65-year-old population.

The Oral Health team were selected as a Smile Squad service provider, an oral health service for all public school children in the Hepburn Shire. Screenings and treatment will be delivered at schools from a Dental Van. All nine public schools having committed to Smile Squad visiting their school in 2021.

Creswick Men's Friendship Shed

Population Health

The Population Health team have been actively working in our community addressing key priorities including Mental Wellbeing, Healthy Eating and Active Living. We have observed an increased uptake of education settings participating in Smiles for Miles, the Achievement Program and Puberty Education. 'The Cook, the Chef and Us' was once again successfully delivered at Daylesford College, achieving outstanding results. A strong supportive relationship continues with the Creswick Men's Friendship Shed along with partnerships across Central Highlands Rural Health, partner agencies, community services and community.

A range of successful health promotion campaigns resulted in great community and staff feedback including healthy salad and soup days, Active April, Women's Health Week, and Men's Health Week. To further support our community during the Coronavirus (COVID-19) pandemic, we have pivoted our programs, developing a food relief resource, health promotion messaging for Meals on Wheels recipients, and a Population Health and Wellbeing newsletter accompanied by community health and wellbeing videos.

Andrew Dennis (Chef), Shane Richardson (Integrated Primary Care Manager), Belinda Buck (Population Health Manager) and Rheannon Owen (Health Promotions Officer) at the 2019 VicHealth Awards

Celebrating our Achievements

Our commitment to excellence and innovation was acknowledged at the 2019 Victorian Public Health Awards in November 2019 when our youth program 'The Cook, The Chef and Us' was named finalist in the Chief Health Officer's Award for supporting healthy populations. The program runs in partnership with Daylesford College and a number of local hospitality partners. 'The Cook, The Chef and Us' supports year 9 and 10 students at risk of educational disengagement, to shine and be self-aware of their value whilst acquiring hospitality skills and qualifications enabling them to be better placed to secure employment in the local hospitality sector.

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The 'The Cook, The Chef and Us' was also named a finalist in the 2019 VicHealth Awards in the Improving mental wellbeing category in December 2019. The VicHealth Awards are the state's highest accolade for health promotion. We are very proud of the recognition this program has received.

Our work in inclusion and diversity was also recognised as we were named finalist in the Minister for Equality's Award for supporting LGBTIQ health at the 2019 Victorian Public Health Awards.

All these prestigious acknowledgements demonstrate our ongoing commitment to the communities we serve.

Volunteers

Central Highlands Rural Health is fortunate to have the support of nearly 200 volunteers across five campuses. The Coronavirus (COVID-19) pandemic prevented the majority of our volunteers from continuing their service, which was greatly missed by our clients, patients and residents who rely on their regular contact.

Singing duo Sugar 'n' Spice have put together a virtual concert of over 30 songs for residents to enjoy

Some volunteers continued their support virtually: our Beyond Words Biographers continued their Biography work with a resident via Skype; two volunteers stayed in touch with Kyneton Health's Treehouse clients via video chat/phone; and, volunteers carried out Virtual Visits via phone calls to some of our community residents across the Hepburn Shire. Our Community Advisory Committee continued to provide their invaluable support and input via email and zoom meetings. We were also able to offer a Virtual Volunteer Concert for residents to enjoy many of their favourite songs on the TVs in lounge areas and individually on iPads.

Throughout the pandemic, the Meals on Wheels service has been supported by dedicated band of volunteers, their willingness in continuing to deliver meals during this difficult time is appreciated very much by the meals' recipients.

We want to thank all our wonderful volunteers for their ongoing support throughout this very challenging year.

Fundraising and Community Support

Fundraising in the 2019-2020 financial year was unable to replicate the exceptional three-fold revenue increase experienced during the preceding 12-month period. The momentum from the previous success, coupled with redoubled supporter stewardship and recognition activity, ensured encouraging increases in our levels of repeat donations early in the early part of the year.

However, a 'perfect storm' of fundraising barriers confronted Central Highlands Rural Health. The 'Black Summer' national bushfire crisis attracted generous public and philanthropic support. Consistent with well-documented global experience in natural disasters, the nation's attention was fundamentally diverted. Like other non-bushfire causes, we experienced significant 'donor fatigue', exacerbated by the pandemic and consequent deep economic downturn.

The Rotary Club of Daylesford funded the acquisition of an AED Defibrillator Machine for our Community Health Centre

Ironically, the pandemic provided a stage to demonstrate to our local communities the true value of our local facilities and, most importantly, our local caregivers. We adjusted our fundraising marketing focus resulting in an overall increase in donation frequency, albeit at a lower average value, culminating in total fundraising revenues exceeding $140,000. We remain profoundly grateful to all our donors for their continued support, irrespective of its value, during this extremely challenging period.

Finally, we would like to acknowledge the significant support the Daylesford Foundation has given our local community. Their emergency relief funding has helped community members purchase a range of much-needed items throughout the financial period of 2019-2020, but most notably during the coronavirus (COVID-19) crisis. We thank them for their generosity.

Where we Stand Today

Life remains dominated by the Coronavirus (COVID-19) pandemic. Our organisation is a different place to the way it was a year ago, due to not only the pandemic but also the amalgamation of services across our combined communities.

Community support for Central Highlands Rural Health has been overwhelming. Throughout all of the challenges of the year, our 556 staff continue to serve our community with dedication, expertise and empathy. The board and executive remain extremely grateful for the passion and professional skill of all our staff. We are very proud of our outstanding team who provide quality healthcare service to our communities. We also wish to thank our visiting medical officers for their ongoing care and commitment to our hospitals, residential aged care facilities and the community as a whole.

We also wish to thank the members of the Board who provide strategic direction, effective governance and leadership for our organisation. Each director brings their own expertise and experience; collectively they serve our health service with commitment, integrity and discipline.

We hope you enjoy reading our Annual Report for 2019-20, which gives you a taste of the services we offer.

Peter Matthews
Board Chair
25 September 2020

Maree Cuddihy
Chief Executive Officer
25 September 2020

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Board of Directors

The Central Highlands Rural Health (CHRH) Board of Directors are appointed by the Governor in Council on the recommendation of the Minister for Health. The Board's responsibilities include:

- Ensuring the care delivered is of the highest quality and meets the needs of the communities they serve
- Setting the strategic directions of CHRH within the framework of government policy
- Exercising the clinical and corporate governance of CHRH and establish policies
- Being accountable to government and stakeholders to ensure corporate governance
- Overseeing oversight of operational and financial performance

Emeritus Professor Peter Matthews, Chair
- Joined KDH board in 2013
- Lives in Woodend
- Creative arts background
- 20 years' experience on Boards and Committees

Councillor Kate Redwood AM, Deputy Chair
- Joined HHS board in 2016
- Lives in Daylesford
- Hepburn Shire councillor
- Experienced senior leader in health and community services

Hon Mary Delahunty
- Joined KDH board in 2019
- Former state government minister
- Proven leader in Media, Government and the Not-For-Profit Sector

Professor Andrea Driscoll
- Joined HHS board in 2017
- Established researcher in heart failure and cardiovascular disease
- Heart failure nurse practitioner
- Member of the Health Complaints Commissioner Advisory Council

Professor Sandy Heriot
- Joined KDH board in 2019
- Clinical Director of Cancer Surgery at Peter Mac
- Active researcher on complex colorectal disease

Ms Bronwyn Malignaggi
- Joined KDH board in 2016
- Proven business executive with sound experience in Financial Services and Oil & Energy sectors
- Specialises in HR, IT governance and audit and risk

Ms Karen O'Sullivan
- Joined KDH board in 2018
- Experienced media professional
- Active in local community, serving on multiple committees

Mr Greg Pullen
- Joined HHS board in 2019
- 40 years' experience in senior management positions in Victorian public hospitals and not-for-profit aged and residential care sectors

Mr Phillip Thomson
- Joined HHS board in 2014
- Experienced business leader in mining, health, telecommunications, real estate and banking sectors

Professor Jeffrey Zajac
- Joined HHS board in 2017
- Chairman of the Division of Medicine and Director of the Department of Endocrinology at Austin Health
- Clinical endocrinologist

Abbreviations: Hepburn Health Service (HHS); Kyneton District Health (KDH)

Board Subcommittees

Audit & Risk

The Audit and Risk Committee is responsible for the operation of the financial risk management framework of Central Highlands Rural Health. The committee oversee the risk management framework, the performance and independence of the internal and external audits, and the effectiveness of management.

Members: Greg Pullen (Chair), Mary Delahunty, Bronwyn Malignaggi, Sandy Heriot
External Members: Michael Wildenauer, Gemma Cameron

Clinical Governance

The Clinical Governance Committee acts to ensure that clinical governance framework and systems are in place within Central Highlands Rural Health for the effectiveness of all clinical services. The committee is in place to monitor and improve quality and safety and to deliver high quality care.

Members: Sandy Heriot (Chair), Jeffrey Zajac, Andrea Driscoll, Phillip Thomson, Peter Matthews Board Chair (ex officio)

Clinical Credentialing

The Clinical Credentialing Committee is responsible for ensuring health professionals at Central Highlands Rural Health are credentialed within a defined scope of practice. Dentist and Medical practitioners are to support safe and high-quality healthcare to patients. All credentialing applications endorsed at this committee are approved by the Clinical Governance Committee.

Members: Sandy Heriot (Chair), Peter Matthews, Jeffrey Zajac

Governance, Remuneration & Nominations

The Governance, Nomination & Remuneration Committee helps the Board to oversee the remuneration paid to the Chief Executive Officer and employees. The committee makes new appointees to the Minister and Governor in Council.

Members: Mary Delahunty (Chair), Kate Redwood, Karen O'Sullivan, Andrea Driscoll,
External Members: Michael Wildenauer

Community Advisory Committee

The Community Advisory Committee gives the Board a strong consumer perspective on the management of the organisation. It provides direction and leadership on the integration of consumer, carer and community views into Central Highlands Rural Health's operations, service delivery, planning and policy development.

Members: Kate Redwood (Chair), Karen O'Sullivan, Peter Matthews, Bronwyn Malignaggi.
External Members: Charles Sherlock, Janet Wood, Joy Johnson, Kathy Hendry, Licia Kokocinski, Luigi Soccio, Margaret Hodge, Peter Hanrahan, Sue Craven, Malcolm Hull, Jude Bourguignon, Rhyl Gould, Bill Weidner, Christiane Gurner, Geoff Barrett, Judith Hedstrom

Project Control Group

The Project Control Group facilitates and monitors the development of a Project from inception to practical completion. They ensure the project scope, budget allocation and timing of works are clearly identified and managed through the project duration.

Members: Greg Pullen (Chair), Phillip Thomson

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Senior Leadership Team

Chief Executive Officer (CEO) - Ms Maree Cuddihy
The CEO reports to the Board of Directors and assumes overall responsibility for the leadership and management of Central Highlands Rural Health (CHRH) in accordance with the strategies, policies and budgets approved by the Board.

Executive Director of Community Operations (Deputy CEO) - Mr Phil Catterson
The Executive Director of Community Operations is responsible for the strategic and operational leadership, policy, professional development, patient care and delivery of CHRH's Community Nursing, Community Health and Wellbeing, Allied Health and Volunteer services.

Executive Director of Clinical Operations - Ms Shannon Storey
The Executive Director of Clinical Operations is responsible for planning, directing and evaluating all clinical activities within CHRH. The position is responsible for leadership, policy, professional development, patient care and service delivery, including the ongoing implementation and development of evidence-based best practice, in our acute and aged care facilities.

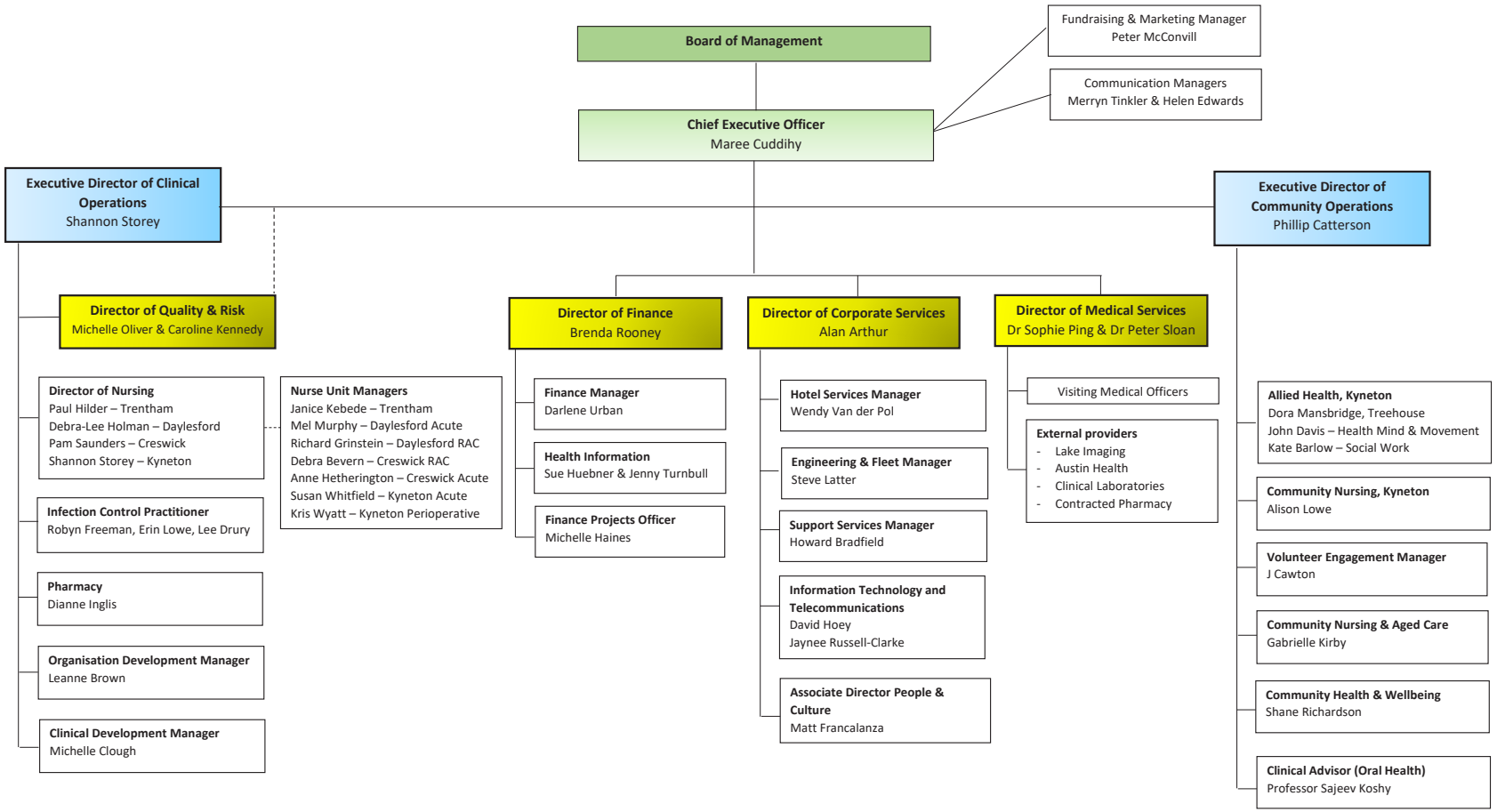
Director of Finance - Ms Brenda Rooney
The Director of Finance develops workforce and systems initiatives to support the organisation to provide safe and effective care. The position oversees the daily operations of the CHRH financial operations and administrative services, including health information systems.

Director of Medical Services - Dr Sophie Ping and Dr Peter Sloan
The Director of Medical Services is responsible for the Medical Administration of CHRH and for implementation of Clinical Governance as approved by the Board. The Director of Medical Services is the authorised Senior Medical Officer under Section 120 DA (Guidelines on the Compulsory Testing Provisions of the Health Act 1958).

Director of Corporate Services - Mr Alan Arthur
The Director of Corporate Services has high level strategic and operational oversight across the organisation's Corporate Services, including Information Technology, Hotel & Environmental Services, Infrastructure and Fleet, Gardening, Supply and Procurement, Emergency Management and all related support services (such as capital projects, contracts and asset management).

Director of Quality & Risk - Ms Michelle Oliver and Ms Caroline Kennedy
The Director of Quality & Risk oversees and leads quality processes and improvement initiatives, ensuring consistency of policies and procedures, providing oversight of risk management and work health & safety issues and systems, legislative compliance and imbedding an 'accreditation ready' approach across the service.

Organisational Structure



About our Organisation

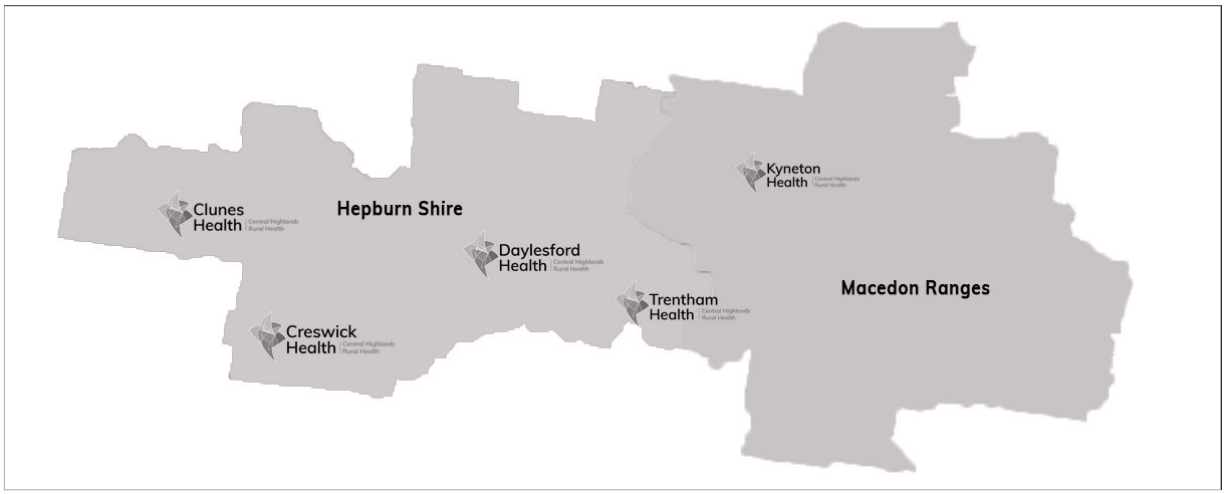
Central Highlands Rural Health, a rural health organisation that operates five campuses across Hepburn Shire and the Macedon Ranges, was formed through the voluntary amalgamation of Hepburn Health Service and Kyneton District Health. The new entity was gazetted on the 30th November 2019.

Each of our campuses retains the name of the township in which they are situated - Clunes Health, Creswick Health, Daylesford Health, Kyneton Health, and Trentham Health.

We service the Macedon Ranges and Hepburn Shire in the Central Highlands of Victoria in Australia, north and north-west of Melbourne.

We have rural hospitals in Kyneton and Daylesford, Residential Aged Care in Daylesford, Trentham and Creswick and operate Community Aged Care services and Community Health services across the region.

About a third of our population lives out of town in a rural setting, but collectively, we're a peri-urban community between Ballarat, Bendigo and Melbourne, with a growing population. This means we're a blend of long-term locals, tree changers and a commuter population. The diversity of people is something Central Highlands Rural Health recognises, celebrates and supports.



Diversity, Inclusion & Belonging

Central Highlands Rural Health recognises, supports and celebrates the diversity of the communities within which we work. Our services are delivered to people of all ages and health status with a focus on care of the aged and disadvantaged.

- We acknowledge the first peoples of Australia and their unique role in our history and society. We work with individuals and groups from a wide range of backgrounds, interests and experiences.
- We recognise the important attributes of those from culturally and linguistically diverse backgrounds.
- We welcome people of different sexual orientations and gender identities, who are a significant portion of our population and who have helped shape our local culture
- We appreciate the challenges experienced through financial disadvantage and endeavour to consider the impact it has upon people, when providing services.

Central Highlands Rural Health welcomes people of different sexual orientations and gender identities, who are a significant portion of our population and who have helped shape our local culture.

- We are an equal opportunity employer, providing an LGBTIQ inclusive workplace.
- We are committed to providing inclusive care to LGBTIQ people. Central Highlands Rural Health achieved Rainbow Tick accreditation for our Aged Care services in 2016 and for our Daylesford, Creswick, Clunes and Trentham campuses in 2019.
- We have an LGBTIQ Advisory Group to guide the organisation in decisions around making our services welcoming and inclusive.
- We invite input from LGBTIQ consumers on how we can best meet their needs. If you would like more information about LGBTIQ inclusive services or would like to share your ideas please contact our Director of Quality on 03 5321 6527
- All Central Highlands Rural Health staff aim to ensure access to a safe and inclusive service that promotes health and wellbeing for everyone in our community. LGBTIQ consumers can expect to feel welcome and safe at Central Highlands Rural Health.

Staff from Daylesford and Trentham, together with Integrated Community Aged Care clients, marched or rode in the bus in Daylesford's annual ChillOut Parade (March 2020)

WORKING TOWARDS DEMENTIA FRIENDLY

Rainbow Tick

Our Services

At Central Highlands Rural Health, we offer a comprehensive range of services across the Macedon Ranges and Hepburn Shire that are focused on maintaining and improving the health and wellbeing of those living in our communities.

Hospital Services

Our acute services in Daylesford and Kyneton, and our sub-acute service in Creswick, are welcoming, personal and close to home. They provide care for medical and surgical admissions across a large variety of illnesses, injuries and conditions.

Daylesford Surgery
Daylesford Hospital's operating suite welcomes visiting specialists and anaesthetists to conduct a weekly elective operating list, allowing local residents to have surgery close to home.

Diagnostics
Diagnostic services at Central Highlands Rural Health include onsite pathology and imaging services and are available at Kyneton and Daylesford. They are utilised by inpatients and members of the community.

Dialysis
Our dialysis unit has three chairs in both Kyneton and Daylesford. Patients generally come in three days a week. Specialist care is provided as a satellite of the Royal Melbourne Hospital dialysis service.

Kyneton Surgery
Kyneton Health has two operating theatres equipped for minor and intermediate level surgery. Surgical teams operate nine days a fortnight and most procedures are day visit or short stay. Our consultants are highly skilled surgeons and anaesthetists who are also attached to large teaching hospitals.

Oncology
Our oncology services at Kyneton Health provide care for patients with cancer and related illnesses. The service includes an Oncology Clinic where patients will be seen by a Medical Oncologist and Specialist Nurse. The service also includes a range of treatment options including chemotherapy and other supportive therapies such as blood transfusions and immunotherapy.

Palliative Care
Our unique local combination of hospital and community nursing teams mean patients requiring palliative care can move easily between home and hospital, as needed. Palliative Care is for anyone who has been diagnosed with a serious illness and can help manage symptoms and improve quality of life.

Urgent Care Centre
Our Urgent Care Centres in Daylesford and Kyneton are staffed by highly skilled nurses, in collaboration with local GPs. Professional care may also be provided by our RIPERNs (Rural and Isolated Practice Endorsed Registered Nurse) who have undertaken additional training to provide a wider range of primary care and emergency services from rural health services.

Residential Aged Care

Central Highlands Rural Health provides permanent and respite residential aged care. Our facilities are comfortable and safe and we promote the highest physical and mental function to optimise the residents' quality of life. Our aged care homes are not-for-profit, publicly owned and operated and approved by the Australian Government.

Creswick Aged Care
Creswick Aged Care is situated in the rural township of Creswick. The home has 30 beds however redevelopment is underway to create a new wing with 12 private rooms (with ensuite) nestled around a central courtyard. Renovations to our existing building also include upgrades to bedrooms, common areas and the heating and cooling systems. The home is co-located with Creswick Hospital and has 24-hour nursing and medical cover, accommodation for couples, a secure garden, facility transport and access to many specialist services.

Daylesford Aged Care
Daylesford Aged Care is located close to Daylesford town centre. It is a small home of 30 beds with a combination of single and double rooms. The home is co-located with Daylesford Hospital and has 24-hour nursing and medical cover, and access to many specialist services.

Trentham Aged Care
Trentham Aged Care is a small home of 35 beds with mainly single rooms, co-located with Trentham Community Health Centre and Springs Medical. Residents have access to 24-hour nursing and medical cover, as well as many specialist services.

In-Home Services

We offer a range of support for you to stay independent and safe in your own home. Our In-Home Services are designed to suit you, from district nursing to delivered meals, transition care and hospital in the home.

Delivered Meals
Delivered Meals, along with other In-Home Services, aim to assist the elderly and those with disabilities to remain living independently for as long as possible.

District Nursing
Home visits are the key component of District Nursing. Our nurses provide care across the Macedon Ranges and Hepburn Shire and offer expert skills in managing your day to day needs. This includes medication management, diabetic management, chronic disease management, wound care, continence and stomal care.

Domiciliary Postnatal Care
All women who birth at a public health facility are entitled at least one home visit from a domiciliary midwife. Our midwives support mothers and babies who have given birth at a major tertiary or regional maternity hospital, continuing postnatal care for the family in their own home.

Home Care Packages
Home Care Packages provide long-term support for older people who want to stay living in their home. A coordinated package is tailored to meet specific care needs, giving the individual choice and flexibility in the way that care and support is provided. Home care packages can pay for care and services that keep you safe and well at home, including general support (cleaning, laundry, shopping etc.), personal assistance (dressing, showering, making meals etc.) and help to stay healthy (nursing, allied health, equipment etc.).

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Hospital in the Home (HITH)
HITH provides care in the comfort of a patient's home, rather than a hospital ward. HITH is an alternative to an impatient stay. Patients are still regarded as hospital inpatients, and remain under the care of their hospital doctor. Care may be provided by nurses, doctors, or allied health professionals, and additional home supports arranged as required.

Transition Care Program (TCP)
TCP helps people over 65 plan their care after an extended hospital stay. This short-term care is up to 12 weeks (but generally 5 – 8 weeks) and includes case management, nursing, personal care, allied health and social work while a long-term plan is finalised. The program is available in either our acute hospitals, residential aged care facilities or at home, and often happens across a combination of locations.

Community Health & Wellbeing

Our Community Health & Wellbeing service focuses on wellness and person-centred care and addresses inequalities in primary healthcare access. It enables those with chronic and complex conditions to have well-planned, integrated care in a community setting that supports their capacity to self-manage and reduce avoidable hospital admissions. Our services are delivered by trained professionals who can help manage physical or mental health, through services that include diagnosis, treatment or rehabilitation.

Mental Health and Wellbeing
Our mental health and wellbeing services work with clients to develop their potential, work productively and creatively, build positive and respectful relationships with others, and meaningfully contribute to the community. Our services include:

Psychology: Psychology services for individuals at Clunes, Creswick, Daylesford and Trentham. Group services are available at Daylesford on demand. Services are free of charge to clients who have an authorised Mental Health Treatment Plan from their GP.

Alcohol and Other Drugs: services include brief interventions, community withdrawal and medium to longer-term counselling. Alcohol and Other Drugs counselling is available at our Hepburn campuses for people of all ages. Outreach counselling is available to young people up to age 25.

Hepburn Local Drug Action Team (LDAT): brings together local community organisations and community members to prevent and minimise the harm caused by alcohol and drug use within the Hepburn Shire by responding to local data and need. Our LDAT comprises of local organisations including Central Highlands Rural Health, Hepburn Shire Council, Daylesford College, Victoria Police and Daylesford Neighbourhood Centre.

Services and Treatment for Enduring and Persistent Mental Illness (STEPMI): The STEPMI program provides longer-term support and therapy to individuals experiencing enduring mental health issues. Users of this service are also able to access the 10 visit Mental Health Treatment Plan scheme with a doctor's referral.

Physical Services
Our physical health and therapy services focus on restoring, improving, or maintaining functioning and wellbeing. This is done through providing a range of clinical interventions, expertise, care and treatment and education including techniques for self-management. Our services include:

Physiotherapy: assess, diagnose, plan and manage the care of patients across a broad range of areas with musculoskeletal, cardiothoracic and neurological injuries and conditions, and across the lifespan. Physiotherapists see patients one-on-one, or in small groups

Podiatry: deals with the prevention, diagnosis, treatment and rehabilitation of medical and surgical conditions of the feet and lower limbs. The conditions podiatrists treat include those resulting from bone and joint disorders such as arthritis and soft-tissue and muscular pathologies, as well as neurological and circulatory disease.

Healthy Mind and Movement: fills the gap between hospital support and self-care at home. The program supports (particularly older) community members to build exercise endurance, general fitness and improve their overall independence and wellbeing. It also assists those with newly diagnosed or early onset dementia or mild cognitive impairment. The Healthy Mind and Movement program operates at Kyneton Health and comprises of three fully funded 12-week programs, coordinated on-site at by a physiotherapist.

Occupational Therapy: helps people of all ages to overcome barriers that have made it difficult for them to do some or many things in their everyday lives. Occupational therapists work with people to assist them in being able to do these activities again. Working across all our facilities, occupational therapists can also visit people in their homes, hospitals and nursing homes.

Speech Pathology: speech pathologists work with people of all ages who have communication or swallowing difficulties. They work as part of a larger team of health professionals who can help with a range of difficulties, such as problems with speech, voice, using and understanding language, fluency, reading, writing, eating and drinking.

Dental Health/Oral Health
Dental services are provided at our Creswick and Daylesford campuses for general and emergency dental care and dentures.

Diabetes Education
Central Highlands Rural Health offers education, management and advice for Type 1, Type 2, Gestational Diabetes, Pre – Diabetes and Diabetes prevention. This service is available for all ages.

Dietetics
Dietitians help people understand the relationship between food and health. They help assess and plan diets for people with diabetes, cancer, high cholesterol, overweight, underweight, food allergies and intolerances, as well as lifespan specific nutrition. Using evidenced based guidelines, personal preferences and medical history, a dietitian can develop recommendations to achieve specific health related goals

Maternal and Child Health
The Maternal and Child Health service works in partnership with families to care for babies and young children until they start school. The service includes visits to a local maternal and child health nurse at 10 key ages and stages in your child's development. Additional services in the Hepburn Shire include new parent groups, immunisations, breast feeding support, sleep and settling service and 'Smalltalk' supported playgroups.

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Social Support
Our social support programs are a chance for older people (65 or over or 50 and over for Aboriginal or Torres Strait Islander people) and their unpaid carers to socialise with other older people living in the community. It promotes participation in social activities with others and includes activities at centres and outings that help people to stay independent.

Social Work and Welfare
Social Work is available at all sites and provides a range of support and information services across the lifespan. This includes working with school-aged children, families and through to end of life planning and care. Welfare works more specifically with individuals who require material assistance and those experiencing financial hardships. Welfare services are available at Daylesford and Clunes.

Treehouse
The Treehouse is a supportive and safe social place for people with a palliative condition, dementia or any chronic illness that contributes to them feeling isolated or lonely.
The regular meeting place at Kyneton Health is coordinated by friendly nurses who support people who live in the Macedon Ranges to get involved in meaningful activities that promote independence and wellbeing.

Health Promotion & Prevention

Health Promotion is defined as a 'process of enabling people to increase control over, and to improve their health'. Central Highlands Rural Health is passionate about health and wellbeing and works closely with local services, community groups, sporting clubs and active recreation groups to ensure our local community is equipped with knowledge and resources to lead a healthy life.

Achievement Program
The Achievement Program is creating healthy places for work, learning and living by providing health and wellbeing programs, wellness resources and wellness frameworks within early learning settings, schools and workplaces. The Achievement Program is supported by the Victorian Government and the vision is for every Victorian to be healthy, well and participate – at work, at school or in early childhood care.

Active Living
Each year Central Highlands Rural Health participates in Premier's Active April by encouraging the community to be active and log their minutes of physical activity during the month of April. Planning for Active April requires working in partnership with Hepburn Shire Council, Neighbourhood Houses and Sports Central to provide a calendar of sport and active recreation offerings across the region.

The Cook, The Chef and Us
The Cook, the Chef and Us is a Hepburn Local Drug Action Team supported program and funded by the Australian Drug Foundation. Coordinated by Central Highlands Rural Health, the program is delivered to Daylesford College students. The program aims to prevent the risk of early school leaving by engaging students in alternative education opportunities.

Creswick Men's Friendship Shed
The Shed is a place where men connect, build friendships and contribute to community projects which are a part of fundraising activities for the wider community of Creswick and surrounding district. The Shed offers a space where men feel safe, welcome and is a place which embraces and supports those with a disability and those going through hardship.

Puberty Education
Central Highlands Rural Health offers local primary schools a comprehensive Puberty Education program for grade 5 & 6 students. Entering puberty can be a difficult time for young people to navigate both the physical and emotional changes. The Puberty Education program provides important health knowledge to students and builds a shared understanding of the changes associated with puberty.

Smiles for Miles
Smiles 4 Miles is an initiative of Dental Health Services Victoria which aims to improve the oral health of children and their families across Victoria. The program focuses on three key areas: drink well, eat well, clean well. The Smiles 4 Miles program is delivered predominantly in preschools and is based on the World Health Organisation's Health Promoting Schools Framework, an internationally recognised best practice approach.

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Part A: Strategic Priorities

In 2019–20, Central Highlands Rural Health contributed to the achievement of the Government's commitments within 'Health 2040: Advancing Health, Access and Care' by continuing to deliver the agreed strategies that have been developed for Kyneton District Health and Hepburn Health Service independently.

A new Statement of Priorities was completed by combining the Statements of Priorities agreed by Hepburn Health Service and Kyneton District Health. Strategic priorities were aligned and reported in a single report.

Better Health

Goals:	Strategies
– A system geared to prevention as much as treatment – Everyone understands their own health and risks – Illness is detected and managed early – Healthy communities encourage healthy lifestyles	– Reduce Statewide Risks – Build Healthy Neighbourhoods – Help people to stay healthy – Target health gaps

Priority One

Deliverable:

- In collaboration with Central Highlands Primary Health (CHRH) and Futures Australia, work within the local community to co-design a community driven approach to the prevention of obesity across Hepburn Shire. Year 1 involves working with partners (Prevention Lab Phase 11) to develop a local initiative.

Outcome:

- CHRH Community Health team has participated in three Healthy Together Labs coordinated by Health Futures Australia. Their approach has had a real focus on community ownership that is not led by the health service or Council. We will continue to participate and contribute offering advice on Health Strategies as required.

Priority Two

Deliverable:

- Review the menu and catering options at Central Highlands Rural Health to comply with Nutrition Standards for menu items in 'Victorian Hospitals and Residential Aged Care Facilities (2009)', and the 'Health Choices: Healthy Eating Guidelines for Workplaces'.

Outcome:

- Last year, we engaged an Accredited Practicing Dietician to assess Kyneton Health's menu. Feedback was generally good or very good, but a new menu plan was developed to address the opportunities for improvement that were identified. The new menu will be implemented in August 2020. The other site menus will be audited this year.
- A Healthy Eating policy was introduced in August 2019 at Kyneton. It will be rolled out across CHRH in the coming year.

Better Access

Goals:	Strategies
– Care is always being there when people need it – Better access to care in the home and community – People are connected to the full range of care and support they need – Equal access to care	– Plan and invest – Unlock innovation – Provide easier access – Ensure fair access

Priority Three

Deliverable:

- Increase the number of Rural and Isolated Practice Endorsed Registered Nurses (RIPERNs) via the Primary Health Network grant program opportunities. The aim is to enable rostering of one RIPERN for each out of hours period, to ensure patients can access the right care, in the right place, at the right time.

Outcome:

- 8 staff members from Daylesford Health are currently undertaking RIPERN training under this program. The expected date for completion and nursing practice is August 2020. Kyneton Health currently has 8 RIPERN nurses with 1 nearing completion. Two nurses per year at Daylesford and Kyneton are encouraged to complete the course to fill rosters and ensure succession planning.

Priority Four

Deliverable:

- Participate in the My Emergency Doctor urgent care project funded by the Primary Health Network.

Outcome:

- Over 10 months, Daylesford Urgent Care Centre has utilised this service 59 times. This project has been extended and is due for completion on September 25th, 2020.

Priority Five

Deliverable:

- Introduce a designated Link Nurse to explore opportunities to enhance appropriate referrals from Residential Aged Care Facilities for community palliative care.

Outcome:

- The project was funded through a Palliative Care grant in 2019. Referral pathways were developed for Residential Aged Care Facilities (RACF) with traffic lights indicating urgency of referral in regards to symptoms, along with a Palliative Care RACF Referral form.
- The Registered Nurse working on the project provided education to five RACF across the Macedon Ranges. This project has enhanced the understanding of timely referrals and the role of the community palliative care service in RACFs. Due to limited and non-recurrent funding, a dedicated Link Nurse was not appointed.

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Better Care

Goals:	Strategies
– Targeting zero avoidable harm – Healthcare that focusses on outcomes – Patients and carers are active partners in care – Care fits together around people's needs	– Put quality first – Join up care – Partner with patients – Strengthen the workforce – Embed evidence – Ensure equal care

Priority Five

Deliverable:

- Prioritise and improve consumer partnerships in line with Safer Care Victoria's Partnering in Healthcare and CHRH's statement of intent.

Outcome:

- CHRH Community Advisory Committee was established for the new entity.
- We undertook community consultation in relation to how consumers in our region see the future of aged care. An online survey was posted on our website and Facebook page with 81 people from 4 generations contributing. An interim report of raw data relating to this work was presented to the CHRH Community Advisory Committee in March 2020 for their information and input. This work informed the drafting of the new model of care 'Living Well' (see priority six).
- Implemented Facebook strategy engaging with different community groups to build awareness through health messaging.

Priority Six

Deliverable:

- Revise the contemporary model of care for residential aged care services and complete at least 50% of the actions required to implement and sustain this model of care.

Outcome:

- In 2020 we introduced the draft model of care 'Living Well' to address the needs of older people who are residents, patients or clients at any of our services. This model of care is linked to our Best Care quality framework under 'Best Care for the Older Person'. It is currently in late draft form and there has been consultation with staff and consumers throughout the organisation. A steering committee will progress this framework in a targeted manner.

Priority Seven

Deliverable:

- Implement at least four new "Your Story Matters" (Patient Stories) initiatives based on feedback and suggestions from consumers.

Outcome:

- Several patient stories have been collected and shared with staff and the Board.
- 83-year-old Ronald volunteered to participate in the 'Your Story Matters' program following five days of respite care on our acute ward in Kyneton. As a result of his feedback, we reintroduced the Patient Bedside Pack, investigated better use of our patient lounge for meals times and actively recruited patients to join others in physical activities.

Specific Priorities: 2019-2020

In 2019–20, Central Highlands Rural Health (CHRH) contributed to the achievement of the government's priorities by continuing to deliver the agreed strategies that have been developed for Kyneton District Health and Hepburn Health Service independently.

Support the Mental Health System

Improve service access to mental health treatment to address the physical and mental health needs of consumers.

Deliverable:

- Conduct an internal review of mental health services to inform a service wide action plan to improve our mental health services provision.

Outcome:

- We reviewed our policy and procedure documents in relation to client needs management, client access, referral cancellations and a more efficient billing processes.
- Waiting list management and the demand for services is being monitored closely for 2020/21 to ensure we are meeting client demand and providing timely access to services. This process has included the drafting a client service agreement which outlines the importance of accountability on both sides for communicating inability to attend appointments, so we can offer this to other clients and adhering to the treatment plans to improve the ongoing care.

Address Occupational Violence

Foster an organisational wide occupational health and safety risk management approach, including identifying security risks and implementing controls, with a focus on prevention and improved reporting and consultation.

Deliverable:

- Utilising Worksafe Victoria's 'Prevention and management of violence and aggression in health services' guidebook, identify the Health Service's current risk exposure and effectiveness of controls. Implement an agreed work plan that will:
  - Further embed 'Strengthening Hospital Responses to Family Violence' framework and management of clinical aggression programs
  - Target specific strategies identified in the risk assessment, and
  - Utilise resources supplied by the Department, Worksafe Victoria and others, where applicable.
- Reduce workplace violence and improve psychological wellbeing, as measured in the Victorian Public Sector Commission's 'People Matter' survey.
- Raise awareness of mental health wellbeing in the workplace.

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Outcome:

- An organisational review against Worksafe Victoria's 'Prevention and management of violence and aggression in health services' was undertaken which identified gaps within the organisation's framework. A work plan was developed to address the gaps.
- Completed risk assessments at all facilities with reviews undertaken by the WorkSafe Inspectorate
- Code Grey procedure were reviewed
- A Lone Worker procedure was implemented and duress alarms utilised across all campuses.
- We have increased training on reporting instances of Occupational, Violence & Aggression (OVA) through Victorian Health Incident Management Systems (VHIMS). Staff members who report OVA incidents are provided with EAP support and wellbeing checks by line managers and the Occupational Health & Safety (OH&S) and Return to Work Coordinator.
- We've increased messaging to all staff regarding caring for themselves and each other alongside resources to support mental wellbeing.

Address Bullying and Harassment

Actively promote positive workplace behaviours, encourage reporting and action on all reports.

Deliverable:

- Review and implement the Department's 'Framework for promoting a positive workplace culture: preventing bullying, harassment and discrimination (2019)' training guide and principles.
- Facilitate a working group to review the framework, current policies and procedures
- Utilise Worksafe Victoria's 'Workplace Bullying: A Guide for Employers' framework on prevention and response.
- Utilise the 'Know Better, Be Better' campaign resources to educate staff on definition and impact of bullying, harassment and discrimination.
- Develop indicators to measure the success after the implementation of the framework and principles.

Outcome:

- We have set up working group to review current policies and procedures against the Framework, and adopted Worksafe Victoria's workplace bullying prevention and response.
- Together with the People Matter survey, the framework has been incorporated into an action plan designed to deliver overall cultural changes and facilitate bullying, harassment and discrimination prevention. A three-year action plan to address these areas has been developed and incorporated into the Strategic Plan.
- Values and behaviour-based training has been developed and commenced for all managers and leaders of the health service.
- Respect Training is under review for implementation across all CHRH campuses.
- Key performance Indicators are currently being developed.

Support Aboriginal Cultural Safety

Improve the health outcomes of Aboriginal and Torres Strait Islander people by establishing culturally safe practices across all parts of the organisation. These practices will recognise and respect Aboriginal culture and deliver services that meet the needs, expectations and rights of Aboriginal patients, their families, and Aboriginal staff.

Deliverable:

- Improve cultural safety and create a welcoming environment for the Aboriginal and Torres Strait Islander community.

Outcome:

- Welcome to Country / Acknowledgement of Country policy defined
- Kyneton Health participates in the Koolin Balit Loddon Mallee Evaluation and sits on the Bendigo & District Aboriginal Co-operative Committee
- Acknowledgement of Country signs installed at all sites, with further Symbols of Welcome installed in Kyneton (flags in entrance, waiting room glass mural)
- All staff asked to include recognition in email signatures
- Professional development provided, including cultural competences, 'Ask the Question' training and staff reminders on screensavers
- Culturally appropriate coronavirus (COVID-19) signage installed across all facilities

Address Family Violence

Strengthen responses to family violence in line with the Multiagency Risk Assessment and Risk Management (MARAM) Framework and assist the government in understanding workforce capabilities by championing participation in the census of workforces that intersect with family violence.

Deliverable:

- Continue to collaborate with regional health services and external stakeholders in the implementation of the 'Strengthening Hospital Responses to Family Violence' (SHRFV) initiative including:
  - Whole of health service staff training
  - Strengthen referral pathways for specialist family violence services.
- Provide information about the availability of support for staff affected by family violence, such as deidentified family violence leave and the Employee Assistance Program.

Outcome:

- Kyneton Health is aligned with Western Health and Djerriwarrh Health Services for the SHRFV project. Through annual training sessions, staff are able to implement strategies to identify, sensitively enquire and appropriately respond to family violence. Training has resulted in multiple disclosures with pathways and appropriate interventions in place.
- Kyneton Health was involved in the pilot project 'Healthcare that Counts' in 2019. This project developed an interactive referral pathway for vulnerable children.
- MARAM Framework implementation is ongoing for our Information Sharing Entities (being Drugs & Other Alcohol and Maternal & Child Health services). Key stakeholders attended the MARAM Framework Leading Alignment training.
- In response to the coronavirus (COVID-19) pandemic, phase two of the Child Information Sharing Scheme (CISS), Family Violence Information Sharing Scheme (FVISS) and MARAM Frameworks have been delayed. This is expected to recommence in the first half of 2021.
- CHRH participated in the first pilot group to undertake the Family Violence Systems Audit (SAFE) in conjunction with the Royal Women's and University of Melbourne funded by the Collier Charitable Fund. Audit completed in April 2020 with findings being utilised to further embed initiatives.

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Support Vulnerable Patients

Partner with patients to develop strategies that build capability within the organisation to address the health needs of communities and consumers at risk of poor access to healthcare.

Deliverable:

- Conduct a gap analysis of the Health Service's compliance with the Department's 'Delivering for Diversity' framework and develop an action plan to address any gaps.
- Build on the strategies to support victims of Family Violence and extend the reach of initiatives to include the intersection between mental health, family violence, elder abuse and LGBTIQ services.

Outcome:

- CHRH are partners in developing and enacting the Macedon Ranges Health & Wellbeing Partnership Plan. The areas of health priority have been identified and they include mental health and wellbeing.
- Dementia Friendly Organisation accreditation achieved for Kyneton campus on the back of significant (and increasing) population with dementia in Macedon Ranges. Accreditation will be sought for all campuses.
- Diversity Commitment on display at the entrance of all campuses and promoted to new staff upon induction.
- Community Advisory Committee Terms of Reference specifies recruitment reflective of diversity of community.
- Working Group established for implementation of the 'Communities of Respect and Equality plan' developed in conjunction with the Communities of Respect and Equality (CoRE) Alliance (Grampians region). Delayed due to COVID-19.
- The Rainbow Tick Sub-Committee and Diversity and Inclusion Sub-Committee was amalgamated under the new name: Diversity, Inclusion and Belonging Sub-Committee (DIBSC)
- Kyneton Health's Diversity and Vulnerability Plan submitted to the department, this will be rolled across CHRH.

Implement Disability Action Plans

Continue to build upon last year's action by ensuring implementation and embedding of a disability action plan which seeks to reduce barriers, promote inclusion and change attitudes and practices to improve the quality of care and employment opportunities for people with disability.

Deliverable:

- Further develop and implement our disability action plan in consultation with employees and consumers with disabilities.
- Improve the quality of care and employment opportunities for people with a disability by finalising and commencing site specific Disability Action Plans.

Outcome:

- Kyneton Health commissioned a Disability Access Audit which was completed in June 2019.
- Kyneton Health's Disability Action Plan was developed and sent to the department by 30 December 2019.
- As a result of the work already undertaken, consideration will now be given to combining the Disability Action Plan and Diversity and Vulnerability Plan, or elements of the plans.

Support Environmental Sustainability

Contribute to improving the environmental sustainability of the health system.

Deliverable:

- Identify and implement projects and/or processes to reduce carbon emissions
- Continue to upgrade lighting with Light Emitting Diode (LED) technology as part of the ongoing maintenance program.

Outcome:

- Solar panels were installed at Kyneton and Daylesford sites.
- We continue to replace LED lights across the sites, although progress has been slowed by restrictions on contractors entering facilities due to COVID-19.

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Part B: Performance Priorities

The Victorian Health Services Performance monitoring framework outlines the Government's approach to overseeing the performance of Victorian health services.

Changes to the key performance measures in 2019–20 strengthen the focus on high quality and safe care, organisational culture, patient experience and access and timeliness in line with Ministerial and departmental priorities.

Further information is available at:
www2.health.vic.gov.au/hospitals-and-health-services/funding-performance-accountability

High quality and safe care

Key Performance Measure	Target	Results
Accreditation		
Compliance with the Aged Care Standards	Full Compliance	Achieved
Infection Prevention and Control		
Compliance with the Hand Hygiene Australia program (1st Nov 2019 to Mar 31st 2020)	83%	90.5%
Percentage of healthcare workers immunised for influenza	84%	94.7%
Patient Experience		
Victorian Healthcare Experience Survey – percentage of positive patient experience – Quarter 3	95%	99%
Victorian Healthcare Experience Survey – percentage of very positive responses to questions on discharge care – Quarter 3	75%	92%
Victorian Healthcare Experience Survey – patients' perception of cleanliness – Quarter 3	70%	95%

Key Performance Measure	Target	Results
Adverse Events		
Sentinel events – root cause analysis (RCA) reporting	All RCA reports submitted within 30 business days	Achieved

Strong governance, leadership and culture

Key Performance Measure	Target	Results
Organisational Culture		
People matter survey	80%	Not applicable
**Central Highlands Rural Health formed on 30 November 2019. Not applicable data is data which was finalised prior to the formation.*		

Effective financial Management

Key Performance Measure	Target	Results
Operating result ($m)	0.00	(2.4)
Average number of days to pay trade creditors	60 days	37
Average number of days to receive patient fee debtors	60 days	36
Adjusted current asset ratio	0.7 or 3% improvement from health service base target	0.8
Forecast number of days available cash (based on end of year forecast)	14 days	9.5
Actual number of days available cash, measured on the last day of each month.	14 days	9.5
Variance between forecast and actual Net result from transactions (NRFT) for the current financial year ending 30 June.	Variance ≤ $250,000	$1,030,000

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Part C: Activity and Funding

Funding Type	2019–2020 Activity Achievement
Small Rural	
Small Rural Acute	30
Small Rural Primary Health & HACC	7,589
Small Rural Residential Care	29,962
Other Specified Funding	158

Consultancies

In the period 30 November 2019 to 30 June 2020 Central Highlands Rural Health engaged fifteen (15) consultants in total. Nine (9) consultants were engaged for a total fee payable of less than $10K, with a total expenditure of $39,122.73 (ex GST). Six (6) consultants where engaged for a total fee payable of greater than $10K. Details of the consultant engaged and the purpose of the consultancy is outlined in the table below:

Consultant	Purpose of Consultancy	Total Approved Project Fee	Expenditure (excl. GST)	Future Expenditure (excl. GST)
Cathy Balding Qualityworks Pty Ltd	Best Care Quality governance	30,182.30	30,182.30	0
Lake Young & Associates Pty Ltd	Fire Safety Audits	16,200.00	16,200.00	0
Mercer Consultants (Aust.) Pty Ltd	Executive Wage Reviews	14,400.00	14,400.00	0
Grampians Rural Health Alliance	IT Amalgamation Services	136,500.00	136,500.00	0
Dell Australia Pty Ltd	IT Amalgamation Services	21,087.20	21,087.20	0
DXC Technology Australia Pty Ltd	IT Amalgamation Services	205,961.00	34,665.81	171,295.19

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Events Subsequent to Balance Sheet

Assets, liabilities, incomes or expenses arise from past transactions or other past events. Where the transactions result from an agreement between Central Highlands Rural Health and other parties, the transactions are only recognised when the agreement is irrevocable at or before the end of the reporting period.

Adjustments are made to amounts recognised in the financial statements for events which occur between the end of the reporting period and the date when the financial statements are authorised for issue, where those events provide information about conditions which existed at the reporting date. Note disclosure is made about events between the end of the reporting period and the date the financial statements are authorised for issue where the events relate to conditions which arose after the end of the reporting period that are considered to be of material interest.

The COVID-19 pandemic has created unprecedented economic uncertainty. Actual economic events and conditions in the future may be materially different from those estimated by Central Highlands Rural Health at the reporting date. As responses by government continue to evolve, management recognises that is it difficult to reliably estimate with any degree of certainty the potential impact of the pandemic after the reporting date on Central Highlands Rural Health, its operations, its future results and financial position.

No other matters or circumstances have arisen since the end of the financial year which significantly affected or may affect the operations of Central Highlands Rural Health, the results of the operations, or the state of affairs of Central Highlands Rural Health in the future financial years

Summary of Financial Results

	30 Nov 2019 - 30 June 2020 $000
Operating Result *	**(2445)**
- Total Revenue	26,039
- Total Expenses	29,849
- Net Result from Transactions	**(3,810)**
- Total other Economic Flows	(29)
- Net Result	**(3,839)**
- Total Assets	94,774
- Total Liabilities	28,931
- Net Assets / Total Equity	**65,843**

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

Reconciliation between the *Net result from transactions* reported in the model to the *Operating result* as agreed in the Statement of Priorities

	30 Nov 2019 - 30 June 2020 $000
Net Operating Result *	**(2445)**
Capital purpose income	1,415
COVID 19 State Supply Arrangements - Assets received free of charge or for nil consideration under the State Supply	79
State supply items consumed up to 30 June 2020	(55)
Assets provided free of charge	(23)
Expenditure for capital purpose	(112)
Depreciation and amortisation	(2669)
Net Result from Transactions	**(3,810)**

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

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Disclosure of ICT Expenditure

Information Communication & Technology (ICT)

In addition to the always increasing demands of cyber-security, 2019-2020 has seen three major pieces of work that have had significant impact in the ICT space, in addition to the normal workload of supporting busy modern hospitals, residential aged care facilities and community healthcare.

The first event has dominated the year and impacted everyone; but the COVID-19 pandemic created additional work for ICT. Firstly, there was the provision of extra hardware and training to support the two Respiratory Assessment Clinics that were stood up at very short notice, at the same time as we were providing hardware, software and support, to facilitate remote/ home working, videoconferencing and expanded TeleHealth solutions.

Secondly, the amalgamation of Kyneton District Health and Hepburn Health Service has required extensive evaluation, planning, design and implementation of consolidated networks, systems and services, to support the newly formed organisation. This work started as soon as the merge was gazetted late in 2019 and has been ongoing under the direction of an experienced, dedicated Project Manager ever since, with the final go-live date planned for the end of September 2020. As well as bringing together the systems from the two organisations, a substantial amount of work has been delivered in conjunction with, and with the invaluable support of, the two Health Alliance, - the Loddon Mallee Rural Health Alliance and the Grampians Rural Health Alliance.

Finally, with Microsoft Windows 7 and Server 2008 operating systems going end-of-life for mainstream support during the year, a turnover of every workstation and laptop, and a significant number of our servers was required. The job took several months and included communication and training for all staff in the new desktop operating system.

The total ICT expenditure incurred during 2019-2020 is $1.2 million (excluding GST) with the details shown below:
Details of the consultant engaged and the purpose of the consultancy is outlined in the table below:

Business as Usual (BAU) ICT expenditure	**Non-Business As Usual (non-BAU) ICT expenditure**		
Total (excluding GST)	Total=Operational expenditure and Capital expenditure (excluding GST) (a) + (b)	Operational expenditure (excluding GST) (a)	Capital expenditure (excluding GST) (b)
$0.57 million	$0.63 million	$0.41 million	$0.22 million

** Note : Includes IT Amalgamation consulting costs already included in Consultancies table.*

Workforce Data

Central Highlands Rural Health complies with the Local Jobs First Act (2003). There was one contract in 2019-2020 to which Local Jobs First Act (2003) applied, incorporating the Victorian Industry Participation Policy Act (2003).

Workforce by Labour Category

Hospital Labour Category	June current month FTE 2020	Average monthly FTE 2020
Nursing	159.68	156.88
Administrational and Clerical	64.00	61.85
Medical Support	-	-
Hotel and Allied Services	75.12	75.16
Medical Officers	1.04	0.93
Hospital Medical Officers	-	-
Sessional Clinicians	-	-
Ancillary Staff (Allied Health)	25.83	25.21
TOTAL	**325.67**	**320.03**

Occupational Health & Safety

Central Highlands Rural Health is committed to the safety, health & wellbeing of our staff by providing a safe work environment for all members of the workforce, volunteers, contractors and the public. Central highlands Rural Health allocates resources to the management of Occupational Health & Safety (OH&S) by implementing a "Safety First' approach. Central highlands Rural Health complies with the Occupational Health and Safety (OH&S) Act 2004 and the Occupational Health and Safety (OH&S) Regulations 2017 and all relevant standards and codes of practice.

Occupational Health and Safety Data

	30 Nov 2019 - 30 June 2020
The number of reported hazards/incidents for the year per 100 full time equivalent (FTE)	44.85
The number of 'lost time' standard WorkCover claims for the year per 100 FTE	11.50
The average cost per WorkCover claim for the year (2019-2020)	$46,954

The Central Highlands Rural Health, Occupational Health & Safety Committee meet on a quarterly basis.

Occupational Violence Statistics

	30 Nov 2019 - 30 June 2020
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	21
Number of occupational violence incidents reported per 100 FTE	7.29
Percentage of occupational violence incidents resulting in a staff injury, illness or condition	4.76%

Definitions of Occupational Violence

- *Occupational violence – any incident where an employee is abused, threatened or assaulted in circumstances arising out of, or in the course of their employment.*
- *Incident – an event or circumstance that could have resulted in, or did result in, harm to an employee. Incidents of all severity rating must be included. Code Grey reporting is not included, however, if an incident occurs during the course of a planned or unplanned Code Grey, the incident must be included.*
- *Accepted Workcover claims – Accepted Workcover claims that were lodged in 2019-20.*
- *Lost time – is defined as greater than one day.*
- *Injury, illness or condition – This includes all reported harm as a result of the incident, regardless of whether the employee required time off work or submitted a claim.*

Legislative Compliance

The Central Highlands Rural Health Annual Report has been prepared in compliance with the requirements of the Financial Management Act 1994 (the Act), Section 4.2 of the Standing Directions of the Minister for Finance under the Act and Financial Reporting Directions.

Data Integrity Attestation

I, Maree Cuddihy, certify that Central Highlands Rural Health has put in place appropriate internal controls and processes to ensure that reported data accurately reflects actual performance. Central Highlands Rural Health has critically reviewed these controls and processes during the year.

Maree Cuddihy
Chief Executive Officer
25 September 2020

Conflict of Interest Attestation

I, Maree Cuddihy, certify that Central Highlands Rural Health has put in place appropriate internal controls and processes to ensure that it has complied with the requirements of hospital circular 07/2017 Compliance reporting in health portfolio entities (Revised) and has implemented a 'Conflict of Interest' policy consistent with the minimum accountabilities required by the VPSC.

Declaration of private interest forms have been completed by all executive staff within Central Highlands Rural Health 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.

Maree Cuddihy
Chief Executive Officer
25 September 2020

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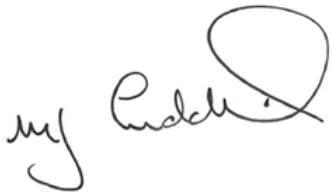
Compliance with Health Purchasing Victoria (HPV) Health Purchasing Policies Attestation

I, Maree Cuddihy, certify that Central Highlands Rural Health has put in place appropriate internal controls and processes to ensure that it has complied with all requirements set out in the HPV Health Purchasing Policies including mandatory HPV collective agreements as required by the Health Services Act 1988 (Vic) and has critically reviewed these controls and processes during the year.

Maree Cuddihy
Chief Executive Officer
25 September 2020

Integrity, Fraud and Corruption Attestation

I, Maree Cuddihy certify that Central Highlands Rural Health has put in place appropriate internal controls and processes to ensure that Integrity, fraud and corruption risks have been reviewed and addressed at Central Highlands Rural Health during the year.



Maree Cuddihy
Chief Executive Officer
25 September 2020

Financial Management Compliance Attestation

I, Greg Pullen, on behalf of the Central Highlands Rural Health, certify that Central Highlands Rural Health has no Material Compliance Deficiency with respect to the applicable Standing Directions under the Financial Management Act 1994 and Instructions.

Greg Pullen
Chair of the Audit and Risk Committee
25 September 2020

Legislation

Building Compliance

Central Highlands Rural Health 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 per Minister for Finance Guideline Building Act 1993/Standards for Publicly Owned Buildings November 1994.

Works and maintenance undertaken to ensure conformity with relevant Standards are as follows:

Building works	
Building certified for approval	1
Works in construction and subject of mandatory inspections occupancy permits issued	1
Maintenance	
Notices issued for rectification of substandard buildings requiring urgent attention	0
Involving major expenditure and urgent attention	0
Building condition assessment	0
Essential services maintenance (per campus)	5

Freedom of Information

Central Highlands Rural Health is subject to the Freedom of Information Act 1982. Our nominated Principal Officer is the Chief Executive Officer. From July 1 2019–June 30, 2020 we received 34 requests for information under the Act; 25 personal and 9 for non-personal purposes and collected $1,130.60 in fees.

Public Interest Disclosure Act

Central Highlands Rural Health takes very seriously all allegations of improper conduct by its employees or the Board of Directors. The Public Interest Disclosure Act 2012 is designed to protect people who disclose information about serious misconduct within the Victorian Public Sector and to provide a framework for investigation into these matters. Disclosures of improper conduct by Central Highlands Rural Health or its employees may be made to:

Chief Executive Officer
Tel: 5321 6500, Email: info@chrh.org.au

The Ombudsman Victoria
Level 22, 459 Collins Street, Melbourne, 3000
Tel: 9613 6222 Toll free: 1800 806 314

Central Highlands Rural Health considers Public Interest Disclosure within the context of its Code of Conduct. There have been nil disclosures from 30 November 2019 to 30 June 2020.

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Carers Recognition

At Central Highlands Rural Health, we understand the important role carers play in the life of consumers. We welcome carer participation and encourage our staff to recognise and promote the rights and roles of carers. Central Highlands Rural Health takes all practical measures to comply with the Carers Recognition Act 2012.

Competitive Neutrality

All competitive neutrality requirements are met in accordance with the Government's policy on National Competition as outlined in the Guide to Implementing Competitive Neutral Pricing Principles.

Safe Patient Care Act

Central Highlands Rural Health has nil disclosures to report in relation to its obligations under Section 40 of the Safe Patient Care Act 2015.

Ex Gratia Payments

Central Highlands Rural Health has 0 matters to report in relation to its obligations under Section 40 of the Safe Patient Care Act 2015.

Publications

Central Highlands Rural Health produces a number of publications for the community in to order to provide a better understanding of our services and programs. These publications are available on our website: www.chrh.org.au

Registration

All practitioners engaged by Central Highlands Rural Health maintained their registration status throughout the year.

Environmental Performance

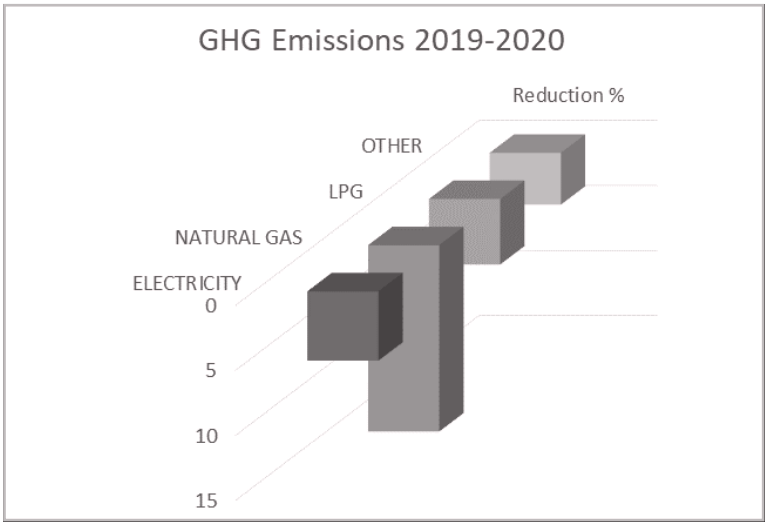
Central Highlands Rural Health (CHRH) strives to continually improve the health of the people in our community by endeavouring to provide healthcare in an environmentally sound and sustainable manner. We commit to continual improvement in energy use to reduce our carbon footprint.

We progressively establish and maintain environmental standards in compliance with all applicable regulations and standards.

The Environmental & Sustainability Committee (ESC) ensures that CHRH manages its operations in a manner that is protective of the environment and human health, applying sustainability principles to achieve optimal environmental practices consistent with clinical excellence, organisation goals in a fiscally responsive manner. This committee oversees the implementation and monitoring of the Environmental Sustainability Plan.

Our initiatives:

- Continuing to replace all light fittings with Light Emitting Diode (LED) and ensuring all new fittings are installed with LED
- Retaining original materials wherever possible during refurbishment
- Installing standalone air-conditioning systems in each space where required, with the energy use centrally monitored and controlled to avoid power wastage
- Installation of 99KW Solar array on Daylesford Hospital reducing Greenhouse Gas emissions from electricity use by 25%.
- Ensuring that the Creswick Nursing Home development includes green initiatives including Solar hot water and installation of 20KW solar array.
- We continue to add to the number of recycling streams as a means of disposal is confirmed, e.g. soft plastics, batteries and e-waste such as, mobile phones, computers, etc. Printer cartridges are recycled through Ecocycle and are used in asphalt production.



Information Available on Request

Consistent with Financial Reporting Direction (FRD) 22H (Section 5.19), details in respect of the items listed below have been retained by Central Highlands Rural Health and are available to the relevant Ministers, Members of Parliament and the public on request (subject to the freedom of information requirements, if applicable):

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

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Legislation	Requirement	Page Reference
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Legislation		
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Financial Statements

For the period 30 November 2019 - 30 June 2020

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Victorian Auditor-General's Report.	FR2
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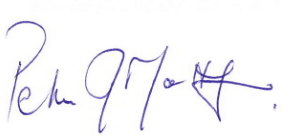
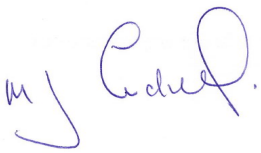
Board member's, accountable officer's, and chief finance & accounting officer's declaration

The attached financial statements for Central Highlands Rural Health has 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 period 30 November 2019 to 30 June 2020 and the financial position of Central Highlands Rural Health as at 30 June 2020.

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

We authorise the attached financial statements for issue on 18 March 2021.

Board Chair	**Chief Executive Officer**	**Chief Finance and Accounting Officer**
		
Peter Matthews	**Maree Cuddihy**	**Brenda Rooney**
Daylesford	Daylesford	Daylesford
18 March 2021	18 March 2021	18 March 2021

Independent Auditor's Report

Victorian Auditor-General's Office

To the Board of Central Highlands Rural Health

Opinion	I have audited the financial report of Central Highlands Rural Health (the health service) which comprises the: • balance sheet as at 30 June 2020 • comprehensive operating statement for the period then ended • statement of changes in equity for the period then ended • cash flow statement for the period then ended • notes to the financial statements, including significant accounting policies • board member's, accountable officer's and chief finance & accounting officer's declaration. In my opinion the financial report presents fairly, in all material respects, the financial position of the health service as at 30 June 2020 and their financial performance and cash flows for the period 30 November 2019 to 30 June 2020 in accordance with the financial reporting requirements of Part 7 of the *Financial Management Act 1994* and applicable Australian Accounting Standards.
Basis for Opinion	I have conducted my audit in accordance with the *Audit Act 1994* which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report. My independence is established by the *Constitution Act 1975.* My staff and I are independent of the health service in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.
Board's responsibilities for the financial report	The Board of the health service is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the *Financial Management Act 1994*, and for such internal control as the Board determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error. In preparing the financial report, the Board is responsible for assessing the health service's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.

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

Other Information	The Board of the health service is responsible for the Other Information, which comprises the information in the health service's annual report for the period ended 30 June 2020, but does not include the financial report and my auditor's report thereon. My opinion on the financial report does not cover the Other Information and accordingly, I do not express any form of assurance conclusion on the Other Information. However, in connection with my audit of the financial report, my responsibility is to read the Other Information and in doing so, consider whether it is materially inconsistent with the financial report or the knowledge I obtained during the audit, or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude there is a material misstatement of the Other Information, I am required to report that fact. I have nothing to report in this regard.
Auditor's responsibilities for the audit of the financial report	As required by the *Audit Act 1994,* my responsibility is to express an opinion on the financial report based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report. As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also: • identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. • obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the health service's internal control • evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board • conclude on the appropriateness of the Board's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the health service's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the health service to cease to continue as a going concern. • 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.

Auditor's responsibilities for the audit of the financial report (continued)	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
29 March 2021

Travis Derricott
as delegate for the Auditor-General of Victoria

Financial Statements

Central Highlands Rural Health
Comprehensive Operating Statement
For the Period 30 November 2019 to 30 June 2020

	Note	2020 $'000
Income from Transactions		
Operating activities	2.1	25,953
Non-operating activities	2.1	86
Total Income from Transactions		26,039
Expenses from Transactions		
Employee expenses	3.1	(21,330)
Supplies and consumables	3.1	(2,130)
Finance costs	3.1	(32)
Depreciation and amortisation	3.1, 4.3	(2,669)
Other operating expenses	3.1	(3,688)
Total Expenses from Transactions		(29,849)
Net Result from Transactions - Net Operating Balance		**(3,810)**
Other Economic Flows included in Net Result		
Net Gain on sale of non-financial assets	3.2	15
Other Loss - revaluation of long service leave	3.2	(44)
Total Other Economic Flows Included in Net Result		**(29)**
NET RESULT FOR THE PERIOD		**(3,839)**
COMPREHENSIVE RESULT FOR THE PERIOD		**(3,839)**

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

Financial Statements

Central Highlands Rural Health
Balance Sheet
As at 30 June 2020

	Note	2020 $'000
Current Assets		
Cash and cash equivalents	6.2	19,972
Receivables	5.1	1,310
Inventories	4.4	128
Other assets		320
Total Current Assets		**21,730**
Non-Current Assets		
Receivables and contract assets	5.1	1,789
Property, plant and equipment	4.1	71,123
Intangible assets	4.2	132
Total Non-Current Assets		**73,044**
TOTAL ASSETS		**94,774**
Current Liabilities		
Payables and contract liabilities	5.2	9,895
Borrowings	6.1	211
Provisions	3.4	7,384
Other liabilities	5.3	9,824
Total Current Liabilities		**27,314**
Non-Current Liabilities		
Borrowings	6.1	583
Provisions	3.4	1,034
Total Non-Current Liabilities		**1,617**
TOTAL LIABILITIES		**28,931**
NET ASSETS		**65,843**
EQUITY		
Contributed capital	SCE, 8.11	69,650
Accumulated deficits	SCE	(3,807)
TOTAL EQUITY		**65,843**

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

Financial Statements

Central Highlands Rural Health
Statement of Changes in Equity
For the Period 30 November 2019 to 30 June 2020

	Note	Contributed Capital $'000	Accumulated Deficits $'000	Total $'000
Balance at 30 November 2019				
Administrative Restructure - Net Asset Transfer	1, 8.11	69,650	-	69,650
Net result for the period		-	(3,839)	(3,839)
Share of Joint Venture surplus - GRHA Equity Method	8.8	-	32	32
Balance at 30 June 2020		**69,650**	**(3,807)**	**65,843**

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

Financial Statements

Central Highlands Rural Health
Cash Flow Statement
For the Period 30 November 2019 to 30 June 2020

	Note	2020 $'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Operating grants from government		21,527
Capital Grants from government - State		4,690
Other capital receipts		21
Patient and resident fees received		1,849
Interest and investment income received		80
Property income received		122
Other receipts		2,153
Total Receipts		**30,442**
Employee expenses paid		(20,227)
Non salary labour costs		(1,018)
GST paid to ATO		(77)
Payments for supplies & consumables		(2,719)
Payments for medical indemnity insurance		(21)
Payments for repairs and maintenance		(392)
Interest and other finance costs		(14)
Cash outflow for leases		(32)
Other payments		(2,032)
Total Payments		**(26,532)**
NET CASH FLOW FROM OPERATING ACTIVITIES	8.1	**3,910**
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of non-financial assets		
Purchase of non-financial assets		(1,474)
Capital donations and bequests received		65
NET CASH FLOWS (USED IN) INVESTING ACTIVITIES		**(1,409)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from borrowings		232
Repayment of borrowings		(239)
Receipt of accommodation deposits		1,601
Repayment of accommodation deposits		(1,349)
NET CASH FLOW FROM FINANCING ACTIVITIES		**245**
NET INCREASE IN CASH AND CASH EQUIVALENTS HELD		**2,746**
Cash and cash equivalents at beginning of reporting period	8.11	**17,226**
CASH AND CASH EQUIVALENTS AT END OF PERIOD	6.2	**19,972**

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

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30 June 2020

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Basis of Preparation

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

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

Note 1 - Summary of Significant Accounting Policies

Central Highlands Rural Health is a newly formed registered funded agency under the *Health Services Act 1988* . It was formed effective 30 November 2019, following the voluntary amalgamation of Hepburn Health Service and Kyneton District Health Service. The amalgamation and formation of the new agency was by an Order in Council under the *Health Services Act 1988* , declared in Victoria Government Gazette No. S 483 Wednesday 27 November 2019, and is considered an Administrative restructure.
Central Highlands Rural Health acquired all the rights, responsibilities, assets, liabilities and equity of the former Hepburn District Health Service and Kyneton District Health Service on amalgamation.

These annual financial statements represent the audited general purpose financial statements for Central Highlands Rural Health for the period 30 November 2019 to 30 June 2020. The report provides users with information about Central Highland Rural Health's stewardship of resources entrusted to it.

Financial information for the former Hepburn Health Service and Kyneton District Health Service entities for the period 1 July 2019 to 30 November 2019, and position prior to amalgamation date are disclosed in Note 8.12 of the Notes to and forming part of these financial statements. The Balance sheet statements at Note 8.12(a) and 8.12(b) represent the carrying value of the net assets in these entities balance sheet's immediately before the transfer.

The net assets assumed by Central Highlands Rural Health as a result of the administrative restructure is recognised in the balance sheet at the carrying amount of those assets in the former entities balance sheet statements immediately before transfer.

The net asset transfers were treated as a contribution of capital by the State as detailed in Note 8.11.

(a) Statement of Compliance

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

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

Central Highland Rural Health is a not-for-profit entity and therefore applies the additional Aus paragraphs applicable to "not-for-profit" Health Services under the AASBs.

(b) Reporting Entity

The financial statements include all the controlled activities of Central Highland Rural Health.

Its principal address is:
Hospital Street
Daylesford, Victoria 3460

A description of the nature of Central Highland Rural Health’s operations and its principal activities is included in the report of operations, which does not form part of these financial statements.

Note 1: Summary of Significant Accounting Policies (cont'd)

(c) Basis of Accounting Preparation and Measurement

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

The accounting policies have been applied in preparing the financial statements for the period ended 30 June 2020. As Central Highlands Rural Health is a new entity, no comparative information presented in these financial statements.

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

These financial statements are presented in Australian dollars, the functional and presentation currency of Central Highlands Rural Health.

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

Central Highlands Rural Health operates on a fund accounting basis and maintains three funds: Operating, Specific Purpose and Capital Funds. Central Highlands Rural Health's Capital and Specific Purpose Funds include: funds received for major capital project works, and large donations / bequests being assigned for capital purpose.

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

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

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

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

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

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

In response, Central Highlands Rural Health placed restrictions on non-essential visitors, implemented reduced visitor hours, deferred elective surgery and reduced activity, performed COVID-19 testing and implemented work from home arrangements where appropriate.

For further details refer to Note 2.1 Income from tranactions, 3.1 Expenses from transactions and Note 4.1 Property, plant and equipment.

Note 1: Summary of Significant Accounting Policies (cont'd)

(d) Goods and Services Tax (GST)

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

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

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the ATO, are presented as operating cash flow.

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

(e) Jointly Controlled Operations

Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. In respect of any interest in joint operations, Central Highlands Rural Health recognises in the financial statements :

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

Central Highlands Rural Health is a member of both Grampians Rural and Loddon Mallee Regional Health Alliances Joint Ventures and retains joint control over the arrangements, which it has classified as a joint operation (refer to Note 8.8 Jointly Controlled Operations).

(f) Equity

Contributed Capital

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

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

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

Specific Restricted Purpose Surplus

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

Note 2: Funding Delivery of Our Services

Central Highlands Rural Health 's overall objective is to provide quality health services that provides Best Care for every person every time. Best Care is care and service that is Personal, Safe, Connected and Right.

Central Highlands Rural Health is predominantly funded by accrual based grant funding for the provision of outputs.

Central Highlands Rural Health also receives income from the supply of services.

Structure

2.1 Income from Transactions

Note 2.1 (a) : Income from Transactions

	2020 $'000
Government grants (State) - Operating [1.]	15,250
Government grants (Commonwealth) - Operating	5,187
Government grants (State) - Capital	1,263
Other capital purpose income	90
Capital donations	65
Commercial activities [2.]	249
Patient and resident fees	1,917
Other revenue from operating activities (including non-capital donations)	1,932
Total Income from Operating Activities	**25,953**
Other interest (refer Note 2.(c))	86
Total Income from Non-Operating Activities	**86**
Total Income from Transactions	**26,039**

Impact of COVID-19 on revenue and income

As indicated at Note 1, Central Highlands Rural Health's response to the pandemic included the deferral of elective surgeries and reduced activity. Loss of revenue through reduced activity and rental reductions was incurred. The Department of Health and Human Services provided funding for the lost revenue with certain direct and indirect COVID-19 costs also reimbursed. Central Highlands Rural Health also received essential personal protective equipment free of charge under the state supply arrangement.

Impact of Amalgamation on Government grant revenue allocation between entities

As indicated in Note 1, Government grant revenue is recognised in accordance with accounting standards. Kyneton District Health and Hepburn Health Service received operating grants in advance. These grants funded services provided by Central Highlands Rural Health past amalgamation date. As per the requirements of the accounting standards, the operating grants received in advance by Kyneton District Health and Hepburn Health Service are recognised in the financial statements of Kyneton District Health and Hepburn Health at amalgamation date (Refer Note 8.12) and are not reflected in the financial results of Central Highlands Rural Health. Due to the timing differences between the recognition of revenue and the provision of services, the combined Comprehensive Result of the three entities for the full year is a true representation of the financial performance of the three entities.

[1.] Government Grant (State) – Operating includes $645.9k funding received for COVID-19 impact on health service operations.

[2.] Commercial activities represent business activities which Central Highlands Rural Health enter into to support their operations.

Note 2.1: Income from Transactions (cont'd)

Revenue Recognition

Income is recognised in accordance with either :

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

Government Grants

Income from grants to construct the Creswick Residential Aged Care redevelopment is recognised progressively as the asset is constructed. The progressive percentage costs incurred is used to recognise income because this most closely reflects the progress to completion as costs are incurred as the works are done.

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

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

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

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

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

Performance Obligations

The types of government grants recognised under AASB15 *Revenue from Contracts with Customers* includes:

- Activity Based Funding (ABF) paid for specific types of WIES casemix (National Bowel Cancer Screening Program, TAC, DVA & Renal);
- Commonwealth Residential Aged Care (RAC) revenue paid for approved beds and residents;
- Commonwealth Home Support Packages (CHSP) grant revenue;
- Transition Care Packages (TCP) funded indirectly through a central health agency; and
- Other one-off grants if funding conditions contain enforceable and sufficiently specific performance obligations.

Note 2.1: Income from Transactions (cont'd)

Performance Obligations (cont'd)
For ABF the performance obligations are the number and mix of patients admitted to hospital (casemix) specific to the WIES types in accordance with levels of activity agreed to with the Department of Health and Human Services (DHHS) in the annual Statement of Priorities (SoP). Revenue is recognised when a patient is discharged and in accordance with the specified WIES for each separation. The performance obligations have been selected as they align with funding conditions set out in the Policy and Funding guidelines issued by the DHHS.

For RAC grant revenue, performance obligations are based on approval / classification of the facility and of the residents and their needs, for approved beds in accordance with requirements under the*Aged Care Act 1997* and *Aged Care (Transitional Provisions) Act 1997*. Revenue is recognised in accordance with actual occupancy / resident data for approved beds on a monthly basis. These performance obligations are selected as they align with the terms and conditions of the funding.

For CHSP grant revenue, the performance obligations are based on funding for the provision of specific services based on an Annual agreement. Revenue is recognised based on services provided during the period. These performance obligations are selected as they align with the terms and conditions of the funding provided.

For TCP grant revenue, the performance obligations are based on funding provided to a central agency. Revenue is recognised by CHRH on a monthly basis for the provision of actual services provided during the period. These performance obligations are selected as they align with the terms and conditions of the funding provided.

For other grants with performance obligations Central Highlands Rural Health exercises judgement over whether the performance obligations have been met, on a grant by grant basis.

Private Practice Fees
Private practice fees are recognised as revenue at the time invoices are raised, and include recoupments from private practice for the use of hospital facilities.

Patient and Resident Fees
Patient fees are recognised over time as the service is provided. This is charged either as a fee at time of service, or invoiced on a monthly basis for servies provided during the period.

Resident fees are recognised as revenue over time as Central Highlands Rural Health provides accommodation. This is calculated on a daily basis and invoiced monthly.

Note 2.1: Income from Transactions (cont'd)

Revenue from Commercial Activities

Revenue from commercial activities includes items such as rental income from lease of facilities or consulting rooms.

Performance obligations related to commercial activities are based on terms of agreements, with rental charged in advance based on terms of agreement, and additional charges (utilities / printing etc) invoiced based on usage where specified in terms of agreements. These performance obligations have been selected as they align with the terms and conditions of the contracts.

Other Income

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

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

	2020 $'000
Cash donations and gifts	85
Non-cash contributions	127
Total fair value of assets and services received free of charge or for nominal consideration	**212**

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

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

Voluntary Services: Contributions in the form of services are only recognised when a fair value can be reliably determined, and the services would have been purchased if not donated. Central Highlands Rural Health does receive volunteer services to provide activities additional to our key services such as Auxilliaries, Aged Care Activities, Meal deliveries, Social Support Outings and Volunteer Transport for medical and related appointments for the community. These are additional services which would need to be re-considered from a key service and budgetary position and would generally not be purchased if not available through our valued volunteers. Central Highlands Rural does not depend on volunteers to deliver its key health services provision. In the current COVID environment, volunteer services are minimal with no additional staff appointments.

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

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

- The Victorian Managed Insurance Authority non-medical indemnity insurance payments are recognised as revenue following advice from the Department of Health and Human Services;
- Long Service Leave (LSL) revenue is recognised upon finalisation of movements in LSL liability in line with the long service leave funding arrangements set out in the relevant Department of Health and Human Services Hospital Circular;
- Fair value of assets and services received free of charge or for nominal consideration.
- Resources received free of charge or for nominal consideration are recognised at their fair value when the transferee obtains control over them, irrespective of whether restrictions or conditions are imposed over the use of the contributions, unless received from another Health Service or agency as a consequence of a restructuring of administrative arrangements. In the latter case, such transfer will be recognised at carrying amount. Contributions in the form of services are only recognised when a fair value can be reliably determined and the service would have been purchased if not received as a donation.

Note 2.1: Income from Transactions (cont'd)

Performance obligations and revenue recognition policies

Revenue is measured based on the consideration specified in the contract with the customer. Central Highlands Rural Health recognises revenue when it transfers control of a good or service to the customer i.e. revenue is recognised when, or as, the performance obligations for the sale of goods and services to the customer are satisfied.

• Revenue from the rendering of services is recognised at a point in time when the performance obligation is satisfied when the service is completed; and over time when the customer simultaneously receives and consumes the services as it is provided.

2.1 (c) Other income

	2020 $'000
Other interest	86
Total Other Income	**86**

Interest Income

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

Note 3: The Cost of Delivering Our Services

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

Structure

3.1 Expenses from Transactions
3.2 Other Economic Flows
3.3 Analysis of Expense and Revenue by Internally Managed and Restricted Specific Purpose Funds
3.4 Employee Benefits in the Balance Sheet
3.5 Superannuation

Note 3.1: Expenses from Transactions

	2020 $'000
Salaries and wages	16,140
On-costs	3,615
Agency expenses	237
Fee for service medical officer expenses	1,018
Workcover premium	320
Total Employee Expenses	**21,330**
Drug supplies	194
Medical and surgical supplies (including Prostheses)	563
Diagnostic & radiology supplies	127
Other supplies & consumables	1,246
Total Supplies & Consumables	**2,130**
Finance costs	32
Total Finance Costs	**32**
Other administrative expenses	
Total Administrative Expenses	
Fuel, light, power and water	513
Repairs and maintenance	144
Maintenance contracts	169
Insurance	161
Information techonology expenses	1,434
Consultancy expenses	200
Motor vehicle & travel expenses	93
Audit expenses	60
Staff related expenses (including training & development)	187
Other administrative expenses	265
Outsourced services	97
Other expenses	322
Expenditure for capital purposes	44
Total Other Operating Expenses	**3,688**
Total Operating Expenses	**27,180**
Depreciation and amortisation (refer Note 4.3)	2,669
Total Depreciation and Amortisation	**2,669**
Total Non-Operating Expenses	**2,669**
Total Expenses from Transactions	**29,849**

Impact of COVID-19 on expenses

As indicated at Note 1, Central Highlands Rural Health's daily activities were impacted by the pandemic. This resulted in direct and indirect costs being incurred, such as additional Salaries & Wages, Cleaning, Supplies and Consumables, minor building works, equipment purchases and other costs.

Note 3.1: Expenses from Transactions (cont'd)

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

Employee Expenses
Employee expenses include:

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

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

Finance Costs
Finance costs include finance charges in respect of leases which are recognised in accordance with AASB 16 *Leases.*

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

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

The Department of Health and Human Services also makes certain payments on behalf of Central Highlands Rural Health. These amounts have been brought to account as grants in determining the operating result for the period by recording them as revenue and also recording the related expense.

Non-Operating Expenses
Other non-operating expenses generally represent expenditure for outside the normal operations such as depreciation and amortisation.

Note 3.2: Other Economic Flows

	2020 $'000
Net gain on sale of non-financial assets	
Net gain on disposal of property plant and equipment	15
Total Net Gain on Non-Financial Assets	**15**
Other losses from other economic flows	
Net loss arising from revaluation of long service liability	(44)
Total other Losses from Other Economic Flows	**(44)**
Total Losses From Other Economic Flows	**(29)**

Other economic flows are changes in the volume or value of an asset or liability that do not result from transactions. Other gains/(losses) from other economic flows include the gains or losses from the revaluation of the present value of the long service leave liability due to changes in the bond interest rates.

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

- Net gain/ (loss) on disposal of non-financial assets; and
- Any gain or loss on the disposal of non-financial assets is recognised at the date of disposal.

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

Other Gains/ (Losses) from Other Economic Flows
Other gains / (losses) include :
• the revaluation of the present value of the long service leave liability due to changes in the bond rate movements, inflation rate movements and the impact of changes in probability factors.

Note 3.3: Analysis of Expenses and Revenue by Internally Managed and Restricted Specific Purpose Funds supported by Hospital and Community initiatives

	Expense 2020 $'000	Revenue 2020 $'000
Commercial Activities		
Catering and cafeteria	124	61
Property	-	187
Total Commercial Activities	**124**	**248**
Other Activities		
Fundraising and community support	50	12
Total Other Activities	**50**	**12**
TOTAL	**174**	**260**

Note 3.4: Employee Benefits in the Balance Sheet

	2020 $'000
CURRENT PROVISIONS	
Employee Benefits [(i)]	
Annual leave	
- Unconditional and expected to be settled wholly within 12 months [(ii)]	2,006
- Unconditional and expected to be settled wholly after 12 months [(iii)]	342
Long service leave	
- Unconditional and expected to be settled wholly within 12 months [(ii)]	787
- Unconditional and expected to be settled wholly after 12 months [(iii)]	3,397
Accrued Days off	
- Unconditional and expected to be settled within 12 months [(ii)]	108
	6,640
Provisions related to Employee Benefit On-Costs	
- Unconditional and expected to be settled within 12 months [(ii)]	316
- Unconditional and expected to be settled after 12 months [(iii)]	428
	744
TOTAL CURRENT PROVISIONS	**7,384**
NON-CURRENT PROVISIONS	
Conditional long service leave [(i)]	927
Provisions related to employee benefit on-costs	107
TOTAL NON-CURRENT PROVISIONS	**1,034**
TOTAL PROVISIONS	**8,418**

Notes:
(i) Employee benefits consist of amounts for accrued days off, annual leave and long service leave accrued by employees, not including on-costs.
(ii) The amounts disclosed are nominal amounts
(iii) The amounts disclosed are discounted to present values

(a) Employee Benefits and Related On-Costs

Current Employee Benefits and Related On-Costs	2020 $'000
Annual leave entitlements	2,595
Accrued days off	122
Unconditional long service leave entitlements	4,668
Total Current Employee Benefits and Related On-Costs	
Non-Current Employee Benefits and Related On-Costs	
Conditional long service leave entitlements	1,034
Total Non-Current Employee Benefits and Related On-Costs	
TOTAL EMPLOYEE BENEFITS AND RELATED ON-COSTS	**8,419**

(b) Movement in On-costs Provision

	2020 $'000
Balance at start of period - transfer on administrative restructure	**545**
Additional provisions recognised	460
Unwinding of discount and effect of changes in the discount rate	(5)
Reduction due to transfer out	(149)
Balance at end of period	**851**

Note 3.4: Employee Benefits in the Balance Sheet (cont'd)

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

Provisions
Provisions are recognised when Central Highlands Rural Health has a present obligation, the future sacrifice of economic benefits is probable, and the amount of the provision can be

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

Annual Leave and Accrued Days Off
Liabilities for annual leave and accrued days off are all recognised in the provision for employee benefits as 'current liabilities' because Central Highlands Rural Health 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 Central Highlands Rural Health expects to wholly settle within 12 months; or
- Present value – if Central Highlands Rural Health 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 Central Highlands Rural Health 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 Central Highlands Rural Health expects to wholly settle within 12 months; or
- Present value – if Central Highlands Rural Health does not expect to wholly settle within 12 months.

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

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

On-Costs Related to Employee Expense
Provision for on-costs such as workers compensation and superannuation are recognised seperately from provisions for employee benefits.

Note 3.5: Superannuation

	Paid Contribution for the Period	Contribution Outstanding at Period End
	2020 $'000	2020 $'000
Defined Benefit Plans: [(i)]		
First State Super	3	-
Defined Contribution Plans:		
First State Super	740	-
Hesta	386	-
Other	352	-
Total	**1,481**	**-**

[(i)] The basis for determining the level of contributions is determined by the various actuaries of the defined benefit superannuation plans.

Employees of Central Highlands Rural Health are entitled to receive superannuation benefits and it contributes to both defined benefit and defined contribution plans. The defined benefit plan provides benefits based on years of service and final average salary.

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

Defined Benefit Superannuation Plans
The amount charged to the Comprehensive Operating Statement in respect of defined benefit superannuation plans represents the contributions made by Central Highlands Rural Health to the superannuation plans in respect of the services of current Central Highlands Rural Health's staff during the reporting period. Superannuation contributions are made to the plans based on the relevant rules of each plan and are based upon actuarial advice.

Central Highlands Rural Health does not recognise any unfunded defined benefit liability in respect of the plans because the hospital has no legal or constructive obligation to pay future benefits relating to its employees; its only obligation is to pay superannuation contributions as they fall due. The Department of Treasury and Finance discloses the State's defined benefits liabilities in its disclosure for administered items.

However superannuation contributions paid or payable for the reporting period are included as part of employee benefits in the Comprehensive Operating Statement of Central Highlands Rural Health.

The name, details and amounts that have been expensed in relation to the major employee superannuation funds and contributions made by Central Highlands Rural Health is disclosed above.

Note 4: Key Assets to Support Service Delivery

Central Highlands Rural Health 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 Central Highlands Rural Health to be utilised for delivery of those outputs.

Structure

4.1 Property, Plant and Equipment
4.2 Intangible Assets
4.3 Depreciation and Amortisation
4.4 Inventories

Note 4.1: Property, Plant and Equipment

Initial Recognition

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

The cost of constructed non-financial physical assets includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overheads. The cost of a leasehold improvement is capitalised as an asset and depreciated over the shorter of the remaining term of the lease or the estimated useful life of the improvements.

The initial cost for non-financial physical assets under a lease (refer to Note 6.1) is measured at amounts equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease.

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 uses.

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

Right-of-Use Asset Acquired by Lessees (Under AASB 16 – Leases from 1 July 2019) – Initial Measurement

Central Highlands Rural Health recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost which comprises the initial amount of the lease liability adjusted for:

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

Subsequent Measurement: Property, plant and equipment (PPE) as well as right-of-use assets under leases and service concession assets are subsequently measured at fair value less accumulated depreciation and impairment. Fair value is determined with regard 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) and is summarised on the following page by asset category.

Right-of-Use Asset – Subsequent Measurement

Central Highlands Rural Health depreciates the right-of-use assets on a straight line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful life of the right-of-use assets are determined on the same basis as property, plant and equipment, other than where the lease term is lower than the otherwise assigned useful life. The right-of-use assets are also subject to revaluation.

In addition, the right-of-use asset is periodically reduced by impairment losses, if any and adjusted for certain remeasurements of the lease liability.

Note 4.1: Property, Plant and Equipment (cont'd)

Revaluations of Non-Current Physical Assets

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

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

Revaluation decrements are recognised in 'Other Comprehensive Income' to the extent that a credit balance exists in the asset revaluation surplus in respect of the same class of property, plant and equipment.

Revaluation increases and revaluation decreases relating to individual assets within an asset class are offset against one another within that class but are not offset in respect of assets in different classes.

Revaluation surplus is not transferred to accumulated funds on derecognition of the relevant asset, except where an asset is transferred via contributed capital.

In accordance with FRD 103H, Central Highlands Rural Health's non-current physical assets were assessed to determine whether revaluation of the non-current physical assets was required. This assessment included consideration as to any affect due to COVID, and was determined not to have any impairment of asset values due to COVID.

Fair Value Measurement

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

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

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

The Valuer-General Victoria (VGV) is Central Highlands Rural Health's independent valuation agency.

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

Note 4.1: Property, Plant and Equipment (cont'd)

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

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

Identifying Unobservable Inputs (Level 3) Fair Value Measurements

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

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

Consideration of Highest and Best Use (HBU) for Non-Financial Physical Assets
Judgements about highest and best use must take into account the characteristics of the assets concerned, including restrictions on the use and disposal of assets arising from the asset's physical nature and any applicable legislative/contractual arrangements.

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

Non-Specialised Land 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 land and building of the former health services were revalued effective 30 June 2019.

Note 4.1: Property, Plant and Equipment (cont'd)

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

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

The CSO adjustment is a reflection of the valuer's assessment of the impact of restrictions associated with an asset to the extent that is also equally applicable to market participants. This approach is in light of the highest and best use consideration required for fair value measurement, and takes into account the use of the asset that is physically possible, legally permissible and financially feasible. As adjustments of CSO are considered as significant unobservable inputs, specialised land would be classified as Level 3 assets.

For Central Highlands Rural Health, the depreciated replacement cost method is used for the majority of specialised buildings, adjusting for the associated depreciation. As depreciation adjustments are considered as significant and unobservable inputs in nature, specialised buildings are classified as Level 3 for fair value measurements.

An independent valuation of the former health services specialised land and specialised buildings was performed by the Valuer-General Victoria. The valuation was performed using the market approach adjusted for CSO. The effective date of the valuation is 30 June 2019.

Vehicles
Central Highlands Rural Health 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 Central Highlands Rural Health who set relevant depreciation rates during use to reflect the consumption of the vehicles. As a result, the fair value of vehicles does not differ materially from the carrying amount (depreciated cost).

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

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

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

Note 4.1: Property, Plant and Equipment (cont'd)

(a) Gross Carrying Amount and Accumulated Depreciation

	2020 $'000
Land	
- Land at fair value	
Specialised land	4,791
Non-specialised land	3,083
Right of Use leased land [(i)]	2,062
Total Land at Fair Value	**9,936**
Building Work in progress at cost	1,894
Sub-Total Assets Under Construction	**1,894**
- Buildings at fair value	58,540
Less Accumulated depreciation	(2,214)
Sub-Total Buildings at Fair Value	**56,326**
- Leasehold improvements at cost	3
Less Accumulated depreciation	(1)
Sub-Total Leasehold Improvements	**2**
Total Buildings	**58,222**
- Plant and equipment at fair value	590
- Plant and Equipment at fair value GRHA & LMRHA	429
Less Accumulated depreciation	(228)
Total Plant and Equipment	**791**
- Medical equipment at fair value	1,173
Less Accumulated depreciation	(119)
Total Medical Equipment	**1,054**
- Computers and communication equipment at fair value	277
Less Accumulated depreciation	(80)
Total Computers and Communication Equipment	**197**
- Furniture and fittings at fair value	208
Less Accumulated depreciation	(14)
Total Furniture and Fittings	**194**
-Right of Use - Plant, equipment, furniture and fittings and vehicles	712
Less Accumulated depreciation	(51)
Total Right of Use - Plant, Equipment, Furniture and Fittings and Vehicles	**661**
- Motor vehicle at fair value	68
Less Accumulated depreciation	-
Total Motor Vehicle	**68**
TOTAL PROPERTY, PLANT AND EQUIPMENT	**71,123**

[(i)] Land that is subject to a 30 year peppercorn lease with the Department of Health and Human Services. The carrying amount of land subject to a peppercorn lease arrangement (ie.concessionary finance lease) immediately before the date of initial application of AASB shall be the deemed cost of the Right of Use Lease Asset and Liability for the purpose of transition.

Note 4.1: Property, Plant and Equipment (Continued)

(b) Reconciliations of the Carrying Amounts of each Class of Asset

	Land	Buildings	Plant & Equipment	Medical Equipment	Computers & Comms Equipment	Furniture & Fittings	Motor Vehicles	Assets under Construction	Right of Use - PPE, F&V	Leasehold Improvements	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Balance at 30 November 2019											
Transfer on Administrative Restructure	**9,936**	**58,372**	**778**	**1,149**	**164**	**95**	**176**	**1,062**	**390**	**3**	**72,125**
Additions	-	169	89	24	114	113	-	832	322	-	1,663
Net movement in assets held by IT JV	-	-	(19)	-	-	-	-	-	-	-	(19)
Depreciation (refer Note 4.3)	-	(2,215)	(57)	(119)	(81)	(14)	(108)	-	(51)	(1)	(2,646)
Balance at 30 June 2020	**9,936**	**56,326**	**791**	**1,054**	**197**	**194**	**68**	**1,894**	**661**	**2**	**71,123**

Land and Buildings and Leased Assets Carried at Valuation

The Valuer-General Victoria updertook a revaluation of all land and buildings owner and leased by the former health services in 2018-19, in accordance with the requirements of Financial Reporting Direction (FRD) 103H Non-Financial Physical Assets. The valuation, which conforms to Australian Valuation Standards, was determined by reference to the amounts for which assets could be exchanged between knowledgeable willing parties in an arm's length transaction. The effective date of the valuation for both land and buildings was 30 June 2019.

In compliance with FRD 103H, in the period ended 30 June 2020, Central Highlands Rural Health's management conducted an annual assessment of the fair value of land and buildings and leased buildings. To facilitate this, management obtained from the Department of Treasury and Finance the Valuer General Victoria indices for the financial year ended 30 June 2020.

The VGV indices, which are based on data to March 2020, indicate an average increase of 5.4% across all land parcels and a 3% increase in buildings

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

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

The land and building balances are considered to be sensitive to market conditions.

There was no material financial impact on change in fair value of buildings and leased buildings.

Note 4.1: Property, Plant and Equipment (Continued)

(c) Fair Value Measurement Hierarchy for Assets

	Note	Carrying Amount $'000	Fair value measurement at end of reporting period using: Level 1 [(i)] $'000	Level 2 [(i)] $'000	Level 3 [(i)] $'000
Balance at 30 June 2020					
Land at Fair Value					
- Non-specialised land		3,083	-	3,083	-
- Specialised land		4,791	-	-	4,791
Total Land at Fair Value	4.1 (a)	**7,874**	**-**	**3,083**	**4,791**
Buildings at Fair Value					
- Specialised buildings		58,222	-	-	58,222
Total Building at Fair Value	4.1 (a)	**58,222**	**-**	**-**	**58,222**
Plant and equipment at fair value	4.1 (a)	791			791
Motor vehicles at fair value	4.1 (a)	68	-	-	68
Medical equipment at fair value	4.1 (a)	1,054	-	-	1,054
Computers and communication equipment at fair value	4.1 (a)	197	-	-	197
Furniture and fittings at fair value	4.1 (a)	194	-	-	194
Total Property, Plant and Equipment		**68,400**	**-**	**3,083**	**65,317**

Note

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

There have been no transfers between levels during the period.

Note 4.1: Property, Plant and Equipment (Continued)

(d) Reconciliation of Level 3 Fair Value [(i)]

	Plant & Equipment	Medical Equipment	Computers & Communication Equipment	Furniture & Fittings	Vehicles	Land	Buildings	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Balance at 30 November 2019								
Transfer on Administrative Restructure	**778**	**1,149**	**164**	**95**	**176**	**4,791**	**59,438**	**66,591**
Additions/(Disposals), including movement in assets held by GRHA	70	24	114	113	-	-	990	**1,311**
Gains/(Losses) recognised in Net Result								
- Depreciation and Amortisation	(57)	(119)	(81)	(14)	(108)	-	(2,206)	**(2,585)**
Balance at 30 June 2020	**791**	**1,054**	**197**	**194**	**68**	**4,791**	**58,222**	**65,317**

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

Note 4.1: Property, Plant and Equipment (Continued)

(e): Property, Plant and Equipment (Fair value determination)

Asset class	Examples of types of assets	Likely valuation approach	Significant inputs (Level 3 only)
Non-specialised land	In areas where there is an active market: - Vacant land - Land not subject to restrictions as to use or sale	Market approach	n.a.
Specialised Land (Crown / Freehold) [(i)]	- Land subject to restriction as to use and/or sale - Land in areas where there is not an active market	Market approach	Community Service Obligations Adjustments [(i)]
Specialised buildings	Specialised buildings with limited alternative uses and/or substantial customisation e.g. prisons, hospitals and schools	Depreciated replacement cost approach	- Cost per square metre - Useful life
Vehicles	If there is an active resale market available	Depreciated replacement cost approach	n.a.
Plant and equipment	Specialised items with limited alternative uses and/or substantial customisation	Depreciated replacement cost approach	- Cost per square metre - Useful life
Infrastructure	Any type	Depreciated replacement cost approach	- Cost per unit - Useful life
Road, infrastructure and earthworks	Any type	Depreciated replacement cost approach	- Cost per square metre - Useful life

[(i)] Community Service Obligation (CSO) adjustment of 25% was applied to reduce the market approach value for specialised land. Classified in accordance with the fair value hierarchy.

Note 4.2: Intangible Assets

(a) Intangible Assets - Gross Carrying Amount and Accumulated Amortisation

	2020 $'000
Information technology software and development costs	155
Less Accumulated depreciation	(23)
TOTAL INTANGIBLE ASSETS	**132**

(b) Reconciliation of the Carrying Amounts of Intangible Assets at the Beginning and End of the Previous and Current Financial Period

	Computer Software $'000
Balance at 30 November 2019 - Transfer on Administrative Restructure	**48**
Additions	107
Amortisation (refer Note 4.3)	(23)
Balance at 30 June 2020	**132**

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

Intangible assets are initially recognised at cost. Subsequently, intangible assets with finite useful lives are carried at cost less accumulated amortisation and accumulated impairment losses. Costs incurred subsequent to initial acquisition are capitalised when it is expected that additional future economic benefits will flow to Central Highlands Rural Health.

Purchased intangible assets are initially recognised at cost. When the recognition criteria in AASB 138 *Intangible Assets* is met, internally generated intangible assets are recognised at cost. Subsequently, intangible assets with finite useful lives are carried at cost less accumulated amortisation and accumulated impairment losses. Depreciation and amortisation begins when the asset is available for use, that is, when it is in the location and condition necessary for it to be capable of operating in the manner intended by management.

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

a. the technical feasibility of completing the intangible asset so that it will be available for use or sale;
b. an intention to complete the intangible asset and use or sell it;
c. the ability to use or sell the intangible asset;
d. the intangible asset will generate probable future economic benefits;
e. the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
f. the ability to measure reliably the expenditure attributable to the intangible asset during its development.

Note 4.3: Depreciation and Amortisation

	2020 $'000
Depreciation	
Buildings	2,215
Leasehold improvements	1
Plant & equipment	57
Medical equipment	119
Computers and communications	81
Furniture and fittings	14
Motor vehicle	108
Right of use assets - Plant, equipment and vehicles	51
TOTAL DEPRECIATION	**2,646**
Amortisation	
Intangible assets - software	23
Total Amortisation	**23**
Total Depreciation and Amortisation	**2,669**

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

Right-of use assets are depreciated over the shorter of the asset's useful life and the lease term. Where Central Highlands Rural Health obtains ownership of the underlying leased asset or if the cost of the right-of-use asset reflects that the entity will exercise a purchase option, the entity depreciates the right-of-use asset overs its useful life.

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

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

	2020
Buildings	4 to 50 years
Leasehold improvements	18 months
Plant & equipment	5 to 20 years
Medical equipment	3 to 20 years
Computers and communication	5 to 20 years
Furniture and fittings	5 to 20 years
Motor vehicles	4 years
Intangible assets	1 to 4 years
Right of use Leased motor vehicles	1 to 4 years
Right of use Leased medical equipment	3 to 4 years

Note 4.4: Inventories

	2020 $'000
Pharmacy supplies at cost	14
General stores at cost	114
Total Inventories	**128**

Inventories

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

Note 5: Other Assets and Liabilities

This section sets out those assets and liabilities that arose from Central Highlands Rural Health's operations.

Structure
5.1 Receivables and Contract Assets
5.2 Payables and Contract Liabilities
5.3 Other Liabilities

Note 5.1(a): Receivables and Contract Assets

	Note	2020 $'000
CURRENT		
Contractual		
Inter hospital debtors		231
Trade debtors		315
Patient fees		344
Share of receivables held at GRHA		6
Share of receivables held at LMRHA		18
Accrued revenue		75
Allowance for impairment		
Trade debtors	7.1(c)	(5)
Patient fees	7.1(c)	(60)
Sub-Total Contractual Receivables		**924**
Statutory		
Accrued revenue - Department of Health and Human Services		55
GST receivable		331
Sub-Total Statutory Receivables		**386**
TOTAL CURRENT RECEIVABLES		**1,310**
NON-CURRENT		
Statutory		
Long service leave - Department of Health and Human Services		1,789
Sub-Total Statutory Receivables		**1,789**
TOTAL NON-CURRENT RECEIVABLES		**1,789**
TOTAL RECEIVABLES		**3,099**

As at 30 June 2020, Central Highlands Rural Health has contract assets of $924K which is net of an allowance for expected credit losses of $65K. This is included the contractual receivable balances presented above.

Note 5.1(b): Movement in the Allowance for Impairment Losses of Contractual Receivables

	2020 $'000
Balance at beginning of period - Transfer on Administrative restructure	(61)
Increase in allowance recognised in the net result	(4)
	(65)

Recivables Recognition
Receivables consist of:

• **Contractual Receivables** are classified as financial instruments and categorised as 'financial assets at amortised costs'. They are initially recognised at fair value plus any directly attributable transaction costs. The health service holds the contractual receivables with the objective to collect the contractual cash flows and therefore subsequently measured at amortised cost using the effective interest method, less any impairment.

• **Statutory Receivables** do not arise from contracts and are recognised and measured similarly to contractual receivables (except for impairment), but are not classified as financial instruments for disclosure purposes. The health service applies AASB 9 for initial measurement of the statutory receivables and as a result statutory receivables are initially recognised at fair value plus any directly attributable transaction cost.

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

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

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

Note 5.2: Payables and Contract Liabilities

	Notes	2020 $'000
CURRENT		
Contractual		
Trade creditors		816
Amounts payable to governments and agencies - DHHS		730
Accrued salaries and wages		811
Accrued expenses		685
Accrued expenses - LMRHA		23
Deferred grant revenue - Capital	5.2 (a)	5,585
Deferred grant revenue - Capital - Share of LMRHA		17
Contract liabilities - income received in advance	5.2 (b)	775
Creditors GRHA		142
Creditors LMRHA		156
		9,740
Statutory		
GST payable		155
		155
TOTAL CURRENT PAYABLES		**9,895**
TOTAL PAYABLES		**9,895**

Payables Recognition

Payables consist of:

• **Contractual Payables** classified as financial instruments and measured at amortised cost. Accounts payable and salaries and wages payable represent liabilities for goods and services provided to the Central Highlands Rural Health prior to the end of the financial period that are unpaid; and

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

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

Note 5.2(a): Deferred Grant Revenue - Capital

	2020 $'000
Grant consideration for capital works recognised that was included in the deferred grant liability balance (adjusted for AASB 1058) at the beginning of the period	2,158
Grant consideration for capital works received during the reporting period	4,690
Grant revenue for capital works recognised consistent with the capital works undertaken during the period	(1,263)
Closing balance of deferred grant consideration received for capital works	**5,585**

Grant consideration was received from Creswick Residential Aged Care redevelopment. Grant revenue is recognised progressively as the asset is constructed, since this is the time when Central Highlands Rural Health satisfies its obligations under the transfer by controlling the asset as and when it is constructed. The progressive percentage costs incurred is used to recognise income because this most closely reflects the progress to completion as costs are incurred as the works are done. (see note 2.1) As a result, Central Highlands Rural Health has deferred recognition of a portion of the grant consideration received as a liability for the outstanding obligations.

Note 5.2(a): Deferred Grant Revenue Grant consideration

	2020 $'000
Transaction price allocated to the remaining performance obligations from contracts with customers to be recognised in:	
Not longer than one year	5,585
Total	**5,585**

Note 5.2(b): Contract liabilities

	2020 $'000
Opening balance brought forward from 30 June 2019 adjusted for AASB 15	340
Add: Payments received for performance obligations yet to be completed during the period	4,977
Less: Revenue recognised in the reporting period for the completion of a performance obligation	(4,542)
Total contract liabilities	**775**

Contract liabilities include consideration received in advance in respect of Commonwealth Home Support program, Commonwealth Aged Care Medicare revenue and Commonwealth COVID specific revenue. Invoices are raised once the goods and services are delivered/provided.

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

Note 5.3: Other Liabilities

	2020 $'000
CURRENT	
Monies held in trust*	
- Patient monies held in trust*	268
- Refundable accommodation deposits*	9,440
- Other monies held in trust - Specific Purpose capital donation*	94
- Other monies held in trust*	22
Total Current	**9,824**
Total Other Liabilities	**9,824**
*** Total Monies Held in Trust**	
Represented by the following assets:	
Cash assets	9,824
TOTAL	**9,824**

Refundable Accommodation Deposit ("RAD")/Accommodation Bond liabilities
RADs/accommodation bonds are non-interest-bearing deposits made by some aged care residents to the Group upon admission. These deposits are liabilities which fall due and payable when the resident leaves the home. As there is no unconditional right to defer payment for 12 months, these liabilities are recorded as current liabilities.

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

Note 6: How We Finance Our Operations

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

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

Structure
6.1 Borrowings
6.2 Cash and Cash Equivalents
6.3 Commitments for Expenditure

Note 6.1: Borrowings

	2020 $'000
CURRENT	
Lease liability [(i)]	211
Total Current Borrowings	**211**
NON-CURRENT	
Lease liability [(i)]	351
Advances from Government [(ii)]	232
Total Non-Current Borrowings	**583**
Total Borrowings	**794**

(i) Secured by the assets leased. Leases are effectively secured as the rights to the leased assets revert to the lessor in the event of default.
(ii) These are unsecured loans which bear no interest.

(a) Maturity Analysis of Borrowings

Please refer to Note 7.1(b) for the maturity analysis of borrowings.

Borrowings Recognition

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

Subsequent to initial recognition, borrowings are measured at amortised cost with any difference between the initial amount and the redemption value being recognised in the net result over the period of the borrowing using the effective interest rate.

Defaults and Breaches

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

Note 6.1: Borrowings (cont'd)

Lease Liabilities

Repayments in relation to leases are payable as follows:

	Minimum Future Lease Payments 2020 $'000	Present Value of Future Lease Payments 2020 $'000
Not later than one year	220	211
Later than 1 year and not later than 5 years	357	351
Minimum lease payments	577	562
Less future finance charges	(21)	-
TOTAL	**556**	**562**
Included in the financial statements are :		
Current borrowings - Lease liability	-	211
Non-Current borrowings - Lease liability	-	351
TOTAL	**-**	**562**

The weighted average interest rate implicit in vehicle leases is 3.18%.
The weighted average interest rate implicit in the medical equipment leases is 2.15%.

Leases

A lease is a right to use an asset for an agreed period of time in exchange for payment. All leases are recognised on the balance sheet, with the exception of low value leases (less than $10,000 AUD) and short term leases of less than 12 months.

Central Highlands Rural Health's Leasing Activities

Central Highlands Rural Health has entered into leases related to medical equipment and motor vehicles.

For any new contracts entered into on or after 30 November 2019, Central Highlands Rural Health considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'. To apply this definition Central Highlands Rural Health assesses whether the contract meets three key evaluations which are whether:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to Central Highlands Rural Health and for which the supplier does not have substantive substitution rights;
- Central Highlands Rural Health 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 Central Highlands Rural Health has the right to direct the use of the identified asset throughout the period of use; and
- Central Highlands Rural Health has the right to take decisions in respect of 'how and for what purpose' the asset is used throughout the period of use.

This policy is applied to contracts entered into, or changed, on or after 30 November 2019.

Separation of Lease and Non-Lease Components

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

Note 6.1: Borrowings (cont'd)

Recognition and Measurement of Leases as a Lessee (under AASB 16 from 1 July 2019)

Lease Liability – Initial Measurement

The lease liability is initially measured at the present value of the lease payments unpaid at the commencement date, discounted using the interest rate implicit in the lease if that rate is readily determinable or Central Highlands Rural Health's incremental borrowing rate.

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

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

Lease Liability – Subsequent Measurement

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

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

Short-Term Leases and Leases of Low Value Assets

Central Highlands Rural Health has elected to account for short-term leases and leases of low value assets using the practical expedients. Instead of recognising a right of use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight line basis over the lease term.

Presentation of Right-of-Use Assets and Lease Liabilities

Central Highlands Rural Health presents right-of-use assets as 'property plant equipment' unless they meet the definition of investment property, in which case they are disclosed as 'investment property' in the balance sheet. Lease liabilities are presented as 'borrowings' in the balance sheet.

Note 6.2: Cash and Cash Equivalents

	2020 $'000
Cash on hand (excluding monies held in trust)	4
Cash at bank (excluding monies held in trust)	9,584
Cash GRHA	289
Cash LMRHA	271
Cash at bank (monies held in trust)	9,824
TOTAL CASH AND CASH EQUIVALENTS	**19,972**

Cash and Cash Equivalents

Cash and cash equivalents recognised on the balance sheet comprise cash on hand and in banks and deposits at call, which are held for the purpose of meeting short term cash commitments rather than for investment purposes, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value.

For cash flow statement presentation purposes, cash and cash equivalents includes cash on hand and in banks, and monies held in trust.

Note 6.3: Commitments for Expenditure

	2020 $'000
Capital Expenditure Commitments	
Less than 1 year	2,575
Total Capital Expenditure Commitments	**2,575**
Less GST recoverable from the Australian Tax Office	(234)
Total Commitments (exclusive of GST)	**2,341**

Commitments

Commitments for future expenditure include capital commitments arising from contracts. These commitments are disclosed at their nominal value and inclusive of the GST payable. These future expenditures cease to be disclosed as commitments once the related liabilities are recognised on the balance sheet.

Central Highlands Rural Health has entered into commercial leases on certain medical equipment and vehicles where it is not in the interest of Central Highlands Rural Health to purchase these assets. These leases have an average life of between 1 and 20 years with renewal terms included in the contracts. Renewals are at the option of Central Highlands Rural Health. There are no restrictions placed upon the lessee by entering into these leases.

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

Note 7: Risks, Contingencies and Valuation Uncertainties

Central Highlands Rural Health 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. Central Highlands Rural Health has no contingent assets or contingent liabilities to disclose at reporting date.

Structure

7.1 Financial Instruments

Note 7.1: Financial Instruments

Financial instruments arise out of contractual agreements that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Due to the nature of Central Highlands Rural Health's activities, certain financial assets and financial liabilities arise under statute rather than a contract. Such financial assets and financial liabilities do not meet the definition of financial instruments in *AASB 132 Financial Instruments: Presentation.*

(a) Financial Instruments : Categorisation

2020	Financial Assets at Amortised Cost $'000	Financial Liabilities at Amortised Cost $'000	Total $'000
Contractual Financial Assets			
Cash and cash equivalents	19,972	-	19,972
Receivables			
- Trade debtors	831	-	831
- Other receivables (i)	75	-	75
Total Financial Assets (i)	**20,878**	**-**	**20,878**
Financial Liabilities			
Payables	-	4,138	4,138
Borrowings	-	794	794
Other financial liabilities			
- Refundable accommodation deposits	-	9,440	9,440
- Patient monies held in trust	-	268	268
- Other	-	22	22
Total Financial Liabilities (i)	**-**	**14,662**	**14,662**

(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).

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 Central Highlands Rural Health to collect the contractual cash flows; and
• the assets' contractual terms give rise to cash flows that are solely payments of principal and interest.

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.

Central Highlands Rural Health recognises the following assets in this category:
• cash and deposits; and
• receivables (excluding statutory receivables).

Categories of Financial Liabilities

Financial instrument liabilities are initially recognised on the date they are originated. They are initially measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial instruments are measured at amortised cost with any difference between the initial recognised amount and the redemption value being recognised in the Comprehensive Operating Statement over the period of the interest-bearing liability, using the effective interest rate method. Central Highlands Rural Health recognises the following liabilities in this category:
• payables (excluding statutory payables); and
• borrowings (including lease liabilities).

Note 7.1: Financial Instruments (continued)

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

- the rights to receive cash flows from the asset have expired; or
- Central Highlands Rural Health retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through' arrangement; or
- Central Highlands Rural Health has transferred its rights to receive cash flows from the asset and either:
  - has transferred substantially all the risks and rewards of the asset; or
  - has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

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

Derecognition of Financial Liabilities: A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires.

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

Reclassification of Financial Instruments: Subsequent to initial recognition reclassification of financial liabilities is not permitted. Financial assets are required to reclassified between fair value through net result, fair value through other comprehensive income and amortised cost when and only when Central Highlands Rural Health's business model for managing its financial assets has changes such that its previous model would no longer apply.

(b) Maturity Analysis of Financial Liabilities

The following table discloses the contractual maturity analysis for Central Highlands Rural Health'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	Nominal Amount	Less than 1 Month	1-3 Months	3 months - 1 Year	1-5 Years
2020		**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Financial Liabilities at Amortised Cost							
At amortised cost							
Payables	**5.2**	4,138	4,138	3,428	194	517	-
Borrowings	**6.1**	794	794	18	53	141	583
Other financial Liabilities (i)							
- Refundable accommodation deposits	**5.3**	9,440	9,440	9,440	-	-	-
- Patient monies held in trust	**5.3**	268	268	268	-	-	-
- Other	**5.3**	22	22	22	-	-	-
Total Financial Liabilities		**14,662**	**14,662**	**13,175**	**247**	**657**	**583**

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

Note 7.1: Financial Instruments

(c) Contractual Receivables at Amortised Cost

30-Jun-20	*Current*	*Less than 1 month*	*1–3 months*	*3 months –1 year*	*Total*
Expected Loss Rate	0.1%	2.0%	4.0%	35.0%	-
Gross carrying amount of contractual receivables	614	70	58	172	914
Loss Allowance	**1**	**1**	**2**	**61**	**65**

Impairment of Financial Assets under AASB 9 *Financial Instruments*

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

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

Contractual Receivables at Amortised Cost

Central Highlands Rural Health applies AASB 9 *Financial Instruments* simplified approach for all contractual receivables to measure expected credit losses using a lifetime expected loss allowance based on the assumptions about risk of default and expected loss rates. Central Highlands Rural Health has grouped contractual receivables on shared credit risk characteristics and days past due and select the expected credit loss rate based on Central Highlands Rural Health's past history, existing market conditions, as well as forward looking estimates at the end of the financial year. On this basis, Central Highlands Rural Health determines the opening loss allowance and the closing loss allowance at end of the financial year as disclosed above.

Reconciliation of the Movement in the Loss Allowance for Contractual Receivables

	2020 $'000
Opening Loss Allowance	**(61)**
Increase in provision recognised in the net result	(4)
Reversal of unused provision recognised in the net result	-
Balance at end of the year	**(65)**

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

Statutory Receivables at Amortised Cost

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

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

Note 8: Other Disclosures

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

Structure

8.1 Reconciliation of Net Result for the Period to Net Cash Flow from Operating Activities
8.2 Responsible Persons
8.3 Remuneration of Executive Officers
8.4 Related Parties
8.5 Remuneration of Auditors
8.6 Ex-gratia Payments
8.7 Events Occurring after the Balance Sheet Date
8.8 Jointly Controlled Operations
8.9 Economic Dependency
8.10 AASBs Issued that are not yet Effective
8.11 Contributed Capital - Net Asset on Administrative Restructure
8.12 Financial information of Hepburn Health Service and Kyneton District Health Service for the period 1 July 2019 to 29 November 2019

Note 8.1: Reconciliation of Net Result for the Period to Net Cash Flow from Operating Activities

	2020 $'000
Net Result for the Period	(3,839)
Non-Cash Movements:	
Depreciation and amortisation	2,669
Capital donations	65
Revaluation of long service leave	44
Allowance for impairment losses of contractual receivables	(4)
Movements included in Investing and Financing Activities:	
Net Gain from disposal of non-financial physical assets	(15)
Movements in Assets and Liabilities:	
Change in operating assets and liabilities	
(Increase)/Decrease in receivables and contract assets	(326)
(Increase)/Decrease in other assets	169
Increase/(Decrease) in payables and contract liabilities	3,846
Increase/(Decrease) in provisions	841
Increase/(Decrease) in other liabilities	434
(Increase)/Decrease in inventories	(74)
(Increase)/Decrease in employee benefits	(229)
NET CASH INFLOW FROM OPERATING ACTIVITIES	**3,581**

Note 8.2: Responsible Persons

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

	Period
Responsible Ministers:	
The Honourable Jenny Mikakos, Minister for Health and Minister for Ambulance Services	30/11/2019 - 30/06/2020
The Honourable Martin Foley, Minister for Mental Health	30/11/2019 - 30/06/2020
The Honourable Luke Donnellan, Minister for Child Protection, Minister for Disability, Ageing and Carers	30/11/2019 - 30/06/2020
Governing Boards	
Peter Matthews - Chair	30/11/2019 - 30/06/2020
Kate Redwood - Deputy Chair	30/11/2019 - 30/06/2020
Mary Delahunty	30/11/2019 - 30/06/2020
Greg Pullen	30/11/2019 - 30/06/2020
Phillip Thomson	30/11/2019 - 30/06/2020
Bronwyn Malignaggi	30/11/2019 - 30/06/2020
Karen O'Sullivan	30/11/2019 - 30/06/2020
Dr Alexander Heriot	30/11/2019 - 30/06/2020
Andrea Driscoll	30/11/2019 - 30/06/2020
Dr Jeffrey Zajac	30/11/2019 - 30/06/2020
Accountable Officer	
Ms Maree Cuddihy	30/11/2019 - 30/06/2020

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

Income Band	**2020 No.**
$0 - $9,999	10
$140,000-$149,999	1
Total Numbers	**11**
Total remuneration received or due and receivable by Responsible Persons from the reporting entity amounted to ($'000) :	**$169**

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

Note 8.3: Remuneration of Executives

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

Remuneration of Executive Officers (including Key Management Personnel Disclosed in Note 8.4)	**Total Remuneration 2020 $'000**
Short-term benefits	556
Post-employment benefits	53
Other long-term benefits	18
Termination benefits	58
Total Remuneration [i]	**685**
Total Number of Executives	9
Total Annualised Employee Equivalent [ii]	7.0

[i] The total number of executive officers includes persons who meet the definition of Key Management Personnel (KMP) of Central Highlands Rural Health 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 for services rendered, and is disclosed in the following categories:

Short-term Employee Benefits

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

Post-employment Benefits
Pensions and other retirement benefits paid or payable on a discrete basis when employment has ceased.

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

Termination Benefits
Termination of employment payments, such as severance packages.

Note 8.4: Related Parties

Central Highlands Rural Health is a wholly owned and controlled entity of the State of Victoria. Related parties of the health service include:

- All key management personnel (KMP) and their close family members;
- Cabinet ministers (where applicable) and their close family members;
- Jointly Controlled Operations – A member of the Grampians Rural and and Loddon Mallee Regional Health Alliance's; and
- All hospitals and public sector entities that are controlled and consolidated into the State of Victoria financial statements.

KMPs are those people with the authority and responsibility for planning, directing and controlling the activities of Central Highlands Rural Health, directly or indirectly.

The Board of Directors and the Executive Officers of Central Highlands Rural Health are deemed to be KMPs.

Entity	KMPs	Position Title
Central Highlands Rural Health	Mr Peter Matthews	Board Chair
Central Highlands Rural Health	Ms Kate Redwood	Board Deputy Chair
Central Highlands Rural Health	Mary Delahunty	Board Member
Central Highlands Rural Health	Mr Greg Pullen	Board Member
Central Highlands Rural Health	Mr Phillip Thomson	Board Member
Central Highlands Rural Health	Ms Bronwyn Malignaggi	Board Member
Central Highlands Rural Health	Mrs Karen O'Sullivan	Board Member
Central Highlands Rural Health	Dr Alexander Heriot	Board Member
Central Highlands Rural Health	Ms Andrea Driscoll	Board Member
Central Highlands Rural Health	Dr Jeffrey Zajac	Board Member
Central Highlands Rural Health	Ms Maree Cuddihy	Chief Executive Officer
Central Highlands Rural Health	Mr Phillip Catterson	Executive Director Community Operations
Central Highlands Rural Health	Ms Shannon Storey	Executive Director Clinical Operations
Central Highlands Rural Health	Ms Brenda Rooney	Director of Finance
Central Highlands Rural Health	Ms Narelle McBride	Executive Director People & Culture (to 05/20)
Central Highlands Rural Health	Mr Alan Arthur	Director of Corporate Services
Central Highlands Rural Health	Ms Michelle Oliver	Director Quality & Risk
Central Highlands Rural Health	Ms Caroline Kennedy	Director Quality & Risk
Central Highlands Rural Health	Dr Peter Sloan	Director Medical Services
Central Highlands Rural Health	Dr Sophie Ping	Director Medical Services

The compensation detailed below is reported in $'000 and excludes the salaries and benefits the Portfolio Ministers receive. The Minister's remuneration and allowances is set by the *Parliamentary Salaries and Superannuation Act 1968* , and is reported within the Department of Parliamentary Services' Financial Report.

	2020 $'000
Compensation - KMPs	
Short-term employee benefits	709
Post-employment benefits	64
Other long-term benefits	23
Termination benefits	58
Total [i]	**854**

[i] KMPs are also reported in Note 8.2 Responsible Persons or Note 8.3 Remuneration of Executive Officers.

Note 8.4: Related Parties (continued)

Significant Transactions with Government Related Entities

Central Highlands Rural Health received funding from the Department of Health and Human Services of $16.5m.

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

Professional medical indemnity insurance and other insurance products are obtained from a Victorian Public Financial Corporation.

The Standing Directions of the Assistant Treasurer require Central Highlands Rural Health 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 the Victorian Government Procurement Board requirements.

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

There were no related party transactions required to be disclosed for Central Highlands Rural Health's Board of Directors and Executive Directors in 2020, other than outlined below.

Specific Disclosures

During the year, Hepburn Shire Council, of which Cr Kate Redwood, Board Member of Central Highlands Rural Health is a Councillor, provided Central Highlands Rural Health with contracted home, personal care and community care services. Additionally, Hepburn Shire Council provided funding to Central Highlands Rural Health for a range of community health and related services including maternity and child health services and services funded under the 'L2P' (Learner Driver) Program. Total value of transactions for the reporting period was $216K (GST Exclusive), with all transactions made under standard contract terms and conditions.

Note 8.5: Remuneration of Auditors

	2020 $'000
Victorian Auditor-General's Office	
Audit of financial statements	51
Other Providers	
Internal audit services	31
TOTAL RENUMERATION OF AUDITORS	**82**

Note 8.6: Ex Gratia Payments

In accordance with FRD 11 Central Highlands Rural Health has made no ex-gratia payments in the 2019-20 financial year for the reporting period.

Note 8.7 : Events Occurring after the Balance Sheet Date

Assets, liabilities, income or expenses arise from past transactions or other past events. Where the transactions result from an agreement between Central Highlands Rural Health and other parties, the transactions are only recognised when the agreement is irrevocable at or before the end of the reporting period.

Adjustments are made to amounts recognised in the financial statements for events which occur between the end of the reporting period and the date when the financial statements are authorised for issue, where those events provide information about conditions which existed at the reporting date. Note disclosure is made about events between the end of the reporting period and the date the financial statements are authorised for issue where the events relate to conditions which arose after the end of the reporting period that are considered to be of material interest.

Subsequent events

The COVID-19 pandemic has created unprecedented economic uncertainty. Actual economic events and conditions in the future may be materially different from those estimated by Central Highlands Rural Health at the reporting date. As responses by government continue to evolve, management recognises that it is difficult to reliably estimate with any degree of certainty the potential impact of the pandemic after the reporting date on Central Highlands Rural Health, its operations, its future results and financial position. The state of emergency in Victoria is currently in place until 16 December 2021.

No other matters or circumstances have arisen since the end of the financial year which significantly affected or may affect the operations of the Central Highlands Rural Health, the results of the operations or the state of affairs of Central Highlands Rural Health in the future financial years.

Note 8.8: Jointly Controlled Operations

Name of Entity	Principal Activity	Ownership Interest 2020 %
Grampians Rural Health Alliance (GRHA)	Information Technology Alliance	6.84
Loddon Mallee Regional Health Alliance (LMRHA)	Information Technology Alliance	4.11

Central Highlands Rural Health's interest in the above jointly controlled operations are detailed below. The amounts are included in the financial statements under their respective categories.

	GRHA 2020 $'000	LMRHA 2020 $'000
CURRENT ASSETS		
Cash and cash equivalents	289	271
Receivables	6	18
Inventory	-	46
Other assets	12	53
TOTAL CURRENT ASSETS	**306**	**388**
NON-CURRENT ASSETS		
Property, plant and equipment	306	37
TOTAL NON-CURRENT ASSETS	**306**	**37**
TOTAL ASSETS	**612**	**425**
CURRENT LIABILITIES		
Payables	142	173
Accrued expenses	-	23
TOTAL CURRENT LIABILITIES	**142**	**196**
NET ASSETS	**470**	**229**
EQUITY		
Accumulated surpluses	470	229
TOTAL EQUITY	**470**	**229**

Central Highlands Rural Health's interest in revenues and expenses resulting from jointly controlled operations are detailed below:	2020 $'000	2020 $'000
REVENUE		
Grants & other agency contributions	482	419
Other income		
TOTAL REVENUE	**482**	**419**
EXPENSES		
GRHA expenses	480	448
TOTAL EXPENSES	**480**	**448**
NET RESULT BEFORE CAPITAL AND SPECIFIC ITEMS	**2**	**(29)**
GRHA capital purpose income	46	24
GRHA expenditure for capital purpose	81	4
NET RESULT FOR THE YEAR	**(32)**	**(9)**

Contingent Liabilities and Capital Commitments

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

Note 8.9: Economic Dependency

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

Note 8.10: AASBs Issued that are not yet Effective

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

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

Standard / Interpretation	Summary	Applicable for annual reporting periods beginning on	Impact on Central Highlands Rural Heath's Financial Statements
AASB 17 Insurance Contracts	The new Australian standard seeks to eliminate inconsistencies and weaknesses in existing practices by providing a single principle based framework to account for all types of insurance contracts, including reissuance contract that an insurer holds. It also provides requirements for presentation and disclosure to enhance comparability between entities. This standard currently does not apply to the not-for-profit public sector entities.	1 January 2021	The assessment has indicated that there will be no significant impact for the public sector.
AASB 2018-7 Amendments to Australian Accounting Standards – Definition of Material	This Standard principally amends AASB 101 Presentation of Financial Statements and AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors. The amendments refine and clarify the definition of material in AASB 101 and its application by improving the wording and aligning the definition across AASB Standards and other publications. The amendments also include some supporting requirements in AASB 101 in the definition to give it more prominence and clarify the explanation accompanying the definition of material.	1 January 2020	The standard is not expected to have a significant impact on the public sector.
AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current	This Standard amends AASB 101 to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current. A liability is classified as non-current if an entity has the right at the end of the reporting period to defer settlement of the liability for at least 12 months after the reporting period. The meaning of settlement of a liability is also clarified.	1 January 2020	The standard is not expected to have a significant impact on the public sector.

Note 8.10: AASBs Issued that are not yet Effective (cont'd)

In addition to the new standards and amendments above, the AASB has issued a list of other amending standards that are not effective for the 2019-20 reporting period (as listed below). In general, these amending standards include editorial and reference changes that are expected to have insignificant impacts on public sector reporting.

- AASB 2018-6 Amendments to Australian Accounting Standards – Definition of a Business.
- AASB 2019-1 Amendments to Australian Accounting Standards – References to the Conceptual Framework.
- AASB 2019-3 Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform.
- AASB 2019-5 Amendments to Australian Accounting Standards – Disclosure of the Effect of New IFRS Standards Not Yet Issued in Australia.
- AASB 2019-4 Amendments to Australian Accounting Standards – Disclosure in Special Purpose Financial Statements of Not-for-Profit Private Sector Entities on Compliance with Recognition and Measurement Requirements.
- AASB 2020-2 Amendments to Australian Accounting Standards – Removal of Special Purpose Financial Statements for Certain For-Profit Private Sector Entities.
- AASB 1060 General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities (Appendix C).

Note 8.11 Contributed Capital

Net Assets transferred on Administrative Restructure As at 30 November 2019

The table below represents the carrying value of the net assets in the balance sheets of the former entities of Hepburn Health Service and Kyneton District Health Service immediately before the transfer.
The net assets assumed by Central Highlands Rural Health as a result of the administrative restructure is recognised in the balance sheet at the carrying amount of those assets in the former entities balance sheet statements immediately before transfer.

	Note	Hepburn Health Service $'000	Kyneton District Health Service $'000	Total $'000
Current Assets				
Cash and cash equivalents		13,997	3,229	17,226
Receivables		719	161	880
Inventories		44	10	54
Other assets		261	228	489
Total Current Assets		**15,021**	**3,628**	**18,649**
Non-Current Assets				
Receivables		1,311	582	1,893
Property, plant and equipment		42,852	29,272	72,124
Intangible assets		28	20	48
Total Non-Current Assets		**44,191**	**29,874**	**74,065**
TOTAL ASSETS		**59,212**	**33,502**	**92,714**
Current Liabilities				
Payables		3,927	850	4,777
Borrowings		-	190	190
Provisions		4,705	2,517	7,222
Other liabilities		9,539	-	9,539
Total Current Liabilities		**18,171**	**3,557**	**21,728**
Non-Current Liabilities				
Borrowings			369	369
Provisions		773	194	967
Total Non-Current Liabilities		**773**	**563**	**1,336**
TOTAL LIABILITIES		**18,944**	**4,120**	**23,064**
NET ASSETS		**40,268**	**29,382**	**69,650**
CONTRIBUTED CAPITAL	1, SCE	**40,268**	**29,382**	**69,650**

Note 8.12(a) : Financial information of Hepburn Health Service and Kyneton District Health Service

Hepburn Health Service
Comprehensive Operating Statement
For the Period 01 July 2019 to 30 November 2019

	Part Year 2020 $'000	Full Year 2019 $'000
Income from Transactions		
Operating activities	14,087	31,282
Non-operating activities	69	233
Total Income from Transactions	**14,156**	**31,515**
Expenses from Transactions		
Employee expenses	(10,553)	(24,089)
Supplies and consumables	(830)	(2,113)
Finance costs	(12)	(47)
Depreciation and amortisation	(1,203)	(2,268)
Administrative and other operating expenses	(1,312)	(3,446)
Other non-operating expenses	(20)	-
Total Expenses from Transactions	**(13,930)**	**(31,963)**
Net Result from Transactions - Net Operating Balance	**226**	**(448)**
Other Economic Flows included in Net Result		
Net Gain on sale of non-financial assets	-	11
Net Loss on financial instruments at fair value	(2)	-
Other Loss - revaluation of long service leave	(41)	(209)
Total Other Economic Flows Included in Net Result	**(43)**	**(198)**
NET RESULT FOR THE PERIOD	**183**	**(646)**
Other Comprehensive Income		
Items that will not be reclassified to Net Result		
Changes in property, plant and equipment revaluation surplus	-	14,849
Total Other Comprehensive Income	**-**	**14,849**
COMPREHENSIVE RESULT FOR THE PERIOD	**183**	**14,203**

Note 8.12(a) : Financial information of Hepburn Health Service and Kyneton District Health Service

Hepburn Health Service
Balance Sheet
As at 30 November 2019

	30 Nov 2019 $'000	30 June 2019 $'000
Current Assets		
Cash and cash equivalents	13,997	12,003
Receivables	719	1,099
Inventories	44	56
Other assets	261	37
Total Current Assets	**15,021**	**13,195**
Non-Current Assets		
Receivables	1,311	1,189
Property, plant and equipment	42,852	43,398
Intangible assets	28	45
Total Non-Current Assets	**44,191**	**44,632**
TOTAL ASSETS	**59,212**	**57,827**
Current Liabilities		
Payables	3,927	1,244
Provisions	4,705	4,564
Other liabilities	9,539	8,987
Total Current Liabilities	**18,171**	**14,795**
Non-Current Liabilities		
Provisions	773	787
Total Non-Current Liabilities	**773**	**787**
TOTAL LIABILITIES	**18,944**	**15,582**
NET ASSETS	**40,268**	**42,245**
EQUITY		
Property, plant and equipment revaluation surplus	33,770	33,770
Contributed capital	14,117	14,117
Accumulated deficits	(7,619)	(5,642)
TOTAL EQUITY	**40,268**	**42,245**

Note 8.12(a) : Financial information of Hepburn Health Service and Kyneton District Health Service

Hepburn Health Service
Statement of Changes in Equity
For the Period 01 July 2019 to 30 November 2019

	Property, Plant and Equipment Revaluation Surplus	Contributed Capital	Accumulated Deficits	Total
	$'000	$'000	$'000	$'000
Balance at 01 July 2019	**33,770**	**14,117**	**(5,642)**	**42,245**
Net result for the period	-	-	183	183
Opening balance adjustment on adoption of AASB 15 and 1058	-	-	(2,160)	(2,160)
Balance at 30 November 2019	**33,770**	**14,117**	**(7,619)**	**40,268**

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

Note 8.12(a) : Financial information of Hepburn Health Service and Kyneton District Health Service

Hepburn Health Service
Cash Flow Statement
For the Period 01 July 2019 to 30 November 2019

	Part Year 2020 $'000	Full Year 2019 $'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Operating grants from government	12,456	24,979
Capital Grants from government	23	1,777
Other capital receipts including capital donations	-	173
Patient and resident fees received	1,268	2,921
Donations and bequests received	11	20
GST received from ATO	29	26
Interest and investment income received	67	233
Property income received	82	241
Other receipts	767	806
Total Receipts	**14,703**	**31,176**
Employee expenses paid	(9,990)	(22,337)
Non salary labour costs	(301)	(1,273)
Payments for supplies & consumables	(1,056)	(2,685)
Payments for medical indemnity insurance	(13)	(29)
Payments for repairs and maintenance	(185)	(394)
Cash outflow for leases	(53)	-
Other payments	(1,116)	(2,339)
Total Payments	**(12,714)**	**(29,057)**
NET CASH FLOW FROM OPERATING ACTIVITIES	**1,989**	**2,119**
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of non-financial assets		
Purchase of non-financial assets	(638)	(1,070)
Proceeds from disposal of non-financial assets	-	11
NET CASH FLOWS (USED IN) INVESTING ACTIVITIES	**(638)**	**(1,059)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of borrowings	-	(180)
Receipt of accommodation deposits	1,696	5,251
Repayment of accommodation deposits	(1,053)	(3,989)
NET CASH FLOW FROM FINANCING ACTIVITIES	**643**	**1,082**
NET INCREASE IN CASH AND CASH EQUIVALENTS HELD	**1,994**	**2,142**
Cash and cash equivalents at beginning of reporting period	**12,003**	**9,861**
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**13,997**	**12,003**

Note 8.12(b) : Financial information of Hepburn Health Service and Kyneton District Health Service

Kyneton District Health Service
Comprehensive Operating Statement
For the Period 01 July 2019 to 30 November 2019

	Part Year 2020 $'000	Full Year 2019 $'000
Income from Transactions		
Operating activities	7,227	14,806
Non-operating activities	19	68
Total Income from Transactions	**7,246**	**14,874**
Expenses from Transactions		
Employee expenses	(4,735)	(10,429)
Supplies and consumables	(650)	(1,548)
Finance costs	(5)	(16)
Depreciation and amortisation	(679)	(1,286)
Administrative and other operating expenses	(792)	(2,646)
Total Expenses from Transactions	**(6,861)**	**(15,925)**
Net Result from Transactions - Net Operating Balance	**385**	**(1,051)**
Other Economic Flows included in Net Result		
Net Gain on sale of non-financial assets	14	40
Other Loss from other economic flows	-	(9)
Total Other Economic Flows Included in Net Result	**14**	**31**
NET RESULT FOR THE PERIOD	**399**	**(1,020)**
Other Comprehensive Income		
Items that will not be reclassified to Net Result		
Changes in property, plant and equipment revaluation surplus	-	6,527
Total Other Comprehensive Income	**-**	**6,527**
COMPREHENSIVE RESULT FOR THE PERIOD	**399**	**5,507**

Note 8.12(b) : Financial information of Hepburn Health Service and Kyneton District Health Service

Kyneton District Health Service
Balance Sheet
As at 30 November 2019

	30 Nov 2019 $'000	30 June 2019 $'000
Current Assets		
Cash and cash equivalents	3,229	3,315
Receivables	161	482
Inventories	10	10
Other financial assets	-	163
Other assets	228	260
Total Current Assets	**3,628**	**4,230**
Non-Current Assets		
Receivables	582	471
Property, plant and equipment	29,272	29,626
Intangible assets	20	23
Total Non-Current Assets	**29,874**	**30,120**
TOTAL ASSETS	**33,502**	**34,350**
Current Liabilities		
Payables	850	1,822
Borrowings	190	351
Provisions	2,517	2,314
Other liabilities	-	510
Total Current Liabilities	**3,557**	**4,997**
Non-Current Liabilities		
Borrowings	369	93
Provisions	194	277
Total Non-Current Liabilities	**563**	**370**
TOTAL LIABILITIES	**4,120**	**5,367**
NET ASSETS	**29,382**	**28,983**
EQUITY		
Property, plant and equipment revaluation surplus	18,866	18,866
Contributed capital	9,579	9,579
Accumulated surplus	937	538
TOTAL EQUITY	**29,382**	**28,983**

Note 8.12(b) : Financial information of Hepburn Health Service and Kyneton District Health Service

Kyneton District Health Service
Statement of Changes in Equity
For the Period 01 July 2019 to 30 November 2019

	Property, Plant and Equipment Revaluation Surplus	Contributed Capital	Accumulated surplus	Total
	$'000	$'000	$'000	$'000
Balance at 01 July 2019	**18,866**	**9,579**	**538**	**28,983**
Net result for the period	-	-	399	399
Balance at 30 November 2019	**18,866**	**9,579**	**937**	**29,382**

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

Note 8.12(b) : Financial information of Hepburn Health Service and Kyneton District Health Service

Kyneton District Health Service
Cash Flow Statement
For the Period 01 July 2019 to 30 November 2019

	Part Year 2020 $'000	Full Year 2019 $'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Operating grants from government	5,843	11,814
Capital Grants from government	24	165
Patient and resident fees received	357	682
Donations and bequests received	14	32
GST received from/(paid to) ATO	96	(18)
Interest and investment income received	242	68
Other receipts	518	1,654
Total Receipts	**7,094**	**14,397**
Employee expenses paid	(4,301)	(8,978)
Non salary labour costs	(460)	(1,141)
Payments for supplies & consumables	(796)	(1,549)
Cash outflow for leases	(4)	-
Other payments	(1,427)	(1,995)
Total Payments	**(6,988)**	**(13,663)**
NET CASH FLOW FROM OPERATING ACTIVITIES	**106**	**734**
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of non-financial assets		
Purchase of non-financial assets	(283)	(542)
Proceeds from disposal of non-financial assets	-	51
NET CASH FLOWS (USED IN) INVESTING ACTIVITIES	**(283)**	**(491)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from borrowings	91	-
Repayment of borrowings	-	(270)
NET CASH FLOW FROM (USED IN) FINANCING ACTIVITIES	**91**	**(270)**
NET INCREASE IN CASH AND CASH EQUIVALENTS HELD	**(86)**	**(27)**
Cash and cash equivalents at beginning of reporting period	**3,315**	**3,342**
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**3,229**	**3,315**

Central Highlands Rural Health

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